

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

September 23, 2021

In Open Session

Members of the Executive and Compensation Committee of the University of Louisville Board of Trustees met in the Jefferson Room, Grawemeyer Hall, Belknap Campus at 3:29 p.m. on September 23, 2021, with members present and absent as follows:

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

Absent: Mr. Jim Rogers

Other Trustees

Present: Mr. Jerry Abramson
Mr. John Chilton
Mr. Al Cornish
Ms. Diane Porter
Prof. David Schultz
Mr. John Smith
Ms. Sherrill Zimmerman

From the
University: Dr. Neeli Bendapudi, President
Dr. Lori Gonzalez, Executive Vice President and University Provost
Dr. Kevin Gardner, Executive Vice President for Research and Innovation
Mr. Dan Durbin, Vice President for Finance and CFO
Ms. Angela Curry, General Counsel and Vice President for Legal Affairs
Dr. Jasmine Farrier, Vice President for University Advancement
Dr. Toni Ganzel, Vice President for Academic Medical Affairs
Ms. Mary Elizabeth Miles, Vice President for Human Resources
Mr. Rehan Khan, Vice President for Information Technology Services
Dr. Michael Mardis, Vice President for Student Affairs, Dean of Students
Mr. Mark Watkins, Sr. Associate Vice President for Operations
Dr. Faye Jones, Sr. Associate Vice President for Diversity and Equity
Mr. John Drees, Sr. Associate Vice President for Communications and Marketing
Ms. Sandy Russell, Assistant Vice President for Enterprise Risk and Compliance
Ms. Shannon Rickett, Assistant Vice President for Government Relations

Mr. Rick Graycarek, Assistant Vice President for Budget and Financial Planning
Dr. Gail DePuy, Special Assist. to the President for Strategic Plan Implementation
Dr. Paul DeMarco, Associate Dean of the Graduate School
Mr. Josh Heird, Deputy Athletic Director
Ms. Kari Aikins, Director of Total Rewards in Human Resources
Dr. Douglas Craddock, Deputy Chief of Staff to the Provost
Mr. John Karman, Executive Director of Communications
Ms. Beverly Santamouris, Treasurer/Controller
Ms. Jessica Murnock, Deputy Chief of Staff, President's Office
Mr. Jeff Spoelker, Associate Athletic Director
Dr. Joe Grant, Director of Undergraduate Studies in Criminal Justice
Dr. Staci Saner, Assistant Professor of Educational Leadership, Evaluation
Dr. Linda Fusilier, Assoc. Dean for Undergraduate Education, A&S
Ms. Melissa Brown, Youth Protection Officer in Risk, Audit, and Compliance
Ms. Carol Kloenne, Risk Management Coordinator in Risk, Audit, & Compliance
Dr. Ian Norris, ACE Fellow
Mr. Jake Beamer, Dir. of Governance & Strategic Initiatives & Asst. Secretary

From the UofL

Foundation: Mr. Keith Sherman, Executive Director
Mr. Justin Ruhl, Controller

From UofL

Health: Mr. Tom Miller, CEO

I. Call to Order

Chair Nixon called the roll. Having determined a quorum present, she called the meeting to order at 3:29 p.m.

Consent Agenda

Chair Nixon read the Consent Agenda as follows:

- **Approval of Minutes, 8-4-2021**
- **From the Academic & Student Affairs Committee, 9-23-2021**
 - **Faculty Accountability Policy (amended)**
 - **Bachelor of Science in General Studies**
 - **Master of Science in Health Professions Education**
 - **Personnel Matters**
- **From the Finance Committee, 9-23-2021**
 - **Promissory Notes & Additional Contribution for Denny Crum Hall Project**
 - **Renovation and Refurbishment of Club Space at Stadium**

Dr. Burse made a motion, which Ms. Medley seconded, to approve the consent agenda.

The motion passed.

II. Report of the Chair

The chair had no report, but Ms. Nixon reminded trustees that the next regular board meeting is Friday, October 29, at 1:00 p.m.

III. Adjournment

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

The motion passed and the meeting adjourned at 3:30 p.m.

Approved by:


Signature on file _____
Assistant Secretary

RECOMMENDATION TO THE BOARD OF TRUSTEES
REGARDING A FACULTY ACCOUNTABILITY POLICY

Academic and Student Affairs Committee – 9-23-2021
Executive and Compensation Committee – 9-23-2021

RECOMMENDATION:

The President recommends that the Board of Trustees approve the Faculty Accountability Policy as described in the form, [attached](#).

The Executive Vice President and University Provost joins the President in making this recommendation.

COMMITTEE ACTION:

Passed _____
Did Not Pass _____
Other _____

BOARD ACTION:

Passed _____
Did Not Pass _____
Other _____

Signature on file

Assistant Secretary

Assistant Secretary



POLICY NAME

Faculty Accountability

POLICY NUMBER

TBD

INITIAL ADOPTION AND EFFECTIVE DATE

Enter date

POLICY APPLICABILITY

This policy applies to all faculty at the University of Louisville as defined in Redbook, Article 4.1.

REASON FOR POLICY

The University of Louisville (University) is committed to fostering a diverse and inclusive work environment that promotes a culture of mutual respect with integrity, transparency, and accountability. The University’s Code of Conduct states core values shared by members of the University community, including honesty and rigor in all pursuits, respect for diversity and for all individuals regardless of position and professionalism in our interactions. The Code of Conduct and the Redbook cite ethical considerations expected of every employee in conducting the affairs of the University, including compliance with applicable federal, state, and local laws as well as the policies and procedures of the University. Therefore, faculty should adhere to these considerations.

This policy articulates expectations for faculty conduct and establishes a process to address instances in which faculty do not adhere to these expectations. Its primary goal is to establish a system of remediation and progressive discipline when faculty engage in misconduct. The policy facilitates open communication by giving the University and faculty a process to establish whether expectations were met and if not, to understand what actions were inconsistent with expectations and what actions should be taken to address the matter. Another goal is to provide a record of the University’s attempts to facilitate improved conduct. The policy also enables the University to enhance morale by showing to the faculty and other employees that misconduct will be addressed consistently and equitably.

POLICY STATEMENT



University of Louisville

OFFICIAL UNIVERSITY ADMINISTRATIVE POLICY

To promote a culture of mutual respect, accountability, and professionalism in our interactions, the University may discipline a faculty member whose conduct violates the University's standards of conduct, policies and procedures, or who violates federal, state, or local laws or standards of professional conduct to which the faculty member is subject. The University encourages a progressive discipline approach, which shall include a statement of areas of concern, action steps needed for improvement and a timeline to review progress. Failure to demonstrate improvement may result in additional disciplinary action. Progressive discipline actions may include, but are not limited to, the following forms: (1) a verbal warning, (2) a written warning, (3) removal or reassignment of administrative or supervisory appointments, (4) restrictions on activities including university-related travel, (5) a leave of absence without pay, with prior approval of the President and Provost in accordance with Redbook 4.3.6, (6) payment of fines, penalties, or restitution, (7) a reduction in supplemental salary for a stated period, and/or (8) loss of research funds or of privileges. Following procedures described in the Redbook (Sections 4.36 and 4.3.7) the University may impose immediate discipline if the conduct of a faculty member warrants an immediate separation from campus activities. Progressive discipline actions may culminate in the initiation of termination proceedings in accordance with Redbook Article 4.5.

Disciplinary action must consider the severity and frequency of the misconduct, its impact on the institution, and the extent to which the conduct in question deviates from standards of conduct, policies and procedures, or expectations. It is expected that attempts at addressing inappropriate conduct will be undertaken before this policy is administered. However, in all instances, the University reserves the right to take appropriate actions that are commensurate with the nature of the misconduct and are consistent with the Redbook and other university policies and applicable laws.

Nothing in this policy shall impede a faculty member's academic freedom as articulated in the Redbook or free speech rights contained in the First Amendment. Nothing in this policy shall affect a faculty member's right to file a grievance at any time under provisions of the Redbook, nor does this policy affect termination of service described in the Redbook (Section 4.5.)

Remediation

Faculty behavior may warrant remedial action. For example, a faculty member may be required to complete University-mandated training.

Examples of Grounds for Discipline



Examples of conduct that warrant progressive or immediate discipline include but are not limited to the following:

- Repeated refusal to complete University-mandated training;
- Chronic time and attendance problems (for example, chronic lateness to start a class), including unauthorized absences;
- Unprofessional, disrespectful, hostile, harassing, intimidating, or discriminating conduct toward students, employees, or others, including violation of the University's policies on sexual harassment, discriminatory harassment, and retaliation; and including violations of the University's Code of Conduct, which states faculty should avoid all forms of harassment, illegal discrimination, threats, or violence;
- Violations of the University's policy on acceptable use of University resources, including inappropriate or unauthorized use of University property or resources;
- Failure to follow or willful disregard of approved University, college, school, division, or departmental policies and procedures;
- Dishonesty, including knowingly furnishing false, misleading, or incomplete information or reports to the University;
- Falsification of information on an employment application, on academic records, on a *curriculum vitae*, or in the conduct or reporting of research;
- Violations of the University's policy on fiscal misconduct;
- Violations of the University's policy statement as a drug-free institution;
- Conduct that severely disrupts the work environment;
- Violation of applicable federal, state or local laws in conducting the affairs of the University.

Faculty Dispute Resolution and Grievance

Faculty members retain the right to file a grievance at any time under the regular terms of the faculty dispute resolution and grievance policy and procedures and in accordance with the provisions in the Redbook, Article 4.4.

Confidentiality

All records regarding the discipline of a faculty member shall be kept confidential to the extent permissible by law.

Non-Retaliation

Consistent with the University's Non-Retaliation Policy, retaliatory actions are subject to disciplinary action up to termination.

Non-Discrimination



University of Louisville is committed to provide equality for all persons regardless of race, sex, age, color, national origin, ethnicity, creed, religion, diversity of thought, disability, genetic information, sexual orientation, gender, gender identity or expression, marital status, pregnancy, or veteran status.

For the University's notice on non-discrimination:

<https://louisville.edu/hr/employeerelations/notice-of-nondiscrimination>

RELATED INFORMATION

[University Employee Code of Conduct](#)

[The Redbook, Section 1.1.6 Suspension or Removal of University Personnel](#)

[The Redbook, Article 4.4 Resolution of Faculty Disputes](#)

[The Redbook, Article 4.5 Termination of Service](#)

[Faculty dispute resolution and grievance](#)

[KRS 164.360 Appointment and removal of president, faculty, and employees.](#)

[AAUP Statement on Procedural Standards in Faculty Termination Proceedings](#)

DEFINITIONS

Progressive discipline uses graduated steps for managing an employee's conduct that does not meet the University's expectations regarding standards of conduct or does not comply with policies and procedures or with applicable laws. It involves a clarification of performance or personal conduct expectations, followed by opportunities to demonstrate improvement regarding those expectations.

PROCEDURES

When investigating possible violations of this policy, the faculty member's immediate supervisor must make reasonable efforts to meet with the faculty member to discuss the faculty member's conduct. If the matter directly involves the faculty member's immediate supervisor, the next-level supervisor shall initiate the procedures. The purpose of this meeting is to inform the faculty member of the concerns that have arisen and to give the faculty member an opportunity to respond. A written notice of the concerns raised shall be provided to the faculty member within ten (10) calendar days of the meeting or within ten (10) calendar days of the date the supervisor or next-level supervisor became aware of the



University of Louisville

OFFICIAL UNIVERSITY ADMINISTRATIVE POLICY

possible violation. The faculty member will then have ten (10) calendar days after receipt of the notice to provide a written response.

Taking into consideration the faculty member's response and any other information gathered, the supervisor, in consultation with the department chair, dean, or other appropriate administrative official, shall determine disciplinary or remedial action, if any. In determining the appropriate course of action, these individuals shall seek guidance from the Provost, the Provost's Office of Faculty Affairs, the Academic Unit's Office of Faculty Affairs, Human Resources, and/or the Office of University Risk, Audit, and Compliance. The purpose of such guidance is to ensure consistency in the application of discipline across the University and to ensure that all relevant policies and faculty expectations are taken into consideration. Any discipline imposed must first be approved by the individual who serves at least two levels removed from the faculty member, or one level above the individual imposing the discipline.

After discipline is determined, written notice of the decision shall be provided to the faculty member within ten (10) calendar days. Written notice shall include, but not be limited to, the nature of the misconduct; the standard of conduct, policy, law, or other expectation that was violated; the discipline to be imposed; action steps required; the date the discipline will take effect; the date by which the action steps shall be completed; and a date for progress to be reviewed.

Upon receipt of the notice of decision, the faculty member shall have ten (10) calendar days to add newly available material information or rebut any information in the notice. The supervisor, with approval of the individual serving two levels removed from the faculty member and after consultation with other appropriate university administrators, has the discretion to make changes in the notice of decision based on the information received.

Except for a verbal warning, a copy of the written notice shall be placed in the faculty member's personnel record and shall be sent to the Provost Office of Faculty Affairs. As previously noted, proceedings for termination for cause shall be administered in accordance with provisions in the Redbook, Article 4.5.

RESPONSIBILITIES

Faculty members are responsible for knowing and understanding this policy.

The faculty member's immediate supervisor and the department chair, dean, or other appropriate administrative officials are responsible for administering discipline in accordance with this policy.

The Office of the Provost is responsible for interpretation of this policy and for educating faculty and their academic units and programs about this policy and its



procedures. The Office of the Provost is also responsible for regular assessment of this policy in accordance with all applicable anti-discrimination policies and to revise it to correct identified issues.

RESPONSIBLE AUTHORITY

Executive Vice President and University Provost

RESPONSIBLE UNIVERSITY DEPARTMENT/DIVISION

Executive Vice President and University Provost
Phone: 502-852-5726
Email: provost@louisville.edu

HISTORY

Revision Date(s):
Reviewed Date(s):

The University Policy and Procedure Library is updated regularly. In order to ensure a printed copy of this document is current, please access it online at <http://louisville.edu/policies>.

