

LEASE AGREEMENT

THIS LEASE AGREEMENT (this “**Lease**”) is dated June 30, 2023 (the “**Effective Date**”) by and between RIDGEFIELD INVESTMENTS, LLC, a Kentucky limited liability company, with an address of 133 West Short Street, Lexington, KY 40507 (the “**Landlord**”), and THE LEXINGTON FAYETTE URBAN COUNTY GOVERNMENT, an Urban County Government, with an address of 200 E. Main Street, Lexington, KY 40507 (the “**Tenant**”).

RECITALS

The Landlord desires to lease to the Tenant, and the Tenant desires to lease from Landlord, that certain premises containing approximately 431 square feet of medical office space within that certain building (the “**Building**”) located at 4071 Tates Creek Centre Drive, Lexington, KY 40517 (the “**Property**”) known as Suite 206 (Exhibit A) thereof (the “**Leased Premises**”), for the term, at the rental, and upon the covenants, conditions, and provisions herein set forth, together with the non-exclusive use of any common areas of the Property and of any office center of which the Leased Premises are a part (the “**Common Areas**”). Tenant’s Proportionate Share of any Common Area expenses applicable to the Leased Premises shall be 1.41%.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual promises herein contained and other good and valuable consideration, it is agreed:

1. **Term.**

- a. **Initial Term.** Landlord hereby leases the Leased Premises to Tenant, and Tenant hereby leases the same from Landlord, for an initial term of two (2) Lease Years (as hereinafter defined) (the “**Initial Term**”), beginning on July 1st, 2023 (the “**Commencement Date**”). Landlord shall deliver Tenant possession on the Commencement Date. The term “**Lease Year**” shall mean the consecutive twelve (12) month period following the Rent Commencement Date (as hereafter defined) or, if the Rent Commencement Date is other than the first day of a calendar month, then the first Lease Year shall be extended to include the initial incremental number of days up to the Rent Commencement Date (for which Tenant shall pay the pro rata portion of Monthly Rental Amount for said incremental month with its first installment of Monthly Rental Amount). Each successive Lease Year following the first Lease Year shall mean the consecutive twelve (12) month period commencing on the date following the final day of the immediately preceding Lease Year.
- b. **Renewal Terms.** Provided that this Lease is in full force and effect at the expiration of the Initial Term and Tenant is not in default hereunder, then Tenant may, at its option, by notice to Landlord given at least one hundred eighty (180) days prior to the expiration of the then-current term, renew the term hereof for one (1) period[s] of two (2) year[s] (“**Renewal Term**”). The Initial Term and any properly exercised Renewal Term may collectively be referred to herein as the “**Term.**” Any Renewal Term shall be upon all of the terms and conditions as contained in this Lease (excluding any initial rent concessions, credits, improvement allowance, or other occupancy considerations provided by Landlord), except that the Annual Rent shall be increased by four percent (4%) each Lease Year of the Renewal Term as set forth below.

2. **Rental.**

- a. **Annual and Monthly Rental Amount.** Commencing on July 1st, 2023 (the “Rent Commencement Date”), Tenant shall pay to Landlord, during each Lease Year of the Term, “**Annual Rent**”, in monthly installments herein referred to as “**Monthly Rental Amount**”, in accordance with the following schedule:

<u>Lease Year:</u>	<u>Annual Rent:</u>	<u>Monthly Rental Amount:</u>
July 1, 2023-June 30, 2025	\$10,716.00	\$893.00
*July 1, 2025-June 30, 2026	\$11,144.64	\$928.72
*July 1, 2026-June 30, 2027	\$11,590.43	\$965.87

*If applicable Renewal Term has been exercised.

- b. **Time and Place of Payment.** Each Monthly Rental Amount and any applicable Additional Rent shall be due in advance on the first (1st) day of each calendar month during the Lease term without notice, demand, offset, deduction, or counterclaim (except as expressly permitted in this Lease) to Landlord at 133 West Short Street, Lexington, KY 40507, or at such other place designated by written notice from Landlord. The rental payment amount for any partial calendar months included in the Term shall be prorated on a daily basis.
- c. **Additional Rent.** Tenant shall pay, as Additional Rent, all amounts and obligations which Tenant assumes or agrees to pay or discharge pursuant to this Lease, together with interest and every cost which may be added by the party to whom such payment is due for nonpayment or late payment thereof. In the event of any failure by Tenant to pay or discharge any of the foregoing, Landlord shall have all rights, powers, and remedies provided herein, or any remedy available under applicable law, in the event of nonpayment of Annual Rent. For purposes of this Lease, Annual Rent and Additional Rent shall sometimes be collectively referred to as “**Rent**”.

3. **Use.** The Leased Premises or any part hereof, shall be used for purposes of operating a professional medical clinic specializing in Behavioral Health & Wellness Services (the “**Practice**”), and for no other purpose without Landlord’s prior written consent, which shall not be unreasonably withheld, conditioned or delayed. Tenant agrees not to use or permit the use of the Leased Premises for the generation, storage, treatment, transportation, or disposal of any chemical, material, or substance which is regulated under applicable laws, ordinances, rules, and regulations (collectively, “**Laws**”) except in compliance with such Laws. Tenant shall be required to comply with all Laws governing its operations and use of the Leased Premises, including without limitation the Americans with Disabilities Act and any future revisions thereof. Tenant hereby represents and warrants that the Practice will not (i) generate odors or gases which may emanate from the Leased Premises, (ii) involve any excessively loud noises, or (iii) otherwise constitute a nuisance or interfere with the normal business operations of Landlord’s other tenants at the Building. If Tenant’s operations at the Leased Premises generate medical or other special waste, Tenant shall be required, at Tenant’s sole cost and expense, to arrange for the disposal of such medical or other special waste in accordance with all Laws governing disposal of the same.

