

LOAN AGREEMENT

THIS LOAN AGREEMENT (the "Loan Agreement"), is made and entered into as of the ~~May~~⁸ day of ~~May~~^{June} 2016, by and among (i) **HISTORIC COURTHOUSE, LLLP**, a limited liability limited partnership organized and existing under the laws of the Commonwealth of Kentucky (the "Borrower"), and (ii) **LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT**, an urban county government of the Commonwealth of Kentucky created pursuant to KRS Chapter 67A, with principal office and place of business at 200 East Main Street, Lexington, Kentucky 40507 (the "Lender").

P R E L I M I N A R Y S T A T E M E N T :

A. The Lender has found that the restoration, rehabilitation and adaptive re-use of the historic Fayette County Courthouse (the "Project"), located at 215 W. Main Street in downtown Lexington, Fayette County, Kentucky, is in the public interest as the Project will help preserve the history and architecture of Lexington and Fayette County, enhance the economic development of downtown Lexington, assist in elimination of blight, and reinforce and promote additional redevelopment activities in downtown Lexington and Fayette County.

B. The Borrower desires to obtain an economic development loan (the "Loan") from the Lender in the original principal amount not to exceed the total amount of Twelve Million Dollars (\$12,000,000.00) for the purpose of funding the cost of rehabilitating and constructing the Project until such time as the General Partner and the Investor Limited Partner complete their capital contributions and the Borrower closes on a construction loan with a commercial lender.

C. The Lender has determined that it is in the public interest to provide economic development assistance to the Project in the form of an interim economic development loan to the Borrower upon and subject to the terms and conditions of this Loan Agreement.

NOW, THEREFORE, in consideration of the premises and mutual covenants and agreements set forth herein and for other good and valuable consideration, the mutuality, receipt and sufficiency of which are hereby acknowledged, the parties hereto do hereby agree as follows:

1. Definitions and Cross-Reference. Certain terms used in this Loan Agreement are defined in this Section 1; other terms are defined elsewhere in this Loan Agreement.

"Advance" means any disbursement of the proceeds of the Loan from time to time made by the Lender to the Borrower pursuant to and subject to the terms and conditions set forth in this Loan Agreement, and for the purposes expressed in Section 2.3 hereof.

"Affiliate" means: (i) any Person which directly or indirectly is in control of, is controlled by or is under common control with, the Borrower, or (ii) any Person who is a partner, member, trustee or officer of the Borrower or of any Person described in clause (i) above. For purposes of this definition, "control" of a Person shall mean the power, direct or indirect, to direct or cause the direction of the management and policies of the Person whether through the ownership of voting securities or by contract or otherwise.

"Agreement of Limited Partnership" means, initially, that certain Initial Agreement of Limited Partnership Agreement of the Borrower dated as of April 22, 2016, as the same will be amended by an Amended and Restated Limited Partnership Agreement of the Borrower to be entered into by the General Partner and the Investor Limited Partner.

"and/or" means one or the other or both, or any one or more or all, of the things or persons or parties in connection with which the conjunction is used.

"Architect" means K. Norman Berry Associates, Louisville, Kentucky, who will serve as the architect in respect of the Project.

"Authorized Officer" means the executive director, president, general partner, manager, managing member and any other officer of a Person who, by its articles of incorporation, articles of organization, bylaws, partnership agreement, operating agreement, or resolutions, is authorized to execute and deliver such documents on behalf of such Person.

"Borrower" means Historic Courthouse, LLLP, a limited liability limited partnership organized and existing under the laws of the Commonwealth of Kentucky, with principal office and place of business located at 200 East Main Street, Lexington, Kentucky 40507.

"Business Day" means each day the Lender is open to the public for the conduct of business.

"Closing Date" means the date this Loan Agreement, the Note, and the Mortgage are executed and delivered to the Lender.

"Completion Date" means December 31, 2017.

"Construction Account" shall mean the non-interest bearing demand deposit account established by the Borrower into which disbursements from the Loan are deposited as provided in Section 3.3 hereof.

"Construction Contract" means the General Construction Contract and/or a construction agreement between the Borrower and a Contractor or the General Contractor and a subcontractor.

"Construction Period" means the period of time commencing on the date of this Loan Agreement and ending on the earlier of the date on which the restoration, rehabilitation and construction of the Project is completed.

"Contractor" means a contractor rehabilitating and constructing the Improvements pursuant to Construction Contract.

"Default Rate" means a rate per annum equal to five percent (5%) per annum plus the interest rate borne by the Note at the time the Default Rate is assessed with respect to overdue payments of principal and/or accrued interest under the Note.

"Equity Contribution" has the meaning set forth in Section 6.10 hereof.

"Event of Default" means any of the events specified in Section 8 hereof.

"Financing Statement" means that certain UCC-1 Financing Statement naming the Borrower as debtor and the Lender as secured party and which shall be filed in the Office of the Secretary of State of Kentucky.