RECOMMENDATION TO THE BOARD OF TRUSTEES
CONCERNING THE CREATION OF THE
BACHELOR OF SCIENCE IN GENERAL STUDIES

Academic and Student Affairs Committee – September 23, 2021
Executive and Compensation Committee – September 23, 2021

RECOMMENDATION:

The President recommends that the Board of Trustees approve the creation of the Bachelor of Science in General Studies effective fall 2022.

BACKGROUND:

The Dean of the College of Arts and Sciences (A&S) recommends the creation of the Bachelor of Science in General Studies.

The proposed BS in General Studies is a 120-credit-hour degree program that will be entirely online and designed for returning adult learners who have earned college credits but stopped-out of college and do not have a bachelor's degree. Admission to the program will be limited to adults with credits who stopped-out of school. Thus, the program will not be competing with existing programs for first-time freshmen, nor will it be appropriate for current students who have accumulated credits but have not completed a degree program.


The program will be housed in the A&S Dean's Office (similar to the Liberal Studies program), and students admitted to this program will have the opportunity to earn credits through a Prior Learning Assessment (PLA) analysis and review. Following the strategy of successful existing online programs at UofL that offer PLA, a program committee will work with students to determine the extent of PLA credit hours awarded. The program will leverage existing online courses and recruiting and advertisement through the Delphi Center.

The proposed program aligns with state adult learner initiatives as well as the mission of the College and the University strategic plan. The program is designed for maximum flexibility and affordability. Through a combination of targeted online coursework, already accrued undergraduate credits, and credit-worthy experiential learning, adult learners will be able to complete their bachelor's degrees. Adding a General Studies degree to UofL's portfolio will help the university signal to the community the institution's commitment to adult learning and degree completion across the state.

The Faculty Senate recommended the creation of the Bachelor of Science in General Studies at their meeting on July 7, 2021. The Executive Vice President and University Provost joins the President in making this recommendation.


COMMITTEE ACTION:

Passed X
Did Not Pass _____
Other _____


Signature on file
Assistant Secretary

BOARD ACTION:

Passed X
Did Not Pass _____
Other _____


Assistant Secretary

RECOMMENDATION TO THE BOARD OF TRUSTEES
CONCERNING THE CREATION OF THE
MASTER OF SCIENCE IN HEALTH PROFESSIONS EDUCATION

Academic and Student Affairs Committee – September 23, 2021
Executive and Compensation Committee – September 23, 2021

RECOMMENDATION:

The President recommends that the Board of Trustees approve the creation of the Master of Science in Health Professions Education effective spring 2022.

BACKGROUND:

The Dean of the College of Education and Human Development (CEHD) recommends the creation of the Master of Science in Health Professions Education.

The proposed graduate degree in Health Professions Education (HPE) focuses on preparing current faculty of medicine, dentistry, public health, and other health professional schools to teach effectively in their respective fields. Potential candidates for the degree are current health professions faculty members. In addition, basic science graduate students and subspecialty fellows who plan to enter academic medicine or dentistry would also be potential candidates.

The degree is 33 credit hours. The expected time to complete the degree is two to three years. Many classes are hybrid, meaning a component of the course is conducted online and other components are in a classroom/clinical setting. This master's degree is built on the existing 12-credit hour graduate certificate in Health Professions Education.

By earning a Master's in Health Professions Education, students will develop an in-depth knowledge of the following competencies:

- Curriculum and instructional design
- Assessing learning
- Scholarship of teaching and learning
- Professional educator identity formation
- Leading educational efforts in academic health centers

According to the Bureau of Labor Statistics, over the next 10 years the number of Health Specialty Educator open positions is expected to be approximately 31,000. The Faculty Senate recommended the creation of the Master of Science in Health Professions Education at their meeting on July 7, 2021. The Executive Vice President & University Provost joins the President in making this recommendation.

COMMITTEE ACTION:

Passed X
Did Not Pass _____
Other _____

D.
Signature on file
Assistant Secretary

BOARD ACTION:

Passed X
Did Not Pass _____
Other _____

D.
Signature on file
Assistant Secretary

RECOMMENDATION TO BOARD OF TRUSTEES
REGARDING PERSONNEL MATTERS

Academic and Student Affairs Committee – September 23, 2021

Executive and Compensation Committee – September 23, 2021

The President recommends that the following personnel recommendations be approved by the Board of Trustees.

Business

Kathleen Gosser, PhD, Assistant Professor (Term) of Management and Entrepreneurship; additional appointment as the YUM! Assistant Professor of Franchise Management Practice, November 1, 2021 through October 31, 2026.

Notable Accomplishments:

Dr. Gosser was recently named Director of the YUM! Center for Global Franchise Excellence. She comes to this role with over 30 years' experience working for KFC YUM! Brands. In addition to serving as Director of the Franchise Management Program since 2020, Dr. Gosser served as Director of Learning Excellence and Organizational Development from 2015 – 2019 and was awarded the University of Louisville TILL Innovation in Teaching award for Podcast Integration in 2021. She is a long-time member of the Society of Human Resources, as well as the Society of Industrial Psychologists.

Selection Process: Internal appointment.

Salary Data:

Current base salary: \$111,100
Supplement: \$30,000 – YUM! Center Director
Total compensation: \$141,100

Proposed base salary: 111,100
Proposed supplement: \$30,000 – YUM! Center Director
Proposed supplement: \$10,000 – YUM! Endowed Professorship
Proposed total: \$151,100

Budget impact: Endowed Professorship will be covered by the endowment

Median benchmark comparison: \$115,000 (median); \$141,700 (80th pctl); \$164,600 (90th pctl)
Benchmark position title: Assistant Professor of Management
Benchmark source: AACSB Staff Compensation & Demographics Survey
Year of benchmark data: 2020/21
Benchmark data number of incumbents: 877
Benchmark data number of institutions: 290

Engineering

Faisal Aqlan, PhD, Associate Professor (Term) of Industrial Engineering and Director of the Engineering Management Program; appointment as Associate Professor (Tenured) of Industrial Engineering, October 29, 2021.

Notable Accomplishments:

Pennsylvania State University, The Behrend College, Erie PA July 2014 through July 2021.

William & Wendy Korb Early Career Associate Professor of Industrial Engineering, 2021 Associate Professor (tenured) of Industrial Engineering.

Advisor: NSF Center for Health Organization Transformation (Penn State UP)

Coordinator: Metrology Lab and System Simulation and Automation Lab

Founder and Lead Instructor: Lean Six Sigma Green Belt Training and Certification

PI & Director: NSF RET Site in Manufacturing Simulation and Automation

Faculty Advisor: IISE Penn State Behrend Chapter

Selection Process: National Search

Salary Data:

Incumbent base salary: \$ 96,900

Incumbent supplement: \$ 15,000

Incumbent total: \$110,900

Proposed salary: \$105,000

Proposed supplement: \$ 10,000

Proposed total: \$115,000

Budget impact: \$ 4,100

Median benchmark comparison: \$111,518

Benchmark position title: Associate Professor, Industrial Engineering (tenured/tenure track)

Benchmark source: OSU salary database

Year of benchmark data: 2020-21

Benchmark data number of incumbents: 151

Benchmark data number of institutions: 37

Medicine

Melissa Currie, MD, Professor (Term) of Pediatrics; additional appointment as the Kosair Charities Endowed Chair in Pediatric Forensic Medicine, November 1, 2021 through October 31, 2024.

Notable Accomplishments:

In Dr. Currie's current role as the Division Chief for the Kosair Charities Division of Pediatric Forensic Medicine, she provides local and state leadership in the battle to end child abuse in Kentucky. She is a leader and member of the Statewide Pediatric SANE Program Development Workgroup, a founding member of the steering committee and current chair of the policy committee for the Face It Movement sponsored by Kosair Charities. She is a member and former chair of the State Public Health Child Fatality Review Team, appointed by the Director of Maternal-Child Health in Frankfort, KY. Her work to mandate training for all first line providers for children to recognize child abuse which was approved a few years ago by the state legislature and signed into law by Governor Steve Beshear, shows how impactful her work is and has been. She leads the ACGME fellowship in Child Abuse and has trained future leaders of programs, thus broadening the impact of her work. Dr. Currie works tirelessly with a division of three faculty members and multiple nurses to provide consults throughout our region and the state, both at our hospital, our outpatient clinics and through Child Protective Services and Crimes Against Children Unit consults. She has been active in research especially around non-accidental traumatic brain injury, leading to work that has helped characterization, recognition and understanding of this leading cause of death in children.

Selection Process:

Discussion with donor and Vice Chairs of the Department of Pediatrics. Donor especially was supportive of Dr. Currie in this role.

Salary Data:

Current base salary:	\$104,081
Supplement	\$ 10,000 (Division Chief supplement)
Nortons Children Med Group	\$104,081
Total Compensation:	\$218,162
Proposed base salary:	\$134,081 (includes Endowed Chair, \$30,000)
Proposed supplement:	\$ 10,000 (current Division Chief supplement)
NCMG compensation:	\$104,081
Proposed compensation:	\$248,162
Budget Impact:	\$ 30,000 (UofL base salary increase)

Median benchmark comparison:	\$279,000
Benchmark position title:	Professor (Forensic Medicine)
Benchmark source:	AAAP National Salaries (Division Chief, full Professor)
Year of benchmark data:	2019-2020
Benchmark data number of incumbents:	23
Benchmark data number of institutions:	108

Susan Galandiuk, MD, Professor (Tenured) of Surgery; additional appointment as the Price Endowed Professorship in Surgery, November 1, 2021 through October 31, 2026.

Notable Accomplishments:

Dr. Galandiuk is currently the Program Director of the Division of Colorectal Surgery and the Director of the Price Institute of Surgical Research. She is a member of all the important learned societies within her discipline. She has over 180 peer-reviewed publications, 3 books, and over 50 book chapters. As Director of the Price Institute of Surgical Research, she has mentored numerous medical students, surgical residents and fellows from multiple disciplines from around the world.

Selection Process:

The Department of Surgery Chair, Dr. Kelly McMasters, recommended that this endowed professorship be appointed to the Director of the Price Institute of Surgical Research. This recommendation was sent to Dr. Toni Ganzel, Dean of the School of Medicine, who agreed with the recommendation.

Salary Data:

Current base salary: \$ 88,037
Supplement: \$ 69,984
Supplement: \$ 16,984
Supplement: \$ 25,750
Supplement: \$122,110
Supplement: \$226,639 - ULP
Total compensation: \$548,000

Proposed base salary: \$ 88,037
Proposed supplement: \$ 69,984
Proposed supplement: \$ 16,984
Proposed supplement: \$ 25,750
Proposed supplement: \$122,110
Proposed supplement: \$226,639 – ULP
Proposed total: \$548,000

Budget impact: None, overall salary will not be increasing. The endowment will provide an additional source of funding.

Median benchmark comparison: \$451,000
Benchmark position title: Professor of Surgery (General Surgery)
Benchmark source: AAMC
Year of benchmark data: 2019-2020
Benchmark data number of incumbents: 212

PROMOTION AND TENURE

University Libraries

Matthew Ertz, MLS, Assistant Professor (Probationary) of University Libraries; promotion to Associate Professor and award of tenure, December 1, 2021.

COMMITTEE ACTION:

Passed X

Did Not Pass _____

Other _____

ps
Signature on file

Assistant Secretary

BOARD ACTION:

Passed X

Did Not Pass _____

Other _____

ps

Assistant Secretary

RECOMMENDATION TO THE BOARD OF TRUSTEES
RELATED TO THE CONSTRUCTION OF DENNY CRUM HALL

Finance Committee – September 23, 2021
Executive and Compensation Committee – September 23, 2021
Board of Trustees (ratification) - October 29, 2021

RECOMMENDATION:

The President recommends that the Board of Trustees approve the promissory notes attached to this recommendation and that the Board of Trustees authorize her or her designee to execute the promissory notes in substantially the form as [attached](#), in connection with the development of Denny Crum Hall.

Further, the President recommends that the Board of Trustees authorize the President or her designee to execute such other documents and instruments as are necessary and appropriate to the consummation of the transaction contemplated by the promissory notes.

COMMITTEE ACTION:

Passed _____
Did Not Pass _____
Other _____

BOARD ACTION:

Passed _____
Did Not Pass _____
Other _____

Signature on file

Assistant Secretary

Assistant Secretary

COMMERCIAL NOTE

\$4,012,000.00

Louisville, Kentucky

Dated as of September ___, 2021 (the “Effective Date”)

FOR VALUE RECEIVED, UNIVERSITY OF LOUISVILLE ATHLETIC ASSOCIATION, INC., a Kentucky nonprofit corporation, with a principal place of business at University of Louisville Athletic Association, 2100 South Floyd Street, Louisville, Kentucky 40208 (“**Borrower**”), promises to pay to the order of **320 EASTERN JV, LLC**, a Kentucky limited liability company, whose address is 666 East Main Street, Suite A-2, Centreville, Michigan 49032 (“**Lender**”), the principal sum of Three Million Ninety-Two Thousand and No/100 Dollars (\$3,092,000.00) (“**Tranche A**”) on or before December 31, 2023 (the “**Tranche A Maturity Date**”) and the principal sum of Nine Hundred Twenty Thousand and No/100 Dollars (\$920,000.00) (“**Tranche B**”; collectively, Tranche A and Tranche B are referred to herein as the “**Note**”) on or December 31, 2025 (the “**Tranche B Maturity Date**”), or the aggregate unpaid balance of all Advances made by Lender from time to time hereunder, together with interest thereon, on or before the Tranche B Maturity Date. Principal of this Note and all accrued interest thereon shall be due and payable as follows:

1. **Interest Rate – Tranche A.** This Note shall bear interest from the date hereof until the outstanding principal balance of Tranche A, all accrued but unpaid interest thereon and all other charges, fees or expenses hereunder have been repaid to Lender in full as follows:

Fixed Rate. This Note shall bear interest at a fixed rate equal to three and three-quarters percent (3.75%) per annum.