4. **Sublease and Assignment.** Tenant may not assign, sublease, license, or otherwise transfer (each, a “**Transfer**”) this Lease and the other rights, interests, and obligations under this Lease without first obtaining the prior written consent of Landlord, which shall not be unreasonably withheld. If Tenant should attempt any such Transfer without first obtaining Landlord’s consent to the same, then such attempted Transfer shall be a default hereunder and Tenant shall have no cure period for the same, and Landlord may exercise any remedy provided hereunder or at law or in equity. Notwithstanding the foregoing, Tenant acknowledges that Landlord shall be deemed to have reasonably withheld its discretion to any requested Transfer if (a) the proposed transferee has a net worth which is less than that of Tenant or less than

\$1,000,000.00; (b) Tenant would be paid any excess consideration over the Annual Rent provided hereunder in consideration for such Transfer, provided that if Tenant shall set over all of such excess consideration to Landlord, then Landlord shall not withhold its consent by reason of this clause (b); or (c) Landlord reasonably believes, for any reason, that such proposed transferee would not be able to fulfill the obligations required of it hereunder.

5. **Tenant Repairs.** Tenant shall at all times keep the interior walls, ceilings, doors, all other interior surfaces, all interior and exterior doors, plumbing, door locks, all plate glass, and other window appurtenances in or about the Leased Premises in good, clean, and neat order, condition, and repair, including without limitation replacement thereof. Further, Tenant shall have the responsibility to maintain and keep repaired all fixtures, appurtenances, and structures on the Leased Premises for which Landlord does not have the responsibility of maintaining (such responsibility of Landlord being set forth in the following section). Tenant shall be responsible for the following within the Leased Premises, at its sole expense: cleaning (including vacuuming); trash disposal; cleaning of lighting fixtures; cleaning of windows (interior and exterior); and replacement of light tubes and bulbs as required.

6. **Repairs by Landlord and Cleaning.** Landlord shall at all times be required to perform all necessary or advisable repairs, replacements, and maintenance to the following: roof, fire alarming systems (equipment and service contracts), exterior walls, foundation, structural frame of the building constituting the Leased Premises (including columns, beams, and other structural elements), janitorial services for two (2) days per week, the parking and landscaped areas and other Common Areas outside of the Leased Premises, any building systems other than the Systems, and all other areas not within the exclusive control of Tenant (collectively, the “**Landlord Repairs**”). Notwithstanding anything to the contrary contained in this Section 6, in the event any Landlord Repairs are necessitated by the negligence, acts or omissions of Tenant, its employees, agents, invitees, contractors, subtenants, assigns, or customers, Tenant shall be responsible for the cost of such repairs, replacements, and maintenance at its sole cost and expense (subject to Sections 10 and 14 below).

7. **Alterations and Improvements.** For of the Lease Term, Tenant, at Tenant’s expense, shall have the right following Landlord’s consent (not to be unreasonably withheld, conditioned or delayed) to remodel and make additions, improvements, and replacements of and to all or any part of the interior portions of the Leased Premises from time to time as Tenant may deem desirable. All Tenant improvements, including but not limited to the Initial Tenant Improvements shall be (i) made in a workmanlike manner and utilizing good quality materials; (ii) performed by legal, licensed, and insured contractors naming Landlord as an additional insured on an active policy of general liability insurance in an amount of at least \$1,000,000, and a certificate of such policy is delivered to Landlord prior to commencing such work; (iii) performed in accordance with all applicable Laws and building codes; and (iv) accurately depicted on plans to be provided to Landlord together with Tenant’s request for Landlord’s consent therefor, with any changes to such plans being first submitted to Landlord before performance thereof. As a further condition to the foregoing tenant improvements, Tenant shall deliver final, full and complete lien waivers to Landlord immediately upon completion of such improvements, or Tenant shall be in default hereunder. The foregoing notwithstanding, Landlord’s consent shall not be required for remodeling or redecoration that is purely cosmetic in nature (e.g. carpet replacement, painting) and not visible from outside the Leased Premises. Further notwithstanding the foregoing, Tenant shall have the right (without the need for Landlord’s consent) to place and install personal property, trade fixtures, equipment, and other temporary installations in and upon the Leased Premises, and fasten the same to the Leased Premises, provided that Tenant shall, at its expense, repair any damage whatsoever occasioned by the removal thereof whether during, at the expiration of, or after the Term. All alterations, additions, and improvements to the Leased Premises (not including Tenant’s trade or other fixtures or any other personal property of Tenant) shall become the property of Landlord, and shall remain upon the expiration or earlier termination of this Lease, unless Landlord notifies Tenant within ninety (90) days of the expiration of the Term that Landlord shall require the removal of the same. All personal property, equipment, machinery, fixtures, trade fixtures, and temporary installations, whether acquired by Tenant at the commencement of the Lease term or placed or installed on the Leased

Premises by Tenant thereafter, shall remain Tenant's property free and clear of any claim by Landlord. Tenant shall have the right to remove the same at any time during the term of this Lease provided that all damage to the Leased Premises caused by such removal shall be repaired by Tenant at Tenant's expense. Notwithstanding anything to the contrary herein, Tenant acknowledges that Tenant is accepting the Leased Premises in their "AS-IS", "WHERE-IS", "WITH ALL FAULTS, BOTH LATENT AND PATENT" condition, and that Landlord has made no representation or warranty with respect to the condition of the Leased Premises whatsoever.

8. **Mechanic's Liens.** It is stipulated that the relationship of the parties is that of landlord and tenant and that Tenant is not the agent of Landlord for any reason, cause, or purpose and is not a partner or joint venturer with Landlord. No consent granted by Landlord to Tenant to make any alterations, additions, or repairs to the Leased Premises shall, in any event, be construed as a consent on the part of Landlord to subject all or any part of the Leased Premises to any mechanic's, materialman's, or other lien under the lien law of the Commonwealth of Kentucky. No such lien, even if filed or recorded, shall be valid. Tenant shall keep the Leased Premises free from any mechanic's, materialman's, or similar lien or other encumbrance in connection with any of Tenant's alterations on or respecting the Leased Premises and shall indemnify and hold harmless Landlord from and against any claims, expenses, damages, liabilities, judgments, or costs (including reasonable attorneys' fees) of any nature whatsoever arising out of the same or in connection therewith. Notwithstanding the foregoing, if Tenant insures or bonds over any such lien for the benefit of Landlord, then Tenant may elect to contest the validity of such lien until a determination as to the validity of such lien is made. No work or labor performed or materials furnished by or for Tenant is as agent for Landlord.

