

---

LEASE AND FINANCING AGREEMENT

Dated \_\_\_\_\_, 2018

among

LOUISVILLE/JEFFERSON COUNTY METRO GOVERNMENT

as lessor

APTITUDE 4<sup>TH</sup> STREET, LLC

as lessee

and

APTITUDE U OF L, LLC

as bondholder

relating to

\$43,000,000

Louisville/Jefferson County Metro Government  
Industrial Building Revenue Bonds, Series 2018  
(The Marshall at Louisville Project)

---

**TABLE OF CONTENTS**

	<u>Page</u>
RECITALS .....	1
ARTICLE 1. PLEDGE AND ASSIGNMENT BY METRO GOVERNMENT .....	2
Section 1.1. Pledge and Assignment by Metro Government .....	2
Section 1.2. Discharge of Lien and Termination of Lease .....	3
ARTICLE 2. DEFINITIONS .....	3
ARTICLE 3. THE BONDS .....	5
Section 3.1. Issuance of Bonds .....	5
Section 3.2. Delivery of Bonds .....	6
Section 3.3. Execution .....	6
Section 3.4. Lost Bonds; Exchange and Transfer of Bonds .....	6
Section 3.5. Bonds Are Not General Obligations .....	7
Section 3.6. Company as Bond Registrar; Bond Register. ....	7
ARTICLE 4. PREPAYMENT OF BONDS BEFORE MATURITY .....	7
Section 4.1. Right to Prepayment of Principal .....	7
Section 4.2. Notice of Prepayment of Bonds .....	7
Section 4.3. Right of Bondholder to Demand Prepayment .....	7
ARTICLE 5. DISBURSEMENT OF BOND PROCEEDS .....	7
Section 5.1. Disbursement of Bond Proceeds .....	7
Section 5.2. Company Required to Pay Costs of Project if Bond Proceeds Insufficient. ....	9
ARTICLE 6. COMPLETION OF PROJECT .....	9
Section 6.1. Company’s Obligation to Complete Project .....	9
Section 6.2. Completion Certificate .....	9
ARTICLE 7. DAMAGE, DESTRUCTION AND CONDEMNATION .....	9
Section 7.1. Damage and Destruction .....	9
Section 7.2. Eminent Domain .....	10
ARTICLE 8. REPRESENTATIONS AND AGREEMENTS OF METRO GOVERNMENT .....	10
Section 8.1. Due Authorization by Metro Government .....	10
Section 8.2. Payment of Bonds; Bondholder’s Rights with Respect to Lease; Cooperation with Bondholder .....	10
ARTICLE 9. REPRESENTATIONS AND COVENANTS OF THE COMPANY .....	10
Section 9.1. Due Organization .....	10
Section 9.2. Compliance with Law; Consents .....	10
Section 9.3. The Project .....	11
Section 9.4. Adequacy of Disclosure .....	11
Section 9.5. Use of Bond Proceeds .....	11

ARTICLE 10. LEASE OF PROJECT .....	11
Section 10.1. Lease of Project; Lease Payments; Additional Payments.....	11
Section 10.2. Company to Maintain Its Existence.....	12
Section 10.3. Covenants of Company Related to Project.....	12
Section 10.4. Instruments of Further Assurance.....	13
Section 10.5. Indemnification.....	13
Section 10.6. Option or Obligation to Purchase Project.....	14
Section 10.7. Subordination to Mortgage.....	15
Section 10.8. Assignment and Subleasing.....	15
Section 10.9. Estoppel Certificates.....	15
 ARTICLE 11. DEFAULTS AND REMEDIES.....	 16
Section 11.1. Events of Default; Defaults.....	16
Section 11.2. Acceleration.....	17
Section 11.3. Other Remedies.....	18
Section 11.4. Actions of Metro Government Upon Event of Default.....	18
 ARTICLE 12. SUPPLEMENTAL LEASES AND WAIVERS; MISCELLANEOUS.....	 18
Section 12.1. Supplemental Leases and Waivers.....	18
Section 12.2. Limitation of Rights.....	18
Section 12.3. Severability.....	18
Section 12.4. Notices.....	18
Section 12.5. Payments Due on Saturdays, Sundays, or Holidays.....	19
Section 12.6. No Personal Liability.....	19
Section 12.7. Captions; Table of Contents.....	19
Section 12.8. Counterparts.....	19
Section 12.9. Governing Law.....	19
 SIGNATURES.....	 20
DRAFTER’S CERTIFICATE.....	23
 EXHIBIT A - Project Site.....	 A-1
EXHIBIT B - Project Equipment.....	B-1
EXHIBIT C - Form of Requisition Certificate.....	C-1
EXHIBIT D - Form of Bond.....	D-1

## LEASE AND FINANCING AGREEMENT

THIS LEASE AND FINANCING AGREEMENT (the "Lease") is made on \_\_\_\_\_, 2018, by and among LOUISVILLE/JEFFERSON COUNTY METRO GOVERNMENT ("Metro Government"), a consolidated local government and political subdivision of the Commonwealth of Kentucky, APTITUDE 4<sup>TH</sup> STREET, LLC (the "Company"), a Kentucky limited liability company, and APTITUDE U OF L, LLC (the "Bondholder"), a New Jersey limited liability company.

### Recitals

A. Metro Government is authorized by the Industrial Buildings for Cities and Counties Act, as amended, Sections 103.200 to 103.285 of the Kentucky Revised Statutes (the "Act"), to issue industrial building revenue bonds for the purpose of defraying the cost of any "industrial building" (as defined in the Act), including specifically, as provided in KRS 103.200(1)(n), land, buildings, Project Improvements, equipment, machinery, and other facilities suitable for any activity, including new construction, designed for revitalization or redevelopment of downtown business districts as designated by Metro Government, subject to the review and approval of the State Local Debt Officer of the Commonwealth of Kentucky (the "State") pursuant to KRS 103.2101(1), in order to accomplish the public purposes of promoting the economic development of the State, relieving conditions of unemployment, and encouraging the increase of industry therein, provided that such bonds are payable solely from the revenues derived from the industrial building and do not constitute an indebtedness of Metro Government within the meaning of the Constitution and laws of the State.

B. Aptitude 4<sup>th</sup> Street, LLC (the "Company"), a Kentucky limited liability company, has applied to Metro Government for (i) the issuance pursuant to the Act of industrial building revenue bonds of Metro Government in a principal amount not to exceed \$43,000,000 (the "Bonds") to defray the cost of acquiring a parcel of approximately 1½ acres at 2400 South 4<sup>th</sup> Street, Louisville, Kentucky and the construction, furnishing, and equipping thereon of a residential rental apartment complex to be known as The Marshall at Louisville and consisting of a 10-story, approximately 380,000 sq. ft. structure containing approximately 231 apartment units on the upper eight floors, a parking garage on the lower two floors containing approximately 232 parking spaces, and related tenant amenities, for rental primarily to students at the University of Louisville and other local postsecondary educational institutions who desire off-campus housing (the land, buildings, improvements, furniture, fixtures, and equipment comprising such project being hereinafter collectively referred to as the "Project") and (ii) the execution of a lease and financing agreement (the "Lease") by and between Metro Government, as lessor, and the Company, as lessee, pursuant to which the Company will make rental payments sufficient to pay the principal of, premium, if any, and interest on the Bonds as the same become due and any other costs of Metro Government incurred in connection with the Bonds and the Project.

