

COMMONWEALTH OF KENTUCKY
FAYETTE CIRCUIT COURT
CIVIL BRANCH
DIVISION 3
CIVIL ACTION NO. 17-CI- 640

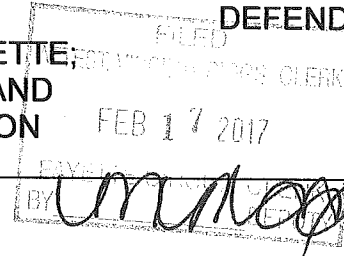
WHITAKER BANK, INC.

PLAINTIFF

v.

ANDOVER GOLF AND COUNTRY CLUB, INC.;
COMMONWEALTH OF KENTUCKY, COUNTY OF FAYETTE;
THE RANGE, INC.; COMMUNITY TRUST BANK, INC.; AND
GREATAMERICA FINANCIAL SERVICES CORPORATION

DEFENDANTS



COMPLAINT

Comes the Plaintiff, Whitaker Bank, Inc. (hereinafter "Whitaker Bank") by counsel, and for its cause of action states as follows:

PARTIES

1. Whitaker Bank is a Kentucky banking corporation with its principal place of business located in Lexington, Fayette County, Kentucky.

2. The Defendant, Andover Golf and Country Club, Inc. ("Andover") is a Kentucky limited liability company which can be served with process c/o Ken Hill, Registered Agent, 3450 Todds Road, Lexington, Kentucky 40509. Andover filed a Chapter 11 bankruptcy proceeding in the Eastern District of Kentucky as Case No. 09-53193 (the "Chapter 11 Proceeding") in which a plan was confirmed but is now in default under the plan as it relates to the claims asserted herein by Whitaker Bank and Whitaker Bank is now entitled to bring this action.

3. The Defendant, Commonwealth of Kentucky, County of Fayette ("Fayette County"), is a governmental entity and has a mailing address for service of process of

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c/o Larry S. Roberts, Fayette County Attorney, 110 W. Vine Street, Suite 500, Lexington, Kentucky 40507-1658.

4. The Defendant, The Range, Inc. ("The Range") is a Kentucky corporation which can be served with process c/o James A. Philpott, Jr., 167 W. Main Street, Suite 1200, Lexington, Kentucky 40507.

5. The Defendant, Community Trust Bank, Inc. is a Kentucky banking corporation which can be served with process c/o Charles Wayne Hancock, II, 346 N. Mayo Trail, P.O. Box 2947, Pikeville, KY 41502-2947.

6. The Defendant, GreatAmerica Financial Services Corporation is a foreign corporation not registered in the Commonwealth of Kentucky. Its Registered Agent for service of process is listed as Jeff J. Goedken, One Great America Plaza, 625 First Street SE, Cedar Rapids, Iowa 52401. The Defendant has transacted business in the Commonwealth of Kentucky and therefore is subjected to the jurisdiction of this Court. Service of process should be made on said Defendant pursuant to KRS 454.210.

COUNT 1

7. Whitaker Bank restates and reiterates each and every allegation contained in paragraphs 1 thru 6 hereof.

8. Andover obtained a loan from Whitaker Bank on August 13, 2007 in the original principal amount of \$3,400,000.00 ("Loan 1") which is currently evidenced by a promissory note dated August 13, 2007, made by Andover and delivered to Whitaker Bank, in the principal amount of \$3,400,000.00, with interest and payments as set forth therein, a true copy of which is attached hereto as **Exhibit "A"** ("Note 1").

9. On or about August 13, 2007, in order to secure payment of Note 1, Andover executed and delivered to Whitaker Bank a certain Mortgage and Security Agreement (the "Mortgage"), which is attached hereto as **Exhibit "B"**, by the terms of which Andover mortgaged to Whitaker Bank certain real property located in Lexington, Fayette County, Kentucky (hereinafter the "Property"), more particularly described therein.

10. On or about August 13, 2007, the Mortgage was lodged for record in the office of the Fayette County Clerk, now appearing of record in Mortgage Book 6165, Page 397.

11. Subsequent to the recording of the Mortgage, a portion of the Property was released from the lien of this Mortgage leaving that real property as described on **Exhibit "C"** as the remaining portion of the Property securing the obligations of Andover to Whitaker Bank as set forth herein (the "Remaining Property")

12. The Mortgage constitutes a first and prior mortgage lien upon the Remaining Property, subject to any validly assessed unpaid ad valorem real property taxes, which is valid and enforceable to secure payment of Note 1.

13. Andover is in default under Note 1, leaving an unpaid balance due and owing thereon to Whitaker Bank in the amount of \$2,929,631.67, comprised of principal in the amount of \$2,924,201.03 and interest in the amount of \$5,430.64 with accruing interest on the principal portion thereof at the contract rate of interest (as set forth in Note 1) per annum from February 9, 2017 until paid.

14. It is provided in the Mortgage that, upon default, Whitaker Bank may enforce same by foreclosure of the Mortgage and sale of the Remaining Property.

15. As a consequence of the default by Andover and as provided for in the Mortgage, Whitaker Bank is now entitled to proceed with the foreclosure and sale of the Remaining Property, together with all improvements, structures and fixtures located thereon, with the proceeds from the sale thereof, after payment of court costs, expenses of sale and any delinquent ad valorem real property taxes, being applied in payment of the balance due and owing under Note 1 as set forth herein, and all other claims of Whitaker Bank which it has incurred or will incur relating to the maintenance of the Remaining Property, including the reimbursement with interest for payment of any taxes, insurance premiums, or repairs and other administrative expenses related thereto, with the balance, if any, to the other parties hereto as their interests may appear.

16. The Remaining Property cannot be divided without materially impairing its value and the interest of the parties thereto and therefore should be sold in its entirety with the proceeds of such sale, after payment of court costs, expenses of sale and any delinquent ad valorem taxes, being applied to the indebtedness owed to Whitaker Bank as set forth herein.

17. It is further provided pursuant to the terms and conditions set forth in Note 1 and the Mortgage that Whitaker Bank is entitled to recover its court costs and reasonable attorneys' fees in connection with enforcement of this obligation.

COUNT 2

18. Whitaker Bank restates and reiterates each and every allegation contained in paragraphs 1 thru 17 thereof.

19. Andover obtained a loan from Whitaker Bank on August 13, 2007 in the original principal amount of \$250,000.00 ("Loan 2") which is currently evidenced by a Revolving Promissory Note dated August 13, 2007, made by Andover and delivered to Whitaker Bank, in the principal amount of \$250,000.00, with interest and payments as set forth therein, a true copy of which is attached hereto as **Exhibit "D"** ("Note 2").

20. Note 2 is secured by the Mortgage, attached hereto as **Exhibit "B"**.

21. The Mortgage constitutes a first and prior mortgage lien upon the Remaining Property, subject to any validly assessed unpaid ad valorem real property taxes, which is valid and enforceable to secure payment of Note 2.

22. Andover is in default under Note 2, leaving an unpaid balance due and owing thereon to Whitaker Bank in the amount of \$276,818.21, comprised of principal in the amount of \$242,433.39 and interest in the amount of \$34,384.82 with accruing interest on the principal portion thereof at the contract rate of interest (as set forth in Note 2) per annum from February 9, 2017 until paid.

23. It is provided in the Mortgage that, upon default, Whitaker Bank may enforce same by foreclosure of the Mortgage and sale of the Remaining Property.

24. As a consequence of the default by Andover and as provided for in the Mortgage, Whitaker Bank is now entitled to proceed with the foreclosure and sale of the Remaining Property, together with all improvements, structures and fixtures located thereon, with the proceeds from the sale thereof, after payment of court costs, expenses of sale and any delinquent ad valorem real property taxes, being applied in payment of the balance due and owing under Note 2 as set forth herein, and all other claims of Whitaker Bank which it has incurred or will incur relating to the maintenance of the

Remaining Property, including the reimbursement with interest for payment of any taxes, insurance premiums, or repairs and other administrative expenses related thereto, with the balance, if any, to the other parties hereto as their interests may appear.

25. The Remaining Property cannot be divided without materially impairing the value and the interest of the parties thereto and therefore should be sold in its entirety with the proceeds of such sale, after payment of court costs, expenses of sale and any delinquent ad valorem taxes, being applied to the indebtedness owed to Whitaker Bank as set forth herein.

26. It is further provided pursuant to the terms and conditions set forth in Note 2 and the Mortgage that Whitaker Bank is entitled to recover its court costs and reasonable attorneys' fees in connection with enforcement of this obligation.

COUNT 3

27. Whitaker Bank restates and reiterates each and every allegation contained in paragraphs 1 thru 27 hereof.

28. To further secure Note 1 and Note 2 and pursuant to the Security Agreement contained in the Mortgage, on or about August 13, 2007, Andover granted to Whitaker Bank a lien upon and a security interest in the personal property more described therein (the "Collateral").

29. Whitaker Bank's lien on the Collateral was perfected by the filing of a UCC-1 financing statement in the office of the Kentucky Secretary of State on February 14, 2017 as file number 2017-2879190-96. A true and exact copy of the financing statement is attached hereto as **Exhibit "E"** and made a part hereof.

30. The lien granted Whitaker Bank on the Collateral constitutes a first and prior lien to secure the indebtedness evidenced by Note 1 and Note 2, subject only to the following liens, if still valid:

(a) that lien filed in favor of Defendant, Community Trust Bank, Inc., as file number 2013-2646607-27 on the following:

Purchase money security interest in two (2) Groundsmaster 4500-D Mowers, Model 30857N, Serial Number 313000382 and Model 30587N, Serial Number 313000526 and one (1) Procure 648 Aerator, Mode 09200, Serial Number 313000449; whether any of the foregoing is owned now or acquired later; all accessions, additions, replacements and substitutions relating to any of the foregoing; all records of any kind relating to any of the foregoing; all proceeds relating to any of the foregoing (including insurance, general intangibles and accounts proceeds.)

(b) that lien filed in favor of Defendant, GreatAmerica Financial Service Corporation, as file number 2013-2677477-96 on the following:

Lenov ThinkCentre M78 Point of Sale Systems Elo 15" AccuTouch Black Screens Point of Sale Systems Main Data Switch and Wireless Network System Backup System Microsoft Exchange Mailbox Software Systems Lenov ThinkCentre M78 (x8) Office Systems and all products, proceeds and attachments; and

(c) that lien filed in favor of Community Trust Bank, Inc., as file number 2016-2815196-68 on the following:

Forty (40) golf carts as identified on Exhibit A attached hereto, leased to Debtor (Lessee) by Secured Party (Lessor) pursuant to the terms and conditions of a Lease Agreement between Debtor (Lessee) and Secured Party (Lessor), and any schedules thereto, together with all parts, accessories, attachments, substitutions, additions and replacements thereto and thereof, now or hereafter installed in, affixed to, or used in conjunction therewith. The property identified on Exhibit A attached hereto is owned by Secured Party (Lessor) and/or its assignee and is leased to Debtor (Lessee).

Exhibit "A" Golf Cart Serial Numbers:

JE1423562141; JE1523562142; JE1523562144; JE1523562145;
JE1523562147; JE1523562148; JE1523562149; JE1523562150;

JE1523562151; JE1523562153; JE1523562155; JE1523562161;
JE1523562162; JE1523562163; JE1523562164; JE1523562166;
JE1523562168; JE1523562170; JE1523562174; JE1523562175;
JE1523562176; JE1523562178; JE1523562179; JE1523562180;
JE1523562181; JE1523562183; JE1523562184; JE1523562186;
JE1523561689; JE1523561717; JE1523561719; JE1523561720;
JE1523561722; JE1523561724; JE1523561727; JE1523561728;
JE1523561729; JE1523561730; JE1523561731; and JE1523561732

31. Under the terms of Note 1 and Note 2, the Mortgage and KRS 355.9-601, KRS 355.9-609 and KRS 355.9-610, upon default, Whitaker Bank is entitled to enforce its security interest in the Collateral by taking immediate possession of the Collateral and proceeding to sell the Collateral.

COUNT 4

32. Whitaker Bank restates and reiterates each and every allegation contained in paragraphs 1 thru 32 hereof.

33. Pursuant to the terms of the Mortgage, Whitaker Bank has the right to enter upon the Remaining Property and collect the rents, issues and profits therefrom and further has the right to the appointment of a receiver.

PARTIES WHO MAY BE CLAIMING AN INTEREST

34. Whitaker Bank is informed and asserts that the following Defendants may be claiming an interest in all or a portion of the Remaining Property and said Defendants should come forward and assert any and all claims, including but not limited to the following, that they may have in the Remaining Property or be forever barred.

(a) Fayette County, by virtue of any validly assessed unpaid ad valorem real property taxes; and

(b) The Range by virtue of that Mechanics' and Materialmen's Lien filed January 27, 2017 in Mechanics Lien Book 42, Page 552, in the office of the Fayette County Clerk.

35. Whitaker Bank is informed and asserts that the following Defendants may be claiming an interest in all or a portion of the Collateral and said Defendants should come forward and assert any claims, they may have in the Collateral or be forever barred.

(a) Community Trust Bank, Inc. by virtue of UCC file numbers 2013-2646607-27 and 2016-2815196-68 in the office of the Kentucky Secretary of State; and

(b) GreatAmerica Financial Service Corporation by virtue of UCC file number 2013-2677477-96 in the office of the Kentucky Secretary of State.

RECOVERY OF ATTORNEY FEES

36. It is further provided pursuant to the terms of Note1, Note 2 and the Mortgage that Whitaker Bank is entitled to recover its costs and attorneys' fees in connection with the enforcement of the obligations evidenced and secured thereby.

WHEREFORE, Whitaker Bank demands as follows:

1. Judgment under Count 1 against the Defendant, Andover, in the amount of \$2,929,631.67, with accruing interest on the principal portion thereof at the contract rate of interest (as set forth in Note 1) per annum from February 9, 2017, until paid.

2. Judgment under Count 2 against the Defendant, Andover, in the amount of \$276,818.21, with accruing interest on the principal portion thereof at the contract rate of interest (as set forth in Note 2) per annum from February 9, 2017 until paid.

