

LEASE AGREEMENT

This Sublease made as of this ____ day of _____, _____, between TITAN RESEARCH & DEVELOPMENT LOUISVILLE LLC, a Delaware limited liability company, (hereafter referred to as “Sub landlord”), and LOUISVILLE/JEFFERSON COUNTY METRO GOVERNMENT, (hereafter referred to as “Subtenant”).

WITNESSETH:

In consideration of the rents to be donated, the covenants, conditions, terms, and provisions herein stated, Sub landlord does hereby sublease to Subtenant, and Subtenant does hereby sublease from Sub landlord, and Subtenant and Sub landlord do hereby warrant, covenant and agree each with the other as herein set forth.

TERM

The initial term of this Sublease shall begin as of the ____ day of _____, _____, and shall continue thereafter for successive terms of one year each, up to a maximum of five (5) years, unless sooner terminated pursuant to the terms of this Sublease. Each annual successive Sublease term shall be automatically extended for another year subject to either party’s right at any time to elect to terminate the Sublease for any reason whatsoever, with or without cause, by giving the other party sixty (60) days written notice in accordance with the Section styled “NOTICE” of this Sublease.

DEMISED PREMISES

The “Demised Premises” are located at Airport Industrial Center, Southside Drive, Louisville, KY 40214 and consists of approximately 15,000 square feet located in Building 70 and 1,000 square feet in Building 68, the location of said buildings and Demised Premises is more particularly described on Exhibit A, attached hereto and made a part hereof.

SUBLANDLORD’S COVENANTS

Sub landlord warrants and covenants as follows:

- a) Sub landlord owns a leasehold interest to the Demised Premises pursuant to an Amended and Restated Lease of Real and Personal Property dated August 19th, 2016, between Louisville Redevelopment Authority, Inc. as Landlord and Titan Research & Development Louisville LLC as Tenant (the “Master Lease”);
- b) The Master Lease is valid and existing, there are no existing defaults on the part of the Landlord or the Tenant with respect thereto, and the Landlord does not hold any claim against the Tenant;
- c) has the full right, power and authority to execute this sublease and to Sublease the Demised Premises as provided in this Sublease and to carry out all of its obligations pursuant to this Sublease;
- d) To the best of Sub landlord’s knowledge, use of the Demised Premises for the purposes contained in the Section styled “USE OF PREMISES” of this Sublease is not a

violation of the Master Lease or of any law or regulation of any governmental authority or to any restrictions in the title to the Demised Premises prohibiting such use;

e) To the best of Sub landlord's knowledge, Demised Premises are in compliance with applicable building codes, zoning regulations, and other applicable governmental laws and regulations; and

f) Subtenant shall peaceably and quietly have, hold and enjoy the Demised Premises for the full term of this Sublease including any renewal or extension periods.

RENT

In consideration of Sub landlord's desire to support local law enforcement and its belief that a police presence on the Demised Premises will help deter crime and enhance the security of Sub landlord's premises, Sub landlord shall make a charitable donation of the fair market rental value of the Demised Premises to Subtenant and Subtenant shall not be required to pay any rent or utility charges to Sub landlord during the term of this Sublease.

UTILITIES & SERVICES

Sub landlord shall provide all utilities for the Demised Premises, including water, gas and electricity, as may be required by the Subtenant. Subtenant shall be responsible for payment of all monthly internet and telecommunications bills for the Demised Premises. Civilian watchman services currently engaged by the various defense contractors will remain on the Demised Premises paid for and directed by the defense contractors. Sub landlord shall be responsible for snow removal for the Demised Premises including all common areas and exterior walkways.

Although Subtenant cannot make any specific time commitment to an on-site presence of personnel at the Demised Premises, it is the intent of Subtenant to be as visible as possible in showing a police presence at the Demised Premises including both the coming and going of uniformed officers and marked police vehicles.

USE OF PREMISES

Subtenant shall use the Demised Premises as office space, warehouse storage, staging area, and space for exercise, training and drills for Louisville Metro Police Department's Special Operations Units which may include, but not be limited to: SWAT Team, Bomb Squad Unit, Hazardous Incident Response Team , and Special Response Team).

ALTERATIONS

The Subtenant may, at its own expense, alter, make additions and improvements to the Demised Premises during the initial and subsequent terms of this Sublease upon the written consent of the Sub landlord, which Sub landlord agrees not to unreasonably withhold, condition, or delay.

All alterations, additions, and improvements that cannot be removed without substantially damaging the Demised Premises shall become a part of the Demised Premises and shall remain and be surrendered with the Demised Premises. All other items that can be removed without substantially damaging the Demised Premises shall remain the property of the Subtenant and shall be removed by Subtenant at termination of this Sublease. These items include but are not limited to trade fixtures, computers, shelving and casework items. All work by Sub landlord and

Subtenant shall be in accordance with all applicable laws, regulations, etc. for this type of occupancy.

