

RESOLUTION NO. 511-2014

A RESOLUTION OF THE LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT AUTHORIZING AND ACKNOWLEDGING THE EXECUTION AND DELIVERY OF (1) A FIFTH AMENDMENT TO BOND PURCHASE AND LOAN AGREEMENT AMONG THE LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT, CENTRAL BANK & TRUST CO., A KENTUCKY BANKING CORPORATION, AND THE LEXINGTON CHRISTIAN ACADEMY, INC. AND (2) ANY AND ALL OTHER RELATED DOCUMENTS NECESSARY THERETO.

Recitals

A. The Lexington-Fayette Urban County Government, an urban county government of the Commonwealth of Kentucky pursuant to Chapter 67A of the Kentucky Revised Statutes (the "Urban County Government" or the "Issuer"), 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 and to loan the proceeds thereof to any person to finance the cost of any "industrial building" (as defined in the Act), including specifically land, buildings, improvements, equipment, machinery, and other facilities suitable for any nonprofit educational institution in any manner related to or in furtherance of the educational purposes of such institution, including but not limited to classroom, laboratory, housing, administrative, physical educational and medical research and treatment facilities, in order to accomplish the public purposes of promoting the economic development of the Commonwealth of Kentucky (the "Commonwealth"), relieving conditions of unemployment, and encouraging the increase of industry therein.

B. In 2009 the Issuer authorized the issuance of its Educational Building Revenue Refunding and Improvement Bonds, Series 2009 (The Lexington Christian Academy, Inc. Project), in the original principal amount of up to \$12,800,000.00 (the "Bonds").

C. At that same time, the Issuer authorized the execution and delivery of a Bond Purchase and Loan Agreement (the "Original Loan Agreement") among the Issuer, The Lexington Christian Academy, Inc. (the "School" or the "Borrower") and Central Bank & Trust Co., a Kentucky banking corporation (the "Bondholder"), dated as of September 1, 2009.

D. The Issuer thereafter issued \$12,800,000.00 in principal amount of Bonds and executed and delivered the Original Loan Agreement and all necessary related documents.

E. The Original Loan Agreement was amended by that certain First Amendment to Bond Purchase and Loan Agreement dated January 4, 2010 (the "First Amendment"), that certain Second Amendment to Bond Purchase and Loan Agreement dated November 19, 2010 (the "Second Amendment"), that certain Third Amendment to Bond Purchase and Loan Agreement dated July 2, 2012 (the "Third Amendment"), and that certain

Fourth Amendment to Bond Purchase and Loan Agreement dated July 16, 2013 (the “Fourth Amendment,” together with the Original Loan Agreement, First Amendment, Second Amendment, and Third Amendment, the “Loan Agreement”).

F. The Borrower has requested the Issuer to authorize the execution of a Fifth Amendment to Bond Purchase and Loan Agreement which would amend the Loan Agreement to (i) permit the adjustment of the interest rate on the Series 2012 Promissory Note, the Series 2012 Bond and the Series 2012 Reimbursement Note to a fixed rate of interest equal to 4.25% through September 2, 2019, the First Interest Rate Change Date; and on the First Interest Rate Change Date to rate of interest equal to Two and One Half Percent (2.50%) per annum plus the prior month’s 5 Year Average Constant Maturity Treasury Rate, as published in the Federal Reserve Specific Interest Rate Release H.15 until September 2, 2024, the Second Interest Rate Change Date, provided, however, the interest rate shall never fall below 4.25% per annum; and on Second Interest Rate Change Date to rate of interest equal to Two and One Half Percent (2.50%) per annum plus the prior month’s 5 Year Average Constant Maturity Treasury Rate, as published in the Federal Reserve Specific Interest Rate Release H.15 until September 2, 2029; provided, however, the interest rate shall never fall below 4.25% per annum; and (ii) other amendments contained in the Fifth Amendment to Bond Purchase and Loan Agreement.

G. Section 13.14 of the Original Loan Agreement provides that it may be amended or supplemented with the prior written consent of the Bondholder, the Issuer and the Borrower.

H. The Issuer has determined that it is in the best interest of the Issuer to enter into the Third Amendment to Bond Purchase and Loan Agreement.

NOW, THEREFORE, BE IT RESOLVED by the Lexington-Fayette Urban County Government as follows:

1. Fifth Amendment to Bond Purchase and Loan Agreement. The Mayor of the Issuer is hereby authorized, empowered and directed to execute, acknowledge and deliver on behalf of the Issuer, and have attested by the Clerk of the Urban County Government, the Fifth Amendment to Bond Purchase and Loan Agreement, to be dated effective as of September 2, 2014, which is hereby approved, authorized and adopted in substantially the form submitted with this Resolution and designated Exhibit A with such changes therein as the officials including the Mayor and the Clerk of the Urban County Government, may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

2. Authority to Consummate Transactions in Connection with the Third Amendment to Bond Purchase and Loan Agreement. The Mayor of the Issuer, Clerk of the Urban County Government and all other appropriate officials, are hereby separately authorized, empowered and directed to do and undertake any and all things necessary to carry out the authority conferred by this Resolution, and further to execute all customary papers, documents, certificates or other instruments that may be required for the effectuation of the authority conferred by this Resolution, including, but not limited to, the Amended and Restated Promissory Note, the Amended and Restated Series 2014 Bond and the Amended and Restated Series 2014 Reimbursement Note, all dated effective as of September 2, 2014, and to execute and otherwise

otherwise take all action necessary to the full realization of the rights, accomplishments and purposes of the Issuer under the Fifth Amendment to Bond Purchase and Loan Agreement and to discharge all of the obligations of the Issuer thereunder. Further, to the extent legally permissible, the Mayor and the Clerk of the Urban County Government of the Issuer are hereby authorized to approve any and all other actions so deemed necessary for the approval by the Issuer and to consummate the terms and conditions of this Resolution.

3. Severability. The provisions of this Resolution are hereby deemed to be severable and, if any section, phrase or provision shall, for any reason, be declared invalid, such declaration of invalidity shall not affect the validity of the remainder of this Resolution.

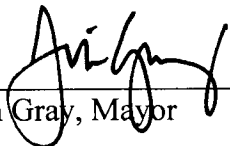
4. Provisions in Conflict Repealed. All resolutions, orders, or parts thereof, in conflict with the provisions of this Resolution, are, to the extent of such conflict, hereby repealed.

5. Urban County Government Not Liable. No recourse shall be had for the payment of the principal of or premium or interest on any of the Series 2014 Bonds or for any claim based thereon or upon any obligation, covenant or agreement therein contained against any past, present or future officer, member, employee or agent of the Issuer or the Commonwealth of Kentucky or any agency or political subdivision thereof, as such, either directly or through the Issuer or the Commonwealth of Kentucky or any agency or political subdivision thereof, under any rule of law or equity, statute or constitution, or by the enforcement of any assessment or penalty or otherwise, and all such liability of any such officers, members, employees or agents as such shall be expressly waived and released as a condition of and consideration for the adoption of this Resolution and the issuance of such Series 2014 Bonds.

6. Captions of Resolution. The captions of this Resolution are for convenience only and are not to be construed as part of this Resolution nor as defining or limiting in any way the scope or intent of the provisions hereof.

7. Effective Date of Resolution. This Resolution shall be in full force and effect from and after its adoption and approval as provided by law.

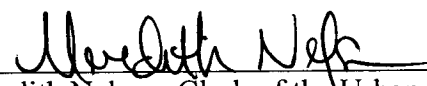
ADOPTED at a regular meeting of the Lexington-Fayette Urban County Government held on September 11, 2014.



Jim Gray, Mayor

(SEAL)

Attest:



Meredith Nelson, Clerk of the Urban County Government

CERTIFICATION

The undersigned hereby certifies that she is the duly appointed and acting Clerk of the Lexington-Fayette Urban County Government and that the foregoing is a true, correct, and complete copy of a resolution duly adopted by the Urban County Government at a regular meeting held on September 11, 2014 signed by the Mayor, and now in full force and effect, and that all action taken in connection with such resolution was in compliance with KRS 61.810, 61.815, 61.820, and 61.823, all as appears from the official records of the such Government in my possession and under my control.



Clerk of the Urban County Government

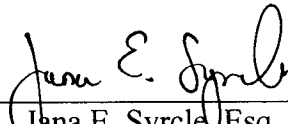
(SEAL)

Dated: September 15, 2014

CERTIFICATE

I do hereby certify that the title to this enactment contains an accurate synopsis of the contents thereof and may be used to satisfy the reading and publication requirements of law.

FROST BROWN TODD LLC



Jana E. Syrcle Esq.

EXHIBIT A
FIFTH AMENDMENT TO BOND PURCHASE AND LOAN AGREEMENT

FIFTH AMENDMENT TO BOND PURCHASE AND LOAN AGREEMENT

This **FIFTH AMENDMENT TO BOND PURCHASE AND LOAN AGREEMENT** (the "Amendment" or "Fifth Amendment"), is made as of September 2, 2014 (the "Effective Date"), but dated October 20, 2014 among the **LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT**, an urban county government of the Commonwealth of Kentucky (the "Issuer"), **LEXINGTON CHRISTIAN ACADEMY, INC.**, a Kentucky non-profit corporation, with an address of 450 W. Reynolds Road, Lexington, Kentucky 40503 (the "Borrower"), and **CENTRAL BANK & TRUST CO.**, a Kentucky banking corporation, whose address is 300 West Vine Street, Lexington, Kentucky 40507 (the "Purchaser"). Capitalized terms not defined above or in the recitals hereto shall have the meanings set forth in the original Bond Purchase and Loan Agreement dated as of September 1, 2009, unless the context or use clearly indicates another meaning or intent.

Recitals.

WHEREAS, Borrower, Issuer, and Purchaser entered into a Bond Purchase and Loan Agreement dated as of August 1, 2009 ("Original Loan Agreement"). On September 1, 2009, in connection with the Loan Agreement, Borrower entered into a Series 2009 Reimbursement Note in the amount of \$12,800,000.00 and a Promissory Note in the amount of \$12,800,000.00 (collectively, the "Note");

WHEREAS, Borrower and Purchaser entered into that certain First Amendment to Bond Purchase and Loan Agreement dated as of January 4, 2010 ("First Amendment"), that certain Second Amendment to Bond Purchase and Loan Agreement dated November 19, 2010 ("Second Amendment"), that certain Third Amendment to Bond Purchase and Loan Agreement dated July 2, 2012 ("Third Amendment"), and that certain Fourth Amendment to Bond Purchase and Loan Agreement dated July 16, 2013 ("Fourth Amendment," together with the Original Loan Agreement, First Amendment, Second Amendment, and Third Amendment, the "Loan Agreement") to amend certain financial covenants contained in the Loan Agreement;

WHEREAS, Borrower, Issuer, and Purchaser desire to amend the terms of the Loan Agreement to adjust the interest rate on the Series 2012 Promissory Note, the Series 2012 Bond, and the Series 2012 Reimbursement Note and to make other revisions; and

WHEREAS, Borrower and Purchaser desire to amend the Loan Agreement and all other documents executed in connection therewith (the "Loan Documents") under the terms and conditions contained herein.

NOW, THEREFORE, in consideration of the premises and the mutual covenants herein contained, the parties hereto agree as follows:

1. **Interest Rate.** The interest rate on the Series 2012 Promissory Note, the Series 2012 Bond and the Series 2012 Reimbursement Note is amended in its entirety as follows: A fixed rate of interest equal to 4.25% per annum, until September 2, 2019, the First Interest Rate Change Date. On the First Interest Rate Change Date, the interest rate payable hereunder will be

reset to an annual interest rate that is equal to Two and One Half Percent (2.50%) per annum plus the prior month's 5 Year Average Constant Maturity Treasury Rate, as published in the Federal Reserve Specific Interest Rate Release H.15 until September 2, 2024, the Second Interest Rate Change Date; provided however, the interest rate shall never fall below 4.25% per annum. On the Second Interest Rate Change Date, the interest rate payable hereunder will be reset to an annual interest rate that is equal to Two and One Half Percent (2.50%) per annum plus the prior month's 5 Year Average Constant Maturity Treasury Rate, as published in the Federal Reserve Specific Interest Rate Release H.15 until September 2, 2029; provided however, the interest rate shall never fall below 4.25% per annum.

