LEASE AGREEMENT

This LEASE AGREEMENT, made and entered into as of the 31st day of August, 1970, by and between the CITY OF LOUISVILLE, Jefferson County, Kentucky, a municipal corporation of the First Class, Party of the First Part (hereinafter referred to as the "Lessor" or the "City"), and HOME SUPPLY COMPANY, a corporation organized under and existing by virtue of the laws of the State of Kentucky and qualified to do business in Kentucky, with its principal offices at 3720 Seventh Street Road, Louisville, Kentucky (hereinafter referred to as the "Lessee"), Party of the Second Part, and executed in addition to the First and Second Parties by the CITY OF LOUISVILLE RIVER-FRONT DEVELOPMENT AND OPERATING COMMISSION (hereinafter referred to as "Riverfront Commission"), a subordinate operating agency of the First Party, which enters this Lease Agreement for the purpose of acknowledging its responsibilities herein set forth, as an agency of the City;

W I T N E S S E T H:

That in consideration of the conditions and covenants herein contained and the agreement by the Lessee to pay the rentals hereinafter reserved, the City does hereby lease and rent, as Lessor, to the Lessee, upon the terms and conditions hereinafter set forth, the following described land, together with the hotel (sometimes called the "motel") and related facilities to be acquired and constructed thereon both by the Lessor and the Lessee, and all easements, rights-of-way, contractual rights and appurtenances thereunto belonging or in anywise appertaining:

PARCEL A

A certain tract near the Ohio River in the City of Louisville and more particularly described as follows:

Beginning at the Southwest corner of the Riverfront Hotel (Downtown Executive Inn) said point being further described as North 8° 49' 33" East (measured along the West line of Fourth Street) 325.60 feet and North 81° 04' 07" West (measured along a line perpendicular to Fifth Street) 141.31 feet from the intersection of the North line of Main Street with the West line of Fourth Street,

thence North (parallel to Fifth Street) and with a proposed centerline of columns of the Riverfront Parking Garage 252.00 feet to a point, thence East (perpendicular to Fifth Street) and with the centerline of a proposed 18 inch wall 68.42 feet to a point; thence South (parallel to Fifth Street) and along the East face of the proposed Riverfront Hotel foundations 252.00 feet to a point; thence West (perpendicular to Fifth Street) and along the centerline of a proposed 18 inch wall 68.42 feet to the point of beginning.

PARCEL B

Certain rights in, over and upon the area above the garage to be constructed by the Lessor, and certain rights to maintain a porte-cochere, and rights of ingress and egress, maintain loading docks, utility storage facilities, and other uses of the adjoining garage and belvedere facilities, as are more specifically reflected and identified by the shaded area on the collective exhibit attached hereto and designated as Exhibit "A", consisting of 5 sheets of drawings, prepared for the Urban Renewal Agency.

ARTICLE I

ACQUISITION, CONSTRUCTION AND FINANCING

Section 101. Agreement to Acquire and Construct. The Lessor agrees to acquire (or to retain, to the extent that it has already acquired the same) the site herein described. The Lessor agrees to construct, from its own funds, upon Parcel B herein described, a parking garage, belvedere, fountains, reflective pools, park, canopy and plantings on top of the belvedere and garage, in accordance with the design by Collins, Simonds & Simonds of Pittsburgh, Pennsylvania, a copy of which is attached hereto as Exhibit "B" and for further identification being Sheet L-1 of the Louisville Riverfront Development Project, and related facilities composing a riverfront development project as originally outlined by Doxiadis Associates, Inc. for the City's Urban Renewal Agency, as that project has been further described and modified in subsequent reports by Wilbur Smith and Associates, the latest of which is dated September 30, 1969. Lessor agrees to commence construction of the garage not later than March 1, 1970, and to have entered into a bona fide contract for the construction of the belvedere by March 1,

1970, and in the event it fails to either commence construction of the garage or enter into the contract for the construction of the belvedere, both in accordance with the design as hereinabove designated, the Lessee may take appropriate action to require that the Lessor fulfill its commitment herein. Lessor further agrees that it will complete, or have under contract to expeditiously complete, all said improvements, specifically including the parking garage, belvedere and park on top of the belvedere, all in the manner hereinabove specified in this paragraph, by the date that the Lessee completes the hotel which it agrees to construct. It is further agreed that in the event that any substantial changes are to be made by the Lessor from the present location and design of all of said improvements as above set forth, that any such changes shall be made only after securing the approval of the Lessee, which approval it shall not unreasonably withhold.