2. **Interest Rate – Tranche B.** This Note shall bear interest from the date hereof until the outstanding principal balance of Tranche B, all accrued but unpaid interest thereon and all other charges, fees or expenses hereunder have been repaid to Lender in full as follows:

Fixed Rate. This Note shall bear interest at a fixed rate equal to three and three-quarters percent (3.75%) per annum.

All interest calculations under this Note will be made based on a year of 360 days for the actual number of days in each interest period.

3. **Payments.** The principal of, and all interest on, this Note shall be due and payable as follows:

- (a) **Tranche A.** Principal and interest shall be due and payable on the December 31 of each year commencing on December 31, 2022, and continuing thereafter until the Tranche A Maturity Date. Interest shall be paid in arrears and in the amount of all interest accrued and unpaid through the December 31 of the year in which such payment is due (*i.e.*, interest accrued on December 31, 2022, shall be for all interest accrued from January 1, 2022, through, and including, December 31, 2022). If a payment is due on a day that is not a Business Day, such payment shall be deemed due on the next succeeding Business Day. All payments on account of the indebtedness

evidenced by this Note shall be made to Lender not later than 2:00 p.m. EST/EDT, on the day when due in lawful money of the United States, and shall be first applied to late charges, costs of collection or enforcement, and other similar amounts due, if any, under this Note and any of the other Loan Documents, then to interest due and payable hereunder and the remainder to principal due and payable hereunder; provided, however, that all outstanding principal and accrued interest shall be due and payable in full on the Tranche A Maturity Date.

(b) **Tranche B.** Principal and interest shall be due and payable on the December 31 of each year commencing on December 31, 2024, and continuing thereafter until the Tranche B Maturity Date. Interest shall be paid in arrears and in the amount of all interest accrued and unpaid through the December 31 of the year in which such payment is due (*i.e.*, interest accrued on December 31, 2024, shall be for all interest accrued from January 1, 2024, through, and including, December 31, 2024). If a payment is due on a day that is not a Business Day, such payment shall be deemed due on the next succeeding Business Day. All payments on account of the indebtedness evidenced by this Note shall be made to Lender not later than 2:00 p.m. EST/EDT, on the day when due in lawful money of the United States, and shall be first applied to late charges, costs of collection or enforcement, and other similar amounts due, if any, under this Note and any of the other Loan Documents, then to interest due and payable hereunder and the remainder to principal due and payable hereunder; provided, however, that all outstanding principal and accrued interest shall be due and payable in full on the Tranche B Maturity Date.

4. **Advances.** The proceeds of this Note may be disbursed from Lender to Borrower in one or more advances (an “**Advance**”) made from time to time prior to the Maturity Date; provided, however, that the aggregate outstanding principal balance of all unpaid Advances at any time shall not exceed the original principal balance of this Note. To obtain an Advance, Borrower shall submit a written, fully executed and completed “**Request for Advance**” at least ten (10) business day prior to the date Borrower desires the funds to be made available. Upon each Advance, Lender shall record the making and amount of such Advance on the books and records of Lender maintained for this Note. Lender shall also record on such books and records each payment of principal of this Note made by Borrower. The aggregate amount of all Advances made by Lender and shown on such books and records, less the principal paid by Borrower and shown on such books and records, shall be the outstanding principal of this Note. The books and records of Lender shall, at any time, be prima facie evidence of the outstanding principal of this Note. The obligation of Lender to honor any tendered Request for Advance and to make any Advance is subject to the following conditions: (a) each and every one of the representations, warranties and covenants of Borrower set forth herein, and in any other agreement, document or instrument delivered by Borrower to Lender or any of its affiliates, shall be true and correct on the date such Advance is made; (b) no Event of Default (as defined herein) shall have occurred and be continuing and no event of default shall exist or be continuing under any other agreement between Borrower and Lender or any of their affiliates; (c) after giving effect to the Advance requested in the Request for Advance, the aggregate outstanding principal amount of Advances hereunder shall not exceed the lesser

of the Note, or the maximum amount, if applicable; and (d) such other conditions as Lender may reasonably impose. Each Request for Advance submitted by Borrower to Lender shall constitute Borrower's representation and warranty to Lender that (i) Borrower is then and will be entitled to the Advance under this Note; (ii) all representations, warranties and covenants made by Borrower to Lender in this Note, and in any other agreement, document or instrument delivered by Borrower to Lender, are true and correct; and (iii) no Event of Default under this Note has occurred and is continuing. Each Request for Advance under this Note will be subject to all of the terms and conditions of the Note. Without limiting the generality of the foregoing, Lender will have no duty to make any Advance if insufficient funds remain available pursuant to the Note or any other maximum amount limitations set forth herein or in any of the Security Documents. Lender hereby is authorized at any time and from time to time, in its discretion, to make an advance under this Note for the payment on behalf of Borrower of any interest, principal or other sums due under any of the obligations of Borrower to Lender, and each such advance will constitute an Advance hereunder and part of the obligations. Notwithstanding the foregoing, Lender is not obligated to take such action. Advances that are repaid shall not be available for future Advances or otherwise "reborrowed" by Borrower at any time, and the aggregate amount of all Advances made hereunder shall not exceed the face amount of this Note.

5. [Intentionally omitted.]

6. **Late Charge and Default Rate of Interest.** If Lender does not receive any payment due under this Note within ten (10) days of the date it is due, then Lender may charge a late charge of five percent (5.00%) of the amount of the overdue payment (the "**Late Charge**"). Upon maturity, whether by acceleration or otherwise, or upon the occurrence of an Event of Default hereunder, in addition to any and all other remedies to which Lender may be entitled, the applicable rate of interest on this Note shall be increased to five percent (5.00%) per annum in excess of the rate set forth in Section 1, above (the "**Default Rate**"), but not more than the highest rate permitted by law.

7. **Security.** To secure repayment of this Note, any extensions or renewals thereof and all other existing and future indebtedness of Borrower to Lender (whether direct, indirect, absolute or contingent), Borrower shall grant, and does hereby grant, to Lender a security interest in the property described in the Security Agreement by and between Borrower and Lender dated on or about the date hereof (the "**Security Agreement**"), as well as all money and other property held by Lender on deposit in safekeeping or otherwise for the account of or to the credit of Borrower, or in which Borrower has an interest; provided that Lender will have the right to call for additional security as necessary. All of the documents or instruments that provide a lien or security interest in the collateral described above (the "**Collateral**"), as well as any and all other documents or instruments now or hereafter executed in connection with this Note and the loan evidenced hereby, including but not limited to any Security Agreement by and between Lender and Borrower, are referred to herein collectively as the "**Security Documents.**" All of the terms and conditions of the Security Documents are incorporated herein and made a part of this Note as if fully set forth at length herein. Any holder of this Note shall be entitled to the rights, privileges,

benefits and remedies provided in the Security Documents and in the real and personal property secured thereby. Borrower represents and warrants to Lender that the Security Documents have been validly executed and delivered to Lender and that the Security Documents are legally valid, binding and enforceable against Borrower (or any other party which has executed any of the Security Documents) in accordance with their respective terms. As used herein, “**Loan Documents**” will mean all Security Documents and this Note. Upon the occurrence of an Event of Default and in the event that Borrower receives payment of or proceeds from any of the Collateral, including without limitation and to the extent that it is included as Collateral hereunder, accounts, monies, checks, notes, drafts, or any other items of payment, Borrower agrees that Borrower will deliver to Lender the same in the form received by Borrower without commingling with any funds belonging to Borrower, and promptly will deposit the same in a special collateral account with Lender. Upon the occurrence of an Event of Default, Borrower authorizes Lender at any time without notice to appropriate and apply any balances, credits, deposits or accounts or money of Borrower (held individually or with others) in its possession, custody, or control or the possession, custody, or control of any affiliate of Lender to the payment of any of Borrower’s obligations to Lender, all of which may at all times be held and treated as additional Collateral.

8. **Proceeds.** Borrower represents that the proceeds of this Note will be used exclusively for business or commercial purposes, specifically to acquire and finance certain tenant improvements and equipment as described in the Security Agreement.
9. **Covenants.** Borrower agrees to provide financial information reasonably requested by Lender, in form and substance acceptable to Lender.
10. **Events of Default and Remedies.** The occurrence of any of the following shall be an “**Event of Default**” hereunder: (a) failure of Borrower to make any payment when due under this Note or under any other note or obligation of Borrower to Lender; (b) an Event of Default under the Security Documents, or any default under any of the following that does not have a defined set of “**Events of Default**” and the lapse of any notice or cure period provided therein: any other agreement, document or instrument between Borrower and Lender; (c) if Borrower or endorsers of this Note shall (i) make an assignment for the benefit of creditors, (ii) have a petition initiating any proceeding under the Bankruptcy Code filed by or against one or more of them, (iii) have a receiver, trustee, or custodian appointed for all or any material part of their respective assets, or (iv) seek to make an adjustment, settlement or extension of their respective debts with its creditors generally; (d) a default with respect to any other indebtedness of Borrower for borrowed money; (e) a proceeding being filed by or commenced against Borrower of this Note for dissolution or liquidation, or Borrower of this Note voluntarily or involuntarily terminating or dissolving or being terminated or dissolved; (f) in the event a judgment or writ or order of attachment or garnishment is made and issued against Borrower or Borrower’s property; (g) [intentionally omitted]; (h) [intentionally omitted]; (i) any representation or warranty made by Borrower to Lender or its affiliates in any document, including but not limited to the Security Documents, or any other documents now or in the future securing the obligations of Borrower to Lender, is false or erroneous in any material respect; (j) the

failure of Borrower to observe or perform any covenant or other agreement with Lender contained in any document executed in connection with the Loan(s), including but not limited to this Note or any of the Security Documents; (k) [intentionally omitted]; (l) [intentionally omitted], or (m) the failure of Borrower to observe or perform any covenant or other agreement with Lender or its affiliates contained in any document, including but not limited to the Security Documents or any documents now or in the future securing the obligations of Borrower to Lender or its affiliates. Upon the occurrence of an Event of Default: (i) the outstanding principal balance hereunder together with any additional amounts secured by the Security Documents, at the option of the holder and without demand or notice of any kind (which are hereby expressly waived), may be accelerated and become immediately due and payable, (ii) this Note, together with all arrearages of interest will from the date of the occurrence of the Event of Default bear interest at the Default Rate, (iii) Borrower will pay to Lender all reasonable attorneys' fees, court costs and expenses incurred by Lender in connection with Lender's efforts to collect the indebtedness evidenced by the Note, and (iv) Lender may exercise from time to time any of the rights and remedies available to the holder under the Security Documents or under applicable law.

11. **Prepayment.** The indebtedness may be prepaid in whole or in part without premium or penalty.

Payments received will be applied in the following order: (i) to charges, fees and expenses (including reasonable attorneys' fees), (ii) to accrued interest, and (iii) to principal. Any additional payments will be applied in the foregoing order and, to the extent applied to principal, will be applied to installments of principal payable hereunder in the inverse order of maturity.

12. **Cumulative Remedies.** All rights and remedies of the holder of this Note shall be cumulative to the fullest extent allowed by law. Time shall be of the essence for paying interest on the principal of this Note.

13. **Waiver.** All parties to this Note, whether a borrower, endorsers, sureties, guarantors or otherwise connected herein, waive presentment, demand, notice of dishonor, protest, notice of protest, notice of nonpayment or non-acceptance, any other notice and all due diligence or promptness that may otherwise be required by law, and all exemptions to which they may now or hereafter be entitled under the laws of the Commonwealth of Kentucky, the United States of America, or any state thereof. No delay or failure on the part of Lender to exercise any right, remedy or power hereunder, under any of the Loan Documents or under applicable law will impair or waive any such right, remedy or power (or any other right, remedy or power), be considered a waiver of or an acquiescence in any breach, default or Event of Default or affect any other or subsequent breach, default or Event of Default of the same or a different nature. No waiver of any breach, default or Event of Default, nor any modification, waiver, discharge or termination of any provision of this Note, nor consent to any departure by Borrower therefrom, will be established by conduct, custom or course of dealing; and no modification, waiver, discharge, termination nor consent will in any event be effective unless the same is in writing, signed by Lender and specifically

refers to this Note, and then such modification, waiver, discharge or termination or consent will be effective only in the specific instance and for the specific purpose for which given. No notice to or demand on Borrower in any case will entitle Borrower to any other or further notice or demand in the same or any similar or other circumstance.

