

MINUTES OF THE MEETING OF THE
EXECUTIVE AND COMPENSATION COMMITTEE
OF THE BOARD OF TRUSTEES OF THE UNIVERSITY OF LOUISVILLE

February 24, 2022

In Open Session

Members of the Executive and Compensation Committee of the University of Louisville Board of Trustees met both in-person and virtually in the President's Conference Room, Grawemeyer Hall, Belknap Campus at 8:01 a.m. on February 24, 2022, with members present and absent as follows:

Present: Ms. Mary Nixon, Chair
Mr. Scott Brinkman
Dr. Raymond Burse
Ms. Diane Medley
Ms. Ugonna Okorie
Mr. Jim Rogers

Other Trustees

Present: Mr. Al Cornish
Prof. David Schultz
Mr. John Smith
Ms. Sherrill Zimmerman

From the

University: Dr. Lori Gonzalez, Interim President
Mr. Dan Durbin, Vice President for Finance and CFO
Ms. Angela Curry, General Counsel and Vice President for Legal Affairs
Lt. Col. Jessie Murnock, Deputy Chief of Staff to the President
Mr. Jake Beamer, Dir. of Governance & Strategic Initiatives & Asst. Secretary

I. Call to Order

Chair Nixon called the roll. Having determined a quorum present, she called the meeting to order at 8:01 a.m.

Approval of Minutes, 12-16-2021

Mr. Brinkman made a motion, which Ms. Medley seconded, to approve the minutes of the December 16, 2021 meeting.

The motion passed.

II. Action Item: Approval of UofL Health Lease Extension

Mr. Durbin briefed the committee on the recommendation to approve the second amendments to the lease agreements with UofL Health, explaining that they were necessary to facilitate the expansion of the current downtown hospital.

He then fielded questions from the committee.

Ms. Medley made a motion, which Mr. Brinkman seconded, to approve the

President's recommendation that the Board of Trustees approve the attached second amendments to the lease agreements between

- **The University, UofL Health – Louisville, Inc., and UofL Health, Inc., and**
- **The University, University Medical Center, Inc., and UofL Health, Inc.**

The motion passed.

III. Adjournment

Having no other business to come before the committee, Ms. Okorie made a motion, which Mr. Brinkman seconded, to adjourn.

The motion passed and the meeting adjourned at 8:04 a.m.

Approved by:


Signature on file _____
Assistant Secretary

RECOMMENDATION TO THE
EXECUTIVE AND COMPENSATION COMMITTEE OF THE
UNIVERSITY OF LOUISVILLE BOARD OF TRUSTEES REGARDING
AMENDMENTS TO LEASE AGREEMENTS BETWEEN
THE UNIVERSITY, UofL HEALTH – LOUISVILLE, INC.,
UNIVERSITY MEDICAL CENTER, INC., AND UofL HEALTH, INC.

Executive and Compensation Committee – February 24, 2022

RECOMMENDATION:

The President recommends that the Board of Trustees approve the attached second amendments to the lease agreements between the

- [the University, UofL Health - Louisville, Inc., and UofL Health, Inc.](#), and,
- [the University, University Medical Center, Inc., and UofL Health, Inc.](#)

BACKGROUND:

UofL Health is issuing debt to facilitate the expansion of the current downtown hospital (UMC) that is leased from the university. The amendments to the current lease agreements (attached as [Attachment 1](#) and [Attachment 2](#)) would extend the initial term of the leases for a period of seven (7) years, ending on June 30, 2052.

There are no other changes to the leases.

The Board of Trustees must approve the disposition of property by lease when the transaction involves a term longer than five (5) years, per Section II(e) of the Financial Transactions Policy.

The Executive and Compensation Committee is authorized to act for the board during the interim between meetings of the board, per Section 2.9(B)(1) of the board's Bylaws, and actions taken by the Committee need only be reported to the board for ratification (validation) except when the board specifically authorizes an action to be taken on its behalf.

BOARD ACTION:

Passed _____
Did Not Pass _____
Other _____

Signature on file _____
Assistant Secretary

SECOND AMENDMENT TO LEASE AGREEMENT

THIS AMENDMENT TO THE LEASE AGREEMENT (“**Amendment**”) is effective as of _____, 2022 (“**Effective Date**”), by and between the University of Louisville (“**Lessor**”) and UofL Health - Louisville, Inc. (“**Lessee**”) and UofL Health, Inc.

RECITALS

WHEREAS, the University, Lessee and UofL Health, Inc. entered into a Lease Agreement effective July 1, 2020, as amended;

WHEREAS, the Parties now wish to amend the Lease Agreement;

NOW, THEREFORE, in consideration of the foregoing recitals and the mutual promises and covenants contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

- 1. Section 3.A, the Initial Term of the Lease shall now end on June 30, 2052.

Except as specifically amended herein, all terms and conditions of the Amendment shall remain in full force and effect for the term of the Lease Agreement.

IN WITNESS WHEREOF, the Parties hereto have executed this Amendment as of the Effective Date.

LESSOR:

LESSEE:

UNIVERSITY OF LOUISVILLE

UofL HEALTH – LOUISVILLE, INC.

By: _____
Lori Stewart Gonzalez
Interim President

By: _____
Tom Miller
Chief Executive Officer

Date: _____

Date: _____

UofL HEALTH, INC.
(solely for purposes of Section 24)

By: _____
Tom Miller
Chief Executive Officer
Date: _____

SECOND AMENDMENT TO RESTATED LEASE AGREEMENT

THIS AMENDMENT TO THE RESTATED LEASE AGREEMENT (“Amendment”) is effective as of _____, 2022 (“Effective Date”), by and between the University of Louisville (“Lessor”) and University Medical Center, Inc. (“Lessee”) and UofL Health, Inc.

RECITALS

WHEREAS, the University, Lessee and UofL Health, Inc. entered into a Restated Lease Agreement effective July 1, 2020, as amended;

WHEREAS, the Parties now wish to amend the Restated Lease Agreement;

NOW, THEREFORE, in consideration of the foregoing recitals and the mutual promises and covenants contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

- 1. Section 3.A, the Initial Term of the Lease shall now end on June 30, 2052.

Except as specifically amended herein, all terms and conditions of the Amendment shall remain in full force and effect for the term of the Restated Lease Agreement.

IN WITNESS WHEREOF, the Parties hereto have executed this Amendment as of the Effective Date.

LESSOR:

LESSEE:

UNIVERSITY OF LOUISVILLE

UNIVERSITY MEDICAL CENTER, INC.