9. **Operating Costs.**

- a. **Operating Costs.** Pursuant to the terms of this Section 9, in addition to the Monthly Rental Amount, Tenant shall pay to Landlord Tenant's Proportionate Share of the amount by which Operating Costs for the Building incurred by Landlord during each successive calendar year exceed the amount of Operating Costs incurred during the calendar year 2023 (the "Base Year"). "Operating Costs," as that term is used herein, shall consist of all costs and expenses incurred by Landlord, (including all additional costs and expenses that Landlord reasonably determines that it would have paid or incurred during such year if the Building had been 95% occupied) to operate and maintain: (i) the Leased Premises; and (ii) all facilities used in the operation of the Leased Premises (including any Common Areas); as may be reasonably determined by Landlord to be necessary, including but not limited to utility charges (including without limitation water, sewer, electrical, natural gas and other utility charges), costs to maintain elevators and the heating, ventilation and air-conditioning system serving the Building; costs associated with providing other Building facilities, if any; cleaning and other janitorial services; tools and supplies to (to the extent generally accepted accounting principles (GAAP) consistently applied would not capitalize); repair costs; landscape maintenance costs; access patrols; license, permit and inspection fees; reasonable management fees; reasonable supplies, costs, wages and related employee benefits payable to employees of Landlord engaged in the management, maintenance and operation of the Building; maintenance, and repair of the driveways, parking and sidewalk areas (including snow and ice removal), landscaped areas, and lighting; maintenance and repair costs; dues, fees and assessments incurred under any covenants or charged by any owners association (not including amounts payable by reason of Landlord's default under such covenants); service fees, management fees, administrative fees, pest control fees, professional fees, insurance premiums, any tax other than Landlord's franchise and income taxes imposed on Landlord due to the collection of Rent by Landlord, and real estate taxes and assessments which Landlord shall pay or become obligated to pay because of or in connection with the ownership and operation of the Leased Premises. The cost of any Operating Expenses that are capital in nature shall be

amortized over the useful life of the improvement in accordance with GAAP consistently applied, and only the amortized portion shall be included in Operating Expenses. If during any calendar year, less than 95% of the Building is occupied or Landlord is not furnishing utilities or services to all of the premises in the Building, then the variable Operating Expenses for such year shall be “grossed up” (using projections and assumptions in accordance with GAAP consistently applied) to the amounts that would apply if ninety-five percent (95%) of the Building was completely occupied and were provided with the applicable utilities or services.

- b. Operating Cost Reconciliation. Within a reasonable period of time after the end of each calendar year, but in no case later than May 1 of each calendar year, Landlord shall provide Tenant a statement showing actual Operating Costs during the prior calendar year and setting forth a computation of Tenant’s actual Additional Rent obligation for such period ending. Landlord shall maintain at its office contracts and supporting information and records relating to the yearly Operating Costs, and Tenant shall have the right, at its sole cost and expense, once per calendar year, upon reasonable notice to Landlord, to have access to such information and records to review the same and confirm the accuracy of the statements provided by Landlord. In the event that the Tenant’s actual Additional Rent owed to Landlord for any calendar year exceeds the amount of estimated Additional Rent which Tenant paid to Landlord for such calendar year, then Tenant shall pay to Landlord the amount of such deficiency not later than thirty (30) days following Landlord’s delivery of the statement pursuant to this Section. In the event that such statement shows that Tenant overpaid the Additional Rent for such period, then, at Tenant’s option, Landlord shall either (i) pay to Tenant the amount of such excess not later than thirty (30) days following the determination of the overpayment or (ii) the amount of such surplus shall be credited by Landlord toward Tenant’s next payment or payments of any future Additional Rent or Monthly Rental Amount. Additional Rent during any partial year at the beginning and end of the Term of this Lease shall be adjusted proportionately based on the number of days in such partial year. Notwithstanding anything herein to the contrary, Tenant shall be required to pay to Landlord, monthly, 1/12 of the Landlord’s reasonably estimated amount by which Operating Costs shall exceed Operating Costs for the Base Year, in advance, as Additional Rent hereunder.

10. Insurance.

- a. Landlord shall, at its own expense, maintain in full force and effect throughout the term of this Lease a policy of “All-Risk” property insurance coverage insuring against damage or loss to the Leased Premises, on the basis of full replacement cost thereof (the “**Landlord’s Insurance**”).
- b. Tenant, at its own expense, shall maintain a policy or policies of (i) commercial general liability insurance with respect to its activities in or about the Leased Premises with the premiums thereon fully paid on or before due date, issued by and binding upon an insurance company licensed to do business in Kentucky, such insurance to afford minimum protection of not less than One Million Dollars (\$1,000,000.00) combined single limit coverage of bodily injury, property damage, or combination thereof; (ii) “All-Risk” property insurance coverage insuring against damage or loss to Tenant’s personal property, equipment, fixtures, and improvements at the Leased Premises, on the basis of full replacement cost thereof; (iii) Worker’s Compensation insurance in amounts required by applicable Laws; provided, if there is no statutory requirement for Tenant, Tenant shall still obtain Worker’s Compensation insurance coverage; (iv) Business Interruption Insurance with limits not less than an amount equal to one (1) year of Annual Rent hereunder (collectively, the “**Tenant’s Insurance**”). Upon thirty (30) days’ notice, Tenant shall

provide Landlord with a Certificate of Insurance evidencing Tenant's compliance with this Paragraph. Tenant shall obtain the agreement of Tenant's insurers to notify Landlord that a policy is canceled, terminated, materially modified, or due to expire at least thirty (30) days prior to such cancellation, termination, modification, or expiration. Landlord shall not be required to maintain insurance against thefts within the Leased Premises or the Building, Tenant assuming the risk of loss and damage as to any furniture, equipment, machinery, goods, supplies, removable fixtures, or personal property within the Leased Premises.