The Lessee undertakes and agrees to construct, from its own funds, a hotel, which hotel will contain such meeting and dining facilities, ballrooms, alcoholic beverage bars, specialty shops and services, and other related facilities as the Lessee may deem necessary, desirable or appropriate, said hotel to be erected on Parcel A herein described, with such extension and facilities on or over the area of Parcel B as it may desire and so long as it shall not interfere with the underlying use of parcel B as presently contemplated by the Lessor. The Lessee has prepared plans and specifications for such hotel and related facilities and has submitted the same to the Lessor and the Urban Renewal and Community Development Agency of the City of Louisville (Urban Renewal Agency), and such plans and specifications have been duly and properly approved by the Lessor

and the Urban Renewal Agency, by resolution thereof dated November 24 , 1969, a certified copy of which is attached hereto, and specifically including the model prepared by the Lessee, and it is understood that no further approvals are necessary by either the Lessor or the Urban Renewal Agency in order for the Lessee to construct said hotel and related facilities, and Home Supply Company, the Lessee, will construct the said hotel and related facilities essentially in accordance therewith. Any change in the exterior design or construction (meaning any change in exterior surface or other change that would affect the appearance of the exterior, as determined by the nature of the construction materials) shall be approved by the Urban Renewal Agency and no such changes shall be made until the approval of the Urban Renewal Agency of such changes has been received. The Lessor to provide such lateral support under Parcel B as may be reasonably necessary for the Lessee's uses of such portion above the parking garage, according to the plans and specifications of Doxiadis Associates, Inc. heretofore submitted to the Lessor and its Urban Renewal Agency.

Section 102. Parking. Lessor shall provide parking facilities for automobiles and other vehicles through the construction of the aforesaid parking garage and the Lessor agrees that the same will be available throughout the period of this Lease, including any renewal periods. The Lessor shall maintain or cause to be maintained said parking facilities in good and reasonable operating condition and open to the public at all hours. Said parking facilities shall always be available for use by persons using Lessee's facilities and the Lessee shall be afforded a reasonable preference in making available parking spaces for use by guests of the Lessee's facilities. In addition, the Lessee shall advise the Lessor of any

occasions when it shall have need for substantial parking spaces over and above those normally used or required, and Lessor agrees that a reasonable preference shall be afforded to such guests, the Lessee fully recognizing the Lessor's obligation to monthly parkers and others pursuant to contract or prior agreement. The Lessee may use the space below the Fourth Street ramp on the West Side of Fourth Street.

Section 103. Mortgages. It is understood and agreed that the Lessee shall have the right to mortgage the permanent improvement as well as tangible personal property placed upon the leased premises, including all furniture and fixtures. The Lessee shall have the right to mortgage either its leasehold interest acquired herein, or to mortgage the fee of the leased premises, or both, as in its discretion may be determined by the Lessee from time to time. The Lessee's right to mortgage either its leasehold interest or the fee shall be for the purpose of interim construction financing, a "take out" lender, or subsequent refinancing lender as may be determined from time to time by the Lessee. It is anticipated that this would be accomplished by a procedure whereby the Lessor would convey the leased premises in fee to the Lessee, the Lessee would then place a mortgage thereon and the Lessee would then reconvey the leased premises to the Lessor subject to the mortgage, (but the Lessor shall not assume or agree to repay any part of said mortgage debt). This same procedure would be followed in any subsequent financing or refinancing as may be requested by the Lessee. The Lessor agrees to make such conveyance of the fee to the Lessee at such reasonable times and such reasonable notice as may be requested by the Lessee. The Lessor further warrants that it will have at all pertinent times legal title to the leased premises free of any lien or encumbrances, except the

mortgage placed by the Lessee thereon and this Lease, such as any title insurance company would insure with only those exceptions acceptable to the Lessee and its lenders. The Lessor agrees to subordinate the fee of the leased premises for said purposes as requested to do so by the Lessee, either in the above manner or such other as may be reasonably requested by the Lessee, and to do any and all other things necessary to subordinate its interest to the claim of any mortgage company or institution, person or firm or corporation lending money to the Lessee in connection with the development of the hotel and related facilities, including the furnishings thereof, and any such mortgagee or other lending institution shall have the absolute right to assign, without regard to any other restrictions herein contained on the assignment, sale or transfer the interest of the Lessee in and to any air rights or other use of Parcel B as reflected on Exhibit A attached hereto or as then permitted by the Lessor; and any such assignee, whether at a private or judicial sale, shall have the right to continue to use or lease Parcel B and it shall have the right to use, sell, foreclose on or transfer its rights in Parcel B in the same manner as Parcel A and the improvements thereon, but the right of the Lessor in and to any underlying real estate or improvements belonging to the Lessor shall not be subordinated to the rights of any such mortgage company or other lending institution, and such subordination shall only pertain to the rights acquired by the Lessee in this Agreement.