3. That Whitaker Bank recover from the Defendant, Andover, all of the costs and expenses herein incurred, including a reasonable fee for its attorneys.

4. That Whitaker Bank, by virtue of the Mortgage, be adjudged to have a valid and enforceable first mortgage lien on the Remaining Property to secure the indebtedness as set forth in paragraphs 1, 2 and 3 above, subject to any validly assessed unpaid ad valorem real property taxes.

5. That Whitaker Bank be adjudged to have a valid and enforceable security interest lien on the Collateral to secure the indebtedness as set forth in paragraphs 1 and 2 and 3 above, in the order of its priority.

6. That Whitaker Bank be granted specific performance of that Covenant of the Mortgage requiring Andover to assemble and deliver the Collateral to Whitaker Bank pursuant to proper orders of this Court.

7. That the Remaining Property be sold under proper orders of this Court; that the mortgage lien of Whitaker Bank be recognized, established and enforced by the sale of the Remaining Property and that the proceeds of said sale, after payment of court costs, expenses of sale and any unpaid delinquent ad valorem taxes, be applied first to the Judgment awarded Whitaker Bank herein and then to the various lienholders in accordance with their respective priorities as determined by this Court.

8. That the Defendants be required to come forth and assert their claims in and to the Property or Collateral, if any, or be forever barred.

9. That Whitaker Bank be granted any and all legal and equitable relief to which it may appear entitled.

Respectfully submitted,



George D. Smith
Stoll Keenon Ogden PLLC
300 West Vine Street, Suite 2100
Lexington, KY 40507-1801
Telephone: (859) 231-3000
Fax: (859) 253-1093
Attorney for Plaintiff,
Whitaker Bank, Inc.

PROMISSORY NOTE

Dated as of August 13, 2007

AMOUNT: \$3,400,000.00

Executed at Lexington, Kentucky

For value received, receipt of which is hereby acknowledged, the undersigned, **ANDOVER GOLF AND COUNTRY CLUB, INC.**, a Kentucky non-stock, non-profit corporation, whose address is c/o Andover Golf and Country Club, 3450 Todds Road, Lexington, Kentucky 40509 (the "Maker"), promises to pay to the order of **WHITAKER BANK, INC.**, a Kentucky banking corporation, at its principal office located at 2001 Pleasant Ridge Dr., Lexington, Kentucky 40555 (the "Bank"), or at such other place as Bank or any subsequent holder hereof may designate, in writing, from time to time, in lawful money of the United States of America, the principal sum of **Three Million Four Hundred Thousand Dollars (\$3,400,000.00)** or such lesser portion thereof remaining unpaid pursuant to the books or records of Bank, or any subsequent holder hereof, together with interest on the unpaid balance of principal hereof until paid in full as set forth below, in lawful money of the United States of America. Principal sum(s) disbursed and repaid will not be available for redisbursement.

All capitalized terms used in this Note, unless otherwise defined herein, shall have the same meaning in this Note as in the Loan Agreement between Bank and Maker, of even date herewith (the "Loan Agreement"). This Note is issued pursuant to the Loan Agreement and the indebtedness evidenced by this Note and the obligations created hereby are secured by the "Security Instruments," as that term is defined in the Loan Agreement. Any references in this Note to the Loan Agreement, the Security Instruments or any other document related to the loan evidenced hereby shall be deemed to be references to such agreements, instruments and documents as they now exist or are hereafter modified in writing by the parties thereto.

From and after the date of this Note until and including August 13, 2012 (the "Fixed Rate Period"), the outstanding principal balance of this Note, as it may exist from time to time, subject to the applicability of the "Default Rate" (as hereinafter defined), shall bear interest at a fixed rate of seven and twenty hundredths of one percent (7.20%) per annum (the "Fixed Rate"). Commencing on August 13, 2012 (the "Floating Rate Commencement Date"), and continuing thereafter until the "Maturity Date" (as hereinafter defined) (the "Floating Rate Period"), the outstanding principal balance of this Note, as it may exist from time to time, subject to the applicability of the Default Rate, shall bear interest at a variable percentage rate per annum equal to the New York Prime Rate (the "Prime Rate") minus thirty-five hundredths of one percent (.35%) which Prime Rate is defined as that rate published daily in The Wall Street Journal (the "WSJ") under "Money Rate"; provided, that if more than one rate is so

published, the Prime Rate hereunder shall be the highest of rates so published. In the event the WSJ ceases to publish a "Prime Rate", the "Prime Rate" for purpose of this Note shall be the interest rate designated and announced from time to time by the Bank as its "Prime Rate" in effect at the principal office, although such rate may not be the lowest rate available at that particular time on loans of a similar nature. During the Floating Rate Period the interest hereunder shall change from time to time on the same day on which there is any change in the "Prime Rate" being effective as of the beginning of the day on which the change was made.

The principal sum hereof and the accrued interest thereon shall be due and payable by Maker as follows:

1. During the Fixed Rate Period, in equal monthly installments of principal and interest in the amount of Twenty-Six Thousand Nine Hundred Eighty-Eight Dollars and 88/100 (\$26,988.88) each (based upon a twenty year amortization of the face amount of the Note at the Fixed Rate) with the first such installment of principal and interest being due and payable on or before September 13, 2007, and continuing on the same day of each month thereafter until and including August 13, 2012.
2. During the Floating Rate Period, in equal monthly installments of the outstanding principal due and owing hereunder as of the Floating Rate Commencement Date in an amount as determined by Lender (based upon a fifteen year amortization at the initial rate for the Floating Rate Period) and monthly installments of interest being equal to the accrued interest on the outstanding principal balance of this Note with the first such monthly installments of principal and interest being due and payable on or before September 13, 2017, and continuing on the same day of each month thereafter until and including the July 13, 2017.
3. On August 13, 2017, the entire unpaid principal balance of this Note and all accrued but unpaid interest thereon shall be finally due and payable in full (the "Maturity Date"). On the Maturity Date, a balloon payment of a substantial amount of principal and accrued interest shall be due and payable and the Bank has not agreed to and shall have no obligation to finance such amount.

This Note shall be negotiable and Maker and all endorsers, guarantors and parties to this Note, jointly and severally, hereby waive presentment and demand, notice of demand, protest and notice of protest and nonpayment thereof and consent to the additions or releases of any other party or persons liable hereon or the release of any collateral or security for this Note.

The occurrence of any one of the following events shall constitute an Event of Default under this Note entitling the holder hereof to declare the entire principal balance, together with all accrued interest, to be immediately due and payable, and to take all action allowed the holder by law, under the terms of this Note and under the terms of the Loan Agreement and the Security Instruments, those conditions of default being as follows:

1. A default in the payment of any installment of principal and interest when due hereunder or a default in the payment of any installment of principal and/or interest when due under the Revolving Promissory Note, provided, however, Maker shall have a ten (10) day grace period within which to cure said default or defaults;

2. The failure to make any other payment of money when due called for under this Note, the Revolving Promissory Note, the Loan Agreement, the Security Instruments or under any other loan agreement, other agreement or note with respect to which Maker, and Bank are parties; provided, however, Maker shall have a ten (10) day grace period within which to cure said default or defaults;

3. The failure to perform or the breach of any of the covenants, warranties and agreements as set forth in this Note, the Revolving Promissory Note, the Loan Agreement, the Security Instruments or as set forth in any other loan agreement, other agreement or note with respect to which Maker and Bank are parties; provided, however, that with respect to the breach of an agreement, covenant or warranty other than that to pay a monetary sum, Maker shall have a thirty (30) day grace period within which to cure said default, and the holder shall have no right to declare the entire principal balance due and payable and take advantage of its remedies as set forth herein and in the Loan Agreement and in the Security Instruments until said grace period has expired;

4. The appointment of a receiver of any part of the property of, assignment for the benefit of creditors by, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Maker or surety for Maker;

5. Any default under the default provisions of the Loan Agreement, the Revolving Promissory Note or any of the Security Instruments shall constitute a default hereunder, and said default provisions are expressly incorporated herein by reference, the same as if copied at length herein, subject to all applicable grace periods.

In the event any installment of interest or principal and interest due under this Note shall remain past due for more than ten (10) days from its due date, an amount equal to the greater of Fifty Dollars (\$50.00) or five percent

(5%) of that installment is payable on demand to the holder of this Note as a late payment processing fee.

It is agreed that any sums which shall not be paid when due, whether maturing by lapse of time or by reason of acceleration under the provisions hereof or the provisions of the Loan Agreement or the Security Instruments, and whether the principal or interest of the Note, or money owing for an advancement by the holder hereof pursuant to the terms of any of the Security Instruments securing the payment of this Note or pursuant to the terms of the Loan Agreement, shall bear interest at a variable annual percentage rate of five (5) percentage points above the Prime Rate, as hereinafter defined (the "Default Rate").

Interest on this Note shall be computed on the basis of actual number of days elapsed over an assumed year of 360 days in accordance with the customary practice of the Bank.

The failure of any party hereto to insist upon strict performance of any of the terms of this Note, or to exercise any rights herein confirmed, shall not be construed as a waiver or relinquishment to any extent of such party's right to assert or rely upon such terms or rights in any other instance. A waiver on any one occasion shall not be construed as a bar to or waiver of any right and/or remedy on any future occurrence. This Note cannot be modified, altered or amended except by an agreement, in writing, duly signed by authorized representatives of the parties hereto.

Maker agrees that if, in the event of a default, this Note is referred to an attorney who is not a salaried employee of Bank, Maker will pay such costs and reasonable attorney's fees as are incurred by Bank and actually paid or agreed to be paid by Bank. Maker agrees to pay interest on any judgment on this Note at a rate of twelve percent (12%) per annum until paid, or at the rate of interest on this Note, whichever rate is higher.

All payments received by the holder hereunder shall be allocated between principal, interest and fees, if any, in the discretion of the holder and, when applicable, any prepayments will be applied to principal in the inverse order of scheduled maturity. No partial prepayment of principal shall postpone the due date of any subsequent payment due hereunder.

All rights, powers, privileges and immunities herein granted to Bank shall extend to its successors and assigns and any other legal holder of this Note.

Maker acknowledges that this Note evidences a loan made primarily for business, commercial or agricultural purposes and not primarily for personal, family or household purposes.

All agreements herein made are expressly limited so that in no event whatsoever, whether by reason of advancement of proceeds hereof, acceleration of maturity of the unpaid balance hereof, or otherwise, shall the interest and loan charges agreed to be paid to Bank for the use of the money advanced or to be advanced hereunder exceed the maximum amount collectible under applicable laws in effect from time to time. If for any reason whatsoever the interest or loan charges paid or contracted to be paid in respect of the indebtedness evidenced hereby shall exceed the maximum amounts collectible under applicable laws in effect from time to time, then, ipso facto, the obligation to pay such interest and/or loan charges shall be reduced to the maximum amounts collectible under applicable laws in effect from time to time, and any amounts collected by Bank that exceed such maximum amounts shall be applied to the reduction of the principal balance remaining unpaid hereunder, and if such amounts exceed the principal balance then due hereunder, such amounts shall be refunded to Maker so that at no time shall the interest or loan charges paid or payable in respect of the indebtedness evidenced hereby exceed the maximum amounts permitted from time to time by applicable law. This provision shall control every other provision in any and all other agreements and instruments now existing or hereafter arising between Maker and Bank with respect to the indebtedness evidenced hereby.

This Note has been delivered in and the obligations of Maker hereunder shall be governed and construed in accordance with the laws of the Commonwealth of Kentucky without reference to its principles of conflicts of laws.

Dated as of the day and year first above written.

**ANDOVER GOLF AND COUNTRY CLUB,
INC.,** a Kentucky non-stock, non-profit
corporation

BY: 

Rick McClure, President

LEX 005796/111460/3523504.1

MORTGAGE AND SECURITY AGREEMENT

THIS MORTGAGE AND SECURITY AGREEMENT (herein "Mortgage") is made effective as of August 13, 2007, between the Mortgagor and Debtor, **ANDOVER GOLF AND COUNTRY CLUB, INC.**, a Kentucky non-stock, non-profit corporation, whose address is c/o Andover Golf and Country Club, 3450 Todds Road, Lexington, Kentucky 40509 (herein "Borrower"), and the Mortgagee and Secured Party, **WHITAKER BANK, INC.**, a Kentucky banking corporation, whose address is 2001 Pleasant Ridge Dr., Lexington, Fayette County, Kentucky 40555 (herein "Lender").

WHEREAS, Borrower is indebted to Lender in the aggregate principal sum of **Three Million Six Hundred Fifty Thousand Dollars (\$3,650,000.00)**, which indebtedness is evidenced by those certain promissory notes executed by Borrower as follows: (i) Promissory Note, of even date herewith, executed by Borrower and payable to the order of Lender, in the maximum principal amount of Three Million Four Hundred Thousand and No/100 Dollars (\$3,400,000.00), providing for payments of principal and interest as set forth therein with the balance of the indebtedness, if not sooner paid, due and payable on August 13, 2017 (the "Term Note") and (ii) Revolving Promissory Note, of even date herewith, executed by Borrower and payable to the order of Lender in the maximum principal amount of Two Hundred Fifty Thousand and No/100 Dollars (\$250,000.00), providing for payments of principal and interest as set forth therein, with the balance of this indebtedness, if not sooner paid, due and payable on August 13, 2008 (the "Revolving Note"). The Term Note and the Revolving Note are hereinafter collectively referred to as the "Notes."

The Revolving Note secured hereby constitutes a "line of credit" pursuant to Kentucky Revised Statutes 382.385. The maximum principal amount of credit which may be outstanding at anytime or times under the Revolving Note and which is to be secured by this Mortgage (not including "Future Advances," as hereinafter defined, made in accordance with Section 21 hereof which may also be a "line of credit") is Two Hundred Fifty Thousand and No/100 Dollars (\$250,000.00).