All interest calculations under this Note will be made based on a year of 360 days for the actual number of days in each interest period.

2. Amended Notes, etc. The Issuer, the Borrower and the Purchaser agree to provide an Amended and Restated Series 2014 Promissory Note, an Amended and Restated Series 2014 Bond and an Amended and Restated Series 2014 Reimbursement Note, amended and restated to reflect the modification of the terms as provided herein, which shall be attached to the original Loan Agreement as the new Exhibit B-1 (Amended and Restated Series 2014 Promissory Note); Exhibit C-1 (Amended and Restated Series 2014 Bond); and Exhibit E-1 (Amended and Restated Series 2014 Reimbursement Note).

3. Bank Fee. Borrower shall pay a onetime, not annual, fee of Twenty-Seven Thousand Nine Hundred Forty Dollars (\$27,940.00).

4. Loan Documents. The terms, conditions and provisions of the Loan Documents are incorporated herein and made a part hereof by this reference as if fully set forth herein. The Loan Documents shall be deemed to be amended hereby to the minimum extent necessary to reflect the amendments contained in this Fifth Amendment. The Loan Documents shall remain in full force and effect and shall remain as security for the payment of all principal, interest and other charges, fees and expenses due and payable under the Note.

5. Representations and Warranties. To induce Purchaser to enter into this Fifth Amendment, Borrower represents and warrants as follows:

5.1 The representations and warranties of Borrower contained in the Loan Documents are deemed to have been made again on and as of the date of execution of this Fifth Amendment.

5.2 No Event of Default (as such term is defined in the Loan Documents) or event or condition which with the lapse of time or giving of notice or both would constitute an Event of Default exists on the date hereof.

5.3 Borrower represents and warrants that Borrower has no claims, counterclaims, setoffs, actions or causes of actions, damages or liabilities of any kind or nature whatsoever whether at law or in equity, in contract or in tort, whether now accrued or hereafter maturing (collectively, "Claims") against Purchaser, its direct or indirect parent corporation or any direct or indirect affiliates of such parent corporation, or any of the foregoing's respective directors, officers, employees, agents, attorneys and legal representatives, or the heirs, administrators,

successors or assigns of any of them (collectively, "Purchaser Parties") that directly or indirectly arise out of, are based upon or are in any manner connected with any Prior Related Event. As an inducement to Purchaser to enter into this Fifth Amendment, Borrower on behalf of itself, and all of its successors and assigns hereby knowingly and voluntarily releases and discharges all Purchaser Parties from any and all Claims, whether known or unknown, that directly or indirectly arise out of, are based upon or are in any manner connected with any Prior Related Event. As used herein, the term "Prior Related Event" means any transaction, event, circumstance, action, failure to act, occurrence of any sort or type, whether known or unknown, which occurred, existed, was taken, permitted or begun at any time prior to the Effective Date or occurred, existed, was taken, was permitted or begun in accordance with, pursuant to or by virtue of any of the terms of the Loan Documents or any documents executed in connection with the Loan Documents or which was related to or connected in any manner, directly or indirectly to the extension of credit represented by the Loan Documents.

6. General.

6.1 Except as expressly modified herein, the Loan Documents, as amended, are and remain in full force and effect.

6.2 Nothing contained herein will be construed as waiving any default or Event of Default under the Loan Documents or will affect or impair any right, power or remedy of Purchaser under or with respect to the Loan Documents, as amended, or any agreement or instrument guaranteeing, securing or otherwise relating to any of the Loan.

6.3 All representations and warranties made by Borrower herein will survive the execution and delivery of this Fifth Amendment.

6.4 This Fifth Amendment will be binding upon and inure to the benefit of Borrower and Purchaser and their respective successors and assigns.

6.5 This Fifth Amendment will in all respects be governed and construed in accordance with the laws of the Commonwealth of Kentucky.


6.6 This Fifth Amendment may be attached to the Note as an allonge.

[SIGNATURES ON FOLLOWING PAGES]

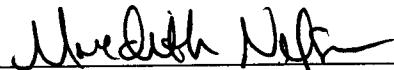
Executed as of the Effective Date.

ISSUER:

**LEXINGTON-FAYETTE URBAN
COUNTY GOVERNMENT**

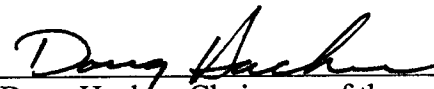
By: 
Jim Gray, Mayor

(SEAL)
ATTEST:


Meredith Nelson, Clerk

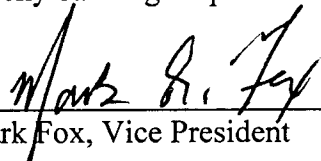
BORROWER:

**LEXINGTON CHRISTIAN
ACADEMY, INC.**

By: 
Doug Hacker, Chairman of the
Board of Directors

PURCHASER:

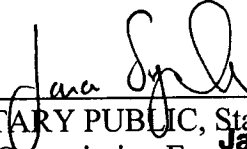
CENTRAL BANK & TRUST CO.,
a Kentucky banking corporation

By: 
Mark Fox, Vice President

COMMONWEALTH OF KENTUCKY

COUNTY OF FAYETTE

The foregoing Fifth Amendment was subscribed, sworn to and acknowledged before me on the 20th day of October, 2014, by Doug Hacker, as Chairman of the Board of Directors of Lexington Christian Academy, Inc., a Kentucky non-profit corporation, for and on behalf of such corporation.


NOTARY PUBLIC, State at Large
My Commission Expires: **Jana Syrcle**
Notary Public I.D.: **ID No. 439598**
Commission Expires: 3/23/2015

COMMONWEALTH OF KENTUCKY

COUNTY OF FAYETTE

The foregoing Fifth Amendment was subscribed, sworn to and acknowledged before me on the 20th day of October, 2014, by Mark Fox as the Vice President of Central Bank & Trust Co., a Kentucky banking corporation, for and on behalf of the bank.

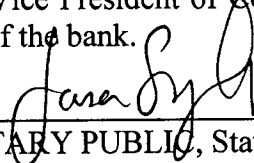

NOTARY PUBLIC, State at Large
My Commission Expires: _____
Notary Public I.D.: **Jana Syrcle**
ID No. 439598
Commission Expires: 3/23/2015

EXHIBIT B-1

Amended and Restated Series 2014 Promissory Note

AMENDED AND RESTATED
PROMISSORY NOTE

Dated effective as of September 2, 2014

Principal Amount: \$12,800,000.00

Lexington, Kentucky
Maturity Date: September 2, 2029

This Series 2014 Amended and Restated Promissory Note amends and restates in its entirety that certain Amended and Restated Promissory Note dated July 2, 2012 from Lexington Christian Academy, Inc., a Kentucky non-profit corporation, (the "Borrower") to the Lexington-Fayette Urban County Government (the "Issuer"), an urban county government of the Commonwealth of Kentucky.

FOR VALUE RECEIVED, LEXINGTON CHRISTIAN ACADEMY, INC., a Kentucky non-profit corporation, with a principal place of business at 450 West Reynolds Road, Lexington, Kentucky 40503 ("Borrower"), promises to pay to the order of the **LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT**, an urban county government of the Commonwealth of Kentucky pursuant to Chapter 67A of the Kentucky Revised Statutes, duly existing under and by virtue of the laws of the Commonwealth of Kentucky, its successors and assigns (the "Issuer"), the original principal sum of **TWELVE MILLION EIGHT HUNDRED THOUSAND DOLLARS (\$12,800,000.00)** (the "Total Facility"), or the aggregate unpaid balance of all Advances made by Lender from time to time hereunder, together with interest thereon, on or before the "Maturity Date" as that term is defined below, and as provided under that certain Bond Purchase and Loan Agreement (as amended, the "Loan Agreement"), dated as of August 1, 2009, as amended by that certain First Amendment to Bond Purchase and Loan Agreement dated January 4, 2010 (the "First Amendment"), as amended by that certain Second Amendment to Bond Purchase and Loan Agreement dated November 19, 2010 (the "Second Amendment"), as amended by that certain Third Amendment to Bond and Purchase Agreement dated July 2, 2012 (the "Third Amendment"), as amended by that certain Fourth Amendment to Bond and Purchase Agreement dated July 16, 2013 (the "Fourth Amendment"), and as amended by that certain Fifth Amendment to Bond and Purchase Agreement of even date herewith (the "Fifth Amendment"), (the Loan Agreement, the First Amendment, Second Amendment, Third Amendment, Fourth Amendment, and Fifth Amendment collectively, the "Loan Agreement") among Issuer, Borrower and **CENTRAL BANK & TRUST CO.**, a Kentucky banking corporation, whose address is 300 West Vine Street, Lexington, Kentucky 40507 ("Holder" or "Lender"), of the Issuer's **TWELVE MILLION EIGHT HUNDRED THOUSAND DOLLARS (\$12,800,000.00)** aggregate original principal amount Educational Building Revenue Refunding and Improvement Bonds, Series 2009 (The Lexington Christian Academy, Inc. Project) (collectively, the "Bonds").

This Note has been executed and delivered by the Borrower to the Issuer pursuant to the Loan Agreement. Under the Loan Agreement, the Issuer will loan to the Borrower the proceeds received from the sale of the Bonds to assist in the refunding of certain outstanding Bonds and obligations of Borrower and financing of the construction of certain improvement to the Project, as defined in the Loan Agreement, and the Borrower has agreed to repay such loan by making payments of principal, premium, if any, and interest ("Loan Payments") at the times and in the amounts set forth in this Note for application to the payment of the principal of, premium, if any, and interest on the Bonds as and when due, or as otherwise provided in the Loan Agreement. The Bonds have been issued, concurrently with the execution and delivery of this Note, pursuant to, and are secured by, and as provided in, the Loan Agreement. The Bonds mature on September 2, 2029.

Terms used herein and not specifically defined herein shall have the meaning ascribed to them in the Loan Agreement.

Concurrently with the execution and delivery of this Note by the Borrower to the Issuer, the Issuer is endorsing this Note to the Holder, and is assigning and pledging to the Holder all of the Loan Payments pursuant to the terms of the Loan Agreement. Such assignment is made as security for the payment of the Bonds.

To provide funds to pay the principal of, premium, if any, and interest on the Bonds as and when due as above-specified, the Borrower hereby agrees to and shall make Loan Payments as follows:

1. **Interest Rate.** Prior to maturity, a Determination of Taxability or an Event of Default, this Note shall bear interest from the date hereof until the outstanding principal balance of this Note, all accrued but unpaid interest thereon and all other charges, fees or expenses hereunder have been repaid to Lender in full as follows:

Fixed Rate, then Rate that Re-Sets.

This Note shall bear interest at a fixed rate equal to Four and One Quarter Percent (4.25%) per annum until September 2, 2019, the First Interest Rate Change Date. On the First Interest Rate Change Date, the interest rate payable hereunder will be reset to an annual interest rate that is equal to Two and One Half Percent (2.50%) per annum plus the prior month's 5 Year Average Constant Maturity Treasury Rate, as published in the Federal Reserve Specific Interest Rate Release H.15 until September 2, 2024, the Second Interest Rate Change Date; provided however, the interest rate shall never fall below 4.25% per annum. On the Second Interest Rate Change Date, the interest rate payable hereunder will be reset to an annual interest rate that is equal to Two and One Half Percent (2.50%) per annum plus the prior month's 5 Year Average Constant Maturity Treasury Rate, as published in the Federal Reserve Specific Interest Rate Release H.15 until September 2, 2029; provided however, the interest rate shall never fall below 4.25% per annum.