By: _____
Lori Stewart Gonzalez
Interim President
Date: _____

By: _____
Tom Miller
Chief Executive Officer
Date: _____

UofL HEALTH, INC.
(solely for purposes of Section 24)

By: _____
Tom Miller
Chief Executive Officer
Date: _____

Attachment 1

LEASE

THIS LEASE (this "Lease") is effective on October 1, 2020 (the "Commencement Date"), by and among **UNIVERSITY OF LOUISVILLE**, a public institute of higher education in the Commonwealth of Kentucky ("Lessor"), **UOFL HEALTH-LOUISVILLE, INC.**, a Kentucky nonprofit corporation ("Lessee").

WITNESSETH:

A. Pursuant to an August 2019 asset purchase agreement, the University of Louisville acquired certain real estate and buildings from KentuckyOne Health including Jewish Hospital, Frazier Rehabilitation Hospital and Peace Hospital fka Our Lady of Peace Hospital ("Leased Premises") on November 1, 2019.

B. As part of such acquisition, KentuckyOne assigned its rights and obligations under.

C. In connection with the formation of UofL Health, Inc., Lessor and UofL Health, Inc. entered into an academic affiliation agreement (the "Affiliation Agreement") that sets forth the terms and conditions of the overall affiliation between the Parties and is coterminous with this Lease.

D. The Lessor desires to lease the Leased Premises to Lessee and the Lessee desires to lease the Leased Premises from Lessor, all as more particularly set forth in this Lease.

NOW, THEREFORE, the Lessor leases to Lessee and Lessee hereby leases from the Lessor the Leased Premises on the terms and conditions hereinafter set forth in this Lease.

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 real property located in Louisville, Jefferson County, Kentucky, and described on Exhibit A, together with all buildings and improvements, now or hereafter constructed thereon as well as the ability to enforce all its rights, privileges, easements and appurtenances belonging or pertaining thereto (the "Leased Premises"), together with all of Lessor's fixtures, whether owned or leased by Lessor, located on or used or useful or associated with, the Leased Premises (the "Fixtures"), as described in Exhibit B attached hereto. To the extent the same are assignable, the Lessor agrees to execute any and all documents reasonably requested by Lessee to effectuate such assignment or carry out the intent of this Section.

2. **POSSESSION**

Except as set forth in Section 33 herein, Lessor shall deliver to Lessee on the Commencement Date actual and exclusive possession of the Leased Premises, free and clear of all leases, tenancies, agreements, matters, liens and defects in title, other than those leases, easements, stipulations, covenants and restrictions of record and those leases and agreements noted in the recitals, together with exclusive possession of Fixtures. Further, the Lessor agrees that any lien applicable to the Lessor's interest in the Leased Premises or any part of the Leased Premises shall

not change the priority or disturb the validity of the lien of any security interest. Notwithstanding, Lessor waives any and all security interests, liens, and other rights and interests in any and all fixtures, furniture, equipment, records and other personal property of Lessee.

3. TERM

A. The “Initial Term” of this Lease shall commence on Commencement Date and shall end on September 30, 2045 (the “Initial Expiration Date”).

B. This Lease shall automatically renew, after the Initial Term, for up three (3) successive, five (5) year periods (each, a “Renewal Term”), provided Lessee is not then in material default hereunder, unless either party provides written notice to the other party of its intent not to renew at least one hundred eighty (180) days prior to the expiration of the Initial Term or any Renewal Term, as applicable, or this Lease is otherwise terminated as provided herein. The Initial Term of this Lease and any Renewal Term shall be referred to collectively as the “Term.” If this Lease is not renewed or otherwise terminated for any reason, the parties’ respective rights and obligations on termination shall be governed by terms of this Lease as well as the Affiliation Agreement.

4. RENTAL PAYMENTS

A. During the Initial Lease Year (as defined below), Lessee shall pay to Lessor the base rent amount set out on Exhibit C for the Leased Premises. Base Rent shall automatically be increased on each anniversary of the Commencement Date during the Initial Term and any Renewal Term by an amount equal to the CPI Factor multiplied by Rent for the immediately prior Lease Year (as defined below); provided, however, in no event shall the amount of Rent as so calculated ever be less than the amount of Rent for the immediately prior Lease Year. Each twelve (12) month period commencing on the Commencement Date or any anniversary thereof is referred to herein as a “Lease Year”, and the first Lease Year is the “Initial Lease Year”.

B. At the beginning of the second Lease Year, and each Lease Year thereafter, during the Term, Rent shall be increased for that Lease Year by an amount equal to the CPI Factor times Rent for the prior Lease Year. The “CPI Factor” is the percentage equal to a fraction, the numerator of which is the Index (as defined below) for the month immediately preceding the new Lease Year and the denominator of which is the Index for the month immediately preceding the prior Lease Year. The term “Index” shall mean the Consumer Price Index, U.S. City Average, All Items and Major Group Figures for Urban Wage Earners and Clerical Workers (CPI-U 1982-84 = 100), published by the Bureau of Labor Statistics of the United States Department of Labor (the “Bureau”).

C. When the adjusted Rent for the new Lease Year has been determined, Lessor shall give Lessee written notice of such adjusted Rent, and any underpayment of Rent from the first day of the new Lease Year to the date Lessee is notified of the adjustment shall be immediately due and payable by Lessee. Lessor’s failure or delay to notify Lessee of said adjustment shall not constitute a waiver of the right to any adjustment provided for in this Lease. If the Index is changed so that the base year of the Index differs from that in effect when the Lease Term commences, the Index shall be converted in accordance with the conversion factor published by the U.S.

Department of Labor, Bureau of Labor Statistics. If the Index is discontinued or revised during the Lease Term, such other government Index or computations with which it is replaced (as determined by Lessor) shall be used in order to obtain substantially the same results as would be obtained if the Index had not been discontinued or revised.

D. Monthly installment payments of Rent shall be payable on or in advance of the first (1st) day of each and every calendar month via electronic funds transfer during the Term; provided, however, Rent for any partial month shall be prorated based upon the actual number of days in such month.

E. 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.

F. This is a net lease and 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.

G. 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. MARKET RENT RESOLUTION

On the first day of the sixth (6th) Lease Year, the eleventh (11th) Lease Year, the sixteenth (16th) Lease Year, the twenty-first (21st) Lease Year, and, if applicable, the twenty-sixth (26th) Lease Year, (each day being a "Market Challenge Date"), Lessor or Lessee shall have the right to dispute the then current calculation of Rent, as set forth above, as not being market rental rent. The disputing party may raise an objection to the then current calculation of Rent by providing written notice to the other within thirty (30) days of a Market Challenge Date (the "Dispute Notice") and the parties shall endeavor to agree on a revised market rental rent (the "Market Base Rental Rate") within thirty (30) days after the delivery and receipt of the Dispute Notice. If Landlord and Tenant are unable to so agree on a Market Base Rental Rate within the aforesaid

thirty (30) day period, then the dispute shall be resolved by arbitration in accordance with the provisions set forth below.

6. 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 Term of this Lease and the options to extend the term of this Lease.

