

LEASEHOLD MORTGAGE, SECURITY AGREEMENT  
AND FIXTURE FINANCING STATEMENT

THIS LEASEHOLD MORTGAGE, SECURITY AGREEMENT AND FIXTURE FINANCING STATEMENT (the "Mortgage") is made and entered into as of the 8 day of ~~May~~ <sup>June</sup>, 2016, by and between (i) HISTORIC COURTHOUSE, LLLP, a Kentucky limited liability limited partnership (the "Mortgagor"), and (ii) LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT, an urban county government of the Commonwealth of Kentucky created pursuant to KRS Chapter 67A, with principal office and place of business at 200 East Main Street, Lexington, Fayette County, Kentucky 40507 (the "Lender").

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

A. The Lender and the Mortgagor have entered into that certain Loan Agreement of even date herewith (the "Loan Agreement"). To evidence the loan thereunder and the terms of repayment thereof, with interest thereon, Mortgagor has duly executed and delivered to the Lender that certain Promissory Note dated as of ~~May 8~~ <sup>June</sup>, 2016, made by the Mortgagor, payable to the order of the Bank, and in the face principal amount of Twelve Million Dollars (\$12,000,000.00) having a maturity date of May 30, 2017 (the "Note") which term, as used herein, includes all amendments, modifications, renewals and extensions of the Note.

B. Mortgagor is the holder of a leasehold interest (the "Leasehold Estate") in that certain real estate located in Fayette County, Kentucky more particularly described in Exhibit A attached hereto and incorporated herein by reference (the "Real Property") by virtue of that certain Lease Agreement dated as of ~~May 8~~ <sup>June</sup>, 2016 by and between Lexington Fayette Urban County Government Public Facilities Corporation, a Kentucky non-profit corporation (the "Ground Lessor") and Mortgagor (the "Ground Lease") which Ground Lease is further evidenced by that certain Memorandum of Lease Agreement dated as of ~~May 8~~ <sup>June</sup>, 2016, of record in Deed Book \_\_\_\_ 0, Page \_\_\_\_ in the Office of the Clerk of Fayette County, Kentucky; and

C. Mortgagor has agreed and hereby agrees that the payment of the entire unpaid principal balance of any interest hereafter to accrue on the Note in accordance with its terms, together with all renewals, extensions or modifications of the Note and the performance of the covenants, agreements and obligations of Mortgagor set forth in the Loan Agreement, the Note and this Mortgage shall be secured by this Mortgage.

D. Capitalized terms not otherwise defined herein shall have the meanings set forth in the Loan Agreement.

NOW, THEREFORE, in consideration of the Loan and for other good and valuable consideration, the mutuality, receipt and sufficiency of which Mortgagor hereby acknowledges, Mortgagor does hereby grant, bargain, sell, alien, remise, release, mortgage, convey, confirm, and deliver unto Lender, and unto Lender's successors and assigns, and hereby grants to Lender a first priority lien on and security interest in, the Real Property, which Mortgagor represents it owns through its Leasehold Estate therein;

TOGETHER with all structures, buildings, Improvements (as such term is defined in the Loan Agreement), other improvements and fixtures now or hereafter located on the Real Property or any part or parcel thereof (hereinafter collectively referred to as the "Improvements"); and

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TOGETHER with all structures, buildings, Improvements (as such term is defined in the Loan Agreement), other improvements and fixtures now or hereafter located on the Real Property or any part or parcel thereof (hereinafter collectively referred to as the "Improvements"); and

TOGETHER with all easements, rights of way and rights used in connection with the Real Property or as a means of access thereto; and

TOGETHER with all right, title and interest of Mortgagor, now owned or hereafter acquired, in and to any land lying within the right-of-way of any street, open or proposed, adjoining the Real Property and any and all sidewalks, alleys and strips and lands adjacent to or used in connection with the Real Property; and

TOGETHER with all rights, titles and interests of Mortgagor in and to the minerals and other emblements now or hereafter on the Real Property or under or above the same or any part or parcel thereof; and

TOGETHER with all and singular the tenements, hereditaments, easements and appurtenances thereunto belonging or in any wise appertaining to the Real Property, and the reversion or reversions, remainder or remainders, rents, issues and profits thereof, and lands adjacent to or used in connection with the Real Property, and also the entire estate, right, title, interest, claim and demand whatsoever of Mortgagor of, in and to the Real Property and of, in and to every part and parcel thereof; and

TOGETHER with all improvement work now or at any time hereafter in progress on the Real Property, including, without limitation, materials to be incorporated into the Improvements, all construction contracts, architects contracts, engineers contracts, subcontracts, permits, public works agreements, bonds, deposits and payments thereunder, including, but not limited to, deposit agreements with government agencies and utilities together with the rights thereunder to the return of said deposits; and

TOGETHER with all right, title and interest of Mortgagor in and to all tangible personal property now or hereafter owned by the Mortgagor and now or hereafter located on or at the Mortgaged Property or actually or constructively attached to the Real Property and/or the Improvements, including, but without limiting the generality of the foregoing, all goods, machinery, tools, building materials, insurance proceeds, heating, air-conditioning, freezing, laundry incinerating and power equipment, engines, pipes, pumps, tanks, motors, conduits, switchboards, plumbing, lifting, cleaning, fire prevention, fire extinguishing, alarm systems, equipment (including office, electronic monitors, entertainment, recreational, window or structural cleaning rigs, maintenance, exclusion of vermin or insects, removal of dust, refuse or garbage and all other equipment of any kind), refrigerating, ventilating and communications apparatus, boilers, ranges, furnaces, oil burners or units thereof, appliances, air-cooling and air-conditioning apparatus, vacuum cleaning systems, elevators, escalators, wall safes, shades, awnings, signs, screens, storm doors and windows, stoves, refrigerators, attached cabinets, partitions, ducts and compressors, linoleum, rugs and carpets, draperies, drapery rods, and brackets, venetian blinds, curtains, lamps, chandeliers, and other lighting fixtures, office supplies, furniture and furnishings (except for items owned by any tenants in the Improvements) (the "Furniture, Fixtures and Equipment"); and owned by Mortgagor and now or at any time hereafter located on the Real Property and used in the operation thereof, as well as renewals, replacements, proceeds, additions, increases, insurance payments, awards and substitutes thereof, together with all interest of Mortgagor in any such items hereafter acquired, all of which such personal property mentioned herein shall be deemed fixtures and accessions to and a part of the realty and not severable in whole or in part without material injury to the Real Property or Improvements; and

