

FIRST AMENDMENT TO LEASE

THIS FIRST AMENDMENT TO LEASE (“**Amendment**”) is made as of the 17th day of December, 2015, by and between the **COMMONWEALTH OF KENTUCKY** (“**Lessor**”), for the use and benefit of the University of Louisville, an agency of the Commonwealth of Kentucky, and **NORTON HOSPITALS, INC.**, a Kentucky nonprofit corporation, and **NORTON HEALTHCARE, INC.**, a Kentucky nonprofit corporation (collectively, “**Lessee**” or “**Norton**”).

RECITALS

WHEREAS, Lessor and Lessee (by its predecessor NKC, Inc.) are parties to that certain Lease dated December 8, 1981 (the “**Lease**”) pursuant to which Lessee leases from Lessor certain real property located in Jefferson County, Kentucky, as more particularly described in the Lease, upon which Lessee has constructed and currently owns and operates a pediatric healthcare facility located at 231 East Chestnut, Louisville, Kentucky, presently known as Kosair Children’s Hospital (“**Kosair Children’s Hospital**”);

WHEREAS, Norton has agreed to expend an aggregate total of no less than \$35 million in capital improvements and repairs to Kosair Children’s Hospital over the next five years in reliance on the covenants set forth in this agreement;

WHEREAS, clarification of certain rights and obligations under the Lease will promote certainty and induce further investment in the hospital by Norton;

NOW, THEREFORE, in exchange for the mutual consideration set forth herein, it is hereby agreed by and between the parties:

1. That the Lease is hereby amended to clarify and provide:
 - a. Norton shall not be in default under this Lease if the University of Louisville unilaterally determines not to continue its academic affiliation in pediatrics at Kosair Children’s Hospital.
 - b. Except for the payment of rent for the renewal term and the capital expenditures referenced in the second recital above, any and all past, present, and future financial obligations in this Lease have been satisfied.
 - c. Except as provided in the next sentence, the initial remedy for breach of this Lease shall be specific performance. The Lease may be terminated only if a court finds in a final non-appealable order or judgment that Lessee is in default of its Lease obligations and Lessee fails to cure that default within a reasonable period of time thereafter.
 - d. Only the Commonwealth, as Lessor, may assert a claim for breach or default of the Lessee’s obligations under this Lease.

e. This Lease and the incorporated August 12, 1981 agreement concern only the land at 231 East Chestnut, Louisville, Kentucky, and do not impose obligations with respect to any other location.

2. All terms and conditions of the Lease that are inconsistent with the terms of this Amendment, including those portions of Paragraphs 12 and 14, are hereby superseded. All other terms and conditions of the Lease not specifically amended by or inconsistent with this Amendment shall remain in full force and effect.

3. This Amendment may be executed in any number of counterparts, each of which shall be deemed an original, but all such counterparts together shall constitute one and the same instrument.

4. This Amendment shall be binding upon and inure to the benefit of Lessor, Lessee, any third party beneficiaries of the Lease, and their respective successors and assigns.

5. This Amendment shall be construed by and enforced under the laws of the Commonwealth of Kentucky (without regard to the conflict-of-laws principles thereof).

[signatures appear on next page]

IN WITNESS WHEREOF, the parties by their duly authorized officers have executed this Amendment as of the date first above written.

LESSOR:

COMMONWEALTH OF KENTUCKY

By: William M. Randrum
Secretary Finance and Administration Cabinet

Date: 21 Dec 2015

LESSEE:

NORTON HEALTHCARE, INC.

By: Stephen A. Williams
Chief Executive Officer

Date: 12-17-2015

NORTON HOSPITALS, INC.

By: Stephen A. Williams
Chief Executive Officer

Date: 12-17-2015

Reviewed, acknowledged and recommended by:

UNIVERSITY OF LOUISVILLE

By: James R. Ramsey
James R. Ramsey, Ph.D
President

Date: 12-17-2015