

GROUND LEASE AGREEMENT

By and Between

THE CITY OF LOUISVILLE PUBLIC PROPERTIES CORPORATION,

as LANDLORD

and

200 BLOCK ASSOCIATES I LIMITED PARTNERSHIP,

as TENANT

May 7, 1991

TABLE OF CONTENTS

	<u>Page</u>
ARTICLE I	1
Section 1.01. <u>Leased Premises</u>	1
Section 1.02. <u>Initial Term</u>	2
Section 1.03. <u>Use</u>	2
Section 1.04. <u>Renewal Terms</u>	2
Section 1.05. <u>Development Agreement</u>	3
ARTICLE II	3
Section 2.01. <u>Demolition and Construction</u>	3
ARTICLE III	5
Section 3.01. <u>Base Rent</u>	5
Section 3.02. <u>Percentage Rent</u>	6
Section 3.03. <u>Payment of Rent</u>	8
ARTICLE IV	9
Section 4.01. <u>Commencement of Rent</u>	9
ARTICLE V	9
Section 5.01. <u>Impositions</u>	9
Section 5.02. <u>Payment of Impositions</u>	10
Section 5.03. <u>Payment to be Made Direct</u>	11
Section 5.04. <u>Management District Taxes</u>	11
Section 5.05. <u>Payment of Bills</u>	11
ARTICLE VI	12
Section 6.01. <u>Casualty Insurance</u>	12
Section 6.02. <u>Liability Insurance</u>	13
Section 6.03. <u>Right of Landlord to Obtain Insurance</u>	13
ARTICLE VII	14
Section 7.01. <u>Damage to Improvements</u>	14
ARTICLE VIII	15
Section 8.01. <u>Compliance with Laws; Maintenance of Premises</u>	15
Section 8.02. <u>Alterations</u>	15
Section 8.03. <u>Right to Demolish</u>	16
Section 8.04. <u>Rights to Continue</u>	16
ARTICLE IX	17
Section 9.01. <u>Sublease and Assignment</u>	17

ARTICLE X 19
 Section 10.01. Purchase Option 19
 Section 10.02. Fair Market Value 21

ARTICLE XI 23
 Section 11.01. General Defaults by Tenant 23
 Section 11.02. Specific Defaults by Tenant 24

ARTICLE XII 25
 Section 12.01. Notice Parties Protections 25
 Section 12.02. Right of Certain Notice Parties to Obtain New Lease 26

ARTICLE XIII 27
 Section 13.01. Condemnation 27

ARTICLE XIV 28
 Section 14.01. Peaceful Enjoyment 28

ARTICLE XV 29
 Section 15.01. Landlord's Mortgagee 29

ARTICLE XVI 30
 Section 16.01. Surrender 30

ARTICLE XVII 30
 Section 17.01. Right to Inspect 30

ARTICLE XVIII 31
 Section 18.01. Notices 31

ARTICLE XIX 32
 Section 19.01. Entire Agreement 32

ARTICLE XX 33
 Section 20.01. Landlord Default 33

ARTICLE XXI 34
 Section 21.01. Limitation of Tenant's Liability 34

ARTICLE XXII 34
 Section 22.01. Actions Requiring Consent of Tenant's Mortgagee 34

ARTICLE XXIII 35
 Section 23.01. Certain Definitions 35

ARTICLE XXIV 35
 Section 24.01. Governing Law 35

ARTICLE XXV	35
Section 25.01. <u>Indemnity by Tenant</u>	35
ARTICLE XXVI	36
Section 26.01. <u>Attorney's Fees</u>	36
ARTICLE XXVII	36
Section 27.01. <u>Agreement by City</u>	36
ARTICLE XXVIII	36
Section 28.01. <u>Recording of Lease</u>	36

Attachments:

- Schedule I - Leased Premises
- Schedule II - Plans for Parking Garage
- Schedule III - Office Tower Parcel
- Schedule IV - List of Permitted Title Exceptions

GROUND LEASE AGREEMENT

COMMONWEALTH OF KENTUCKY §
COUNTY OF JEFFERSON §

THIS GROUND LEASE AGREEMENT is made and entered into as of the 7th day of May, 1991, by and between THE CITY OF LOUISVILLE PUBLIC PROPERTIES CORPORATION, a Kentucky non-stock, non-profit corporation (hereinafter called "Landlord"), and 200 BLOCK ASSOCIATES I LIMITED PARTNERSHIP, a Kentucky limited partnership (hereinafter called "Tenant"), as follows:

ARTICLE I

Section 1.01. Leased Premises. Subject to the terms, provisions and conditions hereinafter set forth, and in consideration of the covenants of payment and performance stipulated herein, Landlord has leased, demised and let and by these presents does hereby lease, demise and let unto Tenant, for the uses described in Section 1.03, all those certain premises situated in the City of Louisville, Jefferson County, Kentucky, more particularly described in Schedule I attached hereto and for all purposes made a part hereof, which are situated in the 200 Block Fourth Avenue Urban Renewal Area, Louisville, Jefferson County, Kentucky (hereinafter called the "200 Block").

TO HAVE AND TO HOLD said premises (hereinafter called the "leased premises"), together with any rights, easements, privileges, both subterranean and vertical, and the appurtenances and improvements thereunto attaching or in anywise belonging, unto Tenant, and the successors in interest and permitted assigns of Tenant, for and during the term hereinafter set forth.

Section 1.02. Initial Term. Unless sooner terminated under provisions hereof, the initial term of this lease shall be and continue in full force and effect for twenty (20) years, commencing on the date hereof and continuing thereafter for, during and until 11:59 p.m. on the 6th day of May, 2011. The term of this lease may be renewed as set forth in Section 1.04.

Section 1.03. Use. Subject to the provisions hereof, Tenant shall use the leased premises solely for the purpose of constructing, maintaining, altering, repairing, operating and reconstructing the Parking Garage (defined below) on the leased premises. Additionally, this lease and Tenant's use of the leased premises are subject to (i) the restrictions which are part of the 200 Block Fourth Avenue Urban Renewal Plan (the "Urban Renewal Plan"), approved by the Board of Aldermen of the City by Ordinance 9, Series 1988 on February 6, 1988, which are hereby declared to be covenants running with the leased premises until February 6, 2008, and (ii) the restrictions, if any, imposed by the Commission (defined below) when it approves the Plans (defined below).

Section 1.04. Renewal Terms. Tenant shall have the option to renew this lease for four (4) successive periods of twenty (20) years each, the first such period to commence at the expiration of the initial term of this lease and each additional renewal period to commence at the expiration of the prior renewal term. Tenant shall be deemed to have exercised its respective options to renew automatically, without act or notification being required on the part of Tenant, unless (i) Tenant delivers written notice that it will not exercise such option to Landlord at least one hundred eighty (180) days prior to the expiration of the initial term or the renewal term, as the case may be, or (ii) as of said 180th day, Tenant then is in default under this lease and such default has continued beyond applicable notice and grace periods provided for in this lease.