"Furniture, Fixtures and Equipment" means all furniture, fixtures and equipment now owned or hereafter to be acquired by the Borrower with the proceeds of the Loan and used in connection with, or to be incorporated into, the Project.

"GAAP" means generally accepted accounting principles set forth in (a) the opinions and pronouncements of the Accounting Principles Board and the American Institute of Certified Public Accountants, (b) the statements and pronouncements of the Financial Accounting Standards Board, or (c) such other statements by such other entity as may be approved by a significant segment of the accounting profession, which are applicable to the circumstances of the date of determination.

"General Construction Contract" means the Agreement between the Borrower and the General Contractor.

"General Contractor" means the general contractor selected by the Borrower to restore, rehabilitate and construct the Project..

"General Partner" means Historic Courthouse GP, Inc., a Kentucky corporation.

"Improvements" means the construction and rehabilitation of the improvements constituting the Project in accordance with the Plans and Specifications.

"Indebtedness" means the entire unpaid principal of and any interest hereafter to accrue on the Note and all other indebtedness, liabilities and obligations of the Borrower to the Lender arising under or pursuant to this Loan Agreement, the Security Instruments and/or the other Loan Instruments, whether now existing or hereafter arising, created or acquired, and whether created directly or acquired by assignment or otherwise.

"Lender" means Lexington-Fayette Urban County Government, an urban county government of the Commonwealth of Kentucky created pursuant to KRS Chapter 67A, whose address is 200 East Main Street, Lexington, Kentucky 40507.

"Lien" means any mortgage, pledge, security interest, encumbrance, lien or charge of any kind, including, without limitation, any agreement to give any of the foregoing, any conditional sale agreement or other title retention agreement, any lease in the nature thereof, and the filing of or agreement to give any financing statement under the Uniform Commercial Code of any jurisdiction.

"Investor Limited Partner" means one or more successor limited partners in the Borrower who will provide capital contributions for the rehabilitation, construction and operation of the Project.

"Loan" means the loan made by the Lender to the Borrower pursuant to this Loan Agreement.

"Loan Instruments" means this Loan Agreement, the Note, the Mortgage, and the Security Agreement, and all other agreements, documents and instruments evidencing securing and/or pertaining to the Note and/or this Loan Agreement.

"Maturity Date" has the meaning set forth in Section 2.7 hereof.

"Mortgage" means the Leasehold Mortgage, Security Agreement and Fixture Financing Statement of even date herewith, granted by the Borrower in favor of the Lender, together with any amendments thereto.

"Mortgaged Property" means all of the property encumbered by the Mortgage.

"Note" means that certain Promissory Note of even date herewith, made by the Borrower, payable to the order of the Lender, in the face principal amount of up to Twelve Million Dollars (\$12,000,000.00), in the form attached hereto as Exhibit B.

"Permitted Encumbrances" has the meaning set forth in the Mortgage.

"Person" means any individual, sole proprietorship, limited liability company, partnership, joint venture, trust, unincorporated organization, association, corporation, other entity or group, institution, party or government (whether federal, state, county, city, municipal or other), agency or division thereof.

"Plans and Specifications" means the plans and specifications prepared by the Architects in respect of the Improvements.

"Potential Default" means any event which, with the passage of time or the giving of notice, or both, would constitute an Event of Default.

"Project" means the Real Property and Improvements, including the historic Fayette County Courthouse building to be rehabilitated and constructed in accordance with section 47 of the Internal Revenue Code of 1986, as amended (the "Code"), in Lexington, Fayette County, Kentucky, as further described in Exhibit A.

"Project Cost Analysis" shall have the meaning set forth in Section 4.3 hereof.

"Real Property" means the real property described on Exhibit A attached hereto and Exhibit A attached to and made a part of the Mortgage, together with any amendments thereto.

"Request for Advance" means the request for disbursement of the Loan, as referred to and provided for in Section 3.1 hereof.

"Retainage" has the meaning set forth in Section 2.3(b) hereof.

"Security Agreement" means that certain Mortgage, Security Agreement and Fixture Financing Statement of even date herewith, between the Borrower and the Lender.

"Security Instruments" means the Mortgage and the Security Agreement.

"Title Company" and "Title Policy" have the respective meanings set forth in Section 4.6 hereof.

With respect to any accounting or financial terms used in this Loan Agreement (e.g., "consolidated", "assets", "liabilities", etc.) such words, terms and phrases not otherwise defined herein shall have the meanings used in accordance with GAAP.

As used herein, any gender includes all other genders, and the singular includes the plural, and the plural includes the singular.

2. Loan Borrowing. On the basis of the covenants, agreements and representations of the Borrower contained herein, and subject to the terms, conditions and limitations set forth herein, the Lender agrees to loan to the Borrower, and the Borrower agrees to borrow from the Lender, up to the full amount of the Loan.

