



FINANCE AND BUDGET

June 7, 2024

2024-25 OPERATING BUDGET

REQUEST:

Approve the 2024-25 Operating Budget.

FACTS:

The *WKU 2024-25 Operating Budget* is WKU’s financial plan for the fiscal year beginning July 1, 2024 and ending June 30, 2025. The FY 2025 Operating Budget is \$394.2 million and includes revenues and expenditures from Educational and General (E&G), Restricted, and Auxiliary Enterprises. E&G consists of unrestricted revenue (primarily state appropriation and tuition and fees) and are resources that are to be utilized at the discretion of the university. Restricted funds are a separately identified resource which agencies have placed limitations on how the funds may be used (primarily federal and state funds for student financial aid and grants and contracts). Auxiliary Enterprises revenue is from the self-supporting activities of WKU such as housing (reimbursed costs from the Student Life Foundation) and the WKU Restaurant Group.

Revenue Highlights

FY 2025 budgeted revenue by source:

Revenue	FY 2024	FY 2025	\$ Change	% Change
Tuition and Fees	178,845,000	184,154,000	5,309,000	3%
State Appropriations	83,449,700	86,741,900	3,292,200	4%
Grants & Contracts	61,530,000	72,625,000	11,095,000	18%
Other Revenue	19,284,400	18,269,000	1,015,400	-5%
Sales & Services	15,317,000	17,315,100	1,998,100	13%
Auxiliary	13,933,000	15,125,000	1,192,000	9%
Budget Realignment Strategy				
RAMP - One time strategy	3,964,900	0	3,964,900	-100%
Carry Forward	13,620,000	0	13,620,000	-100%
Total	\$389,944,000	\$394,230,000	\$4,286,000	1%

Tuition and Fees

The Kentucky Council on Postsecondary Education (CPE) has the statutory authority to determine and approve tuition rates for Kentucky’s public universities. In March of 2023, CPE adopted resident undergraduate tuition and mandatory fee ceilings for academic years 2023-24 and 2024-25, enabling universities to increase tuition rates by a maximum of 5.0% over the two years and an increase of no more than 3.0% in any one year.

While recognizing the university’s fiscal challenges, it is essential that affordability be maintained for our students and their families. University leadership is recommending a 2% increase for the 2024-2025 academic year.

Expenditure Highlights

FY 2025 budgeted expenditures:

Expense	FY 2024	FY 2025	\$ Change	% Change
Salaries and Wages	131,090,000	137,274,000	6,184,000	5%
Fringe Benefits	52,629,000	56,997,000	4,368,000	8%
Total Personnel	183,719,000	194,271,000	10,552,000	6%
Student Financial Aid	114,847,000	124,050,000	9,203,000	8%
Operating	46,897,000	45,748,000	1,149,000	-2%
Maintenance	15,432,000	20,138,000	4,706,000	30%
Debt Service	17,008,000	16,635,000	373,000	-2%
Utilities	9,641,000	9,340,000	301,000	-3%
Travel	7,205,000	8,022,000	817,000	11%
Budget Realignment Strategy				
Prior Credit Balance	4,805,000		4,805,000	-100%
Budget Alignment Strategies		23,974,000	23,974,000	N/A
Total	389,944,000	394,230,000	4,286,000	1%

Personnel

For FY 2025, the Budget Executive Committee (BEC) recommended a university-wide salary increase pool of 2% for January 2025. This recommendation was accepted by executive leadership.

RECOMMENDATION:

President Timothy C. Caboni recommends that the Board of Regents approve the 2024-25 Operating Budget.

MOTION:

Approve the 2024-25 Operating Budget.



OPERATING BUDGET

2024-2025



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OFFICE OF THE PRESIDENT

April 25, 2024

MEMORANDUM

TO: Board of Regents
Mr. W. Currie Milliken, Chair Ms. Jan M. West, Vice Chair
Ms. Doris C. Thomas, Secretary Mr. Sam T. Kurtz
Ms. Melissa B. Dennison Dr. Phillip W. Bale
Ms. Linda G. Ball Ms. Cynthia J. Nichols
Dr. Shane Spiller Mr. David S. Brinkley
Mr. Gary L. Broady

FROM: Timothy C. Caboni 
President

SUBJECT: 2024-25 Western Kentucky University Operating Budget

Enclosed for your review and approval is the proposed Western Kentucky University operating budget for the fiscal year that begins July 1, 2024, and ends June 30, 2025. The fiscal year 2025 operating budget for WKU is \$394,230,000.

At WKU, our mission is to combine exemplary educational opportunities with diverse and robust student experiences. The FY25 budget contains funding to achieve those goals while also continuing to be fiscally responsible. It also demonstrates the institution's commitment to access and opportunity by prioritizing the funding of student financial assistance. In addition, this budget provides a 2% salary increase pool for faculty and staff as recommended by the Budget Executive Committee, invests in academic programs and includes a 2% tuition rate increase.

With the funding approved in previous budgets, we developed strategies to ensure that every student we enroll has the opportunity to be successful and graduate. Due to the effectiveness of these strategies, we celebrated remarkable results this year, including the first increase in overall degree-seeking enrollment in 13 years and a 78% first-to-second year retention rate - the highest in recorded university history. The FY25 budget is set to continue that success and fund the programs necessary to assist faculty and staff in their recruitment and retention efforts.

The Spirit Makes the Master

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phone: 270-745-4346 | fax: 270-745-4492 | web: www.wku.edu

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The FY25 budget process began early last fall with Budget Executive Committee and Capital Allocation Committee meetings. These committees, consisting of representatives from faculty, staff and students, play an essential role in our budget development process, and I appreciate their collaboration and valuable input. An integral part of any RCM budget model is the reliance on shared governance and the commitment to decentralized decision making. During the planning process, academic and administrative units from all divisions of the university worked together to not only provide a vast perspective of ideas, but to also represent and inform their peers within their division – fostering both a transparent budget and a more engaged workforce.

Thank you for your review of the FY25 budget, one that utilizes the funding available to support WKU's strategic plan, *Climbing to Greater Heights*, and our mission of transforming lives.

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WKU Board of Regents



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Mr. David Brinkley
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Dr. Melissa B. Dennison
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Mr. Sam T. Kurtz
Student Regent

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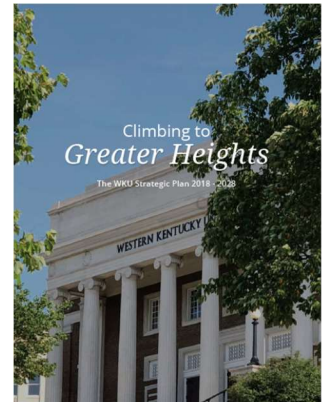
Executive Summary

Introduction

Western Kentucky University (WKU), home of the Hilltoppers, is a state-supported university located in Bowling Green, KY, the state’s third most populous city. Our hilltop campus is a place of beauty and friendliness. WKU continues to be a strong community partner in Bowling Green and beyond, by preparing students of all backgrounds to be productive, engaged, and socially responsible citizen-leaders of a global society. The university provides research, service, and lifelong learning opportunities for its students, faculty, and other constituents. WKU enriches the quality of life for those within its reach. WKU’s total enrollment is approximately 16,800 with five academic colleges offering undergraduate, graduate, and doctoral degrees.

Climb With Us - Climbing to Greater Heights

The 2023-24 academic year completed the sixth year of the WKU Strategic Plan, *Climbing to Greater Heights 2018-2028*. The Strategic Plan Implementation Committee evaluated the progress made to date and concluded that WKU is on or ahead of schedule for most of the goals at the midpoint of the strategic plan. The reaffirmation process through the Southern Association of Colleges and Schools Commission on Colleges (SACSCOC) is underway with final reports for this cycle due in 2024 and 2025. Accompanied by the merger of the WKU and College Heights Foundations, WKU concluded its most successful decade of fundraising to further learning opportunities within and outside the classroom for our students. WKU provides an affordable, student-centered, total college experience where in class learning and applied research combine to prepare students to live and excel in a global society.



Climb with Us – Our Students



OUR
STUDENTS

Affordability & Accessibility

WKU is committed to student financial assistance providing an affordable college experience

The WKU Opportunity Fund was established to provide student assistance

A Diverse Body of Students

Work with regional educational systems to provide educational opportunities through outreach

Establish regional, national and international conduits for attracting students

Completion & Success

WKU is committed to student success by enhanced programs to increase student retention and completion

Climb With Us – Our Hill



Sustainable Budget Model

The implementation of the RAMP model has provided more transparency as well as been the driver of innovative initiatives

A Culture of Innovation

A continued commitment to innovation within the academic units as well as the success of the WKU Innovation Campus is an essential part of the university's current and future success

Research & Creative Activities

WKU is committed to being an applied research institution which breeds success for our students

Climb with Us – Our Community

OUR

Community and Beyond

Henry Hardin Cerry's decision to locate WKU high on a hilltop in beautiful Bowling Green, Kentucky, was intentional. Overlooking the city from the Hill was symbolic of President's Cherry's commitment to caring for the community by education its citizens. Today, WKU is an economic engine for the region and the commonwealth, and our reach extends across the globe through our faculty, staff, students, and alumni. This plan recognizes the need for WKU to be intentional in our partnerships with the in the communities that surround us, to be actively engaged in elevating the economies in those communities, and to build the talent pipeline that will fuel the future workforce for the commonwealth.

A Regional Lighthouse

WKU is the key to regional success by developing the necessary skilled workforce to enhance the economic development of South Central Kentucky and the region

Continuing Education

By continuing to promote and provide targeted education with corporate partnerships, the university can help maintain the skills necessary in the new and changing economy.

Quality of Life

The quality of life is a high priority of the university, from the benefits offered to employees, to the cultural programs available to the region. With numerous offerings from multicultural events to the arts and athletics, the university is critical to the entire city, county and region.

Budget Governance Structure

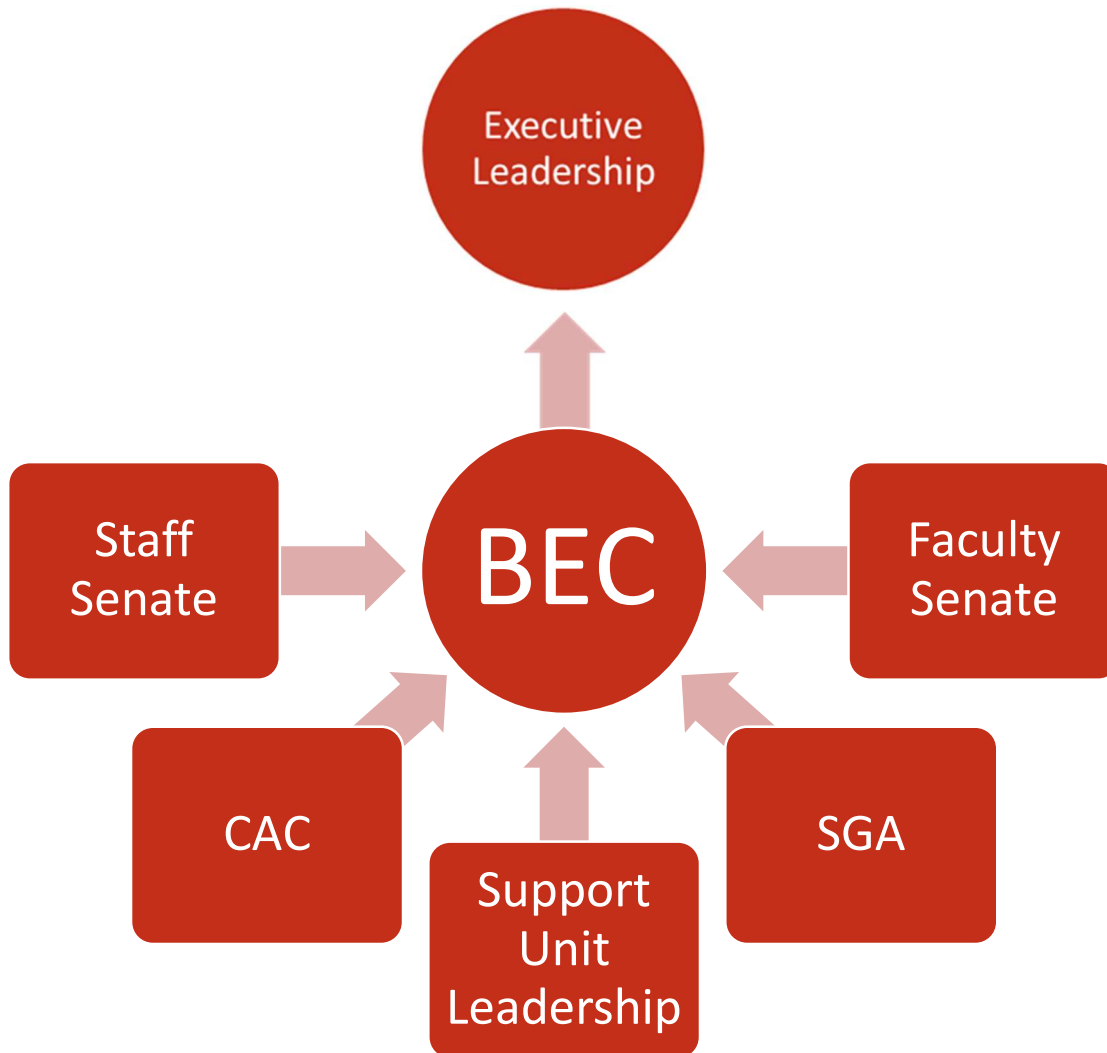
The campus community's input plays a vital role in the budget planning process at WKU. Our budget development process is a comprehensive planning effort and reflects a collaborative environment, guided by continuous discussions among deans, support unit leaders, budget governance committees, and campus leadership. This inclusive process ensures that decision-making considers the perspectives of all relevant parties, upholding our commitment to shared governance and transparency as we develop budgets that align with the WKU strategic plan, *Climbing to Greater Heights 2018-2028*.

The governance structure under RAMP includes the Budget Executive Committee (BEC) and Capital Allocation Committee (CAC). These committees comprise broad campus representation, which include faculty, staff, student, and administrative representation.

Development of the FY 2025 budget began in the fall with meetings of the budget governance committees, the Axiom budgeting and labor management software opening to deans, vice presidents, and budget managers, and initial enrollment and tuition revenue projections. Several budget updates, enrollment projections, and budget scenarios were shared with the BEC throughout the planning process to help inform and assist committee members with budget priorities and salary increase recommendations. In April, the BEC completed its charge and made a salary increase recommendation to campus leadership.

Figure 1 summarizes the many opportunities for the campus community to provide input into the budget development process.

Figure 1: Budget Governance Structure



Members of the BEC include faculty, staff, and administration, as well as representatives of the faculty and staff Senates and the Student Government Association. The committee’s objectives are to review recommendations from vice presidents and the Provost regarding support unit budget requests, recommend strategic funding priorities, and conduct outreach across university on resource allocation priorities. The committee also submits final budget recommendations to campus leadership.

Budget Executive Committee

Chairs:

Corinne Murphy
Dean of College of Education & Behavioral Sciences

Jordan Basham
Staff Senate Chair

Members:

Evelyn Thrasher
Dean of Gordon Ford College of Business

David Brown
Dean of Ogden College of Science and Engineering

Tania Basta
Dean of College of Health & Human Services

Terrance Brown
Dean of Potter College of Arts & Letters

Amanda Trabue
Vice President of Philanthropy & Alumni Engagement

Kurt Neelly
Faculty Senate Representative

John-Mark Francis
Assistant Vice President, Marketing & Brand Strategy

Bryson Davis
Director of Student Financial Assistance

John McCammon
Senior Associate Athletic Director

Ron DeMarse
Faculty Representative

John Sunnygard
Associate Provost for Global & International Affairs

Susan Eagle
Faculty Senate Chair

Kirk Atkinson
Faculty Senator

Jason Cansler
Staff Senate

Anthony Paganelli
Faculty Senator

Holli Drummond
Faculty Representative

Ron Demarse
Faculty Representative

Brian Campbell
Staff Senate Representative

Salvador Leon
Student Government Association Representative

Jeppie Sumpter
Assistant Vice President for Information Technology Services

Non-Voting Members:

Robert Fischer *Provost & Vice President for Academic Affairs*

Susan Howarth *Executive Vice President for Strategy, Operations and Finance*

Bruce A. Schulte *Associate Vice President for Strategy, Performance & Accountability*

Renaldo Domoney *Assistant Vice President for Budget, Finance & Analytics*

Brian Dinning *Executive Director of Budget and Financial Planning*

Jessica Gilland *Director of Academic Budgets & Resources*

The CAC is comprised of faculty, staff, and administration representation and is tasked to advise the BEC and university regarding the use and allocation of academic space and deferred maintenance fund requests. The committee ensures that the university uses its space and fiscal resources as effectively and efficiently as possible in furtherance of the WKU Strategic Plan.

Capital Allocation Committee:

Co-Chairs:

David Brown
Dean of Ogden College of Science and Engineering

Bryan Russell
Chief Facilities Officer

Members:

Tania Basta
Dean of College of Health & Human Services

Rodney Hounshell
Inventory Control Coordinator

Morgan Moran
Staff Senate Representative

Ken Branch
Director of Facilities Management

Jessica Steenberg
Scheduling Applications Coordinator

Les Forsythe
Senior Associate Athletic Director

Amy Fugate
Accounting & Financial Reporting Director

Travis Wilson
Academic Department Chair

Ron Ramsing
Faculty Member

Non-Voting Members:

Brian Dinning
Executive Director of Budget & Financial Planning

Renaldo Domoney
Assistant Vice President for Budget, Finance & Analytics

Bruce A. Schulte
Associate Vice President for Strategy, Performance & Accountability

Joshua Montgomery
GIS Specialist

Budget Priorities

The FY 2025 Budget is WKU’s financial plan for the fiscal year beginning July 1, 2024, and ending June 30, 2025. The FY 2025 Operating Budget is \$394.2 million and includes revenues and expenditures from Education & General (E&G), Restricted, and Auxiliary Enterprises. E&G revenue consists of unrestricted revenue (primarily state appropriation and tuition and fees). Restricted funds are a separately identified resource which agencies have placed limitations on how the funds may be used (primarily federal and state funds for student financial aid and grants and contracts). Auxiliary Enterprises revenue is from self-supporting activities of WKU such as housing (reimbursed costs from the Student Life Foundation) and the WKU Restaurant Group.

Table 1: WKU Total Budget

Fund	FY 2024	FY 2025	\$ Change	% Change
Education & General Funds	314,374,000	306,373,000	8,001,000	-3%
Unrestricted E&G	304,831,700	297,401,000	7,430,700	-2%
Revenue Dependent E&G	9,542,300	8,972,000	570,300	-6%
Restricted Funds	59,783,000	70,878,000	11,095,000	19%
Auxiliary Enterprises	15,787,000	16,979,000	1,192,000	8%
Total Budget	\$389,944,000	\$394,230,000	\$4,286,000	1%

The university places a strong emphasis on fulfilling its mission to support the success of its students, which guides its fiscal decision-making process and rewards strategic performance throughout the organization. The FY 2025 budget priorities include funding for the following important initiatives:

Figure 2: FY 2025 Budget Priorities



The university established an enrollment council to review the historical scholarship awards and modify the current system in an effort to maximize the benefits to students with unmet needs. This effort will result in keeping tuition affordable for our student body, positioned to be academically successful, while also being fiscally responsible with university funds.

The president is committed to providing annual salary increases. This budget includes a 2% salary pool, which is the fourth consecutive budget to include an increase. In order to recruit and maintain talented employees, this commitment continues to be a top priority.

Innovation in academic initiatives and programs refers to the development and implementation of new majors, teaching methods, incorporating High Impact Practices, modernizing of curriculum, and using advanced technologies to enhance the overall learning experience, and improve educational outcomes to create effective learning environments that prepare students for success in the 21st century.

The goal of innovative academic initiatives and programs is to make learning more individualized, engaging, and effective for students. By embracing innovative academic initiatives and programs, universities can create more dynamic and effective learning environments that help students adapt to the changing needs of the global job market, foster creativity, and critical thinking skills, encourage collaboration and problem-solving abilities, and address the unique learning needs of each student.

At WKU, research plays an integral role in achieving our university mission and differentiating the WKU Experience from that of other institutions across our region. Our undergraduates engage in research typically accessible only to graduate students elsewhere. By enabling them to participate in our

projects, we inspire the next generation of scholars and innovators. The president is committed to funding these opportunities with the strategic investment fund.

The past two years inflation has impacted the operating budget more significantly than in the past. Our strategy includes monitoring the significant increases to ensure funding is available to those impacted the most without making a blanket increase.

Budget Realignment Strategy

Upon President Caboni's arrival in 2017, university leadership began taking steps to address challenges in the university's budget. The budget difficulties at that time were substantial, and correction strategies would need to be applied incrementally. One of the most significant planned strategies was to eliminate the longstanding practice of utilizing an estimate of year-end carry forward funds as a source of revenue to balance the budget, a strategy that is not sustainable nor fiscally prudent. This was a strategy that dated back to 2005, with balances as high as \$29.8M before President Caboni addressed the issue and the balance decreased to \$3.7M. Plans to completely remove this practice from the budgeting process were paused due to declining enrollment and the uncertainty presented by the COVID-19 pandemic. Now that we have navigated out of the uncertainties of the pandemic, including the expiration of HEERF funding, reversed a decade long enrollment and revenue decline and fully implemented the RAMP model, we are poised to take the final step to ensure that we are fully engaged in overall budgetary best practices that lead to long term budget stability. Now the university is experiencing increased revenues due to positive expense controls and our first enrollment increase in 13 years, WKU is well-positioned to realign the budget to match actual revenues to actual expenses.

In addition to the carry forward, there are existing credit balances from prior vacancy elimination initiatives and university-wide reduction plans. These balances total approximately \$4.8 million and are being combined with FY25 anticipated budget increases, including the 2% compensation pool, the increase in employer health insurance premiums and an inflationary pool. These items are all being consolidated so a total budget realignment strategy can be instituted with one target goal. The budget realignment strategy results in a spending plan that closely resembles the FY24 institutional spending targets.

Vice-Presidents and Deans will lead divisional alignment strategies, which include a 10% overhead recovery to be charged to all revenue dependent and auxiliary accounts. This practice is consistent with budgeting policies of many universities and will be utilized to fund administrative charges related to those indexes. This approach provides equity among programs in a decentralized budget model and enables leadership to measure the true cost of a program to guarantee efficiency. We anticipate completing this realignment process within the next two years, with an estimated \$18 million in the first year.

Table 2: Budget Realignment Summary

Revenue Adjustment - \$16.4M

- Carry Forward
- RAMP Subvention

Expenditure Adjustment - \$4.8M

- Vacancy credits
- Reduction Target - University Wide

FY25 Budget Initiatives - \$3.7M

- 2% compensation increase pool
- Employer funded Health Insurance contribution
- Inflationary pool

Resource Allocation, Management and Planning (RAMP)

A key component of “Our Hill” in WKU’s strategic plan necessitates the university to implement a budget model that is sustainable, supports institutional priorities that ensure student success, and rewards strategic performance across the enterprise. Our commitment to the mission of supporting the success of students served as the primary driver of the fiscal decision-making process.

WKU has embraced fiscal responsibility by adopting and fully implementing a decentralized, resource allocation budget model, and completed its transition to the Resource Allocation, Management and Planning (RAMP) budget model last year for the development of the FY 2023 operating budget. Rather than a historical, incremental budgeting process, RAMP is an incentive-based approach that uses the principles of responsibility-centered management (RCM) and is a financial management philosophy that supports decentralized decision-making to allow us to incentivize and reward performance. By assigning ownership of revenues and expenses to the academic colleges, RAMP fosters entrepreneurship, encourages efficiency, and promotes sound educational choices. Administered by the provost, this budget model also establishes a subvention fund to support internal investments for academic colleges based on strategic priorities. The RAMP model is maturing, with this budget being the first time all five academic colleges were in balance, so subvention funds could be used for new initiatives rather than bringing the college out of a deficit. Key principles of the budget model include:

- Create incentives that promote the advancement of campus goals
- Simplicity
- Enhance transparency
- Revenue ownership and accountability for academic units
- Encourage engagement and collaboration

Table 3: FY 2025 RAMP Budget

Metric	College of Health and Human Services	Ogden College of Science and Engineering	Potter College of Arts & Letters	Gordon Ford College of Business	College of Education and Behavioral Sciences	Academic Units Totals
Tuition & Fees	38,364,202	44,622,494	46,502,572	24,825,573	21,966,097	176,280,939
Scholarships, Fellowships, and Waivers	(10,518,945)	(16,269,689)	(17,604,849)	(8,402,377)	(7,098,056)	(59,893,916)
Grants & Contracts	2,125,732	3,979,479	1,259,224	2,000	6,505,898	13,872,333
State Appropriations	16,239,820	21,811,075	19,512,268	9,116,068	14,026,244	80,705,476
Other Revenue	284,607	1,449,520	377,613	441,545	2,598,163	5,151,449
Total Revenues	46,495,417	55,592,879	50,046,828	25,982,810	37,998,345	216,116,280
Total Direct Expenses	25,006,249	31,005,738	24,445,600	13,513,400	22,014,673	115,985,660
Total Indirect Expenses	18,357,191	19,748,608	15,980,889	10,016,040	15,381,678	79,484,406
Total Expenses	43,363,440	50,754,345	40,426,489	23,529,440	37,396,351	195,470,066
Margin	3,131,977	4,838,534	9,620,339	2,453,370	601,994	20,646,214
Participation Fee Payment (Outflow)	(6,990,389)	(8,340,158)	(8,550,729)	(4,307,633)	(4,668,214)	(32,857,124)
Margin for Subvention Pool Disbursement	(3,858,412)	(3,501,624)	1,069,610	(1,854,264)	(4,066,220)	(12,210,909)
Subvention Fund Disbursement (Inflow)	3,858,412	3,501,624	0	1,854,264	4,066,220	13,280,520
Strategic and Mission Enhancement Fund	250,000	250,000	200,000	200,000	250,000	1,150,000

Subvention Pool

The RAMP budget model allocates revenue, such as tuition and fees and state appropriation, to each of the five academic colleges based on pre-determined metrics. These revenues are then subject to a 13% participation fee to provide a subvention pool administered by the Provost. The total subvention pool for the FY 2025 budget is approximately \$32.9 million, which is partially utilized to fund Auxiliary and Support Unit programs at the same level as the prior year. The remaining funds are for the Provost to award to the academic colleges, after meeting with the Deans, to remain in balance or fund new strategic initiatives.

To ensure stability and encourage academic success during the early years of RAMP, the Provost developed a multi-year strategy that involves supplementing the academic colleges in subvention using one-time funds. The FY25 budget is the first year the participation fee funded the total distribution and no one-time dollars were needed to supplement any unit. This shows the maturation of the RAMP model and the initiative developed in prior years have garnered success to get to this point.

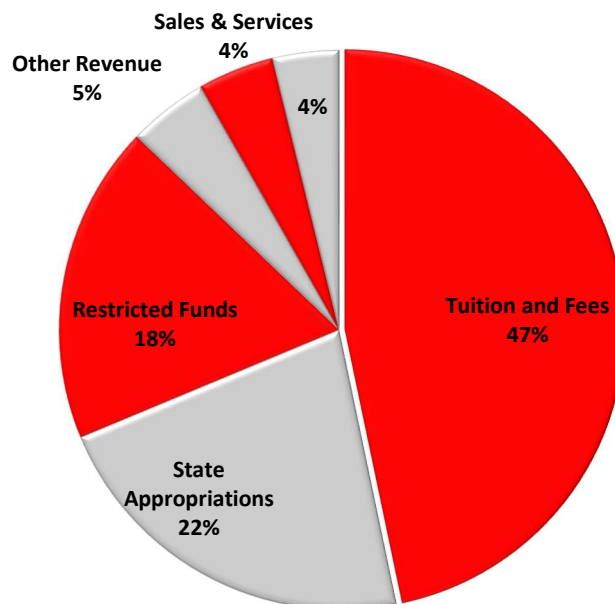
Revenue

WKU’s revenue budget for FY 2025 is \$394.2 million. This is \$4.3 million, or 1%, more than FY 2024. The largest source of revenue is tuition and fees, which represents 46% of the total revenue budget, followed by state appropriations, which represents 22% of the total revenue budget.