All interest calculations under this Note will be made based on a year of 360 days for the actual number of days in each interest period.

Notwithstanding anything herein to the contrary, in the event of (a) a Determination of Taxability, interest on the unpaid principal balance hereof shall be at the Taxable Rate, commencing on the date of occurrence of the Event of Taxability and (b) an Event of Default (assuming any applicable cure period provided for in the Loan Agreement has expired) or after maturity, interest on the unpaid principal balance hereof shall be at the Default Rate, commencing on the date of occurrence of the Event of Default or maturity as applicable.

2. **Payments.** The principal of, and all interest on, this Note shall be due and payable as follows:

Interest Only, then Principal and Interest. Borrower shall make payments of interest only on this Note, beginning on October 2, 2009, and continuing on the 2nd day of each and every month thereafter, through March 2, 2011.

Thereafter, and commencing on April 2, 2011, Borrower shall make payments of principal and interest on the Note each in an amount sufficient to amortize fully the principal balance of this Note by September 2, 2029. Such principal and interest

payments shall be due on the 2nd day of each month, through September 2, 2019, the First Interest Rate Change Date. On the First Interest Rate Change Date, the principal and interest payments due shall be recalculated at the rate set forth above, and in an amount sufficient to fully amortize the principal balance of the Note by September 2, 2029. On the Second Interest Rate Change Date, September 2, 2024, the principal and interest payments due shall be recalculated at the rate set forth above, and in an amount sufficient to fully amortize the principal balance of the Note by September 2, 2029.

Installments of principal, premium, if any, and interest required hereunder shall be made by the Borrower directly to the Holder for the account of the Issuer, in lawful money of the United States of America in immediately available funds at the office of the Holder in Lexington, Kentucky. Notwithstanding any other provision of this Note to the contrary, all installments of principal and interest hereunder shall at all times be sufficient to pay the installments of principal and interest required on the Bonds.

The payments by the Borrower to the Holder shall be deemed made by the Borrower on account of this Note and receipt of such payments by the Holder shall be deemed satisfaction of the payment obligations of the Issuer under the Bonds.

This Note is the Project Note referred to in the Loan Agreement, and is entitled to the benefits, and is subject to the provisions of the Loan Agreement. Advances under this Note shall be made in accordance with the Loan Agreement. This Note may be prepaid and is subject to prepayment as specified herein and in the Loan Agreement, and all of the terms, conditions and provisions of the Loan Agreement are by this reference incorporated herein and made a part of this Note.

3. **Maturity Date.** The outstanding principal of this Note, all accrued but unpaid interest thereon and all other charges, fees or expenses hereunder shall be due and payable in full on or before September 2, 2029 (the "Maturity Date"), or such later date as may be designated by Lender by written notice from Lender to Borrower (it being understood that in no event will Lender be under any obligation to extend or renew this Note beyond the initial or any extended Maturity Date). When this Note shall be deemed paid in full, the Bonds shall be paid in full.
4. **Advances.** As Borrower and Lender may agree at the end of this section, the proceeds of this Note may be disbursed from Lender to Borrower in one or more advances (an "Advance") made from time to time prior to March 2, 2011; provided, however, that the aggregate outstanding principal balance of all unpaid Advances at any time shall not exceed the original principal balance of this Note. To obtain an Advance, Borrower shall submit a written, fully executed and completed "Request for Advance" on Lender's standard form at least ten (10) business days prior to the date Borrower desires the funds to be made available. Upon each Advance, Lender shall record the making and amount of such Advance on the books and records of Lender maintained for this Note. Lender shall also record on such books and records each payment of principal of this Note made by Borrower. The aggregate amount of all Advances made by Lender and shown on such books and records, less the principal paid by Borrower and shown on such books and records, shall be the outstanding principal of this Note. The books and records of Lender shall, at any time, be prima facie evidence of the outstanding principal of this Note. The obligation of Lender to honor any tendered Request for Advance and to make any Advance is subject to the following conditions: (a) each and every one of the representations, warranties and covenants of Borrower set forth herein, and in any other agreement, document or instrument delivered by Borrower to Lender, including the Loan Agreement, shall be true and correct on the date such Advance is made; (b) no Event of Default (as defined herein) shall have occurred and be

continuing; (c) after giving effect to the Advance requested in the Request for Advance, the aggregate outstanding principal amount of Advances hereunder shall not exceed the lesser of the Total Facility, or the Maximum Amount, if applicable; and (d) such other conditions as Lender may reasonably impose. Each Request for Advance submitted by Borrower to Lender shall constitute Borrower's representation and warranty to Lender that (i) Borrower is then and will be entitled to the Advance under this Note; (ii) all representations, warranties and covenants made by Borrower to Lender in this Note, and in any other agreement, document or instrument delivered by Borrower to Lender, including the Loan Agreement, are true and correct; and (iii) no Event of Default under this Note has occurred and is continuing. Each Request for Advance under this Note will be subject to all of the terms and conditions of the Note. Without limiting the generality of the foregoing, Lender will have no duty to make any Advance if insufficient funds remain available pursuant to the Total Facility or any other maximum amount limitations set forth herein or in any of the Security Documents. Lender hereby is authorized at any time and from time to time, in its discretion, to make an advance under this Note for the payment on behalf of Borrower of any interest, principal or other sums due under any of the obligations of Borrower to Lender, and each such advance will constitute an Advance hereunder and part of the obligations. Notwithstanding the foregoing, Lender is not obligated to take such action. This Note is referred to in, and is entitled to the benefits of, and is subject to, the provisions of the Loan Agreement. Terms used herein and not specifically defined herein shall have the meaning ascribed to them in the Loan Agreement. This Note may be prepaid and is subject to prepayment as specified herein and in the Loan Agreement, and all other terms, conditions and provisions of the Loan Agreement are by this reference incorporated herein and made a part hereof.

Draw Note. Advances that are repaid shall not be available for future Advances or otherwise "reborrowed" by Borrower at any time, and the aggregate amount of all Advances made hereunder shall not exceed the face amount of this Note.

5. **Late Charge and Default Rate of Interest.** If Lender does not receive any payment due under this Note within ten (10) days of the date it is due, then Lender may charge a late charge of five percent (5.00%) of the amount of the overdue payment (the "Late Charge"). Upon maturity, whether by acceleration or otherwise, or upon the occurrence of an Event of Default hereunder, in addition to any and all other remedies to which Lender may be entitled, the applicable rate of interest on this Note shall be increased to five percent (5.00%) per annum in excess of the rate set forth in Section 1, above (the "Default Rate"), but not more than the highest rate permitted by law.
6. **Security.** To secure repayment of this Note, any extensions or renewals thereof and all other existing and future indebtedness of Borrower to Lender (whether direct, indirect, absolute or contingent), Borrower shall grant, and does hereby grant, to Lender a security interest in the following described property:

A first and prior lien on certain real property in Fayette County as described in the Mortgage, and Assignment of Leases and Rents, all business assets of Borrower, pledges of construction and architect contracts,

as well as any and all other property which is now or hereafter listed in any separate security agreement or mortgage as directly or indirectly securing this Note, and also all money and other property held by Lender on deposit in safekeeping or otherwise for the account of or to the credit of Borrower, or in which Borrower has an interest; provided that Lender will have the right to call for additional security as necessary. All of the documents or instruments that provide a lien or

security interest in the collateral described above (the "Collateral"), as well as any and all other documents or instruments now or hereafter executed in connection with this Note and the loan evidenced hereby, including but not limited to any Loan Agreement by and between Lender and Borrower, are referred to herein collectively as the "Security Documents." All of the terms and conditions of the Security Documents are incorporated herein and made a part of this Note as if fully set forth at length herein. Any holder of this Note shall be entitled to the rights, privileges, benefits and remedies provided in the Security Documents and in the real and personal property secured thereby. Borrower represents and warrants to Lender that the Security Documents have been validly executed and delivered to Lender and that the Security Documents are legally valid, binding and enforceable against Borrower (or any other party which has executed any of the Security Documents) in accordance with their respective terms. As used herein, "Loan Documents" will mean all Security Documents and this Note.

7. **Proceeds.** Each Borrower represents that the proceeds of this Note will be used exclusively for business or commercial purposes, and that no portion of the proceeds will be used for personal, family or household purposes.
8. **Covenants.** Upon request, Borrower will provide financial information in form and substance acceptable to Lender.
9. **Events of Default and Remedies.** The occurrence of any of the following shall be an "Event of Default" hereunder: (a) failure of any Borrower to make any payment when due under this Note or under any other note or obligation of Borrower to Lender; (b) an Event of Default under the Security Documents, or any default under any of the following that does not have a defined set of "Events of Default" and the lapse of any notice or cure period provided therein: any other agreement, document or instrument between Borrower and Lender; (c) if any Borrower or endorsers or Guarantors of this Note shall (i) make an assignment for the benefit of creditors, (ii) have a petition initiating any proceeding under the Bankruptcy Code filed by or against one or more of them, (iii) have a receiver, trustee, or custodian appointed for all or any material part of their respective assets, or (iv) seek to make an adjustment, settlement or extension of their respective debts with his, her or its (as the case may be) creditors generally; (d) a default with respect to any other indebtedness of any Borrower or any Guarantor for borrowed money; (e) a proceeding being filed by or commenced against any Borrower or any Guarantor of this Note for dissolution or liquidation, or any Borrower or any Guarantor of this Note voluntarily or involuntarily terminating or dissolving or being terminated or dissolved; (f) in the event a judgment or writ or order of attachment or garnishment is made and issued against any Borrower or any Borrower's property; (g) in the event that this Note or any guaranty executed by any Guarantor is secured, the failure of Borrower or any Guarantor to provide Lender with additional collateral if in the opinion of Lender at any time or times, the market value of any of the collateral securing this Note or any guaranty has depreciated; (h) the revocation or attempted revocation, in whole or in part, of any guaranty by any Guarantor or the death of any Borrower or any Guarantor (if an individual); (i) any representation or warranty made by any Borrower or Guarantor to Lender in any document, including but not limited to the Security Documents, or any other documents now or in the future securing the obligations of any Borrower or any Guarantor to Lender, is false or erroneous in any material respect; (j) the failure of any Borrower or any Guarantor to observe or perform any covenant or other agreement with Lender contained in any document executed in connection with the Loan(s), including but not limited to this Note or any of the Security Documents; (k) in the event Lender in good faith deems itself insecure with respect to payment of this Note, or in good faith believes the prospect of payment is impaired, or Lender determines in the exercise of its sole judgment that Lender's perfection in any of the

Collateral is impaired; or (l) the failure of any Borrower or any Guarantor to observe or perform any covenant or other agreement with Lender contained in any document, including but not limited to the Security Documents or any documents now or in the future securing the obligations of any Borrower or any Guarantor to Lender. As used herein, the term "Guarantor" will mean any guarantor of the obligations of Borrower to Lender whether existing on the date of this Note or arising in the future, or any person who pledges particular Collateral for the security of this Note whether or not the debt itself is guaranteed, existing on the date of this Note or arising in the future. Upon the occurrence of an Event of Default: (i) the outstanding principal balance hereunder together with any additional amounts secured by the Security Documents, at the option of the holder and without demand or notice of any kind (which are hereby expressly waived), may be accelerated and become immediately due and payable, (ii) this Note, together with all arrearages of interest will from the date of the occurrence of the Event of Default bear interest at the Default Rate, (iii) Borrower will pay to Lender all reasonable attorneys' fees, court costs and expenses incurred by Lender in connection with Lender's efforts to collect the indebtedness evidenced by the Note, and (iv) Lender may exercise from time to time any of the rights and remedies available to the holder under the Security Documents or under applicable law.