The subtenant is granted permission to install category 6 cabling to the locations it is occupying. If Sub-landlord elects to terminate the sub-lease in less than 24 months sub-landlord shall reimburse subtenant for capital improvements at a rate of \$2,300 per month for the months less than the 24 month period.

ENVIRONMENTAL HAZARDS

Sub landlord represents covenants, and warrants to Subtenant that to the best of Sub landlord's knowledge there are no environmental hazards on or about the Demised Premises. For purposes of this Sublease environmental hazards shall include all hazardous or toxic substances regulated or prohibited by federal, state or local law, rule, order or regulation, including without limitation asbestos, polychlorinated byphenols (PCB's) and petroleum products and their byproducts.

Sub landlord shall notify Subtenant in writing within thirty (30) days of all spills or releases of any toxic or hazardous substances on the Demised Premises or the migration or suspected migration of any toxic or hazardous substances from other property onto or beneath the Demised Premises and all responses or interim cleanup action taken by or proposed to be taken by any government entity or private party on the Demised Premises.

Any unreasonable interference with Subtenant's operations resulting from the presence of environmental hazards on, under, in, or adjacent to the Demised Premises or from abatement work not caused by Subtenant shall be a material default for which Subtenant may exercise any remedies set forth in this Sublease, including, but not limited to terminating this Sublease.

Sub landlord agrees to indemnify, defend (with counsel satisfactory to Subtenant), and hold Subtenant and its elected and appointed officers, employees, contractors, and agents harmless from any claims, judgments, damages, penalties, fines, expenses, liabilities, or losses arising during or after the Sublease term out of or in any way relating to the presence, release, or disposal of Toxic or Hazardous Substances on or from the Demised Premises, or to a breach of the environmental warranties made by Sub landlord above, unless the Toxic or Hazardous Substances are present solely as a result of the actions of Subtenant, its officers, employees or agents acting within their scope of employment or agency. The provisions of this indemnification shall survive the expiration or sooner termination of this Sublease.

INDEMNIFICATION

Sub landlord shall indemnify, defend, and hold harmless Subtenant, its elected and appointed officials, directors, agents and employees from and against any and all claims, demands, causes of action, judgments, costs and expenses (including, without limitation, the fees and expenses of attorneys), and all losses and damages to the extent arising from the negligence or willful misconduct of Sub landlord or its employees acting within the scope of their employment with respect to this Sublease, provided that such claim, demand, cause of action, judgment, costs, expense, loss or damage is (i) attributable to personal injury, bodily injury, sickness, disease or death, or to any injury to or destruction of property, including the loss of use therefrom and (ii)

not proximately caused by any negligent act or omission of Subtenant or its employees acting within the scope of their employment. The provisions of this Section shall survive the expiration or sooner termination of this Sublease.

INSURANCE REQUIREMENTS FOR SUBLANDLORD AND DAMAGE TO PREMISES

Sub landlord shall, during all terms of this Sublease, maintain in full force and effect fire and extended coverage insurance on the building and improvements containing the Demised Premises. In order to prevent a claim of subrogation by Sub landlord's insurer and because the building insurance is for the benefit of both Sub landlord and Subtenant, Sub landlord agrees to waive any claim against Subtenant for damage to the premises caused by negligence of Subtenant, its agents, employees, guests or invitees to the extent of the insurance that Sub landlord is required by this Sublease to carry on the building.

In the event that the Demised Premises are damaged by casualty so that the Demised Premises are not habitable in whole or part, Sub landlord shall promptly restore the Demised Premises and all improvements at Sub landlord's cost within 90 days of the casualty. In the event that such casualty occurs within 90 days of the end of any term hereunder, and the parties have not agreed for renewal of the Sublease, then Sub landlord shall be under no responsibility to restore the premises and all improvements. If Sub landlord fails to restore as set out above, Subtenant may terminate this Sublease. In the event that the damage to the premises cannot be reasonably restored within 90 days of the casualty, Sub landlord shall not be in default if it promptly begins restoration and diligently pursues completion of restoration, even though such takes longer than 90 days from the time of casualty. Subtenant shall give Sub landlord immediate written notice of any damage to, or destruction of the Demised Premises.

Sub landlord shall, during all terms of this Sublease, maintain in full force and effect Comprehensive General Liability coverage via the Occurrence Form, with a \$1,000,000 Combined Single Limit for any one Occurrence and \$2,000,000 aggregate for Bodily Injury, Personal Injury and Property Damage. The Subtenant shall be named as an additional insured under the Sub landlord's Comprehensive General Liability coverage with respect to the operations of the Sub landlord performed relative to this Sublease Agreement.