TO SECURE to Lender (a) the repayment of the indebtedness evidenced by the Notes, with the interest thereon, the payment of all other sums, with interest thereon, advanced in accordance herewith to protect the security of this Mortgage, and the performance of the covenants and agreements of Borrower herein contained and contained in the Loan Agreement by and between Borrower and Lender of even date herewith (the "Loan Agreement") and in any other instrument or agreement evidencing, securing or otherwise pertaining to the Notes, and (b) the repayment of any future advances, with interest thereon, made to Borrower by Lender pursuant to Paragraph 21 hereof

EXHIBIT B**Return to Preparer**

(herein "Future Advances"), Borrower does hereby mortgage, grant and convey to Lender the following described property located in the County of Fayette, Commonwealth of Kentucky, and more fully described on Exhibit "A" which is attached hereto and incorporated herein by reference;

TOGETHER with all the improvements now or hereafter erected on the property, and all easements appurtenant thereto, and all other rights, appurtenances, rents, royalties, mineral, oil and gas rights and profits, water, water rights, and water stock, and all fixtures now or hereafter attached to the property, all of which, including replacements and additions thereto, shall be deemed to be and remain a part of the property covered by this Mortgage; and all of the foregoing, together with said property (or the leasehold estate if this Mortgage is on a leasehold), are herein referred to as the "Property."

To further secure to Lender the payment of the obligations described hereinabove, Borrower further grants to Lender a security interest in and to the following property (herein "Collateral"):

(a) all goods and other tangible personal property which are or are to become fixtures, including operating equipment, machinery, and trade fixtures, if any, situated on or associated with the Property, including, but not by way of limitation, all heating, air conditioning, duct, elevator and escalator, plumbing, electrical, lighting, fire extinguishing, communications, power equipment and like facilities, with all replacements thereof, all attachments, accessories, parts, appliances, equipment and tools belonging thereto or for use in connection therewith, whether now owned or hereafter acquired by Borrower;

(b) all building materials or components delivered to the Property as are to be incorporated into the Property, together with any additional and similar later-acquired property purchased by Borrower and incorporated or to be incorporated into the Property, whether now owned or hereafter acquired by Borrower;

(c) all furnishings, furniture, office equipment, maintenance equipment or other goods or tangible personal property of Borrower located at or to be used in connection with the Property, whether now owned or hereafter acquired by Borrower;

(d) all licenses and permits issued in favor of, for the account of, or granted to Borrower by any division or department of the Lexington-Fayette Urban County Government, by any division or department of the Commonwealth of Kentucky, or by any other government or quasi governmental authority having the power and authority to issue any such permits and licenses in connection with the Property;

(e) all rights of Borrower in and to any contracts with utility companies, whether now existing or hereafter entered into, for the providing of service to the Property, including all fees or refunds due to Borrower in connection therewith;

(f) all of Borrower's rights, titles and interests in any and all leases, tenant contracts, rental agreements, management contracts, and all other contracts, licenses, permits, plans and specifications, and any and all other contracts pertaining to the Property or now or hereafter affecting the Property, without, however, imposing upon Lender any obligation with respect thereto;

(g) any and all rents, deposits and accounts receivable which are now due or may hereafter become due by reason of the renting and/or leasing of the Property and the improvements thereon;

(h) any and all demand, savings and any other bank accounts and/or deposits; and

(i) all products, rents, issues, profits, proceeds, accessions to, substitutions for and/or replacements of the foregoing.

The Property and the Collateral are hereinafter referred to collectively as the "Mortgaged Estate."

Borrower covenants to Lender that Borrower is well seized of the Mortgaged Estate, subject to the lien hereof, and has good right and full power to grant, bargain, sell, convey, mortgage, grant a security interest in and warrant the same as herein described. Borrower covenants that the premises and properties constituting the Mortgaged Estate are and will be free from all liens and encumbrances whatsoever, excepting only the lien of general taxes not yet due and payable, easements and restrictions of record affecting the Property, and restrictions and zoning laws affecting the Property, none of which impair or will impair the value of the Mortgaged Estate as collateral for payment of the Notes. Borrower warrants and will defend the said Mortgaged Estate, with the privileges and appurtenances thereunto belonging, to Lender, its successors and assigns forever, against all claims and demands whatsoever adverse to the interest of Lender, at Borrower's sole expense.

Borrower and Lender covenant and agree as follows:

1. **Payment of Principal and Interest.** Borrower shall promptly pay when due the principal of and interest on the indebtedness evidenced by the

Notes, prepayment and late charges as provided in the Notes, and the principal of and interest on any Future Advances secured by this Mortgage.

2. **Funds for Taxes and Insurance.** Subject to applicable law or to a written waiver by Lender, Borrower shall pay to Lender in monthly installments, until the Notes are paid in full, a sum (herein "Funds") equal to one-twelfth (1/12) of the yearly taxes and assessments on the Property which may attain priority over this Mortgage, and ground rents on the Property, if any, plus one-twelfth (1/12) of yearly premium installments for hazard insurance, plus one-twelfth (1/12) of yearly premium installments for mortgage insurance, if any, all as reasonably estimated initially and from time to time by Lender on the basis of assessments and bills and reasonable estimates thereof.

The Funds shall be held in an institution the deposits or accounts of which are insured or guaranteed by a federal or state agency (including Lender if Lender is such an institution). Lender shall apply the Funds to pay said taxes, assessments, insurance premiums and ground rents. Lender may not charge for so holding and applying the Funds, analyzing said account, or verifying and compiling said assessments and bills, unless Lender pays Borrower interest on the Funds and applicable law permits Lender to make such a charge. Borrower and Lender may agree in writing at the time of execution of this Mortgage that interest on the Funds shall be paid to Borrower, and unless such agreement is made or applicable law requires such interest to be paid, Lender shall not be required to pay Borrower any interest or earnings on the Funds. Lender shall give to Borrower, without charge, an annual accounting of the Funds showing credits and debits to the Funds and the purpose for which each debit to the Funds was made. The Funds are pledged as additional security for the sums secured by this Mortgage.

If the amount of the Funds held by Lender, together with the future monthly installments of Funds payable prior to the due dates of taxes, assessments, insurance premiums and ground rents, shall exceed the amount required to pay said taxes, assessments, insurance premiums and ground rents as they fall due, such excess shall be, at Borrower's option, either promptly repaid to Borrower or credited to Borrower on monthly installments of Funds. If the amount of the Funds held by Lender shall not be sufficient to pay taxes, assessments, insurance premiums and ground rents as they fall due, Borrower shall pay to Lender any amount necessary to make up the deficiency within thirty (30) days from the date notice is mailed by Lender to Borrower requesting payment thereof.

Upon payment in full of all sums secured by this Mortgage, Lender shall promptly refund to Borrower any Funds held by Lender. If under Paragraph 18 hereof the Property is sold or the Property is otherwise acquired by Lender,

Lender shall apply, no later than immediately prior to the sale of the Property or its acquisition by Lender, any Funds held by Lender at the time of application as a credit against the sums secured by this Mortgage.

3. **Application of Payments.** Unless applicable law provides otherwise, all payments received by Lender under the Notes and Paragraphs 1 and 2 hereof shall be applied by Lenders first in payment of amounts payable to Lender by Borrower under Paragraph 2 hereof, then to such payments shall be allocated between principal, interest and fees, if any, in the discretion of Lender, and then to interest and principal of any Future Advances.

4. **Charges; Liens.** Borrower shall pay all taxes, assessments and other charges, fines and impositions attributable to the Property which may attain a priority over this Mortgage, and leasehold payments or ground rents, if any, in the manner provided under Paragraph 2 hereof or, if not paid in such manner, by Borrower making payment, when due, directly to the payee thereof. Borrower shall further pay all taxes, assessments and other charges, fines and impositions attributable to the Collateral which may attain a priority over this Mortgage by Borrower making payment, when due, directly to the payee thereof. Borrower shall promptly furnish to Lender all notices of amounts due under this paragraph, and in the event Borrower shall make payment directly, Borrower shall promptly furnish to Lender receipts evidencing such payments. Borrower shall promptly discharge any lien which has priority over this Mortgage; provided, that Borrower shall not be required to discharge any such lien so long as Borrower shall agree in writing to the payment of the obligation secured by such lien in a manner acceptable to Lender, or shall in good faith contest such lien by, or defend enforcement of such lien in, legal proceedings which operate to prevent the enforcement of the lien or forfeiture of the Mortgaged Estate or any part thereof.

5. **Hazard Insurance.** Borrower shall keep the improvements now existing or hereafter erected on the Property and the Collateral insured against loss by fire, hazards included within the term "extended coverage," and such other hazards as Lender may require and in such amounts and for such periods as Lender may require; provided, that Lender shall not require that the amount of such coverage exceed that amount of coverage required to pay the sums secured by this Mortgage.

The insurance carrier providing the insurance shall be chosen by Borrower subject to approval by Lender; provided, that such approval shall not be unreasonably withheld. All premiums on insurance policies shall be paid in the manner provided under Paragraph 2 hereof or, if not paid in such manner, by Borrower making payment, when due, directly to the insurance carrier.

All insurance policies and renewals thereof shall be in form acceptable to Lender and shall include a standard mortgagee clause in favor of and in form acceptable to Lender. Lender shall have the right to hold the policies and renewals thereof, and Borrower shall promptly furnish to Lender all renewal notices and all receipts of paid premiums. In the event of loss, Borrower shall give prompt notice to the insurance carrier and Lender. Lender may make proof of loss if not made promptly by Borrower.

Borrower hereby assigns to Lender all proceeds from any insurance policies, and Lender is hereby authorized and empowered in its reasonable discretion, to adjust or compromise any loss under any insurance policies on the Mortgaged Estate, and to collect and receive the proceeds from any such policy or policies. Each insurance company is hereby authorized and directed to make payment for all such losses directly to Lender alone, and not to Borrower and Lender jointly. After deducting from such insurance proceeds any expenses incurred by Lender in the collection or handling of such funds, Lender may apply the net proceeds, at its option, either toward restoring the Mortgaged Estate or as a credit on any portion of the indebtedness and other sums secured hereby, whether then matured or to mature in the future, or at the option of Lender such sums either wholly or in part may be paid over to Borrower to be used to repair such improvements or to build new improvements in their place or for any other purpose or object satisfactory to Lender, without affecting the lien of this Mortgage for the full amount secured hereby before such payment took place. If Lender elects to restore the Mortgaged Estate, any balance of such monies after restoration shall either be applied toward the reduction of indebtedness and other sums secured hereby or shall be paid to Borrower. Lender shall not be responsible for any failure to collect any insurance proceeds due under the terms of any policy regardless of the cause of such failure.

Unless Lender and Borrower otherwise agree in writing, any such application of proceeds to principal shall not extend or postpone the due date of the monthly installments referred to in Paragraphs 1 and 2 hereof or change the amount of such installments. If under Paragraph 18 hereof the Mortgaged Estate or any part thereof is acquired by Lender, all right, title and interest of Borrower in and to any insurance policies and in and to the proceeds thereof resulting from damage to the Mortgaged Estate prior to the sale or acquisition shall pass to Lender to the extent of the sums secured by this Mortgage immediately prior to such sale or acquisition.

6. Preservation and Maintenance of Mortgaged Estate:
Leaseholds. Borrower shall keep the Mortgaged Estate in good repair, cause the Mortgaged Estate to be utilized in conformance with all applicable laws, regulations and ordinances and shall not commit waste or permit impairment

or deterioration of the Mortgaged Estate and shall comply with the provisions of any lease if this Mortgage is on a leasehold. If the Collateral includes movable personal property, Borrower shall keep, store or regularly garage such property at locations approved by Lender in writing.

7. **Protection of Lender's Security.** If Borrower fails to perform the covenants and agreements contained in this Mortgage, or if any action or proceeding is commenced which materially affects Lender's interest in the Mortgaged Estate, including, but not limited to, eminent domain, insolvency, code enforcement, or arrangements or proceedings involving a bankrupt or decedent, then Lender at Lender's option, upon notice to Borrower, may make such appearances, disburse such sums and take such action as is necessary to protect Lender's interests, including, but not limited to, disbursement of reasonable attorney's fees and entry upon the Property or other premises to make repairs to the Mortgaged Estate. If Lender required mortgage insurance as a condition of making the loan secured by this Mortgage, Borrower shall pay the premiums required to maintain such insurance in effect until such time as the requirement for such insurance terminates in accordance with Borrower's and Lender's written agreement or applicable law. Borrower shall pay the amount of all mortgage insurance premiums in the manner provided under Paragraph 2 hereof.

Any amounts disbursed by Lender pursuant to this Paragraph 7, with interest thereon, shall become additional indebtedness of Borrower secured by this Mortgage. Unless Borrower and Lender agree to other terms of payment, such amounts shall be payable upon notice from Lender to Borrower requesting payment thereof, and shall bear interest from the date of disbursement at the rate payable from time to time on outstanding principal under the Notes unless payment of interest at such rate would be contrary to applicable law, in which event such amounts shall bear interest at the highest rate permissible under applicable law. Nothing contained in this Paragraph 7 shall require Lender to incur any expense or take any action hereunder.

8. **Inspection.** Lender may make or cause to be made reasonable entries upon the Property or other premises for purposes of inspecting the Mortgaged Estate, provided that Lender shall give Borrower notice prior to any such inspection specifying reasonable cause therefor related to Lender's interest in the Mortgaged Estate.

9. **Condemnation.** If all or any part of the Mortgaged Estate shall be damaged or taken through condemnation (which term when used herein shall include any damage or taking by any governmental authority or any other authority authorized by the laws of the state where the Property is located or the United States of America to so damage or take, and any transfer by private

sale in lieu thereof), either temporarily or permanently, Lender shall be entitled to all compensation awards, damages, claims, rights of action and proceeds of, or on account of any damage or taking through condemnation and is hereby authorized, at its option, to commence, appear in and prosecute, in its own or Borrower's name, any action or proceeding relating to any condemnation, and to settle or compromise any claim in connection therewith. All such compensation awards, damages, claims, rights of action and proceeds, and any other payments or relief, and the right thereto, are hereby assigned by Borrower to Lender, who, after deducting therefrom all its expenses, including attorney's fees, may release any monies so received by it without affecting the lien of this Mortgage or may apply the same, in such manner as Lender shall determine, to the reduction of the sums secured hereby and to any prepayment charge provided in the Notes, this Mortgage or other instrument securing the Notes. Any balance of such monies then remaining shall be paid to Borrower. Borrower agrees to execute such further assignments of any compensations, awards, damages, claims, rights of action and proceeds as Lender may require.