TOGETHER with all rights of the Mortgagor to any architectural drawings, plans, specifications, soil tests, feasibility studies, appraisals, engineering reports and similar materials relating to any or all of the Real Property and the Improvements; and

TOGETHER, with all rights of the Mortgagor to the use of any trade name, trademark, or service mark now or hereafter associated with the business or businesses conducted on the Real Property (subject, however, to any franchise or license agreements relating thereto); and

TOGETHER with all rights of the Mortgagor under any policy or policies of insurance covering the Real Property and Improvements, and all proceeds, loss payments, and premium refunds which may become payable with respect to such insurance policies; and

TOGETHER with all rights of the Mortgagor to any payment and performance bonds or guarantees and any and all modifications and extensions thereof relating to the Real Property; and

TOGETHER with all rights of the Mortgagor to any governmental permissions, environmental clearances, authority to subdivide the property, rights, licenses and permits as are necessary for the commencement, continuation, completion, occupancy, use and disposition of any or all of the Real Property; and

TOGETHER with all rights of the Mortgagor under any sales contracts and proceeds, escrow agreements and broker's agreements concerning the sale or lease of any or all of the Real Property; and

TOGETHER with all rights of the Mortgagor to any reserves, deferred payments, deposits, refunds, cost savings, payments, accounts, all ledger sheets, files, computer programs, software, discs, tapes and related electronic data processing media, and all other records of Mortgagor, including all rights of Mortgagor to retrieval from third parties of electronically processed and recorded information, of any kind relating to the construction, operations, occupancy, use and disposition of any or all of the Real Property; and

TOGETHER with any and all awards or payments, including interest thereon, and the right to receive the same, as a result of (a) the exercise of the right of eminent domain, (b) the alteration of the grade of any street, or (c) any other injury to or taking of, or decrease in the value of, the Real Property or any part thereof, to the extent of all amounts which may be secured by this Mortgage at the date of receipt of any such award or payment by Lender and to the extent of the reasonable attorneys' fees, costs and disbursements incurred by Lender in connection with the collection of such award or payment; and

TOGETHER with all proceeds and products, renewals and replacements of all of the foregoing property described in this Mortgage.

TO HAVE AND TO HOLD the Real Property, the Improvements, and the Furniture, Fixtures and Equipment and all of the other property described in these granting clauses (hereinafter collectively referred to as the "Mortgaged Property"), with covenant of GENERAL WARRANTY, to the use and benefit of the Lender and its successors and assigns forever.

PROVIDED, ALWAYS, that if the Mortgagor shall pay unto the Lender all sums owed to the Lender by the Mortgagor under and by virtue of the Note, under the terms of which all unpaid

principal and interest are due on May 30, 2017, and shall duly, promptly and fully perform, discharge, execute, effect, complete and comply with and abide by each and every one of the stipulations, agreements, conditions and covenants of the Note and of this Mortgage, then this Mortgage and the estate created hereby shall cease and be null and void.

In addition to the grant of the liens on and security interest in the Mortgaged Property to secure the payment of the Note and the other Secured Obligations, as such term is defined below, and the performance of the Mortgagor's other covenants, agreements and obligations set forth in the Note and this Mortgage, the Mortgagor further hereby absolutely and unconditionally assigns to the Lender all rights, titles and interests of such Mortgagor in and to all leases, subleases and licenses now existing or hereafter made of all or any part of the Real Property and all rents, revenues, issues and profits, and all accounts receivable derived from the ownership or operation of the Real Property, and which are now due or may hereafter become due by reason of the ownership, operation, renting, leasing and bailment of the Real Property and/or the Improvements; provided, however, that so long as no Event of Default as defined in Section 3.1 hereof has occurred and is continuing, the Mortgagor is hereby granted the right and license to collect and retain all such rents, revenues, issues, profits and accounts receivable.

This Mortgage has been granted to Lender, and Lender has been hereby granted a valid first priority lien on and security interest in all of the Mortgaged Property, to secure (a) the payment of the entire unpaid principal of and all interest now accrued or hereafter to accrue on the Note, (b) the payment and performance of all of the other Indebtedness, as such term is defined in the Loan Agreement, (c) the repayment to Lender of all of Lender's costs and expenses incurred in connection with the enforcement of the Loan Agreement, the Note and this Mortgage, and (d) the performance by the Mortgagor of all of the other covenants and agreements set forth in the Loan Agreement and this Mortgage (hereinafter collectively referred to as the "Secured Obligations"). All of the terms and provisions of the Note are hereby incorporated by reference into this Mortgage.

Mortgagor hereby represents and warrants that Mortgagor has good title to the Mortgaged Property, and is lawfully seized and possessed of the Mortgaged Property and every part thereof, and has the full right, power and authority to encumber the Mortgaged Property to secure the payment of the Note and the other Secured Obligations, and that the Mortgaged Property is free and clear of all liens and encumbrances except (a) the lien and security interest created by this Mortgage, (b) the easements, liens and encumbrances of record as of the date hereof and contemplated under the Loan Agreement, (c) applicable zoning rules and regulations, if any, and (d) the lien of ad valorem property taxes not yet due and payable (hereinafter collectively referred to as the "Permitted Encumbrances").

In order to more fully protect the security of this Mortgage, Mortgagor hereby covenants and agrees as follows:

#### ARTICLE I

1.1 Payment of Indebtedness. Mortgagor shall pay the Note and the other Secured Obligations to Lender in accordance with the respective terms of the Note and the Loan Agreement.

1.2 Taxes, Liens and Other Charges.

(a) In the event of the passage of any state, federal, municipal or other governmental law, order, rule or regulation, subsequent to the date hereof, in any manner changing or modifying the laws now in force governing the taxation of debts secured by mortgages or the manner of collecting taxes so as to affect adversely Lender, Mortgagor shall promptly pay any such tax, and if Mortgagor fails to make such payment, then Lender may make such payments and all sums paid by Lender will become an indebtedness secured hereby and due and payable, with interest thereon, as set forth in Section 1.7 hereof.