Any such renewal of this lease shall be upon the same terms and conditions as described in this lease.

Section 1.05. Development Agreement. This lease is the ground lease described in Section 2.2 of that certain Development Agreement ("Development Agreement"), effective as of July 1, 1989, executed by and among the City (defined below), Tenant, and The Urban Renewal and Community Development Agency of Louisville (the "Commission").

ARTICLE II

Section 2.01. Demolition and Construction. It is understood and agreed that Tenant shall, within the time periods provided for in the Development Agreement and at Tenant's cost, risk and expense: (a) demolish and remove any buildings or other improvements presently located on the leased premises, and (b) thereafter construct the Parking Garage in accordance with the Plans (defined below). Tenant is hereby specifically granted the right to construct the Parking Garage in accordance with the Plans.

As used herein, the "Parking Garage" means a parking garage and related retail and other improvements to be built substantially in accordance with the Plans, which garage will be open to the public and contain approximately four hundred (400) spaces to park automobiles; "Plans" means the plans and specifications for the Parking Garage listed on Schedule II attached hereto and made a part hereof, which Plans shall be approved by the Commission to the extent required by the Urban Renewal Plan and may be changed by Tenant but any change must be approved by Landlord if Landlord in good faith believes such change materially affects the exterior appearance, function or use of the Parking Garage. Tenant shall furnish Landlord with all changes Tenant

makes or intends to make to the Plans. Landlord agrees to approve or disapprove any proposed change in the Plans for which it has approval rights as described above within thirty (30) days after the same are received by Landlord, failing which Landlord will be deemed to have approved the same. As used herein, "open to the public" means that the Parking Garage will contain parking spaces which are open to the public on a first come, first served basis, without discrimination on account of sex, race, color or creed; provided, however, such phrase does not mean that Tenant is prohibited from granting contract parking in the Parking Garage to any and all persons as Tenant may elect.

During construction of the Parking Garage, Tenant shall: (a) obtain and maintain in force and effect a payment and performance bond in an amount equal to the general contract for the construction of the Parking Garage, which shall name Landlord as a co-obligee thereunder, and (b) if any mechanics' and/or materialmen's liens shall be filed against the leased premises or the Parking Garage, cause the same to be released of record and/or bond the same to the reasonable satisfaction of Landlord; provided, however, Tenant shall be permitted to contest the validity of any such lien as long as the interests of Landlord are not jeopardized thereby.

When the Parking Garage is substantially complete, Tenant shall deliver to Landlord copies of the Plans, with all amendments and changes thereto noted thereon, all field, shop or working drawings relating thereto, and all field drawings or notes prepared by the general contractor which serve to interpret or clarify the Plans.

Tenant shall have no right, authority or power to bind Landlord, or any interest of Landlord in the leased premises, for any claim for labor or material or for any other charge or expense incurred in the erection and construction of the Parking Garage or any change, alteration or addition thereto, nor to render such leased premises

liable to any lien or right of lien for any labor or material, and Tenant shall in no way be considered as the agent of Landlord in the construction, erection or operation of the Parking Garage.

Subject to Section 12.02, upon the termination of this lease, whether by expiration of the term hereof or by reason of default on the part of Tenant, or for any other reason whatsoever, the Parking Garage (or all parts thereof erected by Tenant and situated upon the leased premises if the Parking Garage is partially situated on the leased premises) shall merge with the freehold estate and become the property of Landlord as a part of the realty, free and clear of any burdens placed upon Tenant's leasehold estate.

To the extent the subsurface structural supports for the Parking Garage encroach on any adjacent lands owned by Tenant, then Tenant hereby grants an easement for such encroachment. Similarly, to the extent the subsurface structural supports for the Office Tower (defined below) encroach on the leased premises, then Landlord hereby grants an easement for such encroachment. Notwithstanding the foregoing, no encroachment shall be permitted if it unreasonably interferes with the use or re-use of the property proposed to be encroached upon.

ARTICLE III

Section 3.01. Base Rent. As consideration for the use and occupancy of, and as rental for, the leased premises, Tenant promises and agrees to pay Landlord, while this lease remains in force and effect during the term hereof, but only from and after the Rental Commencement Date, and in the manner hereinafter provided, and subject to the terms, provisions, and conditions hereinafter set forth, annual lease rentals due quarterly in the net sums specified below, which sums shall be paid in advance

starting on the Rental Commencement Date and thereafter on the first day of each quarter, except that (i) the first quarterly rental payment shall be reduced to and shall be the proportionate part of the quarterly rental owed for the number of days between the date of the Rental Commencement Date, if not on the first day of the quarter, and the last day of said quarter; and (ii) the last quarterly rental payment shall be the proportionate part of the quarterly rental owed for the number of days between the first day of said quarter and the end of the term. Such first rental payment shall be due on the Rental Commencement Date, and the succeeding payments of quarterly rental shall be due and payable on the first day of each succeeding quarter during the full term of this lease, provided that the amount of the first and last quarterly rental shall be prorated as above provided. A quarter, for rental purposes, shall mean each three (3) calendar month period commencing with January 1, April 1, July 1 and October 1 of each calendar year.

Total annual lease rentals shall be in the following amounts: (i) \$20,000 per year for the first fifty (50) years of the term of this lease, as renewed, and (ii) \$30,000 per year thereafter during the remainder of the term of this lease, as renewed.

Section 3.02. Percentage Rent. In addition to the base rent to be paid pursuant to Section 3.01, Tenant also shall pay, but only from and after the Rental Commencement Date, additional rent equal to the amount by which four and one-half percent (4.5%) of Gross Parking Receipts, as hereinafter defined, for a calendar year exceeds the base rental paid pursuant to Section 3.01 for such calendar year. If this lease is in effect for only part of a calendar year, Gross Parking Receipts shall be pro-rated for such year based on the number of days this lease is in effect. "Gross

Parking Receipts" shall mean the gross rentals for parking spaces actually received by Tenant with respect to only the portions of the Parking Garage located on, or under, the leased premises (but excluding any parking spaces (the "Office Tower Parking") located beneath the office tower (the "Office Tower") to be constructed on the office tower parcel described on Schedule III attached hereto which constitutes a part of the Phase I Improvements (as defined in the Development Agreement)).

Tenant intends to operate the Parking Garage and the Office Tower Parking as one parking facility (the Parking Garage and the Office Tower Parking are collectively called the "Parking Complex"). Therefore, the Gross Parking Receipts (defined below) attributable to the Parking Garage (and on which Landlord's percentage rent will be based) shall be computed by multiplying the Complex Parking Receipts for the Parking Complex by a fraction, the numerator of which is the number of parking spaces in the Parking Garage and the denominator of which is the number of parking spaces in the Parking Complex (including those created through "buddy parking"). "Complex Parking Receipts" shall mean the gross rental for parking spaces actually received by Tenant with respect to all parking spaces in the Parking Complex, specifically excluding any rental paid on account of office, storage or retail space in the Office Tower and Parking Garage.