- c. All of such Landlord's Insurance and Tenant's Insurance shall be issued by an insurance company licensed to do business in the Commonwealth of Kentucky, having policyholder ratings not lower than "A-" and financial ratings not lower than "VII" in Best's Insurance Guide.
- d. Landlord and Tenant shall each obtain from their respective insurers under all policies of insurance maintained by either of them at any time during the term hereof insuring or covering the Leased Premises a waiver of all rights of subrogation which the insurer of one party might otherwise have, if at all, against the other party and its respective officers, directors, members, managers, employees, and agents. In addition, Landlord and Tenant each waive and release, on behalf of themselves and their respective insurers, the other party from any loss which is covered or required to be covered by their respective insurance policies described herein or any other insurance policy or policies as they may elect to maintain, including without limitation any right of subrogation either of their respective insurers may have against the other.

11. **Utilities.** Landlord shall furnish to Tenant, except as noted below, the following utilities and other services to the extent reasonably necessary for Tenant's use of the Leased Premises for the Permitted Use, or as may be required by law or directed by governmental authority:

- a. Heating, ventilation and air-conditioning between the hours of 8:00 a.m. and 6:00 p.m. Monday through Friday and 9:00 a.m. and 1:00 p.m. on Saturdays (collectively, "**Business Hours**");
- b. Electrical current not to exceed four (4) watts per square foot;
- c. Cleaning and janitorial service in the Leased Premises and Common Areas three (3) days per week except Holidays; provided, however, Tenant shall be responsible for carpet cleaning other than routine vacuuming;
- d. Maintenance of the Common Areas; and
- e. Access to the Building and the Leased Premises during Business Hours, subject to the terms of this Lease and such protective services or monitoring systems, if any, as Landlord may reasonably impose, including, without limitation, sign-in procedures, Building card access and/or presentation of identification cards.

As used in this Lease, "**Holiday(s)**" means all days observed as legal holidays by either the Commonwealth of Kentucky, the Federal Government or the labor unions servicing the Building (if any), including without limitation New Year's Day, Memorial Day, Independence Day, Thanksgiving Day, Christmas Day, and Labor Day, or as designated by Landlord that are commonly recognized by other office buildings in the area where the Building is located, with the exception of, Martin Luther King Day, Presidents Day, Juneteenth, Columbus Day and Veterans Day.

If Tenant delivers a written request to Landlord before 12:00 noon on the business day prior to the date for which such usage is required, Landlord will furnish such air-conditioning services for no less than two (2) hours and at times not specified above in exchange for Tenant's payment therefore at the hourly rate Landlord establishes from time to time for such additional air-conditioning services outside of the Building standard hours set forth above. The current rate for such additional air-conditioning services is \$45.00 per hour (with a 2-hour minimum charge per occasion). Current rates may be adjusted, from time to time, to recover Landlord's costs.

12. **Signs.** Tenant shall be entitled to reasonable identification signage on the lobby directory and the exterior monument sign, and Landlord, at Landlord's expense, shall install Tenant's desired signage thereon, subject to Landlord prior approval of Tenant's designs and specifications therefor, which approval shall not be unreasonably withheld. Tenant shall be responsible, at its cost, for any signage within the Leased Premises or otherwise identifying the Leased Premises, which shall be of the same character as the other signage for other tenants existing within the Building. Tenant shall first obtain permission from Landlord (which permission shall not be unreasonably withheld) for the placement of additional signage outside of the Leased Premises, and, as necessary, from any condominium association, governmental authorities, or adjoining owners and occupants for Tenant to place the foregoing signs. Tenant shall remove, at its sole cost, such signs at the expiration or earlier termination of this Lease and shall repair all damage resulting from such removal.

13. **Hazardous Materials.**

- a. During the Term of this Lease, Tenant shall comply with all Environmental Laws and Environmental Permits (each as defined herein) applicable to the Tenant's operation or use of the Leased Premises, and Tenant will cause its agents, employees, representatives, assignees, and sublessees to comply with all such Environmental Laws and Environmental Permits. Tenant will immediately pay or cause to be paid all costs and expenses incurred by reason of such compliance, and will cause the Practice to obtain and renew all Environmental Permits required for operation or use of the Leased Premises.
- b. Tenant shall not generate, use, treat, store, handle, release, or dispose of Hazardous Materials (as defined herein) on the Leased Premises, or transport Hazardous Materials to or from the Leased Premises.
- c. Except as to any release of Hazardous Materials caused by Landlord, Tenant will immediately advise Landlord in writing of any of the following of which Tenant becomes aware: (1) any pending or threatened Environmental Claim (as defined herein) against Tenant relating to the Leased Premises; (2) any condition or occurrence on the Leased Premises caused by Tenant (or Tenant's agents, employees, representatives, assignees, and sublessees) that (a) results in noncompliance by Tenant with any applicable Environmental Law, or (b) would reasonably be expected to form the basis of an Environmental Claim against Tenant or Landlord or the Leased Premises; (3) any condition or occurrence on the Leased Premises which would reasonably be expected to cause the Leased Premises to be subject to any restrictions on the ownership, occupancy, use, or transferability of the Leased Premises under any Environmental Law; and (4) the actual or reasonably expected taking of any removal or remedial action by Tenant in response to the actual or reasonably alleged presence of any Hazardous Material on the Leased Premises. All such notices shall describe in reasonable detail the nature of the claim, investigation, condition, occurrence, or removal or remedial action and Tenant's response thereto. In addition, Tenant will provide Landlord with copies of all communications received by Tenant regarding the Leased Premises with any governmental agency relating to Environmental Laws, all

communications with any person relating to Environmental Claims, and such detailed reports of any Environmental Claim as may reasonably be requested by Landlord.