Table 4: Sources of Revenue

Revenue	FY 2024	FY 2025	\$ Change	% Change
Tuition and Fees	178,845,000	184,154,000	5,309,000	3%
State Appropriations	83,449,700	86,741,900	3,292,200	4%
Grants & Contracts	61,530,000	72,625,000	11,095,000	18%
Other Revenue	19,284,400	18,269,000	1,015,400	-5%
Sales & Services	15,317,000	17,315,100	1,998,100	13%
Auxiliary	13,933,000	15,125,000	1,192,000	9%
Budget Realignment Strategy				
RAMP - One time strategy	3,964,900	0	3,964,900	-100%
Carry Forward	13,620,000	0	13,620,000	-100%
Total	\$389,944,000	\$394,230,000	\$4,286,000	1%

Figure 3: FY 2025 Sources of Revenue



Tuition and Fees

WKU’s primary revenue source is tuition and fees, accounting for 46% of the university's total revenue budget. The budgeted tuition in this proposal is based on first-time, first-year student enrollment of 2,925. This increase over the prior year first-year student enrollment and the steady increase in retention rates account for the increase in year-over-year tuition revenue.

The university has focused on strategically shaping the incoming classes for the past four years, resulting in an improvement in the quality of students enrolled. The recent freshman classes have had higher average GPA scores over the past several years, which was essential in achieving record retention since the scholarship model was implemented. The most recent data on fall-to-spring retention shows an overall rate of 91.6%, a 5.3% increase since the 2017/2018 academic year. The first-time, first-year low-income students returned at a rate of 90%, an increase of nearly 5 percentage points since 2019. This successful retention boost improves returning student tuition revenue and the university’s overall financial position.

The Kentucky Council on Postsecondary Education (CPE) has the statutory authority to determine and approve tuition rates for Kentucky’s public universities. In March of 2023, CPE adopted resident undergraduate tuition and mandatory fee ceilings for academic years 2023-24 and 2024-25, enabling universities to increase tuition rates by a maximum of 5.0% over the two years and an increase of no more than 3.0% in any one year. Using these guidelines, the university is implementing a 2% tuition increase for the 2024-2025 academic year.

Table 5: Tuition and Fee Revenue

Tuition and Fees	FY 2024	FY 2025	\$ Change	% Change
Undergraduate	130,388,000	134,190,000	3,802,000	3%
Graduate	15,201,000	15,862,000	661,000	4%
Other Tuition (Facilitated Tuition, etc.)	23,073,000	23,500,000	427,000	2%
Fees	10,183,000	10,602,000	419,000	4%
Total	\$178,845,000	\$184,154,000	\$5,309,000	3%

Table 6: FY 2025 Tuition and Mandatory Student Fee Schedule

TUITION AND MANDATORY STUDENT FEES SCHEDULE PER SEMESTER

Student Level/Enrollment	FY 2024	FY 2025	Summer 2025/ Rate PCH
Undergraduate			
Resident	5,718	5,826	485.50
Military Veteran/Dependent	5,718	5,826	485.50
Nonresident	13,500	13,500	1,125
International	13,824	13,824	1,152
Incentive	7,068	7,068	589
Graduate (Per Credit Hour)			
Resident	607	607	607
Military Veteran/Dependent	607	607	607
Kentucky/Multi-state P-12 Educator*	350	350	350
Local Government Employee Discount Program	500	500	500
Nonresident, International	953	953	953
Nonresident, Domestic	917	917	917
Doctorate, Ed. Leadership (Per Credit Hour)			
Resident	607	607	607
Military Veteran/Dependent	607	607	607
Nonresident, International	953	953	953
Nonresident, Domestic	917	917	917
Doctorate, Psychology (Per Credit Hour)			
Resident	620	620	620
Military Veteran/Dependent	620	620	620
Nonresident, International	953	953	953
Nonresident, Domestic	917	917	917
Doctorate, Nurse Practitioner (Per Credit Hour)			
Resident	663	663	663
Nonresident	858	858	858
Doctorate, Physical Therapy (Per Credit Hour)			
Resident	643	643	643
Nonresident	909	909	909
Distance Learning (Per Credit Hour)*			
Undergraduate	551	551	551
Graduate (Excluding Kentucky P-12 Educator, DNP and DPT)	707	707	707
Active Military (Per Credit Hour)*	250	250	250
Dual Credit (Per Credit Hour)*	94.50	94.50	94.50
WKU On Demand (Per Credit Hour)			
Undergraduate	476.50	485.50	485.50
Graduate	707	707	707
Rates based on MOA/MOU			
KASA		450	450
KEA		425	425
SESC		425	425

Mandatory Student Fees Per Semester

Student Athletics Fee	218
Student Centers Fee	62
Student Centers Fee, DSU Renovation Bonds	70
Parking Structure Fee, Creason Bonds	30

*Mandatory student fees are not assessed to these students.

State Appropriation

The Kentucky General Assembly passes a state budget every two years. The state biennial budget was passed with House Bill 6 in April of this year. One of the highlights from this budget is a 4.5% inflationary increase in the base appropriation for the first year, although not increasing in the second year. In addition, an increase of \$2.2M was added to the base of offset mandatory rising fire and tornado insurance dues and an increase of 3% each year for the direct appropriation used to fund the Gatton Academy. WKU’s state appropriation budget for FY 2025 is \$86.7 million.

Table 7: State Appropriation

State Appropriation	FY 2024	FY 2025	\$ Change	% Change
Base State Appropriation	67,619,000	70,693,900	3,074,900	4.5%
Performance Funding	5,858,400	5,460,300	398,100	-6.8%
KERS Subsidy	3,237,200	1,522,200	1,715,000	-53.0%
Insurance Premium Subsidy	0	2,180,800	2,180,800	N/A
Gatton Academy	4,985,100	5,134,700	149,600	3.0%
KY Mesonet	1,750,000	1,750,000	0	0.0%
Total	\$83,449,700	\$86,741,900	\$3,292,200	3.9%

Another action approved during the budget process was an increase in the overall performance funding pool to \$105M for FY25. Although there was an increase to the overall pool, it will still not reflect as an increase to WKU. Kentucky’s performance funding pool is allocated to public universities and colleges based on how well each institution performs on 10 metrics. allocation and metrics are grouped into the following categories:

- 40% student success – degree production and student progression toward a degree
- 30% course completion – student credit hours earned
- 30% operational support – campus operations, services, and infrastructure that support student learning and success

It is important to note that performance funding allocations will fluctuate each year and are based on performance metrics. The model is largely volume driven, therefore certain efficiencies are not rewarded. Due to the demographic changes, there are simply fewer high school graduates coupled with a reduction in the college going rates in Kentucky, most state universities have relied on recruiting non-resident students. WKU’s aggressive enrollment cultivation, targeted border state scholarship, and the university’s proximity to fast-growing markets such as Nashville, TN, have favorably positioned our institution at recruiting these students.

Grants & Contracts

The restricted funds or grant revenue is increasing 18% in FY 2025 over the prior year. As the university enhances the focus on applied research and grows into a mature RAMP model, additional grant money will be received. These help benefit both the university and the students by increasing funding and increasing opportunity for additional learning. In an additional benefit to students, part of the increase in restricted funds is an anticipated increase to both federal PELL funding and state CAP grants, which go directly to students for tuition reimbursement.

Table 8: Grants & Contracts

Grants & Contracts	FY 2024	FY 2025	\$ Change	% Change
Pell	20,410,000	24,467,000	4,057,000	20%
External Grants	13,563,000	17,266,000	3,703,000	27%
College Access Program (CAP)	13,000,000	15,456,100	2,456,100	19%
KEES	11,250,000	11,611,000	361,000	3%
Restricted Financial Aid Funds	1,560,000	2,077,900	517,900	33%
Facilities and Administrative (F&A)	1,747,000	1,747,000	0	0%
Total	\$61,530,000	\$72,625,000	\$11,095,000	18%

Other Revenue

The Other Revenue includes transfers from the College Heights Foundation and outside contributions as well as endowments, camps, study abroad and investment income. This category is decreasing 5% over the prior year due to a reduction in the investment income.

Table 9: Other Revenue

Other Revenue	FY 2024	FY 2025	\$ Change	% Change
Other Revenue	7,941,300	7,751,000	190,300	-2%
Investment Income	4,127,000	2,800,000	1,327,000	-32%
Study Abroad	2,464,000	2,412,000	52,000	-2%
Transfer from Foundation	1,300,000	1,700,000	400,000	31%
Vehicle Parking Permits	1,285,000	1,425,000	140,000	11%
Educational Camp Revenues	1,129,000	1,129,000	0	-0%
Innovation Campus	1,038,100	1,052,000	13,800	1%
Total	\$19,284,400	\$18,269,000	\$1,015,400	-5%

Sales & Services

The Sales & Services includes multiple categories of sales revenue on campus, although the majority of the funding is from Athletics. This includes season ticket sales, conference distributions, game guarantees as well as other miscellaneous revenues. A 13% increase is budgeted over the prior year due to projected increased income, but also to better align the current budget with actual revenue.

Table 10: Sales & Services

Sales & Services	FY 2024	FY 2025	\$ Change	% Change
Athletics	9,158,000	11,652,000	2,494,000	27%
Other Sales & Services	5,050,500	4,616,600	433,900	-9%
Academic Professional Services	1,108,500	1,046,500	62,000	-6%
Total	\$15,317,000	\$17,315,100	\$1,998,100	13%

Auxiliary Revenue

The Auxiliary revenue includes reimbursements from Housing and Residence Life (HRL), as well as income received from the dining services and some activities in the Downing student center. These are primarily contracts with third parties such as the Student Life Foundation and Aramark, which administer the housing and dining services on campus. A 10% increase from the Student Life Foundation is anticipated due to the way housing scholarships are recorded for Resident Hall assistants.

Table 11: Auxiliary

Auxiliary	FY 2024	FY 2025	\$ Change	% Change
Student Life Foundation Reimbursement	10,500,000	11,542,500	1,042,500	10%
Food Services	1,660,500	1,797,000	136,500	8%
Student Fees	1,525,000	1,525,000	0	0%
Other Auxiliary	247,500	260,500	13,000	5%
Total	\$13,933,000	\$15,125,000	\$1,192,000	9%

Revenue Detail

Tuition and Fees

Account Description	Account Number	FY25 Budget
<u>Tuition</u>		
Tuition - Fall - Res - UG	010100-50111	47,374,000
Tuition - Fall - Res - GRAD	010100-50112	4,676,000
Tuition - Fall - NonRes - UG	010100-50121	4,722,000
Tuition - Fall - NonRes - GRAD	010100-50122	2,092,000
Tuition - Fall - Intl - UG	010100-50131	754,000
Tuition - Fall - Intl - GRAD	010100-50132	334,000
Tuition - Fall - Military - UG	010100-50141	363,000
Tuition - Fall - Military - GRAD	010100-50142	197,000
Tuition - Fall - TIP - UG	010100-50161	19,278,000
Tuition - Spring - Res - UG	010100-50211	42,992,000
Tuition - Spring - Res - GRAD	010100-50212	4,243,000
Tuition - Spring - NonRes - UG	010100-50221	4,285,000
Tuition - Spring - NonRes - GRAD	010100-50222	1,898,000
Tuition - Spring - Intl - UG	010100-50231	684,000
Tuition - Spring - Intl - GRAD	010100-50232	303,000
Tuition - Spring - Military - UG	010100-50241	329,000
Tuition - Spring - Military - GRAD	010100-50242	179,000
Tuition - Spring - TIP - UG	010100-50261	17,494,600
Tuition - Prior Year	010100-51120	(100,700)
Tuition - Winter - Res - UG	010120-50311	1,745,000
Tuition - Winter - Res - GRAD	010120-50312	560,000
Tuition - Winter - Res - DOC	010120-50313	4,000
Tuition - Winter - NonRes - GRAD	010120-50322	11,000
Tuition - Winter - Military - UG	010120-50341	15,000
Tuition - Winter - Military - GRAD	010120-50342	15,000
Tuition - Winter - DistLearn - UG	010120-50351	273,000
Tuition - Winter - DistLearn - GRAD	010120-50352	90,000
Tuition - Winter - DistLearn - DOC	010120-50353	2,000
Tuition - Summer - Res - UG	010120-50411	500,000
Tuition - Summer - Res - GRAD	010120-50412	200,000
Tuition - Summer - NonRes - UG	010120-50421	40,000

Revenue

FY 2025 Operating Budget



Tuition - Summer - NonRes - GRAD	010120-50422	120,000
Tuition - Summer - Military - UG	010120-50441	90,000
Tuition - Summer - Military - GRAD	010120-50442	90,000
Tuition - Summer - DistLearn - UG	010120-50451	7,585,000
Tuition - Summer - DistLearn - GRAD	010120-50452	2,075,000
Tuition - DELO Contract - Fall	010120-51124	335,000
Tuition - DELO Contract - Spr	010120-51125	330,000
Tuition - DELO Contract - Sum	010120-51126	120,000
Tuition - DELO Contract - Winter	010120-51127	7,500
Tuition - On Demand	010120-51157	1,350,000
Tuition - Dual Credit High School	010120-51160	1,665,000
Tuition - Summer Scholars	210124-51183	250,000
UG Int'l Tuition Surcharge - Fall	210404-51141	89,800
GR Int'l Tuition Surcharge - Fall	210404-51191	44,200
Tuition - WKU Pathway - Fall	210423-51161	200,000
Tuition - WKU Pathway - Spring	210423-51162	75,000
Workforce Admin. Degree	240112-51195	150,000
Tuition - Spring - DistLearn - DOC	240220-50253	175,000
Tuition - EdD - Fall	240220-51132	174,900
Tuition - EdD - Summer	240220-51146	100,000
Tuition - PsyD	240506-51172	300,000
Tuition - DNP	265305-51170	175,000
Tuition - DPT	265901-51171	2,498,700
Total Tuition		\$173,552,000

Fees

Fee - Late Registration Fee	010100-52903	30,000
Fee - Schedule Change Fee	010100-52906	190,000
Fee - Cohort Programs	010120-52913	270,000
Fee - Parking Structure	103121-52121	690,200
Fee - Graduation	210105-52505	180,000
Fee - eMBA	230025-52532	30,000
Fee - GFCB Undergrad	230026-52575	760,000
Fee - Business Date Analytics	230601-52572	16,000
Fee - Hosp Mgt/Dietetics	240309-52508	11,100
Fee - DMT	240309-52531	4,000
Fee - PGA Golf Course	240406-52546	4,200
Fee - Outdoor Leadership Program	240406-52548	500

Fee - Exercise Science	240406-52559	9,000
Fee - Sports Management	240406-52585	2,000
Fee - Doctor of Psychology	240506-52574	65,000
Fee - Student Teaching	240903-52507	6,000
Fee - Military Science	241004-52510	700
Fee - SMED Course	241104-52565	6,000
Fee - Elem. Ed.	241104-52566	3,000
Fee - Exceptional Ed Adv Internship	241104-52567	1,000
Fee - Library Media Education	241104-52573	1,000
Fee - Counseling & Student Affairs	241706-52526	300
Fee - Art	250205-52529	95,000
Fee - Modern Languages	250505-52525	1,000
Fee - Journalism - Photo Lab	250709-52522	22,000
Fee - Journalism - Computer Lab	250709-52523	15,000
Fee - Broadcasting	250709-52527	21,000
Fee - Communication Dept.	250709-52547	15,000
Fee - Film	250709-52570	7,000
Fee - BFA Program	250710-52584	24,000
Fee - Marching Band	250807-52583	13,000
Fee - Music	250808-52504	17,000
Fee - Theatre and Dance	251107-52544	10,000
Fee - Computer Science	260012-52509	25,000
Fee - Architectural & Manufacturing	260012-52524	45,000
Fee - Mechanical Engineering	260012-52538	30,000
Fee - Electrical Engineering	260012-52545	5,000
Fee - Civil Engineering	260012-52576	30,000
Fee - Engineering Seminar	260012-52582	15,000
Fee - Engineering Program	260013-52581	125,000
Fee - Agriculture	260218-52512	9,000
Fee - Agriculture Mechanics	260218-52537	4,000
Fee - Agronomy	260218-52569	1,000
Fee - Agricultural Ed.	260218-52579	1,000
Fee - Horticulture	260219-52540	30,000
Fee - Psychological Sciences	260303-52578	3,200
Fee - Biology	260405-52514	72,000
Fee - Chemistry	260508-52517	66,000
Fee - Geography & Geology	260608-52515	45,000
Fee - Physics Lab	261107-52541	19,000
Fee - HIM	265206-52506	2,000

Revenue

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Fee - Safety and First Aid	265206-52551	2,000
Fee - Environmental Health Lab	265206-52552	1,000
Fee - Public Health	265206-52563	1,000
Fee - DNP	265305-52568	18,000
Fee - Allied Nursing	265307-52519	50,000
Fee - Nursing	265307-52520	80,000
Fee - Nursing Program	265308-52530	460,000
Fee - Dental Hygiene	265410-52577	56,000
Fee - Comm. Disorders Clinical	265606-52534	33,000
Fee - American Sign Language Lab	265606-52535	17,000
Fee - DPT Program	265902-52562	81,000
Fee - Downing Center	310107-52119	1,725,000
Fee - Student Athletic	370101-52101	5,031,000
Total Fees		\$10,602,200
Total Tuition and Fees		\$184,154,200

State Appropriation

Account Description	Account Number	FY25 Budget
State Appropriation - Unrestricted	040100-53210	70,693,900
State Appropriation - Performance Funding	040100-53212	5,460,300
State Appropriation - Gatton Academy	040100-53213	5,134,700
State Appropriation - KY Mesonet	040100-53214	1,750,000
State Appropriation - KERS Contribution Subsidy	040100-53217	1,522,200
State Appropriation - Insurance Premium Subsidy	040100-53219	2,180,800
Total State Appropriation		\$86,741,900

Grants & Contracts

Account Description	Account Number	FY25 Budget
Perkins Reimbursable	104101-56215	60,000
F & A - Federal Grants	200013-56110	1,400,000
F & A - State Grants	200013-56310	110,000
F & A - Local Grants	200013-56510	2,000
F & A - Private Grants	200013-56610	40,000
ACA - Work Study	210201-56210	80,000
ACA - SEOG	210201-56211	20,000
ACA - Veterans Administrative	210201-56213	10,000
ACA - Pell	210201-56214	25,000
Federal - Federal Flow	101011-54130	65,300
Grants & Contracts - Federal	200011-54110	1,587,800
Grants & Contracts - Federal	210501-54110	16,700
Grants & Contracts - Federal	260101-54110	1,702,700
Grants & Contracts - Federal	101011-54110	114,200
Federal - Federal Flow	200011-54130	909,000
Federal - Federal Flow	210501-54130	9,600
Grants & Contracts - Federal	230011-54110	1,000
Federal - Federal Flow	230011-54130	600
Grants & Contracts - Federal	240158-54110	3,050,200
Federal - Federal Flow	240158-54130	1,746,200
Grants & Contracts - Federal	250102-54110	543,900
Federal - Federal Flow	250102-54130	311,400
Federal - Federal Flow	260101-54130	974,700
Grants & Contracts - Federal	265101-54110	964,600
Federal - Federal Flow	265101-54130	552,100
Grants & Contracts - Federal	290205-54110	518,900
Federal - Federal Flow	290205-54130	297,100
Grants & Contracts - State	200011-54210	373,700
SFA Federal - Pell Grant	210204-54810	24,467,000
SFA Federal - College Work	210204-54820	790,000
SFA Federal - SEOG	210204-54830	451,600
SFA Federal - TEACH	210204-54860	100,000
SFA State - CAP	210204-54910	15,456,100
SFA State - KEES	210204-54920	11,611,000
SFA State - Teacher's Scholarship	210204-54930	200,000
SFA State - Early Childhood Dev Sch	210204-54940	70,000

Revenue

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SFA State - Early Grad. Sch. Cert.	210204-54950	6,300
SFA State - Dual Credit KHEAA	210204-54970	460,000
Grants & Contracts - Private	290205-55110	106,800
Grants & Contracts - State	101011-54210	26,800
Grants & Contracts - Local	101011-54310	2,000
Grants & Contracts - Private	101011-55110	23,500
Grants & Contracts - Local	200011-54310	28,000
Grants & Contracts - Private	200011-55110	326,900
Grants & Contracts - State	210501-54210	3,900
Grants & Contracts - Local	210501-54310	300
Grants & Contracts - Private	210501-55110	3,500
Grants & Contracts - State	230011-54210	200
Grants & Contracts - Private	230011-55110	200
Grants & Contracts - State	240158-54210	717,800
Grants & Contracts - Local	240158-54310	53,900
Grants & Contracts - Private	240158-55110	628,000
Grants & Contracts - State	250102-54210	128,000
Grants & Contracts - Local	250102-54310	9,600
Grants & Contracts - Private	250102-55110	112,000
Grants & Contracts - State	260101-54210	400,600
Grants & Contracts - Local	260101-54310	30,000
Grants & Contracts - Private	260101-55110	350,500
Grants & Contracts - State	265101-54210	226,900
Grants & Contracts - Local	265101-54310	17,000
Grants & Contracts - Private	265101-55110	198,600
Grants & Contracts - State	290205-54210	122,100
Grants & Contracts - Local	290205-54310	9,200
Total Restricted		\$72,625,000

Sales & Services

Account Description	Account Number	FY25 Budget
<u>Sales & Services</u>		
S&S - Conference & Workshop	101111-57810	550,000
S&S - Departmental Testing	200021-57431	13,000
S&S - Other Sales & Services	200026-57890	1,000

Revenue

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S&S - Continuing Education	200101-57550	250,000
S&S - Advertising Sales	200302-57701	140,000
S&S - Advertising Sales	200303-57701	2,000
S&S - Special Event Fee	210113-57557	85,000
S&S - Orientation Fee	210121-57554	47,000
S&S - Undergraduate Application	210401-57401	425,000
S&S - Academic Transitions Fee	210402-57552	285,000
S&S - Undergraduate Application	210404-57401	6,000
S&S - Graduate Application	220101-57403	140,000
S&S - Other Sales & Services	240117-57890	14,000
S&S - Hospitality Management	240302-57809	4,000
S&S - Professional Services	240504-57501	6,000
S&S - Teacher Services - TC-HQ	240901-57502	3,000
S&S - Childcare	241401-57530	200,000
S&S - Training & Technical Assist	241404-57523	575,000
S&S - Conference & Workshop	241701-57810	1,000
S&S - Professional Services	241801-57501	300,000
S&S - Professional Services	241803-57501	300,000
S&S - Professional Services	241804-57501	7,000
S&S - Special Event Fee	250305-57557	3,000
S&S - Professional Services	250706-57501	3,000
S&S - Tickets Sales	250804-57801	22,000
S&S - Pre College Strings - Fall	250806-57818	90,000
S&S - Tickets Sales	251103-57801	55,000
S&S - Tickets Sales	251104-57801	20,000
S&S - Professional Services	251305-57501	70,000
S&S - Leaf Composting Sales	260202-57140	10,000
S&S - Manure Compost Sales	260202-57141	2,000
S&S - Agriculture Expo Center	260205-57121	175,000
S&S - Cheese Sales	260208-57103	20,000
S&S - Plant Sales	260208-57105	20,000
S&S - Produce Sales	260208-57106	5,000
S&S - Farm Market Misc. Sales	260208-57107	1,000
S&S - Farm Milk Sales	260209-57101	300,000
S&S - Farm Livestock Sales	260209-57102	45,000
S&S - Beef Sales	260209-57104	5,000
S&S - Farm Miscellaneous Sales	260209-57119	250,000
S&S - Professional Services	260406-57501	1,000
S&S - Professional Services	260518-57501	10,500

S&S - Other Sales & Services	261412-57890	11,100
S&S - Professional Services	262109-57501	2,000
S&S - Professional Services	262201-57501	165,000
S&S - Professional Services	262205-57501	20,000
S&S - Professional Services	262701-57501	125,000
S&S - Professional Services	263201-57501	2,000
S&S - Conference & Workshop	265052-57810	144,800
S&S - Testing Fees	265301-57430	5,000
S&S - Dental Clinic	265403-57520	30,000
S&S - Conference & Workshop	265607-57810	11,000
S&S - Library Copy Machines	270101-57602	1,000
S&S - CC Services	285203-57547	3,000
S&S - CC Room Rental	285203-57548	15,000
S&S - Continuing Education	285301-57550	80,000
S&S - Continuing Education	285303-57550	90,000
S&S - Workforce Development	285303-57571	140,000
S&S - Continuing Education	285304-57550	150,000
S&S - Continuing Education	285306-57550	25,000
S&S - IT Services	290112-57586	10,000
S&S - Advertising Sales	290204-57701	40,000
S&S - Other Sales & Services	290207-57890	5,000
S&S - Excess Student Printing	290301-57581	1,000
S&S - Testing Fees	310110-57430	30,000
S&S - Conference & Workshop	310116-57810	4,000
S&S - Other Sales & Services	310203-57890	4,000
S&S - Other Sales & Services	310209-57890	7,700
S&S - Passport Services	320402-57543	45,000
S&S-Men's Basketball Season Tickets	370101-57201	825,000
S&S-Women's Basketball Season Tckts	370101-57202	65,000
S&S-Men's Baseball Season Tickets	370101-57203	5,000
S&S-Women's Softball Season Tickets	370101-57204	5,000
S&S - Men's Football Season Tickets	370101-57205	600,000
S&S - Volleyball Season Tickets	370101-57209	9,000
S&S - Football Club Level Seating	370101-57213	185,000
S&S - Athletic Parking	370101-57241	8,000
S&S - Men's Basketball Sing Game Tckt	370101-57251	125,000
S&S - Women Basketball Sing Game Tckt	370101-57252	10,000
S&S - Men's Baseball Single Game Tckt	370101-57253	9,000
S&S - Women Softball Single Game Tckt	370101-57254	9,000

Revenue

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S&S - Men's Football Single Game Tckt	370101-57255	300,000
S&S - Volleyball Single Game Tickets	370101-57259	7,000
S&S - Ath Mktg Combined	370101-57301	1,475,000
S&S - Ath Mktg Pouring Rights	370101-57307	300,000
S&S - Ath NCAA Sports Sponsor	370101-57341	120,000
S&S - Ath NCAA Grants-in-Aid	370101-57342	390,000
S&S - C-USA Distributions	370101-57350	2,500,000
S&S - Ath HAF Contributions	370101-57371	1,500,000
S&S - Ath Royalties & Licensure	370101-57373	150,000
S&S - Ath Postage Tickets	370101-57374	10,000
S&S - Ath Other Miscellaneous	370101-57390	260,000
S&S - Athletic Concessions	370417-57242	205,000
S&S - Ath Mktg Corporate Sponsors	370417-57302	80,000
S&S - Football Guarantee	370701-57225	2,500,000
S&S - Professional Services	390157-57501	35,000
Total Sales & Service		\$17,315,100

AuxiliaryAuxiliary

Fee - Student Center	310107-58510	1,525,000
Aux Center - Billiards	310107-58523	5,000
Aux Center - Room Rental	310107-58540	7,500
Aux Center - ATM Rental	310116-58560	36,000
Aux Housing - SLF Reimbursement	310502-58420	11,542,500
Aux Serv - Printing Services	320102-58130	12,000
Aux Serv - Beverage Commissions	320405-58141	120,000
Aux Serv - ID Center Service Charges	320406-58121	35,000
Other Aux - Investment Earnings	320406-58950	45,000
Aux Dining - Improve/Equip Fund	320409-58213	492,000
Aux Dining - Improve/Equip Fund	320411-58213	209,000
Aux Dining - Contract Commission	320412-58210	1,096,000
Total Auxiliary		\$15,125,000