2.1 Amount of Loan; Note. The principal amount of the Loan to be lent by the Lender to the Borrower shall be the total sum of not to exceed Twelve Million Dollars (\$12,000,000.00). The Loan shall be evidenced by, shall bear interest at the rates established in, and shall be payable and otherwise made on the terms set forth in, the Note and this Loan Agreement.

2.2 Availability of Loan. Subject to the satisfaction of the conditions precedent set forth in Section 4 hereof, and at all times subject to the continuing compliance with all of the terms and provisions of this Loan Agreement, the Loan proceeds shall be disbursed only as provided herein.

2.3 Purpose of Advances. Advances by the Lender are subject to all of the conditions, terms, provisions and limitations set forth herein and shall be disbursed by the Lender as hereinafter provided only for: (i) the payment of costs and expenses in connection with the construction and rehabilitation of the Project, and costs and expenses incidental thereto; and (ii) costs and expenses in connection with the Loan and the Borrower's undertakings hereunder. Advances shall be made for the following purposes and in the following stages:

(a) Initial Disbursement of the Loan. Upon (i) satisfaction of the conditions precedent set forth in Section 4 hereof and (ii) proper recordation and filing in all proper government offices of the Mortgage and the Financing Statement, the Lender shall disburse such amounts necessary to pay and satisfy in full all costs, charges, fees and expenses incurred by the Lender or the Borrower in connection with the planning, design, and management related to the Project and initiation of the Loan or payable pursuant to this Loan Agreement and/or any other Loan Instruments, including, without limitation, title search, abstracting and insurance charges, title insurance premiums, lien service charges, recording fees, intangible taxes, documentary stamps, escrow fees, appraisal fees, inspection and cost analysis fees, commitment fees, loan fees, legal fees of counsel, architect's fees, real property taxes and assessments, and insurance premiums, and the acquisition of the Real Property for the Project.

(b) Subsequent Periodic Advances. Subsequent to the initial disbursement of the Loan under Section 2.3(a) hereof, and subject to all of the conditions and provisions of this Loan Agreement, on a monthly basis the Lender may make Advances in an amount not to exceed such sums as are required to pay actual costs and expenses of services and labor already performed, and the costs and expenses of materials, services, supplies and/or equipment obtained, in connection

with the construction and rehabilitation of the Project, and already fully incorporated into the Project.

(c) Maximum Loan Disbursements. The total principal amount of the Loan disbursed by the Lender under this Loan Agreement shall never exceed the total amount of Twelve Million Dollars (\$12,000,000.00), unless the Lender elects, in its sole discretion, to disburse additional amounts as provided in Section 9.4 hereof.

2.4 Principal Payments; Prepayment. The principal on the Note shall be due and payable to the Lender in immediately available funds at the Lender's principal office in Lexington, Kentucky and shall be paid as follows: (i) on the earlier of (a) the receipt by the Borrower of the first installment of the Equity Contribution from the General Partner, or (b) May 30, 2017, the unpaid principal balance of and all accrued and unpaid interest on the Note shall be due and payable in full to the Lender, which is the Maturity Date of the Note. The Borrower shall have the right to prepay the unpaid principal of the Note in whole or in part, without premium or penalty. The Borrower may not reborrow any principal of the Note paid hereunder.

2.5 Recordation. The principal amount outstanding under the Note from time to time shall be recorded by the Lender on its records, and payments of the principal on the Note shall be evidenced by notations made by the Lender on its records, showing the date and the amount of each payment of principal on the Note. If requested by the Borrower in writing at any time and from time to time, the Lender shall give the Borrower written notice of the then outstanding principal balance of the Note. The aggregate unpaid principal balance of the Note shown on the records of the Lender shall be prima facie evidence of the principal owing and unpaid on the Note in the absence of manifest error on the part of the Lender.

2.6 Interest Payments.

(a) Interest Rate. The unpaid principal balance of the Note from time to time outstanding shall bear interest as provided in the Note.

(b) Post Maturity Interest. Any principal of the Note not paid when due, in each case whether at stated maturity, by acceleration or otherwise, shall thereafter bear interest payable upon demand at the Default Rate.

2.7 Maturity Date. The maturity date of the Note, in the absence of an acceleration thereof by the Lender due to the occurrence of an Event of Default, is the earlier of the receipt of the first installment of the Equity Contribution by the General Partner or May 30, 2017, on which date the entire outstanding principal balance of and any accrued and unpaid interest on the Note shall be due and payable in full to the Lender.

2.8 Security for the Indebtedness. The Note and all of the other Indebtedness are and shall be secured by and entitled to the benefits of the Mortgage and the Security Agreement.

3. Disbursements. All Advances shall be disbursed by depositing the same in the Construction Account established by the Borrower for such purpose.