- d. To the extent allowable by law, Tenant agrees to indemnify, defend, and hold harmless Landlord from and against all obligations, including but not limited to removal and remedial actions, losses, claims, suits, judgments, liabilities, penalties, damages, costs and expenses, including reasonable attorneys' fees and expenses, of any kind or nature whatsoever that may at any time be incurred by, imposed on, or asserted against Landlord directly or indirectly based on, or arising or resulting from (i) the actual presence of Hazardous Materials on the Leased Premises occurring during the Term, and (ii) any Environmental Claim caused by the acts, omissions, or negligence of Tenant during the Term. This shall not be deemed a waiver of sovereign immunity or any other third party defense available to Tenant.
- e. Landlord agrees to indemnify, defend, and hold harmless Tenant from and against all obligations, including but not limited to removal and remedial actions, losses, claims, suits, judgments, liabilities, penalties, damages, costs and expenses, including reasonable attorneys' fees and expenses, of any kind or nature whatsoever that may at any time be incurred by, imposed on, or asserted against Tenant directly or indirectly based on, or arising or resulting from the presence of Hazardous Materials on the Leased Premises which is caused by Landlord or any other party for whom Landlord is responsible during the Term.
- f. **"Hazardous Materials"** means (i) petroleum or petroleum products, natural or synthetic gas, asbestos in any form that is or could become friable, urea formaldehyde foam insulation, and radon gas; (ii) any substances defined as or included in the definition of "hazardous substances," "hazardous wastes," "hazardous materials," "extremely hazardous wastes," "restricted hazardous wastes," "toxic substances," "toxic pollutants," "contaminants" or "pollutants," or words of similar import, under any applicable Environmental Law; and (iii) any other substance exposure which is regulated by any governmental authority.
- g. **"Environmental Law"** means any federal, state, or local statute, law, rule, regulation, ordinance, code, policy, or rule of common law now or hereafter in effect and in each case as amended, and any judicial or administrative interpretation thereof, including any judicial or administrative order, consent decree, or judgment, relating to the environment, health, safety or Hazardous Materials, including without limitation, the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, 42 U.S.C. §§ 9601 et seq.; the Resource Conservation and Recovery Act, 42 U.S.C. §§ 6901 et seq.; the Hazardous Materials Transportation Act, 49 U.S.C. §§ 1801 et seq.; the Clean Water Act, 33 U.S.C. §§ 1251 et seq.; the Toxic Substances Control Act, 15 U.S.C. §§ 2601 et seq.; the Clean Air Act, 42 U.S.C. §§ 7401 et seq.; the Safe Drinking Water Act, 42 U.S.C. §§ 300f et seq.; the Atomic Energy Act, 42 U.S.C. §§ 2011 et seq.; the Federal Insecticide, Fungicide and Rodenticide Act, 7 U.S.C. §§ 136 et seq.; the Occupational Safety and Health Act, 29 U.S.C. §§ 651 et seq.
- h. **"Environmental Claims"** means any and all administrative, regulatory, or judicial actions, suits, demands, demand letters, claims, liens, notices of non-compliance or violation, investigations, proceedings, consent orders or consent agreements relating in any way to any Environmental Law or any Environmental Permit, including without limitation (i) any and all Environmental Claims by governmental or regulatory authorities for enforcement, cleanup, removal, response, remedial or other actions, or damages pursuant to any applicable Environmental Law and (ii) any and all Environmental Claims by any third

party seeking damages, contribution, indemnification, cost recovery, compensation, or injunctive relief resulting from Hazardous Materials or arising from alleged injury or threat of injury to health, safety, or the environment.

- i. “**Environmental Permits**” means all permits, approvals, identification numbers, licenses, and other authorizations required under any applicable Environmental Law.
- j. The provisions of this Section 13 shall survive the expiration or sooner termination of this Lease.

14. **Damage and Destruction.** If the Leased Premises or any part thereof or any appurtenance thereto is so damaged by fire, casualty, or structural defects that the same is untenable and Landlord cannot repair such damage within one hundred eighty (180) days of such damage, then Landlord shall have the right to elect, in its sole discretion, by notice to Tenant within sixty (60) days following the date of such damage, to terminate this Lease as of the date of such damage. If Landlord does not elect to terminate this Lease, then Landlord shall be required to promptly restore the Leased Premises to the condition that they existed prior to such damage or destruction. If Landlord elects to restore the Leased Premises in accordance with the foregoing sentence but fails to do so within two hundred seventy (270) days following the date of such damage, then Tenant may, at its option and in its sole discretion, terminate this Lease at any time thereafter by written notice to Landlord. In the event of minor damage to any part of the Leased Premises, and if such damage does not render the Leased Premises unsuitable for the Intended Use in Tenant’s sole discretion, Tenant will continue using the Leased Premises while Landlord makes the appropriate repairs. Tenant’s rent and other charges shall not abate during any portion of the Term that the Leased Premises or any portion thereof are inoperable or unfit for occupancy, use, or for the Practice, in whole or in part, but Tenant shall instead look to its business interruption insurance to pay the Rent required hereunder (but if such insurance is not in force or does not cover such obligation, Tenant shall nevertheless be obligated to pay Rent as it comes due hereunder).

15. **Default.** If: (a) Tenant shall fail to make any payment required hereunder within five (5) days after such payment is due; (b) Tenant shall fail to perform any other material covenant, term, condition, or agreement of this Lease and does not cure such failure within thirty (30) days of written notice from Landlord that Tenant has failed to perform any such other material covenant, term, conditions, or agreement; provided that, if such covenant, term, condition, or agreement cannot reasonably be performed within thirty (30) days, no Default shall be deemed to occur for a reasonable time thereafter so long as Tenant initiates performance within said thirty (30) days and proceeds diligently to completion thereafter; (c) Tenant is adjudicated as bankrupt (that is not dismissed within ninety (90) days) or makes an assignment for the benefit of creditors; (d) Tenant attempts to Transfer this Lease in violation of Section 4 hereof; or (e) Tenant abandons the Leased Premises; then Tenant shall be in “**Default**” under this Lease.