Other Revenue

Account Description	Account Number	FY25 Budget
Oth Rev - Acad. Health Plan Fee	040100-59141	15,000
Oth Rev - Reimb - Insurance Claim	040100-59332	40,000
Oth Rev - Inv Earnings - Interest	040100-59520	2,800,000
Oth Rev - Aux Contribution	040100-59820	82,000
Oth Rev - CHF Contribution	040100-59846	225,000
Oth Rev - TIF Revenue	040100-59871	475,000
Oth Rev - Health Services Lease	040100-59876	177,000
Oth Rev - Miscellaneous Receipts	040100-59880	210,000
Oth Rev - Miscellaneous Rental	040100-59885	83,000
Oth Rev - Deferred Payments	040100-59890	10,000
Oth Rev - Late Payments	040100-59895	425,000
Oth Rev - Vendor Refunds	040100-59980	15,000
Oth Rev - Business Rebates	040100-59981	300,000
Oth Rev - OS Check Write-off	040100-59986	40,000
Oth Rev - Miscellaneous	040100-59990	1,125,700
Oth Rev - Endowment Income	101101-59830	1,700,000
Oth Rev - Lease Rental	101105-59850	60,000
Oth Rev - Lease Rental	105001-59850	854,800
Oth Rev - Facilities Overhead	105001-59851	127,000
Oth Rev - Study Abroad Insurance	200039-59052	14,000
Oth Rev - Study Abroad App. Fee	200039-59053	25,000
Oth Rev - Student Exchange Prog Fee	200039-59060	65,000
Oth Rev-Study Abroad Prov. Clearing	200039-59997	500,000
Oth Rev - Honors College Fee	200352-59143	254,000
Oth Rev - Miscellaneous	201302-59990	10,000
Oth Rev - Miscellaneous Rental	201305-59885	61,000
Oth Rev - Harlaxton Tour Deposits	210114-59054	280,000
Oth Rev - Harlaxton Faculty Fee	210114-59061	10,000
Oth Rev - DOT License Plates	210202-59870	61,000
Oth Rev - Transcripts	210301-59960	150,000
Oth Rev - Duplicate Diplomas	210301-59961	2,000
Oth Rev - Degree Verification	210301-59962	40,000
Oth Rev - Camp Revenues	240307-59840	48,000
Oth Rev - Camp Revenues	240702-59840	1,081,000
Oth Rev - Math & Science - Housing	240705-59819	1,137,100

Revenue

FY 2025 Operating Budget



Oth Rev - Intl. Stud. Teach. Fee	240902-59056	13,000
Oth Rev - Chinese Flagship Domestic P	250507-59146	5,000
Oth Rev - Registration/Entry Fees	250810-59815	6,000
Oth Rev - Registration/Entry Fees	251108-59815	15,000
Oth Rev - Lease Rental	260217-59850	10,100
Oth Rev - Fines	270101-59860	1,000
Oth Rev - Study Abroad Deposits	285107-59051	1,200,000
Oth Rev - Study Away Program	285107-59055	300,000
Oth Rev - Student Exchange App. Fee	285107-59057	5,000
Oth Rev - Commissions	290101-59982	50,000
Oth Rev - Comp Warranty Reimburse	290301-59987	4,000
Oth Rev - Cellular Commissions	290304-59951	2,500
Oth Rev - e-Academy commissions	290407-59952	2,000
Oth Rev - Reimb - WKU Police	300202-59331	2,000
Oth Rev - Miscellaneous	300203-59990	2,000
Oth Rev - Vehicle Parking Permits	300205-59201	1,425,000
Oth Rev - Parking Fines	300205-59202	200,000
Oth Rev - Reserved Parking	300205-59203	55,000
Oth Rev - Special Event Parking	300205-59206	10,000
Oth Rev - Public Parking	300205-59208	100,000
Oth Rev - Daily Parking	300205-59215	100,000
Oth Rev - University Special Events	310111-59940	10,000
Oth Rev - Miscellaneous	310113-59990	125,000
Oth Rev - Camp Big Red	310201-59130	69,000
Oth Rev - Intramural Complex	310202-59120	3,500
Oth Rev - Preston Locker Rental	310203-59102	5,000
Oth Rev - Preston Guest Passes	310203-59103	5,000
Oth Rev - Preston Special Events	310203-59105	44,500
Oth Rev - Preston P/Time User Fees	310203-59106	155,900
Oth Rev - Intramural Complex	310203-59120	3,500
Oth Rev - Sports Lab Fees	310203-59140	500
Oth Rev - Preston Proshop	310204-59104	26,000
Oth Rev - Preston Special Events	310207-59105	39,400
Oth Rev - Recycling	320214-59920	2,100
Oth Rev - ASG Parking Permits	320215-59209	120,000
Oth Rev - ASG - Daily Parking	320215-59212	10,000
Oth Rev - Post Office Box Rental	320402-59910	1,000
Oth Rev - Post Office Subsidy	320402-59915	10,000

Revenue

FY 2025 Operating Budget



Oth Rev - Sale of Capped F/A	320427-59420	5,000
Oth Rev – Sale of Fixed Assets = Gain	320427-59410	45,000
Oth Rev - Reimb - CHF	370403-59303	417,900
Oth Rev - Reimb - HAF	370406-59301	719,400
Oth Rev - HAF Contribution	370416-59847	176,000
Oth Rev - University Special Events	380202-59940	235,000
Oth Rev - University Special Events	380208-59940	30,000
Total Other Revenue		\$18,269,000

Total University Revenue	\$394,230,000
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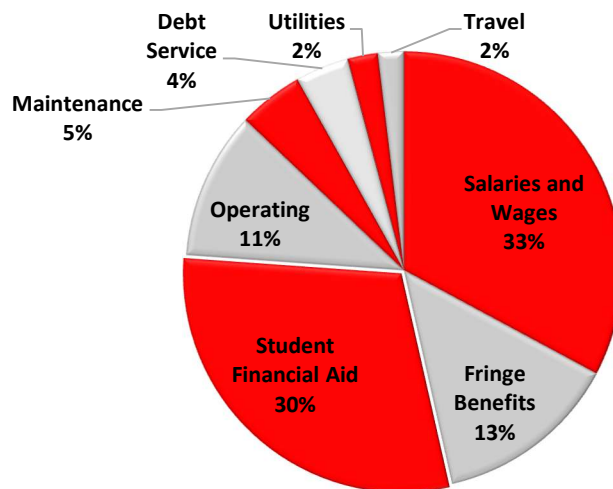
Expenditures

WKU’s expenditure budget for FY 2025 is \$394.2 million. This is \$4.3 million, or 1%, more than FY 2024. The largest expenditure category is personnel, which includes all faculty and staff salaries and fringe benefits, followed by student financial aid.

Table 12: Expenditures by Natural Classification

Expense	FY 2024	FY 2025	\$ Change	% Change
Salaries and Wages	131,090,000	137,274,000	6,184,000	5%
Fringe Benefits	52,629,000	56,997,000	4,368,000	8%
Total Personnel	183,719,000	194,271,000	10,552,000	6%
Student Financial Aid	114,847,000	124,050,000	9,203,000	8%
Operating	46,897,000	45,748,000	1,149,000	-2%
Maintenance	15,432,000	20,138,000	4,706,000	30%
Debt Service	17,008,000	16,635,000	373,000	-2%
Utilities	9,641,000	9,340,000	301,000	-3%
Travel	7,205,000	8,022,000	817,000	11%
Budget Realignment Strategy				
Prior Credit Balance	4,805,000		4,805,000	-100%
Budget Alignment Strategies		23,974,000	23,974,000	N/A
Total	389,944,000	394,230,000	4,286,000	1%

Figure 4: FY 2025 Expenditures



Personnel

Personnel costs are the largest expenditure category and account for 46% of the operating cost of the university. The FY 2025 salary and fringe budget is \$194.3 million which continues to increase to stay competitive and maintain a quality and experienced faculty and staff. This budget provides a 2% salary increase pool for faculty and staff as recommended by the Budget Executive Committee. Since 2019, we have increased salaries six times, including four across the board raises for all eligible employees.

WKU’s commitment to employees remains strong and extends beyond salary. The university offers a comprehensive total rewards package, including salary, benefits, and retirement programs to attract, engage, and retain a highly talented workforce. The fringe benefits category is increasing at a higher rate due to the increase in employer health insurance costs, which increased 20% over the prior year. Other benefits, including paid time off, play an important role in building a competitive total compensation package. There are numerous days off in addition to holidays in the benefit package including a portion of both spring and fall break, as well as a four-day work week during the summer.

Table 13: Personnel Expenditures

Personnel	FY 2024	FY 2025	\$ Change	% Change
Faculty and Staff Salaries	124,049,000	130,072,000	6,023,000	5%
Student & Graduate Assistant Salaries	7,041,000	7,202,000	161,000	2%
Fringe Benefits	52,629,000	56,997,000	4,368,000	8%
Total	\$183,719,000	\$194,271,000	\$10,552,000	6%

Student Financial Aid

The student financial assistance is a significant portion of the budget and is necessary to recruit and provide the ability to keep the WKU experience affordable for our students. The merit scholarship model is consistently reviewed to not only keep us competitive compared to other benchmark institutions, but to strategically recruit students prepared to excel.

The most impactful change this year is the update to the FAFSA from the Department of Education. The changes to the FAFSA application process alone brought a modified application timeline, delayed delivery of completed applications, and many situations where data transmitted to schools was found to be incorrect due to errors on part of the Department of Education’s systems. Only recently in late spring have some improvements been seen both from the student experience perspective, as well as from the aid administration standpoint. The university extended the scholarship deadline for the incoming fall 2024 class due to the impact of this FAFSA transition.

The institution continues to award merit scholarships to reward outstanding high school achievement as well as other incentive programs such as the Hilltopper Guarantee and Border state scholarships. A leadership group reviews and updates these programs to insure that the university experience is affordable while minimizing the overall discount rate.

The Student Financial Assistance (SFA) office not only works with the institutional scholarship programs but applies all state and federal funds as well. The university will apply an estimated \$24.5 million in federal PELL assistance and another \$15.5 million in state assistance from KEES. The significant change is associated with increased state funding to the College Access Programs (CAP). The College Access Program is a state assistance award provided to low-income students by the Commonwealth. This increase is offset by the corresponding increase in state grant funding.

Table 14: Student Financial Aid

Student Financial Aid	FY 2024	FY 2025	\$ Change	% Change
Institutional Financial Aid	63,286,500	65,056,000	1,769,500	3%
Pell	20,410,000	24,467,000	4,057,000	20%
College Access Program (CAP)	13,000,000	15,456,000	2,456,000	19%
KEES	11,250,000	11,611,000	361,000	3%
Other Financial Aid	6,900,500	7,460,000	559,500	8%
Total	\$114,847,000	\$124,050,000	\$9,203,000	8%

Operating Expenditures

Expenditures related to the operation of the university comprise maintenance costs, debt service, utilities, travel expenses, and other general operating expenses. The FY2025 budget is \$99.8 million, representing a year-over-year increase of \$1.2 million.

Table 15: Operating Expenditures

Operating Expenses	FY 2024	FY 2025	\$ Change	% Change
Supplies & Operating Expenses	46,897,000	45,748,000	1,149,000	-2%
Maintenance	15,432,000	20,138,000	4,706,000	30%
Debt Service	17,008,000	16,635,000	373,000	-2%
Utilities	9,641,000	9,340,000	301,000	-3%
Travel	7,205,000	8,022,000	817,000	11%
Total	\$96,183,000	\$99,883,000	\$3,700,000	4%

An additional effort was made to align each budget category at a unit level more in line with actuals. This stands out in the budget as a significant increase to Maintenance, but it does not have an increase over the prior year actuals. This process is moving the budget where the expenditures have historically been incurred.

It is anticipated that inflation will continue to have an impact on operating costs. While inflationary costs are being closely monitored, a thorough analysis of past expenses and a conservative estimate of future expenses have determined the university should be able to stay within the allocated operating budgets. In addition, executive leadership has established two separate committees with representation from multiple units on campus to evaluate computer software as well as Facilities commitments and contracts.

Expenditure Detail

Provost and Academic Affairs	Index	FY25 Budget
Provost/VP Academic Affairs	200011	\$1,564,200
Provost - Initiatives	200015	\$598,300
Other General Academic Instruction	200021	\$204,000
Instructional Activities-Misc	200022	\$450,000
University Senate	200027	\$20,000
Faculty Award/Waiver Funds	200049	\$113,400
MAC Lease Payment	200092	\$221,600
Institutional Research	200401	\$708,100
Scholarships - Departmental	210205	\$1,380,000
Forensics - POD	250305	\$612,800
Kentucky Museum	270202	\$578,900
Equal Employment Opportunity	300201	\$558,800
Total Provost and Academic Affairs		\$7,010,100

Associate Provost	Index	FY25 Budget
Assessment & Prof. Development	200035	\$30,400
Dual Credit	200081	\$338,700
Academic Program Marketing	200082	\$488,000
CPD & Conferencing Admin	200083	\$517,900
Knically Conference Center	200101	\$250,000
Student Publications	200301	\$555,800
College Heights Herald	200302	\$140,000
Talisman	200303	\$64,800
Commencement	210105	\$180,000
Registrar's Office	210301	\$851,200
Martens Alumni Center Conferencing	285203	\$18,000
Training Resource Services	285301	\$80,000
Career & Workforce Development	285303	\$230,000
Lifelong Learning	285304	\$150,000
Society for Lifelong Learning	285306	\$25,000
Total Associate Provost		\$3,919,800

Expenditures

FY 2025 Operating Budget



WKU Online & Faculty Development	Index	FY25 Budget
On Demand	200091	\$204,700
Academic Outreach	200093	\$223,700
Ctr -Innovative Teaching & Learning	200094	\$895,100
Online Student Services	200095	\$209,600
Online Program Development	200096	\$565,700
Instructional Design & Technology	200097	\$801,400
Distance Learning Testing Center	310110	\$30,000
Total WKU Online & Faculty Development		\$2,930,200

Gatton Academy of Math and Science	Index	FY25 Budget
Gatton Academy of Math and Science	240705	\$6,271,800
Total Gatton Academy of Math and Science		\$6,271,800

Honors College	Index	FY25 Budget
Mahurin Honors College Fee	200352	\$254,000
Mahurin Honors College	210101	\$762,900
Mahurin Honors Col Freshman Retreat	210121	\$47,000
Office of Scholar Development	210130	\$315,500
Total Honors College		\$1,379,400

International Programs	Index	FY25 Budget
Study Away Program	170001	\$1,200,000
Study Abroad Exchanges	170900	\$65,000
Study Abroad Providers	170950	\$500,000
Study Abroad Insurance	170999	\$14,000
National Student Exchange	175001	\$5,000
Study Away Program	175009	\$300,000
Study Abroad Office	200039	\$25,000
International Student Office	201302	\$85,700
Scholar Apartments	201305	\$61,000
International Programming	201306	\$59,000
WKU Faculty Exchange	201308	\$7,000
International Faculty Seminar	201313	\$8,900
Global Learning & Int'l Affairs	201314	\$1,011,600
Semester at Sea	201344	\$20,000
Honors - Harlaxton	210114	\$290,000
International Recruiting & Admiss	210404	\$140,000

Expenditures

FY 2025 Operating Budget



Intl Pathway Student Success	210423	\$275,000
Visiting Scholar Housing	310530	\$14,500
Total International Programs		\$4,081,700
Research	Index	FY25 Budget
Office of Research & Creative Act.	200451	\$545,000
F&A - Sponsored Programs	200502	\$310,400
F&A - Incentive - Research	200506	\$590,100
Research & Creative Activities Prog	222100	\$118,500
Student Research Council	260506	\$9,000
Total Research		\$1,573,000
Regional Campuses	Index	FY25 Budget
Regionals Support	220301	\$307,500
WKU - E-town/Fort Knox	220601	\$447,800
WKU - Glasgow	220701	\$738,900
WKU - Glasgow Facilities & Grounds	220704	\$397,000
WKU - Owensboro	220801	\$433,800
WKU - Owensboro Fac. & Grounds	220802	\$161,800
Total Regional Campuses		\$2,486,800
Graduate School	Index	FY25 Budget
Graduate Assistantships	200041	\$331,900
Graduate School	220101	\$606,100
Graduate Fellowship	220901	\$163,400
Graduate Fellowship - Academic Aff.	220902	\$1,601,900
Graduate Student Research	221100	\$10,100
Total Graduate School		\$2,713,400
University Libraries	Index	FY25 Budget
Libraries	270101	\$2,213,200
Library Technical Services	270105	\$2,675,200
Library Public & Technical Services	270106	\$758,800
Library Special Collections	270201	\$1,019,600
Total University Libraries		\$6,666,800

Expenditures

FY 2025 Operating Budget



Workshops - Budget	Index	FY25 Budget
Workshops - Budget	140100	\$550,000
Workshops - Budget		\$550,000
Restricted Grants & Contracts	Index	FY25 Budget
Strategy, Operations & Finan Office	500025	\$231,800
CEBS Initiatives	500030	\$6,196,100
Dean CHHS	500040	\$1,959,200
Dean Gordon Ford College Business	500050	\$2,000
Dean Ogden College	500060	\$3,458,500
F&A - Potter College	500070	\$1,104,900
Educational Television Services	500080	\$1,054,100
Provost/VP Academic Affairs	500090	\$3,225,400
Educational Enhancement Programs	500095	\$34,000
Wages - Student Work Study - Federal	501102	\$740,000
America Reads	501103	\$50,000
Teach Grant	501186	\$100,000
Govt Sch - PELL	501244	\$24,467,400
Govt Sch - SEOG	501264	\$451,600
Govt Sch - KEES	502101	\$11,611,000
Restricted Financial Aid	502102	\$200,000
Govt Sch - Early Childhood	502103	\$70,000
Govt Sch - College Access Program	502104	\$15,456,100
Govt Sch - Early Grad School Certification	502105	\$6,300
Restricted Financial Aid - Work Ready	502107	\$460,000
Total Restricted Grants & Contracts		\$70,878,400
Total Provost and Academic Affairs - Support Units		\$110,461,400

Expenditures

FY 2025 Operating Budget



Gordon Ford College of Business	Index	FY25 Budget
Dean Gordon Ford College Business	230011	\$1,580,000
Business Graduate Assistants	230013	\$111,500
MBA - Full Time	230019	\$144,200
Course Fees - MBA	230025	\$30,000
GFCB - Faculty & Student Prog Sup.	230026	\$457,300
Accounting	230101	\$1,825,200
Finance	230102	\$1,599,100
GFCB - Summer School	230131	\$319,500
GFCB - Winter Term	230142	\$117,300
GFCB - On-Demand	230145	\$92,600
GFCB - Dual Credit	230146	\$25,000
Economics	230201	\$1,694,700
Department of Marketing	230202	\$1,458,000
Analytics & Information Systems	230301	\$1,489,100
Management	230302	\$2,552,100
Course Fees - IS	230601	\$16,000
Total Gordon Ford College of Business		\$13,511,600

College of Education and Behavioral Sciences	Index	FY25 Budget
Military Student Services	215111	\$154,600
Dean College of Education	240101	\$1,364,200
F&A - Education	240102	\$128,700
Education Graduate Assistants	240103	\$493,700
Education Part-Time Faculty	240107	\$114,200
Workforce Administration	240112	\$150,000
CEBS-Departmental Scholarships	240113	\$324,000
GameChangers	240117	\$14,000
CEBS - Summer School	240131	\$515,100
CEBS - Winter Term	240142	\$139,000
CEBS - Contract	240143	\$756,000
CEBS - On-Demand	240145	\$60,200
CEBS - Dual Credit	240146	\$83,200
Burch Institute	240160	\$100,200
School of Leadership & Prof Studies	240201	\$2,027,800
Ed Leadership Doctoral Program	240220	\$315,700
Early Childhood Center-Big Red Sch.	240307	\$48,000
Early Childhood Center, CEC	240308	\$12,100

Expenditures

FY 2025 Operating Budget



Psychology	240501	\$1,786,600
Psychology Clinic	240504	\$6,000
Doctor of Psychology	240506	\$538,100
Center for Gifted Studies	240702	\$1,081,000
WKU Center for Literacy	240807	\$237,100
Professional Educator Services	240901	\$619,000
Student Teaching Overseas Placement	240902	\$13,000
Course Fee - Prof. Educator Serv.	240903	\$6,000
Military Science	241001	\$65,100
Course Fee - Military Science	241004	\$700
School of Teacher Education	241101	\$2,659,600
Course Fees - School of teacher Ed.	241104	\$11,000
Child Care	241401	\$200,000
Head Start T/TAS Projects	241404	\$575,000
Counseling and Student Affairs	241701	\$916,800
Course Fees - Counsel & St. Affairs	241706	\$300
Kelly Autism Program	241801	\$300,000
Circle of Support	241803	\$472,400
Kelly Autism Program - Prime Time	241804	\$7,000
Clinical Education Complex (CEC)	265150	\$385,000
Total College of Education and Behavioral Sciences		\$16,680,400
Potter College of Arts & Letters	Index	FY25 Budget
Dean Potter College	250101	\$1,623,200
F&A - Potter College	250102	\$70,200
Potter College Graduate Assistants	250103	\$560,600
Potter College Part-Time Faculty	250108	\$746,100
PCAL-Departmental Scholarships	250112	\$965,200
PCAL Marketing/Recruitment	250116	\$30,000
PCAL Technology	250117	\$65,000
PCAL - Research & Grants Committee	250118	\$12,000
PCAL - Summer School	250131	\$521,000
PCAL - New Faculty Search	250138	\$25,000
PCAL - Strategic Investment	250139	\$280,000
PCAL - New Faculty Start-up	250140	\$15,000
PCAL - DEI Projects	250141	\$10,000
PCAL - Winter Term	250142	\$144,000
PCAL - On Demand	250145	\$227,000
PCAL - Dual Credit	250146	\$202,000

Expenditures

FY 2025 Operating Budget



Campus Cultural Enhancement	250151	\$30,000
PCAL Dean PD	250153	\$16,500
Art and Design	250201	\$1,656,500
FAC Galleries	250204	\$8,200
Course Fees - Art	250205	\$95,000
English	250401	\$3,184,200
Robert Penn Warren Journal	250403	\$1,700
Writing Center	250406	\$29,300
Master of Fine Arts	250407	\$196,600
Gender & Women's Studies	250408	\$4,000
Modern Languages	250501	\$904,100
Course Fees - Modern Languages	250505	\$1,000
Flagship - Scholarship Passthrough	250507	\$5,000
History	250601	\$2,366,500
School of Media	250701	\$3,354,100
Image West Prof Services	250706	\$3,000
Student Radio	250707	\$25,500
Course Fees - SOM	250709	\$80,000
Program Fees - School of Media	250710	\$24,000
Music	250801	\$2,193,400
CUSA Bands	250802	\$315,900
Music Dept. Concert and Performance	250804	\$22,000
Pre-College Strings Program	250806	\$90,000
Course Fees - Music	250807	\$13,000
Program Fees - Music	250808	\$17,000
Piano Lab Programs	250810	\$6,000
Sociology & Criminology	251001	\$1,796,200
Theatre & Dance	251101	\$1,106,800
Play Production	251103	\$55,000
Opera - Musical	251104	\$20,000
Course Fees - Theatre & Dance	251107	\$10,000
Summer Dance Intensive	251108	\$15,000
Political Science	251201	\$1,200,200
KY Archaeological Survey (KAS)	251305	\$70,000
Center for Local Governments	263201	\$2,000
Total Potter College of Arts & Letters		\$24,414,000

Expenditures

FY 2025 Operating Budget



Ogden College of Science and Engineering	Index	FY25 Budget
School-Engineering & Apl. Sciences	260011	\$4,731,300
Course Fees - Seas	260012	\$150,000
Engineering Program Fees	260013	\$125,000
Dean Ogden College	260101	\$1,316,100
F&A - Ogden College	260102	\$268,700
Ogden College Graduate Assistants	260103	\$831,800
OCSE Faculty Development	260105	\$17,500
SKyTeach	260110	\$171,100
Ogden College Part-Time Faculty	260112	\$148,800
Kentucky Mesonet	260120	\$1,750,000
OCSE - Summer School	260131	\$531,100
OCSE - Winter Term	260142	\$169,900
OCSE - On Demand	260145	\$216,600
OCSE - Dual Credit	260146	\$82,100
Agriculture & Food Science	260201	\$1,508,700
Leaf Composting-Scholarships	260202	\$12,000
Agricultural Exposition Center	260205	\$175,000
WKU Farm Market	260208	\$46,000
Farm	260209	\$1,155,800
Farm Maintenance	260211	\$208,900
Ag. Student Events	260217	\$10,100
Course Fees - Agriculture	260218	\$15,000
Course Fees - Horticulture	260219	\$30,000
Psychological Sciences	260301	\$1,989,000
Psychological Sciences - Course Fee	260303	\$3,200
Biology	260401	\$2,625,800
Course Fees - Biology	260405	\$72,000
So. KY Center for Adv Microscopy	260406	\$1,000
So. KY Center for Adv Microscopy	260407	\$21,600
Chemistry	260501	\$1,711,200
Course Fee - Chemistry	260508	\$66,000
AMI - Professional Services	260518	\$10,500
Earth, Environmental, & Atmos. Sci.	260601	\$1,944,900
Geographic Info Systems Licensing	260603	\$14,000
Course Fees-Earth, Enviro. & Atmos.	260608	\$45,000
Mathematics	260901	\$2,980,100
Physics & Astronomy	261101	\$1,799,400
Course Fees - Physics	261107	\$19,000

Expenditures

FY 2025 Operating Budget



Civil Engineering Services	261412	\$11,100
Applied Research & Technology - POD	262101	\$144,100
ARTP Shop - Professional Services	262109	\$2,000
HydroAnalytical Lab	262201	\$165,000
CHNGES - POD	262202	\$74,600
Hoffman Institute - POD	262204	\$42,900
CHNGES - REVENUE	262205	\$20,000
Biodiversity Center - POD	262402	\$32,200
Biodiversity Center - POD	262404	\$34,700
POD-Bioinformatics & Info Sci. Ctr	262410	\$10,500
Advanced Materials Institute - POD	262502	\$85,400
WKU ARTP Shop - POD	262503	\$1,900
Crawford Hydrology Lab	262701	\$125,000
Kentucky Climate Center - POD	262704	\$9,500
Disaster Science Oper. Center	262710	\$33,300
Applied Physics Institute - POD	263001	\$71,900
Center for Energy Systems	263109	\$43,300
Thermal Analysis Lab	390157	\$35,000
Total Ogden College of Science and Engineering		\$27,916,600

College of Health and Human Services	Index	FY25 Budget
Applied Human Sciences	240301	\$1,695,200
Hospitality Management Program	240302	\$4,000
Course Fees - Applied Human Sci.	240309	\$15,100
School of Kinesiology, Rec. & Sport	240401	\$2,136,100
Course Fees - KRS	240406	\$15,700
CPR	265052	\$144,800
Dean CHHS	265101	\$4,677,500
F&A - CHHS	265103	\$76,200
CHHS - Summer School	265131	\$990,000
CHHS - Winter Term	265142	\$152,000
CHHS - On Demand	265145	\$6,500
CHHS - Dual Credit	265146	\$8,800
Public Health	265201	\$2,001,700
Course Fees - Public Health	265206	\$6,000
School of Nursing and Allied Health	265301	\$4,276,800
Doctor of Nursing Practice	265305	\$482,600
Course Fees - SONAH	265307	\$130,000
Program Fees - SON	265308	\$460,000

Expenditures

FY 2025 Operating Budget



Social Work	265401	\$1,649,000
SONAH - DH Clinic	265403	\$30,000
Program Fees - Dental Hygiene	265410	\$56,000
Communication Sciences & Disorders	265601	\$1,562,800
Course Fees - CSD	265606	\$50,000
CSD Speech Clinic	265607	\$11,000
Doctor of Physical Therapy	265901	\$1,447,800
Program Fees - DPT	265902	\$81,000
Total College of Health and Human Services		\$22,166,600

