



MURRAY STATE UNIVERSITY
Office of the President

January 9, 2024

Senator Rick Girdler, Co-Chair
Representative Deanna Frazier Gordon, Co-Chair
Capital Projects and Bond Oversight Committee
Legislative Research Commission
Capitol Annex Building – Room 136
702 Capitol Avenue
Frankfort, KY 40601

Dear Senator Girdler, Representative Frazier Gordon and Members of the Capital Projects and Bond Oversight Committee:

Pursuant to KRS §56.823, this is to report a lease for Murray State University. The University, after careful consideration, determined that this lease was in the best interests of Murray State and our residential students.

The lease covers the rental of 32 bedrooms and 32 bathrooms in a complex adjacent to campus to assist with housing overflow for the Fall 2023 and Spring 2024 semesters. The effective date of the lease was August 11, 2023, with an expiration date of July 31, 2024. The total rental costs for this period will not exceed \$190,944. As far as utility costs, the University is responsible for the electric charges for these units.

If you have any additional questions regarding this lease, please contact me at (270) 809-3763.

Sincerely,

Robert L (Bob) Jackson, Ed.D.
President

cc: Jackie Dudley – Senior Vice President for Finance and Administrative Services
Jordan Smith – Executive Director of Governmental and Institutional Relations
Katherine Halloran – Committee Staff Administrator, Capital Projects and Bond Oversight Committee



MURRAY STATE UNIVERSITY

Report to Capital Projects and Bond Oversight Committee

Lease with Annual Rental Exceeding \$100,000

Lease number: _____

County: Calloway

Lessee: Murray State University

Lessor: Up Campus Management, LLC

Property location: 1515 Lowes Drive, Murray, Kentucky 42071

Check one: new lease renewal addendum

Type of space: Residential

Total square feet being leased: 10,088

Cost per square foot: \$17.47

Annual cost: \$176,256 plus approximately \$20,000 for utilities

Refundable deposit: \$14,688

Average square foot cost of state leased cost in county: These rates are comparable for other similar facilities in our community.

Includes utilities: yes no

Cancellation clause: yes no only a 12-month lease

If yes, explain terms: N/A

If no, explain why not: The lease ends on July 31, 2024

Effective date: August 11, 2023

Expiration date: July 31, 2024

Justification for lease: Space is needed for overflow residential living facilities for Murray State's students for the 2023-24 academic year. The lease is for 32 beds. This was to ensure adequate housing for our students. The location of the complex is adjacent to campus, providing greater accessibility for our students.

Statements as to whether Murray State University complied with statutory requirements: (if not in compliance, explain why) Murray State University rarely enters into a lease for space as a tenant and was not clear on the \$100,000 filing requirement. The University is in compliance with statutory requirements.

Explanation of why Murray State University chose this lessor over the competition: An RFP was not practical due to proximity of this property to the campus. It is the only complex near and within walking distance of the campus. Due to the proximity to campus and the availability of space, it was determined to be in the best interests of the University and the Commonwealth of Kentucky to enter into the lease agreement.

January 10, 2024

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

RE: Lease – University of Louisville Real Estate Foundation, LLC – Cardinal Station

Dear Senator Girdler and Representative Gordon:

In accordance with provisions of KRS 56.823, I am writing to report a proposed lease. The lease is with University of Louisville Real Estate Foundation, Inc. for office space to accommodate the University of Louisville Advancement Department. I am providing the required information in the attached lease agreement.

The lease will provide 8,000 square feet for office space. The lease will begin on February 1, 2024 and expire on December 31, 2028 unless terminated sooner. Base rent for the first year is \$177,600.

Please contact Bobbi Carlton at 852-0205, if you have any questions regarding the lease. Thank you for your continued support.

Sincerely,



Meg Campbell
Assistant Vice President
Planning, Design and Construction

cc: Dan Durbin
Brent Pieper

UNIVERSITY OF LOUISVILLE
Office Lease
Report to the Capital Projects and Bond Oversight Committee

KRS 56.823(2)

(a) The name of the agency that will occupy the premises.

University of Louisville Advancement Department

(b) The name of the lessor

University of Louisville Real Estate Foundation, LLC

(c) The terms of the lease

Initial Term: 5 years

Annual Rent: \$177,600 includes renovations

Total Square Footage Leased: 8,000

(d) The reason for the lease

The space use is for office space at Cardinal Station

(e) The copy of the writing required by KRS 56.803(17)

This is a new lease for office space at \$177,600 annually

(f) A statement as to whether the University of Louisville complied with the requirement established in KRS 56.800 to 56.823 and KRS 43.050, 48.111, and 48.190. If the university has not complied with any requirement, the university shall explain why.

It was determined at the time of the lease that the University has complied with all requirements.

(g) An explanation of why the University of Louisville chose his lessor over his competition

The space provided the necessary square footage and location to accommodate the needs of the departments.

(h) A cost comparison between the cost per square foot of the leased space and the average cost per square foot of comparable space the state leases in the same country. If there are factors which make the comparison misleading, the cabinet shall inform the committee of these factors.

Office space rates are typically \$15-\$22/sf in that area. The rates for office spaces located in this area do not include monthly CAM charges.

**LEASE AGREEMENT
ADVANCEMENT**

1.1 BASIC LEASE PROVISIONS AND DEFINITIONS.

A. Date:	December 1, 2023
B. Landlord:	UNIVERSITY OF LOUISVILLE REAL ESTATE FOUNDATION, INC., a Kentucky nonprofit corporation
C. Address of Landlord:	University of Louisville Real Estate Foundation, Inc. 215 Central Avenue, Suite 212 Louisville, Kentucky 40208 Attention: Keith Sherman
D. Tenant:	University of Louisville
E. Address of Tenant:	2301 S Third Street Louisville, KY 40208
F. Address of Tenant at the Premises:	University of Louisville Department of Advancement 215 Central Avenue, Suite 304 Louisville, KY 40208
G. Property:	The property is located at 215 Central Avenue and is legally described on Exhibit A , attached hereto
H. Rentable Square Footage:	8,000 square feet
I. Premises or Building:	7,400 rentable square feet within the building located on the Property, as more particularly depicted on Exhibit B attached hereto
J. Original Term:	Five (5) years, commencing on the Rent Commencement Date and ending on the Expiration Date
K. Option to Extend Term:	2, five-year options
L. Delivery Date:	
M. Rent Commencement Date:	
N. Expiration Date:	December 31, 2028
O. Tenant's Pro Rata Share:	Not applicable

P. Base Rent: (\$19/SF)			
<u>Lease Years</u> 1-5 (including amortized T/I of \$3.20/sq.)	<u>Rate / SF</u> \$ 22.20	<u>Monthly Base Rent</u> \$ 14,800	<u>Annual Base Rent</u> \$177,600
Q. Permitted Use		For general office use and any and all lawful purposes incidental thereto, subject to compliance with governmental laws, rules, and regulations and subject to compliance with environmental and other covenants herein	
R. Security Deposit:		N/A	
S. Broker:		None	
T. Signage		Signage Criteria are detailed in Section 3.1	
U. Lease Year		Each twelve (12) month period commencing on the Rent Commencement Date or any anniversary thereof is referred to in this Lease as a "Lease Year;" provided that, if the Rent Commencement Date is other than the first day of a calendar month, then the first Lease Year shall include such partial month together with the next succeeding twelve (12) months, and each succeeding Lease Year shall begin on the first day of the calendar month that corresponds to the month following the Rent Commencement Date. Base Rent increases, if applicable, shall occur on the first day of the appropriate Lease Year	

1.2. Significance of Basic Lease Provisions and Definitions. Each reference in this Lease to any of the Basic Lease Provisions and Definitions contained in Section 1.1 hereinabove shall be deemed and construed to incorporate all of the terms provided for each Basic Lease Provision and Definition.

1.3. Enumeration of Exhibits. The exhibits enumerated below and attached to this Lease are hereby incorporated into this Lease and shall be construed as a part hereof.

- Exhibit A** Legal Description
- Exhibit B** Premises
- Exhibit C** Description of Landlord's Work
- Exhibit D** Intentionally Omitted

II.

PREMISES AND TERM

2.1. Premises. Landlord hereby leases to Tenant, and Tenant hereby leases from Landlord, the exclusive use of the Premises, together with the use and benefit of all of Landlord's appurtenant rights,

privileges and easements pertaining to the Property, including, without limitation, the right of access, ingress and egress to and from a public roadway, subject to the terms, conditions and covenants of this Lease. The Premises shall consist of the premises located at the Property, as legally described on Exhibit A, and as more fully described in Section 1.1(G) hereinabove. The Rentable Square Footage of the Premises is set forth in Section 1.1(H) hereinabove.