7. 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 of record.

B. 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 all rights granted Lessee in this Lease.

8. USES OF PREMISES

A. The Leased Premises shall be used solely for the conduct and operation of a teaching hospital and its related medical facilities as set forth in and in material compliance with the Affiliation Agreement. No other uses are permitted without the prior written consent of Lessor.

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 "UofL Health – Jewish Hospital", "UofL Health – Frazier Rehab Institute", "UofL Health – Peace Hospital" and "UofL Health – Rudd Heart and Lung Center", as applicable and as set forth on Exhibit A attached hereto, 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 Lessor.

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

A. At its sole cost and expense, Lessee shall be responsible for all repairs, replacements and maintenance (in a good and workmanlike manner) which are necessary to keep the Leased Premises in good repair and condition and suitable for normal operations 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.

B. Lessee, at its expense, shall perform all necessary maintenance, replacements and repairs to the Fixtures.

C. Except as provided in Section 15 herein, at the expiration or earlier termination of this Lease, Lessee shall return the Leased Premises and the Fixtures in as good a condition as originally received, except for normal wear and tear, and as a fully functional hospital and related uses.

D. Lessor, its 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.

10. 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 Section 8(a) herein shall also be approved in advance in writing by Lessor (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 Lessor 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 Section 11 herein, 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 Section 9 herein, 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.

11. FIXTURES

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 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.

12. 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 Lessor 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 Lessee and Lessor are participants with other hospitals in a laundry, chilled water and steam plant (the "Service Facilities").

13. 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 Section 13.C shall survive the expiration or any other termination of this Lease.

14. **INSURANCE**

A. During the Term, Lessee shall maintain, at its sole expense, (i) property insurance (either through third party insurers or through self-insurance reasonably acceptable to Lessor) covering the improvements on the Leased Premises and all Fixtures 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) such insurance as required by and in conformity with the Affiliation Agreement. All such policies of insurance obtained by Lessee pursuant to this Section 14 shall name Lessor and Lessee 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 of the intended cancellation or modification and shall contain a provision waiving the insurers' right of subrogation against Lessor.

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

15. **EMINENT DOMAIN**

A. If Lessor shall, through exercise of its power of eminent domain, change the use of the Leased Premises from that set forth in Paragraph 8, 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 set forth in Paragraph 8, 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 set forth in

Paragraph 8, 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 any 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 set forth in Paragraph 8 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 shall be abated on a pro-rata monthly basis.

16. DAMAGE TO LEASED PREMISES

Except as otherwise provided in this Section, 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 Section 14.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 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 and maintenance. 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 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.

17. 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.

B. Except as provided herein, Lessee shall not permit a lien or encumbrance to be placed upon the Leased Premises or Fixtures; 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.

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.

18. 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 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.

19. 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 19 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) Any portion of 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 entire 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 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.

20. **LIMITATION ON LIABILITY OF LESSOR**

Lessor, and its 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 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 during the Term.

21. **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 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.

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

B. **Licenses and Permits.** Lessee shall have obtained all licenses and permits or written commitments for delivery of same prior to or at the Commencement 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.

C. **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.

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. **NOT APPLICABLE**

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: University of Louisville
Grawemeyer Hall
301 South Third Avenue
Louisville, KY 40208
Attn: President

WITH A COPY TO: University of Louisville
Grawemeyer Hall
2301 South Third Street
Louisville, KY 40208
Attn: Vice President & General Counsel

TO LESSEE AT: UofL Health–Louisville, Inc.
530 S. Jackson Street
Ambulatory Care Building
Executive Offices
Louisville, KY 40202
Attn: President and CEO

WITH A COPY TO: UofL Health, Inc.
530 S. Jackson Street
Ambulatory Care Building
Executive Offices
Louisville, KY 40202
Attn: Legal Counsel

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. SECTION HEADINGS

The section 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 section of this Lease is severable from all other section. In the event that any court of competent jurisdiction determines that any section or subsection of this Lease is invalid or unenforceable for any reason, all remaining section and subsections 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

Pursuant to a separate sublease between the Parties attached as Exhibit D, Lessor shall retain for the use and benefit of the Lessor of leasable space in the building known as UofL Health – Rudd Heart and Lung Center, which is part of the Leased Premises and leasable space in the building known as UofL Health – Jewish Hospital and UofL Health – Frazier Rehab Institute, which is also part of the Leased Premises and (collectively, the “University Space”). The space constituting as University Space shall be decided upon, and may be amended from time to time, by both the Lessor and Lessee in a signed writing. Lessee hereby grants to Lessor 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. The Lessor may license or lease the University Space to third parties subject to Lessee’s written consent shall be reasonably given.

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 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. **MISCELLANEOUS**

A. Department of Health and Human Services. Lessor and Lessee agree that they shall retain and make available upon request for a period of four (4) years after the furnishing of services under this Lease, this Lease and all books, documents and records which are necessary to certify the cost thereof when requested by the Secretary of Health and Human Services or the Comptroller General, or any of their duly authorized representatives. Lessor and Lessee further agree that if any of either of their respective duties under this Lease are carried out through a subcontractor, the Lessor or Lessee, whichever one is applicable, shall obtain the written commitment from such subcontractor that such subcontractor shall retain and make the subcontract and all documents, books and records available on the same basis and to the same extent. This provision relating to the above retention and production of documents is included because of possible application of Section 1862(v)(1)(l) of the Social Security Act to this Lease. If the foregoing provision should be found to be inapplicable, then this Section shall be deemed to be inoperative and without force or effect.

B. Rent; Fair Market Value. The parties acknowledge and agree that Rent represents Fair Market Value payment for lease of the Leased Premises and that the Leased Premises and length of the Term are of a size and time reasonably necessary for the commercially reasonable business purposes of the Lessee. "Fair Market Value" is reflective of the arm's length negotiations among Lessor and Lessee, on commercially reasonable terms, without taking into account the value or volume of referrals between the parties.

C. Certain Legal Requirements. If any provisions of this Lease or the application thereof will be construed so as to adversely affect the eligibility of Lessee or its affiliates full reimbursement under any healthcare payor programs, or if any provisions of this Lease become illegal under any subsequent law, regulation, rule or order, then such provision will be modified in such manner as is necessary to avoid illegality or eliminate the adverse effect upon such eligibility under the such healthcare payor programs.

D. Patient Privacy. Notwithstanding any of the Lessor's rights to enter the Leased Premises pursuant to the terms of this Lease, Lessor will not, and will not cause Lessee to, in any way violate any laws, regulations or ordinances intended to protect the rights and privacy of Lessee's patients, including those relating to any and all patient records, which records Lessee will be able to secure in locked storage units or remove from the Leased Premises at any time.