Total Academic Affairs with Colleges		\$215,150,600
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Expenditures

FY 2025 Operating Budget



Athletics	Index	FY25 Budget
Director of Athletics	370101	\$1,808,100
Athletics Student Athl. Development	370106	\$76,700
Men's Football	370201	\$5,987,800
Men's Basketball	370202	\$2,595,100
Men's Baseball	370203	\$1,317,400
Men's Track & Field	370204	\$562,400
Men's Golf	370206	\$293,500
Football Equipment	370209	\$520,000
Women's Basketball	370301	\$1,611,900
Women's Golf	370302	\$380,700
Women's Tennis	370303	\$382,800
Women's Track & Field	370304	\$599,800
Women's Volleyball	370305	\$1,086,600
Women's Softball	370307	\$960,800
Women's Soccer	370308	\$885,300
Athletic Facilities	370401	\$1,560,000
Athletic Marketing	370402	\$1,237,700
CHF Reimbursable - Athletics	370403	\$417,800
Cheerleader/Topperettes	370404	\$169,900
Strength & Conditioning	370405	\$345,400
HAF Reimburse	370406	\$719,300
Athletic Trainer	370407	\$1,053,700
Ticket Manager	370408	\$397,700
Athletic Media Relations	370409	\$562,000
Women's Basketball Championship	370411	\$40,000
Track Team Championship	370413	\$110,000
Men's Basketball Championship Travel	370414	\$40,000
Softball Championship	370415	\$15,000
Athletic Concessions	370417	\$30,000
Women's Soccer Championship	370418	\$25,000
Volleyball Championship	370419	\$30,000
Baseball Championship Travel	370420	\$30,000
Women's Golf Championship	370421	\$10,000
Men's Golf Championship	370422	\$10,000
Spirit Championship Travel	370424	\$5,000
Women's Tennis Championship	370425	\$5,000
Conference Championship Hosting	370426	\$15,000

Expenditures

FY 2025 Operating Budget



Athletic Training: S-A Medical Serv	370427	\$621,000
Athletics - Game Guarantees	370701	\$525,000
Total Athletics		\$27,043,400

Enrollment	Index	FY25 Budget
Advising & Career Development Ctr	210103	\$2,328,500
Student Athlete Success Center	210123	\$340,200
Summer Scholars	210124	\$250,000
Student Financial Assistance	210201	\$1,801,100
Admissions Office	210401	\$2,421,200
Topper Orientation Program	210402	\$200,300
F&A - TRIO/EEP	210502	\$85,000
Total Enrollment		\$7,426,300

Student Experience	Index	FY25 Budget
Chief Diversity Officer	201411	\$16,100
Parent & Family Weekend	210113	\$85,000
Student Accessibility Resource Cntr	300208	\$366,200
VP Enrollment & Student Experience	310011	\$431,300
Parent and Family Programs	310012	\$10,000
Dean of Students	310021	\$213,100
Student Government Association	310102	\$107,700
Student Activity, Org & Leadership	310103	\$235,200
Campus Activity Board	310104	\$121,300
Counseling Center	310105	\$687,700
Greek Activities	310111	\$10,000
Student Conduct	310112	\$115,200
Camp Big Red	310201	\$69,000
Intramural Sports Complex	310202	\$3,600
Campus Recreation and Wellness	310203	\$1,193,600
Pro-Shop/Outdoor Rental	310204	\$26,000
Preston Center Special Events	310207	\$39,400
Challenge Course	310209	\$7,700
Preston Fitness Center Equipment	310210	\$75,000
Intercultural & Student Engagement	310302	\$304,100
Sustainability	320216	\$62,000
Total Student Experience		\$4,179,200

Expenditures

FY 2025 Operating Budget



Enrollment and Student Experience - Auxiliary	Index	FY25 Budget
University Centers	310107	\$258,800
Undistributed Centers	310108	\$737,700
University Center - DSU Renov. Debt	310114	\$2,391,000
Student Leadership	310116	\$40,000
Undistributed Housing Expense	310504	\$6,235,400
Housing & Residence Life	310505	\$5,307,100
Food Services - DSU Renov. Debt	320104	\$68,000
Undistributed Food Services Expense	320404	\$932,000
ID Center	320406	\$80,000
Food Service - Improv/Equip Replace	320409	\$492,000
Dining Services Administration	320410	\$95,800
Food Service - Capital Renewal	320411	\$209,000
Total Enrollment and Student Experience - Auxiliary		\$16,846,800
Total Enrollment and Student Experience		\$28,452,300
Strategy, Operations & Finance Office	Index	FY25 Budget
Staff Senate	100600	\$3,700
Strategy, Operations & Finance Office	101011	\$807,100
Total Strategy, Operations & Finance		\$810,800
Strategy, Operations & Finance - Auxiliary	Index	FY25 Budget
Printing Services	320102	\$4,500
WKU Print Center	320106	\$7,500
Food & Beverage Vending	320405	\$120,000
Total Strategy, Operations & Finance - Auxiliary		\$132,000
Human Resources	Index	FY25 Budget
Human Resources	300204	\$725,100
Total Human Resources		\$725,100
WKU Police	Index	FY25 Budget
Police	300202	\$2,988,300
Access Control	300213	\$352,300
Total Police		\$3,340,600

Expenditures

FY 2025 Operating Budget



Budget, Finance and Analytics	Index	FY25 Budget
Office of Asst. VP - Bdgt, Fin & An	101601	\$620,700
Budget	102001	\$148,600
Office of the Controller/Treasurer	103101	\$800,600
Accounting & Financial Reporting	103112	\$621,100
Student Billing & Account Services	104101	\$758,600
Total Budget, Finance and Analytics		\$2,949,600

Business Services	Index	FY25 Budget
Business Services	101021	\$52,400
Procurement Services	103103	\$581,600
Parking Services	300205	\$1,890,000
Transit Services	320211	\$1,162,700
Alumni Square Garage	320215	\$130,000
Postal Services	320402	\$363,300
Materials Management	320427	\$361,200
Total Business Services		\$4,541,200

WKU Innovation Campus	Index	FY25 Budget
Center for R&D	105001	\$981,800
F&A - Intellectual Property	200507	\$30,700
Center for R&D Operations	320212	\$271,200
Total WKU Innovation Campus		\$1,283,700

Facilities	Index	FY25 Budget
Physical Plant Facilities	101106	\$1,395,800
Environment, Health & Safety	300203	\$840,000
Chief Facilities Officer	320108	\$258,600
Facilities Management	320201	\$7,864,200
Facilities Fiscal Services	320202	\$451,900
Building Services	320203	\$285,800
Maintenance Services	320204	\$4,180,700
Utilities	320205	\$6,028,400
Campus Services	320206	\$233,100
Stockroom Services	320207	\$311,100
Plant Operations	320208	\$2,416,200
DFM Fleet Services	320210	\$334,300
Waste Management	320214	\$265,100

Expenditures

FY 2025 Operating Budget



Planning, Design & Construction	320302	\$421,100
Total Facilities		\$25,286,300
Information Technology Services	Index	FY25 Budget
Campus Communication & Security	101115	\$138,300
Assist. VP for Info Tech Serv	290101	\$367,600
ITS - Capital Projects	290105	\$137,100
Tech Support Serv - IT Service Desk	290107	\$1,134,000
Security & Identity Management	290109	\$314,300
TopperTech Part Purchases	290112	\$10,000
Tech Support Serv-Endpoint Services	290301	\$1,368,000
Infrastructure & Ops - Network	290302	\$1,237,600
Infrastructure & Ops-Communications	290304	(\$150,500)
Infrastructure & Ops - Cabling	290306	\$241,700
Infrastructure & Ops - PhySecTech	290309	\$182,400
Infrastructure & Ops - AVS	290312	\$1,212,700
Tech Support Serv - Acad Field Serv	290403	\$364,600
ITS-Reoccurring Soft/Hard Maint.	290406	\$1,776,700
Tech Support Serv - Elect Soft Dist	290407	\$1,400
Infrastructure & Ops - Systems	290501	\$804,500
Application & Prgm Services	290504	\$2,195,300
Total Information Technology Services		\$11,335,700
Total Strategy, Operations and Finance		\$50,405,000
Philanthropy and Alumni Engagement	Index	FY25 Budget
VP Philanthropy & Alumni Engagement	350011	\$536,700
Philanthropy	350103	\$1,079,200
Alumni Engagement	350104	\$516,400
Annual Fund	350105	\$242,400
Strategic Operations	350110	\$626,200
Donor Engagement & Communications	380207	\$836,400
Total Philanthropy and Alumni Engagement		\$3,837,300
President	Index	FY25 Budget
Board of Regents	100200	\$202,900
President's Office	100300	\$752,400
President's Home	100400	\$15,500

Expenditures

FY 2025 Operating Budget



Office of General Counsel	360101	\$531,600
Internal Audit	360201	\$346,900
Total President		\$1,849,300

Communications & Marketing	Index	FY25 Budget
Faculty House	200026	\$1,000
Communication/Broadcasting ETV Lab	290201	\$56,300
Public Radio Services	290203	\$768,300
FM Radio Network	290204	\$40,000
Educational Television Services	290205	\$671,600
ETV Proposed Programming	290207	\$5,000
WWHR Student Radio Station	290212	\$46,000
Communications & Marketing	380101	\$1,190,400
Student Spirit Groups	380201	\$81,000
Campus and Community Events	380202	\$235,000
Campus & Comm. Events-Institutional	380203	\$530,800
Arena Management	380208	\$30,000
Total Communications & Marketing		\$3,655,400

University-Wide	Index	FY25 Budget
Instruction Contingency	101101	\$3,550,000
Institutional Contingency	101103	\$2,606,000
Budget Realignment Strategy	101103	(\$23,974,000)
General Institutional Expenses	101104	\$6,001,400
Institutional Acquisitions & Leases	101105	\$1,569,600
Strategic Investment Fund	101124	\$2,685,000
Mandated Tuition Waivers	102002	\$4,450,000
Staff Benefits-Undistributed	103109	\$4,931,200
Principal & Interest Agency Bonds	103121	\$10,576,700
DSU Renovation Bond Payment	103123	\$861,000
Diddle Arena/Parking Debt	370416	\$2,738,500
Scholarships - Institutional	210202	\$47,841,300
Total University-Wide		\$63,836,700

Total Expenditures		\$394,230,000
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Unit Budget Summary

The unit budget summaries only include the direct unit revenue and does not include allocable revenue, such as tuition or grants.

Gordon Ford College of Business

Unit Level Direct Revenue	FY 2024	FY 2025	\$ Change	% Change
Fees	773,500	806,000	32,500	4%
Total	\$773,500	\$806,000	\$32,500	4%

Unit Level Expenses	FY 2024	FY 2025	\$ Change	% Change
Salaries and Wages	9,477,000	9,770,400	293,400	3%
Fringe Benefits	2,873,300	3,065,400	192,100	7%
Supplies & Operating Expenses	901,600	642,300	259,300	-29%
Maintenance	22,000	22,000	0	0%
Travel	38,700	11,500	27,200	-70%
Total	\$13,312,600	\$13,511,600	\$199,000	1%

College of Education & Behavioral Sciences

Unit Level Direct Revenue	FY 2024	FY 2025	\$ Change	% Change
Fees	1,335,000	982,900	352,100	-26%
Other Revenue	1,142,000	1,142,000	0	0%
Sales and Services	2,081,000	1,406,000	675,000	-32%
Total	\$4,558,000	\$3,530,900	\$1,027,100	-23%

Unit Level Expenses	FY 2024	FY 2025	\$ Change	% Change
Salaries and Wages	10,895,400	10,796,700	98,700	-1%
Fringe Benefits	3,663,400	3,420,900	242,500	-7%
Supplies & Operating Expenses	1,441,300	1,395,600	45,700	-3%
Maintenance	225,100	228,700	3,600	2%
Utilities	1,200	1,200	0	0%
Travel	323,200	319,300	3,900	-1%
Scholarships	668,000	518,000	150,000	-22%
Total	\$17,217,600	\$16,680,400	\$537,200	-3%

Ogden College of Science & Engineering

Unit Level Direct Revenue	FY 2024	FY 2025	\$ Change	% Change
Fees	546,800	525,200	21,600	-4%
Other Revenue	10,100	10,100	0	0%
Sales and Services	1,233,500	1,202,600	30,900	-3%
Total	\$1,790,400	\$1,737,900	\$52,500	-3%

Unit Level Expenses	FY 2024	FY 2025	\$ Change	% Change
Salaries and Wages	17,931,600	18,372,500	440,900	2%
Fringe Benefits	5,535,900	6,110,500	574,600	10%
Supplies & Operating Expenses	3,269,400	2,898,800	370,600	-11%
Maintenance	277,600	299,900	22,300	8%
Utilities		28,800	28,800	NA
Travel	140,500	159,300	18,800	13%
Scholarships	37,000	46,900	9,900	27%
Total	\$27,192,000	\$27,916,700	\$724,700	3%

Potter College of Arts & Letters

Unit Level Direct Revenue	FY 2024	FY 2025	\$ Change	% Change
Fees	231,000	240,000	9,000	4%
Other Revenue	15,000	26,000	11,000	73%
Sales and Services	263,000	262,000	1,000	-0%
Total	\$509,000	\$528,000	\$19,000	4%

Unit Level Expenses	FY 2024	FY 2025	\$ Change	% Change
Salaries and Wages	16,001,200	16,171,300	170,100	1%
Fringe Benefits	4,795,800	5,336,500	540,700	11%
Supplies & Operating Expenses	1,355,200	1,308,900	46,300	-3%
Maintenance	237,700	169,600	68,100	-29%
Utilities		0	0	NA
Travel	373,700	457,500	83,800	22%
Scholarships	1,052,000	970,200	81,800	-8%
Total	\$23,815,600	\$24,414,000	\$598,400	3%

College of Health & Human Service

Unit Level Direct Revenue	FY 2024	FY 2025	\$ Change	% Change
Tuition & Fees	3,821,200	3,505,500	315,700	-8%
Sales and Services	243,000	194,800	48,200	-20%
Total	\$4,064,200	\$3,700,300	\$363,900	-9%

Unit Level Expenses	FY 2024	FY 2025	\$ Change	% Change
Salaries and Wages	13,766,100	14,319,600	553,500	4%
Fringe Benefits	4,968,900	4,917,800	51,100	-1%
Supplies & Operating Expenses	2,875,300	2,469,600	405,700	-14%
Maintenance	195,200	119,700	75,500	-39%
Travel	90,500	265,500	175,000	193%
Scholarships	126,200	74,400	51,800	-41%
Total	\$22,022,200	\$22,166,600	\$144,400	1%

Provost & Academic Support Units

Unit Level Direct Revenue	FY 2024	FY 2025	\$ Change	% Change
Tuition & Fees	17,714,000	18,081,500	367,500	2%
Other Revenue	4,064,900	4,054,100	10,800	-0%
Sales and Services	1,479,000	1,685,000	206,000	14%
Grants and Contracts	1,552,000	1,552,000	0	
Total	\$24,809,900	\$25,372,600	\$562,700	2%

Unit Level Expenses	FY 2024	FY 2025	\$ Change	% Change
Salaries and Wages	16,226,500	15,164,300	1,062,200	-7%
Fringe Benefits	5,488,000	5,812,700	324,700	6%
Supplies & Operating Expenses	8,347,600	8,547,800	200,200	2%
Maintenance	574,800	648,600	73,800	13%
Utilities	1,800	1,800	0	-0%
Travel	1,659,700	1,601,000	58,700	-4%
Scholarships	7,631,800	7,806,900	175,100	2%
Total	\$39,930,200	\$39,583,100	\$347,100	-1%

Athletics

Unit Level Direct Revenue	FY 2024	FY 2025	\$ Change	% Change
Fees	5,031,000	5,031,000	0	-0%
Other Revenue		1,137,200	1,137,200	
Sales and Services	9,158,000	11,651,500	2,493,500	27%
Total	\$14,189,000	\$17,819,700	\$3,630,700	26%

Unit Level Expenses	FY 2024	FY 2025	\$ Change	% Change
Salaries and Wages	7,602,726	10,017,600	2,414,874	32%
Fringe Benefits	2,093,237	2,763,000	669,763	32%
Supplies & Operating Expenses	4,485,329	3,664,700	820,629	-18%
Travel	3,501,878	4,047,200	545,322	16%
Scholarships	6,346,456	6,550,800	204,344	3%
Total	\$24,029,626	\$27,043,300	\$3,013,674	13%

Enrollment & Student Experience

Unit Level Direct Revenue	FY 2024	FY 2025	\$ Change % Change	
Fees	0	250,000	250,000	NA
Other Revenue	485,600	487,400	1,800	0%
Sales and Services	762,500	810,700	48,200	6%
Auxiliary	15,526,000	16,717,800	1,191,800	8%
Grants and Contracts	135,000	135,000	0	0%
Total	\$16,909,100	\$18,400,900	\$1,491,800	9%

Unit Level Expenses	FY 2024	FY 2025	\$ Change % Change	
Salaries and Wages	10,795,000	10,882,300	87,300	1%
Fringe Benefits	4,748,000	5,024,100	276,100	6%
Supplies & Operating Expenses	3,802,400	3,416,700	385,700	-10%
Maintenance	2,321,500	2,580,400	258,900	11%
Debt Service	2,459,000	2,459,000	0	0%
Utilities	2,488,100	2,397,000	91,100	-4%
Travel	175,100	334,300	159,200	91%
Scholarships	88,300	1,358,500	1,270,200	1439%
Total	\$26,877,400	\$28,452,300	\$1,574,900	6%

Philanthropy & Alumni Engagement

Unit Level Expenses	FY 2024	FY 2025	\$ Change	% Change
Salaries and Wages	2,358,700	2,308,700	50,000	-2%
Fringe Benefits	789,700	755,400	34,300	-4%
Supplies & Operating Expenses	351,100	559,200	208,100	59%
Maintenance	427,400	135,600	291,800	-68%
Travel	77,400	78,400	1,000	1%
Total	\$4,004,300	\$3,837,300	\$167,000	-4%

Presidential

Unit Level Direct Revenue	FY 2024	FY 2025	\$ Change	% Change
Other Revenue	265,000	265,000	0	-0%
Sales and Services	46,000	46,000	0	-0%
Total	\$311,000	\$311,000	\$0	-0%

Unit Level Expenses	FY 2024	FY 2025	\$ Change	% Change
Salaries and Wages	3,446,000	3,441,100	4,900	-0%
Fringe Benefits	1,127,400	1,291,000	163,600	15%
Supplies & Operating Expenses	754,100	401,000	353,100	-47%
Maintenance	56,100	281,800	225,700	402%
Travel	77,400	89,800	12,400	16%
Scholarships	0	0	0	
Total	\$5,461,000	\$5,504,700	\$43,700	1%

Strategy, Operations and Finance

Unit Level Direct Revenue	FY 2024	FY 2025	\$ Change	% Change
Other Revenue	2,938,500	3,127,400	188,900	6%
Sales and Services	51,000	56,000	5,000	10%
Auxiliary	132,000	132,000	0	-0%
Grants and Contracts	60,000	60,000	0	0%
Total	\$3,181,500	\$3,375,400	\$193,900	6%

Unit Level Expenses	FY 2024	FY 2025	\$ Change	% Change
Salaries and Wages	16,621,400	16,267,500	353,900	-2%
Fringe Benefits	10,159,900	10,433,500	273,600	3%
Supplies & Operating Expenses	5,309,700	3,472,000	1,837,700	-35%
Maintenance	11,477,600	13,613,700	2,136,100	19%
Debt Service	376,000	0	376,000	-100%
Utilities	6,770,100	6,512,900	257,200	-4%
Travel	185,500	105,500	80,000	-43%
Total	\$50,900,200	\$50,405,100	\$495,100	-1%

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Capital Budget Summary

Introduction

Capital expenditures are expenditures that create assets with a multi-year life (i.e., assets that will last for more than one budget period). Capital projects are budgeted separately from the operating budget since the source of funding for capital projects is generally different from the source of funding for operating expenditures. For selected projects, there is a link between the operating budget and the capital budget. For example, the State or WKU may choose to finance capital projects, which results in a debt service or lease/purchase payment obligation in the operating budget.

Notwithstanding KRS 45.760, the governing board may authorize a capital construction project or a major item of equipment even though it is not specifically listed in any branch budget bill, subject to the following conditions and procedures:

- a. The full cost shall be funded solely by non-general fund appropriations.
- b. Moneys specifically budgeted and appropriated by the General Assembly for another purpose shall not be allotted or reallocated for expenditure on the project or major item of equipment. Moneys utilized shall not jeopardize any existing program and shall not require the use of any current general funds specifically dedicated to existing programs.
- c. The institution's president, or designee, shall submit the project or major item of equipment to the Capital Projects and Bond Oversight Committee for review as provided by KRS 45.800.

The Capital Budget includes legislatively authorized capital projects that will be under way next year or are currently under way including the source of funding, estimated cost, and the status of each respective project. Most of the following projects reflect scopes equal to legislative authorization; projects may be started at an amount less than the authorized amount based on funds availability.

Table 16: 2024-25 Authorized Projects (24 RS HB 6/VO in Part)

Project Name	Estimated Cost	Status
Asset Preservation Pool 2024-2026	\$28,581,000	Planning
Replace Academic Complex	\$160,000,000	Planning
Reauthorize WKU Asset Preservation Restricted Match	\$10,212,000	Planning, Design, Construction, and Complete
Renovate/Expand Cliff Todd Center	\$6,000,000	In Design
Acquire Furniture, Fixtures, and Equipment for Hilltopper Fieldhouse	\$3,000,000	Planning
Install New Turf on Athletic Fields	\$3,000,000	Planning
Construct New Gordon Ford College of Business	\$74,400,000 \$25,000,000	In Construction
Construct, Renovate, and Improve Athletics Facilities Reauthorization	\$8,434,300	In Construction
Total	\$318,627,300	

Table 17: 2022-24 Authorized Projects (22 RS, HB 1)

Project Name	Estimated Cost	Status
Asset Preservation Pool	\$68,080,000	In-Planning and Construction
Construct New Gordon Ford College of Business	\$74,400,000	In Construction
Henry Hardin Cherry Hall Asset Preservation	\$30,000,000*	In Design
Construct, Renovate and Improve Athletic Facilities Reauthorization	\$52,000,000	In Construction

Total	\$194,480,000	* Cherry Hall is part of Asset Preservation Pool
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- **Replace Academic Complex** - The project involves constructing a new facility to replace the existing Academic Complex (AC), which was initially constructed in 1967 with minimal updates. The AC currently accommodates the College of Health and Human Services and WKU Public Media. The new building will cater to both undergraduate and graduate programs, addressing the growing demands of these programs. Currently, the College of Health and Human Services is dispersed across multiple buildings, including the Academic Complex, Smith Stadium, south campus, and the Health Sciences complex at the Medical Center Hospital Campus. We will explore possibilities of consolidating some of these programs within the new facility. The upcoming facility will also serve the requirements of public media and administrative functions, while also providing space for broadcast and production facilities. These amenities will include those necessary for public radio, public television, and the Hilltopper sports network.
- **Asset Preservation Pool** – In the 2024-2025 Budget of the Commonwealth (24 RS HB 6), the Kentucky General Assembly authorized an additional \$28,581,000 allocation each year with no match requirements. Allocated pool funds were appropriated to institutions in both years of the biennium totaling \$57,162,000. Potential Projects under review and planning

 - Additional funding needed to fully renovate Henry Hardin Cherry Hall \$35M
 - HVAC Systems
 - Interior Renovation
 - Infrastructure
 - Energy Conservation projects
 - Elevator Renewal
- **Asset Preservation Pool** – In the 2022-2024 Budget of the Commonwealth (22 RS, HB 1), the Kentucky General Assembly authorized \$683.5 million in General Fund supported bond funds for a Postsecondary Education Asset Preservation Pool to provide funding for individual asset preservation, renovation, and maintenance projects at Kentucky public postsecondary institutions. Allocated pool funds were appropriated to institutions in both years of the biennium, with each institution receiving an appropriation for half (50%) of its allocation in 2022-23 and receiving an appropriation for the other half (50%) of its allocation in 2023-24. Western Kentucky University asset preservation pool allocation each year is \$34,040,000 for a total of \$68,080,000. The university currently has 62 active projects submitted and are eligible for reimbursement. New projects are being identified and submitted per the guidelines allowing us to manage this process strategically.

Total Capital Budget: \$430,273,000

Authorized Projects

The following includes projects authorized, including past authorizations, but not scheduled for FY 2024-26 until funds are identified:

- Renovate Potter College Arts & Letters Facilities
- Renovate and Expand Innovation Campus (CRD)
- Renovate Raymond Cravens Library
- Renovate Kentucky Building
- Renovate Jones Jagers Hall
- Renovate Ogden College Science Facilities
- Repair/Replace Roof Ctr Research & Development
- Improve Planetarium
- Replace Underground Infrastructure
- Remove & Replace Student Housing @ WKU Farm
- Improve Life Safety Pool/Academic Facilities
- Add Club Seating @ Diddle Arena
- Capital Renewal Pool
- Renovate South Campus
- Guaranteed Energy Savings Performance Contracts
- Upgrade IT Infrastructure
- Renovate Central Heat Plant
- Renovate Jones Jagers Interior
- Construct Football Press Box
- Purchase Prop/Parking & Street Improve
- Purchase Property for Campus Expansion
- Expand Track and Field Facilities
- Construct Baseball Grandstand
- Acquire FFE for Diddle Arena
- Acquire FFE for Hilltopper Fieldhouse
- Construct South Plaza
- Renovate State/ Normal Street Properties
- Renovate CRD Phase I
- Renovate & Expand Clinical Education Complex
- Construct State Street Plaza
- Acquire FF&E Equipment Pool
- Construct Parking Structure IV
- Installation of new turf on athletic fields
- Enhance Avenue of Champions streetscaping
- Renovate Colonnade
- Construct One Stop Student Services
- Renovate Glasgow Campus

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- Renovate Jody Richards Hall
 - Renovate and improve DSU
 - Construct Equine Facility at Farm

AUTHORIZATION TO LEASE PROPERTY

REQUEST:

Authorize the execution of lease agreements for the land swap of property at 1801 Russellville Road, Bowling Green, KY owned by Holley Performance Products and property at 2445 Nashville Road owned by Western Kentucky University.

FACTS:

The Innovation Campus desires to lease Holley an additional 23,402 square feet of space adjacent to their currently leased 50,112 square feet of space located at 2445 Nashville Road for an initial term of six (6) years with two one-year options to renew.

WKU will, in turn, lease approximately 35,000 square feet of space located at 1801 Russellville Road from Holley for the same lease term.

BUDGETARY IMPLICATIONS:

The parties have agreed to swap square footage in lieu of paying rent under the respective leases. WKU has the option to lease additional square footage at the Holley plant if it becomes available at a minimum of \$3 per square foot.

The lease contemplates that if, under certain conditions, Holley is no longer occupying space at the Innovation Campus, then WKU will begin making monthly rent payments for the Russellville Road location valued at \$6.57 per square foot adjusted by changes to the consumer price index. The Innovation Campus's CEO, Buddy Steen, projects that rent payments paid to WKU from subtenants will be sufficient to cash flow any obligation for WKU to pay rent to Holley, should that obligation ever arise.

RECOMMENDATION:

President Timothy C. Caboni recommends that the Board of Regents authorize the execution of the lease agreements included with the Board material.

MOTION:

Authorize the execution of the lease agreements for the land swap of property at 1801 Russellville Road, Bowling Green, KY and 2445 Nashville Road.

AMENDED AND RESTATED LEASE AGREEMENT

LANDLORD

WESTERN KENTUCKY UNIVERSITY

and

TENANT

HOLLEY PERFORMANCE PRODUCTS INC.