10. **Prepayment Penalty.** Notwithstanding anything contained herein to the contrary, upon any full or partial prepayment by or on behalf of Borrower as a result of Borrower refinancing the Note, or any portion thereof, with an entity unrelated to Lender, Borrower shall, upon demand by Lender, pay Lender as compensation for the cost of being prepared to advance funds hereunder an amount equal to one and one half percent (1.50%) of the most recent twelve (12) month Average Outstanding Balance (the "Prepayment Premium"). The "Average Outstanding Balance" shall be the sum of the outstanding principal balance under the Note on the payment due date for the most recent twelve months, divided by twelve.

The Prepayment Premium shall also apply to any payments made after acceleration of the maturity of this Note. Notwithstanding anything contained herein to the contrary, the Prepayment Premium shall not apply in the event Borrower prepays the Note in whole or in part from normal operating cash flow.

Payments received will be applied in the following order: (i) to charges, fees and expenses (including reasonable attorneys' fees), (ii) to accrued interest, and (iii) to principal. Any additional payments will be applied in the foregoing order and, to the extent applied to principal, will be applied to installments of principal payable hereunder in the inverse order of maturity.

11. **Cumulative Remedies.** All rights and remedies of the holder of this Note shall be cumulative to the fullest extent allowed by law. Time shall be of the essence for paying interest on the principal of this Note.
12. **Waiver.** All parties to this Note, whether a borrower, endorsers, sureties, guarantors or otherwise connected herein, waive presentment, demand, notice of dishonor, protest, notice of protest, notice of nonpayment or non-acceptance, any other notice and all due diligence or promptness that may otherwise be required by law, and all exemptions to which they may now or hereafter be entitled under the laws of the Commonwealth of Kentucky, the United States of America, or any state thereof. No delay or failure on the part of Lender to exercise any right, remedy or power hereunder, under any of the Loan Documents or under applicable law will impair or waive any such right, remedy or power (or any other right, remedy or power), be considered a waiver of or an acquiescence in any breach, default or Event of Default or affect any other or subsequent breach, default or Event of Default of the same or a different nature. No waiver of any breach,

default or Event of Default, nor any modification, waiver, discharge or termination of any provision of this Note, nor consent to any departure by Borrower therefrom, will be established by conduct, custom or course of dealing; and no modification, waiver, discharge, termination nor consent will in any event be effective unless the same is in writing, signed by Lender and specifically refers to this Note, and then such modification, waiver, discharge or termination or consent will be effective only in the specific instance and for the specific purpose for which given. No notice to or demand on Borrower in any case will entitle Borrower to any other or further notice or demand in the same or any similar or other circumstance.

13. **Expenses Incurred by Lender.** If Lender expends sums in defending or otherwise protecting its collateral under the Loan Documents prior to an Event of Default, or if any Event of Default occurs under this Note, and this Note is placed in the hands of an attorney for collection, or is collected through any court, including, without limitation, bankruptcy court, then Borrower promises to pay the holder of this Note the reasonable attorneys' fees and legal costs incurred in collecting or attempting to collect or securing or attempting to secure this Note or enforcing the rights of such holder with respect to any collateral securing this Note, including, without limitation, appraisal fees, costs of environmental audits, site assessments and/or remediation, to the fullest extent allowed by the laws of the Commonwealth of Kentucky or any state in which any collateral for this Note is situated.
14. **Rights of Lender.** Lender may, with or without notice to any party and without affecting the obligations of any Borrower, surety, Guarantor, endorser, accommodation party or any other party to this Note, (a) renew, extend or otherwise postpone the time for payment of either principal of this Note or interest thereon from time to time, (b) release or discharge any one or more parties liable on this Note, (c) suspend the right to enforce this Note with respect to any person(s), including any present or future Guarantor of this Note, (d) change, exchange or release any property in which Lender possesses any interest securing this Note, (e) justifiably or otherwise, impair any collateral securing this Note or suspend the right to enforce against any such collateral, and (f) at any time it deems it necessary or proper, call for and should it be made available, accept, as additional security, the signature(s) of an additional party or a security interest in property of any kind or description or both.
15. **Complete Agreement.** This Note and the Security Documents are the entire and complete agreement of the parties hereto and supersede all previous understandings and agreements relating to the subject matter hereof. This Note and the Security Documents may be amended only by an instrument in writing that explicitly states that it amends this Note or such Security Documents and is signed by Borrower and acknowledged by Lender.
16. **Severability.** The provisions of this Note are intended to be severable. If any provision of this Note shall be held invalid or unenforceable in whole or in part in any jurisdiction, such provision shall, as to such jurisdiction, be ineffective to the extent of such invalidity or unenforceability without in any manner affecting the validity or enforceability thereof in any other jurisdiction or the remaining provisions hereof in any jurisdiction.
17. **Joint and Several Liability.** In the event more than one individual or entity executes this Note on behalf of Borrower, then the terms and conditions of this Note and the obligations hereunder shall be binding upon each signatory jointly and severally.
18. **Late Charge, Default Rate, and Prepayment Premium.**

- 18.1 The Late Charge, the Default Rate, and the Prepayment Premium, if any, are imposed as liquidated damages for the purpose of defraying Lender's expenses incident to the handling of delinquent payments, but are in addition to, and not in lieu of, Lender's exercise of any rights and remedies hereunder, under the other Security Documents or under applicable law, and any fees and expenses of any agents or any reasonable fees and expenses of any attorneys which Lender may employ. In addition, the Default Rate reflects the increased credit risk to Lender of carrying a loan that is in default. Borrower agrees that the Late Charge, Default Rate, and Prepayment Premium are reasonable forecasts of just compensation for anticipated and actual harm incurred by Lender, and that the actual harm incurred by Lender cannot be estimated with certainty and without difficulty.
- 18.2 Nothing contained in this Note regarding late charges or the Default Rate will be construed in any way to extend the due date of any payment or waive any payment default, and each such right is in addition to, and not in lieu of, the other and any other rights and remedies of Lender hereunder, under any of the Security Documents or under applicable law (including, without limitation, the right to interest, reasonable attorneys' fees and other expenses).
19. **Usury.** Without limiting the generality of the foregoing, if from any circumstances whatsoever the fulfillment of any provision of this Note involves transcending the limit of validity prescribed by any applicable usury statute or any other applicable law with regard to obligations of like character and amount, then the obligation to be fulfilled will be reduced to the limit of such validity as provided in such statute or law, so that in no event will any exaction of interest be possible under this Note in excess of the limit of such validity and the right to demand any such excess is hereby expressly waived by Lender. As used in this Section, "applicable usury statute" and "applicable law" mean such statute and law in effect on the date hereof, subject to any change therein that result in a higher permissible rate of interest.
20. **Singular and Plural Terms.** Wherever used herein, the singular number shall include the plural, the plural the singular, and the use of any gender shall include all genders.
21. **Binding Effect.** This Note will bind Borrower and the heirs, executors, administrators, successors and assigns of Borrower, and the benefits hereof will inure to the benefit of Lender and its successors and assigns. All references herein to the "Borrower" and "Lender" will include the respective heirs, administrators, successors and assigns thereof; provided, however, that Borrower may not assign this Note in whole or in part without the prior written consent of Lender and Lender at any time may assign this Note in whole or in part (but no assignment by Lender of less than all of this Note will operate to relieve Borrower from any duty to Lender with respect to the unassigned portion of this Note).
22. **Repayment by Lender.** If at any time all or any part of any payment or transfer of any kind received by Lender with respect to all or any part of this Note is repaid, set aside or invalidated by reason of any judgment, decree or order of any court or administrative body, or by reason of any agreement, settlement or compromise of any claim made at any time with respect to the repayment, recovery, setting aside or invalidation of all or any part of such payment or transfer, Borrower's obligations under this Note will continue (and/or be reinstated) and Borrower will be and remain liable, and will indemnify, defend and hold harmless Lender for, the amount or amounts so repaid, recovered, set aside or invalidated and all other claims, demands, liabilities, judgments, losses, damages, costs and expenses incurred in connection therewith. The provisions

of this Section will be and remain effective notwithstanding any contrary action which may have been taken by Borrower in reliance upon such payment or transfer, and any such contrary action so taken will be without prejudice to Lender's rights hereunder and will be deemed to have been conditioned upon such payment or transfer having become final and irrevocable. The provisions of this Section will survive any termination, cancellation or discharge of this Note.

23. **Notices.** All notices, demands, requests, consents or approvals and other communications required or permitted hereunder will be in writing, and, to the extent required by applicable law, will comply with the requirements of the Uniform Commercial Code then in effect, and will be addressed to such party at the address set forth below or to such other address as any party may give to the other in writing for such purpose:

To Lender: Central Bank & Trust Co.
300 West Vine Street
Lexington, Kentucky 40507
Attn: Mark Fox

To Borrower: Lexington Christian Academy, Inc.
450 West Reynolds Road
Lexington, Kentucky 40503
Attn: Bill Watson

All such communications, if personally delivered, will be conclusively deemed to have been received by a party hereto and to be effective when so delivered; if given by mail, on the fourth business day after such communication is deposited in the mail with first-class postage prepaid, return receipt requested; or if sent by overnight courier service, on the day after deposit thereof with such service; or if sent by certified or registered mail, on the third business day after the day on which deposited in the mail.

24. **Governing Law.** This Note has been delivered and accepted at and will be deemed to have been made at Lexington, Kentucky and will be interpreted and the rights and liabilities of the parties hereto determined in accordance with the laws of the Commonwealth of Kentucky, without regard to conflicts of law principles.
25. **Jurisdiction.** *Borrower hereby irrevocably agrees and submits to the exclusive jurisdiction of any state or federal court located within Fayette County, Kentucky; provided that nothing contained in this Agreement will prevent Lender from bringing any action, enforcing any award or judgment or exercising any rights against Borrower individually, against any security or against any property of Borrower within any other county, state, or other foreign or domestic jurisdiction. Lender and Borrower agree that the venue provided above is the most convenient forum for both Lender and Borrower. Borrower waives any objection to venue and any objection based on a more convenient forum in any action instituted under this Agreement.*
26. **Waiver of Jury Trial.** *THE PARTIES HERETO EACH WAIVE ANY RIGHT TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING RELATING TO THIS AGREEMENT, ANY DOCUMENTS EXECUTED IN CONNECTION WITH THIS AGREEMENT, OR ANY TRANSACTION CONTEMPLATED IN ANY OF SUCH DOCUMENTS. BORROWER AND LENDER ACKNOWLEDGE THAT THE FOREGOING WAIVER IS KNOWING AND VOLUNTARY.*

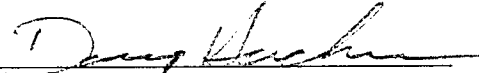
Borrower acknowledges that Borrower has read and understood all the provisions of this Agreement, including the waiver of jury trial, and has been advised by counsel as necessary or appropriate.

[SIGNATURES ON THE FOLLOWING PAGE]

IN WITNESS WHEREOF, Borrower has executed this Note effective as of September 2, 2014,
but on the 20th day of October, 2014.

BORROWER:

LEXINGTON CHRISTIAN ACADEMY, INC.

By: 
Doug Hacker,
Chairman of the Board of Directors

REQUEST FOR ADVANCE

(X) DRAW NOTE

Borrower(s): Lexington Christian Academy, Inc.