(b) Mortgagor shall promptly pay when due the annual taxes and assessments which may be levied against the Mortgaged Property as well as all premiums for any insurance relating to the Mortgaged Property, except to the extent Mortgagor is contesting the validity of any of the same in good faith and the contesting of any of the same will not result in a forfeiture or loss of the Mortgaged Property or any part thereof and/or will not adversely affect the priority of the lien of this Mortgage and the Mortgagor has established adequate reserves on its books to assure payment thereof in the event Mortgagor is ultimately deemed obligated for the payment thereof. Upon demand Mortgagor shall furnish to Lender receipts evidencing.

(c) In addition to those taxes and assessments described in 1.2(b) above, Mortgagor shall promptly pay when due, and before the same become delinquent or before penalties would attach, all taxes, liens, assessments and charges of every character already levied or assessed or that may hereafter be levied or assessed upon or against the Mortgaged Property or any part thereof and all utility charges, whether public or private, except to the extent Mortgagor is contesting the validity of any of the same in good faith and the contesting of any of the same will not result in a forfeiture or loss of the Mortgaged Property or any part thereof and/or will not adversely affect the priority of the lien of this Mortgage and the Mortgagor has established adequate reserves on its books to assure payment thereof in the event Mortgagor is ultimately deemed obligated for the payment thereof. Upon demand Mortgagor shall furnish to Lender receipts evidencing such payment.

(d) Mortgagor shall not suffer the filing or creation of any mechanic's, materialman's, laborer's, statutory or other lien (except the Permitted Encumbrances), unless the same is bonded off or paid in full by the Mortgagor within thirty (30) days of the filing of such lien.

### 1.3 Insurance.

(a) Mortgagor shall cause to be carried on the Mortgaged Property during the term of this Mortgage such insurance as is required by the Loan Agreement and such other insurance in such amounts and against such hazards as the Lender may reasonably request in writing to the Mortgagor. Mortgagor hereby assigns to Lender all rights to receive the proceeds of the policies of insurance described in this Section 1.3(a) not exceeding the unpaid amount of the Note and the other Secured Obligations, and Mortgagor and Lender shall promptly (i) compromise, settle and/or receipt for any and all claims and under such insurance policies, and (ii) obtain such proceeds and endorse and negotiate any check and/or draft for such proceeds.

(b) Mortgagor shall give Lender prompt notice of any loss covered by such insurance and Lender shall have the right to join Mortgagor in adjusting any loss. All moneys received as payment for any loss under such insurance shall be paid over to Lender to be applied as hereafter provided.

(c) Lender shall make the net insurance proceeds available for restoration and pay out such proceeds from time to time as such restoration progresses upon the written request of Mortgagor accompanied by the following:

(1) a certificate signed by Mortgagor, dated not more than thirty (30) days prior to such request, setting forth the following:

(i) that the sum then requested either has been paid by Mortgagor, or is just due to contractors, subcontractors, materialmen, engineers, architects or other persons who have rendered services or furnished materials for the restoration, the names and addresses of such persons, a brief description of such services and materials, the several amounts so paid or due to each of said persons in respect thereof, that no part of such expenditures has been or is being made on the basis of any previous or then pending request for the withdrawal of insurance received by Mortgagor and that the sum then requested does not exceed the value of services and materials described in the certificate;

(ii) that, except for the amount, if any, stated in such certificate to be due for services or materials, there is no outstanding indebtedness known to Mortgagor, after due inquiry, which is then due or payable for labor, wages, materials, supplies or services in connection with the restoration which, if unpaid, might become the basis of a vendor's mechanic's, laborer's or materialman's statutory or similar lien upon the restoration or upon the Mortgaged Property or any part thereof; and

(iii) that the cost, as estimated by Mortgagor, of the restoration required to be done subsequent to the date of such certificate in order to complete the same does not exceed the insurance proceeds, plus any amount deposited by Mortgagor with Lender to defray such costs, remaining in the hands of Lender after payment of the sum requested in such certificate.

#### 1.4 Maintenance of Mortgaged Property.

(a) Mortgagor shall commence construction of the Improvements, and Mortgagor shall proceed with construction of the Improvements in good faith and due diligence so that the Improvements will be completed no later than December 31, 2017. All such construction of the Improvements shall be performed in a good and workmanlike manner and in compliance with all applicable laws, rules, regulations, codes, permits and ordinances and the Plans and Specifications (as such term is defined in the Loan Agreement).

(b) Mortgagor shall keep the Improvements in good condition and repair, ordinary wear and tear excepted, will not commit or suffer any waste and will not do or suffer to be done anything which will increase the risk of hazard to the Mortgaged Property or any part thereof.

(c) The Lender or its representatives shall have access to and is hereby authorized to enter upon and inspect the Mortgaged Property and Mortgagor's books and records pertaining thereto at all reasonable times and from time to time upon at least two days notice to Mortgagor (absent an emergency), and Mortgagor shall forthwith deliver to the Lender such information concerning the Mortgaged Property as the Lender may from time to time request.

(d) Mortgagor shall promptly comply with all present and future laws, ordinances, rules and regulations of any governmental authority affecting the Mortgaged Property or any part thereof.

(e) Mortgagor shall promptly comply with all provisions of the Ground Lease and shall immediately notify the Lender in writing if it receives notice, written or otherwise, of a default or condition which, with the passage of time or giving of notice, would constitute a default under the Ground Lease.

(f) Mortgagor shall make or cause to be made all necessary and proper repairs and replacements to the Mortgaged Property so that at all times the same shall be fully preserved and maintained.

(g) Nothing contained in this Mortgage shall constitute any consent or request by Lender, express or implied, for the performance of any labor or services or the furnishing of any materials or other property in respect of the Mortgaged Property or any part thereof, or be construed to give Mortgagor any right, power or authority to contract for or permit the performance of any labor or services or the furnishing of any materials or other property in such fashion as would permit the making of any claim against the Lender in respect thereof or any claim that any lien based on the performance of such labor or services or the furnishing of any such materials or other property is prior or superior to the lien of this Mortgage.