Lease Location: 2445 Nashville Road, Bowling Green, Kentucky 42101

AMENDED & RESTATED LEASE AGREEMENT

This AMENDED AND RESTATED LEASE AGREEMENT (the “Amended Lease”) is made and entered into as of the last date on which it is executed below (the “**Effective Date**”), by and between WESTERN KENTUCKY UNIVERSITY, a state institution of higher education (hereinafter the “**Landlord**” or “**WKU**”), and HOLLEY PERFORMANCE PRODUCTS INC., a Delaware corporation (hereinafter the “**Tenant**” or “**Holley**”, and together with Landlord, the “**Parties**”, each individually a “**Party**”).

RECITALS

WHEREAS, Landlord owns certain property located at 2445 Nashville Road, Bowling Green, Kentucky, and operates it under the name the Innovation Campus. The Innovation Campus is identified on the site plan attached hereto as Exhibit A-1 (also referred to herein as the “**Complex**”).

WHEREAS, the Innovation Campus furthers Landlord’s strategic mission by bringing together industry partners, faculty, and students to drive innovation and economic development in the region while providing educational opportunities to Landlord’s faculty and students.

WHEREAS, pursuant to that certain Facility Lease (the “**Original Lease**”) made by and between Landlord and Tenant and dated October 12, 2021, Landlord leased and demised to Tenant, and Tenant leased from Landlord, the “**Demised Premises**,” as therein described, consisting of approximately 50,112 square feet in the Innovation Campus (the “**Original Premises**”);

WHEREAS, Landlord owns additional square footage within the Innovation Campus (the “**Building**”), and Landlord desires to lease and demise to Tenant, and Tenant desires to lease from Landlord, approximately 23,402 additional square feet of space in the Building (referred to herein as the “**Additional Premises**”), which will be used by Tenant to further its mission of innovating, serving the regional economy, and, in turn, providing educational opportunities to Landlord’s faculty and students;

WHEREAS, the Original Lease is currently set to expire on October 31, 2024, and Landlord and Tenant further desire to extend the term of the Original Lease until December 31, 2030, such that Tenant’s lease of both the Original Premises and the Additional Premises (referred to herein individually and collectively, as the context requires, as the “**Premises**”) expire conterminously on December 31, 2030;

WHEREAS, Landlord and Tenant have reached other agreements concerning the development and leasing of the Premises, which are set forth below;

WHEREAS, simultaneously with executing this Amended Lease, the Parties will enter a lease agreement whereby Western Kentucky University will lease certain real estate from Holley Performance Products Inc. located at 1801 Russellville Road, Bowling Green, Kentucky, under the terms of a separate lease in the form attached hereto as **Exhibit C** (the “**Russellville Road**”).

Lease”) such that the Parties are effectively swapping their possessory interest in the real estate they respectively own.

WHEREAS, Landlord and Tenant desire to amend and restate the Original Lease in order to reflect the aforementioned agreements, pursuant to the terms and conditions hereof, and intend for this Amended Lease to amend, restate, supersede and replace the Original Lease from and after the Effective Date.

NOW, THEREFORE, in consideration of the mutual covenants hereinafter contained, and each act performed hereunder by either of the Parties, Landlord and Tenant agree as follows.

ARTICLE 1 EXHIBITS ATTACHED

Section 1.01 Exhibits. The following exhibits are attached to and made a part of this Amended Lease:

- (a) Exhibit A. Floorplan of the Premises, with the Original Premises and the Additional Premises labeled and identified.
- (b) Exhibit A-1. Site Plan of the Complex.
- (c) Exhibit B. Rent & Common-Area Maintenance Payment Schedule during the Term of this Amended Lease.
- (d) Exhibit C. Form of Russellville Road Lease.
- (e) Exhibit D. Exterior Renovation Project Renderings.

ARTICLE 2 PREMISES

Section 2.01 Premises.

(a) Original Premises. Subject to and upon the terms and conditions set forth herein, Landlord hereby leases and continues to lease to Tenant, and Tenant hereby leases and continues to lease from Landlord, the Original Premises, which is referred to in the Original Lease as the “Demised Premises,” which comprises approximately 50,112 square feet of space located in the Building, and which is depicted and shown in the floorplans attached hereto as **Exhibit A**.

(b) Additional Premises. Subject to and upon the terms and conditions set forth herein, Landlord hereby leases to Tenant, and Tenant hereby leases from Landlord, the Additional Premises, being depicted and shown on the floorplans attached hereto as **Exhibit A**. Landlord shall deliver full possession of the Additional Premises to Tenant on or before June 30, 2024 (the “**Estimated Delivery Date**”), in good order and condition, broom clean and with certain of the personal property of the prior tenants removed as set forth below, provided, however, that Landlord and Tenant acknowledge that Tenant may begin alteration work (“**Alteration Work**”) in the Additional Premises prior to the Effective Date and/or prior to the actual date of delivery of full

possession of the Additional Premises to Tenant (the “**Delivery Date**”), and that Landlord’s obligation to deliver the Additional Premises in good order and condition, broom clean does not include any obligation on the part of Landlord to complete or participate in the Alteration Work. Landlord shall leave all office furniture currently located in the Additional Premises for Tenant’s use during the Term, as well as any of the existing electrical wiring and cabling as Tenant shall request be left, but Landlord shall remove all other personal property of the prior tenants including all cubicles; provided that Tenant may request and Landlord agrees that a certain number of the existing cubicles be broken down by Landlord and built back / moved to a location in the Premises as requested by Tenant, at Tenant’s expense, and for Tenant’s use during the Term, once Tenant has completed the Alteration Work.

(c) “Premises,” Defined. As used in this Amended Lease, the term “**Premises**” means the Original Premises and the Additional Premises, both individually and collectively, as the context requires.

(d) Use of Common Areas. The "**common areas**" shall comprise all public spaces within the Building and the Complex, including without limitation lobbies, hallways, stairways, elevators, and escalators, if any, as well as public spaces on the exterior of the Building and the Complex, including without limitation sidewalks, parking areas, and green areas. Landlord hereby grants to Tenant, and its agents, contractors, employees, invitees, and visitors, the nonexclusive right to use the common areas as from time to time constituted, in common with Landlord and all other tenants of the Complex, and its and their respective agents, contractors, employees, invitees, and visitors. Landlord hereby agrees to designate adequate parking for Tenant at the Complex for a minimum of 200 parking spots.

ARTICLE 3 TERM AND RENEWALS

Section 3.01 Initial Term and Extension Terms. The “**Initial Term**” of this Amended Lease shall be for a period beginning on the Effective Date and ending on December 31, 2030. So long as Tenant is not in default hereunder beyond applicable notice and cure periods and not otherwise in default as landlord under the Russellville Road Lease beyond applicable notice and cure periods, Tenant may renew this Amended Lease for up to two (2) additional one (1) year terms and otherwise on the same terms and conditions as are contained in this Lease (each, a “**Renewal Term**”) so long as Tenant provides Landlord with written notice that Tenant wishes to renew this Amended Lease at least six months prior to then current expiration of the Term. If Landlord, being WKU, elects not to renew the Russellville Road Lease for a commensurate one year term, then Tenant, being Holley, may thereafter reject its intention to renew this Amended Lease or may continue to rent the Original Premises at the price as defined herein and the Additional Premises at \$10.00 per square feet adjusted by changes to the consumer price index between the Effective Date and the date on which the renewal term begins. If the Amended Lease is renewed for two successive one-year terms, the Parties agree that, no later than six months prior to the expiration of the final term, they will engage in good faith negotiations concerning additional renewals or extensions of Tenant’s leasehold interest in the Premises.

Section 3.02 Term. The Initial Term set forth in Section 3.01 and any Renewal Term of this Amended Lease resulting from the exercise of the options granted in Section 3.01 shall be

individually and collectively referred to in this Amended Lease as the “**Term.**”

Section 3.03 Holding Over. In the event Tenant remains in possession of the Premises after the expiration of the Term and without the execution of a new lease, lease amendment or holdover agreement, it shall be deemed to be occupying the Premises as a tenant from month to month, subject to all conditions, provisions and obligations of this Amended Lease insofar as the same are applicable to a month-to-month tenancy.

ARTICLE 4 RENT/CAM

Section 4.01 Rental & CAM During Term. As provided in the Original Lease, and as restated herein, Tenant shall pay monthly rents & common-area maintenance expenses to Landlord for Tenant’s lease of the Original Premises throughout the Term as described in **Exhibit B** herein (hereinafter collectively the “**Rent**”), payable on the first day of each month in advance. Rent for any partial calendar month during the Term shall be prorated on the basis of the total number of days in the applicable calendar month. Except as otherwise indicated herein, Tenant shall not pay or owe monthly rent or common-area maintenance expenses for Tenant’s lease of the Additional Premises but shall: (1) renovate the Premises, as provided for in Section 9.01, and (2) lease, rent-free (except as otherwise expressly provided in this Lease or the Russellville Road Lease), certain real property located at 1801 Russellville Road, Bowling Green, Kentucky, to Western Kentucky University, as set forth in the Russellville Road Lease.

Section 4.02 Payments. Rent checks are to be made payable to Landlord and mailed to Landlord at the address shown in Section 17.01, or otherwise as designated by Landlord from time to time in a written notice delivered to Tenant in accordance with Section 17.01.

ARTICLE 5 TAXES

Section 5.01 Taxes. All taxes and assessments resulting solely from the Tenant’s use of the Premises are the sole and absolute responsibility of the Tenant. In the event Tenant fails to pay tax bill or assessment, and such non-payment could cause a governmental or other entity to authorize a lien enforcement action against the Premises, Landlord may pay, or cause to be paid, such tax bill or assessment in place of the Tenant, and have the ability to recoup the amount paid from Tenant.

ARTICLE 6 USE OF PREMISES

Section 6.01 Use. Tenant may use the Premises for an engineering center, research and development, general office use, corporate headquarters and for any uses ancillary thereto, which may include, without limitation, driving vehicles into the interior of the Premises for engineering, research and development, or marketing purposes. Tenant shall not use or allow the Premises to be used for any unlawful, disreputable or immoral purpose or in any way that will injure the reputation of the Premises.

Section 6.02 Further the Mission of the Innovation Campus. It is the Parties’ intent that Tenant’s

use of the Premises shall further the overall mission of the Innovation Campus to drive innovation and regional economic development and otherwise support the educational mission of Landlord. To that end, Tenant shall make every effort to offer regular educational and/or research opportunities to Landlord's students and/or faculty each summer, fall, and/or spring semester.

ARTICLE 7 UTILITIES/OPERATING EXPENSES

Section 7.01 Utilities/Operational Expenses. From and after the Delivery Date with respect to the Additional Premises, and from and after the Effective Date with respect to the Original Premises, Tenant covenants and agrees to contract in its own name and pay for utility services rendered or furnished to the Premises as part of its Operational Expenses. The term "**Operational Expenses**" shall include janitorial, water, sewer, gas, electric, internet, security monitoring, and phone services as reasonably required for Tenant to operate its business in the Premises.

Section 7.02 Landlord shall be responsible for the contracting and payment of the Operational Expenses that cannot practically be established in Tenant's name. Landlord will submit invoices to Tenant for its proportionate share of these Operational Expenses, on a quarterly basis. Said invoices shall be paid by Tenant within thirty days of Tenant's receipt of the invoice.

Section 7.03 Tenant shall be solely responsible for disposal of any trash or waste resulting from its activities.

ARTICLE 8 MAINTENANCE

Section 8.01 Tenant's Maintenance. Subject to Landlord's maintenance responsibilities as set forth in Section 8.02, Tenant covenants to occupy and maintain the Premises in a safe, clean and sanitary manner and to keep and maintain the Premises in good repair, normal wear and tear and damage from casualty or condemnation excepted, including but not limited to minor cosmetics repairs, touch-up painting, carpet cleaning, bulb replacements, decorations, and all similar equipment, items and systems.

Section 8.02 Landlord's Maintenance. Landlord covenants to maintain the following with respect to the Building and the Premises, all in good order, condition and repair, at Landlord's sole cost and expense: foundation; structure; heating, ventilation, and air conditioning; plumbing and electrical equipment; the roof, gutters, and downspouts; other structural exterior portions of the Building, including exterior doors and windows; fire/sprinkler systems; and the parking lot, sidewalks, landscaping, exterior signage and utilities serving the Building and exterior areas and common areas of the Building and Complex, including without limitation snow and ice removal. Landlord shall have no duty to perform any maintenance, repairs, or replacements which are necessitated by the negligent or willful acts or omissions of Tenant or its members, managers, agents, employees, customers, invitees, subtenants, or licensees, which maintenance, repair, and replacement shall be the obligation of Tenant, subject however to Section 11.03.

ARTICLE 9
ALTERATIONS & RENOVATIONS

Section 9.01 Tenant's Alterations & Renovations. Tenant expressly acknowledges and agrees that over the course of the Initial Term, spend in the aggregate a minimum of Three Hundred Thirty-One Thousand Dollars (\$331,000) in Tenant Improvement Costs on altering, renovating, or adding-to the interior of the Premises, with any and all such alterations, renovations, and additions being subject to Landlord's approval, which shall not be unreasonably withheld, conditioned or delayed. Notwithstanding the foregoing, Tenant's obligation to spend such amount on alterations, renovations, and additions is contingent on Landlord first completing the Exterior Renovation Project pursuant to Section 9.02. For purposes of this Section, "**Tenant Improvement Costs**" shall include the entire cost of performing the Alteration Work and any other alterations, renovations, and additions (including, without limitation, costs of construction labor and materials, dumpster costs, additional janitorial services, general tenant signage installed inside or on the exterior of the Premises, all related taxes and insurance costs, licenses, permits, certifications, surveys and other approvals required by law, and construction management, supervision, or coordination fees). Subject to obtaining Landlord's prior written approval, which shall not be unreasonably withheld, conditioned or delayed, Tenant shall make all alterations, renovations, and additions to the Premises at its own risk and cost and in accordance with all applicable laws, and shall indemnify Landlord against all expenses, liens, claims, or damages to either persons or property or to the Premises arising out of or resulting from such alterations, renovations, or additions by Tenant. All alterations, renovations and additions to the Premises shall be owned and insured by Landlord upon completion and shall remain after the expiration or termination of this Amended Lease for the benefit of Landlord unless otherwise mutually agreed to in writing by the Parties. For example, when Landlord initially approves the alteration, the Parties may agree in writing that Tenant shall remove material alterations that change the original purpose or function of the Premises whether physically, zoning, etc., and restore that material aspect of the Premises to its pre-alterations condition upon expiration or earlier termination of this Lease, which restoration shall be at Tenant's sole cost and expense. All alterations, renovations, and additions to the Premises shall (i) be done in a good and workmanlike manner, utilizing quality materials, (ii) comply with all applicable codes and ordinances, and (iii) increase or maintain the value of the Premises.

Section 9.02 Landlord's Renovation of Exterior of Building. As evidenced by Russellville Road Lease, Holley is simultaneously with the execution of this Amended Lease, leasing to WKU as tenant thereunder, that certain real property located at 1801 Russellville Road, Bowling Green, Kentucky (as further described in **Exhibit C**) for a term commencing on the Effective Date and expiring on December 31, 2030 (subject to extension thereof pursuant to the renewal options in the Russellville Road Lease) and on the other terms and conditions contained therein, all as more particularly described in the Russellville Road Lease. As consideration for the Russellville Road Lease, Landlord herein (i.e., Western Kentucky University) shall, at Landlord's sole cost and expense, renovate the exterior of the Building (i.e., the Building that is the subject of this Amended Lease at 2445 Nashville Road), in a manner consistent with the renderings attached hereto as **Exhibit D** (the "**Exterior Renovation Project**"). Landlord intends to complete the Exterior Renovation Project by September 30, 2024, subject however, to delays for reasons outside of Landlord's control. Landlord and Tenant acknowledge and agree that the Exterior Renovation Project be completed while Tenant is in possession of the Premises. Tenant agrees to cooperate

with Landlord to avoid any unnecessary interference with the Exterior Renovation Project, and Landlord agrees to cooperate with Tenant to avoid any unnecessary interference with the conduct of Tenant's business in the Premises and any Tenant alterations being conducted in the Premises. Landlord acknowledges and agrees that the Exterior Renovation Project must include the replacing and refurbishing of interior finishes in the Premises so that any improvements in any portion of the Premises that are currently existing as of the Effective Date or are put in place prior to the start of the Exterior Renovation Project (including without limitation flooring, drywall, paint, and other finishes) that are modified or damaged during the Exterior Renovation Project are returned to as good or better condition as they were in prior to the start of the Exterior Renovation Project and to match the applicable remaining interior finishes in the Premises. For clarity, the interior of the Premises at the completion of the Exterior Renovation Project must look like Landlord was never there. Such interior work shall also be at Landlord's sole cost and expense.

Section 9.03 No Liens. No person shall be entitled to any lien derived through or under Tenant for any labor or material furnished to the Premises, and nothing in this Lease shall be construed to constitute Landlord's consent to the creation of any lien. If any lien is filed against the Premises for work claimed to have been done for or material claimed to have been furnished to Tenant, Tenant shall cause such lien to be discharged of record within thirty (30) days after filing. Tenant shall indemnify Landlord from all costs, losses, expenses and attorneys' fees in connection with any construction or alteration and any related lien.

ARTICLE 10 TRADE FIXTURES

Section 10.01 Trade Fixtures. Tenant may install necessary trade fixtures at its expense, and, at the termination or expiration of this Amended Lease, Tenant may remove all trade fixtures owned by Tenant which can be removed without material injury to or defacement of the Premises, provided that all damage to the Premises caused by such removal is repaired by Tenant at Tenant's expense, and to the Landlord's approval.

ARTICLE 11 INSURANCE

Section 11.01 Liability Insurance. Tenant shall, during the Term of this Amended Lease, keep in force and effect a general liability and commercial property policy with respect to the Premises operated by Tenant, trade fixtures installed by Tenant in accordance with Section 10.01 herein, and/or Tenant's personal property utilized within the Premises in which the minimum coverages per occurrence shall not be less than One Million (\$1,000,000.00) United States Dollars, in which the aggregate coverage of the occurrences shall not be less than Two Million (\$2,000,000.00) United States Dollars. Additionally, the Tenant shall obtain an umbrella coverage in which the coverage shall not be less than Five Million (\$5,000,000.00) United States Dollars. All such policies shall name Tenant as the insured and shall list Landlord, and any other persons, firms, or corporations designated by Landlord, as additional insureds, and shall provide that the insurer may not cancel or change the insurance coverage in any respect without first giving Landlord ten (10) days prior written notice. The insurance shall be in an insurance company licensed in the State of Kentucky, and a copy of the policy or a certificate of insurance shall be delivered to Landlord whenever replaced, and at any reasonable time requested by Landlord.

Section 11.02 Casualty and Other Insurance. Landlord shall pay for and keep in force and effect the insurance coverage on the Premises, the Building and the remainder of the Complex, including but not limited to fire, casualty, extended coverage, vandalism and malicious mischief.

Section 11.03 Waiver of Subrogation. Notwithstanding anything in this Amended Lease to the contrary, each of the Parties to this Amended Lease, on behalf of itself and its successors, legal representatives, assigns, and insurers, hereby (i) waives any and all rights of recovery, claims, actions, or causes of action against the other Party hereto and its officers, directors, partners, shareholders, members, agents, servants, or employees for any liability or claim for injury, loss, or damage (whether relating to liability, property, or otherwise) that may occur with respect to the tenancy created by this Amended Lease which was (or should have been) properly insured against under the terms of the insurance policies referred to herein and (ii) covenants that no insurer under any such insurance policy referred to herein, shall hold any right of subrogation against the other party hereto. Such waiver of subrogation rights shall be endorsed to each insurance policy where permitted.

ARTICLE 12 DEFAULT AND REMEDIES

Section 12.01 Default by Tenant of Amended Lease.

(a) The happening of one or more of the following events (hereinafter any one of which may be referred to as an “**Event of Default**”) during the Term of this Amended Lease, shall constitute a breach of this Amended Lease on the part of the Tenant: (1) Tenant fails to pay any Rent due hereunder within thirty (30) days after receipt of written notice of non-payment from Landlord, provided however that the Amended Lease may be declared immediately in default if Tenant has been provided two (2) prior written notices of non-payment within a twelve (12) month period; (2) Tenant fails to perform any other of the terms or conditions of this Amended Lease to be observed or performed by Tenant for more than thirty (30) days after written notice of such default shall have been given to Tenant, provided however, that if Tenant is not able through the use of commercially reasonable efforts to cure the breach or failure within such thirty (30) day period, Tenant's breach or failure is not a default as long as Tenant commences to cure its breach or failure within the thirty (30) day period and thereafter diligently pursues the cure to completion; (3) Tenant voluntarily files for bankruptcy, becomes insolvent, or has a receiver or trustee appointed to oversee or manage all or a portion of Tenant's property or assets; (4) Tenant makes an assignment or enters into an arrangement for the benefit of creditors; or (5) Tenant abandons the Premises; provided, however, that Tenant's vacation of the Premises shall not constitute abandonment so long as Tenant continues to pay rent and perform its other obligations under this Amended Lease in a timely manner, gives Landlord at least thirty (30) days' prior written notice of Tenant's intent to vacate, and is not otherwise in default with respect to any other terms, covenants or obligations under this Amended Lease.

(b) Upon the occurrence of an Event of Default, Tenant shall be deemed to have breached this Amended Lease and Landlord shall have the right at its option to pursue any of the following remedies which remedies shall be cumulative: (i) Landlord may either (1) terminate this Amended Lease upon 120 days' prior written notice or may without terminating the Lease immediately re-enter the Premises and remove all persons and property therefrom, and such

property may be removed and stored in a public warehouse or elsewhere at the cost and for the account of Tenant, all without service or notice or resort to legal process and without being deemed guilty of trespass or becoming liable for any loss or damage which may be occasioned thereby, or (2) without terminating the lease, declare immediately due and payable all monthly rental and additional rent and common-area maintenance expenses due under this Amended Lease for the entire remaining Term hereof, calculated at the rental rate at time of default multiplied by the remaining number of months under the Term, together with all other amounts previously due; provided, however, that such payment shall not be deemed a penalty or liquidated damages but shall merely constitute payment in advance of rent for the remainder of said term; and (ii) Landlord may take whatever action at law or in equity which may appear necessary or desirable to collect the Rent and other amounts then due and thereafter to become due hereunder or to enforce performance and observance of any obligation, agreement or covenant of Tenant under this Amended Lease, and in connection with such actions, to recover any or all damages to Landlord for Tenant's violation or breach of this Amended Lease. In the Event of Default as specified above, if Landlord does not exercise the remedy in (i)(2) above, Tenant shall remain liable to Landlord for a sum equal to all Rent and additional rent herein reserved for the balance of the then current Term at the time of such Event of Default.

(c) If Landlord re-enters the Premises as permitted by this Section, Landlord shall use commercially reasonable efforts to let or relet the Premises or any or all parts thereof for the whole or any part of the remainder of the original term hereof or for a longer period, in the Landlord's name, or as the agent of the Tenant, and, out of any rent so collected or received, the Landlord shall first pay to itself the expense and cost of retaking, repossessing, repair and/or altering the Premises and the expense of removing all persons and property therefrom, and, second, pay to itself any cost or expense sustained in securing any new Tenant or Tenants, and, third, pay to itself any balance remaining on account of the liability of the Tenant to the Landlord for the sum equal to the Rent and additional rent reserved herein and then unpaid by the Tenant for the remainder of the then current Term at the time of such Event of Default. Any entry or re-entry by the Landlord, whether had or taken under summary proceedings or otherwise, shall not absolve or discharge the Tenant from liability hereunder.

(d) Should any rent so collected by the Landlord after the payments aforesaid be insufficient to pay to the Landlord a sum equal to all Rent and additional rent herein reserved the balance or deficiency shall be paid by the Tenant on the Rent and additional rent payment days hereinbefore specified, that is, upon each of such rent days the Tenant shall pay to the Landlord the amount of the deficiency then existing; and the Tenant shall be and remain liable for any such deficiency, and the right of the Landlord to recover from the Tenant the amount thereof, or a sum equal to the amount of all Rent and additional rent herein reserved, if there shall be no reletting, shall survive the issuance of any forcible detainer order or any termination hereof; and the Tenant hereby expressly waives any defense that might be predicated upon the issuance of such order or termination or cancellation of the term hereof.

(e) Suit or suits for the recovery of any such deficiency or damages, or for a sum equal to any installment or installments of Rent or additional rent payable hereunder, may be brought by the Landlord, from time to time at the Landlord's election and nothing herein contained shall be deemed to require the Landlord to await the date whereon this Amended Lease or the term hereof would have expired by limitation had there been no such Event of Default by the Tenant or no

such termination or cancellation.

(f) Notwithstanding any other provisions contained in this Amended Lease, Landlord hereby waives any right to seek or collect punitive or consequential damages against Tenant for any Event of Default under this Amended Lease. This provision shall not be construed to limit Landlord's recoverable damages for tortious conduct.

(g) Upon an Event of Default of this Amended Lease by Tenant in which Landlord elects to terminate this lease, Landlord may elect one of the following options for the Russellville Road Lease: (1) Landlord may terminate (as tenant) the Russellville Road Lease on twelve (12) months' notice (and vacate the Russellville Road location with no further obligations to Holley under the Russellville Road Lease at the expiration of such twelve month period), or (2) Landlord may continue to lease the Russellville Road location pursuant to the terms of the Russellville Road Lease, provided however that it shall begin making monthly rent payments on the date that is three months after the date of Landlord's election hereunder, valued at \$6.57 per square foot per annum of the Premises (as defined in the Russellville Road Lease) then being leased under the Russellville road Lease, adjusted by changes to the consumer price index between the Effective Date and the date on which the first such rent payment becomes due.

(h) Default by Landlord of Amended Lease. Landlord will not be in default under this Amended Lease unless Landlord breaches or fails to perform any of Landlord's obligations under this Amended Lease and the breach or failure continues for a period of thirty (30) days after Tenant notifies Landlord in writing of Landlord's breach or failure; provided, however, that if Landlord is not able through the use of commercially reasonable efforts to cure the breach or failure within such thirty (30) day period, Landlord's breach or failure is not a default as long as Landlord commences to cure its breach or failure within the thirty (30) day period and thereafter diligently pursues the cure to completion. Upon the occurrence of any such default by Landlord, Tenant may sue for injunctive relief or to recover damages for any loss directly resulting from such default. Further, if Landlord's default results in Tenant being unable to occupy the Additional Premises consistent with the purposes as set forth herein, Tenant, at its election, may terminate the Russellville Road Lease upon providing Landlord 120 days' prior written notice of its intention to do so or begin charging Landlord monthly rent payments valued at \$6.57 per square foot per annum of the premises then being leased under the Russellville Road Lease, adjusted by changes to the consumer price index between the Effective Date and the date on which the first rent payment becomes due. Notwithstanding anything to the contrary in this Amended Lease, in no event will Landlord be responsible for any consequential or punitive damages incurred by Tenant as a result of any alleged default by Landlord hereunder.

ARTICLE 13 DAMAGE

Section 13.01 Damage to the Premises. If at any time during the Term the Premises is damaged or destroyed, said Premises shall, at Landlord's option to be exercised within thirty (30) days of notice of such damage, be repaired or rebuilt or restored by Landlord to a condition at least as good as the same was in immediately prior to such damage or destruction but in accordance with plans and specifications mutually agreed upon by Landlord and Tenant. The work of restoration or rebuilding shall fully comply with all laws and regulations and governmental ordinances

applicable thereto. During any such period that the damage or destruction is such as to render the use of the Original Premises impractical or impossible in the reasonable opinion of Tenant, the Rent herein provided shall abate. In the event the Original Premises shall be used by Tenant for the operation of business during such restoration or rebuilding, Rent shall be paid in proportion to the amount and value of the Premises available for use so that there will be a fair apportionment of the Rent (i.e., based on total square footage of the Premises compared to the square footage that is usable and the extent to which it is usable during such restoration or rebuilding).

Section 13.02 During any such period for which Tenant's use of the total square footage of the Premises shall be limited for damage or destruction, the Parties agree that Landlord shall begin making monthly rent payments to Tenant for the Russellville Road location, valued at \$6.57 per square foot per annum of the premises then being leased under the Russellville Road Lease, adjusted by changes to the consumer price index between the Effective Date and the date on which the first rent payment becomes due. Landlord shall continue making lease payments until Tenant is able to reoccupy the Premises or the expiration of the Russellville Road Lease, whichever occurs first.