Upon execution of the Sublease Agreement, the Sub landlord shall provide to the Subtenant a Certificate of Insurance evidencing the above insurance coverages. The Certificate Holder shall read: Louisville/Jefferson County Metro Government, 745 West Main Street Street, Suite 300, Louisville, KY 40202, Attn: Property and Leasing. Above insurance coverages are to remain in effect during the entire term of the Sublease Agreement.

INSURANCE REQUIREMENTS FOR SUBTENANT

Pursuant to Ordinance No. 11, Series 2003, Subtenant is self-insured for all properly asserted General Liability claims brought against it to which Subtenant does not otherwise have a legal defense. In addition, Subtenant agrees to keep in full force and effect Excess Self Insurance coverage for all properly asserted claims brought against it to which Subtenant does not otherwise have a legal defense, covering Bodily Injury, Property Damage, and Personal Injury Liability under the "Louisville Area Governmental Self Insurance Trust", as long as such

coverage is available. The Limit of Liability provided by such Excess coverage shall be at least \$1,000,000.00 per Occurrence under a Combined Single Limit format. Subtenant agrees to provide Sub landlord with a Certificate of Self Insurance from the Louisville Area Governmental Self Insurance Trust.

Subtenant acknowledges that it will make arrangements for insurance on its contents within the Demised Premises to the extent desired by Subtenant.

SUBORDINATION AGREEMENT AND ESTOPPEL CERTIFICATES

Subtenant agrees to execute a Subordination Agreement and Estoppel Certificates if requested by Sub landlord's Lender. However, the terms of a Subordination Agreement or Estoppel Certificate shall not conflict in any way with the terms of this Sublease. In addition, any Subordination Agreement shall be limited to an agreement by Subtenant to:

- a) subordinate this Sublease to the Security Documents of the Lender;
- b) recognition by Subtenant of the Lender as its Sub landlord in the event that Lender succeeds to the interest of Sub landlord;
- c) give copies of notices to Lender of Sub landlord defaults;
- d) accept performance by Lender of Sub landlord obligations under the Sublease.

The terms of any Estoppel Certificate shall be limited to the following statements, if true:

- a) the Sublease is in full force and effect;
- b) there are no other agreements between Sub landlord and Subtenant except as set out in the Sublease;
- c) Subtenant is open for business and occupying the Demised Premises;
- d) Subtenant has not given notice of termination of the Sublease;
- e) There are no uncured defaults by Sub landlord;
- f) Subtenant is obligated to pay rent as set out in this Sublease and Subtenant has not prepaid any rent other than rent for the current month;
- g) Subtenant is not currently a debtor in bankruptcy.

Notwithstanding the foregoing, Subtenant's agreement to subordinate this Sublease to Sub landlord's or Sub landlord's Lender shall be conditioned upon Lender's agreement to not disturb Subtenant's possession of the Demised Premises so long as Subtenant is not in default under this Sublease beyond any applicable grace or cure period provided for herein. Furthermore, if Sub landlord's or Sub landlord's Lender or any other person or entity (a "Successor Sub landlord or Successor Lender") acquires the Demised Premises through foreclosure, deed in-lieu of foreclosure, or other proceeding to enforce Lender's security documents, Subtenant's possession of the Demised Premises will not be disturbed and this Sublease will continue in full force and effect between Successor Sub landlord or Successor Lender and Subtenant.

MAINTENANCE

Sub landlord shall provide heating and air conditioning ("HVAC") equipment in excellent working condition and of adequate capacity to heat and cool the Demised Premises. Maintenance of HVAC shall be the responsibility of Sub landlord.

Sub landlord shall maintain in watertight condition the exterior of the premises, including the exterior walls, roof, flashing, gutters, downspouts, and foundation.

Sub landlord shall provide and pay for all maintenance for all common areas, including but not limited to walkways, steps, parking area, fencing, grounds and shrubs.

Sub landlord warrants that fire suppression and alarm systems shall be in excellent working condition at the beginning of the Sublease term and agrees to keep the fire suppression and security alarm systems in such condition throughout the Sublease term.

sub landlord shall keep in good condition the interior of the Demised Premises, including interior walls, all windows, doors, light fixtures, floor coverings, ceiling and walls (ordinary wear and tear excepted).

sub landlord shall be responsible for providing all maintenance of the electrical and plumbing systems in the interior of the Demised Premises.

SIGNS

Subtenant shall not paint, place or erect any sign on any part of the Demised Premises without obtaining appropriate permits and Sub landlord's permission, which permission shall not be unreasonably withheld.

