

**AMENDED AND RESTATED
LEASE AGREEMENT**

THIS AMENDED AND RESTATED LEASE AGREEMENT (the "Lease"), is made and entered into as of the 13th day of November, 2012, by and among the COMMONWEALTH OF KENTUCKY for the use and benefit of the UNIVERSITY OF LOUISVILLE, acting through its Secretary of the Finance and Administration Cabinet ("Lessor"); the UNIVERSITY OF LOUISVILLE, acting by and through its Board of Trustees ("University"); and UNIVERSITY MEDICAL CENTER, INC., a Kentucky nonprofit corporation ("Lessee").

WITNESSETH:

A. The parties hereto have previously entered into that certain Lease Agreement (the "Original Lease") dated February 7, 1996, pursuant to which the Lessee leased from Lessor the real property described therein, and all buildings and improvements constructed thereon and all rights, privileges, easements and appurtenances belonging or pertaining thereto (collectively, the "Original UMC Property"), which Original Lease was evidenced by that certain Memorandum of Lease ("Original Memorandum") dated of even date therewith and of record in Deed Book 6698, Page 344 in the Office of the Clerk of Jefferson County, Kentucky (the "Clerk's Office").

B. The parties hereto desire to amend and restate the Original Lease to, *inter alia*, amend the Original UMC Property description and replace it with the real property described on Exhibit A, attached hereto and made a part hereof, and to extend the term.

NOW, THEREFORE, in consideration of the foregoing premises, and the representations, warranties, mutual covenants and agreements hereinafter set forth, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Lessor, Lessee, and University agree that the Original Lease is hereby amended and restated so that, as amended and restated, it shall read in its entirety as follows:

1. LEASED PREMISES

Lessor does hereby grant, demise and lease unto Lessee, and Lessee does hereby lease and take from Lessor, for the term and upon the terms and conditions set forth in this Lease, the premises located in Louisville, Jefferson County, Kentucky, and described on Exhibit A, together with all buildings and improvements, now or hereafter constructed thereon and all rights, privileges, easements and appurtenances belonging or pertaining thereto (the "Leased Premises"), together with all of Lessor's fixtures and personal property, whether owned or leased by Lessor, located on or used or useful or associated with, the Leased Premises (the "Fixtures and Personalty"), including but not limited to furnishings, machinery, apparatus, movable or non-movable equipment and materials, described in Exhibit B, attached hereto.

2. POSSESSION

Lessor shall deliver to Lessee on the Amendment Date (hereinafter defined) actual and exclusive possession of the Leased Premises, free and clear of all leases, tenancies, agreements, matters, liens and defects in title and in conformity with law, except for the matters set forth in Exhibit C attached hereto and those leases and agreements noted in the recitals, together with exclusive possession of Fixtures and Personalty.

3. TERM

A. The "Amended Term" of this Lease shall commence on January 1, 2013 (the "Amendment Date") and shall end on December 31, 2031 (the "Amended Term Initial Expiration Date").

B. This Lease shall automatically renew, after the Amended Term, for up three (3) successive, fifteen (15) year terms, provided Lessee is not then in material default hereunder, unless Lessee shall have provided written notice to Lessor as provided herein at least eighteen (18) months prior to the expiration of the then current term of its intent not to renew, unless University agrees to a shorter notice period. The Amended Term of this Lease as described in Paragraph 3A hereof and any extended term of this Lease shall be referred to collectively as the "Term." If Lessee elects not to renew this Lease or if this Lease is otherwise terminated for any reason, the parties' respective rights and obligations on termination shall be governed by the Academic Affiliation Agreement dated of even date herewith, among Lessor, Lessee, University, and KentuckyOne Health, Inc., a Kentucky corporation (the "Affiliation Agreement").

4. RENTAL PAYMENTS

A. Lessee shall pay as "Monthly Rent" to Lessor monthly, in advance on or before the first day of each month through the Amended Term Initial Expiration Date, the following amounts:

January 1, 2013 to December 31, 2016, monthly rental payments of \$541,666.67 each
January 1, 2017 to December 31, 2021, monthly rental payments of \$583,333.33 each
January 1, 2022 to December 31, 2026, monthly rental payments of \$625,000.00 each
January 1, 2027 to December 31, 2031, monthly rental payments of \$666,666.67 each

B. During the first fifteen year extended term of this Lease, if extended pursuant to Section 3(b), above, Lessee shall pay Monthly Rent, in advance on or before the first day of each month, the following amounts:

January 1, 2032 to December 31, 2036, monthly rental payments of \$708,333.34 each
January 1, 2037 to December 31, 2041, monthly rental payments of \$750,000.00 each
January 1, 2042 to December 31, 2046, monthly rental payments of \$791,666.67 each

C. During the second fifteen year extended term of this Lease, if extended pursuant to Section 3(b), above, Lessee shall pay Monthly Rent, in advance on or before the first day of each month, the following amounts:

January 1, 2047 to December 31, 2051, monthly rental payments of \$833,333.34 each
January 1, 2052 to December 31, 2056, monthly rental payments of \$875,000.00 each
January 1, 2057 to December 31, 2061, monthly rental payments of \$916,666.67 each

D. During the third fifteen year extended term of this Lease, if extended pursuant to Section 3(b), above, Lessee shall pay Monthly Rent, in advance on or before the first day of each month, the following amounts:

January 1, 2062 to December 31, 2066, monthly rental payments of \$958,333.34 each
January 1, 2067 to December 31, 2071, monthly rental payments of \$1,000,000.00 each
January 1, 2072 to December 31, 2077, monthly rental payments of \$1,041,666.67 each