- Signature Pages Follow -

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

LESSOR:

UNIVERSITY OF LOUISVILLE, a body politic
of the Commonwealth of Kentucky

By: **Signature on file** _____
Name: Neeli Bendapudi, Ph.D.
Title: President

LESSEE:

UOFL HEALTH-LOUISVILLE, INC., a
Kentucky nonprofit corporation

By: _____ **Signature on file**
Name: To
Title: Chief Executive Officer *9/29/20*

EXHIBIT A

(Leased Premises)

1. UofL Health – Jewish Hospital and UofL Health – Frazier Rehab Institute 200 Abraham Flexner Way, Louisville, Kentucky

Tract 1:

Beginning at the Northeast corner of Brook and Chestnut Street, thence in an Easterly direction with the North line of Chestnut Street, 433.98 feet; thence in a Northerly direction and parallel with Brook Street 182 feet to an alley; thence with the South line of said alley in a Westerly direction 433.98 feet to the East line of Brook Street; thence in a Southerly direction with the East line of Brook Street, 182 feet to the point of beginning.

Tract 2:

Beginning at the Southeast corner of Brook and Madison, thence with the South line of Madison Street 458.58 feet; thence in a Southerly direction and parallel with Brook Street 142.39 feet to an alley; thence with the North line of said alley 458.58 feet to the East line of Brook Street; thence in a Northerly direction with the East line of Brook Street, 141.45 feet to the point of beginning.

Tract 3:

Being the Southerly one-half (1/2) in width of the portion of Abraham Flexner Way adjacent to the property described in Tracts 1 and 2 above set forth, which portion was closed pursuant to Ordinance No. 90, Series 2003, of the Legislative Council of the Louisville/Jefferson County Planning Commission, on May 15, 2003, attached to and made a part of instrument of record in Deed Book 8162, Page 660, in the Office of the Clerk of Jefferson County, Kentucky.

Tract 4:

The twenty (20) foot alley which lies between Madison (now known as Abraham Flexner Way) and Chestnut Street, beginning on the East line of Brook Street and running thence Eastwardly to its terminus.

Tract 5:

The right to utilize a suspended walkway that runs across Chestnut Street in a north/south direction between Tracts 1 and 2 described above and that certain building and real property owned by Norton Children's Hospital, having Parcel Identification No. 016G-0057-0000 and located in Louisville, Jefferson County, Kentucky.

LESS AND EXCEPTING from the above described tracts of land, so much thereof as was conveyed to Commonwealth of Kentucky for the use and benefit of the Department of Highways, by Deed dated March 7, 1955, of record in Deed Book 3280, Page 202, and to Louisville and Jefferson County Board of Health, by Quit Claim Deed dated September 16, 1964, of record in Deed Book 4025, Page 552, in the Office of the Clerk of Jefferson County, Kentucky.

Being a portion of the same property conveyed to University of Louisville, a body politic of the Commonwealth of Kentucky, by the following, all recorded in the Office of the Clerk of Jefferson County, Kentucky:

- 1) General Warranty Deed dated and recorded December 14, 1949, of record in Deed Book 2559, Page 25;
- 2) General Warranty Deed dated and recorded December 30, 1949, of record in Deed Book 2563, Page 241;
- 3) General Warranty Deed dated December 29, 1949 and recorded January 3, 1950, of record in Deed Book 2564, Page 105;
- 4) General Warranty Deed dated and recorded January 5, 1950, of record in Deed Book 2564, Page 540;
- 5) General Warranty Deed dated and recorded January 5, 1950, of record in Deed Book 2564, Page 543;
- 6) General Warranty Deed dated and recorded January 5, 1950, of record in Deed Book 2565, Page 55;
- 7) General Warranty Deed dated and recorded January 5, 1950, of record in Deed Book 2565, Page 67;
- 8) General Warranty Deed dated and recorded January 6, 1950, of record in Deed Book 2565, Page 107;
- 9) General Warranty Deed dated and recorded January 6, 1950, of record in Deed Book 2565, Page 127;
- 10) General Warranty Deed dated and recorded January 13, 1950, of record in Deed Book 2567, Page 205;
- 11) General Warranty Deed dated and recorded January 13, 1950, of record in Deed Book 2567, Page 219;
- 12) General Warranty Deed dated January 23, 1950 and recorded January 24, 1950, of record in Deed Book 2570, Page 439;
- 13) General Warranty Deed dated and recorded January 24, 1950, of record in Deed Book 2570, Page 442;
- 14) General Warranty Deed dated January 12, 1950 and recorded January 25, 1950, of record in Deed Book 2571, Page 79;
- 15) General Warranty Deed dated January 17, 1950 and recorded January 25, 1950, of record in Deed Book 2571, Page 99;
- 16) General Warranty Deed dated and recorded February 9, 1950, of record in Deed Book 2576, Page 283;
- 17) General Warranty Deed dated and recorded February 9, 1950, of record in Deed Book 2576,

Page 288;

18) General Warranty Deed dated and recorded February 9, 1950, of record in Deed Book 2576, Page 312;

19) General Warranty Deed dated and recorded February 21, 1950, of record in Deed Book 2580, Page 382;

20) General Warranty Deed dated and recorded March 6, 1950, of record in Deed Book 2585, Page 292;

21) General Warranty Deed dated and recorded March 31, 1950, of record in Deed Book 2596, Page 55;

22) General Warranty Deed dated and recorded May 10, 1950, of record in Deed Book 2612, Page 294;

23) General Warranty Deed dated and recorded August 21, 1950, of record in Deed Book 2659, Page 168;

24) By Action No. 326,009, Jefferson Circuit Court, Chancery Branch, Second Division; and

25) Ordinance No. 90, Series 2003, Docket No. 1-25-01, as reflected in Deed Book 8162, Page 660.

2. UofL Health – Rudd Heart and Lung Center
201 Abraham Flexner Way, Louisville, Kentucky

Being Tract 2, Lot 117, Block 16B, consisting of 0.990 acres, as shown on Minor Subdivision Plat, approved by the Louisville Metro Planning Commission on August 15, 2019, under Docket No. 18MINORPLAT1019, and attached to and made part of that certain Eleventh Amendment to Master Deed of Medical Center Plaza Condominiums, of record in Deed Book 11398, Page 26, in the Office of the Clerk of Jefferson County, Kentucky.

Being a portion of the same property conveyed to University of Louisville, a body politic of the Commonwealth of Kentucky, by Special Warranty Deed, dated effective November 1, 2019, of record in Deed Book 11543, Page 409, in the Office of the Clerk of Jefferson County, Kentucky.