C. The State Local Debt Officer has reviewed and approved the Project and the issuance of the Bonds.

D. Metro Government has by an ordinance adopted on August 2, 2018 (the "Bond Ordinance") undertaken pursuant to the Act (i) the issuance of its industrial building

revenue bonds in the maximum principal amount of \$43,000,000 to finance the acquisition, construction, and installation of the Project, said bonds to be issuable initially as a single bond of even date herewith, in fully registered form, and designated “Louisville/Jefferson County Metro Government, Industrial Building Revenue Bonds, Series 2018 (The Marshall at Louisville Project)” (the “Bonds”); (ii) the acceptance of a Deed and Bill of Sale, both of even date herewith (the “Deed” and the “Bill of Sale”) conveying from the Company to Metro Government the property comprising the Project; (iii) the execution of this Lease pursuant to which the Company will make rental payments sufficient to pay the principal of and interest on the Bonds as the same become due and any other costs of Metro Government incurred in connection with the Bonds and the Project; (iv) the execution of a Bond Purchase Agreement of even date herewith (the “Bond Purchase Agreement”) by and among Metro Government, the Company, and the Bondholder, providing for the private sale of the Bonds upon a negotiated basis to the Bondholder; and (v) the execution of a Payment in Lieu of Taxes Agreement of even date herewith (the “PILOT Agreement”) by and among Metro Government, the Jefferson County School District (the “School District”), and the Company, whereby the Company will make payments to the School District in amounts equal to and at the same times as the *ad valorem* taxes that would otherwise be due to the School District with respect to the Project were title thereto not held by Metro Government.

E. Metro Government has found and declared in the Bond Ordinance that the Project will further the public purposes of the Act by revitalizing and redeveloping a downtown business district designated by Metro Government, promoting the economic development of the Commonwealth, relieving conditions of unemployment, and encouraging the increase of industry therein.

F. Concurrently herewith, Metro Government has issued the Bonds, accepted title to the Project pursuant to the Deed and the Bill of Sale, and executed and delivered the Bond Purchase Agreement and the PILOT Agreement.

NOW, THEREFORE, in consideration of the premises and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree, covenant, grant, pledge, assign, represent, and warrant as follows (it being understood and agreed that in the performance of the agreements of Metro Government herein contained any obligation it may incur for the payment of money shall not be a general obligation on its part or a charge against its general credit and taxing power but shall be payable solely from the Pledged Receipts):

**ARTICLE 1.  
PLEDGE AND ASSIGNMENT BY METRO GOVERNMENT**

In order to secure the due payment of the principal of and interest on the Bonds and compliance by the Company and Metro Government with their agreements contained herein,

Section 1.1. Pledge and Assignment by Metro Government. Metro Government hereby grants, pledges, and assigns to the Bondholder the Pledged Receipts and all of Metro Government’s right, title, and interest in and to this Lease, including enforcement rights and remedies (including the grant hereby to the Bondholder of a security interest in the Pledged Receipts under the Uniform Commercial Code, to the maximum extent possible), but excepting

from such pledge and assignment the right of Metro Government to any payment or reimbursement pursuant to Section 10.1.D or Section 10.5. Except as provided above, Metro Government shall not pledge, mortgage, assign, convey, or encumber any of its rights, title, or interest in or to this Lease or the Project.

Section 1.2. Discharge of Lien and Termination of Lease. When (i) all principal and interest due or to become due on the Bonds have been duly paid, (ii) all Additional Payments have been paid to the satisfaction of Metro Government, and (iii) Metro Government has conveyed the Project to the Company pursuant to Section 10.6, the lien of this Lease on the Pledged Receipts shall terminate and the Company's obligations hereunder shall terminate. Upon request of the Company or Metro Government, the Bondholder shall thereupon promptly execute and deliver to the Company and Metro Government an appropriate discharge thereof in recordable form.

## **ARTICLE 2. DEFINITIONS**

The following terms as used in this Lease, the Bonds, and any certificate or document executed in connection therewith shall have the following meanings (or as defined elsewhere in this Lease as indicated below) unless the context otherwise indicates:

“Act” – See Recitals.

“Additional Payments” means the amounts required to be paid by the Company to Metro Government under Section 10.1.D.

“Bankruptcy Code” means Title 11 of the U.S. Code, as in effect from time to time.

“Bill of Sale”--See Recitals.

“Bondholder” or “holder” or “owner of Bonds” means, as of any time, the registered owner of the Bonds as shown in the register for the Bonds kept by the Company as bond registrar and, as of the date of execution and delivery hereof, means the Bondholder identified in the first paragraph of this Lease.

“Bond Documents” means this Lease, the Bond Purchase Agreement, the Bonds, and the PILOT Agreement.

“Bond Purchase Agreement” means the Bond Purchase Agreement of even date herewith among Metro Government, the Company, and the Bondholder.

“Bonds” -- See Recitals.

“Closing Date” means the date of original delivery of the Bonds to the Bondholder, which is the date of this Lease.

“Deed”--See Recitals.

“State” means the Commonwealth of Kentucky.

“Company” means Aptitude 4<sup>th</sup> Street, LLC, a Kentucky limited liability company, and its permitted successors and assigns hereunder.

“Completion Certificate” -- See Section 6.2.

“Costs of the Project” -- See Section 5.1.

“default” and “event of default” -- See Section 11.1.

“KRS” means the Kentucky Revised Statutes.

“Lease” means this Lease and Financing Agreement, as the same may be amended in accordance with its terms.

“Lease Term” means the term of this Lease, i.e., the period from the date hereof through full payment of the principal of and interest on the Bonds in accordance with this Lease, upon which payment this Lease shall terminate.

“Lease Payments” -- See Section 10.1.C.

“Metro Government” -- See first paragraph of this Lease.

“Mortgage” means (i) the Mortgage, Assignment of Leases and Rents, and Security Agreement dated as of \_\_\_\_\_, 2018 (the “First Mortgage”) by and between the Company, as mortgagor and debtor, and \_\_\_\_\_, a \_\_\_\_\_, as mortgagee and secured party, of record in Mortgage Book \_\_\_\_\_, Page \_\_\_\_\_, in the office of the County Clerk of Jefferson County, Kentucky, as the same may be amended in accordance with its terms, or any renewal, modification, replacement, or extension thereof or (ii) any other instrument which secures indebtedness that refinances or replaces, directly or indirectly, the indebtedness secured by the Mortgage.

“Notice Address” means:

(a) As to Metro Government:

Louisville/Jefferson County Metro Government  
527 W. Jefferson Street  
Louisville, KY 40202-2814  
Attention: Director of Economic Development

(b) As to the Company:

Aptitude 4<sup>th</sup> Street, LLC  
669 River Drive, Suite 401  
Elmwood Park, NJ 07407  
Attention: Managing Member

(c) As to the Bondholder:

Aptitude U of L, LLC  
669 River Drive, Suite 401  
Elmwood Park, NJ 07407  
Attention: Managing Member

or to such other address, or to the attention of such other person, as any party shall designate by notice to the other parties.

“persons” means natural persons, partnerships, limited liability companies, associations, corporations, and governmental bodies.

“PILOT Agreement”—See Recitals.

“Plans and Specifications” means the plans and specifications for the Project, in such reasonable detail as to satisfy the requirements of Metro Government and the Bondholder.

“Pledged Receipts” means all of Metro Government’s right, title, and interest in and to this Lease and all Lease Payments and other revenues received or receivable by Metro Government in respect of the Project, except for payments to Metro Government under Section 10.1.D or Section 10.5.

“Project” means the parcel of 1.4258 acres at 2400 South Fourth Street, Louisville, Kentucky, as more particularly described in Exhibit A (the “Project Site”), the residential rental apartment complex to be known as The Marshall at Louisville and consisting of a 10-story, approximately 380,000 sq. ft. structure containing approximately 231 apartment units on the upper eight floors, a parking garage on the lower two floors containing approximately 232 parking spaces, and related tenant amenities, for rental primarily to students at the University of Louisville and other local postsecondary educational institutions who desire off-campus housing (the “Project Improvements”), and the furnishings, fixtures, equipment, and other personal property to be installed therein or located or used in connection therewith, as more particularly described in Exhibit B (the “Project Equipment”).

Any reference in this Lease to Metro Government, the Company, or the Bondholder shall include their respective permitted successors and assigns under this Lease and those which succeed to their functions, duties, or responsibilities pursuant to or by operation of law or who are lawfully performing their functions. Any reference in this Lease to any statute or law or chapter or section thereof shall include all amendments, supplements, or successor provisions thereto. Unless otherwise indicated, references to Articles, Sections, or Exhibits refer to those in this Lease. Wherever the context so requires, the use herein of the masculine gender shall include the feminine, and the singular shall include the plural.