If all or any part of the Mortgaged Estate is abandoned by Borrower, or if, after notice by Lender to Borrower that the condemnor offers to make an award or settle a claim for damages, Borrower fails to respond to Lender within thirty (30) days after the date such notice is mailed, Lender is authorized to collect and apply the proceeds, at Lender's option, either to restoration or repair of the Mortgaged Estate or to the sums secured by this Mortgage.

Unless Lender and Borrower otherwise agree in writing, any such application of proceeds to principal shall not extend or postpone the due date of any payments referred to in Paragraphs 1 and 2 hereof or change the amount of such payment.

10. Borrower Not Released. Neither extensions of the time for payment or modification of amortization of the sums secured by this Mortgage granted by Lender to Borrower, or to any successor in interest of Borrower nor the release of other parties or collateral, shall operate to release, in any manner, the liability of the original Borrower and Borrower's successors in interest. Lender shall not be required to commence proceedings against such successor or refuse to extend time for payment or otherwise modify amortization of the sums secured by this Mortgage by reason of any demand made by the original Borrower and Borrower's successors in interest.

11. Forbearance by Lender Not a Waiver. Any forbearance by Lender in exercising any right or remedy hereunder, or otherwise afforded by applicable law, shall not be a waiver or preclude the exercise of any such right or remedy. The procurement of insurance or the payment of taxes or other liens or charges by Lender shall not be a waiver of Lender's right to accelerate

the maturity of the indebtedness secured by this Mortgage. No waiver of any Event of Default hereunder shall extend to or affect any subsequent or any other Event of Default then existing, or impair any rights, powers or remedies consequent thereon. If Lender (a) grants forbearance or an extension of time for the payment of any sums secured hereby; (b) takes other or additional security for the payment thereof; (c) waives or does not exercise any right granted in the Notes, the Loan Agreement, this Mortgage or any other instrument securing the Notes; (d) releases any part of the Mortgaged Estate from the lien of this Mortgage or any other instrument securing the Notes; or, (e) makes or consents to any agreement changing the terms of this Mortgage or subordinating the lien or any charge hereof, no such act or omission shall release, discharge, modify, change or affect the original liability under the Notes, this Mortgage or otherwise of Borrower, or any subsequent purchaser of the Mortgaged Estate or any part thereof or any maker, cosigner, endorser, surety or guarantor. No such act or omission shall preclude Lender from exercising any right, power or privilege herein granted or intended to be granted in case of any Event of Default then existing or of any subsequent Event of Default nor, except as otherwise expressly provided in an instrument or instruments executed by Lender, shall the lien of this Mortgage be altered thereby.

12. **Remedies Cumulative.** All remedies provided in this Mortgage are distinct and cumulative to any other right or remedy under this Mortgage, any other agreement between Borrower and Lender or afforded by law or equity, and may be exercised concurrently, independently or successively.

13. **Successors and Assigns Bound; Joint and Several Liability; Captions.** The covenants and agreements herein contained shall bind, and the rights hereunder shall inure to, the respective heirs, successors and assigns of Lender and Borrower, subject to the provisions of Paragraph 17 hereof. All covenants and agreements of Borrower shall be joint and several. The captions and headings of the paragraphs of this Mortgage are for convenience only and are not to be used to interpret or define the provisions hereof.

14. **Notice.** Except for any notice required under applicable law to be given in another manner, (a) any notice to Borrower provided for in this Mortgage shall be given by mailing such notice by certified mail addressed to Borrower at the address set forth above, or at such other address as Borrower may designate by notice to Lender as provided herein, with copies as set forth in the Loan Agreement, and (b) any notice to Lender shall be given by certified mail, return receipt requested, to Lender's address set forth above or to such other address as Lender may designate by notice to Borrower as provided herein. Any notice provided for in this Mortgage shall be deemed to have been given to Borrower or Lender when given in the manner designated herein.

15. **Governing Law; Severability.** This Mortgage shall be interpreted and construed under and governed by the laws of the Commonwealth of Kentucky. In the event that any provision or clause of this Mortgage or the Notes conflicts with applicable law, such conflict shall not affect other provisions of this Mortgage or the Notes which can be given effect without the conflicting provision, and to this end the provisions of the Mortgage and the Notes are declared to be severable.

16. **Borrower's Copy.** Borrower acknowledges receipt of a conformed copy of the Notes and of this Mortgage.

17. **Transfer of the Mortgaged Estate; Assumption.** If all or any part of the Mortgaged Estate or any legal or equitable interest therein is sold or transferred by Borrower without Lender's prior written consent, Lender may, at Lender's option, declare all the sums secured by this Mortgage to be immediately due and payable, and without further notice or demand on Borrower invoke any remedies permitted by Paragraph 18 hereof.

18. **Acceleration; Remedies.** Upon the occurrence of any "Event of Default," which, for purposes of this Mortgage, means any foreclosure instituted against the Mortgaged Estate or any part thereof by a junior lienholder, including foreclosure or other proceedings to enforce any security interest, lien or encumbrance of any kind upon the Mortgaged Estate or any portion thereof, any default in, or "Event of Default," or breach of any covenant, agreement, representation or warranty by Borrower, under the provisions of the Notes, or either of them, this Mortgage, the Loan Agreement, any document evidencing other indebtedness secured hereby, or any loan agreement or other agreement with respect to which Borrower and Lender are parties, which default has not been cured within any applicable grace period, Lender shall, at Lender's option, have the following rights and remedies, which, to the extent permitted by law, shall be cumulative: (a) to declare immediately due and payable and accelerate the entire unpaid balance due on the Notes and all other obligations of Borrower, to Lender, (b) to enforce the lien of this Mortgage by judicial proceeding and have the Property and/or the Collateral, or specific items thereof, sold and collect from Borrower all expenses of foreclosure, including, but not limited to, reasonable attorney's fees, court costs, costs of taking, holding, preparing for sale and sale of the Mortgaged Estate or any part thereof, and costs of documentary evidence, abstracts and title reports, (c) to exercise the rights granted by this Mortgage relative to collection of rents and all other rights provided by this Mortgage, and (d) to exercise any and all other rights and remedies afforded to Lender in and against the Mortgaged Estate or Borrower provided for or permitted by applicable law, including the Uniform

Commercial Code or the provisions of any other agreement entered into by and between Borrower, or any of them, and Lender.

The remedies of Lender upon the occurrence of an Event of Default shall, with respect to the Collateral, specifically include the following rights and powers, any of which may be exercised concurrently with or independent of those hereinabove described: (i) all rights and remedies of a secured party under the Uniform Commercial Code of the Commonwealth of Kentucky or similar statutes, including, without limitation, the right to take possession of the Collateral and to take such other measures as Lender may deem necessary for the care, preservation or protection thereof, and for such purposes Lender may enter upon the Property or upon any other premises on which the Collateral may be situated and remove the same therefrom; (ii) the right to require Borrower to assemble all of the Collateral and make it available to Lender at a place to be designated by Lender, or in the alternative Lender may conduct any public or private sale at or upon the Property or other site where any Collateral may be located; (iii) the right to transfer any Collateral into Lender's own name or that of its nominee and receive the income thereon and proceeds thereof and hold the same as security for the Notes and any other obligations secured hereby or apply it to principal or interest due on the Notes or other obligations secured hereby; and (iv) the right and power of Lender as attorney-in-fact for Borrower, with power of substitution, which right and power Borrower hereby irrevocably grants to Lender to, in the name of Borrower or of Lender, give, demand, collect, receipt for and give renewals, extensions, bills of sale, transfers of title, discharges and releases of any Collateral; to institute and to prosecute legal and equitable proceedings; to realize upon any Collateral; to settle, compromise, compound or adjust claims in respect of any Collateral or any legal proceedings brought in respect thereof; and generally to sell same in whole or in part for cash, credit or property to others at any public or private sale and to assign or make any agreement with respect to or otherwise deal with any Collateral as fully and completely as though Lender were the absolute owner thereof for all purposes.

For purposes of this section, disposition of the Collateral shall be deemed commercially reasonable if made pursuant to a public offering advertised at least twice in a newspaper of general circulation in the community where the Collateral is located or by a private sale for a sum equal to or in excess of the liquidating value of the Collateral as determined by Lender. Lender may bid upon and acquire any portion of the Collateral at any sale if it is public. Any notice of sale, disposition or other intended action by Lender with respect to the Collateral sent to Borrower in accordance with the provisions hereof at least ten (10) days prior to such action, shall constitute reasonable notice to Borrower. In addition to all other sums secured hereby, Borrower shall promptly pay to Lender all expenses, including legal expenses and attorney's

fees, incurred by or paid by Lender in protecting its interest in the Collateral, assembling and holding same for sale or other disposition and in enforcing its rights hereunder with respect thereto.

19. Assignments of Rents and Leases; Collection of Rents; Appointment of Receiver. As additional security hereunder, Borrower does hereby transfer and assign to Lender and its assigns, forever, all of the rents, revenues, issues and profits now due and hereafter to become due from the Mortgaged Estate and also all leases and rental agreements affecting the Mortgaged Estate, provided that Borrower shall, prior to the earlier of (a) acceleration of any indebtedness secured by this Mortgage, (b) abandonment of the Mortgaged Estate, or (c) the failure of Borrower to promptly pay when due any and all amounts secured by this Mortgage, have the right to collect and retain such rents and revenue as they become due and payable.

Upon any acceleration under Paragraph 18 hereof, abandonment of the Mortgaged Estate, or the failure of Borrower, or any of them, to pay when due any amounts secured by this Mortgage, Lender, in its sole discretion, shall have the following rights and remedies, which, to the extent permitted by law, shall be cumulative: (a) to enter upon and take possession of the Mortgaged Estate; to demand, collect and receive from the tenant or tenants now or hereafter in possession of the Mortgaged Estate, or any part thereof, or from other persons liable therefor, all of the rents and revenues from such tenants or other persons, which may now be due and unpaid and which may hereafter become due; to institute and carry on all legal proceedings necessary for the protection of the Mortgaged Estate, including such proceedings as may be necessary to recover the possession of the whole or any part of the Mortgaged Estate, to institute and prosecute any and all suits for the collection of rents and all other revenues from said Mortgaged Estate which now may be due and unpaid and which may hereafter become due, to institute and prosecute summary proceedings for the removal of any tenant or tenants or other persons from the Mortgaged Estate, and to pay the costs, legal fees and other expenses of all such suits and proceedings out of the rents and other revenues received; to maintain the Mortgaged Estate and keep the same in repair, to pay, out of the rents and other revenues received, the costs thereof and of all services of all employees, including their equipment, and of all of the operating expenses and expenses of maintaining and keeping the Mortgaged Estate in repair and proper condition, also all amounts now due and unpaid and which may hereafter become due which are secured by this Mortgage, and also all taxes, assessments and sewer, water, electricity and other utility charges now due and unpaid and which may hereafter become due; to execute and comply with all the laws of the United States and the Commonwealth of Kentucky and all rules, regulations and orders promulgated thereunder, and all local laws, regulations and ordinances, affecting the Mortgaged Estate and to pay the

costs thereof out of the rents and other revenues received; to rent or lease the whole or any part of the Mortgaged Estate for such term or terms and on such conditions as Lender may deem proper; to employ an agent or agents to rent and manage the Mortgaged Estate and to collect the said rents and other revenues thereof, and to pay the reasonable value of its or their services out of the rents and revenues received; to effect general liability insurance, boiler insurance, plate glass insurance, rent insurance, fire and other casualty insurance and workmen's compensation insurance and generally such other insurance as is customarily effected by an owner of property of the types and kinds included in the Mortgaged Estate, or as Lender may deem advisable or necessary to effect, and pay the premiums and charges therefor out of said rents and other revenues received; to determine to which one or more of the purposes aforesaid the said rents and revenues shall be applied and the amount to be applied thereto; and, to act exclusively and solely in the place and stead of Borrower, and to have all of the powers of Borrower for the purposes aforesaid; (b) to have a receiver appointed by a court to enter upon, take possession of and manage the Mortgaged Estate and to collect the rents and revenues of the Mortgaged Estate including those past due, which rents and revenues shall be applied first to payment of the costs of management of the Mortgaged Estate and collection of rents, including, but not limited to, receiver's fees, premiums on receiver's bonds and reasonable attorneys fee, and then to the sum secured by this Mortgage, provided, however, the receiver shall be liable to account only for those rents actually received; (c) to exercise the rights granted in this Mortgage relative to foreclosure of the Mortgaged Estate and all other rights provided by this Mortgage; and (d) to exercise any and all other rights and remedies in and against the Mortgaged Estate and Borrower provided or permitted by applicable law and the provisions of any other agreement entered into by and between Borrower, or any of them, and Lender.

20. Nature of this Agreement. This instrument constitutes both a real property mortgage and a "security agreement," within the meaning of the Uniform Commercial Code, and the Mortgaged Estate includes both real and personal property and all other rights and interest, whether tangible or intangible in nature of Borrower in the Mortgaged Estate. Borrower by executing and delivering this instrument has granted to Lender, as security for the indebtedness referred to herein, a security interest in the Collateral above described as a portion of the Mortgaged Estate. To the extent that any portion of the Mortgaged Estate may be defined herein as a part of the Property and as a part of the Collateral, Lender, in its sole discretion, may designate how such portion of the Mortgaged Estate shall be classified and Lender may change such classification at any time or from time to time.

21. Future Advances. This Mortgage shall secure all the obligations of Borrower, and each of them, and all provisions hereof shall apply to (a) the

Notes as well as all renewals and extensions of the Notes, and (b) all "Future Advances" as hereinafter defined. The term "Future Advances" as used herein refers to any and all indebtedness of Borrower, to Lender, whether direct, indirect, existing, future, contingent or otherwise, other than indebtedness evidenced by the Notes or otherwise excluded by this Mortgage; provided, however, (a) the total of the Future Advances secured by this Mortgage shall not exceed the total sum of \$1,350,000.00 in addition to the original face amount of the Notes, and (b) the term "Future Advances" shall include obligations which are, at the time incurred, "consumer credit" and thus subject to the disclosure and/or notification provisions of the Federal Truth-in-Lending Act and the Regulations promulgated thereunder only if (i) the instrument evidencing such obligation provides it is to be secured by this Mortgage, or (ii) such disclosure and notification requirements have been satisfied.