LESS AND EXCEPTING from the above described tracts of land, the University Space described below which Lessor retains for its own use and benefit:

3. UofL Health – Peace Hospital
2020 Newburg Road, Louisville, Kentucky

Being a certain tract of land situated in Louisville, Jefferson County, Kentucky and being a portion of the property conveyed to CHI Kentucky, Inc. in Deed Book 8731, Page 375, a portion of the property conveyed to Caritas Health Services, Inc., in Deed Book 7459, Pg. 906, and all of the property conveyed to Caritas Health Services, Inc. in Deed Book 7224, Page 51 all of record in the office of the Clerk of Jefferson County, Kentucky and being more particularly described as

follows:

Beginning at a found PK Nail with a washer stamped "K. Crowe 2957" at the intersection of the northeastern most corner of the Nazareth Literary and Benevolent Institution property shown as Tract 1 in Deed Book 7220, Page 411 and the south right-of-way line of Newburg Road as set out in said Deed Book 7220, Page 411; thence with said south right-of-way line of Newburg Road South 22°52'15" East, 518.25 feet to a found 5/8" iron pin with a cap stamped "1327"; thence North 67°07'45" East, 1.74 feet to a found concrete right-of-way monument flush with the ground in the south right-of-way of Newburg Road as set out in Deed Book 6178, Page 754; thence with said south right-of-way line of Newburg Road South 21°44'51" East, 255.05 feet to a point North 11°30'37" West, 3.34 feet from a found concrete right-of-way monument flush with the ground; thence South 20°00'30" East, 100.12 feet to a point North 04°12'43" East, 1.14 feet from a found concrete right-of-way monument flush with the ground; thence South 24°24'30" East, 74.55 feet to a point North 67°32'26" East, 5.00 feet from a 1/2" iron pin with an orange cap stamped "MONIN 3715" set as a reference monument; thence South 20°47'12" East, 101.04 feet to a point North 44°07'25" East, 1.57 feet from a found right-of-way monument flush with the ground; thence South 48°56'23" East, 67.65 feet to a set iron pin with an orange cap stamped "MONIN 3715" in the west line of the property conveyed to Bellarmine University, Inc. in Deed Book 7670, Page 112; thence leaving aforesaid south right-of-way line of Newburg Road and with said west line of Bellarmine University, Inc. South 12°34'29" West, 129.57 feet to a found steel pike marked "B.U."; thence South 21°10'50" West, 186.30 feet to a found 5/8" iron pin with a cap stamped "3293"; thence South 58°22'07" West, 684.74 feet to a found 2" pipe; thence South 88°40'34" West, 127.77 feet to a found 2" pipe at the northeast corner of the property conveyed to Louisville and Jefferson County Metropolitan Sewer District (LJCMSD) in Deed Book 3986, Page 463; thence with said LJCMSD property North 40°23'19" West, 80.49 feet to a set 1/2" iron pin with an orange cap stamped "MONIN 3715"; thence South 55°53'49" West, 269.71 feet to a found 1" pipe in the north line of the property conveyed to LJCMSD in Deed Book 10482, Page 705; thence with said north line of LJCMSD property North 34°06'11" West, 99.96 feet to a found 5/8" iron pin with a cap stamped "GRANGIER 3352" in the east line of Audubon Ridge Subdivision, Section 2 in Plat Book 40, Page 40; thence with said east line of Audubon Ridge Subdivision, Section 2 North 53°12'41" East, 30.91 feet to a set 1/2" iron pin with an orange cap stamped "MONIN 3715" at the northeast corner of said Audubon Ridge Subdivision, Section 2; thence with the north line of Audubon Ridge Subdivision, Section 2, said north line becoming the north line of Audubon Ridge Subdivision, Section 1 in Plat Book 39, Pg. 54 at 511.39 feet, North 33°01'06" West, 1230.25 feet to a set 1/2" iron pin with an orange cap stamped "MONIN 3715" at the southeast corner of the property conveyed to Sacred Heart Literary and Scientific School in Deed Book 968, Page 113; thence with the east line of said Sacred Heart Literary Scientific School property North 57°03'12" East, 616.50 feet to a point North 09°53'27" East, 0.46 feet from a found 5/8" iron pin with cap stamped "1327" at the southwest corner of the aforementioned Nazareth Literary and Benevolent Institution property shown as Tract 1 in Deed Book 7220, Page 411; thence with said Nazareth Literary and Benevolent Institution property South 32°56'48" East, 249.59 feet to a found 5/8" iron pin with a cap stamped "1327"; thence North 68°35'17" East, 308.31 feet to a found PK Nail with a washer stamped "K. Crowe 2957"; thence with a curve to the right having a radius of 40.00 feet and a chord South 65°54'50" East, 57.06 feet to a PK Nail with a washer stamped "K. Crowe 2957"; thence South 20°24'58" East, 117.88 feet to a PK Nail with a washer stamped "K. Crowe 2957"; thence with a curve to the left having a radius of 40.00 feet and a chord of South 40°09'08" East, 27.02 feet to a PK Nail with a washer stamped "K. Crowe

2957"; thence South 59°53'17" East, 240.90 feet to a PK Nail with a washer stamped "K. Crowe 2957"; thence with a curve to the left having a radius of 82.17 feet and a chord of North 83°05'00" East, 98.97 feet to a PK Nail with a washer stamped "K. Crowe 2957"; thence with a curve to the left having a radius of 124.76 feet and a chord of North 33°10'58" East, 55.59 feet to a PK Nail with a washer stamped "K. Crowe 2957"; thence with a curve to the left having a radius of 640.30 feet and a chord of North 12°04'10" East, 183.55 feet to a PK Nail with a washer stamped "K. Crowe 2957"; thence with a curve to the left having a radius of 544.83 feet and a chord of North 06°21'28" West, 192.70 feet to a PK Nail with a washer stamped "K. Crowe 2957"; thence with a curve to the left having a radius of 844.15 feet and a chord of North 19°52'04" West, 97.88 feet to a PK Nail with a washer stamped "K. Crowe 2957"; thence North 23°11'29" West, 146.68 feet to a PK Nail with a washer stamped "K. Crowe 2957"; thence North 54°18'43" East, 24.77 feet to the beginning, containing 35.692 acres.

Being a portion of the same property conveyed to University of Louisville, a body politic of the Commonwealth of Kentucky, by Special Warranty Deed, dated effective November 1, 2019, of record in Deed Book 11543, Page 399, in the Office of the Clerk of Jefferson County, Kentucky.