2.2. Delivery of Premises. Landlord will deliver possession of the Premises to Tenant, in its current AS IS condition, but subject to the requirements set forth in this Lease. Landlord warrants that on the Delivery Date, the Premises, including the heating and air conditioning system, plumbing, hot water heater and electrical systems on the Premises will be in good working order, and that the roof will be in good condition and free of leaks. If Landlord is unable for any reason to deliver the Premises to Tenant on the Delivery Date, Landlord shall not be subject to any liability as a result thereof, and such failure shall not affect the validity of this Lease or the obligations of Tenant hereunder, except that the Rent Commencement Date shall be delayed two (2) days for each day that Tenant's possession of the Premises is delayed. Further, in the event the delay described in the preceding sentence is greater than ninety (90) days, then Tenant shall have the right, upon ten (10) days written notice to Landlord, to terminate this Lease, in which event this Lease shall be terminated effective upon the date set forth in said notice, and neither party shall have any further obligation to the other.

2.3. Original Term. The Original Term of this Lease shall be the period set forth in Section 1.1(J) hereinabove.

2.4. Option to Extend the Original Term. Intentionally omitted.

2.5. Term. The Original Term and the Extended Term, if any, are herein collectively referred to the "Term."

2.6. Parking. Tenant shall have a nonexclusive right to use parking spaces adjacent to the Property, for use by Tenant, its employees, and invitees.

2.7. Tenant Improvements. Landlord has expended \$130,000 in improving the Tenant's suite. These improvements, including change orders, have been at the request, direction of, and approval of Tenant's design team (including consultant and project management fees), permitting and construction of Tenant's improvements which are affixed to the Premises (collectively, the "Tenant Improvements"). In no event shall Landlord be obligated to make disbursements pursuant to this agreement in a total amount which exceeds the Tenant Improvement Allowance. Tenant shall have no claim for any Tenant Improvement Allowance, and Landlord shall have no obligation to reimburse Tenant for any Tenant Improvement costs, that have not been requested within (10) months after the Delivery Date.

Landlord's Work. Landlord, at its sole cost and expense, shall complete the work described in Exhibit C attached hereto (the "Landlord's Work"). All work shall be completed by a competent professional and with contractor grade materials. Landlord represents and warrants to Tenant that the Landlord's Work shall be: (i) undertaken promptly and diligently performed in a good and workmanlike manner; (ii) constructed or performed in accordance with the Exhibit C and all applicable legal requirements; and (iii) free from any mechanics' or materialmen's liens. Landlord shall use its best efforts to not unreasonably interfere with Tenant's use of the Premises during performance of Landlord's Work. **LANDLORD SHALL INDEMNIFY, DEFEND AND HOLD TENANT AND TENANT'S MEMBERS, PARTNERS, MANAGERS, AGENTS, REPRESENTATIVES, AFFILIATES, SUCCESSORS AND ASSIGNS HARMLESS FROM AND AGAINST ALL SUITS, ACTIONS, DAMAGES, LIABILITIES, CLAIMS, COSTS**

AND EXPENSES (INCLUDING REASONABLE ATTORNEYS' FEES AND COURT COSTS) ARISING FROM: (A) DEFECTS IN MATERIAL OR WORKMANSHIP IN THE CONSTRUCTION OF THE LANDLORD'S WORK; (B) THE NEGLIGENCE OF LANDLORD AND LANDLORD'S CONTRACTORS, EMPLOYEES, MEMBERS, PARTNERS, MANAGERS, AGENTS, REPRESENTATIVES, AFFILIATES, SUCCESSORS AND ASSIGNS IN CONNECTION WITH THE LANDLORD'S WORK.

Landlord shall use its best efforts to obtain all customary warranties from contractors with respect to Landlord's Work and to enforce such warranties on Tenant's behalf.

III.
Signage

3.1. Signage. Prior to installing any signage at the Property, Tenant shall first obtain Landlord's prior written consent, not to be unreasonably withheld, conditioned, or delayed. Any signage installed by Tenant shall be subject to obtaining governmental approval therefor and installed in accordance with applicable laws. Tenant, at its sole cost and expense, shall be responsible for maintaining and repairing its signage.

IV.
RENT

4.1. Rent. Throughout the Term of this Lease, Tenant shall pay Base Rent to Landlord (in the amount specified in Section 1.1(P) as rent for the Premises. Base Rent shall be paid in advance on or before the first day of each calendar month of the Term. Base Rent will be paid to Landlord, without notice or demand, and without deduction or offset (except as otherwise provided herein), in lawful money of the United States of America at Landlord's address, or to such other address or person or entity as Landlord may from time to time designate in writing. Base Rent and any additional sums due Landlord hereunder are sometimes hereinafter collectively referred to as "Rent."

4.2 Rent Penalty. If this lease is canceled before the end of the Term, the Tenant shall pay a Rent Penalty to the Landlord equal to the remaining amount of unamortized expenses related to any renovations completed in the Premises. For the purposes of this agreement, the amount of unamortized expenses on the Rent Commencement Date totals \$130,000 and is reduced by twenty percent (20%) or \$26,000 annually during the Term.

V.
INTENTIONALLY OMITTED

VI.
TAXES

6.1. Real Estate Taxes. Landlord and Tenant agree and acknowledge that Landlord's real property is currently exempt from the payment of Kentucky ad valorem real estate taxes. In the event the Premises and/or the Property become no longer exempt, Tenant shall pay to Landlord before delinquency the amount of ad valorem real estate taxes and assessments assessed against or otherwise attributable to the Premises as reasonably determined by Landlord ("Taxes").

6.2. Other Taxes. Tenant will pay promptly when due all personal property taxes on Tenant's personal property in the Premises, if applicable, and assessments, and license, sales, business, occupation

or other taxes, fees or charges levied assessed or imposed upon Tenant’s use or operations on the Premises or on its personal property, fixtures, or improvements located on the Premises.

VII.
UTILITY SERVICES; BUILDING SYSTEMS

7.1. Utilities. Landlord, at Landlord’s sole cost and expense, shall be solely responsible for all charges for heat, air conditioning, sewer, water, gas, electricity, or any other utility services to the Premises, and Landlord shall provide for such services to be provided to the Building.

Except if caused by the negligence or willful misconduct of Landlord, its agents, employees or anyone claiming by, through or under them (in which case Tenant shall be entitled to abatement of all Rent due hereunder during the period of any interruption of service), Landlord shall not be liable for, and Tenant shall not be entitled to, an abatement of rent in the event of any interruption in the supply of any utility or related service, and the same shall not be construed as an actual or constructive eviction of Tenant.

The following schedule sets forth a summary of the maintenance responsibilities of the respective parties, subject to the payment and other obligations as more fully described in the Lease; including but not limited to paragraph 7.2 and 8.1. Please check “N/A” for Not Applicable where services are not the responsibility of either party, or are not required within the Premises.

Utility and/or Service Responsibility	<u>Tenant Responsible</u> <i>[Check box if Tenant Responsible for transfer and payment of utilities /service directly]</i>	<u>Landlord Responsible</u> <i>[Check box if Landlord Responsible for transfer and payment of utilities /service directly]</i>	N/A
Electricity	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Gas	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Janitorial Services	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Window Cleaning	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Phones/Internet Services	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Snow/Ice Removal, Salting	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Landscaping Services	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Fire Alarm & Sprinkler System	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Water	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Sewer	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Trash [Refuse]/Dumpster	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Security Alarm Maintenance	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
HVAC Maintenance	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
HVAC Repair/Replacement	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

7.2. Mechanical Systems. Landlord shall tender initial possession of the Premises with all mechanical systems, including, but not limited to HVAC, electrical and plumbing in good working order.

Landlord shall procure and keep in force during the Term of this Lease at Landlord's sole cost and expense, a contract with a reputable HVAC contractor providing for the routine servicing and maintenance of the HVAC system on the Premises. Any repair or replacement of the HVAC system shall be at the sole cost of Landlord, and Landlord covenants to repair or replace, as applicable, the HVAC system in a reasonable and timely manner.