() REVOLVING NOTE

Address: 450 West Reynolds Road
Lexington, Kentucky 40503

Date: _____

Note No.: _____

Account#: _____

TO: CENTRAL BANK & TRUST CO. ("Lender" or "Holder"), 300 WEST VINE STREET,
LEXINGTON, KENTUCKY 40507

Under the terms and conditions of the above-referenced Project Note in the original amount of \$12,800,000.00 ("Note"), dated September 1, 2009, heretofore executed and delivered to Lender by the undersigned (singly or collectively referred to herein as "Borrower"), Borrower, jointly and severally if more than one, hereby requests an Advance in the amount of \$ _____, to be disbursed as follows: _____ under the terms and conditions in the Note and the Security Documents. Borrower, jointly and severally if more than one, represents, warrants and acknowledges to Lender that (a) the person executing this Request for Advance on behalf of Borrower has the authority to execute, deliver and otherwise make this Request for Advance and to receive the Advance under the Note and the Security Documents, (b) Borrower shall pay to Lender without setoff, offset, credit, counterclaim or defense, the amount of this Advance and all other amounts heretofore advanced, together with all interest thereon, in accordance with the terms and conditions in the Note and the Security Documents, (c) each of the representations, warranties and covenants of Borrower in the Note and the Security Documents is true and correct on the date hereof, (d) no Event of Default under the Note, the Security Documents, or the Loan Agreement has occurred and is continuing, (e) after giving effect to the Advance requested hereunder, the aggregate outstanding principal balance of Advances under the Note shall not exceed the principal amount of the Note, and (f) Lender is entitled to rely, and has informed Borrower that it has relied, upon the statements contained herein in making the Advance requested hereunder.

Capitalized terms used herein and not otherwise defined will be given the definitions set forth in the Note.

LEXINGTON CHRISTIAN ACADEMY, INC.

_____, Architect

By: _____
Print Name: _____
Title: _____

By: _____
Print Name: _____
Title: _____

For Use by Central Bank

Maximum Loan Amount: \$ _____
Advanced to Date: \$ _____
Balance Before Advance: \$ _____
Amount of This Advance: \$ _____
Balance After Advance: \$ _____

Loan Officer: _____
Deposit to: _____
Other Instructions: _____

SCHEDULE OF DISBURSEMENTS

The Holder shall note hereon the date and amount of each disbursement of the principal amount of the Note, and the outstanding principal amount of the Note from time to time; provided, however, that the presence or absence of any such notation shall not be conclusive as to the actual outstanding principal amount of the Note at any time.

<u>Date of Disbursement or Payment</u>	<u>Principal Disbursement</u>	<u>Outstanding Principal</u>

ENDORSEMENT

Pay, without recourse, to the order of Central Bank & Trust Co., a state banking corporation, as the Holder of the Bonds issued under and pursuant to the Bond Purchase and Loan Agreement, dated as of September 1, 2009 and as amended by that certain First Amendment to Bond Purchase and Loan Agreement dated January 4, 2010 (the "First Amendment"), as amended by that certain Second Amendment to Bond Purchase and Loan Agreement dated November 19, 2010 (the "Second Amendment"), as amended by that certain Third Amendment to Bond Purchase and Loan Agreement dated effective as of July 2, 2012 (the "Third Amendment"), as amended by that certain Fourth Amendment to Bond Purchase and Loan Agreement dated effective as of July 16, 2013 (the "Fourth Amendment"), and as amended by that certain Fifth Amendment to Bond Purchase and Loan Agreement dated effective as of September 2, 2014 (the "Fifth Amendment") from the undersigned.

LEXINGTON-FAYETTE URBAN COUNTY
GOVERNMENT

By: _____
Print Name: Jim Gray
Title: Mayor

(SEAL)
ATTEST:

Meredith Nelson, Clerk

ACCEPTANCE OF ASSIGNMENT

The above assignment is hereby accepted.

CENTRAL BANK & TRUST CO., a
Kentucky banking corporation

By: Mark R. Fox
Print Name: Mark R. Fox
Title: Vice President
Dated effective as of September 2, 2014

EXHIBIT C-1

Amended and Restated Series 2014 Bond



UNITED STATES OF AMERICA
COMMONWEALTH OF KENTUCKY

No. R-1

AMENDED AND RESTATED SERIES 2014 BOND

This Series 2014 Bond amends and restated in its entirety that certain Lexington-Fayette Urban County Government Educational Building Revenue Refunding and Improvement Bonds, Series 2012 (The Lexington Christian Academy, Inc. Project) dated July 2, 2012, which amended and restated that certain Lexington-Fayette Urban County Government Educational Building Revenue Refunding and Improvement Bonds, Series 2009 (The Lexington Christian Academy, Inc. Project) dated September 1, 2009.

LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT
EDUCATIONAL BUILDING REVENUE REFUNDING AND IMPROVEMENT BONDS,
SERIES 2014
(THE LEXINGTON CHRISTIAN ACADEMY, INC. PROJECT)

REGISTERED OWNER:	Central Bank & Trust Co., a Kentucky banking corporation
PRINCIPAL AMOUNT:	\$12,800,000.00 (original)
DATE OF ORIGINAL ISSUE:	September 1, 2009, as amended and restated effective July 2, 2012, as amended and restated effective as of September 2, 2014
MATURITY DATE:	September 2, 2029

The Lexington-Fayette Urban County Government (the "Issuer"), an urban county government of the Commonwealth of Kentucky pursuant to Chapter 67A of the Kentucky Revised Statutes, duly existing under and by virtue of the laws of the Commonwealth of Kentucky, for value received, hereby promises to pay solely from sources hereinafter described in lawful money of the United States of America to the Registered Owner named above, or registered assigns, in monthly installments on the dates herein specified, the original principal sum of Twelve Million Eight Hundred Thousand Dollars (\$12,800,000.00), or the aggregate unpaid amount of principal as may have been drawn down hereunder, with interest on the unpaid principal balance from time to time.

(a) Prior to maturity or an Event of Default or a Determination of Taxability, the unpaid principal balance of this Bond shall bear interest at an annual rate of Four and One Quarter Percent (4.25%) per annum until September 2, 2019, the First Interest Rate Change Date. On the First Interest Rate Change Date, the interest rate payable hereunder will be reset to an annual interest rate equal to Two and One Half Percent (2.50%) per annum plus the prior month's 5 Year Average Constant Maturity Treasury Rate, as published in the Federal Reserve Specific Interest Rate Release H.15 until September 2, 2024, the Second Interest Rate Change Date. On the Second Interest Rate Change Date, the interest rate payable hereunder will be reset to an annual interest rate equal to Two and One Half Percent (2.50%) per annum plus the prior month's 5 Year Average Constant Maturity Treasury Rate, as published in the Federal Reserve Specific Interest Rate Release H.15 until September 2, 2029. Notwithstanding the foregoing, the interest rate payable hereunder shall never fall below 4.25%.

All interest calculations under this Bond will be made based on a year of 360 days for the actual number of days in each interest period.

(b) In consideration of and in repayment of the Bonds the Borrower shall make payments of interest only on this Bond beginning on October 2, 2009, and continuing on the 2nd day of each and every month thereafter, through March 2, 2011. Thereafter, and commencing on April 2, 2011, Borrower shall make payments of principal and interest on the Bond each in an amount sufficient to amortize fully the principal balance of this Bond by September 2, 2029. Such principal and interest payments shall be due on the 2nd day of each month, through September 2, 2019, the First Interest Rate Change Date. On the First Interest Rate Change Date, the principal and interest payments due shall be recalculated at the rate set forth above, and in an amount sufficient to fully amortize the principal balance of the Bond by September 2, 2029. On the Second Interest Rate Change Date, September 2, 2024, the principal and interest payments due shall be recalculated at the rate set forth above, and in an amount sufficient to fully amortize the principal balance of the Bond by September 2, 2029.



Such recalculated principal and interest payments throughout the term of this Bond will be due on the 2nd day of each and every month commencing with the month immediately following the most recent Interest Rate Change Date and will continue on the same day of each month thereafter until the next succeeding Interest Rate Change Date, or the Maturity Date, whichever is earlier. All principal due hereunder shall be due and payable in full, including interest accrued and unpaid, on September 2, 2029.

(c) If any installment of principal and/or interest provided herein becomes due and payable on a date other than a Banking Day, the maturity of the installment of principal or interest shall be extended to the next succeeding Banking Day.

(d) If any payment is not received by the Bank within ten (10) days after its due date, the Bank may assess and the Borrower agrees to pay a late fee equal to five percent (5%) of the payment. This late fee shall be in addition to, and not in lieu of, any other remedy the Bank may have and is in addition to any reasonable fees and charges of any attorneys which the Bank is entitled to employ, whether authorized herein or by law.

Subject to the Prepayment Penalty described below, this Bond is subject to optional redemption at the election of the Borrower, in whole or in part, at any time, in an amount equal to the principal amount thereof to be redeemed, together with accrued interest thereon, on any Interest Payment Date as provided in the Loan Agreement, as amended. Notwithstanding the foregoing, this Bond is subject to the following Prepayment Penalty:

(a) Notwithstanding anything contained herein to the contrary, upon any full or partial redemption by or on behalf of Borrower as a result of Borrower refinancing the Bond, or any portion thereof, with an entity unrelated to Lender, Borrower shall, upon demand by Lender, pay Lender as compensation for the cost of being prepared to advance funds hereunder an amount equal to one and one and half percent (1.50%) of the most recent twelve (12) month Average Outstanding Balance (the "Prepayment Premium"). The "Average Outstanding Balance" shall be the sum of the outstanding principal balance under the Bond on the payment due date for the most recent twelve months, divided by twelve.

(b) The Prepayment Premium shall also apply to any payments made after acceleration of the maturity of this Bond. Notwithstanding anything contained herein to the contrary, the Prepayment Premium shall not apply in the event Borrower prepays the Bond in whole or in part from normal operating cash flow.

Notwithstanding anything herein to the contrary, in the event of (a) a Determination of Taxability, interest on the unpaid principal balance hereof shall be at the Taxable Rate, commencing on the date of occurrence of the Event of Taxability and (b) an Event of Default (assuming any applicable cure period provided for in the Loan Agreement has expired) or after maturity, interest on the unpaid principal balance hereof shall be at the Default Rate, commencing on the date of occurrence of the Event of Default or maturity as applicable.

Terms used herein and not specifically defined herein shall have the meaning ascribed to them in the Bond Purchase and Loan Agreement dated as of August 1, 2009, as amended by that certain First Amendment to Bond Purchase and Loan Agreement dated January 4, 2010, that certain Second Amendment to Bond Purchase and Loan Agreement dated November 19, 2010, that certain Third Amendment to Bond Purchase and Loan Agreement dated July 2, 2012, that certain Fourth Amendment to Bond Purchase and Loan Agreement dated July 16, 2013, and that certain Fifth Amendment to Bond and Purchase Agreement dated effective as of September 2, 2014 (collectively, the "Loan Agreement") among the Issuer, the Registered Owner and Borrower.

This Bond is the Issuer's Educational Building Revenue Refunding and Improvement Bonds, Series 2014 (The Lexington Christian Academy, Inc. Project) and is being issued in the aggregate original principal amount of Twelve Million Eight Hundred Thousand Dollars (\$12,800,000.00) under the Loan Agreement, as amended. Such Bond is being issued pursuant to Sections 103.200 through 103.285 of the Kentucky Revised Statutes for the purpose of financing certain capital improvements and refinancing certain outstanding obligations (collectively, the "Project") to be used as follows:

(1) \$9,946,000 will be used to finance the costs of refunding the Lexington-Fayette Urban County Government Adjustable Rate Educational Building Revenue Refunding and Improvement Bonds,



Series 2003 (The Lexington Christian Academy, Inc. Project) including penalties and/or premiums, the proceeds of which were used to refinance the costs of improvements to the Borrower's campus located at 450 W. Reynolds Road, Lexington, Kentucky;

(2) approximately \$2,504,000 will be used to finance the construction, installation, renovation and equipping of improvements to the Borrower's campus located at 450 W. Reynolds Road, Lexington, Kentucky, including the renovation and equipping of a gymnasium, installation of locker rooms and a kitchen, improvements to outdoor athletic facilities and parking lots, and the construction of concession buildings, restrooms and athletic facilities, as well as other capital improvements and renovations;

(3) approximately \$350,000 will be used to refinance outstanding debt, the proceeds of which were used to improve, install and equip athletic facilities to Borrower's campus; and

(4) and to pay costs and expenses of issuance related to the foregoing, all used in furtherance of Borrower's educational and recreational purpose (the "Project").