E. In addition, the Lessee shall pay as "Additional Rent" to Lessor, \$141,204.00 per month at the same time as the payment of Monthly Rent. As soon as practical at the beginning of each calendar year, Additional Rent shall be adjusted by Lessor effective as of each January 1, which adjustment shall be commensurate with the increase or decrease in the Utilities (as defined below), maintenance and repair expenses, insurance premiums, and taxes (collectively, "ACB Expenses") incurred in connection with the operation of the improvements (the "ACB") located on the Ambulatory Care Building Parcel (as referenced on Exhibit A) for the immediately preceding calendar year (a "Prior Year") over or under the ACB Expenses from the calendar year preceding the Prior Year; provided, however, as soon as practical following the end of the Prior Year, Lessor shall pay to Lessee amounts collectable by Lessor from third parties during the Prior Year for the ACB Expenses (which amounts shall be charged to each third party in accordance with such third party's use of the ACB). Monthly Rent and Additional Rent shall be collectively referred to hereinafter as the "Rent".

F. With respect to Fixtures and Personalty, if any, leased by Lessor from others, all of which leases are listed on Exhibit B, during the Term Lessee shall sublease such Fixtures and Personalty and Lessee shall pay the amounts specified in, and assume and perform Lessor's obligations under, such leases. At the termination of this Lease such subleases shall terminate and Lessee shall have no further obligations thereunder.

G. The Rent shall be paid to University as representative of Lessor for the collection of Rent and performance of the ministerial acts required to effect this Lease.

H. All installments of Rent shall be payable in advance on the first day of each month from and including the month in which the Amendment Date occurs; provided, however, Lessor shall provide Lessee with a credit for any Rent received by Lessor for the month in which the Amendment Date occurs which was paid pursuant to the terms of the Original Lease. Rent for any partial month shall be prorated based upon the actual number of days in such month.

I. Lessee covenants to pay and discharge when the same shall become due, subject to any good faith contest thereof and any payment grace period, as additional rent, all other amounts, liabilities and obligations which Lessee assumes or agrees to pay or discharge under this Lease, together with any fine, penalty, interest and cost which may be added for non-payment or late payment thereof. In the event Lessee fails to pay or discharge any of the foregoing as set forth above, Lessor shall have all rights, powers and remedies provided herein or by law for non-payment of Rent.

J. This is a net lease and the Monthly Rent, Additional Rent, and all other sums payable hereunder by Lessee shall be paid without notice (except as specifically provided herein) or demand, and, except as specifically provided herein, without set-off, counterclaim, abatement, suspension, deferment, diminution, deduction or defense.

K. If any installment of Rent is not paid within ten (10) after the due date thereof, or any amount of other rent, expenses, or reimbursements payable to Lessor is not paid within ten (10) days after the due date thereof (subject to good faith contest thereof), then Lessee shall pay to Lessor on demand interest on such overdue amounts at a rate per annum equal to the Prime Rate (as hereinafter defined) of interest, calculated from the expiration of such ten (10) day period until paid in full. For purposes herein, the "Prime Rate" shall be as published in the Wall Street Journal as the prime rate on corporate loans posted for at least 80% of the nation's largest banks, as determined by Lessor. If such publication shall cease to exist or shall no longer publish the referenced index, the Lessor shall select an alternative index which in its reasonable judgment approximates the prime rate index. Lender's internal records of applicable interest rates shall be determinative in the absence of manifest error.

5. SHORT FORM LEASE

Lessor and Lessee shall execute and deliver a short form lease or other document for recording purposes only, in form satisfactory to all parties hereto, setting forth such of the terms of this Lease as the parties deem appropriate, including but not limited to the Amended Term of this Lease and the options to extend the term of this Lease.

6. TITLE AND QUIET ENJOYMENT

A. Lessor represents, warrants and covenants that it has good and marketable fee simple title to the Leased Premises, free and clear of any and all material mortgages, pledges, security interests, liens, charges, claims, restrictions, and other encumbrances except as listed on Exhibit C. Lessor further covenants that there are no restrictive covenants, zoning or other local ordinances or regulations which will prevent Lessee from using and occupying the Leased Premises for, and from operating, an acute-care teaching hospital and related medical facilities as set forth in the Affiliation Agreement.

B. Lessor represents, warrants and covenants that it has good and marketable title to (or, as applicable and as identified on Exhibit B, a valid leasehold interest in) all Fixtures and Personalty located on the Leased Premises, free and clear of any and all material mortgages, pledges, security interests, liens, charges, claims, restrictions, and other encumbrances.

C. Lessor covenants and agrees that during the Term, Lessee shall, upon paying the Rent and performing the covenants of this Lease on its part to be performed, peaceably and quietly have, hold and enjoy the Leased Premises and Fixtures and Personalty and all rights granted Lessee in this Lease.

7. USES OF PREMISES

A. The Leased Premises shall be used solely for the conduct and operation of an acute-care teaching hospital and related medical facilities as set forth in the Affiliation Agreement. No other uses are permitted without the prior written consent of University.

B. During the Term, Lessee shall, in all material respects, comply with and conform to all legal requirements concerning the use, occupancy and condition of the Leased Premises and all machinery, equipment, furnishings, fixtures and improvements therein, including obtaining and maintaining any occupancy or use permit, license, special exception, or other local, state or federal agency certification.

C. The Leased Premises shall be operated under the name "University of Louisville Hospital" and no other name shall be permitted to be used in lieu of or in addition to such name without the prior written consent of University.

8. CONDITION OF LEASED PREMISES; FIXTURES AND EQUIPMENT; REPAIRS

A. Lessor warrants that the improvements on the Leased Premises were constructed substantially in compliance with all applicable building codes and regulations in effect at the time of construction and substantially in accordance with the plan and specifications approved by the Commonwealth of Kentucky Finance and Administration Cabinet and Lessor covenants that it shall be solely responsible for correcting any defects in design and construction of the Leased Premises as of the time of construction which may be found to exist and shall bear all related costs of correcting such defects during the Term.