VIII. **LANDLORD'S OBLIGATIONS**

8.1. *Repairs by Landlord.* Landlord, at Landlord's sole cost and expense, shall keep all structural elements, roof, foundation, and exterior walls (including exterior doors and windows) of the Premises, in good order, repair and condition, and otherwise in accordance with applicable laws. Landlord shall further be responsible, at its sole cost and expense, for any and all repairs or replacements necessitated by Landlord's (or its agents', employees', or contractors') negligence or willful misconduct. Except for these enumerated responsibilities and Landlord's obligations set forth in Section 7.2 above, Landlord shall not be obligated to make repairs, replacements, or improvements of any kind upon the Premises or to any equipment or fixtures installed by Tenant which shall be the sole responsibility of Tenant as provided in this Lease. In the event (i) Landlord fails to promptly perform the maintenance and/or repairs required of Landlord herein or (ii) of an emergency situation (or dangerous condition or situation which might materially interfere with Tenant's business operations), Tenant may immediately perform such maintenance and/or repairs (and in the event of an emergency, Tenant shall deliver notification to Landlord of the emergency) and any costs expended by Tenant may be deducted from Base Rent hereafter due hereunder upon reasonable proof thereof unless otherwise reimbursed by Landlord.

8.2. *Quiet Enjoyment.* Landlord covenants that Tenant, on paying the Rent and performing and observing the covenants and agreements herein contained and provided to be performed by Tenant, shall and may peaceably and quietly have, hold, occupy, use and enjoy the Premises during the Term and may exercise all of its rights hereunder, subject only to the provisions of this Lease and applicable governmental laws, rules and regulations. Landlord agrees to warrant and forever defend Tenant's right to such occupancy, use and enjoyment and the title to the Premises against the claims of any and all persons whomsoever lawfully claiming the same, or any part thereof, by, through or under Landlord, but not otherwise, subject only to provisions of this Lease and all applicable governmental laws, rules and regulations.

8.3. *Hazardous Materials.* Tenant shall not cause or permit any Hazardous Materials to be spilled or released in, on, under, or about the Premises or the Property (including through the plumbing or sanitary sewer system) and shall promptly, at Tenant's expense, comply with all applicable Environmental Requirements and take all investigatory and/or remedial action required for the cleanup of any contamination of, and for the maintenance, security and/or monitoring of the Premises or the Property or neighboring properties, that was caused or materially contributed to by Tenant, or pertaining to or involving any Hazardous Materials brought onto the Premises or the Property during the term of this Lease, by or for Tenant, or its agents, contractors, or invitees; provided, however, that if any Hazardous Materials are brought onto the Premises or the Property during the Term of the Lease by Landlord or were present on, under, or about the Premises or Property prior to the Tenant's occupation of the Premises, the costs of any cleanup or other remedial action shall be at the sole expense of Landlord. The term "**Environmental Requirements**" means all applicable present and future statutes, regulations, ordinances, rules, codes, judgments, orders or other similar enactments of any governmental authority or agency regulating or relating to health, safety, or environmental conditions on, under, or about the Premises or the environment, including without limitation, the following: the Comprehensive

Environmental Response, Compensation and Liability Act; the Resource Conservation and Recovery Act; and all state and local counterparts thereto, and any regulations or policies promulgated or issued thereunder. The term “**Hazardous Materials**” means and includes any substance, material, waste, pollutant, or contaminant listed or defined as hazardous or toxic, under any Environmental Requirements, asbestos and petroleum, including crude oil or any fraction thereof, natural gas liquids, liquefied natural gas, or synthetic gas usable for fuel (or mixtures of natural gas and such synthetic gas)..

8.5. Tenant Indemnification. To the extent permitted by Kentucky Law, Tenant shall indemnify, defend and hold Landlord, its agents, employees, lenders and ground lessor, if any, harmless from and against any and all loss of rents and/or damages, liabilities, judgments, claims, expenses, penalties, and attorneys' and consultants' fees arising out of or involving any Hazardous Materials brought onto the Premises or the Property by or for Tenant, or its agents, contractors, or invitees (provided, however, that Tenant shall have no liability under this Lease with respect to underground migration of any Hazardous Materials under the Premises from adjacent properties not caused or contributed to by Tenant or for any Hazardous Materials that were brought onto the Property or Premises by Landlord or were present prior to Tenant's occupation of the Premises). Tenant's obligations shall include, but not be limited to, the effects of any contamination or injury to person, property or the environment created or suffered by Tenant, and the cost of investigation, removal, remediation, restoration and/or abatement, and shall survive the expiration or termination of this Lease. No termination, cancellation or release agreement entered into by Tenant shall release Tenant from its obligations under this Lease with respect to Hazardous Materials, unless specifically so agreed by Landlord in writing at the time of such agreement.

IX.

TENANT'S ADDITIONAL COVENANTS

9.1. Affirmative Covenants. Tenant covenants and agrees, at its sole cost and expense, at all times during the Term, and at such other times as Tenant occupies or is present on the Premises or any part thereof (including, without limitation, Tenant's presence prior to the Rent Commencement Date for performing Tenant's Work or installing Tenant's trade fixtures and equipment or during any holdover period following the expiration of the Term) as follows:

(a) **Performance.** To promptly and reasonably perform all of the material obligations of Tenant set forth in this Lease, including, but not limited to, paying when due all Base Rent.

(b) **Maintenance.** Except for repairs which Landlord is required to perform under Section 7.2 or 8.1 hereinabove, Tenant shall keep the Premises and the Property clean, neat and safe and in good order, repair and condition. If, in an emergency, it shall become necessary to promptly make any repairs or replacements required to be made by Tenant, and only if Tenant shall not be undertaking to make such repair or replacement, Landlord may enter the Premises and proceed to make such repairs or replacements and pay the reasonable cost thereof. Tenant shall reimburse Landlord for the reasonable cost thereof within thirty (30) days following Landlord's delivery of a bill therefor to Tenant.

(c) **Indemnity.** To the extent permitted by Kentucky Law, to defend, indemnify and hold Landlord and its managers, members, partners, shareholders, directors, officers, employees, contractors or agents, as the case may be, harmless from all claims, liability, injury, loss, cost, and damage with respect to any injury to, or death of, any person, or damage, theft or destruction of any property of any third party, occasioned by any act or omission of Tenant, Tenant's agents, employees, contractors, sublessees, assignees, concessionaires, licensees, invitees or guests or any other person or entity claiming by, through or under Tenant relating to Tenant's use of the Premises or the Property. Notwithstanding anything to the

contrary contained hereinabove, the indemnification and hold harmless obligation under this provision shall not apply to any damages or liability arising from Landlord's negligence or willful misconduct or that of its agents, employees or anyone claiming by, through or under them. Any liability of the Tenant to Landlord is limited to and as specified, shall be in accordance with Kentucky Revised Statutes KRS 49.010 through 49.180 – by the powers and authority vested in the Kentucky Claims Commission - and KRS 45A.225 through 45A.275 (Contract Claims). Landlord shall defend, indemnify and hold harmless the Tenant, its trustees, officers, employees and agents from and against all losses and expenses (including reasonable cost of attorney's fees) by reason of liability imposed by law upon the Tenant for damages because of bodily injury, including death, personal injury, including data loss at any time resulting there from, sustained by any person or persons including the Tenant's employees, or on account of damage to property, including loss of use thereof, arising out of or in consequence of the negligent or intentional action or omission, or willful misconduct of the Landlord, provided however, that nothing contained herein shall require the Landlord to indemnify the Tenant for such injuries to persons or damage to property arising out of, or in consequence to the negligent action or omission or willful misconduct of the Tenant, its officers, employees and agents. The foregoing covenants shall survive the expiration or earlier termination of this Lease.

(d) **Insurance.** Tenant shall procure and maintain the following policies of insurance, at Tenant's own cost and expense:

1. Property Insurance covering all contents and Tenant's trade fixtures, machinery, equipment, furniture, and furnishings in the Tenant's space to the extent of one hundred percent (100%) of their replacement cost under Standard Fire and Extended Coverage Policy and all other risks of direct physical loss as insured under Special Form ("all risk") coverage.

2. Workers' Compensation Insurance covering all costs, statutory benefits and liabilities under state workers' compensation and similar laws for employees of Tenant and Employer's Liability Insurance with limits of not less than \$500,000.00 per accident or disease and \$500,000 aggregate by disease, or such greater amounts as statutorily required of Tenant.

3. Commercial general liability insurance, naming Landlord as additional insureds with respect to Tenant's use and occupancy, providing a coverage limit of ONE MILLION DOLLARS (\$1,000,000.00) per occurrence for any and all claims and liabilities arising out of bodily injuries to or the death of any persons in the or for personal property damage therein (except to the extent caused solely by the negligence or willful act of Landlord or its agents, contractors, or employees). This requirement may be combined with an Excess Liability and or Umbrella Liability policy.