1.5 Further Assurances. At any time, and from time to time, upon request by Lender, Mortgagor shall make, execute and deliver, or cause to be made, executed and delivered, to Lender, any and all further instruments, certificates and other documents, and shall take such additional actions, as may, in the opinion of Lender, be necessary or desirable in order to effectuate, complete, perfect or continue and preserve the lien and security interest of this Mortgage on the Mortgaged Property as security for the payment of the Note and the other Secured Obligations. Upon any failure by Mortgagor to comply with the provisions of this Section 1.5, Lender may make, execute or record any and all such instruments, certificates and documents for and in the name of Mortgagor, and Mortgagor hereby irrevocably appoints Lender the agent and attorney-in-fact of Mortgagor to take all such actions and to execute all such instruments, certificates and documents. Mortgagor shall reimburse the Lender for all advances made by the Lender in performing any actions on behalf of the Mortgagor, whether as the irrevocable attorney-in-fact for the Mortgagor pursuant to this Section 1.5 or otherwise, and all such advances shall become an indebtedness secured hereby and due and payable, with interest thereon, as set forth in Section 1.7 hereof.

1.6 Expenses. Mortgagor shall pay or reimburse Lender for all costs and expenses and reasonable attorneys' fees incurred by Lender in any legal proceeding or dispute of any kind in which it is made a party, or appears as a party plaintiff, defendant or otherwise, affecting the Note and/or the other Secured Obligations, this Mortgage or the rights, titles and interests created herein, or the Mortgaged Property, including, without limitation, any condemnation action involving the Mortgaged Property or any part thereof, or any action to protect the security hereof, and all amounts paid by Lender shall become an indebtedness secured hereby and due and payable, with interest therein, as set forth in Section 1.7 hereof.

1.7 Performance by Lender of Defaults by Mortgagor. If Mortgagor shall default in the payment of any tax, lien, assessment or charge levied or assessed against the Mortgaged Property or any part thereof (and Mortgagor is not contesting the same as contemplated in Section 1.2(c) above), in the payment of any utility charge, whether public or private, in the payment of premiums for the



insurance required hereunder, in the procurement of insurance coverage and the delivery of the insurance policies required hereunder or in the performance or observance of any other covenant, condition or term of this Mortgage, then Lender may, at its sole option, perform or observe the same, and all payments made for or costs incurred by Lender in connection therewith shall bear interest at the Default Rate, and all of the same together with all accrued interest thereon shall be added to and constitute part of the indebtedness secured by this Mortgage, shall be secured by this Mortgage with the same priority as the Note to the fullest extent permitted by applicable law, and shall be due and payable in full to Lender upon demand made therefor by Lender at any time in its sole and absolute discretion. Lender shall be the sole judge of the legality, validity and priority of any such tax, lien, assessment, charge, claim and premium, of the necessity for any such actions and of the amount necessary to be paid in satisfaction thereof. Lender is hereby empowered to enter and to authorize others to enter upon the Mortgaged Property or any part thereof for the purpose of performing or observing any such defaulted covenant, condition or term, without thereby becoming liable to Mortgagor or any person in possession holding under Mortgagor. Mortgagor understands and agrees that Lender shall have absolutely no obligation to perform or observe any of the provisions of this Mortgage.

1.8 Condemnation. If any part of the Mortgaged Property shall be damaged or taken through condemnation (which term, when used in this Mortgage, shall include any damage or taking by any governmental authority and any transfer by private sale in lieu thereof), either temporarily or permanently, all compensation, awards and other payments or relief thereof shall be applied to the repair or replacement of the Mortgaged Property affected thereby pursuant to procedures completely satisfactory to the Lender unless an Event of Default has occurred and is continuing, in which event all of the same shall, at the sole option of Lender, be applied to the unpaid principal of and/or accrued interest on the Note and/or the other Secured Obligations in such order as Lender may select in its sole and absolute discretion. Lender is hereby authorized, at its sole option, to commence, appear in and prosecute, in its own or in Mortgagor's name, or compromise, together with Mortgagor, any claim in connection with any such condemnation proceeding. All such compensation, awards, damages, claims, rights of action and proceeds and the right thereto are hereby assigned by Mortgagor to Lender as additional collateral security for the Note and the other Secured Obligations. If all of the Mortgaged Property shall be permanently taken through any such condemnation proceeding, all compensation awards and other payments in respect thereof shall be paid to Lender, which, after deducting therefrom all its expenses, including reasonable attorneys' fees, incurred in connection therewith, may apply the same to the unpaid principal of and/or accrued and unpaid interest on the Note and/or the other Secured Obligations in such order as Lender may select in its sole and absolute discretion, and any balance of such monies then remaining shall be paid to Mortgagor. Mortgagor agrees to execute such further assignments of all compensation, awards, damages, claims, rights of action and proceeds as Lender may require to effectuate the provisions of this Section 1.8.

1.9 Transfer or Encumbering of Mortgaged Property. Except for Permitted Encumbrances and for leases to tenants, Mortgagor shall not sell, lease, transfer, pledge, mortgage, hypothecate, convey or otherwise alienate or further encumber the Mortgaged Property or any portion thereof or any interest therein, including, but not limited to, by operation of law or a transfer of all or a portion of the partnership interest held by the General Partner of the Mortgagor (as such term is defined in the Loan Agreement), or a transfer of all or a portion of the ownership or control of the General Partner of the Mortgagor, without the prior written consent of Lender to each and every such transaction. Further, Mortgagor shall not permit any of the Mortgaged Property to be levied upon under any legal process.

1.10 Defense of the Mortgaged Property. The Mortgagor shall, at its expense, defend the Mortgaged Property against the claims and demands of all persons and entities, and shall take or cause to be taken all actions necessary or appropriate to preserve, protect and maintain good right and title to all of the Mortgaged Property at all times.

1.11 Compliance with Note. The Mortgagor shall comply with all of the terms, provisions, covenants and agreements set forth in the Note.

## ARTICLE II

2. Representations and Warranties. Mortgagor hereby represents and warrants to Lender that:

(a) All insurance described in Section 1.3 of this Mortgage has been obtained by Mortgagor, is currently in place, and Mortgagor is not currently in default under any of such insurance;

(b) Mortgagor is not currently in default in the payment of any tax, legal assessment or other imposition against the Mortgaged Property;

(c) Mortgagor has the full right, power and authority to execute this Mortgage, to grant Lender a lien on and security interest in the Mortgaged Property and to take all of the actions contemplated hereunder;

(d) Mortgagor has a Leasehold Estate in the Real Property and the other Mortgaged Property, free and clear of all liens, security interests and other encumbrances other than the Permitted Encumbrances;

(e) There is no default under the Ground Lease or any condition which, with the passage of time or giving of notice or both would constitute a default under the Ground Lease;

(f) This Mortgage creates and constitutes a valid first mortgage lien on and security interest in the Mortgaged Property, strictly enforceable in accordance with its terms, subject to no prior liens or encumbrances other than the Permitted Encumbrances; and

(g) This Mortgage and the lien and security interest created hereby have been duly approved by the General Partner of Mortgagor and do not violate any provision of Mortgagor's Agreement of Limited Partnership or any other document relating to the formation and powers of Mortgagor or any contract, indenture, mortgage or other agreement to which Mortgagor is a party or which is otherwise binding upon Mortgagor.