The Loan Agreement and the Mortgage create a lien on and a security interest in the Project as security for the Note, this Bond and any other Additional Notes and Additional Bonds issued thereunder.

This Bond is issued under and entitled to the security of the Loan Agreement and all rights of the Issuer under the Loan Agreement, except the rights to payment for expenses, indemnity rights and the rights to perform certain discretionary acts (referred to in the Loan Agreement as the "Unassigned Issuer's Rights"), are pledged and assigned by the Issuer to the Registered Owner as security for this Bond. It is provided in the Loan Agreement that the Issuer may hereafter issue Additional Bonds from time to time under certain terms and conditions contained therein (this Bond and any Additional Bonds are sometimes hereinafter collectively referred to as the "Bonds").

Reference is made to the Loan Agreement and to all amendments thereto and to the Mortgage for a description of the nature and extent of the security, the rights, duties and obligations of the Issuer and the Registered Owner, and any subsequent registered owners of the Bonds, the issuance of Additional Bonds and the terms on which the Bonds are or may be issued and secured, and to all the provisions of which the Registered Owner hereof by the acceptance of this Bond assents.

This Bond is transferable by the Registered Owner in person or by its attorney duly authorized in writing at the office of the Registrar, but only in the manner, subject to the limitations and upon payment of the charges provided in the Loan Agreement and upon surrender and cancellation of this Bond. Upon such transfer, a new registered Bond of the same maturity, authorized denomination, and aggregate principal amount will be issued to the transferee in exchange therefor.

The Issuer and the Registrar may deem and treat the Registered Owner hereof as the absolute owner hereof for the purpose of receiving payment of or on account of principal hereof and premium, if any, hereon and interest due hereon and for all other purposes and neither the Issuer nor the Registrar nor any paying agent shall be affected by any notice to the contrary.

This Bond shall be redeemable and is subject to redemption in accordance with the provisions of Article IX of the Loan Agreement.

All payments of principal of, premium, if any, and interest on this Bond shall be made in lawful money of the United States of America, without deduction for services as paying agent. In addition, upon the occurrence of an Event of Default (assuming any applicable cure period provided for in the Loan Agreement has expired), the principal amount due hereunder, together with interest thereon at the Default Rate from the date of the occurrence of the Event of Default shall continue as an obligation of the Issuer until paid.

NEITHER THE CREDIT NOR THE TAXING POWER OF THE ISSUER, THE COMMONWEALTH OF KENTUCKY OR OF ANY OTHER POLITICAL SUBDIVISION THEREOF, IS PLEDGED FOR THE PAYMENT OF PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THIS BOND NOR SHALL THIS BOND BE DEEMED TO BE AN OBLIGATION OF THE ISSUER, THE COMMONWEALTH OF KENTUCKY OR ANY OTHER POLITICAL SUBDIVISION THEREOF. THIS BOND DOES NOT CONSTITUTE AN INDEBTEDNESS OR OBLIGATION TO WHICH THE FAITH AND CREDIT OF THE ISSUER ARE PLEDGED BUT IS A SPECIAL LIMITED OBLIGATION OF THE ISSUER, WHICH IS OBLIGATED TO PAY THE PRINCIPAL OF AND INTEREST ON THIS BOND SOLELY AND EXCLUSIVELY OUT OF THE REVENUES



DESCRIBED IN THE LOAN AGREEMENT. NO COVENANT OR AGREEMENT CONTAINED IN THIS BOND OR THE LOAN AGREEMENT SHALL BE DEEMED TO BE A COVENANT OR AGREEMENT OF ANY MEMBER OF THE ISSUER OR OF ANY OFFICER OR EMPLOYEE OF THE ISSUER IN HIS OR HER INDIVIDUAL CAPACITY, AND NEITHER THE MEMBERS OF THE ISSUER NOR ANY OFFICER OR EMPLOYEE OF THE ISSUER EXECUTING THIS BOND SHALL BE LIABLE PERSONALLY ON THIS BOND OR BE SUBJECT TO ANY PERSONAL LIABILITY OR ACCOUNTABILITY BY REASON OF THE ISSUANCE OF THIS BOND.

The Registered Owner shall have such rights and remedies, upon the occurrence of an Event of Default, as are provided in the Loan Agreement. In certain events, on the conditions and in the manner and with the effect set forth in the Loan Agreement, the principal of all the Bonds issued under the Loan Agreement and then outstanding may become or may be declared due and payable before the stated maturity thereof, together with interest accrued thereon. Modifications or alterations of the Loan Agreement, or of any supplements thereto, may be made to the extent and in the circumstances permitted by the Loan Agreement.

It is hereby certified that all conditions, acts and things required to exist, happen and be performed under the laws of the Commonwealth of Kentucky and under the Loan Agreement precedent to and in the issuance of this Bond, exist, have happened and have been performed, and that the issuance, authentication and delivery of this Bond have been duly authorized by the Issuer.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Loan Agreement until the certificate of authentication hereon shall have been duly executed by the Registrar.

[Remainder of this Page Left Blank Intentionally]



IN WITNESS WHEREOF, THE LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT has caused this Bond to bear the original or facsimile signature of Jim Gray, as Mayor of the Lexington-Fayette Urban County Government, and to bear the original or a facsimile signature of the Council Clerk, of the Lexington-Fayette Urban County Government, and a facsimile of its corporate seal to be imprinted hereon, effective as of the 2nd day of September, 2014.

LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT

By: _____
Print Name: Jim Gray
Title: Mayor

(SEAL)
ATTEST:

Meredith Nelson, as Council Clerk



SCHEDULE OF DISBURSEMENTS

The Holder shall note hereon the date and amount of each disbursement of the principal amount of the Bond, and the outstanding principal amount of the Bond from time to time; provided, however, that the presence or absence of any such notation shall not be conclusive as to the actual outstanding principal amount of the Bond at any time.

<u>Date of Disbursement or Payment</u>	<u>Principal Disbursement</u>	<u>Outstanding Principal</u>



CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds of the issue designated therein and issued under the provisions of the within-mentioned Loan Agreement.

CENTRAL BANK & TRUST CO., a
Kentucky banking corporation

By: Mark Fox
Print Name: Mark Fox
Title: Vice President

Dated effective as of September 2, 2014.



ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto _____

(Please print or typewrite name and address of transferee)

Please insert Social Security Number
or other identifying number of transferee:

the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____
_____, attorney to transfer the within Bond on the books kept for registration
thereof, with full power of substitution in the premises.

Date: _____

Signature Guaranteed:

NOTICE: Signature must be
guaranteed by a member of the
New York Stock Exchange or a
commercial bank or trust company.

NOTICE: The signature to this
assignment must correspond with
the name as it appears upon the
face of the within Bond in every
particular, without alteration
or enlargement or any change
whatsoever.

EXHIBIT E-1

Amended and Restated Series 2014 Reimbursement Note

Maturity Date: September 2, 2029

AMENDED AND RESTATED
SERIES 2014 REIMBURSEMENT NOTE

\$12,800,000.00

Lexington, Kentucky
Effective as of September 2, 2014

This Series 2014 Amended and Restated Reimbursement Note amends and restates in its entirety that certain Amended and Restated Series 2012 Reimbursement Note from Lexington Christian Academy, Inc., a Kentucky non-profit corporation, (the "Borrower") to Central Bank & Trust Co., a Kentucky banking corporation, ("Lender" or "Bank") dated July 2, 2012.

FOR VALUE RECEIVED, the undersigned **LEXINGTON CHRISTIAN ACADEMY, INC.**, a Kentucky non-profit corporation (f/k/a The Lexington Christian Academy, Inc.), with a principal place of business at 450 West Reynolds Road, Lexington, Kentucky 40503 ("Borrower"), promises to pay to the order of **CENTRAL BANK & TRUST CO.**, a Kentucky banking corporation, whose address is 300 West Vine Street, Lexington, Kentucky 40507 ("Lender" or "Bank") the original principal sum of **TWELVE MILLION EIGHT HUNDRED THOUSAND DOLLARS (\$12,800,000.00)** (the "Total Facility"), or the aggregate unpaid balance of all Advances made by Lender from time to time hereunder, together with interest thereon, on or before the "Maturity Date" as that term is defined below, and as provided under that certain Bond Purchase and Loan Agreement (as amended, the "Loan Agreement"), dated as of August 1, 2009, as amended by that certain First Amendment to Bond Purchase and Loan Agreement dated January 4, 2010 (the "First Amendment"), as amended by that certain Second Amendment to Bond Purchase and Loan Agreement dated November 19, 2010 (the "Second Amendment"), as amended by that certain Third Amendment to Bond Purchase and Loan Agreement dated July 2, 2012 (the "Third Amendment"), as amended by that certain Fourth Amendment to Bond Purchase and Loan Agreement dated July 16, 2013 (the "Fourth Amendment"), and as amended by that certain Fifth Amendment to Bond Purchase and Loan Agreement of even date herewith (the "Fifth Amendment") (the Loan Agreement, the First Amendment, Second Amendment, Third Amendment, Fourth Amendment, and Fifth Amendment, collectively, the "Loan Agreement"), among the Lexington-Fayette Urban County Government (the "Issuer"), the Borrower and the Bank, which loan pursuant to the terms of the Loan Agreement, shall be evidenced by this Note. Principal on this Note and all accrued interest thereon shall be due and payable as follows:

1. **Interest Rate.** Prior to maturity, a Determination of Taxability or an Event of Default, this Note shall bear interest from the date hereof until the outstanding principal balance of this Note, all accrued but unpaid interest thereon and all other charges, fees or expenses hereunder have been repaid to Lender in full as follows:

Fixed Rate, then Rate that Re-Sets.

This Note shall bear interest at a fixed rate equal to Four and One Quarter Percent (4.25%) per annum until September 2, 2019, the First Interest Rate Change Date. On the First Interest Rate Change Date, the interest rate payable hereunder will be reset to an annual interest rate that is equal to Two and One Half Percent (2.50%) per annum plus the prior month's 5 Year Average Constant Maturity Treasury Rate, as published in the Federal Reserve Specific Interest Rate Release H.15 until September 2, 2024, the Second Interest Rate Change Date; provided however, the interest rate shall never fall below

4.25% per annum. On the Second Interest Rate Change Date, the interest rate payable hereunder will be reset to an annual interest rate that is equal to Two and One Half Percent (2.50%) per annum plus the prior month's 5 Year Average Constant Maturity Treasury Rate, as published in the Federal Reserve Specific Interest Rate Release H.15 until September 2, 2029; provided however, the interest rate shall never fall below 4.25% per annum.

All interest calculations under this Note will be made based on a year of 360 days for the actual number of days in each interest period.

2. **Payments.** The principal of, and all interest on, this Note shall be due and payable as follows:

Interest Only, then Principal and Interest. Borrower shall make payments of interest only on this Note, beginning on October 2, 2009, and continuing on the 2nd day of each and every month thereafter, through March 2, 2011.

Thereafter, and commencing on April 2, 2011, Borrower shall make payments of principal and interest on the Note each in an amount sufficient to amortize fully the principal balance of this Note by September 2, 2029. Such principal and interest payments shall be due on the 2nd day of each month, through September 2, 2019, the First Interest Rate Change Date. On the First Interest Rate Change Date, the principal and interest payments due shall be recalculated at the rate set forth above, and in an amount sufficient to fully amortize the principal balance of the Note by September 2, 2029. On the Second Interest Rate Change Date, September 2, 2024, the principal and interest payments due shall be recalculated at the rate set forth above, and in an amount sufficient to fully amortize the principal balance of the Note by September 2, 2029.