4. Tenant agrees to deliver to Landlord certificates of insurance evidencing the continuing existence in force of the policies of insurance required herein, and the policies of insurance and certificates of insurance shall contain a provision requiring thirty (30) days' notice be given to Landlord by the insurer prior to any cancellation, modification or amendment of the coverages therein. Upon request of Landlord, a copy of each policy of insurance shall be delivered to Landlord.

5. To the extent permitted by law, Tenant and Landlord hereby waive and release any and all right of recovery against the other, including employees and agents, arising during the Term for any and all loss (including loss of rental) or damage to the property, which loss or damage arises from any type of peril which is covered or could be covered by a Special Form Policy. This mutual waiver is in addition to any other waiver or release contained in this Lease. Notwithstanding the foregoing, the parties acknowledge and agree that such waiver shall not apply to any property owned by the Commonwealth of Kentucky.

(e) **Access.** To permit Landlord, its mortgagees or their respective employees, agents and contractors, to enter the Premises at reasonable times and upon reasonable prior notice which, for purposes of this Section 9.1(e) shall be no less than forty-eight (48) hours prior notice (except, in case of an emergency, at any time) for the purpose of inspecting the Premises, or making repairs, additions or alterations thereto. Notice shall be provided to the Vice President of Advancement. In so doing, Landlord shall make all reasonable efforts to avoid any material interference with or disruption of Tenant's business or its use and enjoyment of the Premises.

(f) **Removal of Equipment upon Expiration of Term.** To remove, at Tenant's sole cost and expense, at the expiration or earlier termination of this Lease, all of Tenant's goods and effects which are not permanently affixed to the Premises, and if reasonably practical, and if identified by Landlord at the time Tenant makes an alteration or addition to the Premises that same shall be removable by Tenant, all of the alterations and additions made by Tenant, as Landlord may request; to repair any damage caused by such removals; to deliver all keys for and all combinations on all locks, safes and vaults in the Premises to Landlord; and to peaceably yield up the Premises and all alterations, additions, carpeting and other floor coverings (except such as Landlord has requested Tenant to remove) and all decorations, fixtures, furnishings, partitions, heating, ventilating and cooling equipment and other equipment, which are permanently affixed to the Premises, which (if not then the property of Landlord) shall thereupon become the property of Landlord without any payment to Tenant, in clean and good order, repair and condition, damage by fire or other casualty and reasonable and ordinary wear and tear excepted. Any personal property of Tenant not removed within ten (10) days following such expiration or termination shall, at Landlord's option, become the property of Landlord without payment to Tenant. Tenant waives all rights to notice and all common law and statutory claims and causes of action against Landlord subsequent to such ten (10) day period. The foregoing covenant shall survive the expiration or earlier termination of this Lease.

(g) **Notice.** To give Landlord reasonably prompt written notice of any material accident, casualty, damage or other similar occurrence in or to the Premises or the Property of which Tenant has knowledge.

X.

DAMAGE OR TAKING AND RESTORATION

10.1. *Fire, Explosion or Other Casualty.*

(a) **Destruction.** If a fire, explosion or other casualty damages the Premises by fifty percent (50%) or less of its replacement cost, then Landlord shall repair the damage to the Premises, if any, caused by such casualty within ninety (90) days after insurance proceeds are available therefore; provided that such ninety (90) day period shall be extended as long as Landlord is diligently prosecuting such work; provided, however, if Landlord has failed to repair any damage to the Premises within one hundred twenty (120) days following the date of such casualty, then Tenant may elect to terminate this Lease by giving Landlord written notice thereof not later than substantial completion by Landlord of the repairs to the Premises necessitated by such casualty, in which case this Lease shall terminate as of the date such notice is sent. If a fire, explosion or other casualty damages the Premises by more than fifty percent (50%) of its replacement cost, then either Landlord or Tenant may elect to terminate this Lease by giving the other written notice thereof not later than ninety (90) days following the date of casualty, in which case this Lease shall terminate as of the fifteenth day (15th) day following the date such notice is sent.

(b) **Abatement.** If a casualty renders the Premises wholly or substantially untenable, or access to the Premises unavailable, and the casualty shall not have been due, in whole or in part, to the default or neglect of Tenant, a proportionate abatement of Monthly Base Rent shall be allowed from the date when the damage occurred until the earlier to occur of (i) the date on which Landlord substantially completes its repair of the Premises (punch list items excepted) pursuant to this Section, or (ii) the effective date of the termination of this Lease by Landlord or Tenant pursuant to this Section. If a casualty occurs damaging the Premises and this Lease is not terminated, Landlord shall repair or replace the damage to the Premises, and Tenant's shall replace its stock-in-trade, fixtures, furniture, furnishings, floor coverings and equipment and, if Tenant has closed, Tenant shall reopen for business as soon as reasonably practicable after Landlord's completion of its repair of the Premises.

(c) **Right to Terminate.** If the Premises are damaged by a casualty, and such casualty was not due, in whole or in part, to the default or neglect of Tenant, and Landlord fails to substantially complete its repair of the Premises (punch list items excepted) within the period provided for such repair in subsection (a) hereinabove, then Tenant may elect to terminate this Lease by giving Landlord written notice after such period, but prior to Landlord's substantial completion of its repair of the Premises, in which case this Lease shall terminate as of the date Tenant serves such notice.

10.2. Eminent Domain.

(a) **Complete Taking.** If all of the Premises is taken by any public authority by the exercise, or under the threat of the exercise, of the power of eminent domain (collectively, a "Condemnation"), this Lease shall terminate as of the date the right to possession is taken.

(b) **Partial Taking.** If more than twenty-five percent (25%) of the total area of the Building is taken by Condemnation, Landlord or Tenant may elect to terminate this Lease by giving notice thereof to the other party within 30 days of such Condemnation, said termination to be effective as of the date the right to possession of such portion of the Building or Premises is taken. In the event the Lease is not terminated following a Condemnation (either because the Condemnation falls below the 25% threshold or because the parties elect not to terminate), a proportionate abatement of Monthly Base Rent shall be allowed from the date of such Condemnation for the remainder of the Term.

(c) **Compensation.** All compensation awarded for any taking under the power of eminent domain, whether for the whole or a part of the Premises, shall be the property of Landlord and Tenant hereby assigns to Landlord all of Tenant's right, title and interest in and to any and all such compensation; provided, however, that Tenant shall be entitled to any award which is specifically designated by the condemning authority as a tenant's award, and in the absence of one, Tenant may seek a separate award in a separate action for Tenant's personal property, moving expenses and lost business, and Landlord shall cooperate with Tenant with regard thereto. Tenant agrees to execute such instruments of assignment as may reasonably be required by Landlord, to join with Landlord in any petition for the recovery of damages, if requested by Landlord, and, except as otherwise specifically provided hereinabove, to turn over to Landlord any such damages that may be recovered in any such proceeding.

XI. DEFAULT AND REMEDIES

11.1. Defaults by Tenant. Subject to 11.2 below, without further notice, Landlord may, at its option, exercise any of the remedies for breach of this Lease provided herein or provided at law, in equity or by statute, if any of the following events ("Event of Default") occurs: (a) if Tenant (i) fails to pay Base Rent, or any other sum which Tenant is obligated to pay by any provision of this Lease, when and as it is

due and payable hereunder and without demand therefor, or (ii) in any respect violates any of the material terms, conditions or covenants set forth in the provisions of this Lease; or (b) if Tenant (i) applies for or consents to the appointment of a receiver, trustee or liquidator of Tenant or of all or a substantial part of its assets, (ii) files a voluntary petition in bankruptcy or admits in writing its inability to pay its debts as they come due, (iii) makes an assignment for the benefit of its creditors, (iv) files a petition or an answer seeking a reorganization or an arrangement with creditors, or seeks to take advantage of any insolvency law, (v) performs any other act of bankruptcy, or (vi) files an answer admitting the material allegations of a reorganization insolvency proceeding; or (c) if an order of relief or other order, judgment or decree is entered by any court of competent jurisdiction adjudicating Tenant as insolvent, or otherwise entitled to the protection of or subject to any bankruptcy statute, approving a petition seeking such a reorganization, or appointing a receiver, trustee or liquidator of Tenant or otherwise commence with respect to Tenant or any of its assets any proceeding under any bankruptcy, reorganization, arrangement, insolvency, readjustment, receivership or similar law, and if such order, judgment, decree or proceeding continues unstayed for more than sixty (60) consecutive days after the expiration of any stay thereof.