### **ARTICLE 3. THE BONDS**

Section 3.1. Issuance of Bonds. The Bonds shall be designated “Louisville/Jefferson County Metro Government, Industrial Building Revenue Bonds, Series 2008



(The Marshall at Louisville Project)” and shall be issued initially as a single typewritten, fully registered bond in the maximum principal amount of \$43,000,000. The Bonds shall have the terms and be substantially in the form set forth in Exhibit D.

Interest on the Bonds shall accrue from the Closing Date on the principal balance thereof outstanding from time to time at the rate or rates specified therein and shall be payable on the dates specified therein. Subject to prepayment pursuant to Article IV, the entire outstanding principal of the Bonds shall be payable thirty (30) years from the Closing Date.

Section 3.2. Delivery of Bonds. Upon compliance with and fulfillment of the terms and conditions of the Bond Purchase Agreement, Metro Government shall execute and deliver the Bonds to the Bondholder.

Section 3.3. Execution. The Bonds shall be executed on behalf of Metro Government by the manual signature of its Mayor or Mayor *Pro Tem*. The official seal of Metro Government or a facsimile thereof (attested with the manual signature of the Clerk or Deputy Clerk of the Metro Council) shall be impressed or imprinted on all Bonds. In case any officer whose signature appears on a Bond shall cease to be such officer before the delivery of the Bonds, such signature shall nevertheless be valid and sufficient.

Section 3.4. Lost Bonds; Exchange and Transfer of Bonds. If any of the Bonds are lost, stolen, destroyed, or improperly cancelled, Metro Government shall authorize the issuance of new Bonds to replace them, upon the Bondholder providing to Metro Government evidence thereof satisfactory to Metro Government and an indemnity bond in such amount as Metro Government may require. The person in whose name a Bond is registered on the bond register maintained by the Company shall be deemed the absolute owner for all purposes; and payment of any principal or interest on any Bond shall be made only to or upon the order of the registered owner thereof or the owner’s attorney or legal representative. Such payments shall fully discharge the liability on the Bond to the extent of the sums so paid.

At the option of the Bondholder, any Bond may be presented to the Company for endorsement showing the balance of principal due thereon and the date to which interest has been paid.

In all cases in which Bonds shall be issued in exchange for or in replacement of other Bonds, the Bonds to be issued shall be signed by the same officers who signed the original Bonds or by officers then in such offices or otherwise authorized to sign. The obligation of Metro Government and the rights of the holders with respect to such Bonds shall be the same as with respect to the Bonds being exchanged or replaced. Metro Government and the Company may charge the holder their reasonable fees and expenses for effecting such exchange or replacement.

The Company shall not be required to effect the transfer of any Bond during the fifteen (15) days preceding an interest payment date or after notice that such Bond or any portion thereof is to be prepaid. The Company may make a charge sufficient to reimburse it for any tax or other governmental charge applicable to any exchange, transfer, or replacement. Such charge shall be paid before any exchange, transfer, or replacement is effected.

Section 3.5. Bonds Are Not General Obligations. The Bonds shall not constitute an indebtedness or pledge of the general credit or taxing power of Metro Government or the general credit or taxing power of the State, and all payments due from Metro Government thereunder are not general obligations of Metro Government but are limited obligations payable solely from the Pledged Receipts and are a valid claim of the Bondholder only against such Pledged Receipts. Nothing herein shall be construed as requiring Metro Government to use any funds or revenues from any source other than the Pledged Receipts.

Section 3.6. Company as Bond Registrar; Bond Register. The Company is hereby designated as registrar for the Bonds and, as such, will maintain on file a register of the name and address of the holder of the Bonds from time to time; provided, however, that the Company in its capacity as bond registrar shall be under no responsibility with regard to the accuracy of the address of any Bondholder.

#### **ARTICLE 4. PREPAYMENT OF BONDS BEFORE MATURITY**

Section 4.1. Right to Prepayment of Principal. Principal of the Bonds may be prepaid, at the option of Metro Government, as directed by the Company, prior to stated maturity, in whole or part, on any date at 100% of the principal amount prepaid, plus accrued interest thereon to the prepayment date. All such prepayments shall be in amounts of not less than \$100,000 or in whole multiples thereof, or such lesser amount as may be required to prepay the Bonds in whole.

Section 4.2. Notice of Prepayment of Bonds. Written notice of any prepayment, stating the amount of principal of the Bonds to be prepaid and the prepayment date, shall be given to the Bondholder by the Company on behalf of Metro Government at least ten (10) days prior to the proposed prepayment date. If the Bonds are to be prepaid in whole, the notice shall direct that they be surrendered to the Company for payment.

Section 4.3. Right of Bondholder to Demand Prepayment. By written notice to the Company, with a copy to Metro Government, the Bondholder may demand that the Company prepay all or a portion of the outstanding principal amount of the Bonds, at 100% of the principal amount prepaid plus accrued interest thereon to the date of prepayment, on any specified date not less than ninety (90) nor more than one hundred twenty (120) days after the date of such notice. Any such prepayment shall be in the amount of \$100,000 or whole multiples thereof, or such lesser amount as may be required to prepay the Bonds in whole. If the Bonds are to be prepaid in whole, the Bondholder shall surrender the Bonds to the Company on the specified prepayment date.

#### **ARTICLE 5. DISBURSEMENT OF BOND PROCEEDS**

Section 5.1. Disbursement of Bond Proceeds.

A. As installments of the purchase price for the Bonds, the Bondholder shall disburse from time to time, but not later than three years from the date hereof, to or for the account of the Company, amounts not exceeding sum of \$43,000,000, constituting the maximum principal amount of the Bonds, upon submission by the Company to the Bondholder, not more frequently than once each calendar month, of a Requisition Certificate in the form of Exhibit C, specifying

the amounts requested to be disbursed, the name and address of the payee of each such amount (which may be the Company, if the Company is requesting reimbursement for a Cost of the Project it has paid), and the outstanding principal amount of the Bonds shall be increased by the amount of each such disbursement. The Requisition Certificate shall be accompanied by the following if not previously submitted to the Bondholder:

- (1) the Plans and Specifications and budget for the Project, in such detail and in such form as shall be reasonably satisfactory to the Bondholder;
- (2) a copy of the construction contract for the Project and any change orders thereto to the date of the Requisition Certificate;
- (3) in the case of construction costs, an Application and Certificate for Payment (AIA Documents G702 and G703), or equivalent document, signed by the general contractor and the architect for the Project, with respect to the costs to be paid or reimbursed;
- (4) in the case of construction costs, lien waivers signed by the contractors or subcontractors performing the work for which payment or reimbursement is to be made;
- (5) in the case of costs other than for construction, a copy of the invoice to be paid or reimbursed; and
- (6) such additional documentation and certifications as the Bondholder may reasonably require.

Costs of the Project which may be paid or reimbursed with the proceeds of the Bonds shall include the following:

- (i) Costs incurred directly or indirectly for or in connection with the acquisition, construction, and installation of the Project, including preliminary planning and studies, architectural, legal, engineering, and supervisory services, labor, services, materials, acquisition, and installation;
- (ii) Financial, legal, accounting, and printing fees, charges, and expenses, and all other such fees, charges, and expenses incurred in connection with the authorization, issuance, sale, and delivery of any of the Bond Documents or the Bonds; and
- (iii) Any other incidental and necessary costs and expenses relating to the acquisition, construction, or installation of the Project.

B. Metro Government agrees that the proceeds from the sale of the Bonds shall be disbursed only for the payment or reimbursement of Costs of the Project, and Metro Government hereby authorizes and directs the Bondholder to disburse such proceeds directly to or for the benefit of the Company, as provided in Section 5.1.A. Metro Government shall not transfer, mortgage, assign, encumber, or alienate any portion of the proceeds of the Bonds.