In the event of a Default, Landlord shall have the right, at its option, in addition to and not exclusive of any other remedy Landlord may have by operation of and pursuant to the law, without any further demand or notice, to re-enter the Leased Premises and eject all persons therefrom, and either (a) declare this Lease at an end, in which event Tenant shall immediately pay Landlord a sum of money equal to the total of the amount by which the unpaid Rent reserved for the balance of the term exceeds the amount of such rental loss that Tenant proves could be reasonably avoided; or (b) without terminating this Lease, relet the Leased Premises, or any part thereof, for the account of Tenant upon such terms and conditions as Landlord may deem advisable, and any monies received from such reletting shall be applied first to the expenses of such reletting and collection, including necessary reasonable attorneys’ fees, but not including remodeling expenses or brokerage fees, and thereafter toward payment of all sums due or to become due to Landlord hereunder, and if a sufficient sum shall not be thus realized to pay such sums and other charges, Tenant shall pay Landlord any deficiency monthly.

16. **Quiet Possession.** Landlord covenants and warrants that, so long as Tenant performs all obligations of Tenant required hereunder and provided Tenant is not in default under any provision hereof, then Tenant shall have exclusive, quiet, peaceable, and undisturbed and uninterrupted possession of the Leased Premises as against any party claiming by, through, or under Landlord during the term of this Lease.

17. **Condemnation.** If the whole or any material portion of the Leased Premises or the Common Areas are taken or condemned for any public use under any law or by right of eminent domain, or by private purchase in lieu thereof, and such taking would prevent or materially interfere with the use of the Leased Premises, including without limitation access and parking thereto, either party may terminate this Lease upon written notice to the other effective when the physical taking of said Leased Premises occurs. If an immaterial portion of the Leased Premises is so taken or condemned, or in the event of a temporary taking which extends for less than two (2) days in any twelve (12) month period (regardless of the portion of the Leased Premises affected), this Lease shall not terminate, and Tenant's rent and other charges shall not abate during any portion of the Term that the Leased Premises or any portion thereof are inoperable or unfit for occupancy, use, or for the Practice, in whole or in part, but Tenant shall instead look to its business interruption insurance to pay the Rent required hereunder (but if such insurance is not in force or does not cover such obligation, Tenant shall nevertheless be obligated to pay Rent as it comes due hereunder). Landlord shall be entitled to any and all payment, income, rent, or award, or any interest therein whatsoever, which may be paid or made in connection with such a taking or conveyance, and Tenant shall have no claim against Landlord for the value of any unexpired portion of this Lease. Notwithstanding the foregoing, Tenant may make a separate claim for loss of business or goodwill, for relocation, or for loss of personal property, any proceeds of which shall be the property of Tenant, provided such claim shall not diminish the value or amount of the award available to Landlord. Landlord shall cooperate with Tenant during any condemnation or eminent domain proceedings.

18. **Subordination and Non-Disturbance.**

- a. Tenant accepts this Lease subject and subordinate to any mortgage, deed of trust, or other lien presently existing or hereafter arising upon the Leased Premises or upon the Building and to any renewals, refinancing, and extensions thereof, but Tenant agrees that any such mortgagee shall have the right at any time to subordinate such mortgage, deed of trust, or other lien to this Lease on such terms and subject to such conditions as such mortgagee may deem appropriate in its discretion. Landlord is hereby irrevocably vested with full power and authority to subordinate this Lease to any mortgage, deed of trust, or other lien now existing or hereafter placed upon the Leased Premises of the Building, and Tenant agrees upon demand to execute such further instruments subordinating this Lease or attorning to the holder of any such liens as Landlord may request. Tenant agrees that it will from time to time upon request by Landlord execute and deliver to such persons as Landlord shall request a statement in recordable form certifying that this Lease is unmodified and in full force and effect (or if there have been modifications, that the same is in full force and effect as so modified), stating the dates to which rent and other charges payable under this Lease have been paid, stating that Landlord is not in default hereunder (or if Tenant alleges a default stating the nature of such alleged default), and further stating such other matters as Landlord shall reasonably require.
- b. Notwithstanding anything to the contrary in this Lease, this Lease and Tenant's interest in and to the Leased Premises shall not be subordinated to any mortgage, deed of trust or other lien unless and until the mortgagee or lienholder shall have delivered to Tenant a standard form non-disturbance agreement which provides that such mortgagee or lienholder shall not disturb Tenant's tenancy hereunder if and so long as Tenant shall not be in default beyond any applicable notice or cure periods under the terms of this Lease.

19. **Indemnification.**

- a. To the extent allowable by law, Tenant shall indemnify and hold harmless Landlord and its members, managers, employees, agents, and representatives from any and all liability for injury, loss, accident, or damage to any person or property, and from any claims, losses, damages, costs, actions, proceedings, and costs of any nature whatsoever, including without limitation reasonable counsel fees, arising from or relating to (i) Tenant's failure to perform its obligations hereunder, (ii) the acts, omissions, or negligence of Tenant, its members, managers, employees, contractors, agents, representatives, contractors, or invitees (whether by omission or commission), or (iii) any use made or thing done on or about the Leased Premises or otherwise occurring thereon, and not due to the wrongful act, willful misconduct, or negligence of Landlord or its members, managers, employees, contractors, agents, and representatives (collectively, the "**Landlord Parties**"). This shall not be deemed a waiver of sovereign immunity or any other third party defense available to Tenant.
- b. Landlord shall indemnify and hold harmless Tenant and its members, managers, employees, agents, and representatives from any and all liability for injury, loss, accident, or damage to any person or property, and from any claims, losses, damages, costs, actions, proceedings, and costs of any nature whatsoever, including without limitation reasonable counsel fees, arising from or relating to (i) Landlord's failure to perform its obligations hereunder, or (ii) the intentional misconduct or gross negligence of the Landlord Parties.