11.2 Notice; Grace Period. Upon the occurrence of an Event of Default Tenant shall not be deemed to be in default, and Landlord shall not exercise any right or remedy which it holds under any provision of this Lease or under applicable law until (a) Landlord has given written notice thereof to Tenant, and (b) Tenant has failed, (i) if such Event of Default consists of the failure to pay money, within ten (10) calendar days after the date Tenant receives notice to pay all of such money, together with interest thereon and any late charge that is due, or (ii) if such Event of Default consists of something other than the failure to pay money, within thirty (30) days thereafter to commence actively, diligently and in good faith to proceed to cure such Event of Default and to continue to do so until it is fully cured; provided however, if Tenant commences to cure such default during such thirty (30) day period, and such default cannot be cured within such period despite diligent effort, Tenant shall be afforded such additional time as may reasonably be required to affect a cure provided that Tenant continues to diligently pursue such cure. Any notice date which falls on a weekend or holiday shall be deemed to fall on the next business day. No notice of default shall be required of Landlord, and Tenant shall be entitled to no grace period, more than twice with respect to a monetary default during each calendar year.

11.3 Remedies. Upon the occurrence of an Event of Default and after all applicable cure periods, Landlord, at its option, may terminate this Lease, or without terminating this Lease terminate Tenant's right of possession, and Landlord may pursue any and all other remedies available to it under the laws of the Commonwealth of Kentucky, including, by way of example rather than of limitation, the rights to (a) re-enter and repossess the Premises, with lawful force, and any and all improvements thereon and additions thereto; (b) seek payment of and recover from Tenant all amounts due under the Lease when and as due; (c) relet any or all of the Premises for Tenant's account for any or all of the remainder of the Lease Term, or for a longer term and Tenant agrees to pay the difference between the sum of any unpaid Rent and costs incurred by Landlord and the proceeds, if any, received by Landlord from any reletting of the Premises; and/or (d) recover from Tenant the cost to Landlord of any reasonable fees relating to reletting of the Premises including but not limited to construction costs, brokerage fees, reasonable attorney's fees..

11.4 Cumulative Rights. Landlord's rights and remedies set forth in this Lease are cumulative and in addition to Landlord's other rights and remedies at law or in equity, including those available as a result of any anticipatory breach of this Lease. Landlord's exercise of any such right or remedy shall not prevent the concurrent or subsequent exercise of any other right or remedy. Landlord's delay or failure to exercise or enforce any of Landlord's rights or remedies or Tenant's obligations shall not constitute a waiver of any such rights, remedies or obligations. Landlord shall not be deemed to have waived any default unless such waiver expressly set forth in an instrument signed by Landlord. Any such waiver shall

not be construed as a waiver of any covenant or condition except as to the specific circumstances described in such waiver. Neither Tenant's payment of an amount less than a sum due nor Tenant's endorsement or statement on any check or letter accompanying such payment shall be deemed an accord and satisfaction. Notwithstanding any request or designation by Tenant, Landlord may apply any payment received from Tenant to any payment then due. Landlord may accept the same without prejudice to Landlord's right to recover the balance of such sum or to pursue other remedies. Re-entry and acceptance of keys shall not be considered an acceptance of a surrender of this Lease.

11.5. Interest and Late Charge on Late Payment. Any rent or other charges to be paid hereunder by Tenant which shall not be paid when due shall bear interest at the rate of five percent (5%) per annum, from the tenth (10th) day after the date when the same is due and payable under the terms of this Lease until the same shall be paid (the "Default Rate"). In addition, Tenant shall pay a \$25.00 charge for any checks written to Landlord and returned for insufficient funds.

11.6. Holdover by Tenant. Any holding over by Tenant of the Premises after the expiration or earlier termination of this Lease shall operate and be construed to be a tenancy from month-to-month only, at a rental rate equal to one hundred fifty percent (150%) of the latest applicable Monthly Base Rent. Nothing in this Section shall be construed to give Tenant the right to hold over after the expiration or earlier termination of this Lease, and Landlord may exercise any and all remedies at law or in equity to recover possession of the Premises and hold Tenant liable for direct damages and expenses (to the extent permitted by Kentucky law) incurred by Landlord as a result of Tenant's holdover.

11.7. Landlord's Right to Cure Defaults. Landlord may, but shall not be obligated to, at any time, cure any default by Tenant under this Lease, and whenever Landlord so elects, all reasonable costs and expenses paid by Landlord in curing such default, including, without limitation, reasonable attorneys' fees and expenses shall be immediately due and payable upon demand.

11.8. Defaults by Landlord. The occurrence of any one or more of the following events shall constitute a default and breach of this Lease by Landlord: (a) Landlord's failure to do, observe, keep and perform any of the terms, covenants, conditions, agreements or provisions of this Lease required to be done, observed, kept or performed by Landlord, within thirty (30) days after written notice by Tenant to Landlord of said failure (except when the nature of Landlord's obligation is such that more than thirty (30) days are required for its performance, then Landlord shall not be deemed in default if it commences performance within the thirty (30) day period and thereafter diligently pursues the cure to completion); or (b) the failure of any representation or warranty to be true when deemed given hereunder.

11.9. Effect of Waivers of Default. No consent or waiver by Landlord or Tenant to or of any breach of any term, condition, or covenant of this Lease by the other party shall be construed as a consent or waiver to or of any other breach of the same or any other term, condition or covenant. No payment by Tenant nor receipt by Landlord of a lesser amount than the rent or other charges due hereunder shall be deemed to be other than on account of the earliest unpaid rent or other charges due hereunder, nor shall any endorsement or statement on any check or any letter accompanying any check or payment be deemed an accord and satisfaction, and Landlord shall accept such check for payment without prejudice to Landlord's right to recover the balance of such rent or other charge or pursue any other remedy available to Landlord.

11.10. Remedies Cumulative. No remedy herein or otherwise conferred upon or reserved to Landlord or Tenant shall be considered to exclude or suspend any other remedy, but the same shall be cumulative and shall be in addition to every other remedy given hereunder, or now or hereafter existing at law or in equity or by statute, and every power and remedy given by this Lease to Landlord or Tenant

may be exercised from time to time and so often as occasions may arise or be deemed expedient by Landlord or Tenant.

XII. **ASSIGNMENT AND SUBLETTING**

12.1. *Assignment and Subletting.*

(a) Tenant may not assign, sell, mortgage, pledge, hypothecate or in any other manner transfer or encumber this Lease or any interest therein, in whole or in part, whether by operation of law or otherwise, nor sublet nor permit occupancy by anyone other than Tenant of all or any part of the Premises or the Property, without the prior written consent of Landlord, which consent may be given or withheld by Landlord in its sole discretion. Any such written consent or rejection of Landlord shall be given to Tenant within thirty (30) days of Landlord's receipt of Tenant's written request for such consent. Where Tenant desires to assign or sublet the Premises, or to take any other action prohibited by this Article 12, Tenant shall give Landlord written notice thereof no less than thirty (30) days in advance, and consent may be given or withheld by Landlord in its sole discretion,. Such notice shall set forth the name of the proposed assignee or sublessee, the relevant terms of the proposed assignment or sublease, and current financial statements of the proposed assignee or sublessee. Any assignment or subletting permitted under this Lease or consented to by Landlord shall not release Tenant from any of its obligations and liabilities under this Lease, nor waive the necessity for consent to any subsequent assignment or subletting, unless expressly waived by Landlord in this Lease or in such consent.

(d) In the event the rent collected by Tenant from an assignee or subtenant exceeds the Base Rent due to Landlord by Tenant, Tenant shall pay fifty percent of such excess rent to Landlord (less the total cost Tenant incurs in assigning this Lease or subletting the Premises). In no event shall Tenant encumber or attempt to encumber by leasehold mortgage or otherwise, its leasehold interest created pursuant to this Lease.

XIII. **SUBORDINATION AND ATTORNMENT**

13.1. *Subordination.* Once Tenant has received written notice identifying the name and address of any lender (a "Lender to Landlord") holding a mortgage (a "Mortgage") on the property of which the Premises form a part, Tenant agrees to notify such Lender to Landlord by certified mail, return receipt requested, with postage prepaid, of any default on the part of Landlord under this Lease, and Tenant further agrees that, notwithstanding any provision of this Lease, no cancellation or termination of this Lease and no abatement or reduction of the rent payable hereunder, as a result of such default, shall be effective unless Tenant furnishes written notice of the same to the Lender to Landlord and thereafter the Lender to Landlord, or Landlord, has failed within thirty (30) days after the date the notice bears to cure said default, provided that such period may be extended, if the Lender to Landlord diligently prosecutes such efforts and cure to completion, but for reasons beyond its reasonable control, it could not so cure. It is understood that the Lender to Landlord shall have the right, but not the obligation, to cure any default on the part of Landlord.