Notwithstanding anything contained in this Mortgage to the contrary, Lender shall have no obligation to (a) make any Future Advances, (b) permit extensions or renewals of the Notes, or (c) otherwise extend credit of any kind to Borrower, in addition to that required by the Notes.

22. Release. Upon payment of all sums secured by this Mortgage, Lender shall release this Mortgage, without charge to Borrower, except Borrower shall pay all costs of recordation, if any.

23. Waiver of Homestead. Borrower hereby waives all right of homestead exemption in the Property.

IN WITNESS WHEREOF, Borrower has executed this Mortgage.

**ANDOVER GOLF AND COUNTRY CLUB,
INC.,** a Kentucky non-stock, non-profit
corporation

BY: _____

Rick McClure, President

COMMONWEALTH OF KENTUCKY

COUNTY OF FAYETTE

Subscribed, acknowledged and sworn to before me on August 13, 2007, by Rick McClure, as President of Andover Golf and Country Club, Inc., a Kentucky non-stock, non-profit corporation, for and on behalf of the corporation.

Jennifer C. Wainfield
Notary Public
My commission expires: 6/30/08

This instrument was prepared by:

STOLL KEENON OGDEN PLLC
300 West Vine Street, Suite 2100
Lexington, Kentucky 40507
(859) 231-3000

BY: Frank L. Wilford

Frank L. Wilford

LEX 005796/111460/3523414.1

EXHIBIT "A"

TRACT 1

Being all of Tract 5 of the Brighton Place Subdivision as shown on the plat of record at Cabinet H, Slide 425, in the Office of the Fayette County Clerk, all of Parcels 8 and 9, Tract 9, of the Brighton Place Subdivision as shown on the plat of record at Cabinet H, Slide 571 in the aforesaid Clerk's Office, all of Parcels 6 and 7, Tract 10, of the Brighton Place Subdivision as shown on the plat of record at Cabinet H, Slide 571, in the aforesaid Clerk's Office, all of Tracts 11 and 12 of the Brighton Place Subdivision as shown on the plat of record at Cabinet H, Slide 425, in the aforesaid Clerk's Office, all of Tract 13 of the Brighton Place Subdivision as shown on the Corrected Amended Minor Plat of record at Cabinet I, Slide 131, in the aforesaid Clerk's Office, all of Parcels 4 and 5, Tract 15, of the Brighton Place Subdivision as shown on the plat of record at Cabinet H, Slide 571, in the aforesaid Clerk's Office, and all of Tract 16 of the Brighton Place Subdivision as shown on the plat of record at Cabinet H, Slide 571, in the aforesaid Clerk's Office.

There is EXCEPTED from the above described Tract I the following:

All of that property conveyed by Andover Golf & Country Club, Inc. a Kentucky corporation, to Ball Homes, Inc., a Kentucky corporation, by deed dated December 17, 1996, of record in Deed Book 1887, Page 494 in the Fayette County Clerk's office. Said property being more particularly described as:

Being all of Parcel "A", as shown on the Consolidation Minor Subdivision Plat of 3209 Brighton Place Drive (Lot 119, Block "A") and a portion of Andover Golf and Country Club Property in the Village of Andover Forest, Brighton Place Subdivision, Unit 6-B, of record at Plat Cabinet K, Slide 167, in the Office of the Fayette County Clerk.

Tract I being a portion of the same property conveyed to Andover Golf & County Club, Inc. by deed dated July 24, 1990, of record in Deed Book 1553, Page 692, in the Fayette County Clerk's office.

TRACT 2

Being all of tracts 1B-1, 1B-2, 1B-3, 2A, 2B and 4B of the Fourth Amended Non-Building & Consolidation Minor Subdivision Plat of the Lochmere Development

Corporation Property and Stonecase Valley (a portion of), of record in Plat Cabinet I, Slide 134, in the Fayette County Clerk's office.

There is INCLUDED in Tract II described above the following:

a) All of Parcel 3, as shown on the Corrected Amended & Consolidation Minor Subdivision Plat of Lochmere, Unit 11-B, Section 2 and Lochmere Development Corporation Property, Tract 1B-3 & Tract 2B, (Andover Golf Course), of record in Plat Cabinet K, Slide 892, in the Fayette County Clerk's office;

b) All of Parcel 1, as shown on the Consolidation Minor Subdivision Plat of Stonecase Valley, Lot 33, Unit 5, Plat Cabinet "K", Slide 38 and Lochmere Development Corp. Property, Parcel 3, Plat Cabinet "K", Slide 381, of record in Plat Cabinet L, Slide 316, in the Fayette County Clerk's office;

There is EXCEPTED from the above described Tract II the following:

a) All of that property conveyed by Andover Golf & County Club, Inc., a Kentucky non-profit corporation, to Lochmere Development Corporation, a Kentucky corporation, by deed dated June 21, 1999, of record in Deed Book 2065, Page 595 in the Fayette County Clerk's office. Said property being more particularly described as:

Being all of Parcel 6, of Lochmere Unit 11-B, Section 2, as shown on Corrected Amended & Consolidation Minor Subdivision Plat of Lochmere, Unit 11-B, Section 2 and Lochmere Development Corporation Property, Tract 1B-3 & Tract 2B, (Andover Golf Course), of record in plat Cabinet K, Slide 892, in the Fayette County Clerk's office, and

b) All of that property conveyed by Andover Golf & Country club, Inc., a Kentucky non-profit corporation, to Lochmere Development Corporation, a Kentucky corporation, by deed dated June 9, 1992, of record in Deed Book 1632, Page 395, in the Fayette County Clerk's office. Said property being more particularly described as follows:

Being all of Parcel 1, of the Consolidation Minor Subdivision Plat of the Andover Golf and Country Club Property and Lochmere - Unit Two, Subsection Three, Lot 45, 708 Andover Village Drive, of record in Plat Cabinet I, Slide 568, in the Fayette County Clerk's office.

Tract II being a portion of the same property conveyed to Andover Golf & County Club, Inc. by deed dated July 24, 1990, of record in Deed Book 1553, Page 692, in the Fayette County Clerk's office.

TRACT 3

Being all of Parcel 1, of Stonecase Valley, Unit 7, Section 2 as shown on Final Record Plat of Stonecase Valley, Unit 7, Section 2, of record in Plat Cabinet K, Slide 861 in the Fayette County Clerk's office.

Being a portion of the same property conveyed to Andover Golf & Country Club, Inc. by deed dated August 20, 1999, of record in Deed Book 2075, Page 631, in the Fayette County Clerk's office.

TRACT 4

Being all of Parcel 4a, of Lochmere Unit 11-B, Section 2, as shown on Corrected Amended and Consolidation Minor Subdivision Plat Lochmere Unit 11-B, Section 2 and Lochmere Development Corporation Property Tract 1B-3 and Tract 2B (Andover Golf Course), of record in Plat Cabinet K, Slide 892, in the Fayette County Clerk's office.

Being a portion of the same property conveyed to Andover Golf & Country Club, Inc. by deed dated June 21, 1999, of record in Deed Book 2065, Page 591 and deed dated August 20, 1999, of record in Deed Book 2075, Page 631, all references to the Fayette County Clerk's office.

TRACT 5

Being all of Parcel 1 as shown by the Amended Final Record Plat and Consolidation Plat of Lochmere Development Corp. Property (A Portion of) and Stonecase Valley (A Portion of), of record in Plat Cabinet J, Slide 455, in the Fayette County Clerk's office and made a part hereof for a more particular description; the improvements thereon being known and designated as 3452 Todds Road.

Being the same property conveyed to Andover Golf & Country Club, Inc. by deed dated March 21, 1999, of record in Deed Book 2065, Page 586, in the Fayette County Clerk's office.

TRACT 6

Being all of Parcel 1 as shown on Consolidation Minor Subdivision Plat of Lochmere Development Corp. Property (A Portion of) and Stonecase Valley - Unit 5, Lot 31, (3520 Hunter's Green Way) and Stonecase Valley - Unit 5, Lot 32, (3516 Hunter's Green Way), of record in Plat Cabinet K, Slide 381, in the Fayette County Clerk's office.

Being the same property conveyed to Andover Golf & Country Club, Inc., a Kentucky non-profit corporation, by deed dated September 30, 1997, of record in Deed Book 1938, Page 463, in the Fayette County Clerk's office.

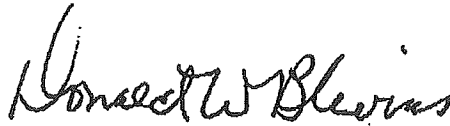
TRACT 7

Being all of Parcel 2 as shown on Consolidation Minor Subdivision Plat of Lochmere Development Corp. Property (A Portion of) and Stonecase Valley - Unit 5, Lot 31, (3520 Hunter's Green Way) and Stonecase Valley - Unit 5, Lot 32, (3516 Hunter's Green Way), of record in Plat Cabinet K, Slide 381, in the Fayette County Clerk's office.

Being the same property conveyed to Andover Golf & Country Club, Inc., a Kentucky non-profit corporation, by deed dated September 30, 1997, of record in Deed Book 1938, Page 467, in the Fayette County Clerk's office.

MORTGAGE BOOK 6165 PAGE 416

**I, Donald W Blevins, County Court Clerk
of Fayette County, Kentucky, hereby
certify that the foregoing instrument
has been duly recorded in my office.**


Donald W Blevins

By: DOUG BRADLEY , dc

200708130287

August 13, 2007

15:23:21 PM

Fees	\$65.00	Tax	\$.00
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Total Paid	\$65.00
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THIS IS THE LAST PAGE OF THE DOCUMENT

20 Pages

397 - 416

EXHIBIT C

REMAINING PROPERTY

TRACT 1:

Being all of Tract 5 of the Brighton Place Subdivision as shown on the plat of record at Cabinet H, Slide 425, in the Office of the Fayette County Clerk, all of Parcels 8 and 9, Tract 9, of the Brighton Place Subdivision as shown on the plat of record at Cabinet H, Slide 571 in the aforesaid Clerk's Office, all of Parcels 6 and 7, Tract 10, of the Brighton Place Subdivision as shown on the plat of record at Cabinet H, Slide 571, in the aforesaid Clerk's Office, all of Tracts 11 and 12 of the Brighton Place Subdivision as shown on the plat of record at Cabinet H, Slide 425, in the aforesaid Clerk's Office, all of Tract 13 of the Brighton Place Subdivision as shown on the Corrected Amended Minor Plat of record at Cabinet I, Slide 131, in the aforesaid Clerk's Office, all of Parcels 4 and 5, Tract 15, of the Brighton Place Subdivision as shown on the plat of record at Cabinet H, Slide 571, in the aforesaid Clerk's Office, and all of Tract 16 of the Brighton Place Subdivision as shown on the plat of record at Cabinet H, Slide 571, in the aforesaid Clerk's Office.

There is EXCEPTED from the above-described Tract 1 the following:

All of that property conveyed by Andover Golf & Country Club, Inc. a Kentucky corporation, to Ball Homes, Inc., a Kentucky corporation, by deed dated December 17, 1996, of record in Deed Book 1887, Page 494 in the Fayette County Clerk's office. Said property being more particularly described as:

Being all of Parcel "A", as shown on the Consolidation Minor Subdivision Flat of 3209 Brighton Place Drive (Lot 119, Block "A") and a portion of Andover Golf and Country Club Property in the Village of Andover Forest, Brighton Place Subdivision, Unit 6-B, of record at Plat Cabinet K, Slide 167, in the Office of the Fayette County Clerk.

TRACT 2:

Being all of tracts 1B-1, 1B-2, 1B-3, 2A, 2B and 4B of the Fourth Amended Non-Building & Consolidation Minor Subdivision Plat of the Lochmere Development Corporation Property and Stonecase Valley (a portion of), of record in Plat Cabinet I, Slide 134, in the Fayette County Clerk's office.

There is INCLUDED in Tract 2 described above the following:

- a) All of Parcel 3, as shown on the Corrected Amended & Consolidation Minor Subdivision Plat of Lochntere, Unit 11-B, Section 2

and Lochmere Development Corporation Property, Tract 1B-3 & Tract 2B, (Andover Golf Course), of record in Plat Cabinet K, Slide 892, in the Fayette County Clerk's office;

b) All of Parcel 1, as shown on the Consolidation Minor Subdivision Plat of Stonecase Valley, Lot 33, Unit 5, Plat Cabinet "K", Slide 38 and Lochmere Development Corp. Property, Parcel 3, Plat Cabinet "K", Slide 381, of record in Plat Cabinet L, Slide 316, in the Fayette County Clerk's office;

There is EXCEPTED from the above described Tract 2 the following;

a) All of that property conveyed by Andover Golf & Country Club, Inc., a Kentucky non-profit corporation, to Lochmere Development Corporation, a Kentucky corporation, by deed dated June 21, 1999, of record in Deed Book 2065, Page 595 in the Fayette County Clerk's office. Said property being more particularly described as:

Being all of Parcel 6, of Lochmere Unit 11-B, Section 2, as shown on Corrected Amended & Consolidation Minor Subdivision Plat of Lochmere, Unit 11-B, Section 2 and Lochmere Development Corporation Property, Tract 1B-3 & Tract 2B, (Andover Golf Course), of record in plat Cabinet K, Slide 892, in the Fayette County Clerk's office, and

b) All of that property conveyed by Andover Golf & Country club, Inc., a Kentucky non-profit corporation, to Lochmere Development Corporation, a Kentucky corporation, by deed dated June 9, 1992, of record in Deed Book 1632, Page 395, in the Fayette County Clerk's office, Said property being more particularly described as follows:

Being all of Parcel 1, of the Consolidation Minor Subdivision Plat of the Andover Golf and Country Club Property and Lochmere - Unit Two, Subsection Three, Lot 45, 708 Andover Village Drive, of record in Plat Cabinet I, Slide 568, in the Fayette County Clerk's office,

Tract 1 and Tract 2 being a portion of the same property conveyed to Andover Golf & Country Club, Inc. by Deed dated July 24, 1990, of record in Deed Book 1553, Page 692, in the Fayette County Clerk's office.

