

**TERMINATION OF
PAYMENT IN LIEU OF TAX (PILOT) AGREEMENT**

This Termination of Payment in Lieu of Tax (PILOT) Agreement (the "Agreement") is entered into as of _____, 2014 by and between **LOUISVILLE/JEFFERSON COUNTY METRO GOVERNMENT**, a consolidated local government and political subdivision of the Commonwealth of Kentucky ("Louisville Metro"), **LOUISVILLE PROPERTIES II, LLC**, a Delaware limited liability company ("Louisville Properties II"), **BOARD OF EDUCATION OF JEFFERSON COUNTY, KENTUCKY**, a political subdivision of the Commonwealth of Kentucky (the "School District"), and the Commonwealth of Kentucky by and through the **DEPARTMENT OF REVENUE** (the "Revenue Department") of the Commonwealth.

WHEREAS, University Residences – Louisville, LLC, an Ohio limited liability company ("University Residences") and Louisville Metro entered into a series of transactions wherein (i) Louisville Metro issued its \$20,000,000 Louisville/Jefferson County Metro Government Industrial Building Revenue Bond, Series B (University Residences – Louisville, LLC Project) dated May 20, 2010 (the "Bond"); (ii) University Residences transferred certain real property described in Exhibit A hereto (the "Property") to Louisville Metro pursuant to a Quitclaim Deed dated May 20, 2010 and (iii) University Residences and Louisville Metro entered into that certain Lease and Financing Agreement dated as of May 20, 2010 (the "Lease"), under which Louisville Metro leased the Property to University Residences;

WHEREAS, Louisville Metro, University Residences, the School District and the Revenue Department entered into that certain Payment in Lieu of Tax (PILOT) Agreement dated as of March 31, 2010 with respect to the Property (the "PILOT Agreement");

WHEREAS, Louisville Properties II is the (a) successor in title to University Residences with respect to the Property and (b) successor in interest to University Residences with respect to the Board, the Lease and the PILOT Agreement;

WHEREAS, Louisville Properties II has elected to terminate the Bond, exercise its purchase option under the Lease and cause Louisville Metro to convey the Property back to it;

WHEREAS, the Lease has been terminated and Louisville Metro has conveyed the Property to Louisville Properties II;

WHEREAS, because the Property has been conveyed to Louisville Properties II, the Property will no longer be exempt from ad valorem property taxes;

WHEREAS, the rationale for the PILOT Agreement no longer exists and the parties therefor wish to terminate the PILOT Agreement;

NOW, THEREFORE, in consideration of the foregoing recitals, which are incorporated herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each party to this Agreement, the parties hereto agree as follows:

1. The PILOT Agreement is hereby terminated as of the date hereof, subject to the continuing obligation of Louisville Properties II to make a PILOT payment for calendar year 2014 pursuant to the terms of the PILOT Agreement.

2. The fee owner of the Property shall be responsible for paying ad valorem taxes for the Property as such taxes become due and payable after the date hereof.

3. Nothing in this Agreement shall preclude the fee owner of the Property from contesting as provided by law the assessed value of the Property or any portion thereof.

4. This Agreement shall be construed in accordance with the laws of the Commonwealth.

5. This Agreement may be executed in counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

[Remainder of page left blank intentionally]

**LOUISVILLE/JEFFERSON COUNTY METRO
GOVERNMENT**

By: _____
Greg Fischer, Mayor

LOUISVILLE PROPERTIES II, LLC
a Delaware limited liability company

By: University Residences-Louisville, LLC,
an Ohio limited liability company,
its sole member

By: Tremont Family II, LLC,
an Ohio limited liability company,
its Managing Member