In the event that a Lender to Landlord (or any person or entity to whom the Mortgage may subsequently be assigned) notifies Tenant of a default under the Mortgage and demands that Tenant pay its rent and all other sums due under this Lease to such Lender to Landlord, Tenant shall, without being required to verify the accuracy or merits of such demand, honor such demand and pay its rent and all other

charges due under this Lease directly to the Lender to Landlord or as otherwise required pursuant to such notice and shall not thereby incur any obligation or liability to Landlord.

Tenant acknowledges and agrees that this Lease is subordinate to the lien of any Mortgage, but that, at the Lender to Landlord's election, this Lease may be made prior to the lien of any Mortgage, and in the event a Lender to Landlord succeeds to the interests of Landlord under this Lease, then, at the Lender to Landlord's election (i) Tenant shall be bound to the Lender to Landlord under all of the terms, covenants and conditions of this Lease for the remaining balance of the term hereof, with the same force and effect as if the Lender to Landlord were the lessor hereunder, and Tenant does hereby agree to attorn to the Lender to Landlord as its lessor without requiring the execution of any further instruments immediately upon the Lender to Landlord succeeding to the interests of Landlord under this Lease; provided, however, that Tenant agrees to execute and deliver to the Lender to Landlord any instrument reasonably requested by it to evidence such attornment; and (ii) subject to the observance and performance by Tenant of all the terms, conditions and covenants of this Lease on the part of Tenant to be observed and performed, the Lender to Landlord shall recognize the leasehold estate of Tenant under all of the terms and conditions of this Lease for the remaining balance of the Term with the same force and effect as if the Lender to Landlord were the lessor under the Lease.

13.2. Attornment. Upon written request of any Lender to Landlord, Tenant shall agree in writing that (i) no action to foreclose a Mortgage shall terminate this Lease or invalidate or constitute a breach of any of the terms or conditions hereof, (ii) Tenant will attorn to the purchaser at any foreclosure sale or the grantee in any conveyance in lieu of foreclosure as landlord of the Premises, and (iii) Tenant will, upon written request of such purchaser or grantee, execute such instruments as may be necessary or appropriate to evidence such attornment. Any such Lender to Landlord shall forthwith furnish to Tenant, in writing, its acknowledgment and agreement, that as long as Tenant is not in default under this Lease beyond any applicable cure period specified herein, Tenant's right to possession and enjoyment of the Premises shall be and remain undisturbed and unaffected by any foreclosure proceedings under its mortgage or by any purchaser at any foreclosure sale or the grantee in any conveyance in lieu of foreclosure.

13.3. Estoppel Certificate. Intentionally omitted.

XIV. **MISCELLANEOUS PROVISIONS**

14.1. Brokers. Tenant and Landlord each certifies to the other that it has had no dealings with any broker or agent in connection with this Lease. To the extent permitted by Kentucky law, Landlord and Tenant each covenant to pay, hold harmless and indemnify the other from and against any and all cost (including reasonable attorneys' fees and court costs), expense or liability for any compensation, commissions and charges claimed by any other broker or other agent by, through or under such party with respect to this Lease.

14.2. Notices. Any notice or demand from Landlord to Tenant or from Tenant to Landlord shall be in writing and shall be mailed by registered or certified mail, sent by a nationally recognized overnight air courier, or delivered by a licensed messenger, addressed, if to Tenant, to the address set forth in 1.1(E) or such other address as Tenant shall have last designated by written notice to Landlord; and, if to Landlord, to the place then established for the payment of rent, or such other address as Landlord shall have last designated by written notice to Tenant. Notices mailed by registered or certified mail shall be effective three (3) business days after the date of mailing; notices sent by overnight air courier shall be

effective one (1) business day after the date of dispatch, and notices sent by messenger shall be effective when receipted delivery is made.

14.3. *Applicable Law and Construction.* The laws of the State of Kentucky shall govern the validity, performance and enforcement of this Lease. The invalidity or unenforceability of any provision of this Lease (other than those provisions relating to the payment of rent or other charges) shall not affect or impair the validity or enforceability of any other provision of this Lease. The headings of the articles, sections or subsections contained herein are for convenience only and do not define, limit or construe the contents of such articles, section or subsections. Whenever a singular term is used herein, the same shall include the plural. Whenever the masculine gender is used herein, the same shall include the feminine and neuter genders.

14.4. *Time of the Essence.* Time is of the essence with respect to this Lease and every provision hereof.

14.5. *Binding Effect of Lease.* The terms, conditions, covenants, agreements and obligations contained herein, except as otherwise specifically provided, shall extend to, bind and inure to the benefit of the parties hereto and their respective personal representatives, heirs, successors and assigns, subject to the rights of Landlord under other provisions of this Lease. Landlord, at any time and from time to time, may make an assignment of its interest in this Lease and, in the event of such assignment and the assumption by the assignee of the terms, condition and covenants to be performed by Landlord herein arising on or after the date of such assignment, Landlord and its successors and assigns (other than the assignee of this Lease) shall be released from any and all liability hereunder with respect to the terms, conditions, covenants, agreements and obligations to be performed by Landlord after the date of such assignment.

14.6. *Relationship of the Parties.* Nothing contained herein shall be deemed or construed by the parties hereto nor by any third party, as creating the relationship of principal and agent, of partnership, of joint venture, or any other relationship between the parties hereto, other than the relationship of landlord and tenant.

14.7. *Agency or Independent Contractor.* Any service which Landlord is required or elects to furnish under this Lease may be furnished by any agent employed by Landlord or by an independent contractor, and, except as otherwise provided in this Lease, the reasonable cost thereof shall be included in any cost otherwise chargeable to Tenant for such services.

14.8. *Force Majeure.* Neither Landlord nor Tenant shall be deemed to be in default with respect to any obligation to perform any of the terms, conditions or covenants of this Lease if the failure to perform any such obligation is due, in whole or in part, to any strike, lockout, labor dispute (whether legal or illegal and whether such dispute is with Landlord, Tenant or some other person or entity), civil disorder, failure of power, governmental laws and regulations, riots, insurrections, war, freight embargo, severe weather, acts of God, acts caused directly or indirectly by the other party (or such other party's agents, employees, guests or invitees), or any other cause beyond the reasonable control of the party which is obligated to perform. In such event, the time for performance by such party shall be extended by an amount of time equal to the period of the delay so caused.

14.9. *Mutual Waiver of Claims and Subrogation.* Whenever (a) any loss, cost, damage or expense resulting from fire, explosion or any other casualty or occurrence is incurred by either of the parties to this Lease or anyone claiming by, through or under them in connection with the Premises, and (b) such party is then either covered in whole or in part by insurance with respect to such loss, cost, damage

or expense, or required under this Lease to be so insured, then the party so insured (or so required) hereby releases the other party from any liability the other party may have on account of such loss, cost, damage or expense to the extent of any amount recovered by reason of such insurance (or which could have been recovered had insurance been carried as so required) and waives any right of subrogation which might otherwise exist in or accrue to any person on account thereof, provided that such release of liability and waiver of the right of subrogation shall not be operative in any case where the effect is to invalidate such insurance coverage or increase the cost thereof (provided that in the case of increased cost, the other party shall have the right, within thirty (30) days following written notice, to pay such increased cost, thereupon keeping such release and waiver in full force and effect), provided, however, that the parties acknowledge and agree that such waiver shall not apply to any property owned by the Commonwealth of Kentucky. If the party released from liability hereunder is the Landlord, the term "Landlord" for the purpose of this Section only, shall include Landlord's managers, members, partners, shareholders, directors, officers, employees, contractors or agents, as the case may be.

14.10. *Limitation of Liability.* Notwithstanding anything to the contrary contained in this Lease, it is specifically understood and agreed that the liability of Landlord hereunder shall be limited to the interest of Landlord in the Property in the event of a breach by Landlord of any of the terms, conditions or covenants of this Lease to be performed by Landlord, and that no property or assets of Landlord, other than the interest of Landlord in the Property and all rents and proceeds therefrom, shall be subject to levy, execution or other procedure, for satisfaction of Tenant's remedies. The obligations of Landlord and Tenant under this Lease are not intended to and shall not be personally binding on, nor shall any resort be had to the private properties of, any of their respective managers, members, partners, shareholders, directors, officers, employees, contractors or agents, as the case may be.

14.11. *Easements.* Landlord shall have the right to grant any easements on, over, under and above the Property for such purposes as Landlord determines, provided that such easements shall not materially interfere with Tenant's Permitted Use of the Premises.