Section 5.2. Company Required to Pay Costs of Project if Bond Proceeds Insufficient. If the maximum principal amount of the Bonds is not sufficient to pay in full all the Costs of the Project, the Company agrees, in order to fulfill the purposes of the Act, to complete the acquisition, construction, and installation of the Project and to pay all costs therefor in excess of such sum.

## **ARTICLE 6. COMPLETION OF PROJECT**

Section 6.1. Company's Obligation to Complete Project. The Company shall cause the acquisition, construction, and installation of the Project to be completed as promptly as feasible and shall at its expense do or cause to be done all things necessary or proper for such completion in accordance with applicable law and regulations.

The Company shall make no changes in the Plans and Specifications or take any other action which would affect the qualification of the Project as an "industrial building" as defined in the Act or which would adversely affect in any material respect the description of the Project approved by Metro Government and the State Local Debt Officer.

Section 6.2. Completion Certificate. Completion of the acquisition, construction, and installation of the Project shall be evidenced to Metro Government and the Bondholder by a Completion Certificate executed by the Company (i) stating that the Project has been substantially completed in accordance with the Plans and Specifications so as to permit the use and occupancy of the Project, and all costs then due and payable in connection therewith have been paid, and that completion has been accomplished in such a manner as to conform with all applicable zoning, planning, building, land use, environmental, and other regulations of all governmental authorities having jurisdiction; (ii) specifying the date by which the foregoing events have occurred; and (iii) stating that such certificate is given without prejudice to any rights against third parties which then exist or may subsequently come into being.

## **ARTICLE 7. DAMAGE, DESTRUCTION AND CONDEMNATION**

Section 7.1. Damage and Destruction. If the Project shall be damaged or destroyed by fire, flood, or other casualty, there shall be no abatement or reduction in the payments required to be made by the Company hereunder and the Company shall repair, replace, restore, or reconstruct the Project so as to restore it to substantially its prior value and to a state suitable for its continued use as reasonably determined by the Company. If the net proceeds of any insurance on the Project are insufficient, the Company will nevertheless complete such repair, rebuilding, or restoration and will provide for payment of the costs of such completion from its own funds. Any insurance proceeds remaining after payment of all such costs shall be paid to the Company. However, if within 30 days after the damage, the Company determines in good faith that the Project is damaged to such extent that it cannot be reasonably restored to the foregoing condition with six months, the Company shall not be obligated to restore the Project and any insurance proceeds shall be paid to the Bondholder as a prepayment of the Bonds.

Section 7.2. Eminent Domain. If title to or the temporary use of all or part of the Project shall be taken under the exercise of the power of eminent domain, there shall be no abatement or reduction in the payments required to be made by the Company hereunder and any net proceeds from an award for such taking shall be paid to the Bondholder as a prepayment of the Bonds.

**ARTICLE 8.**  
**REPRESENTATIONS AND AGREEMENTS OF METRO GOVERNMENT**

Section 8.1. Due Authorization by Metro Government. Metro Government represents and warrants that (i) it is duly authorized under the laws of the State, including the Act, to issue the Bonds, to execute, deliver, and perform the Bond Documents and the Bonds, to assign its interest in this Lease, and to pledge the Pledged Receipts as provided herein; (ii) it has taken all necessary action and has complied with all provisions of the Act required to make the Bond Documents and the Bonds the valid and enforceable obligations of Metro Government in accordance with their respective terms; and (iii) when duly delivered and when and as paid for, the Bonds will constitute valid and legally binding limited obligations of Metro Government in accordance with their terms and will be entitled to the benefits of this Lease.

Section 8.2. Payment of Bonds; Bondholder's Rights with Respect to Lease; Cooperation with Bondholder. Metro Government agrees that it will promptly pay or cause to be paid the principal of and interest on the Bonds as herein provided, but solely from the Pledged Receipts and from no other revenues or assets of Metro Government. Metro Government agrees that the Bondholder may enforce all rights of Metro Government and all obligations of the Company with respect to this Lease, whether or not Metro Government is in default hereunder. Metro Government agrees that, except as provided herein, it will not mortgage, assign, encumber, or alienate any part of the Pledged Receipts or its rights with respect to this Lease. Metro Government further agrees to provide assurances to the same extent as required of the Company under Section 10.4.

All agreements of Metro Government in this Section 8.2 are subject to the limitation prescribed in Section 3.5.

**ARTICLE 9.**  
**REPRESENTATIONS AND COVENANTS OF THE COMPANY**

Section 9.1. Due Organization. The Company is a limited partnership duly organized, validly existing, and in good standing under the laws of the State of Georgia and is authorized to do business and in good standing in the State. The Company has limited partnership powers adequate for the execution, delivery, and performance of its obligations under the Deed, the Bill of Sale, and the Bond Documents. The Company has taken or will take all necessary limited partnership action required to make the Deed, the Bill of Sale, the Bond Documents, and any other documents and instruments executed by the Company in connection therewith valid and enforceable obligations of the Company in accordance with their respective terms.

Section 9.2. Compliance with Law; Consents. The execution, delivery, and performance of and compliance with this Lease will not violate or constitute a default under the

limited partnership certificate or limited partnership agreement of the Company or, to the knowledge of the Company, any mortgage, lease, agreement, or other instrument to which the Company is a party, or of any judgment, decree, governmental order, statute, rule, or regulation by which the Company is bound or to which any of its assets is subject. No approval by, authorization of, or filing with any Federal, state, or municipal or other governmental commission, board, agency, or other governmental authority is necessary in connection with the execution and delivery of the Deed, the Bill of Sale, and the Bond Documents by the Company.

Section 9.3. The Project.

A. The willingness of Metro Government to issue the Bonds for the purpose of financing the Costs of the Project has induced the Company to undertake the acquisition, construction, and installation of the Project within the boundaries of Metro Government.

B. The Project is an “industrial building” within the meaning of the Act and will tend to revitalize and redevelop a downtown business district designated by Metro Government, promote the economic development of the State, relieve conditions of unemployment, and encourage the increase of industry therein.

Section 9.4. Adequacy of Disclosure. None of the Bond Documents nor any other document, certificate, or statement furnished to the Bondholder by or on behalf of the Company in connection with the transactions contemplated thereby contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements contained herein and therein not misleading.

Section 9.5. Use of Bond Proceeds. The proceeds of the issuance of the Bonds will be used to finance the Costs of the Project as provided in this Lease. The proceeds of the Bonds will not be used, directly or indirectly, for the purpose, whether immediate, incidental, or ultimate, of “purchasing” or “carrying” any “margin stock,” within the meaning of those terms as defined in Regulation U of the Board of Governors of the Federal Reserve System, as amended from time to time.

**ARTICLE 10.**  
**LEASE OF PROJECT**

Section 10.1. Lease of Project; Lease Payments; Additional Payments.

A. Lease of Project. In consideration of the execution of this Lease and the issuance of the Bonds, Metro Government hereby rents and leases to the Company, and the Company hereby rents and leases from the Company, the Project, for the Lease Term. Subject to the exercise of remedies under Article 11 upon the occurrence and continuance of an event of default hereunder, the Company shall have exclusive use and possession of the Project during the Lease Term.

B. Risk as to Title and Condition of the Project. The Company is familiar with the state of title to and the condition of the Project and leases the Project subject to all conditions affecting the same and as the same is acquired, constructed, and installed. The Company assumes all risks, if any, resulting from any present or future, latent or patent defects therein, or from the

failure of the Project to comply with any legal requirements applicable thereto. Metro Government has made no representations as to the state of title to or the condition of the Project or its suitability for the purposes of the Company, and Metro Government leases the Project to the Company “as is.”

C. Lease Payments. Not later than the date on which any interest or principal is due on the Bonds, the Company agrees to pay directly to the Bondholder, as a Lease Payment hereunder for the account of Metro Government, a sum equal to all such amounts then due.

D. Additional Payments. The Company agrees to duly make Additional Payments to Metro Government as reimbursement for costs, reasonable expenses, and liabilities paid by Metro Government in satisfaction of any obligations of the Company not performed by the Company as required under any of the Bond Documents or the Bonds and as reimbursement for or prepayment of Metro Government’s expenses and liabilities paid or to be paid at the request of the Company or as required by the Act or any of the Bond Documents and not otherwise required to be paid by the Company under this Lease.