B. Lessee shall make and pay for all normal repairs, replacements and maintenance (in a good and workmanlike manner) which are necessary for normal operation of the Leased Premises, as otherwise required by and subject to the Affiliation Agreement, and to comply, in all material respects, with applicable law, including but not limited to:

- (a) all repairs or replacements, structural or otherwise, to the elevators, HVAC, plumbing, electrical wiring and cabling and life safety systems;
- (b) all repairs or replacements to the exterior of the buildings located on the Leased Premises including the roof, windows, gutters, downspouts, walls and foundations thereof and the curbs, sidewalks and parking areas in and about the Leased Premises; and
- (c) all repairs, structural or otherwise, to the interior of said buildings.

C. Lessee, at its expense, shall perform all necessary maintenance, replacements and repairs to the Fixtures and Personalty as required by the Affiliation Agreement.

D. Except as provided in Paragraph 14, or otherwise required by the Affiliation Agreement, at the expiration or earlier termination of this Lease, Lessee shall return the Leased Premises in as good a condition as originally received, except for normal wear and tear, and as a fully functional hospital and related uses.

E. Lessor and University, their engineers and other agents, shall have the right to enter the Leased Premises for the purpose of inspection and may request Lessee to undertake necessary repairs and maintenance.

9. REMODELING OF LEASED PREMISES

Lessee may, at its own expense, from time to time during the Term, make such structural alterations, additions, replacements and changes, in and to the Leased Premises, and any buildings thereon, as it finds reasonably necessary or desirable including, without limitation, as required by the Affiliation Agreement. All such alterations, additions, replacements and changes to the Leased Premises shall be made in accordance with plans and specifications for alterations prepared by Lessee and any such alterations that are for uses that are inconsistent with the uses permitted in Paragraph 7(a) shall also be approved in advance in writing by University (which approval shall not be unreasonably withheld), in conformity with applicable building laws and regulations and with the approval of the Board of Directors of Lessee. Lessee shall provide University with as-built drawings for any such material alterations, additions, replacements and changes and current schematics and related documents for major systems and equipment included in the Lessee alterations. Except for Personalty acquired by Lessee pursuant to Paragraph 10, such alterations, additions, replacements and changes shall become a part of the Leased Premises, shall be maintained and kept in repair in accordance with the provisions of Paragraph 8, and at the expiration or termination of this Lease shall become the property of Lessor upon compliance with, and without the payment of any money or other consideration except as provided in, the Affiliation Agreement. Subject to good faith contest thereof, Lessee shall pay when due all costs and expenses of any such alterations, additions, replacements and changes and shall discharge or bond all liens filed against the Leased Premises with respect thereto within sixty (60) days after the filing thereof.

10. FIXTURES AND PERSONALITY

A. Lessee may, at its own expense, from time-to-time during the term of this Lease, install, replace and operate in the Leased Premises such removable equipment and personal property, both tangible and intangible (collectively, the "Lessee's Personalty") as it shall deem necessary or desirable in the conduct of its business, provided all laws, rules and regulations of governmental bodies with respect thereto shall be in all material respects complied with by Lessee. Fixtures and Personalty which were originally purchased and placed in the Leased Premises by Lessor, shall be returned to Lessor when replacement Lessee's Personalty are acquired by Lessee. Lessee's Personalty shall be the property of Lessee.

B. Upon termination of this Lease, Lessor shall, (i) assume post assumption obligations under the leases for any Lessee's Personalty in the Leased Premises entered into in the ordinary course of business at then fair value rentals, and (ii) purchase any of Lessee's Personalty in the Leased Premises, for an amount as determined pursuant to the terms of this Lease or the Affiliation Agreement.

11. UTILITIES AND TAXES

Lessee (i) shall pay all charges for water, laundry, sewer, garbage removal, gas, light, heat, power and other utilities (collectively, the "Utilities") for the Leased Premises, (ii) shall reimburse University for separately-metered electricity used by Lessee in and about the Leased Premises and (iii) shall pay all taxes and other governmental assessments or charges assessed against the Leased Premises or the operation thereof, if any, subject to the right to contest such taxes, assessments or charges in good faith.

The parties acknowledge that University is a participant with other hospitals in a laundry, chilled water and steam plant (the "Service Facilities"). Lessor represents and warrants to Lessee that Lessee may succeed to University's rights to use the Service Facilities in connection with Leased Premises for the Term.

Lessor represents and warrants that succession to University's rights to use the Service Facilities will not result in any breach or violation of any material contract, agreement or other obligation to which University or Lessor is a party and that such succession will not result in any acceleration of indebtedness incurred to finance the Service Facilities nor will such succession result in any interest on revenue bonds issued to finance the Service Facilities becoming subject to federal income taxation to bondholders or subject to state income taxation to bondholders residing in the Commonwealth of Kentucky.

At the time that Lessee succeeds to University's rights to use the Service Facilities, it shall assume all of University's post-assumption obligations and duties in connection therewith, and shall, except as set forth in the immediately preceding paragraph, indemnify and hold University harmless from any cost, claim or damages related to the performance of the duties and obligations. At the termination of this Lease, University will re-assume all rights, duties and obligations in connection with the use of the Service Facilities, and Lessee will have no further rights, duties, obligations or liability therefor.

12. ENVIRONMENTAL MATTERS

A. As used in herein, the following items shall have meanings set forth below:

- (a) "CAA" shall mean the Clean Air Act, codified at 42 U.S.C. §§7401, et seq., as amended.
- (b) "CERCLA" shall mean the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, codified at 42 U.S.C. §§9601 et seq., as amended.