4. Conditions Precedent to Initial Advance of Loan Proceeds. It shall be a condition precedent to the Lender's obligations hereunder that prior to the initial disbursement of proceeds of the Loan as provided for in Section 2.3(a) hereof, the Borrower shall have furnished the Lender, in

form and substance completely satisfactory to the Lender, the following documents and writings and shall have accomplished all the following to the satisfaction of the Lender:

4.1 Project Cost Analysis. A detailed and complete breakdown of the costs of construction and rehabilitation (the "Project Cost Analysis") and all indirect costs and other expenses in connection with the acquisition, development and construction and rehabilitation of the Project.

4.2 Environmental Report. A Phase I environmental assessment for the Mortgaged Property, and satisfactory to the Lender.

4.3 All Matters to be Satisfactory to the Lender. All of the Loan Instruments and all other requirements of or matters pertaining to the Loan shall be in conformity to the terms and provisions of this Loan Agreement, and all of the representations and warranties of the Borrower contained herein or in the other Loan Instruments shall be true and correct in all respects.

5. Representations and Warranties. The Borrower and the General Partner hereby represent and warrant to the Lender as follows, which representations and warranties shall survive the execution and delivery of this Loan Agreement and the making of each disbursement of proceeds of the Loan hereunder, and shall be deemed restated in full upon the submission to the Lender of each Request for Advance:

5.1 Existence. The Borrower is a duly organized and validly existing limited liability limited partnership in good standing under the laws of the Commonwealth of Kentucky with all requisite authority to own its property and to carry on its business as presently conducted. The General Partner is a duly organized and validly existing corporation in good standing under the laws of the Commonwealth of Kentucky with all requisite authority to own its property and to carry on its business as presently conducted.

5.2 Authority of Borrower. The borrowing hereunder by the Borrower from the Lender and the execution, delivery and performance by the Borrower of this Loan Agreement, the Note, the Security Instruments and the other Loan Instruments to which the Borrower is a party are within the partnership powers of the Borrower, have been duly authorized by the Borrower, are not in contravention of the Agreement of Limited Partnership under which the Borrower was formed or the terms of any indenture, agreement or undertaking to which the Borrower or the General Partner are a party or by which it or any of its property is bound, and do not contravene the provisions of, or constitute a default under, or result in the creation of any lien (except as expressly contemplated herein) upon the property of the Borrower or the General Partner, under any indenture, mortgage, contract or other agreement to which the Borrower or the General Partner is a party or by which it or the General Partner or any of its properties may be bound or affected.

5.3 Permits. The Borrower possesses (or will possess prior to the necessity therefor) all licenses, permits, approvals, certificates and authorizations of all governmental authorities and agencies, federal, state or local, necessary or appropriate for the conduct of its business as currently conducted or intended to be conducted, including, without limitation, the construction and rehabilitation and operation of the Project. The Borrower has no reason to believe that any such required approvals, authorizations, certificates, permits and licenses will not be obtained within the time necessary to permit construction and rehabilitation of the Improvements to proceed as scheduled in accordance with the Plans and Specifications.

5.4 Compliance with Laws. The Borrower and the General Partner are in compliance with all agreements, permits, licenses, certificates, laws, rules, regulations, orders and writs of all governmental authorities and agencies having jurisdiction over the Project, to the extent the non-compliance therewith would have an adverse effect on the right of the Borrower to own and operate the Project and its other tangible assets in the manner in which the same are presently being operated.

5.5 Enforceability. This Loan Agreement, the Note, the Security Instruments and the other Loan Instruments constitute valid and legally binding obligations of the Borrower, enforceable in accordance with their respective terms, subject to applicable bankruptcy, insolvency or similar laws affecting the rights of creditors generally and to general principles of equity, whether asserted in an action at law or in equity.

6. Affirmative Covenants. The Borrower hereby agrees that until the Indebtedness has been paid in full to the Lender and this Loan Agreement has terminated, the Borrower shall perform and observe all of the following provisions:

6.1 Inspection of the Project. The Borrower covenants that it will permit the employees and agents of the Lender to visit and inspect the Project. Any inspection of the Project by the employees or agents of the Lender is for the sole purpose of protecting the Lender's lien and security interest on the Mortgaged Property. Nothing contained herein shall be construed as requiring the Lender to inspect or supervise the construction and rehabilitation of the Project.

6.2 Maintenance of Insurance. The Borrower covenants that it will obtain and maintain such insurance as is approved by the Lender.

6.3 Financial Records. The Borrower shall keep true and complete financial records at all times in a form acceptable to the Lender, and the Borrower shall maintain its books and records at the address specified in Section 11 below.

6.4 Borrower's Existence. The Borrower shall preserve its existence as a limited liability limited partnership organized and existing under the laws of the Commonwealth of Kentucky and the General Partner shall preserve its existence as a corporation organized and existing under the laws of the Commonwealth of Kentucky.