By: _____
Peter H. Edwards, Managing
Member

Date: _____, 2014

APPROVED AS TO FORM AND LEGALITY

Michael J. O'Connell
Jefferson County Attorney

By: Terri A. Geraghty
Assistant County Attorney

**BOARD OF EDUCATION OF JEFFERSON
COUNTY, KENTUCKY**

By: _____
Name: _____
Title: _____

**DEPARTMENT OF REVENUE OF THE
COMMONWEALTH OF KENTUCKY**

By: _____
Name: _____
Title: _____

EXHIBIT A

BEING LAND LOCATED IN JEFFERSON COUNTY, KENTUCKY AT THE SOUTHERN TERMINUS OF DAVIES AVE ON THE SOUTH SIDE OF SIXTH STREET AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT AN EXISTING (EX) IRON PIN AND CAP (IPC) IN THE WESTERLY RIGHT-OF-WAY (R/W) LINE OF DAVIES AVENUE AT ITS INTERSECTION WITH THE SOUTHERLY R/W LINE OF SIXTH STREET, THENCE LEAVING SAID R/W LINE SOUTH 40 DEGREES, 32 MINUTES, 56 SECONDS EAST, 232.44 FEET TO AN EX IPC; THENCE NORTH 49 DEGREES, 27 MINUTES, 04 SECONDS EAST, 60.00 FEET TO AN IPC; THENCE SOUTH 40 DEGREES, 32 MINUTES, 56 SECONDS EAST, 26.99 FEET TO AN EX IPC; THENCE WITH A CURVE TO THE LEFT HAVING A RADIUS OF 170.00 FEET AND A CHORD WHICH BEARS SOUTH 62 DEGREES, 02 MINUTES, 31 SECONDS EAST, 124.57 FEET TO AN EX IPC; THENCE SOUTH 83 DEGREES, 32 MINUTES, 07 SECONDS EAST, 574.74 FEET TO AN EX IPC IN THE WESTERLY R/W LINE OF CSX RAILROAD THENCE WITH SAID WESTERLY R/W LINE SOUTH 12 DEGREES, 45 MINUTES, 00 SECONDS EAST, 379.92 FEET TO AN EX IPC; THENCE NORTH 82 DEGREES, 52 MINUTES, 11 SECONDS WEST, 8.48 FEET TO AN EX IPC; THENCE SOUTH 13 DEGREES, 02 MINUTES, 56 SECONDS EAST, 513.59 FEET TO AN EX X-CUT; THENCE WITH A NORTHERLY LINE OF A TRACT OF LAND CONVEYED TO ALLIED DRUM SERVICE IN DEED BOOK 3609 PAGE 319 OF RECORD IN THE CLERKS OFFICE OF JEFFERSON COUNTY, KENTUCKY, NORTH 74 DEGREES, 47 MINUTES, 11 SECONDS WEST, 957.55 FEET TO AN EX IPC; THENCE SOUTH 17 DEGREES, 39 MINUTES, 36 SECONDS EAST, 60.70 FEET; THENCE SOUTH 29 DEGREES, 46 MINUTES, 30 SECONDS EAST, 10.00 FEET; THENCE SOUTH 39 DEGREES, 17 MINUTES, 30 SECONDS EAST, 40.00 FEET; THENCE SOUTH 50 DEGREES, 42 MINUTES, 30 SECONDS WEST, 5.00 FEET TO THE EASTERLY R/W LINE OF NORFOLK SOUTHERN RAILROAD; THENCE WITH SAID R/W LINE NORTH 39 DEGREES, 17 MINUTES, 30 SECONDS WEST, 894.48 FEET TO AN EX PIN IN THE SOUTHERLY R/W LINE OF SIXTH STREET; THENCE WITH SAID SIXTH STREET R/W LINE NORTH 49 DEGREES, 20 MINUTES, 40 SECONDS EAST, 473.00 FEET TO THE POINT OF BEGINNING CONTAINING 20.546 ACRES MORE OR LESS.

BEING THE SAME PROPERTY CONVEYED TO LOUISVILLE/JEFFERSON COUNTY METRO GOVERNMENT BY QUITCLAIM DEED OF UNIVERSITY RESIDENCES – LOUSVILLE, LLC DATED AS OF MAY 20, 2010, OF RECORD IN DEED BOOK 9564, PAGE 0027 IN THE CLERK'S OFFICE OF JEFFERSON COUNTY, KENTUCKY, AND BEING SHOWN AS REVISED TRACT 2 ON THE MINOR SUBDIVISION PLAT APPROVED BY THE LOUISVILLE METRO PLANNING COMMISSION ON MAY 13, 2010, BEARING DOCKET #13896, RECORDED IN DEED BOOK 9564, PAGE 16, IN SAID CLERK'S OFFICE.