E. Obligations Unconditional. The Company’s obligations to make the payments required by this Lease shall be absolute and unconditional and shall not be subject to any right of recoupment or set-off. Until the lien of this Lease has terminated and ceased to have effect, the Company will not (i) suspend or discontinue any payments required by this Lease or (ii) fail to fulfill its other agreements herein for any cause including, without limitation, failure fully to acquire, construct, and install the Project, damage to or condemnation of the Project, any failure of consideration or commercial frustration of purpose, any change in Federal or state laws or administrative rulings or actions, or any failure of Metro Government to fulfill any agreement, duty, liability, or obligation related to any of the Bond Documents.

Section 10.2. Company to Maintain Its Existence. The Company will maintain its existence as a Georgia limited partnership and its qualification to do business in the State, and will not merge or consolidate with any other entity and will not be in default hereunder immediately after such merger or consolidation, or sell, lease, transfer, or otherwise dispose of all or substantially all of its assets, except that the Company may merge or consolidate into or with, or so dispose of its assets to, any other entity provided (i) such entity shall unconditionally assume all of the Company’s obligations under the Bond Documents by an instrument satisfactory in form and substance to the Bondholder, or the Bondholder shall be furnished with an opinion of counsel that such entity assumes all such obligations by operation of law; and (ii) such entity shall immediately thereafter be in compliance with all of the covenants and agreements of the Company contained in the Bond Documents.

Section 10.3. Covenants of Company Related to Project.

A. Compliance with Regulations. The Project and any use thereof by the Company shall conform with all applicable zoning, planning, building, land use, environmental, and other regulations of governmental authorities having jurisdiction over the Project. Subject to the foregoing, the Company may at its own cost remodel or make substitutions, modifications, and improvements to the Project as it deems desirable for its uses and purposes and the same shall be included as part of the Project.

B. Taxes, Other Governmental Charges, and Utility Charges.

The Company shall duly pay all taxes, assessments, and governmental charges of any kind that may at any time be lawfully assessed or levied against or with respect to the Project, all utility and other charges incurred in the operation, maintenance, use, and occupancy of the Project, and all assessments and charges lawfully made by any governmental body for public improvements that may be secured by a lien on the Project. However, the Company may contest in good faith any such taxes, assessments, and other charges and in such event may permit the taxes, assessments, or other charges to be contested or remain unpaid during any period, including appeals, when the Company is in good faith contesting the same, so long as adequate reserves have been established and enforcement of the contested item is effectively stayed.

Metro Government and the Company acknowledge that, so long as Metro Government holds title to the Project, the Project shall be exempt from taxation within the State pursuant to KRS 103.285, except for the state ad valorem tax assessed under KRS 103.200(1) on the Company's leasehold interest in the Project. However, as a condition to Metro Government's execution of this Lease and the issuance of the Bonds and in consideration therefor, the Company has entered into the PILOT Agreement whereby the Company has agreed to make payments to the School District in lieu of taxes in amounts equal to and at the same times as the *ad valorem* taxes that would otherwise be due the School District with respect to the Project were title thereto not held by Metro Government.

C. Right of Access. The Company agrees that, upon reasonable request in advance and in writing, Metro Government and the Bondholder and their respective representatives may at all reasonable times enter upon and inspect the Project.

Section 10.4. Instruments of Further Assurance. The Company will do, execute, acknowledge, and deliver or cause to be so performed such agreements and such further acts, instruments, and transfers as the Bondholder may reasonably require for the better assuring, transferring, pledging, assigning, and conferring unto the Bondholder the property and rights herein described and the income and revenue pledged hereby.

Section 10.5. Indemnification. The Company shall indemnify and save harmless Metro Government and the Bondholder and their respective elected officials, partners, members, officers, employees, and agents against and from (a) all claims by or on behalf of any person arising out of (i) the title to or condition of the Project, (ii) the construction, reconstruction, improvement, use, occupancy, conduct, or management of any work or anything done or omitted to be done in or about the Project, (iii) any accident, injury, or damage to any person occurring in or about the Project, (iv) any breach or default by the Company of any of its obligations under any of the Bond Documents, (v) any act or omission of the Company or any of its agents, contractors, servants, employees, or licensees, (vi) the offering, issuance, sale, or resale of the Bonds, but only to the extent permitted by law, and (b) all costs, reasonable attorneys' fees, expenses, or liability reasonably incurred in connection with any such claim or action or proceeding brought thereon; provided, however, that the Company shall not be required to indemnify any person for any claim resulting from its or his own gross negligence or willful misconduct. If any action or proceeding is brought against Metro Government or the Bondholder or any such elected official, partner, member, officer, employee, or agent by reason of any such claim, the Company upon notice from



the affected party shall resist or defend such action or proceeding. Subject to the foregoing, Metro Government and the Bondholder, as applicable, shall cooperate and join with the Company as may be required in connection with any action taken or defended by the Company.

Metro Government and the Bondholder and their respective elected officials, partners, members, officers, employees, and agents shall be entitled to the advice of counsel and shall be wholly protected as to any action taken or omitted to be taken in good faith in reliance on such advice. They may rely conclusively on any communication or other document furnished to them hereunder and reasonably believed to be genuine. They shall not be liable for any action (a) taken by them in good faith and reasonably believed by them to be within the discretion or powers conferred upon them, (b) in good faith not taken by them because reasonably believed to be beyond the discretion or powers conferred upon them, (c) taken by them pursuant to any direction or instruction by which they are governed hereby, or (d) omitted to be taken by them by reason of the lack of any direction or instruction required hereby for such action; nor shall they be responsible for the consequences of any error of judgment reasonably made by them. When any consent or other action by them is called for hereby, they may defer such action pending receipt of such evidence as they may require in support thereof. They shall not be required to take any remedial action (other than the giving of notice) unless reasonable indemnity is furnished for any expense or liability to be incurred thereby. They shall be entitled to reimbursement for expenses reasonably incurred or advances reasonably made in the exercise of their rights or the performance of their obligations hereunder, to the extent that they act without previously obtaining indemnity. No permissive right or power to act which they may have shall be construed as a requirement to act; and no delay in the exercise of a right or power shall affect the subsequent exercise of that right or power. Metro Government shall not be required to take notice of any breach or default by the Company hereunder, except when given notice thereof by the Bondholder. No recourse shall be had by the Company or the Bondholder for any claim based on any of the Bond Documents or the Bonds against any elected official, officer, employee, or agent of Metro Government alleging personal liability on the part of such person unless such claim is based upon the bad faith, fraud, or deceit of such person.

Section 10.6. Option or Obligation to Purchase Project.

A. Option to Purchase Project. The Company shall have the option to purchase the Project at any time prior to the full payment of the Bonds for the purchase price specified in subsection D. below.

B. Obligation to Purchase Project. The Company shall purchase the Project upon the full payment of the Bonds and the resulting termination of the Lease Term.

C. Notice of Option or Obligation. As applicable, (i) in the event the Company chooses to exercise its option to purchase the Project under subsection A. above or (ii) not less than thirty (30) but no more than sixty (60) days prior to the termination of this Lease and the coincident obligation of the Company to purchase the Project under subsection B. above, the Company shall give written notice to Metro Government and to the Bondholder specifying therein the date of closing such purchase, which date shall be not less than thirty (10) nor more than sixty (60) days after the Company gives such notice but in no event after the stated final maturity date of the Bonds.

D. Purchase Price. The purchase price payable by the Company for the Project upon exercise of its option or obligation to purchase the Project shall be an amount sufficient (i) to pay or prepay and retire at the earliest date permitted under this Lease the outstanding principal amount of the Bonds at a prepayment price equal to the unpaid principal amount thereof, (ii) to pay interest accrued on the Bonds to maturity or earlier prepayment, and (iii) to pay all amounts then due and owing to Metro Government pursuant to this Lease, plus the amount of One Hundred Dollars (\$100.00) payable to Metro Government.