Gross Parking Receipts also shall not include any rentals paid with respect to office, storage or retail space in the Parking Garage. However, to the extent only Tenant grants free parking in the aggregate to more than the Applicable Number (defined below) of holders of unassigned parking permits and/or assigned spaces in the Parking Complex, Complex Parking Receipts shall be imputed at the Average Parking Rate (defined below) from time to time on account of free parking granted in excess

of the Applicable Number (defined below) of permits and/or spaces. "Applicable Number" means the lesser of one hundred (100) or the actual number from time to time of parking spaces located beneath the Office Tower (including those created through "buddy parking"). "Average Parking Rate" means the greater of (a) the average monthly contract parking rate charged in the Parking Garage for unassigned parking, or (b) the average market rate in downtown Louisville for monthly, contract, unassigned parking in enclosed parking garages.

The additional rent provided for in this Section 3.02 shall be paid annually, in arrears, within one hundred twenty (120) days after the expiration of each calendar year for such calendar year, and such payment shall be accompanied by a calculation prepared by Tenant, and certified to by an independent certified public accountant, of the Gross Parking Receipts for the applicable year. At the request of Landlord, Tenant shall make available to Landlord in Louisville, Kentucky, during normal business hours, the books and records of Tenant relating Gross Parking Receipts and shall allow Landlord, at its own expense, to copy and/or audit such books and records.

Section 3.03. Payment of Rent. The rentals described in Section 3.01 and Section 3.02 shall be in addition to all other payments to be made by Tenant as herein provided and shall be paid to Landlord without notice or demand and without abatement, deduction or set-off, except as may otherwise be expressly provided in this lease. If any of the rentals described in Section 3.01 and Section 3.02 are not paid within five (5) days after the same are due, such past due payments shall bear interest from and after such five (5) day period until paid at the rate of twelve percent (12%) per annum.

ARTICLE IVSection 4.01. Commencement of Rent.

As used herein, "Rental Commencement Date" shall mean the first date the Parking Garage has been completed and is opened for business for use by users other than those engaged in construction of the Parking Garage and/or the Office Tower. Tenant shall notify Landlord of the occurrence of the Rental Commencement Date within five (5) days after the same occurs, and within thirty (30) days after the Rental Commencement Date, Landlord and Tenant shall enter into a written stipulation setting forth the date the same occurred. Notwithstanding anything in this lease to the contrary, Tenant shall have no obligation whatsoever to pay the rentals described in Sections 3.01 and 3.02, nor shall such rentals accrue or be due and payable, until the Rental Commencement Date occurs.

ARTICLE V

Section 5.01. Impositions. The term "Impositions" shall mean all taxes, assessments, and other charges by public authority, general and special, ordinary and extraordinary, foreseen and unforeseen, of any kind and nature whatsoever, which shall or may during the term of this lease be assessed, levied, charged, confirmed or imposed by public authority upon or accrue or become due or payable out of or on account of or become a lien on the leasehold estate of Tenant created by this lease; but shall not include any tax, assessments or governmental charges against fee simple title to the leased premises or the interest of the Landlord under this lease, nor income taxes, capital levy, estate, succession, inheritance or transfer taxes or similar tax of the Landlord, or any franchise taxes imposed upon any owner of the fee of the leased premises, or any income, profits or revenue tax, assessment or charge imposed upon the

rent or other benefit received by the Landlord under this lease, by any municipality, county or state, the United States of America or any governmental body.

Section 5.02. Payment of Impositions. As additional rental during the full term of this lease, Tenant will pay or cause to be paid, as and when the same shall become due, all Impositions, except that:

(a) All Impositions for the fiscal year or tax year in which the term of this lease commences, as well as during the year in which the term of this lease expires, shall be apportioned so that the Tenant shall pay its proportionate share of the Impositions which are payable in the year in which the term of this lease commences and in the year in which the term of this lease expires, and Landlord shall pay its proportionate part.

(b) Where any Imposition is permitted by law to be paid in installments, Tenant may pay such Imposition in installments as and when such installments become due; provided, however, that the amount of all installments of any such Impositions which are to become due and payable after the expiration of the term of this lease shall not be apportioned (except as provided in subsection (a) hereof).

(c) The provisions of this section shall never be construed as imposing any liability upon Tenant for the payment of any taxes, assessments or other charges imposed by city, county, state or federal laws or ordinances or any other laws or ordinances, upon the fee simple title to the leased premises, or upon Landlord's interest in this lease, or upon the income of Landlord, or upon the transfer or passing of any interest owned by Landlord in the leased premises, generally known as income, inheritance,

estate, succession or transfer taxes, nor shall Tenant be obligated to pay any withholding, profit or revenue tax or charge levied upon the rents payable to Landlord under the terms of this lease, or any corporate franchise tax or corporate license fee which may be levied upon or against any successor corporate Landlord. The payment of all such taxes, assessments and other charges referred to in this Section 5.02(c) shall be the sole liability of Landlord.

Section 5.03. Payment to be Made Direct. Tenant shall pay all such Impositions to be paid by it directly to the taxing authority.

Section 5.04. Management District Taxes. Notwithstanding the provisions of Section 5.01 and Section 5.02, if the City hereafter imposes a Management District Tax (defined below) on the fee simple title to the leased premises, then Tenant also shall pay such tax as an Imposition hereunder. "Management District Tax" means a special tax or annual assessment uniformly imposed by the City on the owners of land in downtown Louisville, Kentucky, for the purpose of obtaining revenue to improve the downtown through landscaping, security patrols, special cleaning and/or maintenance of buildings, pedestrian amenities and the like.

Section 5.05. Payment of Bills. Tenant shall fully and promptly pay all gas, heat, light, power, telephone, water, sewer and drainage charges and other charges by public utilities of every kind for services furnished to the Parking Garage for Tenant's use during the term of this lease.

ARTICLE VI

Section 6.01. Casualty Insurance. During the full term of this lease, Tenant will, at its sole cost and expense, keep and maintain during the construction of a building or other improvements on the leased premises, an "all risk" builder's risk insurance policy in completed value form and in an amount equal to the replacement cost of such building or improvements. From and after the completion of a building on the leased premises, Tenant will cause to be kept and maintained an "all risk" casualty insurance policy on said building and other improvements or any replacements or substitutions therefor in amounts sufficient to provide coverage for the full replacement cost value of the same. Such full replacement cost value shall be determined from time to time (but not more frequently than once in any forty-eight calendar months) at the request of the Landlord, by one of the insurers or, at the option of the Tenant, by an appraiser, engineer, architect or contractor approved in writing by the Landlord (which approval shall not be unreasonably withheld) and paid by the Tenant.

Such insurance shall be secured and maintained in a company or companies selected by Tenant and shall be carried in the name of both Landlord and Tenant, as their respective interests may appear, but shall expressly provide that any loss thereunder may be adjusted with Tenant alone (unless written notice of default by Tenant under this lease shall have been given to the insurer by Landlord, in which event Landlord's consent to such adjustment shall be required), but shall be payable as set forth in Article VII. Such insurance, even though selected and maintained by Tenant, shall be placed with an insurance company with an A.M. Best rating of no less than B+VIII. Also, certificates of insurance shall be furnished annually to Landlord through its Risk Management Division.