EXHIBIT B

List of Fixtures

[TO BE ATTACHED]

EXHIBIT C

(Base Rent for Initial Year)

Leased Premises (as described in Exhibit A)	Annual Base Rent	Monthly Installment of Base Rent
1. <i>UofL Health – Jewish Hospital and UofL Health – Frazier Rehab Institute</i> (200 Abraham Flexner Way, Louisville, Kentucky)	\$4,897,068.88	\$ 408,089.08
2. <i>UofL Health – Rudd Heart and Lung Center</i> (201 Abraham Flexner Way, Louisville, Kentucky)		
3. <i>UofL Health – Peace Hospital</i> (2020 Newburg Road, Louisville, Kentucky)	\$ 1,678,443.80	\$ 139,870.32
TOTAL	\$6,575,512.68	\$547,959.40

EXHIBIT D
SUBLEASE
[TO BE ATTACHED]

FIRST AMENDMENT TO LEASE AGREEMENT

THIS AMENDMENT TO LEASE AGREEMENT (“**Amendment**”) is effective as of July 1, 2021 (“*Effective Date*”), by and between the University of Louisville (“**Lessor**”) and UofL Health – Louisville, Inc. (“**Lessee**”) and UofL Health, Inc.

RECITALS

WHEREAS, the University, Lessee, and UofL Health, Inc. entered into a Lease Agreement effective July 1, 2020;

WHEREAS, the Parties now wish to amend the Lease Agreement;

NOW, THEREFORE, in consideration of the foregoing recitals and the mutual promises and covenants contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. Section 4.A, 4B and 4C shall be replaced with the following language:

4.A Beginning on and throughout the remainder of the Term, Lessee hereby covenants and agrees to pay to the Lessor, the Rent in the amount set forth in the Exhibit C.

4.B. Not applicable.

4.C. Not applicable.

Except as specifically amended herein, all terms and conditions of the Amendment shall remain in full force and effect for the term of the Lease Agreement.

[Remainder of Page Blank, Signature Page Follows]

IN WITNESS WHEREOF, the Parties hereto have executed this Amendment as of the Effective Date.

LESSOR:

UNIVERSITY OF LOUISVILLE

Signature on file

Neeli Bendapudi, Ph.D.
President

Date: 7/15/2021

LESSEE:

UOFL HEALTH - LOUISVILLE, INC.

Signature on file

Tom Miller
Chief Executive Officer

Date: 7/14/21

UOFL HEALTH, INC.
(solely for purposes of Section 24)

Signature on file

Tom Miller
Chief Executive Officer

Date: 7/14/21

Attachment 2

AMENDED AND RESTATED LEASE AGREEMENT

THIS AMENDED AND RESTATED LEASE (this "Lease") is effective on October 1, 2020 (the "Effective Date"), by and among **UNIVERSITY OF LOUISVILLE**, a public institute of higher education in the Commonwealth of Kentucky ("Lessor"), **UNIVERSITY MEDICAL CENTER, INC.**, a Kentucky nonprofit corporation ("Lessee").

WITNESSETH:

A. Lessor and Lessee, an affiliate of UofL Health, Inc. had previously entered into an Amended and Restated Academic Affiliation Agreement dated June 30, 2017 ("2017 AAA") related to University teaching, training, and clinical programs.

B. In accordance with the terms of the 2017 AAA, the Lessor and Lessee previously entered into that certain Amended and Restated Lease Agreement dated July 1, 2017, 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.

C. In connection with the formation of UofL Health, Inc., Lessor and UofL Health entered into a new, comprehensive academic affiliation agreement (the "2019 Affiliation Agreement") between the Lessor and UofL Health, Inc. that sets forth the terms and conditions of the overall affiliation between the Parties and is coterminous with this Lease.

NOW, THEREFORE, in consideration of the foregoing premises, and the representations, warranties, mutual covenants hereinafter set forth, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Lessor and Lessee agree that the 2017 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 real property 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

Except as set forth in Section 33 herein, Lessor shall deliver to Lessee on the Effective Date actual and exclusive possession of the Leased Premises, free and clear of all leases, tenancies, agreements, matters, liens and defects in title, other than those leases, easements, stipulations, covenants and restrictions of record 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 Effective Date and shall end on September 30, 2045 (the "Initial Expiration Date").

B. This Lease shall automatically renew, after the Amended Term, for up three (3) successive, five (5) year periods (each, a "Renewal Term"), provided Lessee is not then in material default hereunder, unless either party provides written notice to the other party of its intent not to renew at least one hundred eighty (180) days prior to the expiration of the Amended Term or any Renewal Term, as applicable, or this Lease is otherwise terminated as provided herein. The Amended Term of this Lease and any Renewal Term shall be referred to collectively as the "Term." If this Lease is not renewed or otherwise terminated for any reason, the parties' respective rights and obligations on termination shall be governed by terms of this Lease as well as the Affiliation Agreement.

4. RENTAL PAYMENTS

A. During the Initial Lease Year (as defined below), Lessee shall pay to Lessor the base rent amount set out on Exhibit C for the Leased Premises. Base Rent shall automatically be increased on each anniversary of the Effective Date during the Amended Term and any Renewal Term by an amount equal to the CPI Factor multiplied by Rent for the immediately prior Lease Year (as defined below); provided, however, in no event shall the amount of Rent as so calculated ever be less than the amount of Rent for the immediately prior Lease Year. Each twelve (12) month period commencing on the Effective Date or any anniversary thereof is referred to herein as a "Lease Year", and the first Lease Year is the "Initial Lease Year".

B. At the beginning of the second Lease Year, and each Lease Year thereafter, during the Term, Rent shall be increased for that Lease Year by an amount equal to the CPI Factor times Rent for the prior Lease Year. The "CPI Factor" is the percentage equal to a fraction, the numerator of which is the Index (as defined below) for the month immediately preceding the new Lease Year and the denominator of which is the Index for the month immediately preceding the prior Lease Year. The term "Index" shall mean the Consumer Price Index, U.S. City Average, All Items and Major Group Figures for Urban Wage Earners and Clerical Workers (CPI-U 1982-84 = 100), published by the Bureau of Labor Statistics of the United States Department of Labor (the "Bureau").

C. When the adjusted Rent for the new Lease Year has been determined, Lessor shall give Lessee written notice of such adjusted Rent, and any underpayment of Rent from the first day of the new Lease Year to the date Lessee is notified of the adjustment shall be immediately due and payable by Lessee. Lessor's failure or delay to notify Lessee of said adjustment shall

not constitute a waiver of the right to any adjustment provided for in this Lease. If the Index is changed so that the base year of the Index differs from that in effect when the Lease Term commences, the Index shall be converted in accordance with the conversion factor published by the U.S. Department of Labor, Bureau of Labor Statistics. If the Index is discontinued or revised during the Lease Term, such other government Index or computations with which it is replaced (as determined by Lessor) shall be used in order to obtain substantially the same results as would be obtained if the Index had not been discontinued or revised.

D. Monthly installment payments of Rent shall be payable on or in advance of the first (1st) day of each and every calendar month via electronic transfer during the Term; provided, however, Rent for any partial month shall be prorated based upon the actual number of days in such month.