TRACT 3:

Being all of Parcel 1, of Stonecase Valley, Unit 7, Section 2 as shown on Final Record Plat of Stonecase Valley, Unit 7, Section 2, of record in Plat Cabinet K, Slide 861 in the Fayette County Clerk's office.

Tract 3 being a portion of the same property conveyed to Andover Golf & Country Club, Inc. by Deed dated August 20, 1999, of record in Deed Book 2075, Page 631, in the Fayette County Clerk's office.

TRACT 4:

Being all of Parcel 4a, of Lochmere Unit 11-B, Section 2, as shown on Corrected Amended and Consolidation Minor Subdivision Plat Lochmere Unit 11-B, Section 2 and Lochmere Development Corporation Property Tract 1B-3 and Tract al (Andover Golf Course), of record in Plat Cabinet K, Slide 892, in the Fayette County Clerk's office.

Being a portion of the same property conveyed to Andover Golf & Country Club, Inc. by Deed dated June 21, 1999, of record in Deed Book 2065, Page 591 and Deed dated August 20, 1999, of record in Deed Book 2075, Page 631, all references to the Fayette County Clerk's office.

TRACT 5:

Being all of Parcel 1 as shown by the Amended Final Record Plat and Consolidation Plat of Lochmere Development Corp. Property (A Portion of) and Stonecase Valley (A Portion of), of record in Plat Cabinet J, Slide 455, in the Fayette County Clerk's office and made a part hereof for a more particular description; the improvements thereon being known and designated as 3452 Todds Road.

Being the same property conveyed to Andover Golf & Country Club, Inc. by deed dated March 21, 1999, of record in Deed Book 2065, Page 586, in the Fayette County Clerk's office.

TRACT 6:

Being all of Parcel 1 as shown on Consolidation Minor Subdivision Plat of Lochmere Development Corp. Property (A Portion of) and Stonecase Valley —Unit 5, Lot 31, (3520 Hunter's Green Way) and Stonecase Valley Unit 5, Lot 32, (3516 Hunter's Green Way), of record in Plat Cabinet K, Slide 381, in the Fayette County Clerk's office.

Being the same property conveyed to Andover Golf & Country Club, Inc., a Kentucky non-profit corporation, by deed dated September 30, 1997, of record in Deed Book 1938, Page 463, in the Fayette County Clerk's office.

TRACT 7

Being all of Parcel 2 as shown on Consolidation Minor Subdivision Plat of Lochmere Development Corp. Property (A Portion of) and Stonecase Valley —Unit 5, Lot 31,

(3520 Hunter's Green Way) and Stonecase Valley — Unit 5, Lot 32, (3516 Hunter's Green Way), of record in Plat Cabinet K, Slide 381, in the Fayette County Clerk's office.

Being the same property conveyed to Andover Golf & Country Club, Inc., a Kentucky non-profit corporation, by Deed dated September 30, 1997, of record in Deed Book 1938, Page 467, in the Fayette County Clerk's office.

LESS AND EXCEPTING from the above described Tracts 1-7 all of the property conveyed by Andover Golf & Country Club Inc. to 1) Zachery Curtis Prewitt QSST Trust, by Quitclaim Deed dated May 22, 2014, of record in Deed Book 3284, Page 601, and 2) Commonwealth of Kentucky for the use and benefit of the Transportation Cabinet, Department of Highways, by deed dated February 12, 2015, of record in Deed Book 3298, Page 377, both of record in the office of the Fayette County Clerk.

REVOLVING PROMISSORY NOTE

(the "Note")

Dated as of **August 13, 2007**

AMOUNT: **\$250,000.00**

Executed at Lexington, Kentucky

For value received, receipt of which is hereby acknowledged, the undersigned, **ANDOVER GOLF AND COUNTRY CLUB, INC.**, a Kentucky non-stock, non-profit corporation, whose address is c/o Andover Golf and Country Club, 3450 Todds Road, Lexington, Kentucky 40509 (the "Maker"), jointly and severally promises to pay to the order of **WHITAKER BANK, INC.**, a Kentucky banking corporation, at its principal office located at 2001 Pleasant Ridge Dr., Lexington, Fayette County, Kentucky 40555 (the "Bank"), or at such other place as Bank or any subsequent holder hereof may designate, in writing, from time to time, in lawful money of the United States of America, the principal sum of **Two Hundred Fifty Thousand Dollars (\$250,000.00)** or such lesser portion thereof as may have from time to time been disbursed to or for the benefit of Maker and remaining unpaid pursuant to the books or records of Bank, or any subsequent holder hereof, together with interest on the unpaid balance of principal advanced from the date(s) of disbursement until paid in full as set forth below, in lawful money of the United States of America. This Note evidences indebtedness of Maker to Bank, which indebtedness may increase or decrease from time to time and the total amount advanced pursuant hereto may exceed the face amount hereof; provided, however, the aggregate principal amount outstanding hereunder at any time shall not exceed the face amount of this Note. It is contemplated that there may be times when no indebtedness is owing hereunder; but notwithstanding such occurrences, this Note shall remain valid and shall be in full force and effect as to disbursements of principal made pursuant to this Note subsequent to each such occurrence.

Disbursements under this Note will be made pursuant to written requests of Maker and in accordance with Bank's customary practice for business lines of credit of a similar amount.

All capitalized terms used in this Note, unless otherwise defined herein, shall have the same meaning in this Note as in the Loan Agreement between Bank and Maker, of even date herewith (the "Loan Agreement"). This Note is issued pursuant to the Loan Agreement and the indebtedness evidenced by this Note and the obligations created hereby are secured by, among other things, the "Security Instruments" as that term is defined in the Loan Agreement of even date herewith between Maker and Bank (the "Security Instruments"). Any references in this Note to the Loan Agreement, the Security Instruments or any other document related to the loan evidenced hereby shall be deemed to be references to such

agreements, instruments and documents as they now exist or are hereafter modified in writing by the parties thereto.

The principal balance of this Note, as it may be outstanding from time to time, shall bear interest from the date hereof, until paid, subject to the applicability of the "Default Rate" (as hereinafter defined), at a variable percentage rate per annum equal to the New York Prime Rate (the "Prime Rate") minus thirty-five hundredths of one percent (.35%), which Prime Rate is defined as that rate published daily in THE WALL STREET JOURNAL (the "WSJ") under "Money Rate"; provided, that if more than one rate is so published, the Prime Rate hereunder shall be the highest of the rates so published. In the event the WSJ ceases to publish such a "Prime Rate", the "Prime Rate" for the purpose of this Note shall be the interest rate designated and announced from time to time by Bank as its "Prime Rate" in effect at its principal office, although such rate may not be the lowest rate available at that particular time for loans of similar nature. The interest rate hereunder shall be adjusted each time and at the time the Prime Rate changes. The Bank may make or renegotiate any loan at, above, below or without reference to the Prime Rate.

The principal sum hereof and the accrued interest thereon shall be payable as follows:

1. From and after the date hereof until May 13, 2008, accrued interest on the outstanding principal balance of this Note shall be due and payable quarterly with the first of such quarterly payments of interest being due and payable on November 13, 2007, and continuing on February 13, 2008 and May 13, 2008; and
2. On August 13, 2008, the entire principal balance of this Note and all accrued but unpaid interest thereon shall be finally due and payable in full.

This Note shall be negotiable and Maker and all endorsers and parties to this Note, jointly and severally, hereby waive presentment and demand, notice of demand, protest and notice of protest and nonpayment thereof and consent to the additions or releases of any other party or persons liable hereon or the release of any collateral or security for this Note.

The occurrence of any one of the following events shall constitute an Event of Default under this Note entitling the holder hereof to declare the entire principal balance, together with all accrued interest, to be immediately due and payable, and to take all action allowed the holder by law, under the terms of this Note and

under the terms of the Loan Agreement and the Security Instruments, those conditions of default being as follows:

1. A default in the payment of any installment of principal and/or interest when due hereunder or a default in the payment of any installment of principal and/or interest when due under the Term Note, provided, however, Maker shall have a ten (10) day grace period within which to cure said default or defaults;
2. The failure to make any other payment of money when due called for under this Note, the Term Note, the Loan Agreement, the Security Instruments or under any other mortgage, agreement or note with respect to which Maker and Bank are parties, provided, however, Maker shall have a ten (10) day grace period within which to cure said default or defaults;
3. The failure to perform or the breach of any of the covenants, warranties and agreements as set forth in this Note, the Term Note, the Loan Agreement, the Security Instruments or as set forth in any other mortgage, agreement or note with respect to which Maker and Bank are parties; provided, however, that with respect to the breach of an agreement, covenant or warranty other than to pay a monetary sum, Maker shall have a thirty (30) day grace period within which to cure said default, and the holder shall have no right to declare the entire principal balance due and payable and take advantage of its remedies as set forth herein and in the Loan Agreement and in the Security Instruments until said grace period has expired;
4. The appointment of a receiver of any part of the property of, assignment for the benefit of creditors by, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Maker, or any guarantor or surety for Maker, or any of them; and
5. Any default under the default provisions of the Loan Agreement, the Term Note or any of the Security Instruments shall constitute a default hereunder, and said default provisions are expressly incorporated herein by reference, the same as if copied at length herein, subject to all applicable grace periods.

In the event any instalment of interest or principal and interest due under this Note shall remain past due for more than (10) days from its due date, an

amount equal to the greater of \$50.00 or 5% of that instalment is payable on demand to the holder of this Note as a late payment processing fee.

It is agreed that any sums which shall not be paid when due, whether maturing by lapse of time or by reason of acceleration under the provisions hereof or the provisions of the Loan Agreement or the Security Instruments, and whether the principal or interest of this Note, or money owing for an advancement by the holder hereof pursuant to the terms of any of the Security Instruments securing the payment of this Note or pursuant to the terms of the Loan Agreement, shall bear interest at a variable annual percentage rate of five (5) percentage points above the Prime Rate, as herein above defined (the "Default Rate").

Interest on this Note shall be computed on the basis of actual number of days elapsed over an assumed year of 360 days in accordance with the customary practice of the Bank.

The failure of any party hereto to insist upon strict performance of any of the terms of this Note, or to exercise any rights herein confirmed, shall not be construed as a waiver or relinquishment to any extent of such party's right to assert or rely upon such terms or rights in any other instance. A waiver on any one occasion shall not be construed as a bar to or waiver of any right and/or remedy on any future occurrence. This Note cannot be modified, altered or amended except by an agreement, in writing, duly signed by authorized representatives of the parties hereto.

The Maker agrees that if, in the event of a default, this Note is referred to an attorney who is not a salaried employee of Bank, Maker will pay such costs and reasonable attorney's fees as are incurred by Bank and actually paid or agreed to be paid by Bank. Maker agrees to pay interest on any judgment on this Note at a rate of twelve percent (12%) per annum until paid, or at the rate of interest on this Note, whichever rate is higher.

All payments received by the holder hereunder shall be allocated between principal, interest and fees, if any, in the discretion of the holder and, when applicable, any prepayments will be applied to principal in the inverse order of scheduled maturity. No partial prepayment of principal shall postpone the due date of any subsequent payment due hereunder. All or any part of the principal balance hereof may be prepaid at any time without penalty or premium.

All rights, powers, privileges and immunities herein granted to Bank shall extend to its successors and assigns and any other legal holder of this Note.

Maker acknowledges that this Note evidences a loan made primarily for business, commercial or agricultural purposes and not primarily for personal, family or household purposes.

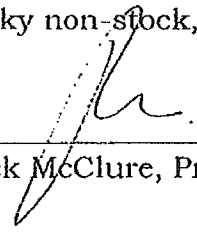
All agreements herein made are expressly limited so that in no event whatsoever, whether by reason of advancement of proceeds hereof, acceleration of maturity of the unpaid balance hereof, or otherwise, shall the interest and loan charges agreed to be paid to Bank for the use of the money advanced or to be advanced hereunder exceed the maximum amount collectible under applicable laws in effect from time to time. If for any reason whatsoever the interest or loan charges paid or contracted to be paid in respect of the indebtedness evidenced hereby shall exceed the maximum amounts collectible under applicable laws in effect from time to time, then, ipso facto, the obligation to pay such interest and/or loan charges shall be reduced to the maximum amounts collectible under applicable laws in effect from time to time, and any amounts collected by Lender that exceed such maximum amounts shall be applied to the reduction of the principal balance remaining unpaid hereunder, and if such amounts exceed the principal balance then due hereunder, such amounts shall be refunded to Maker so that at no time shall the interest or loan charges paid or payable in respect of the indebtedness evidenced hereby exceed the maximum amounts permitted from time to time by applicable law.

This Note has been delivered in and the obligations of Maker hereunder shall be governed and construed in accordance with the laws of the Commonwealth of Kentucky without reference to its principles of conflicts of laws.

Dated as of the day and year first above written.

ANDOVER GOLF AND COUNTRY CLUB, INC.,
a Kentucky non-stock, non-profit corporation

BY: _____


Rick McClure, President

LEX 005796/111460/3523420.1

EXHIBIT E

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS

2017-2879190-96.01

Alison Lundergan Grimes
Kentucky Secretary of State

File Date 2/14/2017 12:42:54 PM

Status Active

Fee \$20.00

Filer mmullins

A. NAME & PHONE OF CONTACT AT FILER (optional)

George D. Smith (859) 231-3000

B. E-MAIL CONTACT AT FILER (optional)

C. SEND ACKNOWLEDGMENT TO: (Name and Address)

George D. Smith
Stoll Keenon Ogden PLLC
300 W. Vine Street, Suite 2100
Louisville, KY 40202

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S NAME: Provide only one Debtor name (1a or 1b) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name); if any part of the Individual Debtor's name will not fit in line 1b, leave all of item 1 blank, check here ☐ and provide the Individual Debtor information in item 10 of the Financing Statement Addendum (Form UCC1Ad)

1a. ORGANIZATION'S NAME

Andover Golf and Country Club, Inc.