6.5 Commencement and Continuation of Construction. The Borrower shall commence and proceed with construction and rehabilitation of the Project in accordance with the Plans and Specifications in absolute good faith and with due diligence, so that construction and rehabilitation of the Project will be completed and the Project will be ready for the uses contemplated therefor (including receipt of a certificate from the Architect that the Improvements have been completed in accordance with the Plans and Specifications and unqualified certificates of occupancy, or such other evidence acceptable to the Lender that occupancy is permitted, for those portions of the Project finished for tenants) not later than the Completion Date. Borrower shall cause the Project to be constructed in a good and workmanlike manner free and clear of all liens, in accordance with the Plans and Specifications, and in all respects in compliance with all applicable statutes, laws, codes, ordinances, rules, permits, requirements and regulations of any governmental agency or authority having or exercising jurisdiction over the Real Property or the Project.

6.6 Equity Contribution. The General Partner and the Investor Limited Partner of the Borrower shall make an equity contribution (the "Equity Contribution") in an amount equal to such amount as may be necessary to fully pay the unpaid balance of the Note at the earlier of receipt of the first installment of the Limited Partner's capital contribution as provided in the Amended and Restated Agreement of Limited Partnership or May 30, 2017.

6.7 Materials. The Borrower will cause all materials acquired or furnished in connection with the construction and rehabilitation of, but not incorporated into, the Improvements to be stored on the Real Property under adequate insurance and under adequate safeguards to minimize the possibility of loss, theft, damage or commingling with other materials or projects.

7. Negative Covenants. The Borrower hereby agrees that until the Indebtedness has been paid in full to the Lender and this Loan Agreement has been terminated, the Borrower shall not without the prior written consent of the Lender:

(a) Liquidate, dissolve, discontinue business or materially change its general business purpose or take any action with a view towards the same;

(b) Incur any additional debt or loans or capitalized or operating leases where the Borrower is the lessee; or

(c) Permit the admission of an additional general partner to or the withdrawal of the General Partner from the Borrower.

8. Events of Default. Each of the following events shall constitute an Event of Default under this Loan Agreement.

8.1 Default in Payment of Note. If the Borrower shall fail to pay the principal of the Note within five (5) days after the date due.

8.2 Default in Payment of Other Indebtedness. If the Borrower shall fail to pay any other Indebtedness when due and payable within ten (10) days after the Lender has given written notice to the Borrower to the effect that the Borrower is in default in the payment of any such other Indebtedness.

8.3 Default in Performance of Other Covenants and Agreements. If the Borrower shall violate, fail or omit to perform or observe any other covenant, agreement, condition or provision (other than as referred to in Sections 8.1 and 8.2 hereof) contained or referred to in this Loan Agreement, the Security Instruments or any of the other Loan Instruments, and (i) such failure or omission shall not have been fully corrected to the satisfaction of the Lender within thirty (30) days after written notice of such default has been given to the Borrower, or (ii) if the Lender agrees that such default cannot be cured within a thirty (30) day period, within sixty (60) days after written notice of such default shall have been delivered to the Borrower, provided that the Borrower promptly notifies the Lender that such default cannot be cured within such thirty (30) day period, commences to cure the particular default within such thirty (30) day period, and prosecutes the cure to completion with due diligence within such sixty (60) day period.

8.4 Casualty or Damage to the Project. If the Project or any portion thereof is materially damaged or destroyed by fire or other casualty and the loss is not adequately covered by

insurance collected or in the process of collection or other funds deposited by the Borrower with the Lender for such purpose.

8.5 Insolvency. If the Borrower shall (a) discontinue business, (b) make a general assignment for the benefit of its, his or her creditors, (c) apply for or consent to the appointment of a custodian, receiver, trustee or liquidator of all or a substantial part of its, his or her assets, (d) be adjudicated a bankrupt or insolvent, (e) file a voluntary petition in bankruptcy or file a petition or an answer seeking a composition, reorganization or an arrangement with creditors or seeking to take advantage of any other law (whether federal or state) relating to relief for debtors, or admit (by answer, default or otherwise) the material allegations of any petition filed against it, him or her in any bankruptcy, reorganization, composition, insolvency or other proceeding (whether federal or state) relating to relief for debtors, (f) suffer or permit to continue unstayed and in effect for ninety (90) consecutive days any judgment, decree or order entered by a court or governmental agency of competent jurisdiction, which assumes control of the Borrower or approves a petition seeking a reorganization, composition or arrangement of the Borrower or any other judicial modification of the rights of any of its creditors, or appoints a custodian, receiver, trustee or liquidator for the Borrower or for all or a substantial part of any of its business or assets, (g) not be paying its debts generally as they become due, or (h) be enjoined or restrained from conducting all or a material part of any of its businesses as now conducted and the same is not dismissed and dissolved within ninety (90) days after the entry thereof.