Section 13.03 Anything in this Amended Lease to the contrary notwithstanding, it is agreed that (a) if Landlord does not complete any such restoration or rebuilding within 180 days of the date of the casualty (the "Deadline"), or (b) if the Premises shall, during the last two (2) years of the Term be injured or damaged or destroyed to the extent of more than fifty percent (50%) of the then value thereof, then and in either such case, Tenant may at its option at any time within thirty (30) days after (y) the Deadline (in the event of item (a) above) and (z) the date of such damage or destruction (in the event of item (b) above):

(a) Terminate this Amended Lease upon 120 days' prior written notice to Landlord, and Tenant shall thereupon surrender possession of the Premises to Landlord and Tenant shall be discharged from any and all liabilities and obligations arising under this Amended Lease other than those that expressly survive the expiration or earlier termination of such lease; and/or

(b) Terminate the Russellville Road Lease upon 120 days' prior written notice to WKU as tenant thereunder, and WKU shall thereupon surrender possession of the Russellville Road Lease premises to Holley as landlord thereunder and WKU shall be discharged from any and all liabilities and obligations arising under the Russellville Road Lease other than those that expressly survive the expiration or earlier termination of such lease; or

(c) Upon written notice to Landlord, begin charging WKU monthly rent for the Russellville Road Lease premises valued at \$6.57 per square foot per annum of the premises then being leased under the Russellville Road Lease, adjusted by changes to the consumer price index between the Effective Date and the date on which the first such rent payment becomes due.

ARTICLE 14 CONDEMNATION

Section 14.01 Condemnation. Intentionally Omitted.

ARTICLE 15
INSPECTION AND ACCESS

Section 15.01 Inspection and Access. Landlord and its contractors and their respective employees and agents may at any reasonable time with 24 hours' prior written notice, or at any time in the case of an emergency, inspect the Premises and make such repairs thereto as Landlord deems necessary for its preservation and/or to perform maintenance and/or repairs which are the responsibility of Landlord hereunder. Any repairs made by Landlord because of Tenant's breach of covenant to repair or maintain as it pertains to this Amended Lease shall be at Tenant's expense. Tenant shall not install any equipment which will exceed the capacity of the utility facilities for the Premises.

ARTICLE 16
ASSIGNMENT, SUBLEASE, OR LICENSE

Section 16.01 Assignment, Sublease or License.

(a) Tenant shall not assign or sublease the Premises, or any right or privilege connected therewith, except for the assignment or transfer to an Affiliate (as defined below), or allow any other person except agents and employees of Tenant or an Affiliate to occupy the Premises or any part thereof without first obtaining the written consent of Landlord, which consent shall not be unreasonably withheld, conditioned or delayed. A consent by Landlord shall not be a consent to a subsequent assignment, sublease or occupation by another person. An unauthorized assignment, sublease or license to occupy by Tenant shall be void at the option of Landlord. Notwithstanding any of the above provisions of this Amended Lease to the contrary, Tenant may assign this Amended Lease or sublet the Premises or any portion thereof, without Landlord's written consent, but subject to all other provisions of this Amended Lease, to any corporation or other entity which controls, is controlled by, or is under common control with Tenant, or to any corporation or other entity resulting from a merger or consolidation of Tenant or to any entity acquiring all or substantially all of the assets of Tenant (collectively, an "Affiliate").

(b) Landlord shall be free to assign this Amended Lease, either through sale or conveyance of the Complex to a third party or through a transfer of the rights and obligations of landlord under this Amended Lease, without the prior written consent of Tenant, provided, however, that the assignee or transferee shall agree to be subject to all other provisions of this Amended Lease and provided that any breach of this Amended Lease by an assignee or transferee shall be deemed to be a breach by Landlord only to the extent that such breach triggers any changes to the Russellville Road lease. Landlord shall have the option to assign its rents and proceeds to a third-party, creditor, or trustee without the prior written consent of Tenant.

ARTICLE 17
NOTICE

Section 17.01 Notices and Payments. All notices, consents, waivers, releases, certifications, statements, requests, payments, and other communications of any kind hereunder shall be in writing and shall be addressed and sent to the Parties at their addresses shown below, with delivery either in person or by overnight courier or by certified mail, postage prepaid. Either Party may

change its address by giving thirty (30) days' written notice thereof to the other Party.

If to Landlord: Andrea Anderson, General Counsel, WKU, 1906 College Heights Blvd, Bowling Green, Kentucky, 42101

If to Tenant: Holley Performance Products Inc., Attn: General Counsel, 2445 Nashville Road, Suite B2, Bowling Green, Kentucky 42101; with a copy sent via electronic mail to carlykennedy@holley.com.

Unless otherwise provided in this Amended Lease, notice shall be deemed to have been received by the addressee as follows: (a) if delivered in person, or sent by certified mail or overnight delivery service, upon receipt by the addressee or delivery to the address of the addressee; and (b) if the addressee rejects or otherwise refuses to accept the notice, or if the notice cannot be delivered because of a change in address for which no notice was given, then upon the rejection, refusal, or inability to deliver the notice. Notwithstanding the foregoing, payments of Rent may be delivered to Landlord via regular first class mail, postage prepaid.

ARTICLE 18 SIGNS

Section 18.01 Signs. Tenant may erect, maintain, permit and remove signs on or about the interior or exterior of the Premises, including without limitation on the façade of the Building, that are consistent with the general quality and appearance of other signage on or about Building and subject to the Landlord's approval, which shall not be unreasonably withheld, conditioned or delayed. Landlord agrees to execute promptly such consents or applications to erect such signs as may be required by any governmental authorities or covenants, conditions and restrictions which may apply to the Premises. Landlord hereby acknowledges and agrees that all signs of Tenant existing on or in the Building as of the Effective Date are hereby approved.

ARTICLE 19 INDEMNIFICATION

Section 19.01 Indemnification. Tenant covenants at all times to save the Landlord harmless from all loss, cost or damage which may occur or be claimed with respect to any person or persons, corporation, property or chattels on or about the Premises, resulting from the acts or omissions of Tenant, or its agents, employees, customers, invitees, subtenants, or licensees, other than those resulting from the acts or omissions of Landlord, or its agents, employees, customers, invitees, tenants, subtenants, or licensees.

ARTICLE 20 TERMINATION

SECTION 20.01. Termination. This Amended Lease shall terminate upon the expiration of the Term, pursuant to the provisions set forth in Article 12, or upon mutual consent of the Parties. Additionally, pursuant to KRS 164A.575(7)(b), WKU reserves the right to cancel this Amended Lease upon at least twelve (12) months' written notice to Tenant; provided that this termination right pursuant to Kentucky statute shall be personal to WKU and shall not be transferred to any successor landlord under this Amended Lease. If WKU cancels this Amended

Lease, Tenant, being Holley Performance Products Inc., may, at its election, cancel the Russellville Road Lease upon twelve (12) months' prior written notice or charge Landlord, being WKU, monthly rent for the Russellville Road property valued at \$6.57 per square foot per annum of the premises then being leased under the Russellville Road Lease, adjusted by changes to the consumer price index between the Effective Date and the date on which the first rent payment becomes due. For clarification, any clause in this Amended Lease which requires a Party to vacate the premises in which they are a tenant, and the other Party is their landlord, that vacating Party shall vacate the leased premises upon 120 calendar days from the notice of termination date. Notwithstanding the foregoing, for Tenant vacating the Original Premises, Tenant shall have an additional 120 days to vacate the Original Premises, given the amount of effort required by Tenant to remove engineering equipment.

ARTICLE 21 MISCELLANEOUS

Section 21.01 Covenant of Title. Landlord covenants, represents and warrants that Landlord is the owner of the Building and the Complex in fee simple and has full right and power to execute and perform its obligations under this Amended Lease and to lease the Premises herein and that Tenant, on payment of the Rent herein reserved and performance of the covenants and agreements herein contained, shall peaceably and quietly have, hold and enjoy the Premises during the Term without molestation or hindrance by any person.

Section 21.02 Remedies Cumulative. The remedies of Landlord and Tenant shall be cumulative, and no one of them shall be construed as exclusive of any other or of any remedy provided by law.

Section 21.03 Relationship of Parties. Nothing herein contained shall be deemed or construed by the Parties hereto, nor by any third party, as creating the relationship of principal and agent, or of partnership, or of joint venture, between the Parties hereto, it being agreed that neither the method of computation of Rent or any additional rent nor any other provisions named herein, nor any acts of the Parties herein, shall be deemed to create any relationship between the Parties hereto other than the relationship of Landlord and Tenant.

Section 21.04 Governmental Regulation. Tenant and Landlord shall comply with all of the requirements of all county, municipal, state, federal and other applicable governmental authorities, pertaining to the Premises, provided that this provision shall not be deemed to obligate Tenant to make any capital improvement or incur any capital expenditure.

Section 21.05 Construction. Whenever a word appears herein in its singular form, such word shall include the plural; and the neuter gender shall include the masculine and feminine genders. This Amended Lease shall be construed without reference to titles of Articles, Sections or Clauses, which are inserted for reference only.

Section 21.06 Litigation. Any litigation brought by the Parties concerning this Amended Lease, including litigation pertaining to the enforcement or interpretation of this Amended Lease, shall be brought in the appropriate court in, or whose jurisdiction includes, Warren County, Kentucky.

Section 21.07 Successors. This Amended Lease shall inure to the benefit of and be binding upon the Parties hereto, their respective heirs, personal representatives, successors and assigns.

Section 21.08 Attornment. Tenant shall in the event of any sale, assignment, or foreclosure of Landlord's rights in the Premises, attorn to and recognize such assignee or purchaser thereof as the Landlord under this Amended Lease, so long as such assignee or purchaser agrees not to disturb Tenant.

Section 21.09 Entirety, Severability and Law. This Amended Lease shall constitute the entire agreement between the Parties with respect to the Premises and shall not be modified in any manner except by written instrument executed by the Parties. The invalidity or inability to perform of any provision hereof shall not affect or impair any other provision hereof. Each term and provision hereof shall be performed and enforced to the fullest extent permitted by and in accordance with Kentucky law.

Section 21.10 Law of Kentucky. This Amended Lease shall be governed by the laws of the state of Kentucky.

Section 21.11 Counterparts. This Amended Lease may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. This Amended Lease may be delivered by electronic (“email”) delivery in “portable document format” (“pdf”), and delivery of an executed counterpart of the signature page to this Amended Lease by pdf shall be as effective as delivery of a manually executed counterpart of this Amended Lease and shall be given full legal effect in accordance with applicable Laws.

Section 21.12 Fair Meaning. Landlord and Tenant acknowledge that each Party and its counsel have participated fully in the review and revision of this Amended Lease. Any rule of construction to the effect that ambiguities are to be resolved against the drafting Party shall not apply in interpreting this Amended Lease. The language in this Amended Lease shall be interpreted as to its fair meaning and not strictly for or against any Party.

Section 21.13 Use Permits. Tenant undertakes this Amended Lease with the good faith expectation, and upon the assurance of the Landlord, that Tenant will obtain the necessary Use Permits, Environmental Permits, Bowling Green City and/or Warren County Permits and the like by any municipalities, or county, state or federal entities, for the normal operation of its business at the Premises. Landlord agrees to help Tenant obtain any and all Permits needed by the Tenant, at any time. Any failure of Tenant to obtain any needed Permit for the operation of its business is grounds for Tenant to, upon 120 days’ prior written notice to Landlord, terminate this Amended Lease without penalty to Tenant, including the refund of any security deposit held. Additionally, any failure of Tenant to obtain any needed Permit for the operation of its business is grounds for Tenant to terminate the Russellville Road Lease upon 120 days’ prior written notice to WKU or begin charging WKU monthly rent for the Russellville Road property valued at \$6.57 per square foot per annum of the premises then being leased under the Russellville Road Lease, adjusted by changes to the consumer price index between the Effective Date and the date of which the first rent payment becomes due.

Section 21.14 Systems Warranties. Landlord warrants that the plumbing, electrical, roofing, lighting, heating, ventilation and air conditioning are in operating condition as of the Effective Date of the Amended Lease.

Section 21.15 Broker Fees. Tenant is not represented in any manner by a real estate broker, or brokerage. Any real estate brokerage fees are the sole and absolute responsibility of the Landlord.

Section 21.16 Taxes, Insurances. Except as expressly stated herein, and for the avoidance of any doubt, Tenant shall not be responsible for any real estate taxes or assessments or any fire or casualty insurances.

Section 21.17 Pre-Existing Liens. Landlord warrants that there are no pre-existing liens, materialmen's liens or encumbrances against the Premises, including without limitation that there are no lender mortgages on the Premises or the Complex as of the Effective Date.

Section 21.18 Non-Disturbance. So long as the Amended Lease is in full force and effect and there are no material Tenant defaults under this Amended Lease beyond applicable notice and cure periods, Landlord covenants that:

(a) Tenant shall not be named or joined in any foreclosure, sale or other proceeding to enforce any mortgage on the Premises or Building.

(b) The enforcement of any mortgage, or the sale or assignment by the Landlord, shall not terminate the Amended Lease or disturb Tenant in the possession and use of the Premises.

(c) The Tenant's right to quiet enjoyment, possession and any other rights under the Amended Lease, shall not be affected in any manner by any of the following:

(i) any transfer of Landlord's interest in the Premises or the Building by foreclosure, sale or other action or proceeding for the enforcement of any mortgage or deed in lieu thereof (a "**Transfer**");

(ii) any other proceeding instituted or action taken in connection with any mortgage or foreclosure; or

(iii) any mortgagee taking possession of the Premises in accordance with the enforcement of a mortgage or a foreclosure action.

Section 21.19 Landlord Waiver. Notwithstanding anything in this Amended Lease to the contrary, Landlord hereby waives any and all contractual or statutory liens Landlord may now or in the future may have in any of Tenant's personal property or trade fixtures and agrees to use commercially reasonable efforts to execute and deliver to any secured creditor and/or lessor of Tenant, a commercially reasonable lien waiver agreement, with respect to Tenant's personal property or trade fixtures. Nothing herein shall be construed as granting Landlord any security interest in Tenant's personal property or trade fixtures.

Section 21.20 Force Majeure. Landlord and Tenant shall each be excused, except with respect to any monetary obligations, for the period of any delay in the performance of any obligation hereunder when prevented from so doing by a cause or causes beyond its reasonable control, including, without limitation, all labor disputes, civil commotion, war, war-like operations, invasion, rebellion, hostilities, military or usurped power, sabotage, governmental regulations or controls, inability to obtain or delays in obtaining any governmental approvals or permits, fire or

other casualty, inability to obtain or delay in obtaining any material, services, financing, or building permits or licenses, or through acts of God.

Section 21.21 Examination of Lease. Submission of this instrument by Landlord to Tenant for examination or signature does not constitute an offer by Landlord to lease the Premises. This Amended Lease shall become effective, if at all, only upon the execution by and delivery to both Landlord and Tenant of both this Amended Lease and the Russellville Road Lease.

Section 21.22 Integration Clause. This Amended Lease sets forth the entire agreement and understandings of the Parties hereto with respect to this transaction, and this Amended Lease supersedes and nullifies all other agreements made between the Parties hereto.

[Signature page to follow.]

IN WITNESS WHEREOF, the Parties' authorized representatives have executed this Amended Lease as of the Effective Date.

WESTERN KENTUCKY UNIVERSITY (LANDLORD)

By: _____
Name: _____
Title: _____
Date: _____

HOLLEY PERFORMANCE PRODUCTS INC. (TENANT)

By: _____
Name: _____
Title: _____
Date: _____

(Signature Page)
HOLLEY PERFORMANCE PRODUCTS
ENGINEERING CENTER FACILITY LEASE

EXHIBIT A
Floorplan of the Premises

[to be attached and identifying the Original Premises and the Additional Premises]

EXHIBIT A-1
Site Plan of Complex

(to be attached and identifying the Complex, Building and Premises)

EXHIBIT B
Rent & CAM Payment Schedule during Term/Extension Terms

<u>Period</u>	<u>Monthly Rent</u>	<u>Monthly CAM</u>
Effective Date through December 31, 2030	\$30,276.00	\$3,027.60
Each Extension Term (if exercised)	\$30,276.00	\$3,027.60

Note: Monthly Rent Based on \$7.25/Square Foot of the Original Premises/Year

Note: Monthly CAM = 10% of Monthly Rent (which shall reduce proportionately if Monthly Rent is reduced)

EXHIBIT C
Form of Russellville Road Lease

(to be attached)

EXHIBIT D
Exterior Renovation Project Renderings

(to be attached)

LANDLORD
HOLLEY PERFORMANCE PRODUCTS INC.

and

TENANT
WESTERN KENTUCKY UNIVERSITY

Lease Location: 1801 Russellville Rd., Bowling Green, Kentucky 42101

RUSSELLVILLE ROAD LEASE

This RUSSELLVILLE ROAD LEASE (the “Russellville Road Lease”) is made and entered into as of the last date on which it is executed below (the “**Effective Date**”), by and between HOLLEY PERFORMANCE PRODUCTS INC., a Delaware corporation, (hereinafter “**Landlord**” or “**Holley**”), and WESTERN KENTUCKY UNIVERSITY, a state institution of higher education (hereinafter the “**Tenant**” or “**WKU**,” and together with Landlord the “**Parties**,” and each individually a “**Party**”).

RECITALS

WHEREAS, pursuant to a certain Amended & Restated Lease Agreement (hereinafter, referred to as the “**Amended Lease**” the form of which is attached as **Exhibit A**), made by and between WKU and Holley and executed of even date herewith, WKU leased and demised to Holley approximately 73,514 square feet (the “**Nashville Road Premises**”) located in the complex at 2445 Nashville Road, Bowling Green, Kentucky, which complex WKU operates under the name the Innovation Campus (the “**Innovation Campus**”);

WHEREAS, under the Amended Lease, Holley agreed to pay WKU \$7.25 per square foot for use of and access to the “Original Premises” at the Innovation Campus (as that term is defined in the Amended Lease), and WKU agreed to lease the “Additional Premises” at the Innovation Campus (as that term is defined in the Amended Lease) to Holley rent-free, and, in exchange, Holley agreed (i) to make certain renovations to the Nashville Road Premises in accordance with Section 9.01 of the Amended Lease and (ii) to enter into this Russellville Road Lease with WKU, in order to lease to WKU the Premises (defined herein) rent-free (except as otherwise expressly provided in this Russellville Road Lease or the Amended Lease);

NOW, THEREFORE, in consideration of the mutual covenants hereinafter contained, and each act performed hereunder by either of the Parties, Landlord and Tenant agree as follows:

ARTICLE 1 EXHIBITS ATTACHED

Section 1.01 Exhibits. The following exhibits are attached to and made a part of this Russellville Road Lease:

- (a) Exhibit A. Form of Amended Lease.
- (b) Exhibit B. Floorplan of the Office Premises.
- (c) Exhibit C. Floorplan of the Manufacturing Facility, with the Manufacturing Premises marked.

ARTICLE 2 PREMISES

Section 2.01 Premises. Subject to and upon the terms and conditions set forth herein, Landlord hereby leases and demises to Tenant, and Tenant leases and demises from Landlord, the following

premises, both of which are located at the street address of 1801 Russellville Road, Bowling Green, Kentucky 42101 (the “**Property**”):

(a) Office Premises. Subject to and upon the terms and conditions set forth herein, effective as of the date of execution of this Russellville Road Lease, Landlord leases to Tenant, and Tenant leases from Landlord, the office building located at the Property, which comprises approximately 20,000 square feet and which is depicted in the floorplans attached as **Exhibit B** (hereinafter, the “**Office Premises**”).

(b) Manufacturing Premises. Subject to and upon the terms and conditions set forth herein, effective as of the date of execution of this Russellville Road Lease, Landlord further leases to Tenant, a portion of a 200,000 square foot manufacturing facility (hereinafter, the “**Manufacturing Facility**”) located at the Property. Landlord leases to Tenant approximately 15,000 square feet of the 200,000 square foot Manufacturing Facility, which is marked in the floorplans attached as **Exhibit C** (hereinafter, the “**Manufacturing Premises**”). The remaining square footage of the Manufacturing Facility shall be retained for use by Landlord (hereinafter, the “**Retained Premises**”). If during the Term of this Russellville Road Lease, Landlord elects to vacate the Retained Premises, Landlord agrees to first offer the Retained Premises for lease to Tenant, set at a mutually agreeable price, which the parties shall use a third party appraiser to provide an appraisal of the Retained Premises’ rent value, which shall not be less than \$3.00 per square foot per annum adjusted by changes to the consumer price index between the Effective Date and the date the Retained Premises is offered to Tenant. The cost of the appraiser shall be shared equally between the Parties. If the Tenant elects not to lease the Retained Premises, then Landlord may offer the Retained Premises for lease to one or more third-parties, as long as any third-party lease does not materially interfere with or disturb Tenant’s use and enjoyment of the Premises.

(c) “Premises,” Defined. As used in this Russellville Road Lease, the term “**Premises**” means the Office Premises and the Manufacturing Premises, combined.

(d) Possession of Premises. Landlord shall deliver possession of the Office Premises to Tenant, in good order and broom clean condition, on the date (“**Delivery Date**”) that is thirty (30) days after full possession of the Additional Premises as defined in the Amended Lease has been delivered to Holley and Holley has moved out of the Premises (as defined herein) to such Additional Premises *or* December 31, 2024, whichever occurs sooner; provided that if Landlord fails to deliver possession of the Office Premises by December 31, 2024, then Landlord, as tenant at the Innovation Campus, shall begin paying monthly rent for 23,402 square feet of the Additional Premises at \$10.00 per square foot per annum for each month until exclusive possession of the Office Premises is delivered. Landlord shall deliver exclusive possession of the Manufacturing Premises as soon as reasonably practicable after the Delivery Date, provided that if Landlord fails to give exclusive possession of the Manufacturing Premises by March 30, 2025, Landlord, as tenant at the Innovation Campus, shall begin paying monthly rent for ten thousand (10,000) square feet of the Additional Premises at \$10.00 per square foot per annum for each month until exclusive possession of the Manufacturing Premises is delivered. Tenant expressly acknowledges that Landlord will retain a portion of the Manufacturing Facility (the Retained Premises) for its use for manufacturing activities. Tenant and Landlord shall cooperate with each other to avoid unreasonable interference with each of their respective businesses within the Manufacturing Facility. Landlord and Tenant acknowledge that Landlord’s obligation to deliver the Premises in

good order and broom clean condition does not include any obligation on the part of Landlord to complete or participate in any alterations that Tenant may need or intend to make in the Premises, including without limitation separately demising the Manufacturing Premises from the Retained Premises, which shall be at Tenant's sole cost and expense and in compliance with Section 9.01.

(e) Delivery Condition. Landlord shall deliver the Premises to Tenant in good order and condition, broom clean and with all personal property removed, with the exception of some or all office furniture in the Office Premises, which will remain for use by Tenant during the Term.

(f) Use of Common Areas. The "**common areas**" shall comprise all public spaces within the Property, including without limitation, hallways, stairways, as well as public spaces on the exterior of the Property, including without limitation sidewalks, parking areas, and green areas. Landlord hereby grants to Tenant, and its agents, contractors, employees, invitees, and visitors, the nonexclusive right to use the common areas as from time to time constituted, in common with Landlord and its and their respective agents, contractors, employees, invitees, and visitors. Prior to opening for business in the Premises, Tenant shall install and construct, at Tenant's sole cost and expense and in compliance with Section 9.01, doors/walls and security systems sufficient so that Tenant and Tenant's members, managers, agents, employees, customers, invitees, subtenants, licensees, and members of the public generally, that are entering the Manufacturing Premises cannot access the Retained Premises, for safety and security reasons but that also still encompasses fire exits in the Manufacturing Premises.

ARTICLE 3 TERM AND RENEWALS

Section 3.01 Term and Extension Terms. The "**Initial Term**" of this Russellville Road Lease shall be for a period beginning on the Effective Date and ending on December 31, 2030. So long as Tenant is not in default hereunder beyond applicable notice and cure periods, and not otherwise in default as landlord under the Amended Lease beyond applicable notice and cure periods, Tenant may renew this Russellville Road Lease for up to two (2) additional one (1) year terms (each, a "**Renewal Term**") so long as Tenant provides Landlord with written notice that Tenant wishes to renew this Russellville Road Lease at least six months prior to the then current expiration of the Term. If Landlord, being Holley, elects not to renew the Amended Lease for a commensurate one year term, then Tenant, being WKU, may thereafter reject its intention to renew this Russellville Road Lease or may continue to rent the Premises at \$6.57 per square foot per annum adjusted by changes to the consumer price index between the Effective Date and the date on which the renewal term begins. If this Russellville Road Lease is renewed for two successive one-year terms, the Parties agree that, no later than six months prior to the expiration of the final term, they will engage in good faith negotiations concerning additional renewals or extensions of Tenant's leasehold interest in the Premises.

Section 3.02 Term. The Initial Term set forth in Section 3.01 and any Extension Term of this Russellville Road Lease resulting from the exercise of the options granted in Section 3.01 shall be individually and collectively referred to in this Russellville Road Lease as the "**Term**."

Section 3.03 Holding Over. In the event Tenant remains in possession of the Premises after the expiration of the Term and without the execution of a new lease, it shall be deemed to be occupying

the Premises as a tenant from month to month, subject to all conditions, provisions and obligations of this Russellville Road Lease insofar as the same are applicable to a month-to-month tenancy.

ARTICLE 4 RENT

Section 4.01 Rent. Except as otherwise indicated herein, Tenant shall not be responsible for any rent to Landlord under the terms of this Russellville Road Lease. If a rent obligation does go into effect pursuant to applicable provisions in this Russellville Road Lease or in the Amended Lease (hereinafter collectively the “**Rent**” or the “**rent**”), such rent shall be payable on the first day of each month in advance. Rent for any partial calendar month during the Term shall be prorated on the basis of the total number of days in the applicable calendar month.

Section 4.02 Payments. If rent payments ever become due and owing by Tenant as provided herein, rent checks are to be made payable to Landlord and mailed to Landlord at the address shown in Section 18.01, or otherwise as designated by Landlord from time to time in a written notice delivered to Tenant in accordance with Section 18.01.

ARTICLE 5 TAXES

Section 5.01 Taxes. Excluding property taxes related to the Premises, all taxes and assessments resulting solely from the Tenant’s use of the Premises are the sole and absolute responsibility of the Tenant. In the event Tenant fails to pay tax bill or assessment, and such non-payment could cause a governmental or other entity to authorize a lien enforcement action against the Premises, Landlord may pay, or cause to be paid, such tax bill or assessment in place of the Tenant, and have the ability to recoup the amount paid from Tenant.

ARTICLE 6 USE OF PREMISES

Section 6.01 Use. Subject to compliance with all applicable laws and the terms and conditions of this Lease, Tenant may use the Premises to operate general office use, provision of food services, grocery store, food court, restaurants, farmers market, creative engineering services, makers space, retail shops and services, art studios, art exhibitions, performance hall, event space, collaboration space, laboratories, classrooms, business incubator, storage, police and/or fire station and/or security, information technology, logistics, manufacturing, alcohol distilling and/or bottling, and any uses ancillary thereto, as well as any other uses that support the educational mission of Tenant, so long as Tenant obtains Landlord’s prior written consent to any such other uses, which shall not be unreasonably withheld. Tenant shall not use or allow the Premises to be used for any unlawful, disreputable or immoral purpose or in any way that will injure the reputation of the Premises. If any use contemplated by Tenant will require zoning variances or rezoning of the Premises, Tenant shall obtain Landlord’s prior written consent to same, but application and pursuit of such zoning variances or rezoning of the Premises, and any required permits and approvals, shall be Tenant’s sole responsibility and at Tenant’s sole cost and expense. Tenant shall not agree to provide any commitments as part of any zoning variances or rezoning of the Premises without the prior written consent of Landlord, which consent will not be unreasonably withheld.