OR

1b. INDIVIDUAL'S SURNAME

FIRST PERSONAL NAME

ADDITIONAL NAME(S)/INITIAL(S)

SUFFIX

1c. MAILING ADDRESS

3450 Todds Road

CITY

Lexington

STATE

KY

POSTAL CODE

40509

COUNTRY

USA

2. DEBTOR'S NAME: Provide only one Debtor name (2a or 2b) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name); if any part of the Individual Debtor's name will not fit in line 2b, leave all of item 2 blank, check here ☐ and provide the Individual Debtor information in item 10 of the Financing Statement Addendum (Form UCC1Ad)

2a. ORGANIZATION'S NAME

OR

2b. INDIVIDUAL'S SURNAME

FIRST PERSONAL NAME

ADDITIONAL NAME(S)/INITIAL(S)

SUFFIX

2c. MAILING ADDRESS

CITY

STATE

POSTAL CODE

COUNTRY

3. SECURED PARTY'S NAME (or NAME of ASSIGNEE of ASSIGNOR SECURED PARTY): Provide only one Secured Party name (3a or 3b)

3a. ORGANIZATION'S NAME

Whitaker Bank, Inc.

OR

3b. INDIVIDUAL'S SURNAME

FIRST PERSONAL NAME

ADDITIONAL NAME(S)/INITIAL(S)

SUFFIX

3c. MAILING ADDRESS

2001 Pleasant Ridge Drive, PO Box 55439

CITY

Lexington

STATE

KY

POSTAL CODE

40555

COUNTRY

USA

4. COLLATERAL: This financing statement covers the following collateral:

See Exhibit "A" attached hereto and incorporated herein by reference.

5. Check only if applicable and check only one box: Collateral is ☐ held in a Trust (see UCC1Ad, Item 17 and Instructions) ☐ being administered by a Decedent's Personal Representative

- 6a. Check only if applicable and check only one box:

☐ Public Finance Transaction ☐ Manufactured-Home Transaction ☐ A Debtor is a Transmitting Utility

- 6b. Check only if applicable and check only one box:

☐ Agricultural Lien ☐ Non-UCC Filing

7. ALTERNATIVE DESIGNATION (if applicable):

☐ Lessee/Lessor ☐ Consignee/Consignor ☐ Seller/Buyer ☐ Bailee/Bailor ☐ Licensee/Licensor

8. OPTIONAL FILER REFERENCE DATA:

Kentucky Secretary of State-DM-4611842

EXHIBIT "A"

(a) all goods and other tangible personal property which are or are to become fixtures, including operating equipment, machinery, and trade fixtures, if any, situated on or associated with the real property more particularly described on Exhibit "B" attached hereto and incorporated herein by reference (the "Property"), including, but not by way of limitation, all heating, air conditioning, duct, elevator and escalator, plumbing, electrical, lighting, fire extinguishing, communications, power equipment and like facilities, with all replacements thereof, all attachments, accessories, parts, appliances, equipment and tools belonging thereto or for use in connection therewith, whether now owned or hereafter acquired by Debtor;

(b) all building materials or components delivered to the Property as are to be incorporated into the Property, together with any additional and similar later-acquired property purchased by Debtor and incorporated or to be incorporated into the Property, whether now owned or hereafter acquired by Debtor;

(c) all furnishings, furniture, office equipment, maintenance equipment or other goods or tangible personal property of Debtor located at or to be used in connection with the Property, whether now owned or hereafter acquired by Debtor;

(d) all licenses and permits issued in favor of, for the account of, or granted to Debtor by any division or department of the Lexington-Fayette Urban County Government, by any division or department of the Commonwealth of Kentucky, or by any other government or quasi governmental authority having the power and authority to issue any such permits and licenses in connection with the Property;

(e) all rights of Debtor in and to any contracts with utility companies, whether now existing or hereafter entered into, for the providing of service to the Property, including all fees or refunds due to Debtor in connection therewith;

(f) all of Debtor's rights, titles and interests in any and all leases, tenant contracts, rental agreements, management contracts, and all other contracts, licenses, permits, plans and specifications, and any and all other contracts pertaining to the Property or now or hereafter affecting the Property, without, however, imposing upon Lender any obligation with respect thereto;

(g) any and all rents, deposits and accounts receivable which are now due or may hereafter become due by reason of the renting and/or leasing of the Property and the improvements thereon;

(h) any and all demand, savings and any other bank accounts and/or deposits; and

(i) all products, rents, issues, profits, proceeds, accessions to, substitutions for and/or replacements of the foregoing.

EXHIBIT "B"

TRACT 1

Being all of Tract 5 of the Brighton Place Subdivision as shown on the plat of record at Cabinet H, Slide 425, in the Office of the Fayette County Clerk, all of Parcels 8 and 9, Tract 9, of the Brighton Place Subdivision as shown on the plat of record at Cabinet H, Slide 571 in the aforesaid Clerk's Office, all of Parcels 6 and 7, Tract 10, of the Brighton Place Subdivision as shown on the plat of record at Cabinet H, Slide 571, in the aforesaid Clerk's Office, all of Tracts 11 and 12 of the Brighton Place Subdivision as shown on the plat of record at Cabinet H, Slide 425, in the aforesaid Clerk's Office, all of Tract 13 of the Brighton Place Subdivision as shown on the Corrected Amended Minor Plat of record at Cabinet I, Slide 131, in the aforesaid Clerk's Office, all of Parcels 4 and 5, Tract 15, of the Brighton Place Subdivision as shown on the plat of record at Cabinet H, Slide 571, in the aforesaid Clerk's Office, and all of Tract 16 of the Brighton Place Subdivision as shown on the plat of record at Cabinet H, Slide 571, in the aforesaid Clerk's Office.

There is EXCEPTED from the above described Tract I the following:

All of that property conveyed by Andover Golf & Country Club, Inc. a Kentucky corporation, to Ball Homes, Inc., a Kentucky corporation, by deed dated December 17, 1996, of record in Deed Book 1887, Page 494 in the Fayette County Clerk's office. Said property being more particularly described as:

Being all of Parcel "A", as shown on the Consolidation Minor Subdivision Plat of 3209 Brighton Place Drive (Lot 119, Block "A") and a portion of Andover Golf and Country Club Property in the Village of Andover Forest, Brighton Place Subdivision, Unit 6-B, of record at Plat Cabinet K, Slide 167, in the Office of the Fayette County Clerk.

Tract I being a portion of the same property conveyed to Andover Golf & Country Club, Inc. by deed dated July 24, 1990, of record in Deed Book 1553, Page 692, in the Fayette County Clerk's office.

TRACT 2

Being all of tracts 1B-1, 1B-2, 1B-3, 2A, 2B and 4B of the Fourth Amended Non-Building & Consolidation Minor Subdivision Plat of the Lochmere Development

Corporation Property and Stonecase Valley (a portion of), of record in Plat Cabinet I, Slide 134, in the Fayette County Clerk's office.

There is INCLUDED in Tract II described above the following:

a) All of Parcel 3, as shown on the Corrected Amended & Consolidation Minor Subdivision Plat of Lochmere, Unit 11-B, Section 2 and Lochmere Development Corporation Property, Tract 1B-3 & Tract 2B, (Andover Golf Course), of record in Plat Cabinet K, Slide 892, in the Fayette County Clerk's office;

b) All of Parcel 1, as shown on the Consolidation Minor Subdivision Plat of Stonecase Valley, Lot 33, Unit 5, Plat Cabinet "K", Slide 38 and Lochmere Development Corp. Property, Parcel 3, Plat Cabinet "K", Slide 381, of record in Plat Cabinet L, Slide 316, in the Fayette County Clerk's office;

There is EXCEPTED from the above described Tract II the following:

a) All of that property conveyed by Andover Golf & County Club, Inc., a Kentucky non-profit corporation, to Lochmere Development Corporation, a Kentucky corporation, by deed dated June 21, 1999, of record in Deed Book 2065, Page 595 in the Fayette County Clerk's office. Said property being more particularly described as:

Being all of Parcel 6, of Lochmere Unit 11-B, Section 2, as shown on Corrected Amended & Consolidation Minor Subdivision Plat of Lochmere, Unit 11-B, Section 2 and Lochmere Development Corporation Property, Tract 1B-3 & Tract 2B, (Andover Golf Course), of record in plat Cabinet K, Slide 892, in the Fayette County Clerk's office, and

b) All of that property conveyed by Andover Golf & Country club, Inc., a Kentucky non-profit corporation, to Lochmere Development Corporation, a Kentucky corporation, by deed dated June 9, 1992, of record in Deed Book 1632, Page 395, in the Fayette County Clerk's office. Said property being more particularly described as follows:

Being all of Parcel 1, of the Consolidation Minor Subdivision Plat of the Andover Golf and Country Club Property and Lochmere - Unit Two, Subsection Three, Lot 45, 708 Andover Village Drive, of record in Plat Cabinet I, Slide 568, in the Fayette County Clerk's office.

Tract II being a portion of the same property conveyed to Andover Golf & County Club, Inc. by deed dated July 24, 1990, of record in Deed Book 1553, Page 692, in the Fayette County Clerk's office.

TRACT 3

Being all of Parcel 1, of Stonecase Valley, Unit 7, Section 2 as shown on Final Record Plat of Stonecase Valley, Unit 7, Section 2, of record in Plat Cabinet K, Slide 861 in the Fayette County Clerk's office.

Being a portion of the same property conveyed to Andover Golf & Country Club, Inc. by deed dated August 20, 1999, of record in Deed Book 2075, Page 631, in the Fayette County Clerk's office.

TRACT 4

Being all of Parcel 4a, of Lochmere Unit 11-B, Section 2, as shown on Corrected Amended and Consolidation Minor Subdivision Plat Lochmere Unit 11-B, Section 2 and Lochmere Development Corporation Property Tract 1B-3 and Tract 2B (Andover Golf Course), of record in Plat Cabinet K, Slide 892, in the Fayette County Clerk's office.

Being a portion of the same property conveyed to Andover Golf & Country Club, Inc. by deed dated June 21, 1999, of record in Deed Book 2065, Page 591 and deed dated August 20, 1999, of record in Deed Book 2075, Page 631, all references to the Fayette County Clerk's office.

TRACT 5

Being all of Parcel 1 as shown by the Amended Final Record Plat and Consolidation Plat of Lochmere Development Corp. Property (A Portion of) and Stonecase Valley (A Portion of), of record in Plat Cabinet J, Slide 455, in the Fayette County Clerk's office and made a part hereof for a more particular description; the improvements thereon being known and designated as 3452 Todds Road.

Being the same property conveyed to Andover Golf & Country Club, Inc. by deed dated March 21, 1999, of record in Deed Book 2065, Page 586, in the Fayette County Clerk's office.

TRACT 6

Being all of Parcel 1 as shown on Consolidation Minor Subdivision Plat of Lochmere Development Corp. Property (A Portion of) and Stonecase Valley - Unit 5, Lot 31, (3520 Hunter's Green Way) and Stonecase Valley - Unit 5, Lot 32, (3516 Hunter's Green Way), of record in Plat Cabinet K, Slide 381, in the Fayette County Clerk's office.

Being the same property conveyed to Andover Golf & Country Club, Inc., a Kentucky non-profit corporation, by deed dated September 30, 1997, of record in Deed Book 1938, Page 463, in the Fayette County Clerk's office.

TRACT 7

Being all of Parcel 2 as shown on Consolidation Minor Subdivision Plat of Lochmere Development Corp. Property (A Portion of) and Stonecase Valley - Unit 5, Lot 31, (3520 Hunter's Green Way) and Stonecase Valley - Unit 5, Lot 32, (3516 Hunter's Green Way), of record in Plat Cabinet K, Slide 381, in the Fayette County Clerk's office.

Being the same property conveyed to Andover Golf & Country Club, Inc., a Kentucky non-profit corporation, by deed dated September 30, 1997, of record in Deed Book 1938, Page 467, in the Fayette County Clerk's office.

amount equal to the greater of \$50.00 or 5% of that instalment is payable on demand to the holder of this Note as a late payment processing fee.

It is agreed that any sums which shall not be paid when due, whether maturing by lapse of time or by reason of acceleration under the provisions hereof or the provisions of the Loan Agreement or the Security Instruments, and whether the principal or interest of this Note, or money owing for an advancement by the holder hereof pursuant to the terms of any of the Security Instruments securing the payment of this Note or pursuant to the terms of the Loan Agreement, shall bear interest at a variable annual percentage rate of five (5) percentage points above the Prime Rate, as herein above defined (the "Default Rate").

Interest on this Note shall be computed on the basis of actual number of days elapsed over an assumed year of 360 days in accordance with the customary practice of the Bank.

The failure of any party hereto to insist upon strict performance of any of the terms of this Note, or to exercise any rights herein confirmed, shall not be construed as a waiver or relinquishment to any extent of such party's right to assert or rely upon such terms or rights in any other instance. A waiver on any one occasion shall not be construed as a bar to or waiver of any right and/or remedy on any future occurrence. This Note cannot be modified, altered or amended except by an agreement, in writing, duly signed by authorized representatives of the parties hereto.

The Maker agrees that if, in the event of a default, this Note is referred to an attorney who is not a salaried employee of Bank, Maker will pay such costs and reasonable attorney's fees as are incurred by Bank and actually paid or agreed to be paid by Bank. Maker agrees to pay interest on any judgment on this Note at a rate of twelve percent (12%) per annum until paid, or at the rate of interest on this Note, whichever rate is higher.

All payments received by the holder hereunder shall be allocated between principal, interest and fees, if any, in the discretion of the holder and, when applicable, any prepayments will be applied to principal in the inverse order of scheduled maturity. No partial prepayment of principal shall postpone the due date of any subsequent payment due hereunder. All or any part of the principal balance hereof may be prepaid at any time without penalty or premium.

All rights, powers, privileges and immunities herein granted to Bank shall extend to its successors and assigns and any other legal holder of this Note.

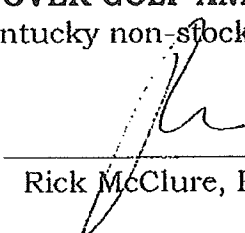
Maker acknowledges that this Note evidences a loan made primarily for business, commercial or agricultural purposes and not primarily for personal, family or household purposes.