20. **Waiver.** No waiver of any default of Landlord or Tenant hereunder shall be implied from any omission to take any action on account of such default if such default persists or is repeated, and no express waiver shall affect any default other than the default specified in the express waiver and that only for the time and to the extent therein stated. One or more waivers by Landlord or Tenant shall not be construed as a waiver of a subsequent breach of the same covenant, term, or condition.

21. **Surrender of Leased Premises; Holding Over.** At the expiration or earlier termination of the Lease term, the Tenant will quit and surrender the Leased Premises in as good a state and condition as they were at the commencement of this Lease, reasonable use and wear, and damages by the elements or casualty, excepted. If Tenant remains in possession of the Leased Premises after the expiration of the Initial Term (or any Renewal Term hereof) without the execution of a new lease, such holding over will be deemed to have created and be construed as a tenancy from month-to-month terminable on thirty (30) days written notice by either party to the other, subject to all the other conditions, provisions, and obligations of the Lease including Landlord's right to re-entry, except that, in such event, Tenant shall pay Rent to Landlord at one hundred five percent (105%) of the then Monthly Rental Rate; provided, however, Tenant shall also be indemnify, defend, and hold Landlord harmless from and against any and all claims, liabilities, costs, damages, or expenses, including without limitation consequential damages, resulting therefrom, including without limitation brokerage fees for new tenants, loss of business, or any costs with respect to any breach of contract by Landlord for any other lease of the Leased Premises. If Tenant remains in the Leased Premises following termination by Landlord of any 30-day holdover tenancy under this Section 21, then Landlord may use any means necessary of ejecting Tenant from the Leased Premises, including without limitation forcible removal.

22. **Security Deposit.** *Landlord has waived the security deposit for LFUCG.*

- a. Upon execution of this Lease, Tenant shall pay to Landlord the sum of \$893.00 ("**Security Deposit**") as security for Tenant's full and prompt performance of all of the terms and conditions hereof, including specifically but not exclusively, the payment of Rent. All interest accrued on the Security Deposit, if any, shall belong to exclusively to Landlord. The Security Deposit can be commingled with other funds of Landlord.
- b. During the Term or following its expiration or earlier termination, Landlord may, without waiving any other remedy, apply the Security Deposit to cure any Event of Default by Tenant,

and after such application, Tenant shall pay such amounts to Landlord as necessary to restore the Security Deposit to its original amount as required herein.

- c. Following the termination or expiration of this Lease, Landlord may inspect the Leased Premises and other areas of the Building and compile a listing of any damage to same which is the basis for any charge against the Security Deposit or otherwise against Tenant and the estimated dollar cost of repairing such damage. Tenant's liability under this Lease shall in no event be limited to the amount of the Security Deposit nor limited by the items identified by Landlord on said listing. Landlord's failure to comply with the provisions of this Section 22(c) or make such inspections or listing shall not be a default under this Lease nor preclude Landlord from recovering the cost of repairing any damage from Tenant or curing Tenant's default hereunder.
- d. After Tenant has vacated the Premises and other areas of the Building and after this Lease has expired or been terminated, Landlord shall return to Tenant all or so much of the Security Deposit as Landlord has not applied to the restoration of the Leased Premises and other areas of the Building to the proper condition as required by this Lease or applied to Tenant's default hereunder.

23. **Guaranty.** N/A

24. **Miscellaneous.**

- a. **Entry During Term.** Except as otherwise provided for herein, Tenant shall permit Landlord and its authorized representatives to enter the Leased Premises at reasonable times during usual business hours for the purpose of inspection, or for the making of any necessary repairs for which the Landlord is responsible, or for the performance of any work on the premises that may be necessary to comply with any laws or regulations of any public authority, provided Landlord provides Tenant no less than twenty-four (24) hours' notice of the need for such entry. Notwithstanding, Landlord may enter the Leased Premises in emergency situations without notice to protect life or property. Notwithstanding anything to the contrary set forth herein, Landlord reserves the right for itself or its agents to install a sign designating the Leased Premises for lease and to show the Leased Premises to a prospective tenant, should Tenant choose not to renew this Lease, but in no case shall such right extend more than one hundred eighty (180) days prior to the expiration of the then-current term of this Lease. Landlord's right to enter as set forth herein is subject to the following: Landlord acknowledges that Tenant is required by law to protect the privacy rights of its patients pursuant to: (i) the Administrative Simplification Requirements of the Health Insurance Portability and Accountability Act of 1996, as amended ("HIPAA") and the regulations promulgated thereunder, including, the Standards for Privacy of Individually Identifiable Health Information and the Security Standards for the Protection of Electronic Protected Health Information (45 C.F. R. Parts 160 and 164); and (ii) the security and privacy provisions of the American Recovery and Reinvestment Act ("ARRA"), including the Health Information and Technology for Economic and Clinical Health Act ("HITECH"), and regulations promulgated thereunder, as all of these may be amended from time to time. Accordingly, except in the case of an emergency, Landlord's right to enter the Premises and to make alterations, repairs, replacements, improvements, or additions to the Premises shall be subject to reasonable advance written notice to Tenant; provided, however such advance written notice shall not be less than twenty-four (24) hours prior to entry. Tenant in its sole discretion, may require Landlord to be accompanied by an authorized employee or agent of Tenant at all times when Landlord requires access to the Premises to ensure such Landlord access does not interfere with Tenant's obligations to protect the privacy rights of its patients as described above.