Section 104. Construction and Completion. The Lessee agrees to promptly commence, and to expeditiously complete, the construction of the hotel, which will include restaurant and dining facilities, ballrooms and alcoholic beverage bars, said construction to be in accordance with present City Building Codes. The plans and specifications for said hotel and related facilities, as prepared by the Lessee, have been submitted to the Lessor and its Urban Renewal Agency and the same have been duly approved by each of them, and the Lessee agrees to construct said hotel and related facilities essentially in accordance therewith, but subject to the right of the Lessee to make such interior modifications and adjustments as it, in its sole opinion, may deem necessary or desirable. The Lessor agrees that it will promptly cause to be issued any necessary building permits and other approvals by governmental agencies to permit the construction of the improvements to be made by the Lessee in accordance with the plans and specifications as approved by the Lessor and its Urban Renewal Agency and including any zoning waivers. Upon completion of such hotel, Lessee shall promptly place the same in operation; and the Lessor agrees to promptly commence, and expeditiously complete, the construction of the parking garage, belvedere, fountains, reflective pools, park, planting and canopy on top of the garage and the belvedere, in the manner hereinbefore specified, and to complete the garage by the date that the Lessee places its hotel in operation, and to either have completed the belvedere by that date or to have entered into a contract which requires that the belvedere be expeditiously completed.

Section 105. Zoning. The Lessor does hereby recognize that the identified facilities, being the premises leased hereby, are now zoned in a manner compatible with the Lessee's intended use of said facilities, and the Lessor covenants that throughout the period of the Lessee's Lease, including any renewals, that no zoning regulations, ordinances or other restrictions shall be placed upon the Lessee's use of the facilities as a hotel or motel, operation of restaurant facilities, alcoholic bars, and all such related facilities and businesses which the Lessee in in its sole opinion shall determine are necessary or desirable, and the Lessor shall make any change necessary to remove any restriction or regulation on the operation of or any such proper usage of the facilities leased hereby.

ARTICLE II

USE, OCCUPANCY AND RENTALS

Section 201. Use of the Leased Property. Upon the completion of construction, equipping and furnishing of said hotel and related facilities, the Lessee undertakes to operate them as a hotel, with restaurants and other related facilities. The Lessee shall at all times keep any and all of the premises, both interior and exterior, as well as furnishings and other equipment or fixtures, in good repair, and shall proceed in such manner as to reflect the operations of the improvements as a first class facility.

Section 202. Belvedere and Park. The Lessee and its guests are to have the use of the belvedere and the public portion of the park located over the garage, each of the same to be operated and maintained by the Lessor, and the use, maintenance and operation of the same shall be without cost to the Lessee.

Section 203. Utilities. The Lessee is to be responsible for and to pay all utilities used in connection with the operation of the premises, including electricity, natural gas, water, telephone and telegraph, and sewer charges.

Section 204. Commencement and Duration of the Lease Term. The initial term of this Lease shall begin on the first of the month following the date of

commencement of operation of the hotel and related facilities to be constructed on the premises, and the initial term of the Lease shall run for a period of years to July 1, 2009, which is the date of final maturity of the bonds which the City of Louisville will issue to pay the costs of the related garage. It is recognized by both parties that the project undertaken by the City of Louisville through the issuance of its "Parking Facilities Revenue Bonds - Series 1969" and the project undertaken by the Lessee are related and mutually dependent, the one upon the other; and that, in particular, the City, As Lessor, has pledged its income as Lessor from this Lease Agreement to the payment of the aforesaid bonds; and Lessee recognizes that the operation of its facility is necessary to the successful operation of the City's parking project.

Section 205. Determination of Rentals. As rent for the leased premises, Lessee shall pay to Lessor the following percentage rentals and no other amounts:

(a) 2% of the gross receipts (as hereinafter defined) from the sale of food for consumption on the premises, distilled spirits by the drink, whether sold in public or private dining rooms or through room service, and the gross receipts from sales by any specialty shops located on the leased premises, except gross receipts from any specialty shops reflected or included in the plans and specifications as approved by the Lessor (or those occupying the space designated for such shops), as to which shops gross receipts shall include only the amount actually paid to the Lessee by the person, firm or corporation operating the specialty shop; and

(b) 4% of the gross receipts (as hereinafter defined) from sleeping room rentals.