14. **Expenses Incurred by Lender.** If Lender expends sums in defending or otherwise protecting its collateral under the Loan Documents prior to an Event of Default, or if any Event of Default occurs under this Note, and this Note is placed in the hands of an attorney for collection, or is collected through any court, including, without limitation, bankruptcy court, then Borrower promises to pay the holder of this Note the reasonable attorneys' fees and legal costs incurred in collecting or attempting to collect or securing or attempting to secure this Note or enforcing the rights of such holder with respect to any collateral securing this Note, including, without limitation, appraisal fees, costs of environmental audits, site assessments and/or remediation, to the fullest extent allowed by the laws of the Commonwealth of Kentucky or any state in which any collateral for this Note is situated.
15. **Rights of Lender.** Lender may, with or without notice to any party and without affecting the obligations of any Borrower, surety, endorser, accommodation party or any other party to this Note, (a) renew, extend or otherwise postpone the time for payment of either principal of this Note or interest thereon from time to time, (b) release or discharge any one or more parties liable on this Note, (c) change, exchange or release any property in which Lender possesses any interest securing this Note, (d) justifiably or otherwise, impair any collateral securing this Note or suspend the right to enforce against any such collateral, and (e) at any time it deems it necessary or proper, call for and should it be made available, accept, as additional security, the signature(s) of an additional party or a security interest in property of any kind or description or both.
16. **Complete Agreement.** This Note and the Security Documents are the entire and complete agreement of the parties hereto and supersede all previous understandings and agreements relating to the subject matter hereof. This Note and the Security Documents may be amended only by an instrument in writing that explicitly states that it amends this Note or such Security Documents and is signed by Borrower and acknowledged by Lender.
17. **Severability.** The provisions of this Note are intended to be severable. If any provision of this Note shall be held invalid or unenforceable in whole or in part in any jurisdiction, such provision shall, as to such jurisdiction, be ineffective to the extent of such invalidity or unenforceability without in any manner affecting the validity or enforceability thereof in any other jurisdiction or the remaining provisions hereof in any jurisdiction.
18. [Intentionally left blank.]
19. **Late Charge and Default Rate.**
 - 19.1 The Late Charge and the Default Rate are imposed as liquidated damages for the purpose of defraying Lender's expenses incident to the handling of delinquent payments, but are in addition to, and not in lieu of, Lender's exercise of any rights and remedies hereunder, under the other Security Documents or under applicable

law, and any fees and expenses of any agents or any reasonable fees and expenses of any attorneys which Lender may employ. In addition, the Default Rate reflects the increased credit risk to Lender of carrying a loan that is in default. Borrower agrees that the Late Charge and Default Rate are reasonable forecasts of just compensation for anticipated and actual harm incurred by Lender, and that the actual harm incurred by Lender cannot be estimated with certainty and without difficulty.

- 19.2** Nothing contained in this Note regarding late charges or the Default Rate will be construed in any way to extend the due date of any payment or waive any payment default, and each such right is in addition to, and not in lieu of, the other and any other rights and remedies of Lender hereunder, under any of the Security Documents or under applicable law (including, without limitation, the right to interest, reasonable attorneys' fees and other expenses).
- 20.** **Usury.** Without limiting the generality of the foregoing, if from any circumstances whatsoever the fulfillment of any provision of this Note involves transcending the limit of validity prescribed by any applicable usury statute or any other applicable law with regard to obligations of like character and amount, then the obligation to be fulfilled will be reduced to the limit of such validity as provided in such statute or law, so that in no event will any exaction of interest be possible under this Note in excess of the limit of such validity and the right to demand any such excess is hereby expressly waived by Lender. As used in this Section, “applicable usury statute” and “applicable law” mean such statute and law in effect on the date hereof, subject to any change therein that result in a higher permissible rate of interest.
- 21.** **Singular and Plural Terms.** Wherever used herein, the singular number shall include the plural, the plural the singular, and the use of any gender shall include all genders.
- 22.** **Binding Effect.** This Note will bind Borrower and the successors and assigns of Borrower, and the benefits hereof will inure to the benefit of Lender and its successors and assigns. All references herein to the “**Borrower**” and “**Lender**” will include the respective successors and assigns thereof; provided, however, that Borrower may not assign, delegate or transfer any of its obligations under this Note in whole or in part without the prior written consent of Lender and Lender at any time may assign this Note in whole or in part (but no assignment by Lender of less than all of this Note will operate to relieve Borrower from any duty to Lender with respect to the unassigned portion of this Note).
- 23.** **Repayment by Lender.** If at any time all or any part of any payment or transfer of any kind received by Lender with respect to all or any part of this Note is repaid, set aside or invalidated by reason of any judgment, decree or order of any court or administrative body, or by reason of any agreement, settlement or compromise of any claim made at any time with respect to the repayment, recovery, setting aside or invalidation of all or any part of such payment or transfer, Borrower's obligations under this Note will continue (and/or be reinstated) and Borrower will be and remain liable, and, to the extent permitted by law, will indemnify, defend and hold harmless Lender for, the amount or amounts so repaid, recovered, set aside or invalidated and all other claims, demands, liabilities, judgments,

losses, damages, costs and expenses incurred in connection therewith. The provisions of this Section will be and remain effective notwithstanding any contrary action which may have been taken by Borrower in reliance upon such payment or transfer, and any such contrary action so taken will be without prejudice to Lender's rights hereunder and will be deemed to have been conditioned upon such payment or transfer having become final and irrevocable. The provisions of this Section will survive any termination, cancellation or discharge of this Note.

24. **Notices.** All notices, demands, requests, consents or approvals and other communications required or permitted hereunder will be in writing, and, to the extent required by applicable law, will comply with the requirements of the Uniform Commercial Code then in effect, and will be addressed to such party at the address set forth below or to such other address as any party may give to the other in writing for such purpose:

To Lender: 320 Eastern JV, LLC
666 East Main Street, Suite A-2
Centreville, Michigan 49032
Attn: Lawrence N. Gough

To Borrower: University of Louisville Athletic
Association, Inc.
2100 South Floyed Street
Louisville, Kentucky 40208

With a copy to:
Office of University Counsel
University of Louisville
206 Grawemeyer Hall
Louisville, Kentucky 40292
Attn: General Counsel

All such communications, if personally delivered, will be conclusively deemed to have been received by a party hereto and to be effective when so delivered; if given by mail, on the fourth business day after such communication is deposited in the mail with first-class postage prepaid, return receipt requested; or if sent by overnight courier service, on the day after deposit thereof with such service; or if sent by certified or registered mail, on the third business day after the day on which deposited in the mail.

25. **Governing Law.** This Note has been delivered and accepted at and will be deemed to have been made at Louisville, Kentucky and will be interpreted and the rights and liabilities of the parties hereto determined in accordance with the laws of the Commonwealth of Kentucky, excluding its conflict of laws rules, and will include all matters arising out of or relating to this Agreement, including without limitation claims as to its validity, interpretation, construction, performance, and all claims sounding in tort.

26. **Waiver of Jury Trial. THE PARTIES HERETO EACH WAIVE ANY RIGHT TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING RELATING TO THIS AGREEMENT, ANY DOCUMENTS EXECUTED IN CONNECTION WITH THIS AGREEMENT, OR ANY TRANSACTION CONTEMPLATED IN ANY OF SUCH DOCUMENTS. BORROWER AND LENDER ACKNOWLEDGE THAT THE FOREGOING WAIVER IS KNOWING AND VOLUNTARY.**

[Remainder of page intentionally blank; signature follows]

[Signature Page to Commercial Note]

IN WITNESS WHEREOF, Borrower has executed this Note as of the Effective Date.

BORROWER

**UNIVERSITY OF LOUISVILLE
ATHLETIC ASSOCIATION, INC.,**
a Kentucky nonprofit corporation

By: _____

Name: _____

Title: _____

COMMERCIAL NOTE

\$1,370,000.00

Louisville, Kentucky

Dated as of September __, 2021 (the “Effective

Date”)

FOR VALUE RECEIVED, UNIVERSITY OF LOUISVILLE ATHLETIC ASSOCIATION, INC., a Kentucky nonprofit corporation, with a principal place of business at University of Louisville Athletic Association, 2100 South Floyd Street, Louisville, Kentucky 40208 (“**Borrower**”), promises to pay to the order of **INVESTMENT PROPERTY ADVISORS, LLC**, an Indiana limited liability company, whose address is 666 East Main Street, Suite A-2, Centreville, Michigan 49032 (“**Lender**”) the maximum principal sum of One Million Three Hundred Seventy Thousand and No/100 Dollars (\$1,370,000.00) (the “**Total Facility**”), or the aggregate unpaid balance of all Advances made by Lender from time to time hereunder, together with interest thereon, on or before the “**Maturity Date**” as that term is defined below. Principal of this Note and all accrued interest thereon shall be due and payable as follows:

1. **Interest Rate.** This Note shall bear interest from the date hereof until the outstanding principal balance of this Note, all accrued but unpaid interest thereon and all other charges, fees or expenses hereunder have been repaid to Lender in full as follows:

Fixed Rate. This Note shall bear interest at a fixed rate equal to four and one-half percent (4.50%) per annum.

All interest calculations under this Note will be made based on a year of 360 days for the actual number of days in each interest period.

2. **Payments.** The principal of, and all interest on, this Note shall be due and payable as follows:

Borrower shall make payments of principal and interest on this Note, in an amount sufficient to amortize fully the principal amount of this Note by December 31, 2030.

Interest only shall be due and payable on December 31 of each year commencing on December 31, 2021, and continuing thereafter through, and including, December 31, 2025. Commencing on December 31, 2026, principal and interest shall be due and payable on December 31 of each year and continuing thereafter until the Maturity Date. Interest shall be paid in arrears and in the amount of all interest accrued and unpaid through the December 31 of the year in which such payment is due (*i.e.*, interest accrued on December 31, 2022, shall be for all interest accrued from January 1, 2022, through, and including, December 31, 2022). If a payment is due on a day that is not a Business Day, such payment shall be deemed due on the next succeeding Business Day. All payments on account of the indebtedness evidenced by this Note shall be made to Lender not later than 2:00 p.m. EST/EDT, on the day when due in lawful money of the United States, and shall be first applied to late charges, costs of collection or enforcement, and other similar amounts due, if any, under this Note and any of the other Loan Documents, then to interest due

and payable hereunder and the remainder to principal due and payable hereunder; provided, however, that all outstanding principal and accrued interest shall be due and payable in full on the Maturity Date.

3. **Maturity Date.** The outstanding principal of this Note, all accrued but unpaid interest thereon and all other charges, fees or expenses hereunder shall be due and payable in full on or before December 31, 2030 (the “**Maturity Date**”), or such later date as may be designated by Lender by written notice from Lender to Borrower (it being understood that in no event will Lender be under any obligation to extend or renew this Note beyond the initial or any extended Maturity Date).
4. **Advances.** The proceeds of this Note may be disbursed from Lender to Borrower in one or more advances (an “**Advance**”) made from time to time prior to the Maturity Date; provided, however, that the aggregate outstanding principal balance of all unpaid Advances at any time shall not exceed the original principal balance of this Note. To obtain an Advance, Borrower shall submit a written, fully executed and completed “**Request for Advance**” at least ten (10) business day prior to the date Borrower desires the funds to be made available. Upon each Advance, Lender shall record the making and amount of such Advance on the books and records of Lender maintained for this Note. Lender shall also record on such books and records each payment of principal of this Note made by Borrower. The aggregate amount of all Advances made by Lender and shown on such books and records, less the principal paid by Borrower and shown on such books and records, shall be the outstanding principal of this Note. The books and records of Lender shall, at any time, be prima facie evidence of the outstanding principal of this Note. The obligation of Lender to honor any tendered Request for Advance and to make any Advance is subject to the following conditions: (a) each and every one of the representations, warranties and covenants of Borrower set forth herein, and in any other agreement, document or instrument delivered by Borrower to Lender or any of its affiliates, shall be true and correct on the date such Advance is made; (b) no Event of Default (as defined herein) shall have occurred and be continuing and no event of default shall exist or be continuing under any other agreement between Borrower and Lender or any of their affiliates; (c) after giving effect to the Advance requested in the Request for Advance, the aggregate outstanding principal amount of Advances hereunder shall not exceed the lesser of the Total Facility, or the maximum amount, if applicable; and (d) such other conditions as Lender may reasonably impose. Each Request for Advance submitted by Borrower to Lender shall constitute Borrower's representation and warranty to Lender that (i) Borrower is then and will be entitled to the Advance under this Note; (ii) all representations, warranties and covenants made by Borrower to Lender in this Note, and in any other agreement, document or instrument delivered by Borrower to Lender, are true and correct; and (iii) no Event of Default under this Note has occurred and is continuing. Each Request for Advance under this Note will be subject to all of the terms and conditions of the Note. Without limiting the generality of the foregoing, Lender will have no duty to make any Advance if insufficient funds remain available pursuant to the Total Facility or any other maximum amount limitations set forth herein or in any of the Security Documents. Lender hereby is authorized at any time and from time to time, in its discretion, to make an advance under this Note for the payment on behalf of Borrower of any interest, principal or other

sums due under any of the obligations of Borrower to Lender, and each such advance will constitute an Advance hereunder and part of the obligations. Notwithstanding the foregoing, Lender is not obligated to take such action. Advances that are repaid shall not be available for future Advances or otherwise “reborrowed” by Borrower at any time, and the aggregate amount of all Advances made hereunder shall not exceed the face amount of this Note.