9. Remedies Upon Default.

9.1 Optional Default. If any Event of Default referred to in Sections 8.1 through 8.4 hereof shall occur and be continuing, the Lender may, following the expiration of any applicable grace period, if any, in its sole and absolute discretion, without further notice to the Borrower, declare the unpaid principal balance of, and all accrued and unpaid interest on, the Note and the other Indebtedness to be, whereupon the same shall be, immediately due and payable in full to the Lender, all without any presentment, demand, protest or notice of any kind, all of which are hereby expressly waived by the Borrower.

9.2 Automatic Default. If any Event of Default referred to in Section 8.5 hereof shall occur and be continuing beyond any applicable cure period, all the unpaid principal of and all accrued and unpaid interest on the Note and all of the other Indebtedness shall thereupon become immediately due and payable in full to the Lender, all without presentment, demand, protest or notice of any kind, all of which are hereby expressly waived by the Borrower.

9.3 Discontinuation of Advances. If any Event of Default shall occur, the Lender, in its absolute discretion, may terminate its agreement to disburse any additional proceeds of the Loan or otherwise to extend credit or make Advances of any kind hereunder or advances under any of the other Loan Instruments, whereupon the commitment and obligation of the Lender to make the Loan and Advances hereunder shall terminate without liability on the part of the Lender to, and without waiving or otherwise adversely affecting any of the Lender's rights against the Borrower; provided, the Lender may, at its sole option make Advances after the occurrence of an Event of Default without thereby waiving any rights and remedies upon the occurrence of such Event of Default and without obligating the Lender to make any other or future Advances.

9.4 Rights Under Loan Instruments. Upon the occurrence of any Event of Default, the Lender shall have all of the rights and remedies under the Security Instruments and the other Loan Instruments and at law or in equity.

9.5 Rights Cumulative. All of the rights and remedies of the Lender upon the occurrence of an Event of Default hereunder shall be cumulative to the greatest extent permitted by law, and shall be in addition to all those rights and remedies afforded the Lender at law or in equity or under the Mortgage and the other Loan Instruments.

10. Indemnity. The Borrower shall indemnify and hold harmless the Lender, its successors, assigns, participants, agents and employees, from and against any and all claims, actions, suits, proceedings, costs, expenses, damages, fines, penalties and liabilities, including, without limitation, reasonable attorneys' fees and costs, arising out of, connected with or resulting from (a) the operation of the Borrower's business, (b) the Lender's preservation or attempted preservation of the Mortgaged Property, and/or (c) any failure of the security interests and liens granted to the Lender pursuant to the Loan Instruments to be or to remain perfected or to have the priority as contemplated herein and in the Loan Instruments. At the Lender's request, the Borrower shall, at its own cost and expense, defend or cause to be defended any and all such actions or suits that may be brought against the Lender in connection with the Loan and, in any event, shall satisfy, pay and discharge any and all judgments, awards, penalties costs and fines that may be recovered against the Lender in any such action, plus all reasonable attorneys' fees and costs related thereto to the extent permitted by applicable law; provided, however, that the Lender shall give the Borrower (to the extent the Lender seeks indemnification from the Borrower under this Section 10) written notice of any such claim, demand or suit after the Lender has received written notice thereof, and the Lender shall not settle any such claim, demand or suit, if the Lender seeks indemnification therefor from the Borrower, without first giving notice to the Borrower of the Lender's desire to settle and obtaining the consent of the Borrower to the same, which consent the Borrower hereby agrees not to unreasonably withhold. Provided, however, the Borrower shall not be obligated to indemnify the Lender for its own gross negligence or willful misconduct. All obligations of the Borrower under this Section 10 shall survive the payment of the Note and the other Indebtedness.

11. Notices. Except as otherwise expressly provided in this Loan Agreement, all notices and other communications required or permitted to be given hereunder shall be given in writing and shall be personally delivered or sent by express courier service or by registered or certified United States mail, return receipt requested, postage prepaid, addressed as follows (or to such other address as to which either party hereto shall have given the other written notice):

If to Lender: Lexington-Fayette Urban County Government
200 East Main Street
Lexington, Kentucky 40507
Attn: William O'Mara

With a copy to: Janet Graham, Esq.
Commissioner of Law
Department of Law
Lexington-Fayette Urban County Government
200 East Main Street
Lexington, Kentucky 40507

If to the Borrower: Historic Courthouse, LLLP
200 East Main Street
Lexington, Kentucky 40507
Attn: General Partner

With a copy to: Robert B. Vice, Esq.
Reed Weitkamp Schell & Vice PLLC
500 West Jefferson Street, Suite 2400
Louisville, KY 40202

and

Amy Curry, Esq.
Frost Brown Todd, LLC
400 West Market Street, Suite 3200
Louisville, KY 40202

All written notices hereunder shall be deemed given upon the earliest of (a) actual delivery in person, (b) one (1) Business Day after delivery to an express courier service, or (c) two (2) Business Days after having been deposited in the United States mails, in accordance with the foregoing.