## ARTICLE III

3.1 Events of Default. Each of the following shall constitute an Event of Default (herein referred to as "Events of Default") hereunder:

(a) If the Mortgagor shall fail to pay any installment of principal of and/or interest on the Note within ten (10) days after the date due;

(b) The failure of Mortgagor in any manner to keep and perform any of the other covenants, obligations and agreements to be performed by Mortgagor pursuant to this Mortgage and (i) the same is not cured within thirty (30) days after notice of such failure has been given to Mortgagor, or (ii) if the Lender agrees that such default cannot be cured within a thirty (30) day period, within sixty (60) days after written notice of such default shall have been delivered to the Mortgagor, provided that the Mortgagor promptly notifies the Lender that such default cannot be cured within such thirty (30) day period, commences to cure the particular default within such thirty (30) day period, and prosecutes the cure to completion with due diligence within such sixty (60) day period;

(c) If Lender shall receive at any time after the Closing Date a report from the Secretary of State of Kentucky indicating that the Lender's security interest is not prior to all other security interests or other interests reflected in said report and the same is not cured within thirty (30) days after notice of such failure has been given to Mortgagor;

(d) The occurrence and continuance of any other Event of Default under and as defined in the Loan Agreement; and

(e) The occurrence and continuance of a default under and as defined in the Ground Lease that remains uncured following any applicable notice and cure period.

3.2 Remedies. Upon the occurrence and continuance of an Event of Default as referred to in Section 3.1 above, Lender may thereupon do any one or more of the following:

(a) Declare the entire unpaid principal balance of, and all accrued and unpaid interest on the Note and the other Secured Obligations to be immediately due and payable in full to the Lender without presentment, demand, protest or notice of any kind, all of which are hereby expressly waived by the Mortgagor;

(b) Perform any and all work and take all steps it deems necessary to complete construction of the Improvements. All sums so expended by Lender shall be deemed disbursed to Mortgagor, evidenced by the Note and secured by this Mortgage. Lender shall have the further right, either in the name of the Mortgagor, or its irrevocable attorney-in-fact, or otherwise, as the Lender shall deem advisable in its sole discretion, to: (i) use any funds of Mortgagor, including any funds which may remain unadvanced under the Loan Agreement and all sums deposited with Lender hereunder, for the purpose of completing construction of the Improvements; (ii) make such additions, changes and corrections in the Plans and Specifications for the construction of the Improvements as Lender shall deem necessary or desirable; (iii) employ such contractors, subcontractors, agents, architects and inspectors in connection with the completion of the construction of the Improvements as Lender shall deem necessary; (iv) enforce or otherwise without limitation deal with any bonding or insurance company under any bond or policy pertaining to the Mortgaged Property as Mortgagor might do in its own behalf; (v) pay, settle or compromise all existing bills and claims which are or may be liens against the Mortgaged Property or which may be necessary or desirable for the timely completion of construction of the Improvements or the removal of liens and encumbrances on the Mortgaged Property; (vi) execute all applications and certificates in the name of Mortgagor, as its irrevocable attorney-in-fact, as may be required by any contract entered into with respect to the Mortgaged Property and to do any and every act with respect to the construction of the Improvements which Mortgagor might do in its own behalf; (vii) prosecute and defend all actions or proceedings in connection with the Mortgaged Property or any part thereof and to take such action and require

such performance as Lender deems necessary; and (viii) endorse in Mortgagor's name, as its irrevocable attorney-in-fact, any check, draft or other remittance payable to Mortgagor and to apply any proceeds therefrom to the construction of the Improvements or, at Lender's option, to the payment of the Note and the other Secured Obligations in such order as the Lender shall select in its sole and absolute discretion, all without the need for further consent from Mortgagor and without releasing Mortgagor from any of its obligations hereunder or under the Loan Agreement and without affording Mortgagor any defense to any such obligations. No such action on the part of the Lender shall be deemed an eviction of Mortgagor.

(c) To the extent permitted by law, enter upon and take possession of the Mortgaged Property without the appointment of a receiver, or an application therefor, employ a managing agent for the Mortgaged Property and let the same, either in its own name or in the name of Mortgagor, and receive the rents, rent subsidies, incomes, issues and profits of the Mortgaged Property and apply the same, after payment of all necessary charges and expenses, to the unpaid principal of and accrued and unpaid interest on the Note and the other Secured Obligations in such order as Lender may select in its sole and absolute discretion, and Mortgagor will transfer and assign to Lender, in form satisfactory to Lender, Mortgagor's interest as lessor in any lease now or hereafter affecting the whole or any part of the Mortgaged Property; provided, however, the Mortgagor shall not be obligated to indemnify the Lender for the Lender's gross negligence or willful misconduct.

(d) Appoint or have appointed a receiver to collect the accounts receivable, rents, rent subsidies, incomes, revenues, issues and profits from the Mortgaged Property, without consideration of the value of the Mortgaged Property or the solvency of Mortgagor, and all amounts collected by the receiver shall, after payment of the expenses of such receivership, be applied to the Note and the other Secured Obligations in such order as Lender may select in its sole and absolute discretion. Mortgagor shall deliver to the receiver appointed, or the Lender if it takes possession of the Mortgaged Property or any part thereof, all original Plans and Specifications, records, books, bank accounts, leases, agreements and all other materials whatsoever relating to the construction of the Improvements and/or operation of the Mortgaged Property.