E. 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.

F. This is a net lease and 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.

G. 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. MARKET RENT RESOLUTION

On the first day of the sixth (6th) Lease Year, the eleventh (11th) Lease Year, the sixteenth (16th) Lease Year, the twenty-first (21st) Lease Year, and, if applicable, the twenty-sixth (26th) Lease Year, (each day being a "Market Challenge Date"), Lessor or Lessee shall have the right to dispute the then current calculation of Rent, as set forth above, as not being market rental rent. The disputing party may raise an objection to the then current calculation of Rent by providing written notice to the other within thirty (30) days of a Market Challenge Date (the "Dispute Notice") and the parties shall endeavor to agree on a revised market rental rent (the "Market

Base Rental Rate”) within thirty (30) days after the delivery and receipt of the Dispute Notice. If Landlord and Tenant are unable to so agree on a Market Base Rental Rate within the aforesaid thirty (30) day period, then the dispute shall be resolved by arbitration in accordance with the provisions set forth below.

6. **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 Term of this Lease and the options to extend the term of this Lease.

7. **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 of record.

B. 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.

8. **USES OF PREMISES**

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

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 “James Graham Brown Cancer Center”, 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 Lessor.

9. **CONDITION OF LEASED PREMISES; FIXTURES AND EQUIPMENT; REPAIRS**

A. 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 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.

B. Lessee, at its expense, shall perform all necessary maintenance, replacements and repairs to the Fixtures and Personalty.

C. Except as provided in Section 15 herein, at the expiration or earlier termination of this Lease, Lessee shall return the Leased Premises and the Fixtures and Personalty in as good a condition as originally received, except for normal wear and tear, and as a fully functional hospital and related uses.

D. Lessor, its 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.

10. **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 Section 8(a) herein shall also be approved in advance in writing by Lessor (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 Lessor 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 Section 11 herein, 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 Section 9 herein, 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.

11. 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.

12. 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 Lessor 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 Lessee and Lessor are participants with other hospitals in a laundry, chilled water and steam plant (the "Service Facilities").

13. 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 biphenyls, 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 Section 13.C shall survive the expiration or any other termination of this Lease.

14. **INSURANCE**

A. During the Term, Lessee shall maintain, at its sole expense, (i) property insurance (either through third party insurers or through self-insurance reasonably acceptable to Lessor) 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) such insurance as required by and in conformity with the Affiliation Agreement. All such policies of insurance obtained by Lessee pursuant to this Section 14 shall name Lessor and Lessee 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 of the intended cancellation or modification and shall contain a provision waiving the insurers' right of subrogation against Lessor.

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

15. **DAMAGE TO LEASED PREMISES**

Except as otherwise provided in this Section, 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 Effective 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 Section 14.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 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 and maintenance. 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 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.

16. EMINENT DOMAIN

A. If Lessor shall, through exercise of its power of eminent domain, change the use of the Leased Premises from that set forth in Paragraph 8, 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 set forth in Paragraph 8, 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 set forth in Paragraph 8, 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 any 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 set forth in Paragraph 8 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 shall be abated on a pro-rata monthly basis.

17. 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.

B. Except as provided herein, Lessee shall not permit a lien or encumbrance to be placed upon the Leased Premises 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.

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.

18. 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 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.

19. 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 18 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) Any portion of 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 entire 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.

20. **LIMITATION ON LIABILITY OF LESSOR**

Lessor, and its 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 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 during the Term.

21. **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 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.

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 Effective Date:

A. **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 Effective Date hereof.

B. **Licenses and Permits.** Lessee shall have obtained all licenses and permits or written commitments for delivery of same prior to or at the Effective 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.

C. **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.

D. **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. **NOT APPLICABLE.**

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: University of Louisville
Grawemeyer Hall
301 South Third Avenue
Louisville, KY 40208
Attn: President

WITH A COPY TO: University of Louisville
Grawemeyer Hall
2301 South Third Street
Louisville, KY 40208
Attn: Vice President & General Counsel

TO LESSEE AT: University Medical Center, Inc.
530 South Jackson Street
Louisville, KY 40202
Attn: President

WITH A COPY TO: UofL Health, Inc.
530 S. Jackson Street
Louisville, KY 40202
Attn: Legal Counsel

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. SECTION HEADINGS

The section 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 section of this Lease is severable from all other section. In the event that any court of competent jurisdiction determines that any section or subsection of this Lease is invalid or unenforceable for any reason, all remaining section and subsections 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**

Pursuant to a separate sublease between the Parties attached as Exhibit D, Lessor shall retain for the use and benefit of the Lessor including, but not limited to, the buildings known as the James Graham Brown Cancer Center, Ambulatory Care Building and the Concentrated Care Building which is part of 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 Lessor and Lessee in a signed writing. Lessee hereby grants to Lessor 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. The Lessor may license or lease the University Space to third parties subject to Lessee's written consent shall be reasonably given.

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 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. MISCELLANEOUS

A. Department of Health and Human Services. Lessor and Lessee agree that they shall retain and make available upon request for a period of four (4) years after the furnishing of services under this Lease, this Lease and all books, documents and records which are necessary to certify the cost thereof when requested by the Secretary of Health and Human Services or the Comptroller General, or any of their duly authorized representatives. Lessor and Lessee further agree that if any of either of their respective duties under this Lease are carried out through a subcontractor, the Lessor or Lessee, whichever one is applicable, shall obtain the written commitment from such subcontractor that such subcontractor shall retain and make the subcontract and all documents, books and records available on the same basis and to the same extent. This provision relating to the above retention and production of documents is included because of possible application of Section 1862(v)(1)(I) of the Social Security Act to this Lease. If the foregoing provision should be found to be inapplicable, then this Section shall be deemed to be inoperative and without force or effect.

B. Rent; Fair Market Value. The parties acknowledge and agree that Rent represents Fair Market Value payment for lease of the Leased Premises and that the Leased Premises and length of the Term are of a size and time reasonably necessary for the commercially reasonable business purposes of the Lessee. "Fair Market Value" is reflective of the arm's length negotiations among Lessor and Lessee, on commercially reasonable terms, without taking into account the value or volume of referrals between the parties.

C. Certain Legal Requirements. If any provisions of this Lease or the application thereof will be construed so as to adversely affect the eligibility of Lessee or its affiliates full reimbursement under any healthcare payor programs, or if any provisions of this Lease become illegal under any subsequent law, regulation, rule or order, then such provision will be modified in such manner as is necessary to avoid illegality or eliminate the adverse effect upon such eligibility under the such healthcare payor programs.

D. Patient Privacy. Notwithstanding any of the Lessor's rights to enter the Leased Premises pursuant to the terms of this Lease, Lessor will not, and will not cause Lessee to, in any way violate any laws, regulations or ordinances intended to protect the rights and privacy of

Lessee's patients, including those relating to any and all patient records, which records Lessee will be able to secure in locked storage units or remove from the Leased Premises at any time.