12. Miscellaneous.

12.1 Waiver. No course of dealing in respect of, nor any omission or delay in the exercise of, any right, power, remedy or privilege by the Lender shall operate as a waiver thereof, nor shall any right, power, remedy or privilege of the Lender be exclusive of any other right, power, remedy or privilege that may be exercised by the Lender, either independently or concurrently with others, and as often and in such order as the Lender may deem expedient. No waiver or consent granted by the Lender in respect of this Loan Agreement, the Note, the Security Instruments or the other Loan Instruments shall be binding upon the Lender unless specifically granted in writing by a duly authorized officer of the Lender, which writing shall be strictly construed.

12.2 Invalidity. If any part of this Loan Agreement shall be adjudged invalid or unenforceable, whether in general or in any particular circumstance, then such partial invalidity or enforcement shall not cause the remainder of this Loan Agreement to be or to become invalid or unenforceable, and if a provision hereof is held invalid or unenforceable, and if a provision hereof is held invalid or unenforceable in one or more of its applications, the Lender and the Borrower hereby agree that said provision shall remain in effect in all valid applications that are severable from the invalid or unenforceable application or applications.

12.3 Governing Law; Jurisdiction. This Loan Agreement and the rights and obligations of the parties hereunder shall be governed by and construed in accordance with the law of the Commonwealth of Kentucky.

12.4 Section Headings. The section headings of this Loan Agreement are inserted herein solely for convenience of reference and shall not affect the construction or interpretation of the provisions hereof.

12.5 Entire Agreement. This Loan Agreement, the Note, the Security Instruments and the other Loan Instruments constitute the entire agreement between the Lender and the Borrower with respect to the subject matter hereof.

12.6 Number. As used herein, the singular shall include the plural and the masculine gender shall include the feminine as the context requires.

12.7 Assignment of Agreements. The Borrower hereby assigns to the Lender all of its right, title and interest in and to any construction contracts, bonds and other agreements to which the Borrower is a party, whether now existing or hereafter made, relating to construction and rehabilitation or operation of the Improvements or the Project, and upon the occurrence of any Event of Default hereunder, the Lender shall have all of the rights and remedies with respect thereto of a secured party under the Uniform Commercial Code as enacted in Kentucky, at law and in equity, all of which shall be cumulative.

12.8 No Third Party Beneficiaries. All conditions of the obligations of the Lender to make advances hereunder are imposed solely and exclusively for the benefit of the Lender and its assigns, and the Borrower, and no other Person shall have standing to require satisfaction of such conditions in accordance with their terms or be entitled to assume that the Lender will refuse to make advances in the absence of strict compliance with any or all thereof and no other Person shall, under any circumstances, be deemed to be beneficiary of such conditions, any or all of which may be freely waived in whole or in part by the Lender at any time if in its sole discretion it deems it advisable to do so.

12.9 Counterparts. This Agreement may be executed in counterparts, any one of which shall be deemed an original, and all of which taken together shall be treated as one document.

[Signatures on following pages]

IN WITNESS WHEREOF, the Borrower and the Lender have caused this Loan Agreement to be duly executed as of the day, month and year first above written.

HISTORIC COURTHOUSE, LLLP,
a Kentucky limited liability limited partnership

By: Historic Courthouse GP, Inc.,
a Kentucky corporation, its General Partner

By: *Sarah Hamth*

Title: *President*

(the "Borrower")

**LEXINGTON-FAYETTE URBAN COUNTY
GOVERNMENT**

By: *[Signature]*

Title: *[Signature]*

(the "Lender")

EXHIBITS TO LOAN AGREEMENT

Exhibit A - Legal Description

Exhibit B - Promissory Note

EXHIBIT A

All that tract or parcel of land situated on West Main Street and bounded by North Upper Street, West Short Street and Cheapside Park, in Lexington, Fayette County, Kentucky, and more fully described and bounded as follows, to-wit:

Beginning at a point in the rear sidewalk lines at Main and North Upper Street, said point being 14.5 feet north of the curb line of Main Street and 12.3 feet west of the curb line of North Upper Street; thence along the north sidewalk line of West Main Street N 45 deg. 00 Min. W 181 feet to the east sidewalk line of Cheapside Park; thence along the east sidewalk line of Cheapside Park N 44 deg. 34 min E 214.61 feet to the south sidewalk line of West Short Street; thence along the south sidewalk line of West Short Street S 44 deg. 56 min. E 183.5 feet to the west sidewalk line of North Upper Street; thence along the west sidewalk line of North Upper Street S 45 deg. 14 min. W 214.4 feet to the beginning, and being a portion of the property of Fayette County surrounding and including the Court House Building.