(e) Pay any sums in any form or manner necessary to protect the security of this Mortgage or to cure any default hereunder, other than payment of accrued interest or principal on the Note; make any payment hereby authorized to be made according to any bill, statement or estimate furnished or procured from the appropriate public officer or the party claiming payment (unless Mortgagor is contesting the same as contemplated in Section 1.2(c) above), without inquiring into the accuracy or validity thereof, and the receipt of any such bill, statement or estimate by Lender shall be conclusive evidence of the validity and amount of items so paid, in which event the amounts so paid shall become an indebtedness secured hereby and due and payable, with interest thereon, as set forth in Section 1.7 hereof. Lender shall be subrogated to any encumbrance, lien, claim or demand, and to all the rights and securities for the payment thereof, paid or discharged with the principal sum secured hereby or by Lender under the provisions hereof, and any such subrogation rights shall be additional and cumulative security to this Mortgage;

(f) Lender shall not be obligated to perform or discharge any obligation or duty to be performed or discharged by Mortgagor under any lease or license of the Mortgaged Property or any other instrument whatsoever. Mortgagor shall indemnify Lender for and save it harmless from any and all liability arising from any lease or license of the Mortgaged Property and all other instruments pertaining thereto and any assignment thereof as security under this Mortgage; and such assignment shall not place the responsibility for the control, care, management or repair of the

Mortgaged Property, or any part thereof, upon Lender, nor make Lender liable for any negligence in the management, operation, upkeep, repair or control of the Mortgaged Property resulting in loss or injury or death to any entity or person or damage to or destruction of property.

(g) Exercise all rights and remedies of a secured party under the Uniform Commercial Code as enacted in the Commonwealth of Kentucky.

(h) Proceed at law or in equity to foreclose the lien of this Mortgage as against all or any part of the Mortgaged Property in accordance with the laws of the Commonwealth of Kentucky.

3.3 Application of Proceeds. In the case of any sale of the Mortgaged Property or of any part thereof, whether pursuant to foreclosure or otherwise, the proceeds thereof or therefrom and any other sums which may then be held by or for the benefit of Lender as security for the Note and the other Secured Obligations shall be applied as follows: (1) first, to pay all proper and reasonable charges, reasonable attorneys', accountants' and appraisers' fees and expenses of Lender incident to such sale, including, without limitation, the fees and other costs herein provided for, then to pay or repay to the Lender all monies advanced by it for insurance premiums or otherwise in connection with the maintenance or protection of any part of the Mortgaged Property and/or performance of the terms and provisions of this Mortgage and/or the Loan Agreement, with interest on all of the same at the Default Rate (as such term is defined in the Loan Agreement), then to pay all taxes due upon the Mortgaged Property at the time of sale, then to pay any other lien or encumbrance prior to the lien of this Mortgage unless such sale is made subject to any such taxes or other lien or encumbrance, and then to pay a commission or fee to the court official or other person making the sale equal to the commission or fee allowed for making sales of property under applicable law or decrees of the equity court having jurisdiction, if any, in the event of judicial foreclosure of this Mortgage; (2) second, to pay the unpaid principal balance of the Note and all the interest thereon to the date of payment, and then all of the other unpaid Secured Obligations; and (3) third, to pay the remainder of the proceeds, if any, less the expense, if any, of obtaining possession of the Mortgaged Property and other expenses of Lender, in connection herewith, to Mortgagor or any other party lawfully entitled to receive such remaining proceeds, but only upon the delivery and surrender of possession by Mortgagor of the Mortgaged Property sold and conveyed and delivery of all Plans and Specifications, records, books, bank accounts, leases, agreements, and all other materials relating to the operation and/or maintenance of the Mortgaged Property to such purchaser(s).

3.4 Acceleration. The entire unpaid principal balance of the Note and all interest thereon, and all other Secured Obligations, shall become immediately due and payable, at the option of the Lender, if the Mortgagor shall convey away the Mortgaged Property or if the title to the Mortgaged Property shall become vested in any other person, corporation, partnership or entity in any manner whatsoever, including, but not limited to, by operation of law or a transfer of all or a portion of the partnership interest held by the General Partner of the Mortgagor, or a transfer of all or a portion of the ownership or control of the General Partner of the Mortgagor. If any Event of Default shall occur and be continuing, the Lender, at its sole option, may declare the entire unpaid principal balance of the Note and all interest thereon, and all other Secured Obligations, or, at Lender's sole option, any part thereof, if not already due and payable, to be due and payable immediately without further notice. Upon any foreclosure sale of all or any part of the Mortgaged Property, the unpaid principal balance of the Note and all interest thereon and all other Secured Obligations (or the part thereof as may be designated by Lender) shall automatically be due and payable immediately without further notice. Acceleration of the maturity of the Note, once declared by the Lender, may be rescinded at

the option of Lender by written acknowledgment to that effect by Lender, without in any way affecting Lender's right subsequently to accelerate the maturity of the Note. The tender to, and acceptance by Lender of partial payments on the Note, shall not rescind or affect in any way any acceleration of the maturity of the Note, or any default under this Mortgage.

3.5 Right to Sue. Lender shall have the right from time to time to sue for any and all sums, whether interest or principal, taxes, penalties, or any other sums required to be paid under the terms of this Mortgage, the Note, the Loan Agreement and/or the other Loan Instruments (as such term is defined in the Loan Agreement) as the same become due, and without prejudice to the right of Lender thereafter to enforce any appropriate remedy against Mortgagor, including an action of foreclosure of this Mortgage, or any other action, for a default or defaults by Mortgagor existing at the time such earlier action was commenced.

3.6 Express Waiver. Mortgagor hereby waives, to the fullest extent permitted by law, the benefit of all appraisement, stay, moratorium, exemption from execution, extension and redemption laws and any statute of limitations, now or hereafter in force. Mortgagor, and all persons claiming through Mortgagor, further waive the right to require any marshalling of Mortgagor's assets and further waive any right to require that Lender first proceed against assets of Mortgagor other than those covered by this Mortgage for the collection of the Note and the other Secured Obligations.

3.7 Rights and Remedies Cumulative. The rights and remedies of Lender granted and arising under the clauses and covenants contained in this Mortgage, the Note, the Loan Agreement and the other Loan Instruments shall be separate, distinct and cumulative of other powers and rights herein granted and all other rights which Lender may have in law, at equity or otherwise, and none of them shall be in exclusion of the others and all of them are cumulative and concurrent to the greatest extent permitted by applicable law. No act of Lender shall be construed as an election to proceed under any one provision herein, in the Note, the Loan Agreement or any other Loan Instrument to the exclusion of any other provision, or an election of remedies to the bar of any other remedy allowed at law or in equity or hereunder or under any of the documents or instruments referred to herein, anything herein or otherwise to the contrary notwithstanding.