- (c) “CWA” shall mean the Clean Water Act, codified at 33 U.S.C. §§1251, et seq., as amended.
- (d) “Environmental Laws” shall mean CERCLA, HMTA, RCRA, CAA, CWA, TSCA, RHA and the Right-to-Know Act and all other federal, local and municipal laws, statutes, ordinances and codes relating to health, safety, sanitation, and the protection of the environment or governing the use, storage, treatment, generation, transportation, processing, handling, production or disposal of Hazardous Materials or medical wastes, including, without a limitation, laws and regulations regarding discharge into waterways, and the rules and regulations of federal, local and municipal governmental agencies, authorities and courts with respect thereto presently in effect or hereafter enacted, promulgated or implemented.
- (e) “Environmental Permits” shall mean all permits, licenses, approvals, authorizations, consents or registrations required by any applicable Environmental Laws, on either an individual or group basis, in connection with the ownership, use or operation of the Leased Premises, or the storage, treatment, generation, transportation, processing, handling, production or disposal of Hazardous Materials related to the Leased Premises.
- (f) “Hazardous Materials” shall mean, without limitation, flammables, explosives, radioactive materials, asbestos, urea formaldehyde foam insulation, polychlorinated byphenyls, petroleum or petroleum based or related substances, hydrocarbons or like substances and their additives or constituents, and any substances now or hereafter defined as “hazardous substances,” “extremely hazardous substances,” “hazardous wastes,” “infectious wastes” or “toxic chemicals” in CERCLA, HMTA, RCRA, CAA, CWA, TSCA, RHA, the Right-to-Know Act, or any so-called “superfund” or “superlien” law or the regulations promulgated pursuant thereto, or any other applicable federal, state or local law, code, rules, regulation, or ordinance, presently in effect or hereafter enacted, promulgated or implemented.
- (g) “HMTA” shall mean the Hazardous Materials Transportation Act, codified at 49 U.S.C. §§1801, et seq., as amended.
- (h) “RCRA” shall mean the Resource Conservation and Recovery Act of 1976, codified at 42 U.S.C. §§6901, et seq., as amended.
- (i) “Release” shall have the same meaning as given to that term in CERCLA, as amended, and the regulations promulgated thereunder.
- (j) “RHA” shall mean the Rivers and Harbors Appropriation Act, codified at 33 U.S.C. §§401, et seq., as amended.

- (k) Right-To-Know Act” shall mean the Emergency Planning and Community Right-To-Know Act, codified at 42 U.S.C. §§11001, et seq.
- (l) “TSCA” shall mean the Toxic Substances Control Act, codified at 15 U.S.C. §§2601, et seq., as amended.

B. Lessee shall comply at all times and in all material respects with the provisions of all Environmental Laws and Environmental Permits, and shall not commit any actions or omissions that result in the incurrence of any material liability under such Environmental Laws and Environmental Permits. Lessee will not cause any Hazardous Materials to be deposited on or under the Leased Premises, or otherwise Released or threatened to be Released from or on the Leased Premises, except as normally and properly used in the operation of the Leased Premises and in material compliance with all Environmental Laws. Lessee shall conduct all of its activities on the Leased Premises, including, without limitation, the off-site disposal of any Hazardous Materials originating on or from the Leased Premises, in material compliance with all Environmental Laws. Lessee shall obtain, whenever necessary and in its own name, appropriate Environmental Permits for its operations and shall comply in all material respects with the requirements of such Environmental Permits.

C. Lessee hereby agrees to indemnify, hold harmless and defend Lessor from and against any and all claims, losses, damages, liabilities, penalties, costs, assessments, expenses, demands or fines in any way relating to or arising out of the violation by Lessee of any applicable Environmental Laws or Environmental Permits with respect to the Leased Premises. The provisions of this Paragraph 12.C shall survive the expiration or any other termination of this Lease.

13. **INSURANCE**

A. During the Term, Lessee shall maintain such insurance as required by and in conformity with the Affiliation Agreement and including, at its sole expense, (i) property insurance (either through third party insurers or through self insurance reasonably acceptable to University) covering the improvements on the Leased Premises and all Fixtures and Personalty at replacement cost value, without coinsurance provisions, against fire and such other hazards as included within extended coverage and against earthquake and flood damage (where reasonably available), which insurance shall also include major mechanical system repair and replacement coverage, and (ii) professional and general liability insurance (either through third party insurers or through self insurance, reasonably acceptable to University) against claims for bodily injury or death occurring in or about the Leased Premises, such insurance to provide coverage not less than \$5,000,000 in respect of bodily injury or death of any one person and of not less than \$10,000,000 per occurrence, and of not less than \$1,000,000 in respect of property damage to any one item of property and of not less than \$5,000,000 in respect of any one occurrence. All such policies of insurance obtained by Lessee pursuant to this Paragraph 13 shall name Lessor, Lessee and University as additional insureds, as their interests may appear, and any such policy shall provide that it may not be cancelled or substantially modified without at least thirty (30) days prior written notice to Lessor and University of the intended cancellation or modification and shall contain a provision waiving the insurers’ right of subrogation against Lessor and University.

B. Any requirement that Lessor and University be named as additional insureds under the liability insurance required under the Affiliation Agreement shall in no way constitute a waiver of the protection afforded Lessor and University under the doctrine of sovereign immunity.