EXHIBIT B

PROMISSORY NOTE

\$12,000,000.00

Louisville, Kentucky

~~May 8~~, 2016

June

FOR VALUE RECEIVED, the undersigned, HISTORIC COURTHOUSE, LLLP, a Kentucky limited liability limited partnership with principal office and place of business in Lexington, Kentucky (the "Maker"), hereby promises and agrees to pay to the order of LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT, an urban county government of the Commonwealth of Kentucky created pursuant to KRS Chapter 67A, with principal office and place of in Lexington, Kentucky (the "Lender"), the principal sum of up to TWELVE MILLION DOLLARS (\$12,000,000.00) (the "Loan"), together with interest thereon as provided below. The terms and provisions of this Note are as follows:

1. Calculation of Interest. The outstanding principal amount of this Note shall not bear interest, except as provided in Section 4 below.

2. Payment of Principal. The outstanding principal of this Note shall be repaid on the earlier of the receipt by the Maker of the equity contribution described in Section 6.6 of the Loan Agreement described below, or on May 30, 2017, which is the final maturity date of this Note. Each payment hereunder when paid shall be applied first to the payment of interest, if any, and the balance to the payment of principal of this Note.

3. Advances. The principal of this Note shall be advanced to the Maker in accordance with the terms and conditions set forth in the Loan Agreement described below.

4. Late Charge; Default Rate. In the event the Lender accelerates the maturity date of this Note due to the occurrence of any Event of Default under and as defined in the Loan Agreement referred to below, the entire unpaid principal balance of this Note together with all accrued and unpaid interest thereon shall, beginning ten (10) days after notice of acceleration of the maturity date of this Note has been given to the Maker, commence to bear interest at a rate equal to five percent (5%) per annum (the "Interest Rate") and all such unpaid principal together with all interest accrued and unpaid thereon, including, without limitation, all interest accrued and accruing thereon as provided in this sentence, shall continue to be immediately due and payable in full to the Lender.

5. Place of Payment. All payments of principal and interest on this Note shall be made to the Lender in legal tender of the United States of America at its offices located at 200 East Main Street, Lexington, Kentucky 40507, or to such other person or such other place as may be designated in writing by the Lender.

6. Loan Agreement; Security for Note. This Note has been issued pursuant to that certain Loan Agreement of even date herewith, among the Maker and the Lender (the "Loan Agreement"), and this Note is secured by the Mortgage and other Security Instruments, as such terms are defined in the Loan Agreement. Capitalized terms not otherwise defined herein shall have the meanings set forth in the Loan Agreement.

7. Acceleration. The entire unpaid principal balance of this Note shall be immediately due and payable, at the option of the Lender, if the Maker shall convey away the Mortgaged Property (as defined in the Loan Agreement) or if the title to the Mortgaged Property shall become vested in any other person, corporation, partnership or entity in any manner whatsoever, including, but not limited to, by operation of law or a transfer of all or a portion of the partnership interest held by the General Partner, or the ownership or control of the General Partner. If there occurs any Event of Default under and as defined in the Loan Agreement and the same continues, the same shall automatically be deemed a default hereunder and the Lender may, at its sole option, declare the entire unpaid principal balance of this Note to be, whereupon the same shall be, immediately due and payable in full to the Lender, unless the Event of Default is of the type referred to in Section 8.5 of the Loan Agreement, in which event the entire unpaid principal balance of this Note shall automatically be due and payable in full to the Lender.

8. Attorneys' Fees. If there is any default under this Note, the Loan Agreement and/or the other Loan Instruments which is not cured, and this Note is placed in the hands of any attorney for collection, or is collected through any court, including any bankruptcy court, the Maker promises and agrees to pay to the Lender its reasonable attorneys' fees, court costs and other expenses incurred in collecting or attempting to collect or securing or attempting to secure this Note or enforcing the Lender's rights under the Loan Agreement and the other Loan Instruments.

9. Prepayment. This Note may be prepaid at any time, in whole or in part, and without premium or penalty.

10. Governing Law. This Note has been delivered in, and shall be governed by and construed in accordance with the laws of, the Commonwealth of Kentucky.

11. Waivers. The Maker hereby waives presentment, demand, notice of dishonor, protest, notice of protest and nonpayment, and further waives all exemptions to which it may now or hereafter be entitled to under the laws of this or any other state or of the United States. The Lender shall have the right to grant the Maker any extension of time for payment of this Note or any other indulgence or forbearance whatsoever, and may release any security for the payment of this Note, in every instance without the consent of the Maker and without in any way affecting the liability of the Maker hereunder, and without waiving any rights the Lender may have hereunder or by virtue of the laws of this or any other state or of the United States.

12. Captions. The section headings of this Note are inserted herein solely for convenience of reference and shall not affect the construction or interpretation of the provisions hereof.

IN WITNESS WHEREOF, the Maker has executed this Note as of the 8 day of ~~May~~ ^{June}, 2016.

HISTORIC COURTHOUSE, LLLP,
a Kentucky limited liability limited partnership

By: Historic Courthouse GP, Inc.,
a Kentucky corporation, its General Partner

By: *Sarah Hamth*

Title: *President*