Such recalculated principal and interest payments throughout the term of this Note will be due on the 2nd day of each and every month commencing with the month immediately following the most recent Interest Rate Change Date and will continue on the same day of each month thereafter until the next succeeding Interest Rate Change Date, or the Maturity Date, whichever is earlier. All principal due hereunder shall be due and payable in full, including interest accrued and unpaid, on September 2, 2029.

3. **Maturity Date.** The outstanding principal of this Note, all accrued but unpaid interest thereon and all other charges, fees or expenses hereunder shall be due and payable in full on or before September 2, 2029 (the "Maturity Date"), or such later date as may be designated by Lender by written notice from Lender to Borrower (it being understood that in no event will Lender be under any obligation to extend or renew this Note beyond the initial or any extended Maturity Date). If this blank is not completed, the Note shall be deemed to be payable on demand.

4. **Advances.** As Borrower and Lender may agree at the end of this section, the proceeds of this Note may be disbursed from Lender to Borrower in one or more advances (an "Advance") made from time to time prior to March 2, 2011; provided, however, that the aggregate outstanding principal balance of all unpaid Advances at any time shall not exceed the original principal balance of this Note. To obtain an Advance, Borrower shall submit a written, fully executed and completed "Request for Advance" on Lender's standard form at least ten (10) business day prior to the date Borrower desires the funds to be made available. Upon each Advance, Lender shall record the making and amount of such Advance on the books and records of Lender maintained for this Note. Lender shall also record on such books and records each payment of principal of this Note made by Borrower. The aggregate amount of all Advances made by Lender and shown

on such books and records, less the principal paid by Borrower and shown on such books and records, shall be the outstanding principal of this Note. The books and records of Lender shall, at any time, be prima facie evidence of the outstanding principal of this Note. The obligation of Lender to honor any tendered Request for Advance and to make any Advance is subject to the following conditions: (a) each and every one of the representations, warranties and covenants of Borrower set forth herein, and in any other agreement, document or instrument delivered by Borrower to Lender, including the Loan Agreement, shall be true and correct on the date such Advance is made; (b) no Event of Default (as defined herein) shall have occurred and be continuing; (c) after giving effect to the Advance requested in the Request for Advance, the aggregate outstanding principal amount of Advances hereunder shall not exceed the lesser of the Total Facility, or the Maximum Amount, if applicable; and (d) such other conditions as Lender may reasonably impose. Each Request for Advance submitted by Borrower to Lender shall constitute Borrower's representation and warranty to Lender that (i) Borrower is then and will be entitled to the Advance under this Note; (ii) all representations, warranties and covenants made by Borrower to Lender in this Note, and in any other agreement, document or instrument delivered by Borrower to Lender, including the Loan Agreement, are true and correct; and (iii) no Event of Default under this Note has occurred and is continuing. Each Request for Advance under this Note will be subject to all of the terms and conditions of the Note. Without limiting the generality of the foregoing, Lender will have no duty to make any Advance if insufficient funds remain available pursuant to the Total Facility or any other maximum amount limitations set forth herein or in any of the Security Documents. Lender hereby is authorized at any time and from time to time, in its discretion, to make an advance under this Note for the payment on behalf of Borrower of any interest, principal or other sums due under any of the obligations of Borrower to Lender, and each such advance will constitute an Advance hereunder and part of the obligations. Notwithstanding the foregoing, Lender is not obligated to take such action. This Note is referred to in, and is entitled to the benefits of, and is subject to, the provisions of the Loan Agreement. Terms used herein and not specifically defined herein shall have the meaning ascribed to them in the Loan Agreement. This Note may be prepaid and is subject to prepayment as specified herein and in the Loan Agreement, and all other terms, conditions and provisions of the Loan Agreement are by this reference incorporated herein and made a part hereof.

Draw Note. Advances that are repaid shall not be available for future Advances or otherwise "reborrowed" by Borrower at any time, and the aggregate amount of all Advances made hereunder shall not exceed the face amount of this Note.

5. **Late Charge and Default Rate of Interest.** If Lender does not receive any payment due under this Note within ten (10) days of the date it is due, then Lender may charge a late charge of five percent (5.00%) of the amount of the overdue payment (the "Late Charge"). Upon maturity, whether by acceleration or otherwise, or upon the occurrence of an Event of Default hereunder, in addition to any and all other remedies to which Lender may be entitled, the applicable rate of interest on this Note shall be increased to five percent (5.00%) per annum in excess of the rate set forth in Section 1, above (the "Default Rate"), but not more than the highest rate permitted by law.
6. **Security.** To secure repayment of this Note, any extensions or renewals thereof and all other existing and future indebtedness of Borrower to Lender (whether direct, indirect, absolute or contingent), Borrower shall grant, and does hereby grant, to Lender a security interest in the following described property:

A first and prior lien on certain real property in Fayette County as described in the Mortgage, Assignment of Leases and Rents, all business assets of Borrower, pledge of construction and architect contracts,

as well as any and all other property which is now or hereafter listed in any separate security agreement or mortgage as directly or indirectly securing this Note, and also all money and other property held by Lender on deposit in safekeeping or otherwise for the account of or to the credit of Borrower, or in which Borrower has an interest; provided that Lender will have the right to call for additional security as necessary. All of the documents or instruments that provide a lien or security interest in the collateral described above (the "Collateral"), as well as any and all other documents or instruments now or hereafter executed in connection with this Note and the loan evidenced hereby, including but not limited to any Loan Agreement by and between Lender and Borrower, are referred to herein collectively as the "Security Documents." All of the terms and conditions of the Security Documents are incorporated herein and made a part of this Note as if fully set forth at length herein. Any holder of this Note shall be entitled to the rights, privileges, benefits and remedies provided in the Security Documents and in the real and personal property secured thereby. Borrower represents and warrants to Lender that the Security Documents have been validly executed and delivered to Lender and that the Security Documents are legally valid, binding and enforceable against Borrower (or any other party which has executed any of the Security Documents) in accordance with their respective terms. As used herein, "Loan Documents" will mean all Security Documents and this Note.

7. **Proceeds.** Each Borrower represents that the proceeds of this Note will be used exclusively for business or commercial purposes, and that no portion of the proceeds will be used for personal, family or household purposes.
8. **Covenants.** Upon request, Borrower will provide financial information in form and substance acceptable to Lender.
9. **Events of Default and Remedies.** The occurrence of any of the following shall be an "Event of Default" hereunder: (a) failure of any Borrower to make any payment when due under this Note or under any other note or obligation of Borrower to Lender; (b) an Event of Default under the Security Documents, or any default under any of the following that does not have a defined set of "Events of Default" and the lapse of any notice or cure period provided therein: any other agreement, document or instrument between Borrower and Lender; (c) if any Borrower or endorsers or Guarantors of this Note shall (i) make an assignment for the benefit of creditors, (ii) have a petition initiating any proceeding under the Bankruptcy Code filed by or against one or more of them, (iii) have a receiver, trustee, or custodian appointed for all or any material part of their respective assets, or (iv) seek to make an adjustment, settlement or extension of their respective debts with his, her or its (as the case may be) creditors generally; (d) a default with respect to any other indebtedness of any Borrower or any Guarantor for borrowed money; (e) a proceeding being filed by or commenced against any Borrower or any Guarantor of this Note for dissolution or liquidation, or any Borrower or any Guarantor of this Note voluntarily or involuntarily terminating or dissolving or being terminated or dissolved; (f) in the event a judgment or writ or order of attachment or garnishment is made and issued against any Borrower or any Borrower's property; (g) in the event that this Note or any guaranty executed by any Guarantor is secured, the failure of Borrower or any Guarantor to provide Lender with additional collateral if in the opinion of Lender at any time or times, the market value of any of the collateral securing this Note or any guaranty has depreciated; (h) the revocation or attempted revocation, in whole or in part, of any guaranty by any Guarantor or the death of any Borrower or any Guarantor (if an individual); (i) any representation or warranty made by any Borrower or

Guarantor to Lender in any document, including but not limited to the Security Documents, or any other documents now or in the future securing the obligations of any Borrower or any Guarantor to Lender, is false or erroneous in any material respect; (j) the failure of any Borrower or any Guarantor to observe or perform any covenant or other agreement with Lender contained in any document executed in connection with the Loan(s), including but not limited to this Note or any of the Security Documents; (k) in the event Lender in good faith deems itself insecure with respect to payment of this Note, or in good faith believes the prospect of payment is impaired, or Lender determines in the exercise of its sole judgment that Lender's perfection in any of the Collateral is impaired; or (l) the failure of any Borrower or any Guarantor to observe or perform any covenant or other agreement with Lender contained in any document, including but not limited to the Security Documents or any documents now or in the future securing the obligations of any Borrower or any Guarantor to Lender. As used herein, the term "Guarantor" will mean any guarantor of the obligations of Borrower to Lender whether existing on the date of this Note or arising in the future, or any person who pledges particular Collateral for the security of this Note whether or not the debt itself is guaranteed, existing on the date of this Note or arising in the future. Upon the occurrence of an Event of Default: (i) the outstanding principal balance hereunder together with any additional amounts secured by the Security Documents, at the option of the holder and without demand or notice of any kind (which are hereby expressly waived), may be accelerated and become immediately due and payable, (ii) this Note, together with all arrearages of interest will from the date of the occurrence of the Event of Default bear interest at the Default Rate, (iii) Borrower will pay to Lender all reasonable attorneys' fees, court costs and expenses incurred by Lender in connection with Lender's efforts to collect the indebtedness evidenced by the Note, and (iv) Lender may exercise from time to time any of the rights and remedies available to the holder under the Security Documents or under applicable law.

10. **Prepayment Penalty.** Notwithstanding anything contained herein to the contrary, upon any full or partial prepayment by or on behalf of Borrower as a result of Borrower refinancing the Note, or any portion thereof, with an entity unrelated to Lender, Borrower shall, upon demand by Lender, pay Lender as compensation for the cost of being prepared to advance funds hereunder an amount equal to one and one half percent (1.50%) of the most recent twelve (12) month Average Outstanding Balance (the "Prepayment Premium"). The "Average Outstanding Balance" shall be the sum of the outstanding principal balance under the Note on the payment due date for the most recent twelve months, divided by twelve.

The Prepayment Premium shall also apply to any payments made after acceleration of the maturity of this Note. Notwithstanding anything contained herein to the contrary, the Prepayment Premium shall not apply in the event Borrower prepays the Note in whole or in part from normal operating cash flow.

Payments received will be applied in the following order: (i) to charges, fees and expenses (including reasonable attorneys' fees), (ii) to accrued interest, and (iii) to principal. Any additional payments will be applied in the foregoing order and, to the extent applied to principal, will be applied to installments of principal payable hereunder in the inverse order of maturity.

11. **Cumulative Remedies.** All rights and remedies of the holder of this Note shall be cumulative to the fullest extent allowed by law. Time shall be of the essence for paying interest on the principal of this Note.
12. **Waiver.** All parties to this Note, whether a borrower, endorsers, sureties, guarantors or otherwise connected herein, waive presentment, demand, notice of dishonor, protest, notice of protest,

notice of nonpayment or non-acceptance, any other notice and all due diligence or promptness that may otherwise be required by law, and all exemptions to which they may now or hereafter be entitled under the laws of the Commonwealth of Kentucky, the United States of America, or any state thereof. No delay or failure on the part of Lender to exercise any right, remedy or power hereunder, under any of the Loan Documents or under applicable law will impair or waive any such right, remedy or power (or any other right, remedy or power), be considered a waiver of or an acquiescence in any breach, default or Event of Default or affect any other or subsequent breach, default or Event of Default of the same or a different nature. No waiver of any breach, default or Event of Default, nor any modification, waiver, discharge or termination of any provision of this Note, nor consent to any departure by Borrower therefrom, will be established by conduct, custom or course of dealing; and no modification, waiver, discharge, termination nor consent will in any event be effective unless the same is in writing, signed by Lender and specifically refers to this Note, and then such modification, waiver, discharge or termination or consent will be effective only in the specific instance and for the specific purpose for which given. No notice to or demand on Borrower in any case will entitle Borrower to any other or further notice or demand in the same or any similar or other circumstance.