14.12. *Recording.* This Lease shall not be recorded by Tenant. If Tenant records this Lease without Landlord's written approval, then such action shall be deemed an Event of Default. Upon the execution of this Lease, Landlord and Tenant shall, at Landlord's option, execute a short form of lease provided by Landlord, provided that the failure to execute or record such short form of lease shall not affect or impair the validity and effectiveness of this Lease.

14.13. *Prevailing Party.* If litigation is ever instituted by either party hereto to enforce, or to seek damages for the breach of, any provision hereof, the prevailing party therein shall be promptly reimbursed by the other party for all attorneys' fees reasonably incurred by the prevailing party in connection with such litigation.

14.14. *Execution of Lease by Landlord.* The submission of this document for examination and negotiation does not constitute an offer to lease, or a reservation of, or option for, the Premises and this document becomes effective and binding only upon the execution and delivery hereof by both Landlord and Tenant. This Lease constitutes the entire agreement between Landlord and Tenant and there are no representations, warranties, promises, agreements, conditions or undertakings, oral or written, between Landlord or Tenant other than those set forth herein. No subsequent change, addition or alteration to this Lease shall be binding upon Landlord or Tenant unless in writing and signed by both parties, and no act or omission of any employee or other agent of Landlord shall alter, change or modify any of the provisions hereof.

14.15. Authority. Landlord or Tenant each represents and certifies to the other that it has full power and authority to enter this Lease and has taken all action necessary to carry out the transaction contemplated herein, so that when executed, this Lease shall constitute a valid and binding obligation enforceable in accordance with its terms.

14.16. Enforcement of Rules. Landlord shall apply all of its rules to, and shall enforce same against, all tenants of the Property uniformly.

14.17. Consent/Approval. Wherever in this Lease Landlord's or Tenant's consent or approval is required and such consent or approval is not expressly stated to be in such party's sole discretion or similar words, such party agrees that it shall not unreasonably withhold its consent or approval nor unreasonably delay or condition such consent or approval.

14.18. Security Deposit. Intentionally omitted.

14.19. Confidentiality. Landlord and Tenant hereby acknowledge and agree that the terms of this Lease, and all financial information provided to Landlord by Tenant are confidential, shall be held in the strictest of confidence and shall not be disclosed to anyone without the other party's written consent, except as required by law (including but not limited to the Kentucky Open Records Act) or as otherwise permitted herein. Notwithstanding the foregoing, the parties agree that (a) expressly exempted from this confidentiality requirement is any information that is public knowledge, and (b) the parties may disclose the terms of this Lease to their directors, officers, or employees, or any law firm, accounting firm, existing and prospective lenders, purchasers, or investors, or financial institution who would need such information to assist Landlord and Tenant in their business, and who agree to be bound by this confidentiality provision. The Parties will maintain all Confidential Information in confidence and will not disclose such information to any other party without written consent, "Confidential Information: includes the terms of this lease and any and all financial information whether in oral, written or other form, which is communicated by Tenant to Landlord relating to Tenant's development of the Premises, included but not limited to financial statements, architectural plans, specifications, site plans and drawings (regardless of whether such information is labeled as confidential). Confidential Information may be released to the parties' employees, partners, consultants and lenders who have a reasonable need for such Confidential Information, provided that such individuals agree to maintain the confidential nature of the information at all times. This provision shall survive the termination of the Lease.

14.20. Rules of Construction. The parties hereby agree that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of the Lease or any Addenda or Exhibits hereto.

14.21. Execution in Counterparts. This Lease may be executed in counterparts, and each counterpart, when executed, shall have the efficacy of a signed original. Photographic, electronic and or facsimile copies of such signed counterparts may be used in lieu of the originals for any purpose.

14.22. Transfer. In the event of any transfer of Landlord's interest in the Property, Landlord shall remain fully liable for any obligation that arose prior to the transfer but shall be freed and relieved from all applicable liability accruing thereafter with respect to performance of any covenant or obligation on the part of Landlord, provided the Security Deposit and any advance Rent held by Landlord are turned over to the grantee and the grantee expressly assumes all of the terms, covenants and conditions of this Lease to be performed on the part of Landlord, it being intended hereby that the covenants and obligations contained in this Lease on the part of Landlord shall be binding on Landlord, its successors and assigns,

only during their respective periods of ownership except in the case where Landlord has a continuing obligation after it has transferred ownership. Landlord may freely assign its interest under this Lease.

14.23. Tax Increment Financing. The Premises is located within the approved University of Louisville Research Park Signature Tax Increment Financing (“TIF”) Development Area and State Footprint (“Project Area”). Pursuant to the terms of that certain Tax Incentive Agreement dated as of June 28, 2012 by and between the Commonwealth of Kentucky (the “Commonwealth”) and Louisville Medical Center Development Corporation (“LMCDC”), a wholly owned subsidiary of the Landlord, and pursuant to the terms of that certain Local Participation Agreement dated as of January 1, 2011 between Louisville/Jefferson County Metro Government and LMCDC, the Landlord is required to cause each Area Business that generates State Taxes and/or Withholding Taxes and/or Real Estate Tax from locations or activities from inside the Project Area to obtain and maintain (i) a separate Federal Employer Identification Number (a “Tax Number”) and (ii) a separate Withholding Tax Number (the “Account Number”). Tenant hereby covenants and agrees (a) it is a business headquartered in the general Louisville Metro Area, (b) it generates or will generate State Taxes, and/or Withholding Taxes and/or Real Estate Tax from locations or activities from inside the Project Area, (c) it will obtain and maintain a separate Tax Number and Account Number that will be reported to the Landlord, and (d) it will maintain accurate and complete records of any constructions costs expended at or in connection with the Premises that will be reported to the Landlord. The Tax Number and the Account number will be confidential and reported only to the Commonwealth’s Department of Revenue and the Louisville Metro Revenue Commission for use with the approved TIF project. For purposes of this Section the following terms have the following meanings:

A. “Area Business” means (i) a holder of a Kentucky sales tax permit collecting and/or remitting sales tax within the Project Area pursuant to KRS 139.200 or (ii) an employer (as that term is defined in KRS Chapter 141) with a Physical Presence Within The Project Area, or (iii) an Individual, Corporation, Sole Proprietorship or Pass-Through Entity with a Physical Presence Within The Project Area.

B. “Corporation” has the definition given such term in Section 770-1(a)(3) of the Internal Revenue Code.

C. “Pass-Through Entity” means a partnership, S-corporation or multi-member limited liability company taxed as a partnership or S-corporation for federal income tax purposes.

D. “Physical Presence Within The Project Area” means owning or leasing real or tangible personal property within the Project Area.

E. “Real Estate Tax” means the real estate taxes levied annually by Louisville Metro Government applicable to real property.

F. “Sole Proprietorship” means an unincorporated business with one individual as the owner, including an individually owned single member limited liability company that is disregarded as an entity separate from its owner for federal income tax purposes.

G. “State Taxes” means (i) sales taxes; (ii) ad valorem property taxes on real property; and (iii) income taxes paid by an employee of an Area Business pursuant to KRS Chapter 141.

H. “Withholding Taxes” means the occupational license fees received by Louisville Metro Government.

14.24. *Lease of Premises is As-Is-Where-is.* Except to the extent expressly set forth herein, Landlord makes no, and expressly hereby disclaims and denies any, representations or warranties regarding the condition or suitability of, or title to, the Premises or the Property or any warranty as to the suitability of the Premises or Property for Tenant's intended use. Tenant acknowledges that before this Lease was executed, it has inspected the Premises, that Tenant is familiar with the physical condition of the Premises, and that the Landlord makes no representation or warranty, express or implied, with respect to same except to the extent expressly set forth herein. THE LEASE OF THE PREMISES IS ON AN "AS IS, WHERE IS" BASIS, IT BEING AGREED THAT TENANT WILL LEASE THE PREMISES IN ITS PRESENT CONDITION, WITH ALL FAULTS EXCEPT TO THE EXTENT EXPRESSLY SET FORTH HEREIN. EXCEPT AS OTHERWISE EXPRESSLY SET FORTH IN THIS LEASE, LANDLORD HEREBY DISCLAIMS ANY AND ALL EXPRESS OR IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE RELATIVE TO THE PREMISES OR ANY COMPONENT PART THEREOF.