(c) Gross receipts as used herein shall be the amount paid to the Lessee for the use of the facilities and gross receipts of specialty shops (except those specialty shops shown on the plans and specifications approved by the

Lessor, as reflected on the Plan attached hereto and designated "Second Floor Plan, Sheet 4 of 8, Proposed Hotel," and marked for identification as Exhibit C, as to which only the amounts actually received by the Lessee shall be included) and will not include the amount received or paid to the Lessee by any subtenant or sublicensee operating any such shops, except specialty shops shown on the plans and specifications approved by the Lessor; nor the sales made by any barber and beauty shops, health clubs, liquor sold by the bottle, vending machine sales, gross receipts from the rental of meeting rooms and clubs; nor shall gross receipts include telephone and telegraph charges, valet services, tips and gratuities, and gross receipts shall be reduced by any amount paid for travel agency fees or other commissions, franchise or other fees paid to a motel or hotel chain, or fees for the use of a trade or service mark, or payment or discounts for credit card users, and after reduction for any bad or uncollectible accounts.

Section 206. Validation of Parking Tickets. The Lessee shall have the privilege of validating parking tickets issued to its guests or employees for parking in the Lessor's adjacent garage, except for guests attending meetings in its convention rooms only, or guests attending banquets in special banquet or convention rooms, and all tickets so validated shall be presented by Lessor to Lessee for payment at the following rates, and no other payment shall be required of such guest or employee:

Year Of Garage Operation	Rate/Hour
First	$ 0.07
Second	0.08
Third	0.09
Fourth	0.10
Fifth and Remaining Years	0.10

Any fraction of an hour shall be charged as a full hour.

The rate or charge to the Lessee for any validated ticket shall not exceed $1.00, notwithstanding the number of hours of parking, unless it is for a period of time greater than twenty-four (24) hours. The maximum payable by the Lessee for tickets validated for overnight parking, guests renting sleeping rooms or employee parking shall not exceed $200.00, notwithstanding that the number of cars parked either overnight, by sleeping room guests or employees, may be in excess of 200. The period for determining a single obligation for overnight parking shall be a period which covers two (2) calendar days, without regard to a twenty-four (24) hour period (i.e., the parking ticket is stamped as having been issued on one calendar day and returned the next calendar day). Employee parking shall be determined in accordance with the shift worked by the employee. The Lessee's maximum obligation of $200.00 provided for shall not apply to dinner patrons, persons using the bar or other facilities of the Lessee, but only to overnight, sleeping room rental, or employee parking.

The above rates are fixed in relation to a base monthly parking charge of $20.00 per month for monthly parkers, and if such base rate shall at any time be increased, the hereinabove rates shall be increased the same proportional percentage as the increase in the said base rate for monthly parkers.

The parking to be provided by the Lessor in the space below the Fourth Street ramp on the West Side of Fourth Street is to be provided and maintained by the Lessor without cost to the Lessee and may be used by the Lessee without cost, provided, however, that Lessor shall have the right to

use a portion of said space for the purpose of parking such emergency or maintenance vehicles owned by it as may be necessary or incident to the riverfront as developed.

Section 207. Maintenance of Records by Lessee. The Lessee shall maintain records in connection with gross receipts which will permit the Lessor to readily verify that the proper percentages and rent have been paid by the Lessee, and said records shall be available for inspection by the Lessor at all reasonable times and on reasonable notice.

Section 208. Time and Place for Payment of Rent. The Lessor and the Lessee recognize that Bank of Louisville - Royal Bank and Trust Company, in the City of Louisville, Kentucky, has been named by the Lessor as Paying Agent for the "Parking Facilities Revenue Bonds - Series of 1969," and that all income pledged to the retirement of said bonds, including the income from this Lease Agreement, is required to be paid into the "City of Louisville Parking Facilities Revenue Fund" in said bank. It is agreed that the rent due from the Lessee to the Lessor, as herein computed (including payments for the use of the parking facilities), will be paid into said bank account within thirty (30) days following the end of each quarter of either the lease-year or the calendar-year, at the option of the Lessee, except that the Lessee, having adopted one period, shall be required to consistently use the same.