Section 6.02. Liability Insurance. During the full term of this lease, or any renewal and extension hereof, Tenant agrees to cause to be secured and maintained in force, in companies selected by Tenant but with an A.M. Best rating of no less than B+VIII, commercial general liability insurance with limits (which may be effected through primary and/or excess coverage) of not less than \$5,000,000.00 with respect to bodily injury or death to any number of persons in any one accident nor less than \$5,000,000.00 with respect to property damage in any one accident (this is expressed as a \$5,000,000/\$5,000,000 split limit; a \$10,000,000 combined single limit also is acceptable). Landlord shall be named as an additional insured under such policy and Tenant agrees to furnish Landlord with a certificate of insurance annually through Landlord's Risk Management Division. If Landlord requests, which request may not be made more frequently than once each five (5) years, Tenant shall increase the policy limits described in this Section 6.02 to such limits as a reasonably prudent owner of a first class parking garage in downtown Louisville, Kentucky would carry as of the date of such request.

Section 6.03. Right of Landlord to Obtain Insurance. In the event of the failure of Tenant to maintain insurance required by this Article VI, Landlord may give notice of such failure to Tenant, and if such failure continues for ten (10) days after such notice, Landlord may at its election (but shall not be obligated to) procure such insurance as may be necessary to comply with the above requirements, and Tenant agrees to repay the cost of same to Landlord on demand, with interest thereon at twelve percent (12)% per annum until paid.

ARTICLE VII

Section 7.01. Damage to Improvements. Should the Parking Garage during the term of this lease or any renewal and extension hereof be wholly or partially destroyed or damaged by fire, or any other casualty whatsoever, Tenant, in its sole discretion, shall do one of the following, all at its cost and expense: (a) repair, replace, restore or reconstruct the same, subject to Tenant's rights under Section 8.02; (b) demolish the ruins and construct a new parking garage (which then shall be the Parking Garage under this lease) (the plans and specifications for such new garage shall be subject to Landlord's approval, which approval shall not be unreasonably withheld if the new garage will be at least of the size and quality as the Parking Garage); or (c) demolish and remove the ruins and grade the leased premises to the level of the adjoining sidewalk, and not construct a new parking garage. In the event Tenant elects (c), this lease shall terminate as of the date Tenant completes the work described in (c).

It is agreed that all casualty insurance proceeds shall be paid to Tenant, provided, however, if Tenant elects (c), an amount of the proceeds of insurance equal to Landlord's reasonable estimate of performing the work described in (c) shall be paid directly to Landlord who will hold the same until Tenant completes the work described in (c). Once Tenant has completed such work, such proceeds shall be paid to Tenant, together with interest thereon from the date paid to Landlord until paid to Tenant at the rate paid on thirty (30) day certificates of deposit by a national bank domiciled in Louisville, Kentucky, selected by Landlord. Landlord may use any proceeds held by it to accomplish Tenant's obligations under (c) if Tenant fails to perform the same, but all proceeds held by Landlord in excess of the sum required by Landlord to do so shall be paid to Tenant with interest as described above. Notwithstanding the foregoing, it is

expressly stipulated that if this lease shall be terminated for Tenant's default hereunder at any time prior to any such casualty, and not as a result of such casualty, all casualty insurance proceeds shall become the sole property of Landlord and shall be paid directly to Landlord upon demand.

In the event of any such casualty, the rental and other payments herein provided for shall not be abated and the happening of any such casualty shall not cause the termination of this lease except to the extent described in (c) above.

ARTICLE VIII

Section 8.01. Compliance with Laws; Maintenance of Premises.

Throughout the term of this lease, at Tenant's own cost and expense, Tenant shall: (a) conform to and substantially comply with all valid and material ordinances, regulations or laws (federal, state or municipal) affecting the Parking Garage and the leased premises, and (b) maintain the leased premises and the Parking Garage in a clean and good condition.

Section 8.02. Alterations. Tenant shall have the right, from time to time after the completion of construction of the Parking Garage, to make, at its sole cost and expense, additions, alterations and changes in or to the Parking Garage. Notwithstanding the foregoing, Tenant must receive the prior written approval from Landlord as to any addition, alteration or change to the Parking Garage which Landlord believes in good faith will materially alter the exterior appearance thereof or the use or function thereof; provided, however, Landlord hereby consents to Tenant's (i) expanding the Parking Garage south to Jefferson Street as long as Tenant then owns or ground leases the land on which such expansion is located (and such expansion shall be a part of the Parking Complex for purposes of Section 3.02), and/or (ii) addition of one further level to the

Parking Garage (which level shall be a part of the Parking Complex for purposes of Section 3.02), as long as in either case the exterior of the same is consistent with the remainder of the Parking Garage, the same is constructed in substantial accordance with plans approved by Landlord (which approval shall not be unreasonably withheld) and the same is used for parking, dining and/or athletic club purposes only (and if the interest of Landlord hereunder is then owned by a party which is not the City and which is unaffiliated with the City, then also for retail, office and/or conference facilities use). The foregoing provisions of this Section 8.02 shall not be deemed in any manner to diminish the rights of the City to approve any improvements to be located on the Phase II Land as defined in and to the extent provided in the Development Agreement, and approval of any improvements located on the Phase II Land by Landlord under this Section 8.02 shall not be deemed approval by the City under the Development Agreement.

Section 8.03. Right to Demolish. Tenant shall not demolish the Parking Garage nor remove the same from the leased premises without the prior written consent of Landlord (which consent shall not be unreasonably withheld if Tenant commits to construct a new parking garage of at least the same size and quality on the leased premises) except as provided in Section 7.01.

Section 8.04. Rights to Continue. The demolition and removal of any then existing improvements and the construction of new improvements by Tenant upon the leased premises at any one or more time or times pursuant to the terms hereof shall not exhaust the rights of Tenant to do the same at any future time or times during the term of this lease, and Tenant may exercise the rights granted to it in Section 7.01 at any time or times and from time to time during the term hereof.

ARTICLE IX

Section 9.01. Sublease and Assignment. At any time during the term of this lease, or any renewal and extension hereof, Tenant shall have and is hereby granted the right freely to sublet all or any portion of the Parking Garage and/or leased premises. All such subleases shall terminate automatically upon the termination of this lease unless Landlord agrees that such sublease shall survive the termination of its lease, in which event, at Tenant's request, Landlord shall enter into written agreements with the sublessee under any such sublease agreeing that such sublease will survive the termination of this lease.