E. Conveyance upon Purchase of Project. At the closing of any purchase pursuant to this Section 10.6, Metro Government shall upon receipt of the purchase price deliver to the Company documents conveying to the Company title to the Project, as the Project then exists, subject to the following: (i) those liens and encumbrances to which title to the Project was subject when conveyed to Metro Government; (ii) those liens and encumbrances created by the Company or to the creation or suffering of which the Company consented; (iii) those liens and encumbrances resulting from the failure of the Company to perform or observe any obligation or condition under any of the Bond Documents; and (iv) the First Mortgage, if any, then encumbering the Project. The interest of Metro Government in the Project shall be discharged upon the payment of the purchase price. Simultaneously with such closing there shall be assigned and transferred to the Company all moneys, receivables, claims, and other rights, if any, held by Metro Government which relate to or are incident to its ownership of the Project.

Section 10.7. Subordination to Mortgage. This Lease shall be subject and subordinate to the Mortgage, as the same is in effect from time to time. Metro Government and the Company shall execute, acknowledge, and deliver from time to time any instruments reasonably requested by the mortgagee thereunder to evidence such subordination of record, provided, however, that, any liability of Metro Government under this Lease shall be limited to the extent provided in Section 8.2.

Section 10.8. Assignment and Subleasing. So long as no event of default shall have occurred and be continuing hereunder, the Company may assign its interest in this Lease or may sublease the Project, in whole or in part, without the consent of Metro Government or the Bondholder. However, any such assignee shall assume in writing the obligations of the Company under this Lease and the PILOT Agreement, and the Company shall, at least ten (10) days prior to any such assignment, provide Metro Government, the Bondholder, and the mortgagee under the Mortgage written notice of such assignment and assumption and the instruments, in recordable form, evidencing such assignment and assumption.

Section 10.9. Estoppel Certificates. The Company and Metro Government (at the Company's expense) shall from time to time, within ten (10) days after written request by the Bondholder, deliver written instruments, duly executed and acknowledged, to the Bondholder and the mortgagees under the Mortgage certifying the following and such other matters as may be reasonably requested by the Bondholder or such mortgagees:

- (1) that the Company is in possession of the Project;

(2) that this Lease is unmodified and in full force and effect or, if there has been any modification, that the same is in full force and effect as so modified, and identifying any such modification;

(3) whether the Company and Metro Government have observed and performed all of the terms and conditions on the part of the Company and Metro Government, respectively, to be observed and performed by the Company and Metro Government and, if not, specifying the same, and whether or not there are then existing any setoffs or defenses in favor of the Company or Metro Government with respect to the enforcement against the Company or Metro Government of any of the terms or conditions of this Lease and, if so, specifying the same;

(4) the dates to which Lease Payments and all other amounts due hereunder have been paid; and

(5) current financial information relating to the Company.

## **ARTICLE 11. DEFAULTS AND REMEDIES**

Section 11.1. Events of Default; Defaults. The occurrence and continuance of any of the following events shall constitute an “event of default” hereunder:

A. Failure to pay any principal of or interest on the Bonds for a period of ten days after such principal or interest becomes due and payable and notice of such failure has been given to the Company by Metro Government or the Bondholder.

B. Failure by the Company to make any Lease Payment for a period of ten days after such payment becomes due and payable and notice of such failure has been given to the Company by Metro Government or the Bondholder.

C. Failure by the Company or Metro Government to observe or perform any other covenant, condition, or agreement on its part to be observed or performed in any of the Bond Documents or the Bonds, for a period of 30 days after notice of such failure is given to the Company by the Bondholder or by Metro Government, or is given to Metro Government and the Company by the Bondholder.

D. The material inaccuracy or incompleteness of any representation or warranty made in writing by or on behalf of the Company as of the date made in connection with the transactions contemplated hereby.

E. If the Company shall be involved in financial difficulties as evidenced by:

(1) its admitting in writing its inability to pay its debts generally as they become due; or

(2) its commencement of a voluntary case under the Bankruptcy Code, or its authorizing, by appropriate proceedings of its members, the commencement of such a voluntary case; or

(3) its filing an answer or other pleading admitting or failing to deny the material allegations of a petition filed against it commencing an involuntary case under the Bankruptcy Code, or seeking, consenting to, or acquiescing in the relief therein provided, or by its failing to controvert timely the material allegations of any such petition; or

(4) the entry of an order for relief in any involuntary case commenced by it under the Bankruptcy Code; or

(5) its seeking relief as a debtor under any applicable law, other than the Bankruptcy Code, of any jurisdiction relating to the liquidation or reorganization of debtors or to the modification or alteration of the rights of creditors, or by its consenting to or acquiescing in such relief; or

(6) the entry of an order by a court of competent jurisdiction against it [a] finding it to be bankrupt or insolvent, [b] ordering or approving its liquidation, reorganization, or any modification or alteration of the rights of its or its general partner's creditors, or [c] assuming custody of, or appointing a receiver or other custodian for, all or a substantial part of its or its general partner's property; or

(7) its making an assignment for the benefit of, or entering into a composition with, its or its general partner's creditors, or appointing or consenting to the appointment of a receiver or other custodian for all or a substantial part of its or its general partner's property.

The term "default" hereunder means a default by Metro Government or the Company which, with the passage of time or the giving of notice of both, would constitute an event of default.

The Company agrees to notify Metro Government and the Bondholder in writing of the occurrence of any default under Subsection D. or E. promptly after the Company becomes aware of any such default.

Section 11.2. Acceleration. Upon the occurrence and continuance of any event of default, the Bondholder, by written notice to Metro Government and the Company, may declare the Bonds then outstanding to be due and payable immediately, and, upon said declaration, all principal and interest accrued thereon shall become immediately due and payable and there shall be an automatic corresponding acceleration of the Lease Payments. Interest shall accrue to the payment date determined by the Bondholder pursuant to such declaration or the actual payment date, if later.

If, at any time after such declaration and prior to the entry of a court judgment for enforcement hereunder or the confirmation of a receiver after an opportunity for hearing by the Company, all sums payable hereunder other than by reason of such declaration shall have been duly paid and all existing events of default shall have been cured, then such payment shall constitute a waiver of such event of default hereunder and an automatic rescission of such declaration; but such waiver or rescission shall not extend to any subsequent event of default.

Section 11.3. Other Remedies. Upon the occurrence and continuance of an event of default, the Bondholder may pursue any available remedy to enforce the payment of principal of and interest on the Bonds then outstanding.

No remedy under this Lease is intended to be exclusive, and each remedy shall be cumulative and in addition to any other remedy under this Lease now or hereafter existing.

No delay or omission to exercise any right or power shall impair such right or power or constitute a waiver of any default or event of default or acquiescence therein; and each such right and power may be exercised as often as deemed expedient.

No waiver by the Bondholder of any default shall extend to any subsequent default or event of default.

Section 11.4. Actions of Metro Government Upon Event of Default. Upon the occurrence and continuance of an event of default, Metro Government (i) shall, if requested by the Bondholder, confirm in writing any acceleration of the Lease Payments, (ii) may, upon the request of the Bondholder, take such action at law or in equity as may appear desirable to collect any past due or accelerated Lease Payments or other payments hereunder or to enforce compliance with any obligation or agreement of the Company under this Lease or any of the other Bond Documents, and (iii) shall have access to and may examine and make copies of the books, accounts, and other data and tax returns of the Company insofar as they pertain to the Company's operations at the Project. However, Metro Government shall not be required to take any action which in its opinion might cause it to expend time or money or otherwise incur any liability unless a satisfactory indemnity bond has been furnished to it.

## **ARTICLE 12. SUPPLEMENTAL LEASES AND WAIVERS; MISCELLANEOUS**

Section 12.1. Supplemental Leases and Waivers. The parties may execute and deliver supplemental agreements or waivers for the purpose of amending, supplementing, or waiving (generally or in a particular circumstance) any terms or provisions contained in this Lease or in the Bonds.