5. [Intentionally omitted.]
6. **Late Charge and Default Rate of Interest.** If Lender does not receive any payment due under this Note within ten (10) days of the date it is due, then Lender may charge a late charge of five percent (5.00%) of the amount of the overdue payment (the “**Late Charge**”). Upon maturity, whether by acceleration or otherwise, or upon the occurrence of an Event of Default hereunder, in addition to any and all other remedies to which Lender may be entitled, the applicable rate of interest on this Note shall be increased to five percent (5.00%) per annum in excess of the rate set forth in Section 1, above (the “**Default Rate**”), but not more than the highest rate permitted by law.
7. **Security.** To secure repayment of this Note, any extensions or renewals thereof and all other existing and future indebtedness of Borrower to Lender (whether direct, indirect, absolute or contingent), Borrower shall grant, and does hereby grant, to Lender a security interest in the property described in the Security Agreement by and between Borrower and Lender dated on or about the date hereof (the “**Security Agreement**”), as well as all money and other property held by Lender on deposit in safekeeping or otherwise for the account of or to the credit of Borrower, or in which Borrower has an interest; provided that Lender will have the right to call for additional security as necessary. All of the documents or instruments that provide a lien or security interest in the collateral described above (the “**Collateral**”), as well as any and all other documents or instruments now or hereafter executed in connection with this Note and the loan evidenced hereby, including but not limited to any Security Agreement by and between Lender and Borrower, are referred to herein collectively as the “**Security Documents.**” All of the terms and conditions of the Security Documents are incorporated herein and made a part of this Note as if fully set forth at length herein. Any holder of this Note shall be entitled to the rights, privileges, benefits and remedies provided in the Security Documents and in the real and personal property secured thereby. Borrower represents and warrants to Lender that the Security Documents have been validly executed and delivered to Lender and that the Security Documents are legally valid, binding and enforceable against Borrower (or any other party which has executed any of the Security Documents) in accordance with their respective terms. As used herein, “**Loan Documents**” will mean all Security Documents and this Note. Upon the occurrence of an Event of Default and in the event that Borrower receives payment of or proceeds from any of the Collateral, including without limitation and to the extent that it is included as Collateral hereunder, accounts, monies, checks, notes, drafts, or any other items of payment, Borrower agrees that Borrower will deliver to Lender the same in the form received by Borrower without commingling with any funds belonging to Borrower, and promptly will deposit the same in a special collateral account with Lender. Upon the occurrence of an Event of Default, Borrower authorizes Lender at any time

without notice to appropriate and apply any balances, credits, deposits or accounts or money of Borrower (held individually or with others) in its possession, custody, or control or the possession, custody, or control of any affiliate of Lender to the payment of any of Borrower's obligations to Lender, all of which may at all times be held and treated as additional Collateral.

8. **Proceeds.** Borrower represents that the proceeds of this Note will be used exclusively for business or commercial purposes, specifically to acquire and finance certain tenant improvements and equipment as described in the Security Agreement.
9. **Covenants.** Borrower agrees to provide financial information reasonably requested by Lender, in form and substance acceptable to Lender.
10. **Events of Default and Remedies.** The occurrence of any of the following shall be an "Event of Default" hereunder: (a) failure of Borrower to make any payment when due under this Note or under any other note or obligation of Borrower to Lender; (b) an Event of Default under the Security Documents, or any default under any of the following that does not have a defined set of "Events of Default" and the lapse of any notice or cure period provided therein: any other agreement, document or instrument between Borrower and Lender; (c) if Borrower or endorsers of this Note shall (i) make an assignment for the benefit of creditors, (ii) have a petition initiating any proceeding under the Bankruptcy Code filed by or against one or more of them, (iii) have a receiver, trustee, or custodian appointed for all or any material part of their respective assets, or (iv) seek to make an adjustment, settlement or extension of their respective debts with its creditors generally; (d) a default with respect to any other indebtedness of Borrower for borrowed money; (e) a proceeding being filed by or commenced against Borrower of this Note for dissolution or liquidation, or Borrower of this Note voluntarily or involuntarily terminating or dissolving or being terminated or dissolved; (f) in the event a judgment or writ or order of attachment or garnishment is made and issued against Borrower or Borrower's property; (g) [intentionally omitted]; (h) [intentionally omitted]; (i) any representation or warranty made by Borrower to Lender or its affiliates in any document, including but not limited to the Security Documents, or any other documents now or in the future securing the obligations of Borrower to Lender, is false or erroneous in any material respect; (j) the failure of Borrower to observe or perform any covenant or other agreement with Lender contained in any document executed in connection with the Loan(s), including but not limited to this Note or any of the Security Documents; (k) [intentionally omitted]; (l) [intentionally omitted], or (m) the failure of Borrower to observe or perform any covenant or other agreement with Lender or its affiliates contained in any document, including but not limited to the Security Documents or any documents now or in the future securing the obligations of Borrower to Lender or its affiliates. Upon the occurrence of an Event of Default: (i) the outstanding principal balance hereunder together with any additional amounts secured by the Security Documents, at the option of the holder and without demand or notice of any kind (which are hereby expressly waived), may be accelerated and become immediately due and payable, (ii) this Note, together with all arrearages of interest will from the date of the occurrence of the Event of Default bear interest at the Default Rate, (iii) Borrower will pay to Lender all reasonable attorneys' fees, court costs and

expenses incurred by Lender in connection with Lender's efforts to collect the indebtedness evidenced by the Note, and (iv) Lender may exercise from time to time any of the rights and remedies available to the holder under the Security Documents or under applicable law.

11. **Prepayment.** The indebtedness may be prepaid in whole or in part without premium or penalty.

Payments received will be applied in the following order: (i) to charges, fees and expenses (including reasonable attorneys' fees), (ii) to accrued interest, and (iii) to principal. Any additional payments will be applied in the foregoing order and, to the extent applied to principal, will be applied to installments of principal payable hereunder in the inverse order of maturity.

12. **Cumulative Remedies.** All rights and remedies of the holder of this Note shall be cumulative to the fullest extent allowed by law. Time shall be of the essence for paying interest on the principal of this Note.

13. **Waiver.** All parties to this Note, whether a borrower, endorsers, sureties, guarantors or otherwise connected herein, waive presentment, demand, notice of dishonor, protest, notice of protest, notice of nonpayment or non-acceptance, any other notice and all due diligence or promptness that may otherwise be required by law, and all exemptions to which they may now or hereafter be entitled under the laws of the Commonwealth of Kentucky, the United States of America, or any state thereof. No delay or failure on the part of Lender to exercise any right, remedy or power hereunder, under any of the Loan Documents or under applicable law will impair or waive any such right, remedy or power (or any other right, remedy or power), be considered a waiver of or an acquiescence in any breach, default or Event of Default or affect any other or subsequent breach, default or Event of Default of the same or a different nature. No waiver of any breach, default or Event of Default, nor any modification, waiver, discharge or termination of any provision of this Note, nor consent to any departure by Borrower therefrom, will be established by conduct, custom or course of dealing; and no modification, waiver, discharge, termination nor consent will in any event be effective unless the same is in writing, signed by Lender and specifically refers to this Note, and then such modification, waiver, discharge or termination or consent will be effective only in the specific instance and for the specific purpose for which given. No notice to or demand on Borrower in any case will entitle Borrower to any other or further notice or demand in the same or any similar or other circumstance.

14. **Expenses Incurred by Lender.** If Lender expends sums in defending or otherwise protecting its collateral under the Loan Documents prior to an Event of Default, or if any Event of Default occurs under this Note, and this Note is placed in the hands of an attorney for collection, or is collected through any court, including, without limitation, bankruptcy court, then Borrower promises to pay the holder of this Note the reasonable attorneys' fees and legal costs incurred in collecting or attempting to collect or securing or attempting to secure this Note or enforcing the rights of such holder with respect to any collateral securing this Note, including, without limitation, appraisal fees, costs of environmental

audits, site assessments and/or remediation, to the fullest extent allowed by the laws of the Commonwealth of Kentucky or any state in which any collateral for this Note is situated.

15. **Rights of Lender.** Lender may, with or without notice to any party and without affecting the obligations of any Borrower, surety, endorser, accommodation party or any other party to this Note, (a) renew, extend or otherwise postpone the time for payment of either principal of this Note or interest thereon from time to time, (b) release or discharge any one or more parties liable on this Note, (c) change, exchange or release any property in which Lender possesses any interest securing this Note, (d) justifiably or otherwise, impair any collateral securing this Note or suspend the right to enforce against any such collateral, and (e) at any time it deems it necessary or proper, call for and should it be made available, accept, as additional security, the signature(s) of an additional party or a security interest in property of any kind or description or both.
16. **Complete Agreement.** This Note and the Security Documents are the entire and complete agreement of the parties hereto and supersede all previous understandings and agreements relating to the subject matter hereof. This Note and the Security Documents may be amended only by an instrument in writing that explicitly states that it amends this Note or such Security Documents and is signed by Borrower and acknowledged by Lender.
17. **Severability.** The provisions of this Note are intended to be severable. If any provision of this Note shall be held invalid or unenforceable in whole or in part in any jurisdiction, such provision shall, as to such jurisdiction, be ineffective to the extent of such invalidity or unenforceability without in any manner affecting the validity or enforceability thereof in any other jurisdiction or the remaining provisions hereof in any jurisdiction.
18. [Intentionally left blank.]
19. **Late Charge and Default Rate.**
 - 19.1 The Late Charge and the Default Rate are imposed as liquidated damages for the purpose of defraying Lender's expenses incident to the handling of delinquent payments, but are in addition to, and not in lieu of, Lender's exercise of any rights and remedies hereunder, under the other Security Documents or under applicable law, and any fees and expenses of any agents or any reasonable fees and expenses of any attorneys which Lender may employ. In addition, the Default Rate reflects the increased credit risk to Lender of carrying a loan that is in default. Borrower agrees that the Late Charge and Default Rate are reasonable forecasts of just compensation for anticipated and actual harm incurred by Lender, and that the actual harm incurred by Lender cannot be estimated with certainty and without difficulty.
 - 19.2 Nothing contained in this Note regarding late charges or the Default Rate will be construed in any way to extend the due date of any payment or waive any payment default, and each such right is in addition to, and not in lieu of, the other and any other rights and remedies of Lender hereunder, under any of the Security

Documents or under applicable law (including, without limitation, the right to interest, reasonable attorneys' fees and other expenses).

20. **Usury.** Without limiting the generality of the foregoing, if from any circumstances whatsoever the fulfillment of any provision of this Note involves transcending the limit of validity prescribed by any applicable usury statute or any other applicable law with regard to obligations of like character and amount, then the obligation to be fulfilled will be reduced to the limit of such validity as provided in such statute or law, so that in no event will any exaction of interest be possible under this Note in excess of the limit of such validity and the right to demand any such excess is hereby expressly waived by Lender. As used in this Section, “applicable usury statute” and “applicable law” mean such statute and law in effect on the date hereof, subject to any change therein that result in a higher permissible rate of interest.
21. **Singular and Plural Terms.** Wherever used herein, the singular number shall include the plural, the plural the singular, and the use of any gender shall include all genders.
22. **Binding Effect.** This Note will bind Borrower and the successors and assigns of Borrower, and the benefits hereof will inure to the benefit of Lender and its successors and assigns. All references herein to the “**Borrower**” and “**Lender**” will include the respective successors and assigns thereof; provided, however, that Borrower may not assign, delegate or transfer any of its obligations under this Note in whole or in part without the prior written consent of Lender and Lender at any time may assign this Note in whole or in part (but no assignment by Lender of less than all of this Note will operate to relieve Borrower from any duty to Lender with respect to the unassigned portion of this Note).
23. **Repayment by Lender.** If at any time all or any part of any payment or transfer of any kind received by Lender with respect to all or any part of this Note is repaid, set aside or invalidated by reason of any judgment, decree or order of any court or administrative body, or by reason of any agreement, settlement or compromise of any claim made at any time with respect to the repayment, recovery, setting aside or invalidation of all or any part of such payment or transfer, Borrower's obligations under this Note will continue (and/or be reinstated) and Borrower will be and remain liable, and, to the extent permitted by law, will indemnify, defend and hold harmless Lender for, the amount or amounts so repaid, recovered, set aside or invalidated and all other claims, demands, liabilities, judgments, losses, damages, costs and expenses incurred in connection therewith. The provisions of this Section will be and remain effective notwithstanding any contrary action which may have been taken by Borrower in reliance upon such payment or transfer, and any such contrary action so taken will be without prejudice to Lender's rights hereunder and will be deemed to have been conditioned upon such payment or transfer having become final and irrevocable. The provisions of this Section will survive any termination, cancellation or discharge of this Note.
24. **Notices.** All notices, demands, requests, consents or approvals and other communications required or permitted hereunder will be in writing, and, to the extent required by applicable law, will comply with the requirements of the Uniform Commercial Code then in effect,

and will be addressed to such party at the address set forth below or to such other address as any party may give to the other in writing for such purpose:

To Lender: Investment Property Advisors,
LLC
666 East Main Street, Suite A-2
Centreville, Michigan 49032
Attn: Lawrence N. Gough

To Borrower: University of Louisville Athletic
Association, Inc
2100 South Floyd Street
Louisville, Kentucky 40208
Attn: Jeff Spoelker

With a copy to:

Office of University Counsel
University of Louisville
206 Grawemeyer Hall
Louisville, Kentucky 40292
Attn: General Counsel

All such communications, if personally delivered, will be conclusively deemed to have been received by a party hereto and to be effective when so delivered; if given by mail, on the fourth business day after such communication is deposited in the mail with first-class postage prepaid, return receipt requested; or if sent by overnight courier service, on the day after deposit thereof with such service; or if sent by certified or registered mail, on the third business day after the day on which deposited in the mail.

25. **Governing Law.** This Note has been delivered and accepted at and will be deemed to have been made at Louisville, Kentucky and will be interpreted and the rights and liabilities of the parties hereto determined in accordance with the laws of the Commonwealth of Kentucky, excluding its conflict of laws rules, and will include all matters arising out of or relating to this Agreement, including without limitation claims as to its validity, interpretation, construction, performance, and all claims sounding in tort.
26. **Waiver of Jury Trial.** *THE PARTIES HERETO EACH WAIVE ANY RIGHT TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING RELATING TO THIS AGREEMENT, ANY DOCUMENTS EXECUTED IN CONNECTION WITH THIS AGREEMENT, OR ANY TRANSACTION CONTEMPLATED IN ANY OF SUCH DOCUMENTS. BORROWER AND LENDER ACKNOWLEDGE THAT THE FOREGOING WAIVER IS KNOWING AND VOLUNTARY.*

[Remainder of page intentionally blank; signature follows]

[Signature Page to Commercial Note]

IN WITNESS WHEREOF, Borrower has executed this Note as of the Effective Date.