Also, Tenant shall have the right to assign Tenant's interest in the leasehold estate created hereby, without further liabilities or obligations accruing hereunder after such assignment is made by Tenant, only as follows: (i) Tenant may freely assign Tenant's interest, without obtaining Landlord's approval or consent, if Tenant is assigning all of its interest in the leasehold estate created hereby to the same party who, as of the effective date of such assignment, will own or ground lease the Office Tower, and (ii) in all other cases, Tenant shall not assign without obtaining Landlord's approval of the identity and creditworthiness of the assignee, which consent or approval will not be unreasonably withheld or delayed. Any assignee shall expressly assume all liabilities and obligations of Tenant under the lease which will accrue after the effective date of such assignment, subject to the benefits, however, of Section 21.01, which section shall inure to the benefit of each assignee. Tenant also shall furnish to Landlord a copy of such instrument of assignment and assumption as herein provided. Notwithstanding the foregoing, Landlord's rights to approve the assignee of the leasehold estate created hereby shall not apply to any mortgage, pledge, hypothecation, foreclosure

sale, deed in lieu of foreclosure or other transfer arising from the exercise of remedies by a mortgagee of Tenant pursuant to its mortgage.

Tenant may mortgage, pledge or otherwise hypothecate Tenant's interest in the leasehold estate created hereby, except that any mechanic's or materialmen's lien shall be released of record or bonded to Landlord's reasonable satisfaction upon demand by Landlord; provided, however, Tenant shall be permitted to contest the validity of any such lien as long as the interests of Landlord are not jeopardized thereby. No mortgage, pledge, lien or encumbrance shall in any way affect or encumber Landlord's fee title and estate in and to the leased premises and the Parking Garage, and shall be expressly subject and subordinate to the rights and estate of Landlord hereunder. Further, every such lienholder to whom Tenant shall grant a mortgage, pledge, lien or other encumbrance upon Tenant's leasehold estate hereunder must expressly agree that its said mortgage, pledge, lien or other encumbrance will be subject and subordinate to Landlord's rights and estate hereunder and will terminate and be of no further force or effect upon termination of this lease as to the leased premises and as to all buildings, improvements and other property on the leased premises as to which fee title is herein provided to pass to or vest in Landlord upon termination of this lease, subject to the provisions of Section 12.02 hereof.

Landlord shall, from time to time, without additional consideration, execute and deliver (x) an estoppel certificate consisting of statements, if true (and if not true, setting forth the true state of facts as Landlord views them), that (i) this lease is in full force and effect, with rental paid through the date of such estoppel; (ii) this lease has not been modified or amended; (iii) Tenant is not then in default; (iv) Tenant and Landlord have fully performed all of Tenant's and Landlord's obligations thereunder;

and (v) such other statements as reasonably may be required by Tenant or by Tenant's mortgagee, and (y) and such further certificates and instruments of a similar nature setting forth factual matters and/or evidencing the agreement of Landlord to the mortgage or other hypothecation by the Tenant of the leasehold estate created hereby as may be reasonably requested by Tenant or any mortgagee of Tenant.

ARTICLE X

Section 10.01. Purchase Option. At any time during the term of this lease, including any renewal term and even if Tenant then is in default under this lease as long as this lease theretofore has not been terminated under Section 7.01 or by Landlord pursuant to Section 11.01, Tenant shall have the option to purchase the fee simple title to the leased premises, including all rights, title, and interest of Landlord under this lease, upon the terms, provisions, and conditions of this Article X. If Tenant desires to exercise the option to purchase the fee simple title to the leased premises granted in this Article X, then Tenant shall so notify Landlord thereof in writing (the "Tenant's Purchase Notice"). The date for the closing of such purchase shall be the later of (i) one hundred twenty (120) days after the date of the Tenant's Purchase Notice, or (ii) thirty (30) days after the Appraised Price Determination Date (defined below). The purchase price to be paid by Tenant to Landlord shall be equal to:

(i) if Tenant's Purchase Notice is delivered prior to the tenth (10th) anniversary of the date of completion of the Phase I Improvements (as defined in the Development Agreement), the sum of \$4,000,000.00;

(ii) if Tenant's Purchase Notice is delivered after the tenth (10th) anniversary of the date of completion of the Phase I Improvements but prior to the fiftieth (50th) anniversary of the commencement of the

term of this lease, the sum of (a) \$4,000,000.00, plus (b) \$100,000.00 for each full twelve (12) month period, and a proportionate amount thereof for any partial twelve (12) month period, which has lapsed after the tenth (10th) anniversary of the completion of the Phase I Improvements and before the date of the Tenant's Purchase Notice, minus (c) the aggregate of all rent paid under Article III of this lease through the date Tenant purchases the fee simple title to the leased premises, but in all events such purchase price shall not be less than \$4,000,000.00 nor (only if the Fair Market Value, as defined in Section 10.02, is in excess of \$4,000,000) more than the Fair Market Value; and

(iii) if Tenant's Purchase Notice is delivered after the expiration of the fiftieth (50th) anniversary of the commencement of the term of this lease, the Fair Market Value.

The closing of such purchase shall take place at a location in the City of Louisville, Kentucky, selected by Landlord. At such closing, Landlord shall execute, have acknowledged and delivered to Tenant a special warranty deed and such other instruments of transfer, and shall take such other action as may be necessary or reasonably appropriate to effect a transfer of fee simple title to the leased premises to Tenant free and clear of all liens and other encumbrances (except those approved by Tenant) and otherwise to completely divest Landlord of any and all of its interest therein. At such closing, Tenant shall pay to Landlord the purchase price in cash and the rent payable to Landlord under Article III and the ad valorem taxes payable by Landlord with respect to fee simple title in the leased premises described in Section 5.02(c) shall be pro-rated between Landlord and Tenant. It is understood and agreed

that Tenant may purchase the leased premises pursuant to this Section 10.01 after the expiration of the term of this lease as long as Tenant's Purchase Notice is delivered prior to such expiration (e.g., with the closing of such purchase occurring after such expiration). Further, it is understood and agreed that any holder of a mortgage burdening Tenant's leasehold estate and any person who is a partner in Tenant may exercise the purchase option under this Section 10.01 on behalf of Tenant as long as Tenant has consented to such exercise in a writing theretofore delivered by Tenant to Landlord.

Section 10.02. Fair Market Value. For purpose of this Article X, "Fair Market Value" shall mean the cash price for the fee title owned by Landlord in the leased premises, determined as of the date of the Tenant's Purchase Notice, taking into account all restrictions, encumbrances or other conditions (including this lease, assuming no merger of the fee and leasehold estates) affecting such title, that a willing buyer would pay and a willing seller would accept, under bona fide and arms'-length negotiation, neither being under any compulsion to buy or sell, and both having knowledge of all relevant facts.