13. **Expenses Incurred by Lender.** If Lender expends sums in defending or otherwise protecting its collateral under the Loan Documents prior to an Event of Default, or if any Event of Default occurs under this Note, and this Note is placed in the hands of an attorney for collection, or is collected through any court, including, without limitation, bankruptcy court, then Borrower promises to pay the holder of this Note the reasonable attorneys' fees and legal costs incurred in collecting or attempting to collect or securing or attempting to secure this Note or enforcing the rights of such holder with respect to any collateral securing this Note, including, without limitation, appraisal fees, costs of environmental audits, site assessments and/or remediation, to the fullest extent allowed by the laws of the Commonwealth of Kentucky or any state in which any collateral for this Note is situated.
14. **Rights of Lender.** Lender may, with or without notice to any party and without affecting the obligations of any Borrower, surety, Guarantor, endorser, accommodation party or any other party to this Note, (a) renew, extend or otherwise postpone the time for payment of either principal of this Note or interest thereon from time to time, (b) release or discharge any one or more parties liable on this Note, (c) suspend the right to enforce this Note with respect to any person(s), including any present or future Guarantor of this Note, (d) change, exchange or release any property in which Lender possesses any interest securing this Note, (e) justifiably or otherwise, impair any collateral securing this Note or suspend the right to enforce against any such collateral, and (f) at any time it deems it necessary or proper, call for and should it be made available, accept, as additional security, the signature(s) of an additional party or a security interest in property of any kind or description or both.
15. **Complete Agreement.** This Note and the Security Documents are the entire and complete agreement of the parties hereto and supersede all previous understandings and agreements relating to the subject matter hereof. This Note and the Security Documents may be amended only by an instrument in writing that explicitly states that it amends this Note or such Security Documents and is signed by Borrower and acknowledged by Lender.
16. **Severability.** The provisions of this Note are intended to be severable. If any provision of this Note shall be held invalid or unenforceable in whole or in part in any jurisdiction, such provision shall, as to such jurisdiction, be ineffective to the extent of such invalidity or unenforceability

without in any manner affecting the validity or enforceability thereof in any other jurisdiction or the remaining provisions hereof in any jurisdiction.

17. **Joint and Several Liability.** In the event more than one individual or entity executes this Note on behalf of Borrower, then the terms and conditions of this Note and the obligations hereunder shall be binding upon each signatory jointly and severally.
18. **Late Charge, Default Rate, and Prepayment Premium.**
- 18.1 The Late Charge, the Default Rate, and the Prepayment Premium, if any, are imposed as liquidated damages for the purpose of defraying Lender's expenses incident to the handling of delinquent payments, but are in addition to, and not in lieu of, Lender's exercise of any rights and remedies hereunder, under the other Security Documents or under applicable law, and any fees and expenses of any agents or any reasonable fees and expenses of any attorneys which Lender may employ. In addition, the Default Rate reflects the increased credit risk to Lender of carrying a loan that is in default. Borrower agrees that the Late Charge, Default Rate, and Prepayment Premium are reasonable forecasts of just compensation for anticipated and actual harm incurred by Lender, and that the actual harm incurred by Lender cannot be estimated with certainty and without difficulty.
- 18.2 Nothing contained in this Note regarding late charges or the Default Rate will be construed in any way to extend the due date of any payment or waive any payment default, and each such right is in addition to, and not in lieu of, the other and any other rights and remedies of Lender hereunder, under any of the Security Documents or under applicable law (including, without limitation, the right to interest, reasonable attorneys' fees and other expenses).
19. **Usury.** Without limiting the generality of the foregoing, if from any circumstances whatsoever the fulfillment of any provision of this Note involves transcending the limit of validity prescribed by any applicable usury statute or any other applicable law with regard to obligations of like character and amount, then the obligation to be fulfilled will be reduced to the limit of such validity as provided in such statute or law, so that in no event will any exaction of interest be possible under this Note in excess of the limit of such validity and the right to demand any such excess is hereby expressly waived by Lender. As used in this Section, "applicable usury statute" and "applicable law" mean such statute and law in effect on the date hereof, subject to any change therein that result in a higher permissible rate of interest.
20. **Singular and Plural Terms.** Wherever used herein, the singular number shall include the plural, the plural the singular, and the use of any gender shall include all genders.
21. **Binding Effect.** This Note will bind Borrower and the heirs, executors, administrators, successors and assigns of Borrower, and the benefits hereof will inure to the benefit of Lender and its successors and assigns. All references herein to the "Borrower" and "Lender" will include the respective heirs, administrators, successors and assigns thereof; provided, however, that Borrower may not assign this Note in whole or in part without the prior written consent of Lender and Lender at any time may assign this Note in whole or in part (but no assignment by Lender of less than all of this Note will operate to relieve Borrower from any duty to Lender with respect to the unassigned portion of this Note).

22. **Repayment by Lender.** If at any time all or any part of any payment or transfer of any kind received by Lender with respect to all or any part of this Note is repaid, set aside or invalidated by reason of any judgment, decree or order of any court or administrative body, or by reason of any agreement, settlement or compromise of any claim made at any time with respect to the repayment, recovery, setting aside or invalidation of all or any part of such payment or transfer, Borrower's obligations under this Note will continue (and/or be reinstated) and Borrower will be and remain liable, and will indemnify, defend and hold harmless Lender for, the amount or amounts so repaid, recovered, set aside or invalidated and all other claims, demands, liabilities, judgments, losses, damages, costs and expenses incurred in connection therewith. The provisions of this Section will be and remain effective notwithstanding any contrary action which may have been taken by Borrower in reliance upon such payment or transfer, and any such contrary action so taken will be without prejudice to Lender's rights hereunder and will be deemed to have been conditioned upon such payment or transfer having become final and irrevocable. The provisions of this Section will survive any termination, cancellation or discharge of this Note.
23. **Notices.** All notices, demands, requests, consents or approvals and other communications required or permitted hereunder will be in writing, and, to the extent required by applicable law, will comply with the requirements of the Uniform Commercial Code then in effect, and will be addressed to such party at the address set forth below or to such other address as any party may give to the other in writing for such purpose:

To Lender: Central Bank & Trust Co.
300 West Vine Street
Lexington, Kentucky 40507
Attn: Mark Fox

To Borrower: Lexington Christian Academy, Inc.
450 West Reynolds Road
Lexington, Kentucky 40503
Attn: Bill Watson

All such communications, if personally delivered, will be conclusively deemed to have been received by a party hereto and to be effective when so delivered; if given by mail, on the fourth business day after such communication is deposited in the mail with first-class postage prepaid, return receipt requested; or if sent by overnight courier service, on the day after deposit thereof with such service; or if sent by certified or registered mail, on the third business day after the day on which deposited in the mail.

24. **Governing Law.** This Note has been delivered and accepted at and will be deemed to have been made at Lexington, Kentucky and will be interpreted and the rights and liabilities of the parties hereto determined in accordance with the laws of the Commonwealth of Kentucky, without regard to conflicts of law principles.
25. **Jurisdiction.** *Borrower hereby irrevocably agrees and submits to the exclusive jurisdiction of any state or federal court located within Fayette County, Kentucky; provided that nothing contained in this Agreement will prevent Lender from bringing any action, enforcing any award or judgment or exercising any rights against Borrower individually, against any security or against any property of Borrower within any other county, state, or other foreign or domestic jurisdiction. Lender and Borrower agree that the venue provided above is the most*

convenient forum for both Lender and Borrower. Borrower waives any objection to venue and any objection based on a more convenient forum in any action instituted under this Agreement.

26. **Waiver of Jury Trial. THE PARTIES HERETO EACH WAIVE ANY RIGHT TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING RELATING TO THIS AGREEMENT, ANY DOCUMENTS EXECUTED IN CONNECTION WITH THIS AGREEMENT, OR ANY TRANSACTION CONTEMPLATED IN ANY OF SUCH DOCUMENTS. BORROWER AND LENDER ACKNOWLEDGE THAT THE FOREGOING WAIVER IS KNOWING AND VOLUNTARY.**


Borrower acknowledges that Borrower has read and understood all the provisions of this Agreement, including the waiver of jury trial, and has been advised by counsel as necessary or appropriate.

[SIGNATURES ON THE FOLLOWING PAGE]

IN WITNESS WHEREOF, Borrower has executed this Note effective as of September 2, 2014,
but on the 20th day of October, 2014.

BORROWER:

LEXINGTON CHRISTIAN ACADEMY, INC.

By: 
Doug Hacker,
Chairman of the Board of Directors

REQUEST FOR ADVANCE

(X) DRAW NOTE

Borrower(s): Lexington Christian Academy, Inc.

() REVOLVING NOTE

Address: 450 West Reynolds Road
Lexington, Kentucky 40503

Date: _____

Note No.: _____

Account#: _____

TO: CENTRAL BANK & TRUST CO. ("Lender" or "Holder"), 300 WEST VINE STREET,
LEXINGTON, KENTUCKY 40507

Under the terms and conditions of the above-referenced Project Note in the original amount of \$12,800,000.00 ("Note"), dated September 1, 2009, heretofore executed and delivered to Lender by the undersigned (singly or collectively referred to herein as "Borrower"), Borrower, jointly and severally if more than one, hereby requests an Advance in the amount of \$ _____, to be disbursed as follows: _____ under the terms and conditions in the Note and the Security Documents. Borrower, jointly and severally if more than one, represents, warrants and acknowledges to Lender that (a) the person executing this Request for Advance on behalf of Borrower has the authority to execute, deliver and otherwise make this Request for Advance and to receive the Advance under the Note and the Security Documents, (b) Borrower shall pay to Lender without setoff, offset, credit, counterclaim or defense, the amount of this Advance and all other amounts heretofore advanced, together with all interest thereon, in accordance with the terms and conditions in the Note and the Security Documents, (c) each of the representations, warranties and covenants of Borrower in the Note and the Security Documents is true and correct on the date hereof, (d) no Event of Default under the Note, the Security Documents, or the Loan Agreement has occurred and is continuing, (e) after giving effect to the Advance requested hereunder, the aggregate outstanding principal balance of Advances under the Note shall not exceed the principal amount of the Note, and (f) Lender is entitled to rely, and has informed Borrower that it has relied, upon the statements contained herein in making the Advance requested hereunder.

Capitalized terms used herein and not otherwise defined will be given the definitions set forth in the Note.

LEXINGTON CHRISTIAN ACADEMY, INC.

By: _____
Print Name: _____
Title: _____

Architect
By: _____
Print Name: _____
Title: _____

For Use by Central Bank

Maximum Loan Amount: \$ _____
Advanced to Date: \$ _____
Balance Before Advance: \$ _____
Amount of This Advance: \$ _____
Balance After Advance: \$ _____

Loan Officer: _____
Deposit to: _____
Other Instructions: _____

SCHEDULE OF DISBURSEMENTS

The Holder shall note hereon the date and amount of each disbursement of the principal amount of the Note, and the outstanding principal amount of the Note from time to time; provided, however, that the presence or absence of any such notation shall not be conclusive as to the actual outstanding principal amount of the Note at any time.

<u>Date of Disbursement or Payment</u>	<u>Principal Disbursement</u>	<u>Outstanding Principal</u>