BORROWER

**UNIVERSITY OF LOUISVILLE
ATHLETIC ASSOCIATION, INC.,**
a Kentucky nonprofit corporation

By: _____

Name: _____

Title: _____

SECURITY AGREEMENT

(Tenant Improvements and Equipment – Purchase Money Security Interest)

UNIVERSITY OF LOUISVILLE ATHLETIC ASSOCIATION, INC., a Kentucky nonprofit corporation (“**Debtor**”), for valuable consideration, receipt of which hereby is acknowledged, hereby transfers, assigns and pledges to **320 EASTERN JV, LLC**, a Kentucky limited liability company (“**Secured Party**”), and grants to Secured Party as of September ___, 2021 (the “**Effective Date**”) a security interest in, the following collateral, wherever located, now existing and hereafter arising or coming into existence (the “**Collateral**”):

1. The tenant improvements and equipment described on the attached **Exhibit A**;
2. Together with all attachments, additions and accessions thereto, and added and substituted parts, equipment and repairs now or hereafter placed upon such property, whether because of necessary repairs or otherwise; and

The proceeds (including insurance proceeds) and products of the foregoing in whatever form the same may be, for the purpose of securing the payment to Secured Party of all of the following (“**Obligations**”): all loans, advances, debts, liabilities, obligations, covenants and duties owing to Secured Party from Debtor arising under: (i) the Commercial Note given by Debtor to Secured Party dated September ___, 2021 (the “**Note**”), and all of the documents executed in connection therewith, and, as to all of the foregoing, including any amendments, modifications, or superseding documents to each of the foregoing; and all charges, expenses, fees, including but not limited to reasonable attorneys’ fees, and any other sums chargeable to Debtor under any of the Obligations. This Agreement is in addition to any previous assignments or pledges, and such previous assignments and pledges remain in full force and effect.

Debtor further warrants to and agrees with Secured Party as follows:

1. **Location and Use of Collateral.**

- 1.1 Debtor now keeps and will continue to keep the Collateral at the facilities located on the real estate described in **Exhibit B**; and Debtor now keeps and will continue to keep its books and records concerning the Collateral at its principal place of business. Debtor has not had any other registered offices in the Commonwealth of Kentucky other than the following: 2100 South Floyd Street, Louisville Kentucky 40208.
- 1.2 The Collateral is being acquired with the proceeds of the loans by Secured Party to Debtor. Secured Party may disburse such proceeds directly to the seller of the Collateral. The security interest created under this Agreement is intended by the parties to be a purchase money security interest in the Collateral and in the proceeds of the sale of such Collateral.

- 1.3 If the Collateral has been or is to be attached to real estate, the name of the record ground lease holder of such real estate is **320 EASTERN JV, LLC**, a Kentucky limited liability company, and such real estate is described in **Exhibit B** attached hereto and if the Collateral is attached to real estate prior to the perfection of the security interest hereby granted, Debtor upon demand will furnish Secured Party with written consent to such security interest or a written disclaimer of any interest in the Equipment as fixtures, signed by all persons with an interest in the real estate at the time of the attachment of such security interest.
2. **Preservation of Collateral.** Debtor will keep the Collateral in good order and repair at all times, will use same with reasonable care and caution, will not part with possession or ownership thereof nor lease or hire out the Collateral without the written consent of Secured Party, and will exhibit the Collateral to Secured Party upon demand. Debtor will promptly notify Secured Party of any loss or damage to the Collateral. Debtor will not use, or permit the Collateral to be used, in violation of any federal, state, county or municipal law or regulation or for any unlawful purpose whatsoever.
3. **Execution of Appropriate Documentation with Respect to Collateral.** With respect to any and all of the Collateral, Debtor agrees to do and cause to be done all things necessary or appropriate to perfect, maintain the priority of and keep in full force and effect the security interest granted by Debtor to Secured Party, including, but not limited to, the prompt payment upon demand therefor by Secured Party of all fees and expenses (including documentary stamp, excise or intangibles taxes) incurred in connection with the preparation, delivery, or filing of any document or the taking of any action deemed necessary or appropriate by Secured Party to perfect, protect, or enforce a security interest in any of the Collateral for the benefit of Secured Party, subject only to the Permitted Liens, as such liens are set forth on the attached **Exhibit C**, which is incorporated by reference as if fully set forth herein and as such term is defined in any of the documents executed in connection with the Obligations. All amounts not so paid when due will be added to the Obligations and (in addition to other rights and remedies resulting from such non-payment) will bear interest from the date of demand until paid in full at the Default Rate. Debtor also authorizes Secured Party to file one or more financing statements, as deemed necessary or desirable by Secured Party (including but not limited to any correction statements as set forth more fully in UCC Section 9-518), which financing statements lists or otherwise describes the Collateral as consisting of all of Debtor's assets or words to that effect, regardless of the actual description of the Collateral set forth in this Agreement.
4. **Insurance.** Debtor will keep its insurable real and personal property insured with responsible insurance companies against loss or damage by fire, windstorm and other hazards which are commonly insured against in an extended coverage endorsement in an amount equal to not less than 90% of the insurable value thereof on a replacement cost basis and also maintain public liability insurance in a reasonable amount. In addition, Debtor will maintain extended liability insurance covering its operations of at least \$1,000,000 and in a form and with companies reasonably satisfactory to Secured Party. Notwithstanding the foregoing, such property insurance will at all times be in an amount

so that Debtor will not be deemed a “co-insurer” under any co-insurance provisions of such policies. All such insurance policies will name Secured Party as an additional insured and, where applicable, as lender’s loss payee under a loss payable endorsement satisfactory to Secured Party. All such policies will be in form and substance satisfactory to Secured Party and will provide that ten (10) days’ prior written notice must be given to Secured Party before such policy is altered or cancelled. Schedules of all insurance of Debtor will be submitted to Secured Party upon request. Such schedules will contain a description of the risks covered, the amounts of insurance carried on each risk, the name of the insurer and the cost of such insurance to Debtor. Debtor will provide new schedules to Secured Party promptly to reflect any change in insurance coverage. Debtor will deliver to Secured Party certificates representing such insurance policies upon the execution hereof. All amounts payable in settlement of insurance losses may be applied, at Secured Party’s option, to the Obligations, or used to repair, replace or restore the Collateral.

5. **Payment of Expenses by Secured Party.** At its option, Secured Party may discharge taxes, liens, security interests or such other encumbrances as may attach to the Collateral, may pay for required insurance on the Collateral and may pay for the maintenance and preservation of the Collateral, as determined by Secured Party to be necessary, and such expenditures will become a part of the Obligations. Debtor will reimburse Secured Party on demand for any payment so made or any expense incurred by Secured Party pursuant to the foregoing authorization, and the Collateral also will secure any advances or payments so made or expenses so incurred by Secured Party.
6. **Information.** Debtor will furnish to Secured Party from time to time if and as requested current lists of the Collateral. Secured Party and its designated representatives and agents will have the right at all reasonable times to examine, inspect, and audit the Collateral wherever located.
7. **Representations and Covenants.** Debtor represents and covenants to Secured Party that, except for any Permitted Liens: (a) Debtor has not made any prior sale, pledge, encumbrance, assignment or other disposition of any of the Collateral and the same is free from all encumbrances and rights of set off of any kind; (b) Debtor will not hereafter without the prior written consent of Secured Party sell, pledge, encumber, assign or otherwise dispose of any of the Collateral or permit any right of set off, lien or security interest to exist thereon except to Secured Party; and (c) Debtor will defend the Collateral against all claims and demands of all persons at any time claiming the same or any interest therein.
8. **Receivers.** Upon or at any time after the occurrence of an Event of Default, Secured Party may request the appointment of a receiver of the Collateral, and Debtor expressly consents to the appointment of such a receiver, who will be entitled to a reasonable fee for so managing the Collateral. Such appointment may be made without notice, and without regard to (i) the solvency or insolvency, at the time of application for such receiver, of the person or persons, if any, liable for the payment of the Obligations; and (ii) the value of the Collateral at such time. Such receiver will have the power to take

possession, control and care of the Collateral and to collect all accounts resulting therefrom. Notwithstanding the appointment of any receiver, trustee, or other custodian, Secured Party will be entitled to the possession and control of any cash, or other instruments at the time held by, or payable or deliverable under the terms of this Agreement to Secured Party.

9. **Place of Business.** Debtor's state of formation is Kentucky, and Debtor will not change its state of formation. Debtor's exact legal name is University of Louisville Athletic Association, Inc. Debtor (a) now keeps and will continue to keep the Collateral at the facilities located on the real estate described in **Exhibit B**; and Debtor now keeps and will continue to keep its books and records concerning the Collateral at its principal place of business shown above and (b) represents that it has no other place of business other than the following: 2100 South Floyd Street, Louisville, Kentucky 40208.

In the five years preceding the date hereof, Debtor has not conducted business under any name other than its current name nor maintained any place of business or any assets in any jurisdiction other than the following: Louisville, Kentucky.

10. **Default.**

10.1 Upon the occurrence of any of the following (herein referred to as an "**Event of Default**"): (i) any Event of Default (as defined in any of the documents evidencing the Obligations), (ii) or any default under any of such documents that do not have a defined set of "Events of Default," (iii) any representation made by Debtor to Secured Party in this Agreement is false or erroneous in any material respect, or (iv) the failure of Debtor to observe or perform any covenant or other agreement with Secured Party under this Agreement, Secured Party may exercise any one or more of the rights and remedies granted pursuant to this Agreement or given to a secured party under applicable law, as it may be amended from time to time, including but not limited to the right to take possession and sell, lease or otherwise dispose of the Collateral and, at its option, operate, use or exercise any rights of ownership pertaining to the Collateral as the Secured Party deems necessary to preserve the value and receive the benefits of the Collateral. Upon the occurrence of an Event of Default, Secured Party may, so far as Debtor can give authority therefor, enter upon any premises on which the Collateral or any part thereof may be situated and take possession of and remove the same therefrom and gives permission to Secured Party to conduct a sale of any or all of the Collateral, which sale may be conducted on any real property owned by Debtor without charge or interference by Debtor. Secured Party may require Debtor to make the Collateral available to Secured Party at a place to be designated by Secured Party that is reasonably convenient to both parties. Debtor waives all claims for damages by reason of any seizure, repossession, retention, use, or sale of the Collateral under the terms of this Agreement.

10.2 The net proceeds arising from the disposition of the Collateral after deducting expenses incurred by Secured Party will be applied to the Obligations in the order

determined by Secured Party. If any excess remains after the discharge of all of the Obligations, the same will be paid to Debtor. If after exhausting all of the Collateral, there should be a deficiency, Debtor will be liable therefor to Secured Party, provided, however, that nothing contained herein will obligate Secured Party to proceed against the Collateral prior to making a claim against Debtor or any other party obligated under the Obligations or prior to proceeding against any other collateral for the Obligations.

10.3 Whenever notice is required by law to be sent by Secured Party to Debtor of any sale or other disposition of the Collateral, ten days written notice sent in accordance with the requirements of the applicable section of the Uniform Commercial Code to Debtor at the address specified below, or at such other address as Debtor may furnish Secured Party in writing from time to time for this purpose, will be reasonable.

11. Rights of Secured Party; Power of Attorney. Debtor hereby irrevocably constitutes and appoints Secured Party and any officer thereof, with full power of substitution, as its true and lawful attorney-in-fact with full irrevocable power and authority in the place and stead of Debtor or in its name, from time to time in Secured Party's discretion, for the purpose of carrying out the terms of this Agreement, to take any and all appropriate action and to execute any and all documents and instruments which may be necessary or desirable to accomplish the purposes of this Agreement and, without limiting the generality of the foregoing, Debtor hereby gives Secured Party the power and right, on behalf of Debtor, after an Event of Default, and without notice to or assent by Debtor, to do the following:

11.1 to receive payment of, endorse, and receipt for, any and all monies, claims and other amounts due and to become due at any time in respect of or arising out of the Collateral;

11.2 to commence and prosecute any suits, actions or proceedings at law or in equity in any court of competent jurisdiction to collect any of the Collateral and to enforce any other right in respect of the Collateral;

11.3 to settle, compromise or adjust any suit, action or proceeding described above, and, in connection therewith, to give such discharges or releases as Secured Party may deem appropriate; and

11.4 generally to sell, transfer, pledge, make any agreement with respect to or otherwise deal with any of the Collateral as fully and completely as though Secured Party were the absolute owner thereof for all purposes, and to do, at Secured Party's option, at any time, or from time to time, all acts and things which Secured Party deems necessary to protect or preserve the Collateral and Secured Party's security interest and rights therein in order to effect the intent of this Agreement, all as fully and effectively as Debtor might do.

Debtor hereby ratifies all that such attorneys in fact may lawfully do or cause to be done by virtue hereof. This power of attorney is a power coupled with an interest, will be irrevocable and will terminate only upon payment in full of the Obligations and the termination of this Agreement. The powers conferred upon Secured Party hereunder are solely to protect Secured Party's interests in the Collateral and will not impose any duty upon it to exercise any such powers. Secured Party will have no obligation to preserve any rights of any third parties in the Collateral. Secured Party will be accountable only for amounts that it actually receives as a result of the exercise of such powers, and neither it nor any of its officers, directors, employees or agents will be responsible to Debtor for any action taken or omitted to be taken in good faith or in reliance on the advice of counsel except for its own gross negligence or willful misconduct.

12. General.

12.1 Waiver. No delay or omission on the part of Secured Party to exercise any right or power arising from any Event of Default will impair any such right or power or be considered a waiver of any such right or power or a waiver of any such Event of Default or an acquiescence therein nor will the action or non-action of Secured Party in case of such Event of Default impair any right or power arising as a result thereof or affect any subsequent default or any other default of the same or a different nature.