Tenant's Purchase Notice shall be accompanied by a writing wherein Tenant informs Landlord of Tenant's determination of the Fair Market Value. Within ninety (90) days after Landlord receives Tenant's Purchase Notice, Landlord shall notify Tenant of whether Landlord (a) agrees with Tenant's determination of the Fair Market Value, or (b) disagrees, and in the event of (b), Landlord simultaneously therewith shall notify Tenant of Landlord's determination of the Fair Market Value. The failure of Landlord to notify Tenant of (a) or (b) within such ninety (90) period shall be deemed that Landlord has elected (a). If Landlord elects (b), then within thirty (30) days of

such election each of Landlord and Tenant shall select an M.A.I. appraiser who is not affiliated with Landlord or Tenant having substantial experience appraising commercial office projects in major metropolitan areas in Ohio, Kentucky and/or Indiana. The two appraisers so appointed each shall determine the Fair Market Value within thirty (30) days after their appointment. If such determinations vary by five percent (5%) or less, then the average of such determinations shall be the purchase price to be paid by Tenant to Landlord.

If, however, such appraisals vary by more than five percent (5%), then such two appraisers shall jointly select a third appraiser, who shall be a M.A.I. appraiser who is not affiliated with Landlord or Tenant and who has substantial experience appraising commercial office projects in major metropolitan areas in Ohio, Kentucky and/or Indiana. If the two appraisers fail within ten (10) days after they make their determinations of the Fair Market Value to appoint such a third appraiser, either Landlord or Tenant may request the American Arbitration Association to make such appointment.

The third appraiser shall make his determination of the Fair Market Value within thirty (30) days of his appointment. If the third appraiser is so used, then the purchase price to be paid by Tenant to Landlord shall be the average of the two closest appraisals among all three (i.e., the two by the first two appraisers and the one by the third appraiser). The date the purchase price is finally determined by appraisal, whether by two or three appraisers, is herein called the "Appraised Price Determination Date."

The determination of the appraisers as set forth above shall be binding on both Landlord and Tenant and shall be determinative of the purchase price to be paid by Tenant to Landlord. Tenant or Landlord shall each bear the costs of the appraiser

selected by it and Landlord and Tenant shall each pay one-half of the cost of the third appraiser.

ARTICLE XI

Section 11.01. General Defaults by Tenant. Subject to Section 12.01, if Tenant should

(A) default in the payment of any installment of rent, imposition, utility charge or other liquidated sum of money herein stipulated to be paid by Tenant, and if such default shall continue for a period of one hundred eighty (180) days after written notice of such default and request for compliance has been given Tenant (with a copy of said notice being given to any Notice Party (defined below) for whom an address has theretofore been left with Landlord for such purpose as hereinafter provided) by Landlord, or

(B) (i) fail to perform any covenant imposed upon Tenant hereunder which does not involve the payment of a liquidated sum of money, (ii) abandon the Parking Garage for a period in excess of sixty (60) days, or (iii) default in or violate its obligations with respect to the dates for the commencement and completion of site preparation and construction of the Phase I Improvements as set out in Section 2.3 of the Development Agreement, and if any such default specified in this clause (B) shall continue for a period of one hundred eighty (180) days after notice of said default has been given to Tenant by Landlord (with a copy of said notice being given to any Notice Party for whom an address has theretofore been left with Landlord for such purpose as hereinafter provided),

then Landlord may, at Landlord's election, and as its sole and exclusive remedy, declare this lease cancelled and terminated, in which event this lease shall terminate as if that were the day originally fixed herein for expiration of the term of this lease, or any renewal and extension thereof, and Landlord, the agents or representatives of Landlord, shall have the right, without further demand or notice, to re-enter and take possession of the leased premises and the Parking Garage, with or without process of law, and remove all persons and their property from the leased premises without being deemed guilty of any manner of trespass; provided, however, that Landlord may not so cancel or terminate this lease if any such default specified in clause (B) in cannot reasonably be corrected within such one hundred eighty (180) day period for so long as Tenant proceeds in good faith and with due diligence to remedy and correct such default and such default is in fact cured on or before one (1) year after such notice of said default has been given to Tenant. No waiver of any breach of any covenant or provision of this lease shall be construed to be a waiver of any other or subsequent breach of the same or of any other covenant or provision, and the acceptance of rental after default shall not be a waiver of the right to demand payment of any subsequent installment of rent on the day it becomes due. In the event that Landlord elects to declare this lease cancelled and terminated as herein provided, the Parking Garage and all other improvements situated upon the leased premises shall be and become the absolute and unconditional property of Landlord, free and clear of any mortgage, lien or other encumbrance created by Tenant.

Section 11.02. Specific Defaults by Tenant. Subject to Section 12.02, if Tenant should (i) be adjudicated bankrupt by an order no longer subject to appeal, (ii) make an assignment for the benefit of creditors, or (iii) have a receiver appointed for

all or substantially all of its assets and not cause such receivership to cease within one hundred eighty (180) days after such appointment, then Landlord may exercise the remedies specified in Section 11.01, including the right to terminate this lease, but without Tenant having the additional one hundred eighty (180) day grace period described in Section 11.01.

ARTICLE XII

Section 12.01. Notice Parties Protections. As used herein, "Notice Party" means any person or entity (I) (a) which is a mortgagee who holds a mortgage which burdens all or any part of Tenant's leasehold interest under this lease, and/or (b) which is a partner in Tenant, and/or (c) which is leasing has the right to use one or more parking spaces or parking permits in the Parking Garage and which is leasing at least ten thousand (10,000) square feet of net rentable area in the Office Tower and/or any improvements hereafter located on the Phase II Land, and (II) whose name and address for notice purposes has been furnished by Tenant to Landlord. Landlord shall give each Notice Party a duplicate copy of any and all notices of default or other notices in writing which Landlord may give or serve upon Tenant pursuant to the terms of this lease, and any such notice shall not be effective until said duplicate copy is given to such Notice Party. A different address may be designated by such Notice Party by written notice delivered to Landlord from time to time. Any such Notice Party may, at its option, at any time before the rights of the Tenant shall have been forfeited to the Landlord as provided for in this lease, cure in full any default by Tenant under this lease, any such cure in full shall be as effective to prevent a forfeiture of the rights of tenant hereunder as the same would have been if done and performed by Tenant instead of by any such Notice Party. In no event shall Landlord be required to accept from a Notice Party

partial cure of any default by Tenant under this lease and no Notice Party shall have any rights on account of such partial cure, even if accepted by Landlord. Specifically, and without limiting the generality of the foregoing, no Notice Party described in clause (c) shall be entitled to claim that its parking rights shall not be disturbed on account of a partial cure by it of a default by Tenant under this lease, but such rights shall not be disturbed only if all defaults by Tenant are cured in full within the applicable grace periods contained in this lease.

Any mortgage or deed of trust so given by tenant may, if Tenant so desires, be so conditioned as to provide that, as between any such mortgagee or trustee and Tenant, said trustee or mortgagee, on making good and performing any such default or defaults on the part of Tenant, shall be thereby subrogated to any and all of the rights of the person or persons to whom any payment is made by said mortgagee or trustee, and all of the rights of Tenant under the terms and provisions of this lease. No such mortgagee or trustee of the rights and interests of Tenant hereunder shall be or become liable to Landlord as an assignee of this lease until such time as said mortgagee or trustee shall by foreclosure or other appropriate proceedings in the nature thereof, or as the result of any other action or remedy provided for by such mortgagee or deed of trust, or by proper conveyance from Tenant, either acquire the rights and interests of Tenant under the terms of this lease or actually take possession of the leased premises, and such liability of said mortgagee or trustee shall terminate upon such mortgagee's or trustee's assigning such rights and interests to another party or relinquishing such possession, as the case may be.