- Signature Pages Follow -

IN WITNESS WHEREOF, the parties hereto, by its authorized officers in the case of Lessee by its authorized officials in the case of Lessor, have duly executed this Lease as of the date first above written.

LESSOR:

UNIVERSITY OF LOUISVILLE, a body politic
of the Commonwealth of Kentucky

By: Signature on file
Name: Neeli Bendapudi
Title: President

LESSEE:

UNIVERSITY MEDICAL CENTER, INC., a
Kentucky nonprofit corporation

By: Signature on file
Name: Thomas D. Miller
Title: CEO
9/22/20

EXHIBIT A

(Leased Premises)

PARCEL I

545 South Jackson Street; Concentrated Care Building Parcel

Beginning at the intersection of the former South line of Madison Street as closed in Action #79-CI-05313, Jefferson Circuit Court, with the East line of Jackson Street; thence South 74 degrees 47 minutes 05 seconds West along the East line of Jackson Street, 341.29 feet to the intersection with the North line of Chestnut Street; thence South 82 degrees 04 minutes 45 seconds East 525.20 feet to the intersection of the West line of Hancock Street; thence North 7 degrees 51 minutes 35 seconds East 342.15 feet to the intersection with the former South line of Madison Street, as closed by the Judgment in the aforesaid action; thence North 7 degrees 46 minutes 13 seconds East 30.05 feet to a point in the former center line of Madison Street as closed by the Judgment in the aforesaid action; thence West along the former center line of Madison Street as closed by the Judgment in the aforesaid action, approximately 521 feet, more or less, to the intersection with the East line of Jackson Street; thence South 8 degrees 10 minutes 18 seconds West 30.05 feet to the point of beginning.

PARCEL II

529 South Jackson Street; James Graham Brown Cancer Center Parcel

Beginning at the Northeast corner of Jackson Street and Madison Street; thence Northwardly with the East line of Jackson Street 342 feet to the Southeast corner of Jackson Street and Walnut Street (now Muhammad Ali Boulevard); thence Eastwardly with the South line of Walnut Street (now Muhammad Ali Boulevard) 244.5 feet to the Northwest corner of the tract conveyed to Commonwealth of Kentucky for the use and benefit of the University of Louisville, by deed of record in Deed Book 4865, Page 963, in the Office of the Clerk of the County Court of Jefferson County, Kentucky; thence Southwardly with the West line of said tract 171 feet to the center of the 12 foot alley closed in Action No. 5326, Jefferson Circuit Court; thence Eastwardly with the center line of said alley as closed aforesaid; being a line of the aforesaid tract conveyed to Commonwealth of Kentucky, 88.67 feet to a corner of said tract; thence Southwardly with the West line of said tract 171 feet to the North line of Madison Street; thence Westwardly with the North line of Madison Street, 333 feet 2 inches, more or less, to the beginning.

PARCEL III

530 South Jackson Street; UMC Parking Garage Parcel

Beginning at the Southwest corner of Muhammad Ali Boulevard (formerly Walnut Street) and Jackson Street; thence with the South line of Muhammad Ali Boulevard, North 82 degrees 04 minutes 50 seconds West 255.00 feet to an iron pin; thence departing said line of Muhammad Ali Boulevard, South 7 degrees 47 minutes 12 seconds West 372.00 feet to an iron pin in the original Madison Street, now closed (Action No. 99251, Jefferson Circuit Court); thence with a line in the original Madison Street and parallel to the South line of Muhammad Ali Boulevard, South 82 degrees 04 minutes 50 seconds East 254.92 feet to a point in the West line of Jackson Street; thence with said line of Jackson Street, North 7 degrees 56 minutes 28 seconds East 29.86 feet to its intersection with the North line of the abovementioned Madison Street; thence continuing with said West line of Jackson Street, North 7 degrees 47 minutes 12 seconds East 342.14 feet to the point of beginning.

PARCEL IV

550 South Jackson Street; Ambulatory Care Building Parcel

Being Tract 2 as shown on Minor Subdivision Plat approved by the governing planning commission, Docket No. 230-06, attached to and made a part of Deed of Subdivision, dated December 12, 2006, and recorded in Deed Book 8952, Page 587, in the Office of the Clerk of Jefferson County, Kentucky.

PARCEL V

Pedway and Tunnel running over and under Jackson Street

The right to use for ingress and egress that certain suspended walkway running over, and certain tunnel running under, Jackson Street, which connects the improvements on the above described Ambulatory Care Building Parcel with the Concentrated Care Building Parcel.

PARCEL VI

Pedway connecting the UMC Parking Garage and Ambulatory Care Building

The right to use for ingress and egress that certain suspended walkway connecting the improvements on the above described UMC Parking Garage Parcel and Ambulatory Care Building Parcel.

EXHIBIT B

(List of Fixtures and Personalty)

[TO BE ATTACHED]

EXHIBIT C

(Leased Premises Base Rent for Initial Year)

Annual Base Rent	Monthly Installment of Base Rent
\$ 14,598,000.00	\$1,216,500.00

EXHIBIT D

SUBLEASE AGREEMENT

[TO BE ATTACHED]

FIRST AMENDMENT TO RESTATED LEASE AGREEMENT

THIS AMENDMENT TO THE RESTATED LEASE AGREEMENT (“**Amendment**”) is effective as of July 1, 2021 (“**Effective Date**”), by and between the University of Louisville (“**Lessor**”) and University Medical Center, Inc. (“**Lessee**”) and UofL Health, Inc.

RECITALS

WHEREAS, the University, Lessee and UofL Health, Inc. entered into a Restated Lease Agreement effective July 1, 2020;

WHEREAS, the Parties now wish to amend the Restated Lease Agreement;

NOW, THEREFORE, in consideration of the foregoing recitals and the mutual promises and covenants contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. Section 4.A, 4B and 4C shall be replaced with the following language:

4.A Beginning on and throughout the remainder of the Term, Lessee hereby covenants and agrees to pay to the Lessor, the Rent in the amount set forth in the Exhibit C.

4.B. Not applicable.

4.C. Not applicable.

Except as specifically amended herein, all terms and conditions of the Amendment shall remain in full force and effect for the term of the Restated Lease Agreement.

[Remainder of Page Blank, Signature Page Follows]

IN WITNESS WHEREOF, the Parties hereto have executed this Amendment as of the Effective Date.

LESSOR:

UNIVERSITY OF LOUISVILLE

Signature on file

Neeli Bendapudi, Ph.D.
President

Date: 7/15/2021

LESSEE:

UNIVERSITY MEDICAL CENTER, INC.

Signature on file

By _____
Tom Miller
Chief Executive Officer

Date: 7/14/21

UOFL HEALTH, INC.

(solely for purposes of Section 24)

Signature on file

By _____
Tom Miller
Chief Executive Officer

Date: 7/14/21