12.2 Notices. All notices, demands, requests, consents or approvals and other communications required or permitted hereunder will be in writing, and, to the extent required by applicable law, will comply with the requirements of the Uniform Commercial Code then in effect, and will be addressed to such party at the address set forth below or to such other address as any party may give to the other in writing for such purpose:

To Secured Party: 320 Eastern JV, LLC
 666 East Main Street, Suite A-2,
 Centreville, Michigan 49032
 Attn: Lawrence N. Gough

To Debtor: University of Louisville Athletic Association, Inc.
 2100 South Floyd Street
 Louisville, Kentucky 40208
 Attn: Jeff Spoelker

With a copy to: Office of University Counsel
 University of Louisville
 206 Grawemeyer Hall
 Louisville, Kentucky 40208
 Attn: General Counsel

All such communications, if personally delivered, will be conclusively deemed to have been received by a party hereto and to be effective when so delivered; if given by mail, on the fourth business day after such communication is deposited in the mail with first-class postage prepaid, return receipt requested; or if sent by overnight courier service, on the day after deposit thereof with such service; or if sent by certified or registered mail, on the third business day after the day on which deposited in the mail.

- 12.3 Successors and Assigns.** This Agreement will be binding upon and inure to the benefit of Debtor and Secured Party and their respective successors and assigns, provided, however, that Debtor may not assign, delegate, or transfer this Agreement in whole or in part without the prior written consent of Secured Party and Secured Party at any time may assign this Agreement in whole or in part. All references herein to the “Debtor” and “Secured Party” will be deemed to apply to Debtor and Secured Party and their respective heirs, administrators, successors and assigns.
- 12.4 Modifications.** No modification or waiver of any provision of this Agreement nor consent to any departure by Debtor therefrom, will be established by conduct, custom or course of dealing; and no modification, waiver or consent will in any event be effective unless the same is in writing and specifically refers to this Agreement, and then such waiver or consent will be effective only in the specific instance and for the purpose for which given. No notice to or demand on Debtor in any case will entitle Debtor to any other or further notice or demand in the same, similar or other circumstance.
- 12.5** [Intentionally left blank.]
- 12.6** [Intentionally left blank.]
- 12.7 Illegality.** If fulfillment of any provision hereof or any transaction related hereto or of any provision of this Agreement, at the time performance of such provision is due, involves transcending the limit of validity prescribed by law, then ipso facto, the obligation to be fulfilled will be reduced to the limit of such validity; and if any clause or provisions herein contained other than the provisions hereof pertaining to repayment of the Obligations operates or would prospectively operate to invalidate this Agreement in whole or in part, then such clause or provision only will be void, as though not herein contained, and the remainder of this Agreement will remain operative and in full force and effect.
- 12.8 Continuing Agreement.** This is a continuing Agreement and will continue in effect even though all or any part of the Obligations have been paid in full and even though for a period of time Debtor may not be indebted to Secured Party.

- 12.9 **Gender, etc.** Whenever used herein, the singular number will include the plural, the plural the singular and the use of the masculine, feminine or neuter gender will include all genders.
- 12.10 **Headings.** The headings in this Agreement are for convenience only and will not limit or otherwise affect any of the terms hereof.
- 12.11 [Intentionally left blank.]
- 12.12 **Counterparts.** This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed will be deemed to be an original and all of which taken together will constitute one and the same agreement. Any party so executing this Agreement by facsimile transmission shall promptly deliver a manually executed counterpart, provided that any failure to do so shall not affect the validity of the counterpart executed by facsimile transmission.
- 12.13 **Definitions.** Capitalized terms used herein and not otherwise defined will be given the definitions set forth in the Uniform Commercial Code in force and effect in the State indicated in the Governing Law section of this Agreement
- 12.14 **Governing Law.** This Agreement has been delivered and accepted at and will be deemed to have been made at Louisville, Kentucky and will be interpreted and the rights and liabilities of the parties hereto determined in accordance with the laws of the Commonwealth of Kentucky, and will include all matters arising out of or relating to this Agreement, including without limitation claims as to its validity, interpretation, construction, performance, and all claims sounding in tort.
- 12.15 **Waiver of Jury Trial.** *THE PARTIES HERETO EACH WAIVE ANY RIGHT TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING RELATING TO THIS AGREEMENT, ANY DOCUMENTS EXECUTED IN CONNECTION WITH THIS AGREEMENT, OR ANY TRANSACTION CONTEMPLATED IN ANY OF SUCH DOCUMENTS. DEBTOR AND SECURED PARTY ACKNOWLEDGE THAT THE FOREGOING WAIVER IS KNOWING AND VOLUNTARY.*

[Remainder of Page Left Blank]

[Signature Page to Security Agreement (Equipment – Purchase Money Security Interest)]

Dated as of the Effective Date, and Debtor hereby acknowledges and agrees that each of the exhibits attached hereto is incorporated by reference as if fully set forth herein.

DEBTOR:

**UNIVERSITY OF LOUISVILLE
ATHLETIC ASSOCIATION, INC.**, a
Kentucky nonprofit corporation

By _____
Print Name: _____
Title: _____

SECURED PARTY:

320 EASTERN JV, LLC, a Kentucky
limited liability company

By: _____
Print Name: Lawrence N. Gough
Title: Manager

EXHIBIT A
DESCRIPTION OF EQUIPMENT

[attached hereto.]

EXHIBIT B
LEGAL DESCRIPTION OF REAL ESTATE

[insert]

EXHIBIT C

PERMITTED LIENS

“Permitted Liens” will mean:

- (i) liens securing the payment of taxes, either not yet due or the validity of which is being contested in good faith by appropriate proceedings, and as to which it has set aside on its books adequate reserves to the extent required by generally accepted accounting principles;
- (ii) liens imposed by law, such as carriers’ warehousemen’s or mechanics’ liens, incurred by it in good faith in the ordinary course of business, and liens arising out of a judgment or award against it with respect to which it will currently be prosecuting an appeal, a stay of execution pending such appeal having been secured;
- (iii) liens in favor of Secured Party; and
- (iv) attachment, judgment, and similar liens provided that execution is effectively stayed pending a good faith contest.

SECURITY AGREEMENT

(Tenant Improvements and Equipment – Purchase Money Security Interest)

UNIVERSITY OF LOUISVILLE ATHLETIC ASSOCIATION, INC., a Kentucky nonprofit corporation (“**Debtor**”), for valuable consideration, receipt of which hereby is acknowledged, hereby transfers, assigns and pledges to **INVESTMENT PROPERTY ADVISORS, LLC**, an Indiana limited liability company (“**Secured Party**”), and grants to Secured Party as of September __, 2021 (the “**Effective Date**”) a security interest in, the following collateral, wherever located, now existing and hereafter arising or coming into existence (the “**Collateral**”):

1. The tenant improvements and equipment described on the attached **Exhibit A**;
2. Together with all attachments, additions and accessions thereto, and added and substituted parts, equipment and repairs now or hereafter placed upon such property, whether because of necessary repairs or otherwise; and

The proceeds (including insurance proceeds) and products of the foregoing in whatever form the same may be, for the purpose of securing the payment to Secured Party of all of the following (“**Obligations**”): all loans, advances, debts, liabilities, obligations, covenants and duties owing to Secured Party from Debtor arising under: (i) the Commercial Note given by Debtor to Secured Party dated September __, 2021 (the “**Note**”), and all of the documents executed in connection therewith,; and, as to all of the foregoing, including any amendments, modifications, or superseding documents to each of the foregoing; and all charges, expenses, fees, including but not limited to reasonable attorneys’ fees, and any other sums chargeable to Debtor under any of the Obligations. This Agreement is in addition to any previous assignments or pledges, and such previous assignments and pledges remain in full force and effect.

Debtor further warrants to and agrees with Secured Party as follows:

1. **Location and Use of Collateral.**

- 1.1 Debtor now keeps and will continue to keep the Collateral at the facilities located on the real estate described in **Exhibit B**; and Debtor now keeps and will continue to keep its books and records concerning the Collateral at its principal place of business. Debtor has not had any other registered offices in the Commonwealth of Kentucky other than the following: _2100 South Floyd Street, Louisville, Kentucky 40208.
- 1.2 The Collateral is being acquired with the proceeds of the loans by Secured Party to Debtor. Secured Party may disburse such proceeds directly to the seller of the Collateral. The security interest created under this Agreement is intended by the parties to be a purchase money security interest in the Collateral and in the proceeds of the sale of such Collateral.

- 1.3 If the Collateral has been or is to be attached to real estate, the name of the record ground lease holder of such real estate is **320 EASTERN JV, LLC**, a Kentucky limited liability company, and such real estate is described in **Exhibit B** attached hereto and if the Collateral is attached to real estate prior to the perfection of the security interest hereby granted, Debtor upon demand will furnish Secured Party with written consent to such security interest or a written disclaimer of any interest in the Equipment as fixtures, signed by all persons with an interest in the real estate at the time of the attachment of such security interest.
2. **Preservation of Collateral.** Debtor will keep the Collateral in good order and repair at all times, will use same with reasonable care and caution, will not part with possession or ownership thereof nor lease or hire out the Collateral without the written consent of Secured Party, and will exhibit the Collateral to Secured Party upon demand. Debtor will promptly notify Secured Party of any loss or damage to the Collateral. Debtor will not use, or permit the Collateral to be used, in violation of any federal, state, county or municipal law or regulation or for any unlawful purpose whatsoever.
3. **Execution of Appropriate Documentation with Respect to Collateral.** With respect to any and all of the Collateral, Debtor agrees to do and cause to be done all things necessary or appropriate to perfect, maintain the priority of and keep in full force and effect the security interest granted by Debtor to Secured Party, including, but not limited to, the prompt payment upon demand therefor by Secured Party of all fees and expenses (including documentary stamp, excise or intangibles taxes) incurred in connection with the preparation, delivery, or filing of any document or the taking of any action deemed necessary or appropriate by Secured Party to perfect, protect, or enforce a security interest in any of the Collateral for the benefit of Secured Party, subject only to the Permitted Liens, as such liens are set forth on the attached **Exhibit C**, which is incorporated by reference as if fully set forth herein and as such term is defined in any of the documents executed in connection with the Obligations. All amounts not so paid when due will be added to the Obligations and (in addition to other rights and remedies resulting from such non-payment) will bear interest from the date of demand until paid in full at the Default Rate. Debtor also authorizes Secured Party to file one or more financing statements, as deemed necessary or desirable by Secured Party (including but not limited to any correction statements as set forth more fully in UCC Section 9-518), which financing statements lists or otherwise describes the Collateral as consisting of all of Debtor's assets or words to that effect, regardless of the actual description of the Collateral set forth in this Agreement.
4. **Insurance.** Debtor will keep its insurable real and personal property insured with responsible insurance companies against loss or damage by fire, windstorm and other hazards which are commonly insured against in an extended coverage endorsement in an amount equal to not less than 90% of the insurable value thereof on a replacement cost basis and also maintain public liability insurance in a reasonable amount. In addition, Debtor will maintain extended liability insurance covering its operations of at least \$1,000,000 and in a form and with companies reasonably satisfactory to Secured Party. Notwithstanding the foregoing, such property insurance will at all times be in an amount

so that Debtor will not be deemed a “co-insurer” under any co-insurance provisions of such policies. All such insurance policies will name Secured Party as an additional insured and, where applicable, as lender’s loss payee under a loss payable endorsement satisfactory to Secured Party. All such policies will be in form and substance satisfactory to Secured Party and will provide that ten (10) days’ prior written notice must be given to Secured Party before such policy is altered or cancelled. Schedules of all insurance of Debtor will be submitted to Secured Party upon request. Such schedules will contain a description of the risks covered, the amounts of insurance carried on each risk, the name of the insurer and the cost of such insurance to Debtor. Debtor will provide new schedules to Secured Party promptly to reflect any change in insurance coverage. Debtor will deliver to Secured Party certificates representing such insurance policies upon the execution hereof. All amounts payable in settlement of insurance losses may be applied, at Secured Party’s option, to the Obligations, or used to repair, replace or restore the Collateral.

5. **Payment of Expenses by Secured Party.** At its option, Secured Party may discharge taxes, liens, security interests or such other encumbrances as may attach to the Collateral, may pay for required insurance on the Collateral and may pay for the maintenance and preservation of the Collateral, as determined by Secured Party to be necessary, and such expenditures will become a part of the Obligations. Debtor will reimburse Secured Party on demand for any payment so made or any expense incurred by Secured Party pursuant to the foregoing authorization, and the Collateral also will secure any advances or payments so made or expenses so incurred by Secured Party.
6. **Information.** Debtor will furnish to Secured Party from time to time if and as requested current lists of the Collateral. Secured Party and its designated representatives and agents will have the right at all reasonable times to examine, inspect, and audit the Collateral wherever located.
7. **Representations and Covenants.** Debtor represents and covenants to Secured Party that, except for any Permitted Liens: (a) Debtor has not made any prior sale, pledge, encumbrance, assignment or other disposition of any of the Collateral and the same is free from all encumbrances and rights of set off of any kind; (b) Debtor will not hereafter without the prior written consent of Secured Party sell, pledge, encumber, assign or otherwise dispose of any of the Collateral or permit any right of set off, lien or security interest to exist thereon except to Secured Party; and (c) Debtor will defend the Collateral against all claims and demands of all persons at any time claiming the same or any interest therein.
8. **Receivers.** Upon or at any time after the occurrence of an Event of Default, Secured Party may request the appointment of a receiver of the Collateral, and Debtor expressly consents to the appointment of such a receiver, who will be entitled to a reasonable fee for so managing the Collateral. Such appointment may be made without notice, and without regard to (i) the solvency or insolvency, at the time of application for such receiver, of the person or persons, if any, liable for the payment of the Obligations; and (ii) the value of the Collateral at such time. Such receiver will have the power to take

possession, control and care of the Collateral and to collect all accounts resulting therefrom. Notwithstanding the appointment of any receiver, trustee, or other custodian, Secured Party will be entitled to the possession and control of any cash, or other instruments at the time held by, or payable or deliverable under the terms of this Agreement to Secured Party.