**ARTICLE 7
UTILITIES/OPERATING EXPENSES**

Section 7.01 Utilities/Operational Expenses. From and after the Delivery Date, Tenant covenants and agrees to contract in its own name and pay for Operational Expenses rendered or furnished exclusively to the Premises. With respect to utilities such as water, sewer, gas, and electric that cannot be separately metered between the Premise and Retained Premises, Landlord shall continue to contract in its own name for those services, and shall invoice Tenant for its proportionate share of those utilities as calculated by Tenant's pro rata square footage occupancy of the overall Office Premises and Manufacturing Facility, or as otherwise agreed upon by the Parties mutually in a written agreement. If Tenant becomes the sole occupant of both the Manufacturing Facility and Office Premises such that it or its subtenants are the only persons or entities making use of utilities, then Tenant shall cause all utilities to be contracted in its own name. The term "**Operational Expenses**" shall include janitorial, water, sewer, gas, electric, internet, security monitoring, and phone services, as reasonably required for Tenant to operate its business in the Premises.

(a) Landlord shall be responsible for the contracting and payment of the Operational Expenses that cannot practically be established in Tenant's name. Landlord will submit invoices to Tenant for its proportionate share of these Operational Expenses, on a quarterly basis. Said invoices shall be paid by Tenant within thirty days of Tenant's receipt of the invoice.

(b) Tenant shall be solely responsible for disposal of any trash or waste resulting from its activities.

**ARTICLE 8
MAINTENANCE**

Section 8.01 Tenant's Maintenance. Subject to Landlord's maintenance responsibilities as set forth in Section 8.02, Tenant covenants to occupy and maintain the Premises in a safe, clean and sanitary manner and to keep and maintain the Premises in good repair, normal wear and tear and damage from casualty or condemnation excepted, including but not limited to minor cosmetics repairs, touch-up painting, carpet cleaning, bulb replacements, decorations, and all similar equipment, items and systems.

Section 8.02 Landlord's Maintenance. Landlord covenants to maintain the Property and the Premises, all in good order, condition and repair, at Landlord's sole cost and expense: foundation; structure; heating, ventilation, and air conditioning; plumbing and electrical equipment; the roof, gutters, and downspouts; other structural exterior portions of the Property, including exterior doors and windows; fire/sprinkler systems; and the parking lot, sidewalks, landscaping, exterior signage and utilities serving the Premises, and exterior areas and common areas of the Premises, including without limitation snow and ice removal. Landlord shall have no duty to perform any maintenance, repairs, or replacements which are necessitated by the negligent or willful acts or omissions of Tenant or its members, managers, agents, employees, customers, invitees, subtenants, or licensees, which maintenance, repair, and replacement shall be the obligation of Tenant, subject however to Section 11.03.

**ARTICLE 9
ALTERATIONS & RENOVATIONS**

Section 9.01 Tenant's Alterations & Renovations. Subject to obtaining Landlord's prior written approval, which shall not be unreasonably withheld, conditioned or delayed, Tenant shall make any and all alterations, renovations, and additions to the Premises at its own risk and cost and in accordance with all applicable laws. All alterations, renovations and additions to the Premises shall be owned and insured by Landlord upon completion and shall remain after the expiration or termination of this Russellville Road Lease for the benefit of Landlord unless otherwise mutually agreed to in writing by the Parties. For example, when Landlord initially approves the alteration, the Parties may agree in writing that Tenant shall remove material alterations that change the original purpose or function of the Premises whether physically, zoning, etc., and restore that material aspect of the Premises to its pre-alterations condition upon expiration or earlier termination of this Lease, which restoration shall be at Tenant's sole cost and expense. All alterations, renovations, and additions to the Premises shall (i) be done in a good and workmanlike manner, utilizing quality materials, (ii) comply with all applicable codes and ordinances, and (iii) increase or maintain the value of the Premises.

Section 9.02 No Liens. No person shall be entitled to any lien derived through or under Tenant for any labor or material furnished to the Premises, and nothing in this Lease shall be construed to constitute Landlord's consent to the creation of any lien. If any lien is filed against the Premises for work claimed to have been done for or material claimed to have been furnished to Tenant, Tenant shall cause such lien to be discharged of record within thirty (30) days after filing. Tenant shall indemnify Landlord from all costs, losses, expenses and attorneys' fees in connection with any construction or alteration and any related lien.

**ARTICLE 10
TRADE FIXTURES**

Section 10.01 Trade Fixtures. Tenant may install necessary trade fixtures at its expense, and, at the termination or expiration of this Russellville Road Lease, Tenant may remove all trade fixtures owned by Tenant which can be removed without material injury to or defacement of the Premises, provided that all damage to the Premises caused by such removal is repaired by Tenant at Tenant's expense, and to the Landlord's approval.

**ARTICLE 11
INSURANCE**

Section 11.01 Liability Insurance. Tenant shall, during the Term of this Russellville Road Lease, keep in force and effect a general liability and commercial property policy with respect to the Premises operated by Tenant, trade fixtures installed by Tenant in accordance with Section 10.01 herein, and/or Tenant's personal property utilized within the Premises in which the minimum coverages per occurrence shall not be less than One Million (\$1,000,000.00) United States Dollars, in which the aggregate coverage of the occurrences shall not be less than Two Million (\$2,000,000.00) United States Dollars. Additionally, the Tenant shall obtain an umbrella coverage in which the coverage shall not be less than Five Million (\$5,000,000.00) United States Dollars. All such policies shall name Tenant as the insured and shall list Landlord, and any other persons,

firms, or corporations designated by Landlord, as additional insureds, and shall provide that the insurer may not cancel or change the insurance coverage in any respect without first giving Landlord ten (10) days prior written notice. The insurance shall be in an insurance company licensed in the State of Kentucky, and a copy of the policy or a certificate of insurance shall be delivered to Landlord whenever replaced, and at any reasonable time requested by Landlord.

Section 11.02 Casualty and Other Insurance. Landlord shall pay for the entire insurance coverage on the Property and the Premises, including but not limited to fire, casualty, extended coverage, vandalism and malicious mischief.

Section 11.03 Waiver of Subrogation. Notwithstanding anything in this Russellville Road Lease to the contrary, each of the Parties to this Russellville Road Lease, on behalf of itself and its successors, legal representatives, assigns, and insurers, hereby (i) waives any and all rights of recovery, claims, actions, or causes of action against the other Party hereto and its officers, directors, partners, shareholders, members, agents, servants, or employees for any liability or claim for injury, loss, or damage (whether relating to liability, property, or otherwise) that may occur with respect to the tenancy created by this Russellville Road Lease which was (or should have been) properly insured against under the terms of the insurance policies referred to herein and (ii) covenants that no insurer under any such insurance policy referred to herein, shall hold any right of subrogation against the other party hereto. Such waiver of subrogation rights shall be endorsed to each insurance policy where permitted.

ARTICLE 12 DEFAULT AND REMEDIES

Section 12.01 Default by Tenant.

(a) The happening of one or more of the following events (hereinafter any one of which may be referred to as an “**Event of Default**”) during the Term of this Russellville Road Lease shall constitute a breach of this Russellville Road Lease on the part of the Tenant: (1) Tenant fails to pay any of its financial obligations hereunder, including but not limited to utilities, taxes, or rent, if it is ever due and owed, within thirty (30) days after receipt of written notice of non-payment from Landlord, provided however that the Amended Lease may be declared immediately in default if Tenant has been provided two (2) prior written notices of non-payment within a twelve (12) month period; (2) Tenant fails to perform any other of the terms or conditions of this Russellville Road Lease to be observed or performed by Tenant for more than thirty (30) days after written notice of such default shall have been given to Tenant, provided however, that if Tenant is not able through the use of commercially reasonable efforts to cure the breach or failure within such thirty (30) day period, Tenant's breach or failure is not a default as long as Tenant commences to cure its breach or failure within the thirty (30) day period and thereafter diligently pursues the cure to completion; (3) Tenant voluntarily files for bankruptcy, becomes insolvent, or has a receiver or trustee appointed to oversee or manage all or a portion of Tenant's property or assets; (4) Tenant makes an assignment or enters into an arrangement for the benefit of creditors; or (5) Tenant abandons the Premises; provided, however, that Tenant's vacation of the Premises shall not constitute abandonment so long as Tenant continues to perform its obligations under this Russellville Road Lease in a timely manner, gives Landlord at least thirty (30) days' prior written notice of Tenant's intent to vacate, and is not otherwise in default with respect to any other terms,

covenants or obligations under this Russellville Road Lease.

(b) Upon the occurrence of an Event of Default, Tenant shall be deemed to have breached this Russellville Road Lease and Landlord shall have the right at its option to pursue any of the following remedies which remedies shall be cumulative: (i) Landlord may either (A) enter upon and take possession of said leased Premises without terminating this Russellville Road Lease, and attempt to sublease the same in its entirety for the account of Tenant, holding Tenant liable for the difference in the rent and other amounts actually paid by such sublessee in such subletting and monthly lease payments being paid by Tenant, if any, at the time of default; or (B) forthwith cancel and terminate this Russellville Road Lease upon 120 days' prior written notice in writing to Tenant and if such notice shall be given, all rights of Tenant to the use and occupancy of said Premises shall terminate as of the date set forth in such notice, and Tenant will at once surrender possession of the Premises to Landlord and remove all of Tenant's effects therefrom, and Landlord may forthwith re-enter the Premises and repossess the Premises; and (ii) Landlord may take whatever action at law or in equity which may appear necessary or desirable to collect amounts then due and thereafter to become due hereunder or to enforce performance and observance of any obligation, agreement or covenant of Tenant under this Russellville Road Lease, and in connection with such actions, to recover any or all damages to Landlord for Tenant's violation or breach of this Russellville Road Lease. In the Event of Default as specified above, Tenant shall remain liable to Landlord for a sum equal to all Rent and additional rent herein reserved for the balance of the then current Term at the time of such Event of Default, if such Rent is applicable..

(c) If Landlord re-enters the Premises as permitted by this Section, Landlord shall use commercially reasonable efforts to let or relet the Premises or any or all parts thereof for the whole or any part of the remainder of the original term hereof or for a longer period, in the Landlord's name, or as the agent of the Tenant, and, out of any rent so collected or received, the Landlord shall first pay to itself the expense and cost of retaking, repossessing, repair and/or altering the Premises and the expense of removing all persons and property therefrom, and, second, pay to itself any cost or expense sustained in securing any new Tenant or Tenants, and, third, pay to itself any balance remaining on account of the liability of the Tenant to the Landlord for the sum equal to the Rent and additional rent reserved herein and then unpaid by the Tenant for the remainder of the then current Term at the time of such Event of Default. Any entry or re-entry by the Landlord, whether had or taken under summary proceedings or otherwise, shall not absolve or discharge the Tenant from liability hereunder.

(d) Should any rent so collected by the Landlord after the payments aforesaid be insufficient to pay to the Landlord a sum equal to all Rent and additional rent herein reserved the balance or deficiency shall be paid by the Tenant on the Rent and additional rent payment days hereinbefore specified, that is, upon each of such rent days the Tenant shall pay to the Landlord the amount of the deficiency then existing; and the Tenant shall be and remain liable for any such deficiency, and the right of the Landlord to recover from the Tenant the amount thereof, or a sum equal to the amount of all Rent and additional rent herein reserved, if there shall be no reletting, shall survive the issuance of any forcible detainer order or any termination hereof; and the Tenant hereby expressly waives any defense that might be predicated upon the issuance of such order or termination or cancellation of the term hereof.

(e) Suit or suits for the recovery of any such deficiency or damages, or for a sum equal

to any installment or installments of Rent or additional rent payable hereunder, may be brought by the Landlord, from time to time at the Landlord's election and nothing herein contained shall be deemed to require the Landlord to await the date whereon this Russellville Road Lease or the term hereof would have expired by limitation had there been no such Default by the Tenant or no such termination or cancellation.

(f) Notwithstanding any other provisions contained in this Russellville Road Lease, Landlord hereby waives any right to seek or collect punitive or consequential damages against Tenant for any Event of Default under this Russellville Road Lease. This provision shall not be construed to limit Landlord's recoverable damages for tortious conduct.

(g) Upon an Event of Default of this Russellville Road Lease by Tenant, Landlord may elect one of the following options: (1) Landlord may, in its sole discretion, terminate (as tenant) a portion of or the entirety of the Amended Lease on twelve (12) months' notice, such that it may either terminate its obligations and possessory interest as to the Additional Premises or terminate the entirety of the Amended Lease such that it vacates both the Additional Premises and the Original Premises or (2) Landlord may continue to lease the Additional Premises at the Innovation Campus according to the terms of the Amended Lease, provided however that it shall begin making monthly rent payments, on the date that is three months after the date of Landlord's election hereunder, valued at \$10.00 per square foot per annum of the Additional Premises (as defined in the Amended Lease) then being leased under the Amended Lease, adjusted by changes to the consumer price index between the Effective Date and the date on which the first rent payment becomes due.

Section 12.02 Default by Landlord. Landlord will not be in default under this Russellville Road Lease unless Landlord breaches or fails to perform any of Landlord's obligations under this Russellville Road Lease and the breach or failure continues for a period of thirty (30) days after Tenant notifies Landlord in writing of Landlord's breach or failure; provided, however, that if Landlord is not able through the use of commercially reasonable efforts to cure the breach or failure within such thirty (30) day period, Landlord's breach or failure is not a default as long as Landlord commences to cure its breach or failure within the thirty (30) day period and thereafter diligently pursues the cure to completion. Upon the occurrence of any such default by Landlord, Tenant may sue for injunctive relief or to recover damages for any loss directly resulting from such default, but further, if Landlord's default results in Tenant being unable to occupy the Premises consistent with the purposes as set forth herein, Tenant, at its election, may terminate that portion of the Amended Lease related to the Additional Premises at the Innovation Campus upon providing Holley 120 days' prior written notice of its intention to do so or begin charging Holley monthly rent payments valued at \$10.00 per square foot per annum of the Additional Premises (as defined in the Amended Lease) then being leased under the Amended Lease, adjusted by changes to the consumer price index between the Effective Date and the date on which the first rent payment becomes due. Notwithstanding anything to the contrary in this Amended Lease, in no event will Landlord be responsible for any consequential or punitive damages incurred by Tenant as a result of any alleged default by Landlord hereunder.

ARTICLE 13 DAMAGE

Section 13.01 Damage to the Premises. If at any time during the Term the Premises is damaged or destroyed, said Premises shall, at Landlord's option to be exercised within thirty (30) days of notice of such damage, be repaired or rebuilt or restored by Landlord to a condition at least as good as the same was in immediately prior to such damage or destruction but in accordance with plans and specifications mutually agreed upon by Landlord and Tenant. The work of restoration or rebuilding shall fully comply with all laws and regulations and governmental ordinances applicable thereto. During any such period that the damage or destruction is such as to render the use of the Premises impractical or impossible in the reasonable opinion of Tenant, the Rent, if any, obligations of Tenant herein provided shall abate. In the event the Premises shall be used by Tenant for the operation of business during such restoration or rebuilding, the Rent, if any, obligations of Tenant shall be paid in proportion to the amount and value of the Premises available for use, so that there will be a fair apportionment of the Tenant's Rent, if any, obligations (i.e. based on total square footage of the Premises compared to the square footage that is usable and the extent to which it is usable during such restoration or rebuilding).

Section 13.02 During any such period for which Tenant's use of the total square footage of the Premises shall be limited for damage or destruction, the Parties agree that Landlord shall begin making monthly rent payments to Tenant for the Additional Premises at the Innovation Campus, monthly rent payments valued at \$10.00 per square foot per annum of the Additional Premises (as defined in the Amended Lease) then being leased under the Amended Lease, adjusted by changes to the consumer price index between the Effective Date and the date on which the first rent payment becomes due. Landlord shall continue making such lease payments under the Amended Lease until Tenant is able to reoccupy the Premises or the expiration of the Russellville Road Lease, whichever occurs first.

Section 13.03 Anything in this Russellville Road Lease to the contrary notwithstanding, it is agreed that (a) if Landlord does not complete any such restoration or rebuilding within 180 days of the date of the casualty (the "**Deadline**"), or (b) if the Premises shall, during the last two (2) years of the Term be injured or damaged or destroyed to the extent of more than fifty percent (50%) of the then value thereof, then and in either such case, Tenant may at its option at any time within thirty (30) days after (y) the Deadline (in the event of item (a) above) and (z) the date of such damage or destruction (in the event of item (b) above):

(a) Terminate this Russellville Road Lease upon 120 days' prior written notice to Landlord, and Tenant shall thereupon surrender possession of the Premises to Landlord and Tenant shall be discharged from any and all liabilities and obligations arising under this Russellville Road Lease other than those that expressly survive the expiration or earlier termination of such lease; and/or

(b) Terminate the Amended Lease upon 120 days' prior written notice to Holley as tenant thereunder, and Holley shall thereupon surrender possession of the Amended Lease premises to WKU as landlord thereunder and Holley shall be discharged from any and all liabilities and obligations arising under the Amended Lease other than those that expressly survive the expiration or earlier termination of such lease; or

(c) Upon written notice to Landlord, begin charging Holley monthly rent for the Additional Premises as defined in the Amended Lease valued at \$10.00 per square foot per annum of the premises then being leased under the Amended Lease, adjusted by changes to the consumer price index between the Effective Date and the date on which the first such rent payment becomes due.

ARTICLE 14 CONDEMNATION

Section 14.01 Condemnation. If the Premises or any part thereof shall be acquired by any authority having power of eminent domain, whether directly pursuant to such power or under threat of use of such power, Tenant at its option may terminate this Russellville Road Lease as of the date when possession is taken by the acquiring authority. If Tenant does not terminate the Russellville Road Lease, its Rent, if any, obligations under the Russellville Road Lease, shall be reduced pro rata based upon the nature of the taking and the reduction in the utility of the Premises to the Tenant. The Parties agree to negotiate in good faith to determine the reduction in Tenant's Rent, if any, obligations. Additionally, for every square foot of rent-free space Tenant is unable to occupy in the Premises because of the condemnation or taking, Landlord agrees that twelve (12) months after the date of such taking or condemnation, to begin making monthly rent payments to Tenant for the same amount of rent-free square feet, not to exceed the square feet then being leased rent free by Holley, in the Additional Premises at the Innovation Campus valued at \$10.00 per square foot per annum of the Additional Premises (as defined in the Amended Lease) then being leased under the Amended Lease, adjusted by changes to the consumer price index between the Effective Date and the date on which the first rent payment becomes due. All proceeds and damages resulting from such acquisition shall belong to and be the property of Landlord. Tenant shall have the right to claim and recover from such acquiring authority, but not from Landlord, such compensation as may be separately awarded or recoverable by Tenant in its own right on account of any and all damages to Tenant's business by reason of such acquisition, business interruption or displacement.

ARTICLE 15 INSPECTION AND ACCESS

Section 15.01 Inspection. Landlord and its contractors and their respective employees and agents may at any reasonable time with 24 hours' prior written notice, or at any time in the case of an emergency, inspect the Premises and make such repairs thereto as Landlord deems necessary for its preservation and/or to perform maintenance and/or repairs which are the responsibility of Landlord hereunder. Any repairs made by Landlord because of Tenant's breach of covenant to repair or maintain as it pertains to this Russellville Road Lease shall be at Tenant's expense. Tenant shall not install any equipment which will exceed the capacity of the utility facilities for the Premises.

Section 15.02 Access. Landlord shall at all times have access over the Tenant's Premises to enter the Retained Premises. However, Tenant and its employees, public guests, customers, invitees, subtenants and licensees are prohibited from having any access to or entering upon the Retained Premises, other than a defined and unencumbered pathway to access adequate restrooms. Additionally, Landlord and its employees and agents shall have 24/7 access to the demarc room

on the first floor in the Office Premises where all internet circuits enter the Property, as marked on **Exhibit C**. As well, Landlord and its employees and agents shall have 24/7 access to the server room at the Premises, where all connectivity comes back in the Premises connecting the front demarc room to the Manufacturing Premises to provide connection for the Manufacturing Premises.

ARTICLE 16 ASSIGNMENT, SUBLEASE OR LICENSE

Section 16.01 Assignment, Sublease or License.

(a) Tenant shall not assign or sublease the Premises, or any right or privilege connected therewith, except for the assignment or transfer to an Affiliate (as defined below), or allow any other person except agents and employees of Tenant or an Affiliate to occupy the Premises or any part thereof without first obtaining the written consent of Landlord, which consent shall not be unreasonably withheld, conditioned or delayed, and consent shall be deemed granted if Tenant provides notice and Tenant fails to respond within five (5) business days thereafter. A consent by Landlord shall not be a consent to a subsequent assignment, sublease or occupation by other person. An unauthorized assignment, sublease or license to occupy by Tenant shall be void at the option of Landlord. Notwithstanding any of the above provisions of this Russellville Road Lease to the contrary, Tenant may assign this Russellville Road Lease or sublet the Premises or any portion thereof, without Landlord's written consent, but subject to all other provisions of this Russellville Road Lease, to any corporation or other entity which controls, is controlled by, or is under common control with Tenant, or to any corporation or other entity resulting from a merger or consolidation of Tenant or to any entity acquiring all or substantially all of the assets of Tenant (collectively, an "**Affiliate**").

(b) Each sublease or license by Tenant hereunder, subject to Landlord's consent as provided above, and/or if no consent is required as provided above, shall be subject and subordinate to this Russellville Road Lease and to the matters to which this Russellville Road Lease is or shall be subordinate, and each subtenant or licensee by entering into a sublease or license is deemed to have agreed that in the event of termination, re-entry or dispossession by Landlord under this Lease, Landlord may, at its option, take over all of the right, title and interest of Tenant, as sublandlord or licensor, under such sublease or license, and such subtenant or licensee shall, at Landlord's option, attorn to Landlord pursuant to the then executory provisions of such sublease or license, except that Landlord shall not be (i) liable for any previous act or omission of Tenant under such sublease or license, (ii) subject to any counterclaim, offset or defense that such subtenant or licensee might have against Tenant, (iii) bound by any previous modification of such sublease or license not approved by Landlord in writing or by any rent or additional rent or advance rent which such subtenant or licensee might have paid for more than the current month to Tenant, and all such rent shall remain due and owing, notwithstanding such advance payment, (iv) bound by any security or advance rental deposit made by such subtenant or licensee which is not delivered or paid over to Landlord and with respect to which such subtenant or licensee shall look solely to Tenant for refund or reimbursement, or (v) obligated to perform any work in the subleased or licensed space or to prepare it for occupancy, and in connection with such attornment, the subtenant or licensee shall execute and deliver to Landlord any instruments Landlord may reasonably request to evidence and confirm such attornment. In addition, subtenant or licensee

agrees to provide evidence that it meets the insurance requirements of Tenant pursuant to this Lease and to at all times indemnify and save the Landlord harmless from all loss, cost or damage which may occur or be claimed with respect to any person or persons, corporation, property or chattels on or about the Premises, resulting from the acts or omissions of such subtenant or licensee, or its agents, employees, customers, or invitees. Each subtenant or licensee of Tenant shall be deemed, automatically upon and as a condition of its occupying or using the Premises or any part thereof, to have agreed to be bound by the terms and conditions set forth in this Section 16. The provisions of this Section 16 shall be self-operative, and no further instrument shall be required to give effect to this provision.

(c) Landlord shall not assign this Russellville Road Lease, either through sale of the Property or Premise to a third party (other than an Affiliate of Landlord as defined in the Amended Lease), or through a transfer of the rights of this Russellville Road Lease (other than an Affiliate of Landlord as defined in the Amended Lease), without the prior written consent of Tenant, such consent shall not be unreasonably withheld, conditioned or delayed. Landlord shall have the option to assign its rents and proceeds to a third-party, creditor, or trustee without the prior written consent of Tenant.

ARTICLE 17 RIGHT OF FIRST REFUSAL (“ROFR”)

Section 17.01 First Refusal Notice. If, during the Russellville Road Lease Term, Landlord receives a bona fide offer to purchase the Property (a "**Proposed Transfer**"), Tenant shall have a right of first refusal to purchase the Property in accordance with this Article 17, and Landlord shall not consummate the sale to a third party unless Landlord shall first deliver to Tenant a notice (the "**First Refusal Notice**") outlining the sale price and each of the material financial terms of the proposed transaction (the "**Purchase Terms**") and the proposed closing date of the Proposed Transfer (the "**Closing Date**").

Section 17.02 Response Period. Tenant shall, for the thirty (30) day period commencing upon receipt of the First Refusal Notice (the "**ROFR Response Period**"), have the exclusive right to accept in writing the Purchase Terms, by so notifying Landlord before 5:00 p.m. (CT) on the last day of the ROFR Response Period, whereupon Landlord shall be bound to offer to sell to Tenant the Property on the Purchase Terms pursuant to this ROFR, and Landlord and Tenant shall promptly after Tenant’s acceptance execute a purchase and sale agreement to sell the Property to Tenant pursuant to a purchase and sale agreement reasonably acceptable to both parties on the Purchase Terms and upon other terms typical to commercial real estate transactions in Warren County, State of Kentucky (the "**PSA**").

Section 17.03 Waiver of ROFR. If Tenant shall either: (a) deliver written notice of rejection of the First Refusal Notice to Landlord; or (b) fail to deliver written notice of acceptance of the First Refusal Notice within the ROFR Response Period, Tenant's right of first refusal hereunder shall conclusively be deemed to be waived with respect to the Purchase Terms disclosed in the First Refusal Notice and Landlord shall be free, for a period of sixty (60) days from the end of the ROFR Response Period, to enter into a PSA with a third party on the Purchase Terms free and clear of the Tenant's right of first refusal set forth in this Article 17 (which shall be extinguished, null, void, and of no further force or effect upon such sale). If, however, either: (a) Landlord does not enter

into a PSA with a third party on the Purchase Terms within sixty (60) days from the end of the ROFR Response Period; or (b) the PSA with the third party is on terms substantially more favorable to the third party purchaser than the Purchase Terms, then Tenant's right of first refusal provided for in Section 17.01 shall once again apply, and Landlord shall not complete such Proposed Transfer without first giving a new First Refusal Notice to Tenant in compliance with the terms of Section 17.01. For purposes of this Section, “**substantially more favorable**” shall mean a purchase price more than ten percent (10%) lower than was included in the Purchase Terms in the First Refusal Notice.

Section 17.04 Sale Under ROFR. A sale of the Property to Tenant pursuant to this Article 17 shall be conducted in accordance with this Section 17.04. On the Closing Date:

- (a) Tenant shall purchase the Property on the Purchase Terms;
- (b) Landlord shall deliver to Tenant or its designee a deed in accordance with the terms of the PSA, together with any ancillary documents necessary for the recordation thereof and any required tax documents;
- (c) The closing shall be held in accordance with local custom in the state where the Property is located;
- (d) Landlord shall deliver to the title company closing the transaction evidence of authority to transfer the Property to Tenant, and any other customary affidavits, indemnities, or documentation required by any title insurance company insuring the fee interest in the Property; and
- (e) All title insurance premiums, and other costs, fees, and expenses (including reasonable attorneys' fees and expenses) incurred in connection with the transfer of the Property to Tenant shall be paid in accordance with the terms of the PSA (or, if not specified therein, in accordance with local custom for commercial real estate transactions in the state where the Property is located).

Section 17.05 Russellville Road Lease Termination. Upon the completion of such purchase of the Property by Tenant, unless Tenant shall elect to have its leasehold and fee interests in the Property not merge and to keep this Russellville Road Lease in effect, this Russellville Road Lease and all obligations and liabilities of Landlord and Tenant hereunder shall terminate, except for those obligations which by their terms survive the termination hereof. Should Tenant elect to purchase the Property hereunder, at the time of closing, Landlord, being Holley, shall begin making monthly payments for the Additional Premises at the Innovation Campus, valued at \$10.00 per square foot per annum of the Additional Premises (as defined in the Amended Lease Lease) then being leased under the Amended Lease, adjusted by changes to the consumer price index between the Effective Date and the date on which the first such rent payment becomes due.