All agreements herein made are expressly limited so that in no event whatsoever, whether by reason of advancement of proceeds hereof, acceleration of maturity of the unpaid balance hereof, or otherwise, shall the interest and loan charges agreed to be paid to Bank for the use of the money advanced or to be advanced hereunder exceed the maximum amount collectible under applicable laws in effect from time to time. If for any reason whatsoever the interest or loan charges paid or contracted to be paid in respect of the indebtedness evidenced hereby shall exceed the maximum amounts collectible under applicable laws in effect from time to time, then, ipso facto, the obligation to pay such interest and/or loan charges shall be reduced to the maximum amounts collectible under applicable laws in effect from time to time, and any amounts collected by Lender that exceed such maximum amounts shall be applied to the reduction of the principal balance remaining unpaid hereunder, and if such amounts exceed the principal balance then due hereunder, such amounts shall be refunded to Maker so that at no time shall the interest or loan charges paid or payable in respect of the indebtedness evidenced hereby exceed the maximum amounts permitted from time to time by applicable law.

This Note has been delivered in and the obligations of Maker hereunder shall be governed and construed in accordance with the laws of the Commonwealth of Kentucky without reference to its principles of conflicts of laws.

Dated as of the day and year first above written.

ANDOVER GOLF AND COUNTRY CLUB, INC.,
a Kentucky non-stock, non-profit corporation

BY: 
Rick McClure, President

LEX 005796/111460/3523420.1

EXHIBIT E

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS

2017-2879190-96.01

Alison Lundergan Grimes

Kentucky Secretary of State

File Date 2/14/2017 12:42:54 PM

Status Active

Fee \$20.00

Filer mmullins

A. NAME & PHONE OF CONTACT AT FILER (optional)

George D. Smith (859) 231-3000

B. E-MAIL CONTACT AT FILER (optional)

C. SEND ACKNOWLEDGMENT TO: (Name and Address)

George D. Smith
 Stoll Keenon Ogden PLLC
 300 W. Vine Street, Suite 2100
 Louisville, KY 40202

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S NAME: Provide only one Debtor name (1a or 1b) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name); if any part of the Individual Debtor's name will not fit in line 1b, leave all of item 1 blank, check here ☐ and provide the Individual Debtor information in item 10 of the Financing Statement Addendum (Form UCC1Ad)

1a. ORGANIZATION'S NAME

Andover Golf and Country Club, Inc.

OR

1b. INDIVIDUAL'S SURNAME

FIRST PERSONAL NAME

ADDITIONAL NAME(S)/INITIAL(S)

SUFFIX

1c. MAILING ADDRESS

3450 Todds Road

CITY

Lexington

STATE

KY

POSTAL CODE

40509

COUNTRY

USA

2. DEBTOR'S NAME: Provide only one Debtor name (2a or 2b) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name); if any part of the Individual Debtor's name will not fit in line 2b, leave all of item 2 blank, check here ☐ and provide the Individual Debtor information in item 10 of the Financing Statement Addendum (Form UCC1Ad)

2a. ORGANIZATION'S NAME

OR

2b. INDIVIDUAL'S SURNAME

FIRST PERSONAL NAME

ADDITIONAL NAME(S)/INITIAL(S)

SUFFIX

2c. MAILING ADDRESS

CITY

STATE

POSTAL CODE

COUNTRY

3. SECURED PARTY'S NAME (or NAME of ASSIGNEE of ASSIGNOR SECURED PARTY): Provide only one Secured Party name (3a or 3b)

3a. ORGANIZATION'S NAME

Whitaker Bank, Inc.

OR

3b. INDIVIDUAL'S SURNAME

FIRST PERSONAL NAME

ADDITIONAL NAME(S)/INITIAL(S)

SUFFIX

3c. MAILING ADDRESS

2001 Pleasant Ridge Drive, PO Box 55439

CITY

Lexington

STATE

KY

POSTAL CODE

40555

COUNTRY

USA

4. COLLATERAL: This financing statement covers the following collateral:

See Exhibit "A" attached hereto and incorporated herein by reference.

5. Check only if applicable and check only one box: Collateral is ☐ held in a Trust (see UCC1Ad, Item 17 and Instructions) ☐ being administered by a Decedent's Personal Representative

6a. Check only if applicable and check only one box:

☐ Public Finance Transaction☐ Manufactured-Home Transaction☐ A Debtor is a Transmitting Utility6b. Check only if applicable and check only one box:☐ Agricultural Lien☐ Non-UCC Filing

7. ALTERNATIVE DESIGNATION (if applicable):

☐ Lessee/Lessor☐ Consignee/Consignor☐ Seller/Buyer☐ Bailee/Bailor☐ Licensee/Licensor

8. OPTIONAL FILER REFERENCE DATA:

Kentucky Secretary of State-DM-4611842

EXHIBIT "A"

(a) all goods and other tangible personal property which are or are to become fixtures, including operating equipment, machinery, and trade fixtures, if any, situated on or associated with the real property more particularly described on Exhibit "B" attached hereto and incorporated herein by reference (the "Property"), including, but not by way of limitation, all heating, air conditioning, duct, elevator and escalator, plumbing, electrical, lighting, fire extinguishing, communications, power equipment and like facilities, with all replacements thereof, all attachments, accessories, parts, appliances, equipment and tools belonging thereto or for use in connection therewith, whether now owned or hereafter acquired by Debtor;

(b) all building materials or components delivered to the Property as are to be incorporated into the Property, together with any additional and similar later-acquired property purchased by Debtor and incorporated or to be incorporated into the Property, whether now owned or hereafter acquired by Debtor;

(c) all furnishings, furniture, office equipment, maintenance equipment or other goods or tangible personal property of Debtor located at or to be used in connection with the Property, whether now owned or hereafter acquired by Debtor;

(d) all licenses and permits issued in favor of, for the account of, or granted to Debtor by any division or department of the Lexington-Fayette Urban County Government, by any division or department of the Commonwealth of Kentucky, or by any other government or quasi governmental authority having the power and authority to issue any such permits and licenses in connection with the Property;

(e) all rights of Debtor in and to any contracts with utility companies, whether now existing or hereafter entered into, for the providing of service to the Property, including all fees or refunds due to Debtor in connection therewith;

(f) all of Debtor's rights, titles and interests in any and all leases, tenant contracts, rental agreements, management contracts, and all other contracts, licenses, permits, plans and specifications, and any and all other contracts pertaining to the Property or now or hereafter affecting the Property, without, however, imposing upon Lender any obligation with respect thereto;

(g) any and all rents, deposits and accounts receivable which are now due or may hereafter become due by reason of the renting and/or leasing of the Property and the improvements thereon;

(h) any and all demand, savings and any other bank accounts and/or deposits; and

(i) all products, rents, issues, profits, proceeds, accessions to, substitutions for and/or replacements of the foregoing.

EXHIBIT "B"

TRACT 1

Being all of Tract 5 of the Brighton Place Subdivision as shown on the plat of record at Cabinet H, Slide 425, in the Office of the Fayette County Clerk, all of Parcels 8 and 9, Tract 9, of the Brighton Place Subdivision as shown on the plat of record at Cabinet H, Slide 571 in the aforesaid Clerk's Office, all of Parcels 6 and 7, Tract 10, of the Brighton Place Subdivision as shown on the plat of record at Cabinet H, Slide 571, in the aforesaid Clerk's Office, all of Tracts 11 and 12 of the Brighton Place Subdivision as shown on the plat of record at Cabinet H, Slide 425, in the aforesaid Clerk's Office, all of Tract 13 of the Brighton Place Subdivision as shown on the Corrected Amended Minor Plat of record at Cabinet I, Slide 131, in the aforesaid Clerk's Office, all of Parcels 4 and 5, Tract 15, of the Brighton Place Subdivision as shown on the plat of record at Cabinet H, Slide 571, in the aforesaid Clerk's Office, and all of Tract 16 of the Brighton Place Subdivision as shown on the plat of record at Cabinet H, Slide 571, in the aforesaid Clerk's Office.

There is EXCEPTED from the above described Tract 1 the following:

All of that property conveyed by Andover Golf & Country Club, Inc. a Kentucky corporation, to Ball Homes, Inc., a Kentucky corporation, by deed dated December 17, 1996, of record in Deed Book 1887, Page 494 in the Fayette County Clerk's office. Said property being more particularly described as:

Being all of Parcel "A", as shown on the Consolidation Minor Subdivision Plat of 3209 Brighton Place Drive (Lot 119, Block "A") and a portion of Andover Golf and Country Club Property in the Village of Andover Forest, Brighton Place Subdivision, Unit 6-B, of record at Plat Cabinet K, Slide 167, in the Office of the Fayette County Clerk.

Tract 1 being a portion of the same property conveyed to Andover Golf & Country Club, Inc. by deed dated July 24, 1990, of record in Deed Book 1553, Page 692, in the Fayette County Clerk's office.

TRACT 2

Being all of tracts 1B-1, 1B-2, 1B-3, 2A, 2B and 4B of the Fourth Amended Non-Building & Consolidation Minor Subdivision Plat of the Lochmere Development

Corporation Property and Stonecase Valley (a portion of), of record in Plat Cabinet I, Slide 134, in the Fayette County Clerk's office.

There is INCLUDED in Tract II described above the following:

a) All of Parcel 3, as shown on the Corrected Amended & Consolidation Minor Subdivision Plat of Lochmere, Unit 11-B, Section 2 and Lochmere Development Corporation Property, Tract 1B-3 & Tract 2B, (Andover Golf Course), of record in Plat Cabinet K, Slide 892, in the Fayette County Clerk's office;

b) All of Parcel 1, as shown on the Consolidation Minor Subdivision Plat of Stonecase Valley, Lot 33, Unit 5, Plat Cabinet "K", Slide 38 and Lochmere Development Corp. Property, Parcel 3, Plat Cabinet "K", Slide 381, of record in Plat Cabinet L, Slide 316, in the Fayette County Clerk's office;

There is EXCEPTED from the above described Tract II the following:

a) All of that property conveyed by Andover Golf & County Club, Inc., a Kentucky non-profit corporation, to Lochmere Development Corporation, a Kentucky corporation, by deed dated June 21, 1999, of record in Deed Book 2065, Page 595 in the Fayette County Clerk's office. Said property being more particularly described as:

Being all of Parcel 6, of Lochmere Unit 11-B, Section 2, as shown on Corrected Amended & Consolidation Minor Subdivision Plat of Lochmere, Unit 11-B, Section 2 and Lochmere Development Corporation Property, Tract 1B-3 & Tract 2B, (Andover Golf Course), of record in plat Cabinet K, Slide 892, in the Fayette County Clerk's office, and

b) All of that property conveyed by Andover Golf & Country club, Inc., a Kentucky non-profit corporation, to Lochmere Development Corporation, a Kentucky corporation, by deed dated June 9, 1992, of record in Deed Book 1632, Page 395, in the Fayette County Clerk's office. Said property being more particularly described as follows:

Being all of Parcel 1, of the Consolidation Minor Subdivision Plat of the Andover Golf and Country Club Property and Lochmere - Unit Two, Subsection Three, Lot 45, 708 Andover Village Drive, of record in Plat Cabinet I, Slide 568, in the Fayette County Clerk's office.

Tract II being a portion of the same property conveyed to Andover Golf & County Club, Inc. by deed dated July 24, 1990, of record in Deed Book 1553, Page 692, in the Fayette County Clerk's office.

TRACT 3

Being all of Parcel 1, of Stonecase Valley, Unit 7, Section 2 as shown on Final Record Plat of Stonecase Valley, Unit 7, Section 2, of record in Plat Cabinet K, Slide 861 in the Fayette County Clerk's office.

Being a portion of the same property conveyed to Andover Golf & Country Club, Inc. by deed dated August 20, 1999, of record in Deed Book 2075, Page 631, in the Fayette County Clerk's office.

TRACT 4

Being all of Parcel 4a, of Lochmere Unit 11-B, Section 2, as shown on Corrected Amended and Consolidation Minor Subdivision Plat Lochmere Unit 11-B, Section 2 and Lochmere Development Corporation Property Tract 1B-3 and Tract 2B (Andover Golf Course), of record in Plat Cabinet K, Slide 892, in the Fayette County Clerk's office.

Being a portion of the same property conveyed to Andover Golf & Country Club, Inc. by deed dated June 21, 1999, of record in Deed Book 2065, Page 591 and deed dated August 20, 1999, of record in Deed Book 2075, Page 631, all references to the Fayette County Clerk's office.

TRACT 5

Being all of Parcel 1 as shown by the Amended Final Record Plat and Consolidation Plat of Lochmere Development Corp. Property (A Portion of) and Stonecase Valley (A Portion of), of record in Plat Cabinet J, Slide 455, in the Fayette County Clerk's office and made a part hereof for a more particular description; the improvements thereon being known and designated as 3452 Todds Road.

Being the same property conveyed to Andover Golf & Country Club, Inc. by deed dated March 21, 1999, of record in Deed Book 2065, Page 586, in the Fayette County Clerk's office.

TRACT 6

Being all of Parcel 1 as shown on Consolidation Minor Subdivision Plat of Lochmere Development Corp. Property (A Portion of) and Stonecase Valley - Unit 5, Lot 31, (3520 Hunter's Green Way) and Stonecase Valley - Unit 5, Lot 32, (3516 Hunter's Green Way), of record in Plat Cabinet K, Slide 381, in the Fayette County Clerk's office.

Being the same property conveyed to Andover Golf & Country Club, Inc., a Kentucky non-profit corporation, by deed dated September 30, 1997, of record in Deed Book 1938, Page 463, in the Fayette County Clerk's office.

TRACT 7

Being all of Parcel 2 as shown on Consolidation Minor Subdivision Plat of Lochmere Development Corp. Property (A Portion of) and Stonecase Valley - Unit 5, Lot 31, (3520 Hunter's Green Way) and Stonecase Valley - Unit 5, Lot 32, (3516 Hunter's Green Way), of record in Plat Cabinet K, Slide 381, in the Fayette County Clerk's office.

Being the same property conveyed to Andover Golf & Country Club, Inc., a Kentucky non-profit corporation, by deed dated September 30, 1997, of record in Deed Book 1938, Page 467, in the Fayette County Clerk's office.