3.8 Payment of Costs, Attorneys' Fees and Expenses. Mortgagor shall pay any and all costs, actual and reasonable attorneys' fees and other expenses of whatever kind incurred by the Lender in connection with (a) enforcing this Mortgage, (b) obtaining possession of the Mortgaged Property, (c) the protection and preservation of the Mortgaged Property, (d) the collection of the Note and the other Secured Obligations or any part thereof, and (e) any litigation involving the Mortgaged Property, any benefit accruing to Lender by virtue of the provisions hereof or the rights of the Lender hereunder.

3.9 Irrevocable Attorney-in-Fact. Mortgagor hereby irrevocably appoints Lender as Mortgagor's attorney-in-fact during the continuance of an Event of Default to do all acts and things which Lender may deem necessary or appropriate in its sole and absolute discretion to perfect and continue the first priority perfected status of the lien and security interest created by this Mortgage and to protect its lien and security interest in the Mortgaged Property.

3.10 Advances by Lender. Mortgagor shall reimburse Lender for all advances made by the Lender in performing any actions on behalf of Mortgagor, whether as the irrevocable attorney-in-fact for Mortgagor pursuant to Section 3.9 above or otherwise, including without limitation, all amounts paid by Lender to discharge taxes, levies and liens against the Mortgaged Property or to

obtain and maintain insurance on the Mortgaged Property or to repair, maintain, operate and preserve the Mortgaged Property. All such advances made by Lender shall become an indebtedness secured hereby and due and payable, with interest thereon, as set forth in Section 1.7 hereof.

3.11 Indemnity. The Mortgagor shall indemnify and hold harmless the Lender, its successors, assigns, agents and employees, from and against any and all claims, actions, suits, proceedings, costs, expenses, damages, fines, penalties and liabilities, including, without limitation, reasonable attorneys' fees and costs, arising out of, connected with or resulting from (a) the operation of the Mortgagor's businesses, (b) the Lender's reasonable actions taken with respect to the preservation or attempted preservation of the Mortgaged Property during the occurrence of a Potential Default or the continuance of an Event of Default as contemplated herein, and/or (c) any failure of the security interests and liens granted to the Lender pursuant to this Mortgage to be or to remain perfected or to have the priority as contemplated herein; provided, however, the Mortgagor shall not be obligated to indemnify the Lender for the Lender's gross negligence or willful misconduct or in respect of a claim arising from any state of facts that first came into existence after the Lender, its successors, assigns, or transferees, acquired title to the Mortgaged Property through foreclosure or a deed in lieu thereof. At the Lender's request, the Mortgagor shall, at its own cost and expense, defend or cause to be defended any and all such actions or suits that may be brought against the Lender in connection with the Loan, and, in any event, shall satisfy, pay and discharge any and all judgments, awards, penalties, costs and fines that may be recovered against the Lender in any such action, plus all reasonable attorneys' fees and costs related thereto to the extent permitted by applicable law; provided, however, that the Lender shall give the Mortgagor (to the extent the Lender seeks indemnification from the Mortgagor under this Section 3.11) written notice of any such claim, demand or suit promptly after the Lender has received written notice thereof, and the Lender shall not settle any such claim, demand or suit, if the Lender seeks indemnification therefor from the Mortgagor, without first giving notice to the Mortgagor of the Lender's desire to settle and obtaining the consent of the Mortgagor to the same, which consent the Mortgagor hereby agrees not to unreasonably withhold. Provided, however, the Mortgagor shall not be obligated to indemnify the Lender for the Lender's gross negligence or willful misconduct. All obligations of the Mortgagor under this Section 3.11 shall survive the payment of the Note and the other Secured Obligations.

3.12 Hazardous Substances.

(a) Mortgagor hereby represents that, except as disclosed in (1) the Phase I Environmental Site Assessment report, dated \_\_\_\_\_; Project Number \_\_\_\_\_, relating to the Mortgaged Property and prepared by \_\_\_\_\_, neither the Mortgagor nor any other person within Mortgagor's knowledge, based upon reasonable investigation, (i) has ever caused or permitted any Hazardous Substances (hereinafter defined) to be placed, held, located or disposed of on, under or at the Mortgaged Property or any part thereof except such substances which have been used in the normal operation of the Mortgaged Property as an apartment complex and which have been placed, held, located, used and disposed of in accordance with all applicable laws and regulations and (ii) neither the Mortgaged Property nor any part thereof has ever been used (whether by the Mortgagor or by any other person) as a dump site or storage site (whether permanent or temporary) for any Hazardous Substances.

(b) Mortgagor warrants and represents that (i) Mortgagor will not violate, in connection with the use, ownership, maintenance or operation of the Mortgaged Property and the conduct of the business related thereto, any applicable federal, state, county or local statutes, laws, regulations, rules, ordinances, codes, standards, orders, licenses and permits relating to Hazardous

Substances; and (ii) Mortgagor, its agent, employees and independent contractors will operate the Mortgaged Property and will receive, handle, use, store, treat, transport and dispose -of all Hazardous Substances in strict compliance with all applicable environmental, health or safety statutes, ordinances, rules, standards, regulations or requirements.

(c) For purposes herein, the term "Hazardous Substance(s)" shall have the meaning ascribed in and shall include those substances listed under the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. 9601 et seq. and the regulations promulgated thereunder (as amended from time to time) and the Clean Air Act, 42 U.S.C. 7401, et. seq. and the regulations promulgated thereunder (as amended from time to time) and includes oil, waste oil, and used oil as those terms are defined in the Clean Water Act, 33 U.S.C. 1251 et. seq. and regulations promulgated thereunder (as amended from time to time) and the Resource, Conservation and Recovery Act, 42 U.S.C. 6901 et seq. and regulations promulgated thereunder (as amended from time to time) and the Oil Pollution Act of 1990, 33 U.S.C. 2701 et seq. and regulations promulgated thereunder (as amended from time to time) and shall include any other pollutant or contaminant designated by Congress or the United States Environmental Protection Agency (EPA) or defined by any other federal, state or local statute, law, ordinance, code, rule, regulation, order or decree regulating, relating to, or imposing liability or standards of conduct concerning any hazardous, toxic or dangerous waste, substance or material, as now or at any time hereafter in effect.

#### ARTICLE IV

4.1 Successors and Assigns Included in Parties. The words "Mortgagor" and "Lender", whenever used herein, shall include the respective successors and assigns of such parties, and all those holding under them.