NON-ASSIGNMENT

Subtenant shall not assign this Sublease or sublet the Demised Premises or any part thereof or permit any other person, firm or corporation to occupy the Demised Premises or any part thereof without written consent of sub landlord, which consent shall not be unreasonably withheld, conditioned or delayed.

PARKING

Subtenant shall be allowed the non-exclusive use of the parking areas located at the Demised Premises.

HOLD OVER TENANCY

If, without the execution of a new Sublease or written extension, Subtenant shall hold over after the expiration of the Sublease term, Subtenant shall be deemed to be occupying the Demised Premises as a Subtenant from month to month, which tenancy may be terminated as provided by law. During such tenancy, Subtenant agrees to pay to Sub landlord the same rate of rent as set forth herein, unless a different rate is agreed upon, and to be bound by all terms, covenants and conditions as herein specified.

NOTICES

All notices provided for in the Sublease shall be sent to the follow addresses:

SUBLANDLORD:

Titan Research & Development Louisville LLC
119 Rochester Drive-Building 89

Louisville, KY 40214
ATTENTION: John McLaren
SUBTENANT:

Louisville/Jefferson County
Metro Government
745 W. Main St. Suite 300
Louisville, Kentucky 40202
ATTENTION: Property and Leasing Manager

COPY TO:

Louisville Metro Police Department
633 West Jefferson Street
Louisville, KY 40202
ATTENTION: Chief of Police

DEFAULT

In the event that Subtenant or sub landlord fails to comply with any term of this Sublease, written notice by certified mail shall be given to the defaulting party that is has 30 days (or a reasonable, shorter time in the case of an emergency) in which to cure the default or the Sublease shall terminate. If the default cannot reasonably be cured within 30 days, the Sublease shall not terminate if the defaulting party begins action within 30 days to cure the default and diligently pursues it to completion.

In lieu of terminating the Sublease, upon the failure of the defaulting party to take appropriate action to cure its default within 30 days (or shorter time period if appropriate), the non-defaulting party may undertake to cure the default and invoice the defaulting party for the cost of curing such default. The defaulting party shall pay the invoice within 30 days of receipt of the invoice. Failure to pay such invoice within 30 days of receipt shall constitute grounds for termination of the Sublease by the non-defaulting party.

INSPECTION

sub landlord shall have the right to inspect the Demised Premises at any time with 24 hour notice.

BINDING EFFECT

This Sublease shall be binding on the parties, their personal representatives, successors and assigns.

ENTIRE AGREEMENT

This Sublease contains all the terms of the agreement between the parties and there are no other written or verbal agreements, representations or warranties that are not a part of this Sublease.

All prior negotiations between the parties are merged herein. Modifications to this Sublease must be in writing and signed by all parties to this Sublease.

GOVERNING LAW

This Sublease shall be governed by the law of the Commonwealth of Kentucky. The parties agree that venue for all disputes shall be in the state courts of Jefferson County, Kentucky or the United States District Court for the Western District of Kentucky at Louisville.

SEVERABILITY

If any provision of this Sublease shall be declared invalid or unenforceable, the remainder of the Sublease shall continue in full force and effect.

COMMISSION

sub landlord shall be responsible for payment of any and all real estate commissions and fees as may be appropriate. Subtenant warrants that it has not engaged anyone for which a claim for commission may be made regarding this transaction.

NEUTRAL CONSTRUCTION

Each of the parties to this Sublease have had the opportunity to fully review the terms and conditions of this Sublease with legal counsel of their choosing and hereby agree that any interpretation of the Sublease shall not be construed against the party who drafted this Sublease

AUTHORITY TO ACT

Each party to this Sublease hereby covenants to each other that it has full power and authority to enter into and perform its obligations under this Sublease and the persons executing this Sublease on their behalf are duly authorized to do so by all requisite action.

COUNTERPARTS

This Agreement may be signed by different parties on different counterpart copies hereof, and said counterparts shall together constitute a single agreement.

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[SIGNATURE PAGES TO FOLLOW]

IN TESTIMONY WHEREOF, WITNESS the signature of the parties hereto the day and year first above written.

SUBTENANT:
LOUISVILLE/JEFFERSON COUNTY
METRO GOVERNMENT

APPROVED AS TO FORM:
Michael J. O'Connell
Jefferson County Attorney

BY: _____

BY: _____

PRINT NAME: _____

Edward S. Carle
Asst. Jefferson County Attorney

TITLE: _____

DATE: _____

SUBLANDLORD:
TITAN RESEARCH & DEVELOPMENT
LOUISVILE LLC

BY: _____

PRINT NAME: _____

TITLE: _____

DATE: _____