Section 12.2. Limitation of Rights. With the exception of rights herein expressly conferred, nothing expressed or implied from this Lease or the Bonds shall give rights to any person other than the parties hereto with respect to this Lease.

Section 12.3. Severability. In the event that any provision of this Lease or the Bonds shall be held to be invalid in any circumstance, such validity shall not affect any other provision or circumstance.

Section 12.4. Notices. All notices, certificates, or other communications hereunder shall be sufficiently given and shall be deemed given when mailed by certified mail, or hand delivered to the appropriate Notice Address, with a copy to each other party hereto.

Section 12.5. Payments Due on Saturdays, Sundays, or Holidays. In any case where the date of payment or prepayment of interest on or principal of the Bonds shall be a Saturday, Sunday, or a day on which banks in the State are required, authorized, or not prohibited by law (including executive orders) to be closed for business, then payment of such interest or principal need not be made on such date but may be made on the next succeeding business day with the same force and effect as if made on the date of maturity or the date fixed for prepayment, but interest shall continue to accrue until the date of payment.

Section 12.6. No Personal Liability. No agreement of Metro Government contained in any of the Bond Documents or the Bonds shall be deemed to be an agreement of any present or future elected official, officer, employee, or agent of Metro Government in his individual capacity, and no such person (including any such person executing the Bonds) shall be liable personally on the Bonds or be subject to any personal liability by reason of their issuance.

Section 12.7. Captions; Table of Contents. The captions, headings, and Table of Contents in this Lease are for convenience of reference only and in no way limit the scope or content of any provision of this Lease.

Section 12.8. Counterparts. This Lease may be executed in counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 12.9. Governing Law. This Lease and the Bonds shall be governed by and construed in accordance with the laws of the State.

IN WITNESS WHEREOF, Metro Government has caused this Lease to be executed and delivered in its name and behalf by its Mayor or Mayor *Pro Tem* and its official seal to be hereunto affixed and attested by the Clerk or Deputy Clerk of its Metro Council, and the Company and the Bondholder have each caused this Lease to be duly executed and delivered in its name and behalf by its general partner thereunto duly authorized, all as of the date first above written.

[signature pages to follow]

Metro Government

LOUISVILLE/JEFFERSON COUNTY  
METRO GOVERNMENT

Attest:

\_\_\_\_\_  
Clerk of the Metro Council

By: \_\_\_\_\_  
Mayor

**APPROVED AS TO FORM AND LEGALITY:**

Michael J. O’Connell  
Jefferson County Attorney

By: \_\_\_\_\_  
Matthew J. Golden, Assistant County Attorney

COMMONWEALTH OF KENTUCKY )  
 ) SS  
COUNTY OF JEFFERSON )

The foregoing instrument was acknowledged before me on \_\_\_\_\_, 2008  
by Greg Fischer and H. Stephen Ott, the Mayor and the Clerk of the Metro Council, respectively,  
of the Louisville/Jefferson County Metro Government, a consolidated local government of the  
Commonwealth of Kentucky party, on behalf of said consolidated local government.

My commission expires:\_\_\_\_\_.

\_\_\_\_\_  
Notary Public

(SEAL)

The Company

APTITUDE 4<sup>TH</sup> STREET, LLC,  
a Kentucky limited liability company

By: \_\_\_\_\_  
Jared Hutter  
Managing Member

STATE OF NEW JERSEY   )  
  ) SS  
COUNTY OF BERGEN     )

The foregoing instrument was acknowledged before me on \_\_\_\_\_, 2018  
by Jared Hutter, the Managing Member of Aptitude 4<sup>th</sup> Street, LLC, a Kentucky limited liability  
company, on behalf of the company.

My commission expires:\_\_\_\_\_.

\_\_\_\_\_  
Notary Public

(SEAL)





Drafter's Certificate

This instrument was prepared by:

---

Stephen D. Berger  
WYATT, TARRANT & COMBS, LLP  
500 W. Jefferson Street, Suite 2800  
Louisville, Kentucky 40202  
502-589-5235

EXHIBIT A

PROJECT SITE

BEGINNING at the intersection of the West line of Fourth Street with the South line of Colorado Avenue, formerly H Street, as now located; thence South with the West line of Fourth Street 280 feet to the North line of Creel Avenue, formerly J. Street; thence West with the North line of Creel Avenue 216.34 feet; thence North 3 degrees 23 minutes 30 seconds East 288.54 feet to the most Southern corner of the triangular strip conveyed to Mrs. Linus H. Connelly by Deed dated November 20, 1956, and recorded in Deed Book 3423, Page 241, in the office of the Clerk of the County Court of Jefferson County, Kentucky; thence with the East line of said strip North 29 degrees 35 minutes 30 seconds East 20 feet to the South line of Colorado Avenue; thence East with the South line of Colorado Avenue with a curve to the left having a radius of 322.95 feet, a distance of 131.48 feet to the end of said curve; thence continuing with the South line of Colorado Avenue Eastwardly 100 feet to the beginning; EXCEPTING THEREFROM so much as was conveyed in Deed dated January 2, 2008, and recorded in Deed Book 9195, Page 421, in the office aforesaid.

BEING the same property as conveyed to Aptitude 4<sup>th</sup> Street, LLC by Deed dated \_\_\_\_\_, 2018, of record in Deed Book \_\_\_\_, Page \_\_ in the office of the County Clerk of Jefferson County, Kentucky.

## EXHIBIT B

### PROJECT EQUIPMENT

All machinery, equipment, fixtures, appliances, and personal property of every kind and nature whatsoever now or hereafter located in, on, or about the Project Site or the Project Improvements, or the appurtenances thereof, or used or intended to be used with or in connection with the present or future operation, occupancy, or enjoyment of the Project Site and the Project Improvements (including, without limitation, appliances, machinery, equipment, signs, artwork, office furnishings and equipment, guest room furnishings, and specialized equipment for kitchens, laundries, bars, restaurant, public rooms, health and recreational facilities, linens, dishware, all partitions, screens, awnings, shades, blinds, floor coverings, hall and lobby equipment, heating, lighting, plumbing, ventilating, refrigerating, incinerating, elevators, escalators, air conditioning and communication plants or systems with appurtenant fixtures, vacuum cleaning systems, call or beeper systems, security systems, sprinkler systems and other fire prevention and extinguishing apparatus and materials; reservation system computer and related equipment; all equipment, manual, mechanical or motorized, for the construction, maintenance, repair and cleaning of, parking areas, walks, underground ways, truck ways, driveways, common areas, roadways, highways and streets), and all building equipment, materials, and supplies of any nature whatsoever now or hereafter located in, on, or about the Project Site or the Project Improvements, or the appurtenances thereof, and whether in storage or otherwise, or used or intended to be used with or in connection with the present or future operation, occupancy, or enjoyment of the Project Site or the Project Improvements.

EXHIBIT C

FORM OF REQUISITION CERTIFICATE

TO: Aptitude U of L, LLC

FROM: Aptitude 4<sup>th</sup> Street, LLC

RE: Louisville/Jefferson County Metro Government  
Industrial Building Revenue Bonds, Series 2018  
(The Marshall at Louisville Project)

This represents Requisition Certificate No. \_\_\_ in the total amount of \$\_\_\_\_\_ to pay or reimburse those Costs of the Project detailed in the schedule attached. Terms used herein have the same meanings as in the Lease and Financing Agreement (the "Lease") pursuant to which the above-referenced Bonds were issued.

The undersigned does hereby certify that:

1. The expenditures for which moneys are requisitioned hereby represent proper charges against the Project Fund of the subject bond issue, have not been included in a previous requisition, and have been properly recorded on the Company's books.
2. The moneys requisitioned hereby are not greater than those necessary to reimburse the Company for the payment of costs of the Project qualifying for payment or reimbursement under the Lease.
3. The Company is not in default under the Lease and nothing has occurred to the knowledge of the Company that would prevent the performance of its obligations under the Lease.