4.2 Headings. The headings of the sections, paragraphs and subdivisions of this Mortgage have been inserted for convenience of reference only, and are not to be considered a part hereof and shall not limit or otherwise affect any of the terms hereof.

4.3 Invalid Provisions to Affect No Others. If fulfillment of any provisions hereof or any transaction related hereto or to the Note, the Loan Agreement or the other Loan Instruments, at the time performance of such provisions shall be due, shall involve transcending the limit of validity prescribed by law, then ipso facto, the obligation to be fulfilled shall be reduced to the limit of such validity. Further, if any clause or provision herein contained operates or would prospectively operate to invalidate this Mortgage, in whole or in part, then such clause or provision only shall be held for naught, as though not herein contained, and the remainder of this Mortgage shall remain operative and in full force and effect. The parties agree that this Mortgage and all of the provisions hereof shall be interpreted so as to give effect and validity to all of the provisions hereof to the fullest extent permitted by law.

4.4 Departure From Terms. Any indulgence or departure at any time by Lender from any of the provisions hereof, or of any obligation hereby secured, or the failure by Lender to exercise any rights and remedies shall not modify the same or relate to the future or waive future compliance therewith by Mortgagor. The failure of Lender to exercise any of its options provided herein in the event of any violation of the representations, warranties, covenants, obligations and agreements set forth herein shall not constitute a waiver of its right to exercise such option because of any subsequent violation thereof.



4.5 Governing Law. This Mortgage is governed by and shall be construed in accordance with the laws of the Commonwealth of Kentucky.

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

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

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

and

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

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

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

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

4.7 Modifications. Lender may (i) extend the time for payment of the Note and the other Secured Obligations, or any part thereof, or any interest thereon, (ii) waive, modify or amend any of the terms, covenants or conditions contained in the Note, this Mortgage, the Loan Agreement or any other Loan Instrument, in whole or in part, at the request of Mortgagor or of any person having an interest in any of the Mortgaged Property, (iii) accept one or more Note in replacement or substitution of the Note, (iv) release and/or consent to the release of all or any part of the Mortgaged Property from the lien of this Mortgage, (v) take or release other security, (vi) release any party

primarily or secondarily liable on the Note, the other Secured Obligations or hereunder or on such other security, or (vii) grant extensions, renewals or indulgences therein or herein, all without in any way releasing Mortgagor or any party primarily or secondarily liable from any of the terms, covenants or conditions of the Note, this Mortgage, the Loan Agreement or any other Loan Instrument, and without releasing the unreleased Mortgaged Property from the lien of this Mortgage for any amounts owing under the Note or the other Secured Obligations.

4.8 Protection of Lender. Lender shall be protected in acting upon any notice, request, consent, demand, statement, note or other paper or document believed in good faith by it to be genuine and to have been signed by the party purporting to sign such document. Lender shall not be liable for any error of judgment, nor for any act done or step taken or omitted, nor for any mistake of law or fact, nor for anything which it may do or refrain from doing in good faith in connection with this Mortgage or the Mortgaged Property.

4.9 Estoppel Certificate. Mortgagor, upon request by Lender, shall certify to Lender, or such other person or entity as Lender may direct within ten (10) business days after the mailing of such request, by a writing duly acknowledged, the amount of principal, and interest, if any, then owing on the Note and whether any offsets or defenses exist against or with respect to the Note.

4.10 Future Advances. This Mortgage shall secure the payment of (a) all renewals and extensions of the Note, and (b) all future advances now or hereafter made by the Lender to or for the benefit of the Mortgagor in aid of performance of the Mortgagor's covenants, agreements and obligations under this Mortgage, but in no event shall the aggregate amount of all advances exceed Ten Million Dollars (\$10,000,000.00) in excess of the principal amount of the Loan. All such advances shall become part of the Secured Obligations to the fullest extent permitted by law and be secured by this Mortgage with the same priority as the Note to the fullest extent permitted by law, from the date of recordation of this Mortgage, and shall also be deemed evidenced by the Note and this Mortgage. It is expressly understood and agreed by Mortgagor that Lender is under absolutely no obligation whatsoever to make any additional advances or readvances to Mortgagor and that Lender has made no commitment or agreement to make any such additional advances or readvances.

4.11 Construction Loan. The Loan secured by this Mortgage are being made to Mortgagor for the purpose of erecting improvements on the Real Property.

4.12 Maturity Date. The maturity date of this Mortgage is May 30, 2017.

4.13 Security Agreement. Mortgagor has also executed this instrument as a Debtor under the Uniform Commercial Code of the Commonwealth of Kentucky. This Mortgage shall constitute and be a security agreement and financing statement under the laws of the Commonwealth of Kentucky in favor of Lender as secured party. Mortgagor authorizes Lender to file Uniform Commercial Code Financing Statements and other documents perfecting or evidencing such security interest as reasonably determined by Lender.

4.14 No Obligation to Grant Partial Release. Prior to the payment in full of the Note and the other Secured Obligations, the Lender shall be under no obligation to grant partial or full release of this Mortgage as to any of the Mortgaged Property.

PROVIDED, that if Mortgagor shall pay the Note and the other Secured Obligations in full in accordance with the respective terms of the Note and the Loan Agreement, Lender shall at the sole expense of Mortgagor cause this Mortgage to be fully released of record.

IN WITNESS WHEREOF, this Mortgage has been duly executed by Mortgagor as of the 8 day of ~~May~~, 2016.  
June

HISTORIC COURTHOUSE, LLLP,  
a Kentucky limited liability limited partnership

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

By: Sarah Hamilton

Title: President

COMMONWEALTH OF KENTUCKY     )  
  ) SS:  
COUNTY OF FAYETTE                     )

The foregoing instrument was acknowledged before me this 8 day of ~~May~~, 2016, by Sarah Hamilton, as the President of Historic Courthouse GP, Inc., a Kentucky corporation, the general partner of Historic Courthouse, LLLP, a Kentucky limited liability limited partnership, on behalf of said corporation and limited liability limited partnership.

My commission expires: 1/11/20.

(SEAL)

[Signature]  
Notary Public  
ID# 548478

This instrument prepared by:

Robert B. Vice, Esq.  
REED WEITKAMP SCHELL & VICE PLLC  
500 West Jefferson Street, Suite 2400  
Louisville, KY 40202-2812  
(502) 589-1000

EXHIBIT A

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

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