14. DAMAGE TO LEASED PREMISES

Except as otherwise provided in this Paragraph, if less than seventy-five percent (75%) of the improvements upon the Leased Premises are damaged or destroyed by fire or other casualty at any time after the Commencement Date of this Lease and if repairs to the Leased Premises can be completed within one hundred eighty (180) days after such destruction, Lessee shall, to the extent that such damage is covered by insurance (or required to be covered by insurance), repair or restore the same to the same condition as existed before such damage or destruction, and in so doing the proceeds of any insurance provided for in Paragraph 13.A hereof shall be applied to the costs thereof. During the period of such repair, if all or a portion of the Leased Premises cannot be operated as an acute-care hospital, the Monthly Rent shall be abated in proportion to such unusable portion of the Leased Premises but Lessee shall remain obligated to pay all other expenses with respect to the Leased Premises required by this Lease to be paid by Lessee, including Utilities, maintenance, and the Additional Rent (except to the extent the ACB is damaged and rendered unusable). In the event seventy-five percent (75%) or more of said improvements are damaged or destroyed, if the damage or destruction to the Leased Premises is not covered by insurance (and not required to be covered by insurance) or if repairs to the Leased Premises cannot be completed within one hundred eighty (180) days, Lessee shall not be obligated to, but may at its option, repair or restore the same, which election to repair or restore must be made by Lessee within thirty (30) days of the casualty. If Lessee shall undertake to repair or restore the Leased Premises, Lessee shall seek Lessor's and University's prior approval of plans and specifications, which approval shall not be unreasonably withheld. If Lessee is not obligated or does not elect to repair or restore said improvements under the foregoing provisions, any insurance proceeds payable by reason of such damage or destruction shall be paid to Lessor and Lessee, as their respective interests may appear, and this Lease and all rights and obligations of the parties hereunder (except enforcement of rights then accrued) shall terminate.

15. EMINENT DOMAIN

A. If Lessor shall, through exercise of its power of eminent domain, change the use of the Leased Premises from that of not less than a three hundred eighty (380) bed acute-care hospital and related uses set forth in Paragraph 7 with adequate parking area and vehicular and pedestrian access to the Leased Premises, this Lease shall terminate for all purposes (except enforcement of rights then accrued) at the time of such change Lessee shall be adequately compensated for the value of its remaining leasehold interest in the Leased Premises and the value of additions or improvements to the Leased Premises made by Lessee pursuant to Paragraph 9.

B. If the entire Leased Premises, or such part thereof as renders the remaining portion unsuitable for use as not less than a three hundred eighty (380) bed acute care hospital and related uses set forth in Paragraph 7 with adequate parking area and vehicular and pedestrian access to the Leased Premises, is acquired by governmental or quasi-governmental authorities

other than Lessor by the exercise of the power of eminent domain, then, upon written notice of Lessee's election so to do, given by Lessee to Lessor within thirty (30) days after receipt by Lessee of notice from Lessor that proceedings or negotiations with respect to such acquisition have begun, this Lease shall terminate for all purposes (except enforcement of rights then accrued) at the time possession must be surrendered to such authority, and the amount of the award shall be divided among Lessor and Lessee and the holders of any mortgages on the subject property, as their respective interests may appear, including the value of additions or improvements to the Leased Premises made by Lessee pursuant to Paragraph 9.

C. In the event such acquisition or change of use by eminent domain does not leave the remaining portion of the Leased Premises in a condition unsuitable for use as a three hundred eighty (380) bed acute care hospital and related uses set forth in Paragraph 7, as stated above, the Rent provided for herein shall continue, subject to the following. In such case, the award for such taking or change of use shall be used by Lessor to promptly make all necessary alterations and repairs which may be required to restore the remaining portion(s) of Leased Premises and the improvements thereon to a safe and tenantable condition suitable for use by Lessee as not less than a three hundred eighty (380) bed acute care hospital and related uses set forth in Paragraph 7 as stated above. If any of the award remains after all necessary alterations and repairs to the Leased Premises have been made, any such remainder shall be the property of Lessor. Such restoration shall be in accordance with plans and specifications approved by Lessee. If Lessee is unable to occupy any portion of the Leased Premises during such period of restoration, the Monthly Rent (and if a portion of the ACB is taken, the Additional Rent) shall be abated on a pro-rata monthly basis.

16. ASSIGNING, MORTGAGING OR SUBLETTING

A. Except as provided herein, Lessee shall not assign, mortgage, pledge or encumber this Lease or sublet the Leased Premises without first obtaining the written consent of Lessor and University.

B. Except as provided herein, Lessee shall not permit a lien or encumbrance to be placed upon the Leased Premises, the ACB, or Fixtures and Personalty; provided, however, that Lessee reserves the right to contest any asserted or alleged lien or encumbrance in appropriate proceedings, and Lessee shall satisfy such lien or encumbrance in the event of a final adverse determination.

C. Lessee shall not have the right to mortgage or otherwise encumber this Lease and/or Lessee's interest in the Leased Premises to provide financing for any improvement to, or expansion of, the Leased Premises, or for any financing, required or permitted under the Affiliation Agreement, without first obtaining the written consent of Lessor and University.

D. In the event Lessor desires to subordinate this Lease to any future mortgage, Lessee shall use good faith efforts to accomplish the same provided that the Lessor uses good faith efforts to obtain a standard non-disturbance agreement in favor of Lessee from the mortgage holder of any such mortgage.