Section 12.02. Right of Certain Notice Parties to Obtain New Lease.

Upon termination of this lease pursuant to Section 11.02, the Notice Party, if any, who

holds a first lien on Tenant's leasehold estate under this lease shall have the option, upon written notice to Landlord given not later than ninety (90) days after receipt of written notice from Landlord of such termination, to elect to receive, in its own name or in the name of its nominee, from Landlord a new lease of the leased premises for the unexpired balance of the term of this lease, or any renewal and extension hereof, on the same terms and conditions as in this lease set forth, and Landlord agrees to execute such lease provided:

- (i) the Notice Party shall forthwith cure any money default of Tenant; and
- (ii) the Notice Party or its nominee shall thereafter observe and perform all covenants and conditions in said lease contained on the part of Tenant to be observed and performed.

Any such new lease, by virtue of the recording of this lease or a memorandum thereof, shall have priority equal to this lease. If the Notice Party or its nominee shall become Tenant under such new lease and shall subsequently assign said new lease to a permitted assignee pursuant to Section 9.01, then the Notice Party shall thereupon be relieved of liability under such new lease for all obligations not theretofore accrued.

ARTICLE XIII

Section 13.01. Condemnation. As used herein, "Condemnation" or "Condemned" means a taking by the government of the United States, Commonwealth of Kentucky, City of Louisville, or any government or power whatsoever, or by any corporation under the right of eminent domain, or a condemnation by any court, city, state, county or governmental authority or office, department or bureau of the city, county, state or United States.

If only Landlord's interest in the leased premises (but not the leasehold estate of Tenant under this lease nor in the Parking Garage) is Condemned in whole or in part, then this lease shall not be affected thereby and all proceeds of such Condemnation shall be paid to Landlord.

If only Tenant's leasehold estate under this lease and/or in the Parking Garage shall be Condemned (but not Landlord's interest in the leased premises) in whole or in part, then this lease shall not be affected thereby and all proceeds of such Condemnation shall be paid to Tenant.

If both Landlord's interest in the leased premises, on the one hand, and Tenant's leasehold interest under this lease and/or the Parking Garage, on the other hand, shall be Condemned in whole or in part, then this lease shall not be affected thereby and all proceeds of such Condemnation shall be awarded to Landlord and Tenant in the manner provided by the laws of the Commonwealth of Kentucky.

Notwithstanding any provisions of this Section 13.01, upon a Condemnation Tenant may exercise its purchase option under Section 10.01, in which event, at the closing described in Section 10.01, all proceeds payable to Landlord under this Section 13.01 shall be paid to Tenant.

ARTICLE XIV

Section 14.01. Peaceful Enjoyment. Subject to all of the terms and provisions of this lease, Landlord covenants and warrants that during the entirety of the term of this lease, Tenant, on paying the rental and other payments herein provided and performing and observing all of its covenants and agreements herein contained and provided, shall and may peaceably and quietly have, hold, occupy, use and enjoy, and shall have the full, exclusive and unrestricted use and enjoyment of, the leased premises

during the entire term of this lease. Landlord covenants to Tenant that Landlord owns good and marketable title to the leased premises, subject only to the matters listed on Schedule IV hereto to the extent the same are valid and in force and effect as to the leased premises, and Landlord agrees to warrant and forever defend the title to the leased premises against the claims of any and all persons whomsoever lawfully (or otherwise) claiming the same or any part thereof.

ARTICLE XV

Section 15.01. Landlord's Mortgagee. Any and all mortgages on the fee title or reversionary interest of Landlord in the leased premises shall be subject and subordinate to this lease; provided, however, that nothing contained herein shall restrict or otherwise impair the right of Landlord to transfer, convey, sell, mortgage or otherwise deal with the fee to the leased premises or affect the right of Landlord to assign this lease and the rental and other sums payable hereunder as further collateral security for any such fee mortgage or otherwise, and Tenant agrees to honor any such assignment from and after receipt of an executed copy thereof; and Tenant further agrees that while any such mortgage or other encumbrance is in force, and if Tenant shall have been given written notice thereof and the name and address of the mortgagee and/or trustee, Tenant shall give said mortgagee or trustee a duplicate copy of any and all notices of default or other notices in writing which Tenant may give or serve upon Landlord pursuant to the terms of this lease, and any such notice shall not be effective until said duplicate copy is given to such mortgagee or trustee. A different address may be designated by such mortgagee or trustee by written notice delivered to Tenant from time to time. Any such mortgagee and/or trustee may, at its option, at any time before any rights of the Tenant shall have accrued as a result of any default of Landlord

hereunder, make any payment or do any other act or thing required of the Landlord by the terms of this lease; and all payments so made and all things so done or performed by any such mortgagee and/or trustee shall be as effective to prevent accrual of any rights of Tenant hereunder as the same would have been if done and performed by the Landlord instead of by any such mortgagee or trustee. No such mortgagee or trustee of the rights and interests of the Landlord hereunder shall be or become liable to Tenant as an assignee of this lease until such time as said mortgagee or trustee shall by foreclosure or other appropriate proceedings in the nature thereof, or as the result of any other action or remedy provided for by such mortgagee or deed of trust, or by proper conveyance from Landlord, acquire the rights and interests of the Landlord under the terms of this lease, and such liability of said mortgagee or trustee shall terminate upon such mortgagee's or trustee's assigning such rights and interests to another party.

ARTICLE XVI

Section 16.01. Surrender. Tenant covenants and agrees to and with Landlord that upon termination of this lease (subject, however, to Section 12.02), whether by lapse of time or because of any of the conditions or provisions contained herein, Tenant will peaceably and quietly yield up and surrender possession to Landlord of the leased premises and all buildings and permanent improvements and other properties herein provided to be the property of Landlord on termination hereof without disturbance or molestation thereof.

ARTICLE XVII

Section 17.01. Right to Inspect. Landlord, in person or by or through his agents and representatives, shall have the right to enter upon the leased premises for purposes of inspection of same during reasonable hours.