ARTICLE 18 NOTICE

Section 18.01 Notices and Payments. All notices, consents, waivers, releases, certifications, statements, requests, payments, and other communications of any kind hereunder shall be in

writing and shall be addressed and sent to the Parties at their addresses shown below, with delivery either in person or by overnight courier or by certified mail, postage prepaid. Either Party may change its address by giving thirty (30) days' written notice thereof to the other Party.

If to Landlord: Holley Performance Products Inc.
Attn: General Counsel,
2413 Nashville Rd., Suite B2,
Bowling Green, Kentucky, 42101
with a copy sent via electronic mail to carlykennedy@holley.com

If to Tenant: Andrea Anderson, General Counsel
WKU
1906 College Heights Blvd
Bowling Green, Kentucky 42101

Unless otherwise provided in this Russellville Road Lease, notice shall be deemed to have been received by the addressee as follows: (a) if delivered in person, or sent by certified mail or overnight delivery service, upon receipt by the addressee or delivery to the address of the addressee; and (b) if the addressee rejects or otherwise refuses to accept the notice, or if the notice cannot be delivered because of a change in address for which no notice was given, then upon the rejection, refusal, or inability to deliver the notice. Notwithstanding the foregoing, payments of Rent may be delivered to Landlord via regular first-class mail, postage prepaid.

ARTICLE 19 SIGNS

Section 19.01 Signs. Tenant may erect, maintain, permit and remove signs on or about the interior or exterior of the Premises, including without limitation on the façade of the Premises, subject to the Landlord's approval, which shall not be unreasonably withheld, conditioned or delayed. Landlord agrees to execute promptly such consents or applications to erect such signs as may be required by any governmental authorities or covenants, conditions and restrictions which may apply to the Premises.

ARTICLE 20 TERMINATION

Section 20.01 Termination. This Agreement shall terminate upon the expiration of the Term, pursuant to the provisions set forth in Article 12, or upon mutual consent of the Parties. Additionally, pursuant to KRS 164A.575(7)(a), Tenant reserves the right to cancel this Russellville Road Lease upon at least one hundred twenty (120) days' written notice to Landlord; provided that this termination right pursuant to Kentucky statute shall be personal to WKU and shall not be transferred to any successor tenant under this Russellville Road Lease. If Tenant cancels this Russellville Road Lease, Landlord may (1) terminate (as tenant) the Amended Lease on twelve (12) months' prior written notice (and vacate the Additional Premises at the Innovation Campus location with no further obligations to WKU under the Amended Lease at the expiration of such twelve month period) or (2) continue to lease the Additional Premises at the Innovation Campus according to the terms of the Amended Lease, provided however that it shall begin making monthly

rent payments, on the date that is twelve (12) months after the date of Landlord's election hereunder, valued at \$10.00 per square foot per annum of the Additional Premises (as defined in the Amended Lease) then being leased under the Amended Lease, adjusted by changes to the consumer price index between the Effective Date and the date on which the first rent payment becomes due. For clarification, any clause in this amended lease which requires a party to vacate the premises in which they are a tenant, and the other party is their landlord, that vacating party shall vacate the leased premises upon 120 calendar days from the notice of termination date. Notwithstanding the foregoing, for Holley vacating the Original Premises in the Amended Lease, Holley shall have an additional 120 days to vacate the Original Premises, given the amount of effort required by Holley to remove engineering equipment.

ARTICLE 21 ENVIRONMENTAL MATTERS

Section 21.01 Landlord's Warranty. Landlord represents and warrants to Tenant that, to Landlord's knowledge as of the Effective Date, the Premises fully complies with all applicable federal, state, and local environmental laws. Landlord shall indemnify and defend Tenant from and against any liabilities, losses and costs, including Tenant's reasonable counsel fees that Tenant may incur because of Landlord's breach of the provisions of this paragraph. Landlord further agrees to indemnify and defend Tenant from and against any liabilities, losses and costs, including Tenant's reasonable counsel fees that Tenant may incur because of Landlord's violation of applicable federal, state, and local environmental laws based upon its operations in the Retained Premises, other than those resulting from the acts or omissions of Tenant, or its agents, employees, customers, invitees, tenants, subtenants, or licensees.

ARTICLE 22 MISCELLANEOUS

Section 22.01 Section 22.01 Covenant of Title. Landlord covenants, represents and warrants that it is the owner of the Property and Premises in fee simple and has full right and power to execute and perform its obligations under this Russellville Road Lease and to lease the Premises herein and that Tenant, on payment of the Rent herein reserved, if any, performance of the covenants and agreements herein contained, shall peaceably and quietly have, hold and enjoy the Premises during the Term without molestation or hindrance by any person.

Section 22.02 Remedies Cumulative. The remedies of Landlord and Tenant shall be cumulative, and no one of them shall be construed as exclusive of any other or of any remedy provided by law.

Section 22.03 Relationship of Parties. Nothing herein contained shall be deemed or construed by the Parties hereto, nor by any third party, as creating the relationship of principal and agent, or of partnership, or of joint venture, between the Parties hereto, it being agreed that neither the method of computation of Rent or any additional rent nor any other provisions named herein, nor any acts of the Parties herein, shall be deemed to create any relationship between the Parties hereto other than the relationship of Landlord and Tenant.

Section 22.04 Governmental Regulation. Tenant and Landlord shall comply with all of the requirements of all county, municipal, state, federal and other applicable governmental authorities,

pertaining to the Premises, provided that this provision shall not be deemed to obligate Tenant to make any capital improvement or incur any capital expenditure.

Section 22.05 Construction. Whenever a word appears herein in its singular form, such word shall include the plural; and the neuter gender shall include the masculine and feminine genders. This Russellville Road Lease shall be construed without reference to titles of Articles, Sections or Clauses, which are inserted for reference only.

Section 22.06 Litigation. Any litigation brought by the Parties concerning this Russellville Road Lease, including litigation pertaining to the enforcement or interpretation of this Russellville Road Lease, shall be brought in the appropriate court in, or whose jurisdiction includes, Warren County, Kentucky.

Section 22.07 Successors. This Russellville Road Lease shall inure to the benefit of and be binding upon the Parties hereto, their respective heirs, personal representatives, successors and assigns.

Section 22.08 Attornment. Tenant shall in the event of any sale, assignment, or foreclosure of Landlord's rights in the Premises, attorn to and recognize such assignee or purchaser thereof as the Landlord under this Russellville Road Lease, as long as such assignee or purchaser agrees not to disturb Tenant.

Section 22.09 Entirety, Severability and Law. This Russellville Road Lease shall constitute the entire agreement between the Parties with respect to the Premises and shall not be modified in any manner except by written instrument executed by the Parties. The invalidity or inability to perform of any provision hereof shall not affect or impair any other provision hereof. Each term and provision hereof shall be performed and enforced to the fullest extent permitted by and in accordance with Kentucky law.

Section 22.10 Law of Kentucky. This Russellville Road Lease shall be governed by the laws of the state of Kentucky.

Section 22.11 Counterparts. This Russellville Road Lease may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. This Russellville Road Lease may be delivered by electronic ("email") delivery in "portable document format" ("**pdf**"), and delivery of an executed counterpart of the signature page to this Russellville Road Lease by pdf shall be as effective as delivery of a manually executed counterpart of this Russellville Road Lease and shall be given full legal effect in accordance with applicable Laws.

Section 22.12 Fair Meaning. Landlord and Tenant acknowledge that each Party and its counsel have participated fully in the review and revision of this Russellville Road Lease. Any rule of construction to the effect that ambiguities are to be resolved against the drafting Party shall not apply in interpreting this Russellville Road Lease. The language in this Russellville Road Lease shall be interpreted as to its fair meaning and not strictly for or against any Party.

Section 22.13 Use Permits. Tenant undertakes this Russellville Road Lease with the good faith expectation, and upon the assurance of the Landlord, that Tenant will obtain the necessary Use

Permits, Environmental Permits, Bowling Green City and/or Warren County Permits and the like by any municipalities, or county, state or federal entities, for the normal operation of its business at the Premises. Landlord agrees to help Tenant obtain any and all Permits needed by the Tenant, at any time, at no out of pocket cost to Landlord. Any failure of Tenant to obtain any needed Permit for the operation of its business is grounds for Tenant to, upon 120 days' prior written notice to Landlord, terminate this Russellville Road Lease without penalty to Tenant, including the refund of any security deposit held.

Section 22.14 Intentionally Omitted.

Section 22.15 Systems Warranties. Landlord warrants that the plumbing, electrical, roofing, lighting, heating, ventilation and air conditioning are in operating condition as of the Effective Date of the Russellville Road Lease.

Section 22.16 Broker Fees. Tenant is not represented in any manner by a real estate broker, or brokerage. Any real estate brokerage fees are the sole and absolute responsibility of the Landlord.

Section 22.17 Taxes, Insurances. Except as expressly stated herein, and for the avoidance of any doubt, Tenant shall not be responsible for any real estate taxes or assessments or any fire or casualty insurances.

Section 22.18 Pre-Existing Liens. This Lease is and shall be expressly subject and subordinate at all times to the lien of any present or future mortgage or deed of trust, ground or underlying lease, or any other method of financing or refinancing now or hereafter encumbering the Leased Premises ("Mortgage Lien"), and to all advances made, or hereafter to be made upon the security thereof, and to all increases, renewals, amendments, modifications, consolidations, spreaders, replacements, substitutions and/or extensions of any such Mortgage Lien and to all easements, restrictions, liens, encumbrances, rights-of-way, or other matters affecting the Leased Premises of record as the same may be amended or restated from time to time. If any such Mortgage Lien be foreclosed, upon request of the mortgagee, lessor or beneficiary ("Landlord's Mortgagee"), as the case may be, Tenant will attorn to the purchaser at the foreclosure sale. The foregoing provisions are declared to be self-operative and no further instruments shall be required to effect such subordination and/or attornment; provided, however, that subordination of this Lease to any future mortgage or trust deed shall be conditioned upon the mortgagee, beneficiary, or purchaser at foreclosure, as the case may be, agreeing that Tenant's occupancy of the Leased Premises and other rights under this Lease shall not be disturbed by reason of the foreclosure of such mortgage or trust deed, as the case may be, so long as Tenant is not in default under this Lease. Within ten (10) days following receipt of a written request from Landlord, Tenant shall execute and deliver to Landlord, without cost, any instrument that Landlord deems reasonably necessary or desirable to confirm the subordination of this Lease. Notwithstanding the foregoing, a Mortgagee may unilaterally elect, at any time, to make this Lease superior to its Mortgage Lien by so notifying Tenant in writing. Landlord represents to Tenant that as of the Effective Date, the Premises are subject to a Mortgage Lien in favor of Wells Fargo Bank, National Association.

Section 22.19 Non-Disturbance. So long as the Russellville Road Lease is in full force and effect and there are no Tenant defaults under this Russellville Road Lease beyond applicable notice and cure periods, Landlord covenants that as to any future Mortgage Lien entered into after the

Effective Date:

(a) Tenant shall not be named or joined in any foreclosure, sale or other proceeding to enforce any mortgage on the Property or the Premises.

(b) The enforcement of any mortgage shall not terminate the Russellville Road Lease or disturb Tenant in the possession and use of the Premises.

(c) The Tenant's right to quiet enjoyment, possession and any other rights under the Russellville Road Lease, shall not be affected in any manner by any of the following:

(i) any transfer of Landlord's interest in the Property by foreclosure, sale or other action or proceeding for the enforcement of any Mortgage Lien or deed in lieu thereof (a "Transfer");

(ii) any other proceeding instituted or action taken in connection with any mortgage or foreclosure; or

(iii) Any mortgagee taking possession of the Premises in accordance with the enforcement of a mortgage or a foreclosure action.

Section 22.20 Landlord Waiver. Notwithstanding anything in this Russellville Road Lease to the contrary, Landlord hereby waives any and all contractual or statutory liens Landlord may now or in the future may have in any of Tenant's personal property or trade fixtures and agrees to use commercially reasonable efforts to execute and deliver to any secured creditor and/or lessor of Tenant, a commercially reasonable lien waiver agreement, with respect to Tenant's personal property or trade fixtures. Nothing herein shall be construed as granting Landlord any security interest in Tenant's personal property or trade fixtures.

Section 22.21 Force Majeure. Landlord and Tenant shall each be excused, except with respect to any monetary obligations, for the period of any delay in the performance of any obligation hereunder when prevented from so doing by a cause or causes beyond its reasonable control, including, without limitation, all labor disputes, civil commotion, war, war-like operations, invasion, rebellion, hostilities, military or usurped power, sabotage, governmental regulations or controls, inability to obtain or delays in obtaining any governmental approvals or permits, fire or other casualty, inability to obtain or delay in obtaining any material, services, financing, or building permits or licenses, or through acts of God.

Section 22.22 Examination of Lease. Submission of this instrument by Landlord to Tenant for examination or signature does not constitute an offer by Landlord to lease the Premises. This Russellville Road Lease shall become effective, if at all, only upon the execution by and delivery to both Landlord and Tenant of both this Russellville Road Lease and the Amended Lease.

Section 22.23 Integration Clause. This Russellville Road Lease sets forth the entire agreement and understandings of the Parties hereto with respect to this transaction, and this Russellville Road Lease supersedes and nullifies all other agreements made between the Parties hereto.

[Signature page to follow.]

IN WITNESS WHEREOF, the Parties' authorized representatives have executed this Russellville Road Lease as of the date first indicated above.

HOLLEY PERFORMANCE PRODUCTS INC. (LANDLORD)

By: _____
Name: _____
Title: _____
Date: _____

WESTERN KENTUCKY UNIVERSITY (TENANT)

By: _____
Name: _____
Title: _____
Date: _____

Exhibit A

Form of Amended Lease

Exhibit B

Floorplan of the Office Premises

Exhibit C

Floorplan of the Manufacturing Facility, with the Manufacturing Premises Marked

Exhibit A

Floorplan of Premises

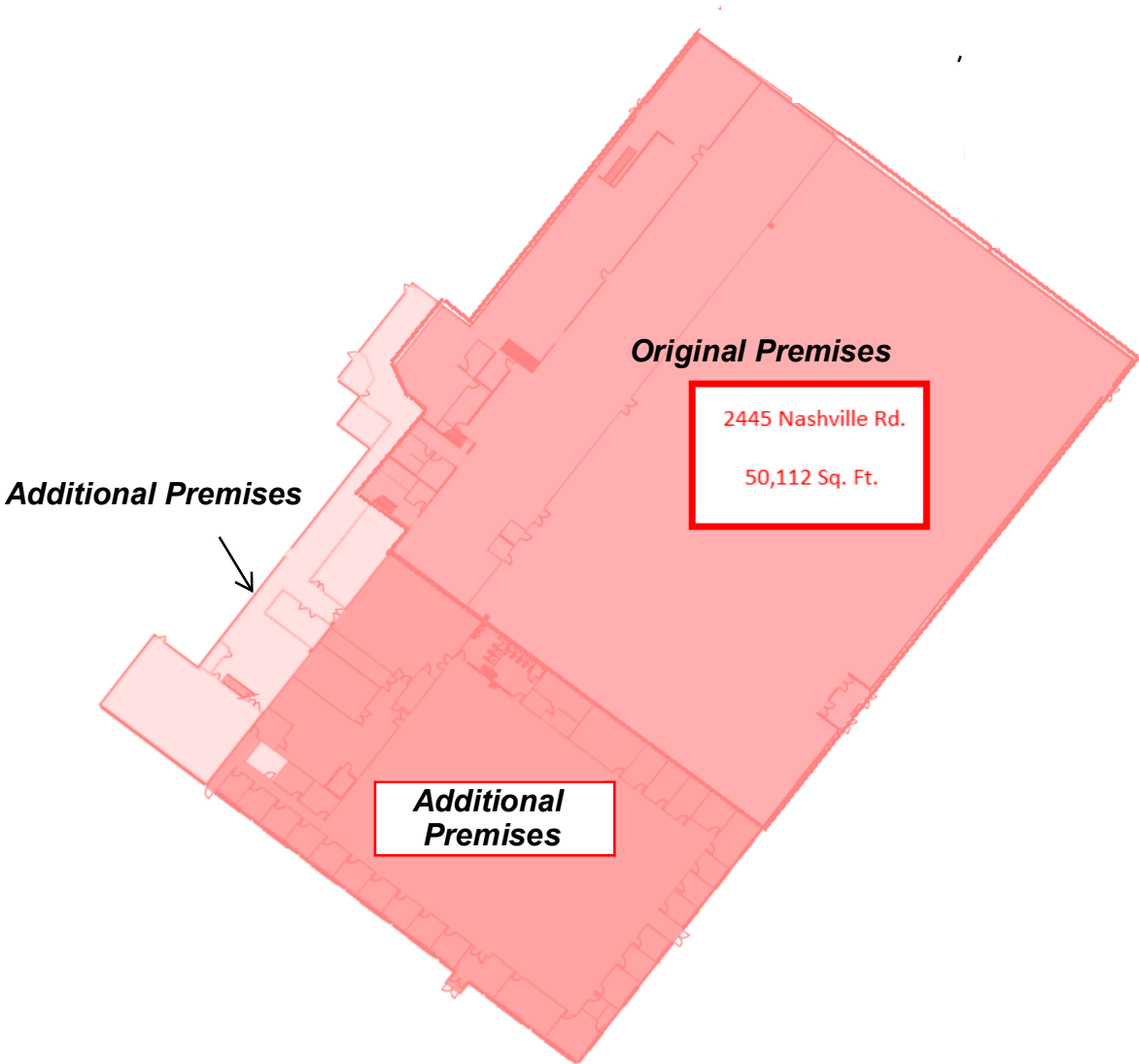
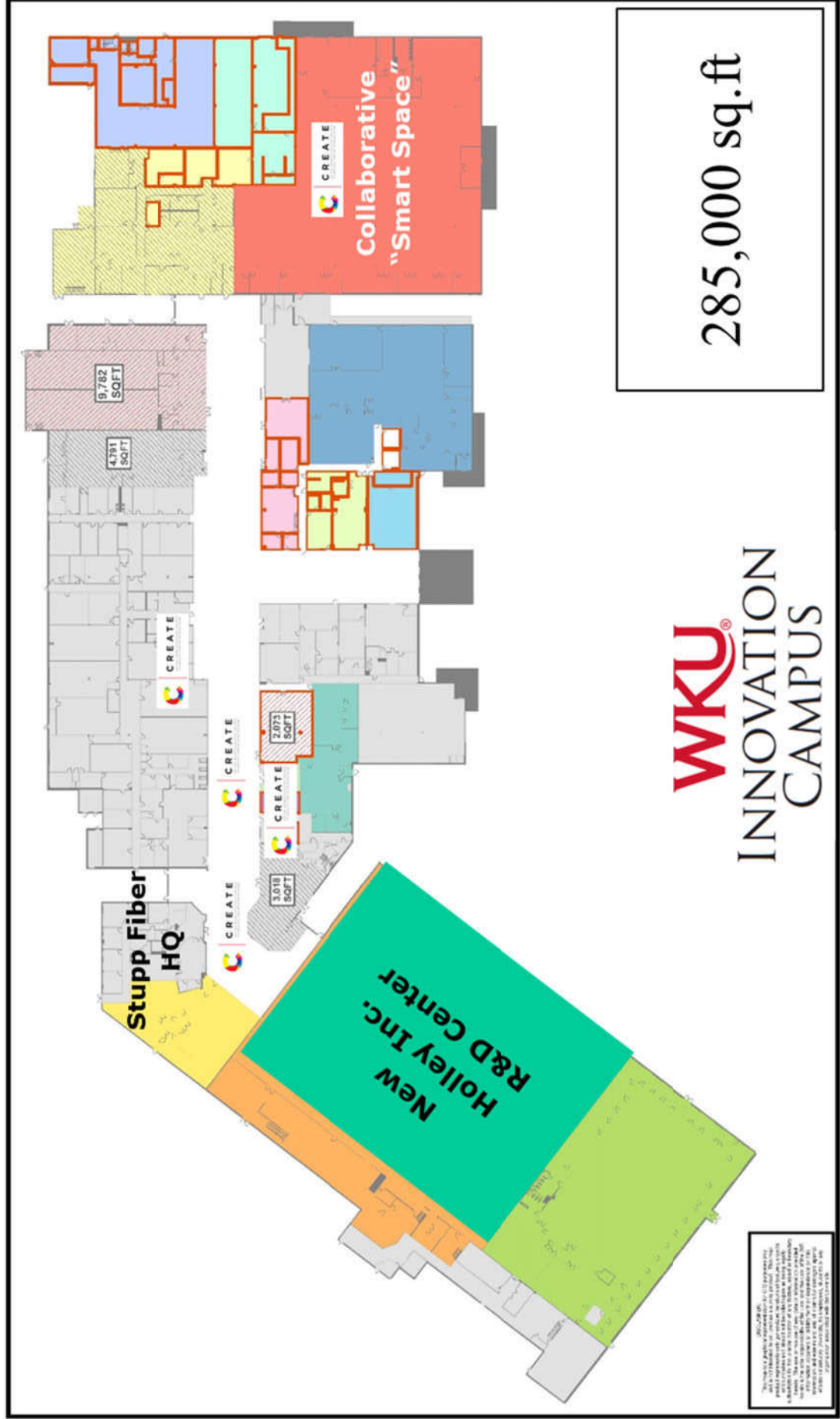


Exhibit A-1 Site Plan of the Complex



WKU
INNOVATION
CAMPUS

285,000 sq. ft

©2014 WKU
This site plan is for informational purposes only. It is not intended to be used as a contract or any other legal document. The information contained herein is subject to change without notice. The information contained herein is not intended to be used as a contract or any other legal document. The information contained herein is not intended to be used as a contract or any other legal document.

Exhibit B Office Premises

HOLLEY PERFORMANCE
1ST FLOOR - PROPOSED LAYOUT



Demarc Room: Holley needs 24/7 access

PLAN VIEW
3/32" SCALE

HOLLEY PERFORMANCE 2ND FLOOR - PROPOSED LAYOUT

OFFICES: 10
 WORKSTATIONS: 59
 TOTAL SEATS = 69
 CONFERENCE ROOM: 1
 NOTES

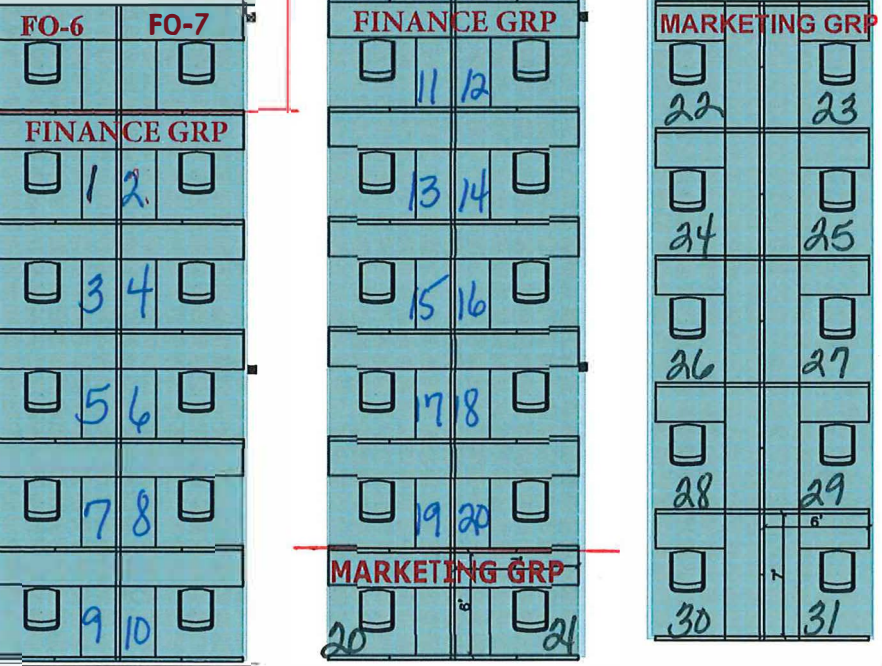


Existing Marketing Area

From 16 to 19 workstations

Workstations 6x7 - same as existing cubes

Make 2 cubed offices



REVISE OPEN OFFICE TO THIS PROPOSED LAYOUT



Exhibit C Manufacturing Facility

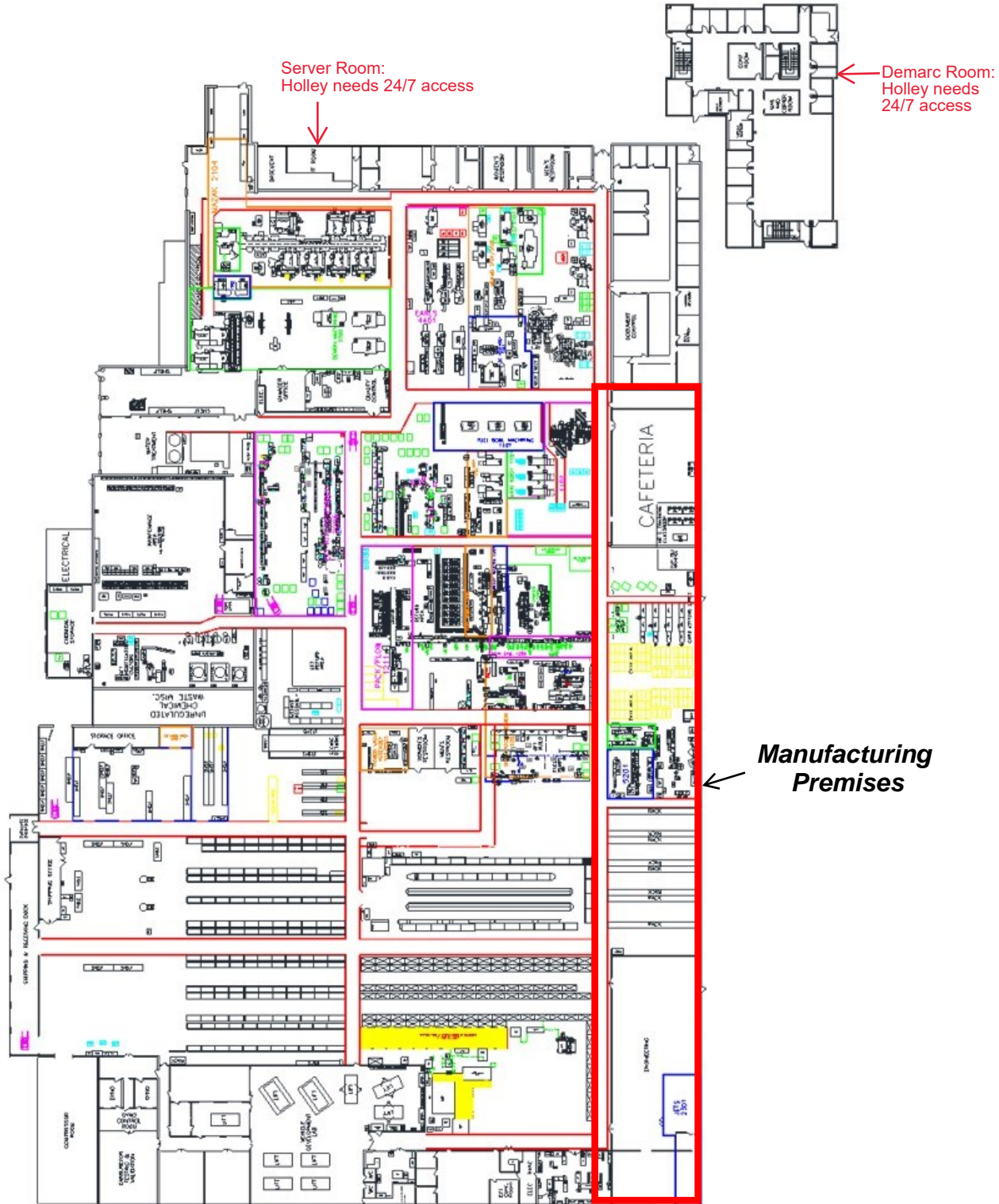


EXHIBIT D

Exterior Renovation Project Renderings