Executed this \_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

APTITUDE 4<sup>TH</sup> STREET, LLC

By \_\_\_\_\_

Title \_\_\_\_\_

SCHEDULE TO REQUISITION CERTIFICATE NO. \_\_\_\_

<u>Payee and Address</u>	<u>Description of Property or Services Provided</u>	<u>Amount</u>
--------------------------	---	---------------

EXHIBIT D

FORM OF BOND

UNITED STATES OF AMERICA  
COMMONWEALTH OF KENTUCKY  
LOUISVILLE/JEFFERSON COUNTY METRO GOVERNMENT  
INDUSTRIAL BUILDING REVENUE BOND, SERIES 2018  
(THE MARSHALL AT LOUISVILLE PROJECT)

<u>Dated Date</u>	<u>Maturity Date</u>
_____, 2008	_____, 2038

No. \_\_\_\_ \$43,000,000

Louisville/Jefferson County Metro Government (the “Metro Government”), a consolidated local government and political subdivision of the Commonwealth of Kentucky (the “State”), for value received, hereby promises to pay to Aptitude U of L, LLC, or registered assigns (the “Bondholder”), on the Maturity Date show above, unless earlier prepaid as hereinafter provided, the principal amount of Forty Three Million Dollars (\$43,000,000.00), or such lesser sum as may be disbursed hereunder from time to time pursuant to the Lease hereinafter identified, together with interest thereon at a rate per annum equal to the rate of interest borne from time to time by the indebtedness secured by the Mortgage (as defined in such Lease), payable at the same time or times as interest is payable on the indebtedness secured by the Mortgage and on the date or dates of any prepayment of the principal of this bond. This bond shall be surrendered to the Company hereinafter identified upon the final payment of principal and interest.

In the event no Mortgage is in effect, or there is no interest rate applicable to the indebtedness secured thereby, the interest rate on the Bonds (as hereinafter defined) shall be five percent (5.00%) per annum.

This bond is issued pursuant to and in full compliance with the Constitution and laws of the State, particularly the Industrial Buildings for Cities and Counties Act, as amended, Sections 103.200 to 103.285 of the Kentucky Revised Statutes (the “Act”), and an ordinance of Metro Government duly enacted on August 2, 2018 (the “Bond Ordinance”). The Bond Ordinance authorizes the execution and delivery of a Lease and Financing Agreement of even date herewith (the “Lease”) by and among Metro Government, as lessor, Aptitude 4<sup>th</sup> Street, LLC. (the “Company”), a Kentucky limited liability company, as lessee, and Aptitude U of L, LLC, a New Jersey limited liability company, as the initial Bondholder, and the issuance under the Lease of a series of bonds designated as above, issued initially as this one registered bond in the principal amount stated above (the “Bonds”), to finance the costs of acquiring a parcel of approximately 1½ acres in Louisville, Kentucky and the construction, furnishing, and equipping thereon of a residential rental apartment complex to be known as The Marshall at Louisville and consisting of a 10-story, approximately 380,000 sq. ft. structure containing approximately 231 apartment units on the upper eight floors, a parking garage on the lower two floors containing approximately 232 parking spaces, and related tenant amenities, for rental primarily to students at the University of

Louisville and other local postsecondary educational institutions who desire off-campus housing (the land, buildings, improvements, furniture, fixtures, and equipment comprising such project, as more particularly described in the Lease, being collectively referred to as the "Project").

The Lease requires the Company to make Lease Payments to the Bondholder for the account of Metro Government in the same amounts and at the same times as the principal of and interest due on the Bonds. The Lease Payments are to be paid directly to the Bondholder and have been duly pledged by Metro Government for that purpose. The Bonds are secured under and entitled to the benefit and protection of the Lease. Reference is hereby made to the Lease for a description of the security for and source of payment of the Bonds, the rights, duties, and obligations of Metro Government, the Company, and the Bondholder, and the terms upon which the Bonds are issued and secured. Acceptance of the terms and conditions of the Lease is a material part of the consideration for the issuance of this bond and each holder hereof by acceptance of this bond hereby assents to all of said terms and conditions. The Lease is subject and subordinate to the Mortgage (as defined in the Lease).

This bond is transferable on the bond register, maintained by the Company as the registrar appointed for the Bonds under the Lease, upon the surrender of this bond at the address of the Company as set forth in or pursuant to the Lease, accompanied by a written instrument of transfer in form satisfactory to the Company, duly executed by the Bondholder or its attorney or legal representative, for notation by the Company indicating the name of the transferee, the date to which interest has been paid, and the balance of principal due hereon. Metro Government and the Company may treat the person in whose name this bond is registered as the absolute owner hereof for all purposes and shall not be affected by any notice to the contrary.

Principal of the Bonds may be prepaid, at the option of Metro Government, as directed by the Company, prior to stated maturity, in whole or part, on any date at 100% of the principal amount prepaid, plus accrued interest thereon to the prepayment date. Written notice of any such prepayment, stating the amount of principal of the Bonds to be prepaid and the prepayment date, shall be given to the Bondholder by the Company on behalf of Metro Government at least fifteen (15) days prior to the proposed prepayment date. If the Bonds are to be prepaid in whole, the notice shall direct that they be surrendered to the Company for payment. All such prepayments shall be in amounts of not less than \$100,000 or in whole multiples thereof, or such lesser amount as may be required to prepay the Bonds in whole.

By written notice to the Company, with a copy to Metro Government, the Bondholder may demand that the Company prepay all or a portion of the outstanding principal amount of the Bonds, at 100% of the principal amount prepaid plus accrued interest thereon to the date of prepayment, on any specified date not less than ninety (90) nor more than one hundred twenty (120) days after the date of such notice. Any such prepayment shall be in the amount of \$100,000 or whole multiples thereof, or such lesser amount as may be required to prepay the Bonds in whole. If the Bonds are to be prepaid in whole, the Bondholder shall surrender the Bonds to the Company on the specified prepayment date.

Principal of the Bonds is also subject to mandatory prepayment as provided in the Lease in the event of condemnation, destruction, or damage of or to the Project.



In the case of certain events of default as provided in the Lease, the principal of the Bonds then outstanding may become or be declared due and payable before maturity, together with interest accrued thereon to the date of payment.

Amendments to the Lease, or any waiver of the provisions thereof, may be made only as provided in the Lease.

No recourse shall be had for the payment of the principal of or interest on the Bonds, or for any claim based hereon or on the Lease, against any elected official, officer, employee, or agent, past, present, or future, of Metro Government or of any successor body, as such, either directly or through Metro Government or any such successor body, under any constitutional provision, statute, or rule of law, or by the enforcement of any assessment or by any legal or equitable proceeding or otherwise, all such liability of such elected officials, officers, employees, and agents being released as a condition of and as an explicit and material part of the consideration for the execution of the Lease and the issuance of the Bonds.

The Bonds and the interest thereon do not constitute a general obligation or indebtedness of Metro Government within the meaning of the Constitution and laws of the State and are not a charge against the general credit or taxing power of Metro Government but are a limited obligation of Metro Government payable solely from and secured solely by the Pledged Receipts as defined in the Lease.

IN WITNESS WHEREOF, Metro Government has caused this bond to be signed in its name by its Mayor or Mayor *Pro Tem* and attested by the Clerk or Deputy Clerk of its Metro Council under the official seal of Metro Government, all as of the Dated Date shown above.

LOUISVILLE/JEFFERSON COUNTY  
METRO GOVERNMENT

By: \_\_\_\_\_  
Mayor

Attest:

\_\_\_\_\_  
Clerk of the Metro Council

(SEAL)

**SCHEDULE OF TRANSFERS**

NOTE: Before notation of transfer of this bond is entered by the Company, in its capacity as bond registrar, below and on the bond register, this bond shall be surrendered accompanied by a written instrument of transfer in form satisfactory to the Company, duly executed by the registered owner hereof in person or by its attorney or legal representative.

<u>Name and Address of New Registered Holder</u>	<u>Date of Transfer</u>	<u>Balance of Principal Due on Date of Transfer</u>	<u>Date to which Interest Paid</u>	<u>Signature of Company</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-

-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-

61752967.1