17. LESSEE'S RIGHT TO CURE LESSOR'S DEFAULTS

In the event that Lessor fails to pay any liens, charges, encumbrances or debts, the non-payment of which would adversely affect Lessee's right to use and possession of the Leased Premises (including but not limited to repayment of funds to the United States government) when any of the same become due, and Lessor is not then contesting such lien, charge, encumbrance or debt in appropriate proceedings, or if Lessor in any other material respect fails to perform any covenant or agreement to be performed by it under this Lease, then, and in any such event, Lessee, after the continuation of any such failure or default for thirty (30) days after written notice thereof by Lessee to Lessor, may at its sole option, pay or satisfy such liens, charges, encumbrances or debts or cure such defaults on behalf of and at the expense of Lessor, and make all payments in connection therewith, including but not limited to the payment of any reasonable counsel fees, costs or charges incurred in connection therewith. Thereafter Lessor shall promptly pay to Lessee any amount so paid by Lessee, together with interest thereon at the Prime Rate. If Lessor fails to promptly make such payment Lessee may withhold up to eighty percent (80%) of the Monthly Rent thereafter becoming due to Lessor pursuant to the provisions of this Lease and may apply the same to the payment of such indebtedness of Lessor to Lessee until such indebtedness is fully paid with interest thereon as herein provided.

18. REMEDIES OF LESSOR IN EVENT OF DEFAULT BY LESSEE

A. Any of the following occurrences or acts shall constitute an "Event of Default" under this Lease:

- (a) Subject to Lessee's set-off rights under Section 17 hereof, Lessee fails to pay, on the date on which the same is due and payable, any installment of Rent, within ten (10) days after Lessor notifies that such payment is overdue and due and owing.
- (b) Lessee fails to observe or perform any other provision hereof for thirty (30) days after Lessor shall have delivered to Lessee notice of such failure (provided that in the case of any default referred to in this clause (b) which cannot with diligence be cured within such thirty (30) day period, if Lessee shall proceed promptly to cure the same and thereafter shall prosecute the curing of such default with diligence, the time within which such failure may be cured shall be extended for such additional period as may be necessary to complete the curing of the same with diligence, not to exceed ninety (90) days in the aggregate).
- (c) The filing of a petition in bankruptcy under Title 11 of the United States Code, as amended, or the commencement of a proceeding under any other applicable law concerning insolvency, reorganization or bankruptcy, by or against Lessee as debtor, or Lessee becomes generally unable to pay its debts as they become due; provided, however, if a proceedings with respect to a bankruptcy is filed or commenced against Lessee, the same

shall not constitute an Event of Default if such proceeding is dismissed within ninety (90) days from the date of such filing.

- (d) The Leased Premises shall have been abandoned.
- (e) The estate or interest of Lessee in the Leased Premises or any part shall be levied upon or attached in any proceeding and such process shall not be vacated or discharged within ninety (90) days after such levy or attachment.
- (f) Lessee is in default under the Affiliation Agreement and all applicable cure periods have expired.

B. Upon the occurrence of an Event of Default, Lessor shall have the right, at its option, to:

- (a) enter upon and take possession of the Leased Premises as Lessee's agent, and, without terminating this Lease, sublease the premises at the best price obtainable by reasonable efforts without advertisement and by private negotiations and for any term Lessor deems proper. Lessee shall thereupon be liable and indebted to Lessor for the difference between the amount of the Rent herein specified and the amount of Rent which shall be collected and received from the Leased Premises for each month during the remainder of the current term of this Lease after such subleasing by Lessor; or
- (b) forthwith cancel and terminate this Lease by written notice to Lessee; and, if such notice shall be given, all rights of Lessee to the use and occupancy of the Leased Premises shall terminate as of the date set forth in such notice, and Lessee shall surrender possession of, and any right to, the Leased Premises to Lessor including any Fixtures and Personalty, and Lessor may forthwith re-enter the Leased Premises and repossess itself thereof. No termination of this Lease prior to the normal expiration thereof shall affect Lessor's right to collect Rent for the period prior to termination thereof.

19. LIMITATION ON LIABILITY OF LESSOR

Lessor and University, and their respective employees and agents shall not be liable to Lessee, or any invitee, agent, employee, sublessee, assignee, contractor, client, family member, licensee, customer or guest of Lessee (collectively, "Invitees" and each individually, an "Invitee") or any other person or entity for any damage (including indirect and consequential damage), injury, loss or claim (including claims for the interruption of or loss to business) based on or arising out of Lessee's occupancy or operation of the Leased Premises during the Term, except as otherwise provided in the Affiliation Agreement. Lessee shall indemnify and hold Lessor and University, and their respective employees and agents harmless from and against all costs, damages, claims, liabilities and expenses (including reasonable attorneys' fees), losses and costs suffered by or claimed against such persons based on or arising out of, in whole or in part,

Lessee's use and occupancy of the Leased Premises or conduct of business therein (including any damage or loss in or to the ACB in connection with the Lessee's use and occupancy of the Leased Premises or conduct of business therein) during the Term.

20. ADDITIONAL RIGHTS OF LESSOR AND LESSEE

A. No right of remedy herein conferred upon or reserved to Lessor or Lessee is intended to be exclusive of any other right or remedy given hereunder or now or hereafter existing at law or in equity. The failure of either party to insist at any time upon the strict performance of any covenant or agreement or to exercise any option, right, power or remedy contained in this Lease shall not be construed as a waiver or a relinquishment thereof for the future. A receipt by Lessor of any Monthly Rent, Additional Rent or any other sum payable hereunder with knowledge of the breach of any covenant or agreement contained in this Lease shall not be deemed a waiver of such breach, and no waiver of any provision of this Lease shall be deemed to have been made unless expressed in writing and signed by the waiving party. In addition to other remedies provided herein, Lessor and Lessee shall be entitled, to the extent permitted by applicable law, to injunctive relief in case of the violation, or attempted or threatened violation, of any of the covenants, agreements, conditions or provisions of this Lease, or to a decree compelling performance of any of the covenants, agreements, conditions or provisions of this Lease, or to any other remedy allowed at law or in equity.