ARTICLE XVIII

Section 18.01. Notices. Any notice, communication, request, reply or advice or duplicate thereof (hereinafter severally and collectively, for convenience called "notice") in this instrument provided or permitted to be given, made or accepted by either party to any person must be in writing and may, unless otherwise in this instrument expressly provided, be given or be served by depositing the same in the United States mail, postpaid and certified and addressed to the party to be notified, with return receipt requested, or by delivering the same in person to such party. Notice deposited in the mail in the manner hereinabove described shall be effective, unless otherwise stated in this lease, from and after the expiration of three (3) days (exclusive of Saturdays, Sundays and postal holidays) after it is so deposited, regardless of whether or when same is actually received by the addressee. Notice in any other manner shall be effective only if and when received by the party to be notified. For purposes of notice, the addresses of the parties shall, until changed as hereinafter provided, be as follows:

If to Landlord, to:	Office of the Mayor City of Louisville City Hall Louisville, Kentucky 40202 Attention: Joan Riehm
cc:	Law Director City of Louisville City Hall Louisville, Kentucky 40202
cc:	Director of the Office of Downtown Development Suite 300 Republic Building 429 West Muhammad Ali Boulevard Louisville, Kentucky 40202

If to Tenant, to: 200 Block Associates I
Limited Partnership
c/o Hines Interests Limited Partnership
Three First National Plaza
70 West Madison
Suite 440
Chicago, Illinois 60602
Attention: C. Kevin Shannahan

cc: Capital 200 Block Corporation
c/o Capital Holding Corporation
P.O. Box 32830
Commonwealth Building
Louisville, Kentucky 40232
Attention: George Nathan

cc: James A. Taylor
Baker & Botts
2001 Ross Avenue, Suite 800
Dallas, Texas 75201

However, the parties hereto, and their respective heirs, successors, legal representatives and assigns, shall have the right from time to time and at any time to designate up to five (5) additional parties to receive copies of notices and to change their respective addresses and each shall have the right to specify as such party's address any other address within the United States of America by at least fifteen (15) days' written notice to the other party.

ARTICLE XIX

Section 19.01. Entire Agreement. This agreement embodies the entire contract between the parties hereto relative to the subject matter hereof. No variations, modifications or changes herein or hereof shall be binding upon any party hereto unless such are in writing and executed by both Landlord and Tenant. No waiver or waivers of any breach or default or any breaches or defaults by either party of any term, condition or liability of or performance by the other party of any duty or obligation

hereunder, including without limitation, the acceptance by Landlord or payment by Tenant of any rentals at any time or in any manner other than as herein provided shall be deemed a waiver thereof, nor shall any such waiver or waivers be deemed or construed to be a waiver or waivers of subsequent breaches or defaults of any kind, character or description under any circumstances. If any term or provision of this lease, or the application thereof to any person or circumstance, shall to any extent be invalid or unenforceable, the remainder of this lease, or the application of such provision to persons or circumstances other than those as to which it is invalid or unenforceable, shall not be affected thereby, and each provision of this lease shall be valid and shall be enforceable to the extent permitted by law.

ARTICLE XX

Section 20.01. Landlord Default. In the event Landlord defaults in undertaking the performance of any of Landlord's covenants or obligations herein contained for a period of one hundred eighty (180) days next following the date on which Landlord receives written notice given by Tenant to Landlord as provided herein asserting such default of Landlord, Tenant shall have the right (but shall not be obligated), at Tenant's sole election, to perform Landlord's covenants or obligations which Tenant asserts to be in default, at the expense of Landlord, and to make claim against Landlord for, or set-off against sums thereafter becoming due from Tenant to Landlord under this lease, an amount equal to the cost incurred by Tenant in so doing, together with interest thereon at the rate of twelve per cent (12%) per annum from the date incurred by Tenant until repaid by Landlord.

ARTICLE XXI

Section 21.01. Limitation of Tenant's Liability. Anything to the contrary contained herein or elsewhere notwithstanding, it is expressly agreed and stipulated by Landlord, for itself and for each and every succeeding owner and/or holder of the fee simple title to the leased premises, that no personal liability of any kind or character whatsoever shall at any time, under any condition, attach to Tenant, or any succeeding Tenant, subtenant, mortgagee or any other person or persons holding under Tenant, or any holder of the leasehold estate created hereby (or their partners or shareholders, direct or indirect), under or on account of this lease agreement for the performance of any of the terms of this instrument, but Landlord and each and every succeeding owner and/or holder of the fee simple title to the leased premises shall look exclusively to the improvements situated on the leased premises (including the Parking Garage) and to any insurance proceeds or condemnation awards which have not been theretofore paid to Tenant for the payment and discharge of any monies due or obligations imposed upon the Tenant hereunder; and in the event of default hereunder by Tenant, or anyone holding under it, and termination of this lease agreement by Landlord pursuant to the terms hereof, Landlord, or any succeeding Landlord, and Tenant, or any successor Tenant, subtenant, mortgagee or other holder of the leasehold estate created hereby, shall be released and relieved of any further obligations hereunder.

ARTICLE XXII

Section 22.01. Actions Requiring Consent of Tenant's Mortgagee. So long as there shall be a leasehold mortgage on the leasehold estate of Tenant hereunder, this lease shall not without the prior written consent of the leasehold mortgagee (a) terminate by merger in the event Tenant shall acquire the fee estate to any portion of

the leased premises, or (b) be altered or amended by Landlord and Tenant in any manner whatsoever.

ARTICLE XXIII

Section 23.01. Certain Definitions. As used herein the terms "leasehold mortgagee" and "holder of the leasehold mortgage" shall mean and include the trustee, beneficiary and mortgagee named in any deed of trust or mortgage which is a lien on the leasehold estate of Tenant hereunder.

ARTICLE XXIV

Section 24.01. Governing Law. This lease shall be governed by the laws of the Commonwealth of Kentucky, and the covenants contained herein shall be deemed performable in Jefferson County, Kentucky.

ARTICLE XXV

Section 25.01. Indemnity by Tenant. Tenant agrees to indemnify, defend and save, hold and keep Landlord harmless from any loss, cost, expense or liability whatsoever, including attorneys' fees, on or for, or in connection with the defense or investigation of, any and all claims for damages suffered or sustained by (a) any person or persons or for injury to or death of any person or persons or damage to property arising or asserted to have arisen as a result of or incident to or on the leased premises or the performance by Tenant of its obligations hereunder, including without limitation the construction, erection, maintenance, operation, use or occupancy of any building comprising a part of the leased premises throughout the term of this lease; provided, however, Tenant's indemnity obligations shall not apply to the intentional torts or negligence of Landlord, its agents, employees and contractors, and (b) reason of Tenant's

failure to give Landlord the proper names and addresses of Notice Parties pursuant to Section 12.01 hereof.

ARTICLE XXVI

Section 26.01. Attorney's Fees. If either party hereto commences legal proceedings against the other party hereto with respect to this lease, and if such commencing party prevails in such proceedings, then the non-prevailing party shall pay the prevailing party's reasonable legal fees and costs of suit.

ARTICLE XXVII

Section 27.01. Agreement by City. The City of Louisville, Kentucky (the "City"), a municipal corporation and City of the First Class pursuant to KRS 81.010, joins herein solely for the purpose of agreeing, for the benefit of Tenant, to cause Landlord to perform timely its obligations under this lease.

ARTICLE XXVIII

Section 28.01. Recording of Lease. Tenant may, but Landlord shall not, record this lease in the real property records of Jefferson County, Kentucky.