14.25. *Conflict of Interest Statute.* The Landlord certifies by his signature hereinafter affixed that he ("he" is construed to mean they" if more than one person is involved; and, if a firm, partnership, corporation, business trust or other organization is involved, then "he" is construed to mean any person with an interest therein) is legally entitled to enter into contracts with the Tenant and the Commonwealth of Kentucky and that by holding and performing this contract will not be violating either any conflict of interest statute (KRS 45A.330 - 45A.340 or 45A.990) of the Executive Branch Code of Ethics, KRS Chapter 11 A, or any other applicable statute or principle by the performance of this Lease, or will he realize any unlawful benefit or gain directly or indirectly from it. The Landlord further certifies that he has not knowingly violated any provision of the campaign finance law of the Commonwealth of Kentucky, and that by entering into this Lease Agreement he will not be in violation of the campaign finance laws of the Commonwealth of Kentucky.

14.26. *Termination of Lease.* Pursuant to KRS 56.806(6), the Tenant shall have the further right to terminate this Lease at any time upon thirty (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.

[End of Text; Signature Page Follows]

IN WITNESS WHEREOF, Landlord and Tenant have executed this Lease as of the first date written above.

LANDLORD

UNIVERSITY OF LOUISVILLE REAL ESTATE
FOUNDATION, INC., a Kentucky nonprofit corporation

By: _____

Keith Sherman
Executive Director & Chief Operating
Officer _____

TENANT

UNIVERSITY OF LOUISVILLE

By: _____

Meg Campbell
Assistant Vice President Planning, Design, and Construction

Recommended By

Brent Pieper

Brent
Vice President University Advancement

EXHIBIT A

LEGAL DESCRIPTION OF THE PROPERTY

Being Tract 2 as shown on Minor Subdivision Plat approved by the governing planning commission, Docket No. 167-04, attached to and made a part of Deed, dated October 6, 2004, and recorded in Deed Book 8500, Page 710, in the Office of the Clerk of Jefferson County, Kentucky.

Together with the non-exclusive right to use the 30-foot Private Access as set out in Declaration of Covenants, Conditions and Restrictions dated October 6, 2004, of record in Deed Book 8500, Page 673, in the Office aforesaid.

Being the same property acquired by CENTRAL STATION, LLC, a Kentucky limited liability company, by Deed dated June 6, 2000, of record in Deed Book 7459, Page 304, re-recorded in Deed Book 7474, Page 721, Deed dated May 31, 2001, of record in Deed Book 7656, Page 493, Deed dated August 2, 2004, of record in Deed Book 8464, Page 383, and by the closing of a portion of Second (2nd) Street by Ordinance No. 101, Series 2004, of record in Deed Book 8467, Page 701, all in the Office aforesaid.

EXHIBIT B
PREMISES

UNIVERSITY OF LOUISVILLE 05-02-18 - OPTION 7
AREA = 6,937 S.F.

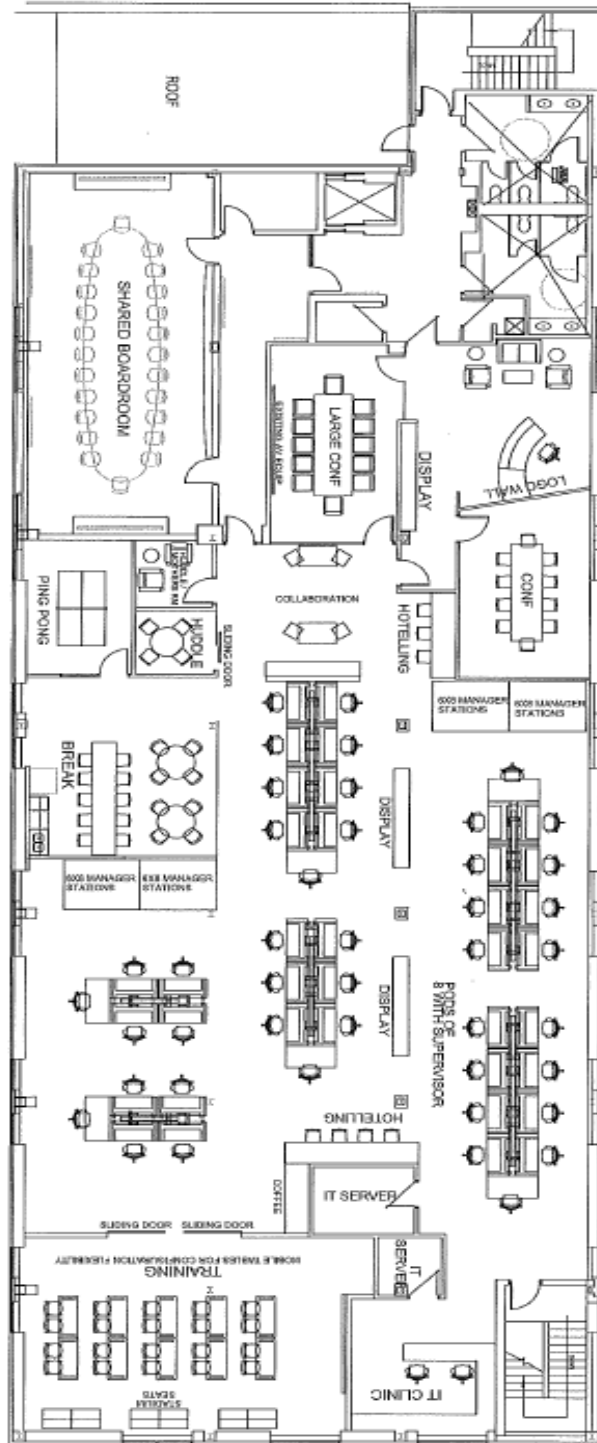


EXHIBIT C

Description of Landlord's Work

Electrical, Data, Wood Backing, Accent Wall Painting Add Ons.

- We will core drill in (2) offices to install electrical and data through the floor. This will include working in the ceiling in (2) rooms on the 2nd floor.
- We will install (2) dedicated circuits and data drops for printers or copiers at specified locations.
- Install (2) outlets at specified locations for TVs, fed from the nearest 120v source.

Wood Backing and Painting:

- We will cut out drywall for (3) new TV locations, install wood backing and finish back out with drywall and paint.
- We will paint all newly designated accent walls in Gray and Red as designated by the latest drawing.

Office Work

- We will demo the reception area cloud and the back-office counter and desk.
- We will remove all electric and data from the reception the back-office counter and desk and demo the desk. We will demo the existing cloud in the reception area.
- We will Frame up (7) rooms for offices 8-feet tall, install drywall, finish out and paint a desired color. We will purchase and install cove base. No ceiling in these rooms per spec.
- We will purchase, install, and finish out (7) 3.0x7.0 wood doors and frames (1) for each office. Doors to have full glass 24x60 tempered glass inserts, new hinges, lock sets and closures.
- We will remove all electric and data from the reception the back-office counter and desk and demo the desk. We will demo the existing cloud in the reception area.
- We will Frame up (7) rooms for offices 8-feet tall, install drywall, finish out and paint a desired color. We will purchase and install cove base. No ceiling in these rooms per spec.
- We will purchase, install, and finish out (7) 3.0x7.0 wood doors and frames (1) for each office. Doors to have full glass 24x60 tempered glass inserts, new hinges, lock sets and closures.

For the reception area we will frame up a 14-foot x 11-foot room 8-feet tall. Finish out with drywall and paint, add a new wood door with glass and new frame and (1) new 4-foot x 4-foot window and frame for.

For the Huddle room we will frame it up 8-feet tall, finish out with drywall and paint, add a new wood door with glass and new frame, install (1) 4x4 window for.

For the door opening for the back-office area, we will frame it up to the roof deck, frame in door opening, install drywall and finish out and paint, install new wood door with glass and new frame for: \$4,986.00.

(7) rooms installed, (7) new doors.

Take all lettering and decals off of (2) walls, repair drywall and paint and patch any other holes and paint.

Electric: Disconnect the square lights from the cloud and install suspended LED lights.

1. Relocate the circular pendant light in the lobby.
2. Move the existing hanging lights over to center of the Huddle Room.
3. Install (4) receptacles in each of the (7) new offices.
4. Install (2) suspended LED flat panel fixtures in the (3) center offices controlled by a light switch in each room.
5. Demo and remove any wiring or data in the counter to be removed from the back room.

Remove window and frame for material access to the 3rd floor and reinstall after completion.

Extras #1 dated 11-12-2023

- Extras: Upgraded light fixture
- Extras #3 - Patch Panels for data racks
- Extras #4 - Power/Data Feeds - Brent's office and Reception Desk
- Final touch up paint -> damage from the movers
- Replace door knobs
- Additional touch up patching and painting

Total cost of work to date was \$129,000.

EXHIBIT D

INTENTIONALLY OMITTED

EXHIBIT E

INTENTIONALLY OMITTED