B. In the event either Lessor or Lessee shall be in default in the performance of any of its obligations under this Lease, and an action shall be brought for the enforcement thereof in which it shall be determined that such defaulting party was in default, Lessee or Lessor, as the case may be, shall pay to the other all expenses incurred in connection therewith, including reasonable attorneys fees. In the event Lessor or Lessee shall, without fault on its part, be made a party to any litigation commenced against the other, and if Lessee or Lessor, as the case may be, at its expense, shall fail to provide such party with counsel reasonably approved by it, Lessee or Lessor, as the case may be, shall pay all costs and reasonable attorneys' fees incurred or paid by the other in connection with such litigation.

C. In the event a default of a material provision of this Lease has occurred and is continuing, Lessor may, but shall not be obligated to, make any payment or perform any act required hereunder to be made or performed by Lessee which has not been performed within the time period specified herein for such performance, with the same effect as if made or performed by Lessee, provided that no entry by Lessor upon the Leased Premises for such purpose shall create any liability to Lessee on the part of Lessor or shall constitute or shall be deemed to be an eviction of Lessee, and no such entry shall waive or release Lessee from any obligation or default hereunder. All sums so paid by Lessor and all costs and expenses (including reasonable attorneys' fees and expenses) incurred by Lessor in connection with the performance of any such act shall constitute additional rent payable by Lessee hereunder.

21. INTENTIONALLY OMITTED

22. ESTOPPEL CERTIFICATE

At any time and from time to time, upon not less than ten (10) days' prior written notice, Lessee and Lessor shall execute, acknowledge and deliver to the other and/or any other person or entity designated by the other, a written statement certifying: (a) that this Lease is unmodified and in full force and effect (or if there have been modifications, that this Lease is in full force and effect as modified and stating the modifications); (b) the dates to which the Rent and any other charges have been paid; (c) whether or not it is in default in the performance of any obligation, and if so, specifying the nature of such default; (d) the address to which notices are to be sent; and (e) such other matters as reasonably requested.

23. OTHER MATTERS

The following items shall be delivered or have been satisfied at or prior to the Commencement Date:

A. **Intentionally Omitted.**

B. **Government Approvals.** If applicable, Lessee shall have received all required governmental approvals for its leasing of the Leased Premises and the Fixtures and Personalty on the terms herein provided prior to the Amendment Date hereof.

C. **Licenses and Permits.** Lessee shall have obtained all licenses and permits or written commitments for delivery of same prior to or at the Amendment Date hereof, as may be required by any government or agency thereof in order for Lessee to operate the Leased Premises and related medical facilities. Lessor shall advise the Louisville Metro Planning Commission in writing of the existence of this Lease, and its term, and will identify Lessee as the operator of the Leased Premises.

D. **Intentionally Omitted.**

E. **Delivery of Certificates Upon Execution.** Lessee shall have been furnished with all such certificates of officials of Lessor, in form satisfactory to Lessee, as Lessee shall reasonably request, to evidence the compliance by Lessor as of the date of execution of this Lease with all the material terms and conditions of this Lease and the accuracy as of the date of execution of this Lease in all material respects of the representations and warranties of Lessor contained in this Lease or in any written statement delivered by Lessor to Lessee as though such representations and warranties had been made as of the date of execution of this Lease. Such certificates shall, for all purposes of this Lease, constitute a representation by Lessor as to the facts set forth or referred to therein.

F. **Intentionally Omitted.**

G. **The Affiliation Agreement.** The Affiliation Agreement shall have been executed and delivered by the parties thereto.

24. WARRANTIES AND COVENANTS OF LESSEE

Lessee warrants and covenants to Lessor the following:

A. Lessee is a nonprofit corporation duly organized, validly existing and in good standing under the laws of Kentucky and is not prohibited by its Articles of Incorporation from operating an acute-care hospital.

B. The execution of this Lease by Lessee, and its delivery to Lessor, have been duly authorized by the Board of Directors of Lessee, and no further corporate action will be necessary on the part of Lessee to make this Agreement valid and binding upon Lessee in accordance with its terms.

C. Lessee shall obtain and maintain, at its cost and expense, all licenses and other governmental approvals necessary for the operation of Leased Premises, and shall maintain accreditation for Leased Premises by the Joint Commission on Accreditation of Healthcare Organizations, or an equivalent successor accrediting agency, and upon termination or expiration of this Lease to the extent permitted by law shall provide for transfer of same to Lessor. Provided that if any such licenses, governmental approvals or accreditations are revoked or lost, and all available appeals of such revocation or loss shall have been exhausted, Lessee shall not be in breach or violation of this warranty unless such revocation or loss is caused solely by some action or failure to act by Lessee.

25. ASSIGNMENT OF WARRANTIES

To the extent assignable, Lessor hereby assigns to Lessee all of Lessor's rights, if any, under guaranties and warranties from architects, contractors or subcontractors as to design and construction of the Leased Premises, and from all manufacturers, vendors and lessors of the Fixtures and Personalty.

26. NOTICES

All notices, demands, requests, consents, approvals, certificates or other communications required under this Lease shall be in writing, shall be sufficiently given and shall be deemed to have been properly given (i) if delivered by hand, when written confirmation of delivery is received by the sender, (ii) three days after the same is mailed by certified mail, postage prepaid, return receipt requested, (iii) if sent by overnight courier, 24 hours after delivery to such overnight courier, or (iv) by facsimile transmission, when confirmation of such transmission is received by the sender, addressed to Lessee, Lessor or to any other person to whom any such notice, demand, request, consent, approval, certificate or other communication is to be given, as follows:

TO LESSOR AT: Secretary of Finance and
Administration Cabinet
Room 383
Capitol Annex
Frankfort, Kentucky 40601
Facsimile No. (502) 564-6785

TO UNIVERSITY AT: Office of the President
103 Grawemeyer Hall
University of Louisville
Louisville, Kentucky 40292
Attn: President
Facsimile No. (502) 852-5682

TO LESSEE AT: University Medical Center
c/o University of Louisville
Abell Administration Center
323 East Chestnut Street
3rd Floor
Louisville, Kentucky 40202
Attn: Executive Vice President for Health Affairs
Facsimile No. (502) 852-6849

or to such other address or to such other person as may be designated by notice.