- b. Notice. Any notice required or permitted under this Lease shall be deemed sufficiently given or served if sent by United States certified mail, return receipt requested, or by reputable overnight courier with recognized tracking system, or by email if followed by one of the other methods provided above, addressed as follows:

If to Landlord, to:

Ridgefield Investments, LLC
Attn: Property Manager
133 West Short Street
Lexington, KY 40507
Email: lesli@balrealestate.com

If to Tenant, to:

LFUCG
Dept. of General Services
200 E. Main Street
Lexington, KY 40507
Email: generalservices@lexingtonky.gov

With a copy to: _____

Landlord and Tenant shall each have the right from time to time to change the place notice is to be given under this Section by written notice thereof to the other party.

- c. Headings. The headings used in this Lease are for convenience of the parties only and shall not be considered in interpreting the meaning of any provision of this Lease.
- d. Successors. The provisions of this Lease shall run with the land and extend to and be binding upon Landlord and Tenant and their respective legal representatives, successors, and assigns.
- e. Broker Commissions. Each party represents and warrants that there are no claims for brokerage commissions or finder's fees in connection with the execution of this Lease, except for Block + Lot, acting on behalf of Landlord. Landlord shall pay a brokerage fee to Block + Lot pursuant to a separate agreement. Landlord and Tenant shall, and do hereby, indemnify, defend and save the other harmless from and against any losses, damages, penalties, claims or demands of whatsoever nature arising from a breach of its foregoing representation including, without limitation, reasonable attorneys' fees and expenses.
- f. Severability. If any provisions of this Lease shall be held or declared to be invalid, illegal, or unenforceable under any law applicable thereto, such provision shall be deemed deleted from this Lease without impairing or prejudicing the validity, legality, and enforceability of the remaining provisions hereof.
- g. Governing Law. This Lease shall be governed, construed, and interpreted by, through, and under the Laws of the Commonwealth of Kentucky.
- h. Counterparts. This Lease may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original, but such counterparts together shall constitute but one and the same instrument. Executed counterparts of this Lease may be delivered by facsimile transmission or by delivery of a scanned counterpart in portable document format (PDF) by email, in either case with delivery confirmed. On such confirmed delivery, the signatures in the facsimile or PDF data file shall be deemed to have the same force and effect as if the manually signed counterpart had been delivered to the other party in person.
- i. Amendments. This Lease may not be amended or otherwise altered except pursuant to an instrument in writing signed by each of the parties.

- j. Force Majeure. The parties will be excused from their respective obligations in the event and to the extent that their respective performance is delayed or prevented by any circumstance reasonably beyond their control, including but not limited to fire, explosion, tornado, act of God, pandemics, or riots or other civil disturbances. The foregoing shall not apply to the payment of any sum of money required hereunder.
- k. Entire Agreement. This Lease, and all Exhibits and Schedules referred to herein, the Asset Purchase Agreement, and any other agreements entered into between Landlord or any Seller and Tenant pursuant to the Asset Purchase Agreement, contain the entire agreement between the parties hereto with respect to the transactions contemplated herein and supersede all previous written or oral negotiations, commitments, and writings.
- l. Authority of Parties/Signatories. Each person signing this Lease represents and warrants that he or she is duly authorized and has legal capacity to execute this Lease. Each party represents and warrants to the other that the execution and delivery of the Lease and the performance of such party's obligations hereunder have been duly authorized and that the Lease is a valid and legal agreement binding on such party and enforceable in accordance with its terms.
- m. Common Areas. Tenant and its employees and customers, during the Term of this Lease, shall have the nonexclusive right to use, in common with others entitled to such use (including Landlord), the Common Areas as they exist from time to time.
- n. Attorneys' Fees. In any action or proceeding which Landlord or Tenant may be required to prosecute to enforce its respective rights hereunder, the unsuccessful party therein agrees to pay all reasonable costs incurred by the prevailing party therein, including reasonable attorneys' fees, to be fixed by the court, and said costs and attorneys' fees shall be made a part of the judgment in said action. The term "prevailing party" means the party obtaining substantially the relief sought, whether by judgment, compromise, or settlement.
- o. Fraud and Abuse/Stark Law. It is the intent and good faith belief of the parties hereto that this Lease complies with all relevant federal and state laws as well as relevant regulations and accreditation standards, including but not limited to Federal Health Care Program (as defined under 42 U.S.C. § 1320a-7b(f)), Fraud and Abuse laws (including the Anti-Kickback Statute) and the Stark Law, and all of the rules and regulations promulgated pursuant to, and all of the cases or opinions interpreting such statutes and laws (collectively, the "Laws"). Subsequent to the execution of this Lease, should any provision of this Lease related to amount or payment of Rent due hereunder, be deemed by either party to be contrary to the provisions of the Laws, or any other relevant statutes or regulations, then the parties agree to attempt in good faith to renegotiate such problematic provision of this Lease to the mutual satisfaction of the parties. In the event the parties are not able to mutually agree on modification of the problematic provision, then the parties will engage a mutually agreed upon valuator to provide an analysis with respect to comparable market rental rates (the "Valuation"), and based upon the assessments and recommendations provided by thereby, the parties will negotiate in good faith an amendment this Lease to reasonably align with the results of such Valuation.
- p. Recitals. All of the recitals at the beginning of this Lease are hereby incorporated into this Lease as if fully set forth herein.

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prosecute to enforce its respective rights hereunder, the unsuccessful party therein agrees to pay all reasonable costs incurred by the prevailing party therein, including reasonable attorneys' fees, to be fixed by the court, and said costs and attorneys' fees shall be made a part of the judgment in said action. The term "prevailing party" means the party obtaining substantially the relief sought, whether by judgment, compromise, or settlement.

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- p. Recitals. All of the recitals at the beginning of this Lease are hereby incorporated into this Lease as if fully set forth herein.

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15

IN WITNESS WHEREOF, the parties hereto have executed this Lease as of the date first written above.


LANDLORD:

RIDGEFIELD PROPERTIES, LLC,
a Kentucky limited liability company

By:

Name:

Title:


Anjum Box
Managing Partner

TENANT:

LEXINGTON FAYETTE URBAN COUNTY GOVERNMENT
an Urban County Government

By:

Name:

Title:


Linda Gorton
Mayor

EXHIBIT A