9. **Place of Business.** Debtor's state of formation is Kentucky, and Debtor will not change its state of formation. Debtor's exact legal name is University of Louisville Athletic Association, Inc. Debtor (a) now keeps and will continue to keep the Collateral at the facilities located on the real estate described in **Exhibit B**; and Debtor now keeps and will continue to keep its books and records concerning the Collateral at its principal place of business shown above and (b) represents that it has no other place of business other than the following: 2100 South Floyd Street, Louisville, Kentucky 40208.

In the five years preceding the date hereof, Debtor has not conducted business under any name other than its current name nor maintained any place of business or any assets in any jurisdiction other than the following: Louisville, Kentucky.

10. **Default.**

10.1 Upon the occurrence of any of the following (herein referred to as an "**Event of Default**"): (i) any Event of Default (as defined in any of the documents evidencing the Obligations), (ii) or any default under any of such documents that do not have a defined set of "Events of Default," (iii) any representation made by Debtor to Secured Party in this Agreement is false or erroneous in any material respect, or (iv) the failure of Debtor to observe or perform any covenant or other agreement with Secured Party under this Agreement, Secured Party may exercise any one or more of the rights and remedies granted pursuant to this Agreement or given to a secured party under applicable law, as it may be amended from time to time, including but not limited to the right to take possession and sell, lease or otherwise dispose of the Collateral and, at its option, operate, use or exercise any rights of ownership pertaining to the Collateral as the Secured Party deems necessary to preserve the value and receive the benefits of the Collateral. Upon the occurrence of an Event of Default, Secured Party may, so far as Debtor can give authority therefor, enter upon any premises on which the Collateral or any part thereof may be situated and take possession of and remove the same therefrom and gives permission to Secured Party to conduct a sale of any or all of the Collateral, which sale may be conducted on any real property owned by Debtor without charge or interference by Debtor. Secured Party may require Debtor to make the Collateral available to Secured Party at a place to be designated by Secured Party that is reasonably convenient to both parties. Debtor waives all claims for damages by reason of any seizure, repossession, retention, use, or sale of the Collateral under the terms of this Agreement.

10.2 The net proceeds arising from the disposition of the Collateral after deducting expenses incurred by Secured Party will be applied to the Obligations in the order

determined by Secured Party. If any excess remains after the discharge of all of the Obligations, the same will be paid to Debtor. If after exhausting all of the Collateral, there should be a deficiency, Debtor will be liable therefor to Secured Party, provided, however, that nothing contained herein will obligate Secured Party to proceed against the Collateral prior to making a claim against Debtor or any other party obligated under the Obligations or prior to proceeding against any other collateral for the Obligations.

10.3 Whenever notice is required by law to be sent by Secured Party to Debtor of any sale or other disposition of the Collateral, ten days written notice sent in accordance with the requirements of the applicable section of the Uniform Commercial Code to Debtor at the address specified below, or at such other address as Debtor may furnish Secured Party in writing from time to time for this purpose, will be reasonable.

11. Rights of Secured Party; Power of Attorney. Debtor hereby irrevocably constitutes and appoints Secured Party and any officer thereof, with full power of substitution, as its true and lawful attorney-in-fact with full irrevocable power and authority in the place and stead of Debtor or in its name, from time to time in Secured Party's discretion, for the purpose of carrying out the terms of this Agreement, to take any and all appropriate action and to execute any and all documents and instruments which may be necessary or desirable to accomplish the purposes of this Agreement and, without limiting the generality of the foregoing, Debtor hereby gives Secured Party the power and right, on behalf of Debtor, after an Event of Default, and without notice to or assent by Debtor, to do the following:

11.1 to receive payment of, endorse, and receipt for, any and all monies, claims and other amounts due and to become due at any time in respect of or arising out of the Collateral;

11.2 to commence and prosecute any suits, actions or proceedings at law or in equity in any court of competent jurisdiction to collect any of the Collateral and to enforce any other right in respect of the Collateral;

11.3 to settle, compromise or adjust any suit, action or proceeding described above, and, in connection therewith, to give such discharges or releases as Secured Party may deem appropriate; and

11.4 generally to sell, transfer, pledge, make any agreement with respect to or otherwise deal with any of the Collateral as fully and completely as though Secured Party were the absolute owner thereof for all purposes, and to do, at Secured Party's option, at any time, or from time to time, all acts and things which Secured Party deems necessary to protect or preserve the Collateral and Secured Party's security interest and rights therein in order to effect the intent of this Agreement, all as fully and effectively as Debtor might do.

Debtor hereby ratifies all that such attorneys in fact may lawfully do or cause to be done by virtue hereof. This power of attorney is a power coupled with an interest, will be irrevocable and will terminate only upon payment in full of the Obligations and the termination of this Agreement. The powers conferred upon Secured Party hereunder are solely to protect Secured Party's interests in the Collateral and will not impose any duty upon it to exercise any such powers. Secured Party will have no obligation to preserve any rights of any third parties in the Collateral. Secured Party will be accountable only for amounts that it actually receives as a result of the exercise of such powers, and neither it nor any of its officers, directors, employees or agents will be responsible to Debtor for any action taken or omitted to be taken in good faith or in reliance on the advice of counsel except for its own gross negligence or willful misconduct.

12. General.

12.1 Assignment. Debtor acknowledges that Secured Party is assigning its interest in this Security Agreement to L&N Federal Credit Union ("L&N") as security for the repayment of that certain Note from Secured Party in favor of L&N in the face principal amount of \$1,400,000.00 and consents to such assignment and all of the provisions thereof.

12.2 Waiver. No delay or omission on the part of Secured Party to exercise any right or power arising from any Event of Default will impair any such right or power or be considered a waiver of any such right or power or a waiver of any such Event of Default or an acquiescence therein nor will the action or non-action of Secured Party in case of such Event of Default impair any right or power arising as a result thereof or affect any subsequent default or any other default of the same or a different nature.

12.3 Notices. All notices, demands, requests, consents or approvals and other communications required or permitted hereunder will be in writing, and, to the extent required by applicable law, will comply with the requirements of the Uniform Commercial Code then in effect, and will be addressed to such party at the address set forth below or to such other address as any party may give to the other in writing for such purpose:

To Secured Party: Investment Property Advisors, LLC
666 East Main Street, Suite A-2,
Centreville, Michigan 49032
Attn: _____

To Debtor: University of Louisville Athletic Association, Inc.
2100 South Floyd Street
Louisville, Kentucky 40208
Attn: Jeff Spoelker

With a copy to: Office of University Counsel

University of Louisville
206 Grawemeyer Hall
Louisville, Kentucky 40292
Attn: General Counsel

All such communications, if personally delivered, will be conclusively deemed to have been received by a party hereto and to be effective when so delivered; if given by mail, on the fourth business day after such communication is deposited in the mail with first-class postage prepaid, return receipt requested; or if sent by overnight courier service, on the day after deposit thereof with such service; or if sent by certified or registered mail, on the third business day after the day on which deposited in the mail.

- 12.4 Successors and Assigns.** This Agreement will be binding upon and inure to the benefit of Debtor and Secured Party and their respective successors and assigns, provided, however, that Debtor may not assign, delegate, or transfer this Agreement in whole or in part without the prior written consent of Secured Party and Secured Party at any time may assign this Agreement in whole or in part. All references herein to the “Debtor” and “Secured Party” will be deemed to apply to Debtor and Secured Party and their respective heirs, administrators, successors and assigns.
- 12.5 Modifications.** No modification or waiver of any provision of this Agreement nor consent to any departure by Debtor therefrom, will be established by conduct, custom or course of dealing; and no modification, waiver or consent will in any event be effective unless the same is in writing and specifically refers to this Agreement, and then such waiver or consent will be effective only in the specific instance and for the purpose for which given. No notice to or demand on Debtor in any case will entitle Debtor to any other or further notice or demand in the same, similar or other circumstance.
- 12.6** [Intentionally left blank.]
- 12.7** [Intentionally left blank.]
- 12.8 Illegality.** If fulfillment of any provision hereof or any transaction related hereto or of any provision of this Agreement, at the time performance of such provision is due, involves transcending the limit of validity prescribed by law, then ipso facto, the obligation to be fulfilled will be reduced to the limit of such validity; and if any clause or provisions herein contained other than the provisions hereof pertaining to repayment of the Obligations operates or would prospectively operate to invalidate this Agreement in whole or in part, then such clause or provision only will be void, as though not herein contained, and the remainder of this Agreement will remain operative and in full force and effect.

- 12.9 **Continuing Agreement.** This is a continuing Agreement and will continue in effect even though all or any part of the Obligations have been paid in full and even though for a period of time Debtor may not be indebted to Secured Party.
- 12.10 **Gender, etc.** Whenever used herein, the singular number will include the plural, the plural the singular and the use of the masculine, feminine or neuter gender will include all genders.
- 12.11 **Headings.** The headings in this Agreement are for convenience only and will not limit or otherwise affect any of the terms hereof.
- 12.12 [Intentionally left blank]
- 12.13 **Counterparts.** This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed will be deemed to be an original and all of which taken together will constitute one and the same agreement. Any party so executing this Agreement by facsimile transmission shall promptly deliver a manually executed counterpart, provided that any failure to do so shall not affect the validity of the counterpart executed by facsimile transmission.
- 12.14 **Definitions.** Capitalized terms used herein and not otherwise defined will be given the definitions set forth in the Uniform Commercial Code in force and effect in the State indicated in the Governing Law section of this Agreement
- 12.15 **Governing Law.** This Agreement has been delivered and accepted at and will be deemed to have been made at Louisville, Kentucky and will be interpreted and the rights and liabilities of the parties hereto determined in accordance with the laws of the Commonwealth of Kentucky, and will include all matters arising out of or relating to this Agreement, including without limitation claims as to its validity, interpretation, construction, performance, and all claims sounding in tort.
- 12.16 **Waiver of Jury Trial.** *THE PARTIES HERETO EACH WAIVE ANY RIGHT TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING RELATING TO THIS AGREEMENT, ANY DOCUMENTS EXECUTED IN CONNECTION WITH THIS AGREEMENT, OR ANY TRANSACTION CONTEMPLATED IN ANY OF SUCH DOCUMENTS. DEBTOR AND SECURED PARTY ACKNOWLEDGE THAT THE FOREGOING WAIVER IS KNOWING AND VOLUNTARY.*

[Remainder of Page Left Blank]

[Signature Page to Security Agreement (Equipment – Purchase Money Security Interest)]

Dated as of the Effective Date, and Debtor hereby acknowledges and agrees that each of the exhibits attached hereto is incorporated by reference as if fully set forth herein.

DEBTOR:

**UNIVERSITY OF LOUISVILLE
ATHLETIC ASSOCIATION, INC.,** a
Kentucky nonprofit corporation

By _____
Print Name: _____
Title: _____

SECURED PARTY:

**INVESTMENT PROPERTY
ADVISORS, LLC,** an Indiana limited
liability company

By: _____
Print Name: Lawrence N. Gough
Title: Manager

EXHIBIT A
DESCRIPTION OF EQUIPMENT

[attached hereto.]

EXHIBIT B
LEGAL DESCRIPTION OF REAL ESTATE

[insert]

EXHIBIT C

PERMITTED LIENS

“Permitted Liens” will mean:

- (i) liens securing the payment of taxes, either not yet due or the validity of which is being contested in good faith by appropriate proceedings, and as to which it has set aside on its books adequate reserves to the extent required by generally accepted accounting principles;
- (ii) liens imposed by law, such as carriers’ warehousemen’s or mechanics’ liens, incurred by it in good faith in the ordinary course of business, and liens arising out of a judgment or award against it with respect to which it will currently be prosecuting an appeal, a stay of execution pending such appeal having been secured;
- (iii) liens in favor of Secured Party; and
- (iv) attachment, judgment, and similar liens provided that execution is effectively stayed pending a good faith contest.

RECOMMENDATION TO THE
UNIVERSITY OF LOUISVILLE BOARD OF TRUSTEES
CONCERNING THE RENOVATION OF A CLUB SPACE AT CARDINAL STADIUM

Finance Committee – September 23, 2021
Executive and Compensation Committee – September 23, 2021

RECOMMENDATION:

The President recommends that the Board of Trustees approve the issuance of an RFP and authorize a project to renovate the west-side club area of Cardinal Stadium, at an estimated cost not to exceed \$6,000,000.

BACKGROUND:

To further enhance the fan experience at Cardinal Stadium, Athletics will undertake a \$6 million renovation to the west side club, formerly known as the Brown and Williamson Club. This space, which totals 18,000 square feet, has not been renovated since the stadium was built in 1998. This renovation will create a premium space emphasizing the influences of Louisville (the bourbon distillery + the horse culture the speakeasy + the forward-thinking character as a city). In addition to enhancing the fan experience, the renovated space should generate additional operating revenues through ticket sales, concessions and event rentals.

The estimated cost is between \$4 and 6 million and construction will be funded using the Athletics line of credit with Republic Bank. Repayment will be made from a \$4 million naming rights agreement (announcement forthcoming) and operating funds from incremental revenue generated from the new club space.

Construction is expected to begin immediately following the last home football game on November 27, 2021, and to be complete prior to the first home football game in 2022.

In the 2020-2022 State budget, renovation provisions for Cardinal Stadium in the amount of up to \$10 million was authorized so no additional approvals are required at the state level.

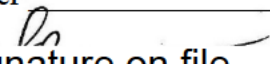
The Vice President for Athletics joins the President in making this recommendation.

COMMITTEE ACTION:

Passed X

Did Not Pass _____

Other _____


Signature on file


Assistant Secretary

BOARD ACTION:

Passed X

Did Not Pass _____

Other _____


Assistant Secretary