27. NO OTHER AGREEMENTS; AMENDMENTS

This Lease and the Affiliation Agreement constitute the entire agreement by the parties with respect to the subject matter hereof and no prior understandings, representations, inducements, promises or agreements, oral or otherwise, of the parties hereto, shall be effective for any purpose. No provision of this Lease may be amended or added to except by an agreement in writing signed by the parties hereto or their respective successors in interest. To the extent of any inconsistency between any provision of this Lease or the Affiliation Agreement, the Affiliation Agreement shall govern.

28. GOVERNING LAW

This Lease has been executed and delivered in the Commonwealth of Kentucky and all the terms and provisions hereof and the rights and obligations of the parties hereto shall be construed and enforced in accordance with the laws thereof.

29. PARAGRAPH HEADINGS

The paragraph headings in this Lease are for convenience only and are not a part of this Lease and do not in any way limit or amplify the terms and provisions hereof and in no

way shall be held to explain, modify or aid in the interpretation, construction or meaning of the provisions of this Lease.

30. SEVERABILITY

Each paragraph of this Lease is severable from all other paragraphs. In the event that any court of competent jurisdiction determines that any paragraph or subparagraph of this Lease is invalid or unenforceable for any reason, all remaining paragraphs and subparagraphs will remain in full force and effect.

31. NON-DISCRIMINATION

A. Lessee will not discriminate against any employee or applicant for employment because of race, religion, color, national origin, sex or age and will not discriminate against otherwise qualified handicapped individuals; however, the filing of any such claim of discrimination, or successful prosecution thereof by the filing party, shall not be deemed a default under this Lease.

B. Lessee shall provide care to patients at the Leased Premises in compliance with the Title VI of the Civil Rights Act of 1964, and Section 504 of the Rehabilitation Act of 1973, as amended.

32. SIGNAGE ON LEASED PREMISES

Lessee shall, at its own expense, erect all exterior and interior signage at the Leased Premises.

33. UNIVERSITY SPACE

The Commonwealth shall retain for the use and benefit of the University approximately 36,288 square feet of cumulative leasable space in the buildings known as the James Graham Brown Cancer Center and the Concentrated Care Building located on the Leased Premises (collectively, the "University Space"). The space constituting the University Space shall be decided upon, and may be amended from time to time, by both the University and Lessee in a signed writing. Lessee hereby grants to University the right to use for ingress and egress any of the corridors, hallways, stairways, elevators, or the like, contained in the Leased Premises, for the purposes of accessing the University Space.

34. INDEPENDENT CONTRACTOR

Lessee shall lease and operate the Leased Premises as an independent contractor, and shall not be considered an agent, employee of, partner of or joint venturer with University or Lessor.

35. NO MERGER

There shall be no merger of this Lease or any interest in this Lease nor of the leasehold estate created by this Lease with the fee estate or any other leasehold estate in the

Leased Premises, by reason of the fact that this Lease or such interest in this Lease or such leasehold estate may be directly or indirectly held by or for the account of any person who shall hold the fee estate (or other leasehold estate) in the Leased Premises, or any interest in such fee estate (or other leasehold estate), nor shall there be such a merger by reason of the fact that all or any part of the leasehold estate created by this Lease may be conveyed or mortgaged in a Leasehold Mortgage to a Leasehold Mortgagee who shall hold the fee estate or a leasehold estate in the Leased Premises or any interest of the Lessor under this Lease.

36. COUNTERPARTS

This Lease may be executed in multiple counterparts. Each executed counterpart shall be deemed an original and all executed originals shall together constitute one instrument.

37. TIME IS OF THE ESSENCE

Time is of the essence with respect to all obligations contained herein.

38. LESSOR AND UNIVERSITY


Whenever under this Lease a consent, approval, or instrument is required to be obtained from Lessor, the parties agree that University shall act as the representative of Lessor with respect thereto and such consent, approval, or instrument shall not need to be separately obtained from Lessor. In addition, to the extent University owns or has an interest in any of the Leased Premises or Fixtures and Personalty the term "Lessor" as used herein shall be deemed to include University.


- Signature Pages Follow -

IN WITNESS WHEREOF, the parties hereto, by its authorized officer in the case of Lessee, and by its authorized officials in the case of Lessor and University, have duly executed this Amended and Restated Lease Agreement as of the date first above written.

Approved as to form and legality:

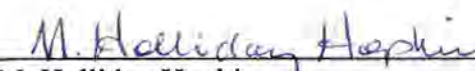
COMMONWEALTH OF KENTUCKY


E. Jeffrey Mosley, General Counsel
Cabinet for Finance and Administration


Lori Hudson Flanery, Secretary
Cabinet for Finance and Administration

Approved as to form and legality:

Approved:



M. Holliday Hopkins,
General Counsel to the Governor


Steven L. Beshear, Governor

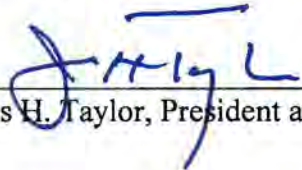
Approved as to form and legality:


Assoc. University Counsel

UNIVERSITY OF LOUISVILLE


David L. Dunn M.D., Ph.D.,
Executive Vice President for Health Affairs

UNIVERSITY MEDICAL CENTER, INC.,
a Kentucky nonprofit corporation



James H. Taylor, President and CEO