ARTICLE III

INSURANCE, IMPOSITIONS AND TAXES

Section 301. Insurance of the Hotel and Related Facilities. The Lessee agrees that upon the commencement of operation of the hotel it will procure

and maintain, at its sole expense, throughout the term of this Lease Agreement, insurance against loss or damage resulting from fire and all other perils from time to time insurable against under the terms of the then prevailing Standard Extended Coverage Endorsement available in Kentucky. The amount of such insurance shall not be less than 80% of the actual cash value or market value of the hotel and related facilities or the amount of the principal of the mortgage indebtedness due on both the permanent improvements and equipment and furnishings, determined as of the renewal date of said insurance policy, whichever sum is greater. Said insurance shall be made payable to the Lessor and Lessee, as well as to the Lessee's lender, as their interests may appear, the interest of the Lessor being that hereinafter set out. Each policy of insurance shall be issued through insurance carriers authorized to transact the business of insurance and in good standing in the Commonwealth of Kentucky, each of which immediately prior to the issuance of its policy shall have a combined capital and surplus of at least $5,000,000 and shall have written fire insurance for at least ten years. A copy of each such insurance policy or, in the alternative, a certificate of the insurer or insurers evidencing the coverage, shall be delivered to the Riverfront Commission or its successor agency. The Lessee shall have the right to provide, at its sole expense, any additional or further insurance as it may from time to time elect to provide with respect to other hazards proximately related to the operation of its business and the premises.

Section 302. Destruction - Fire or Hazards. In the event the leased premises or any improvements thereon are fully or partially destroyed by any of the hazards covered by the insurance referred to in Section 301 hereof, the

Lessee shall have the option of either using the insurance proceeds received to reconstruct the portion so destroyed, or of continuing to lease the premises without restoring the portion destroyed, or of terminating the Lease Agreement.

In the event the Lessee elects to restore the premises destroyed, the Lessor shall make available the full amount of the insurance proceeds received for such purpose. In any other event, the Lessor shall receive as agreed liquidated damages whatever portion of the proceeds of the insurance as may exceed the amount payable to Lessee's lender.

If the Lessee elects to reconstruct or restore, the Lessee shall promptly commence and complete such reconstruction and restoration. During the period when such reconstruction and restoration is taking place, the rental as determined in Section 205 shall be reduced by an amount equal to the percentage of the hotel building destroyed as determined by a reputable and licensed architect authorized to do business in the State of Kentucky and selected by the Lessor.

Section 303. Payment of Impositions. The Lessee covenants and agrees with the Lessor that during the term hereof and for such further time as it or any person, firm or corporation claiming under it shall hold the leased premises as such, it will pay, before the same become delinquent, general and special improvement assessments and impositions of a similar nature and assessed, which may be assessed upon or payable for or in respect of the leased premises or any part thereof, for a period wholly or partly within said term or time (such assessments and charges being herein referred to as "impositions"); provided, however, that any imposition relating to a fiscal period of the taxing authority, a part of which exists prior to or extends beyond the term hereof, shall, subject to the right of the Lessor to set off any obligations of the Lessee to the Lessor hereunder, be apportioned between the Lessor and the Lessee. The Lessor shall promptly forward to the Lessee any notice, bill, statement, assessment or other advice received by it concerning any

imposition, and the Lessee shall not be in default hereunder for nonpayment thereof unless it has timely received such notice, bill, statement, assessment, or other advice thereof as aforesaid.

If by law such imposition is payable or may at the option of the payor be paid in installments (whether or not interest shall accrue on the unpaid balance of such imposition) over a period of time, the Lessee may exercise such option (with the right of apportionment as aforesaid), and any portion due after the expiration of the term of this Lease or any renewal period shall be the sole obligation of the Lessor.

The Lessee shall have the right, in its or the Lessor's name, or both, but at its own cost and expense, to contest the validity of any imposition, by appropriate proceedings timely instituted, provided: (a) that the Lessee gives the Lessor written notice of its intention to do so, and (b) diligently prosecutes any such contest and at all times effectually stays or prevents any official or judicial sale under execution or otherwise, and pays any final judgment enforcing any imposition so contested and promptly procures record satisfaction thereof. The Lessor shall, if requested, cooperate with the Lessee in any such proceedings.

Section 304. Property Taxes. If ad valorem taxes shall hereafter be assessed against the leased premises, whether relating to Parcel A or Parcel B herein described, or against any permanent improvements placed thereon, or any leasehold interest of the Lessee therein, the amount thereof shall be paid by the Lessee and shall be deducted from any rentals required to be paid by the Lessee to the Lessor. The Lessee shall be responsible for any taxes assessed against equipment, furniture, fixtures, inventories or other personal property placed on the leased premises which are the property of the Lessee.

ARTICLE IV

MAINTENANCE, DEPRECIATION AND STATUS OF PROPERTY

Section 401. Maintenance. Lessee agrees that during the term of this Lease Agreement it will keep the leased premises in as good repair as said property may be in at the time of the commencement of the initial term of this

Lease Agreement, ordinary wear and use and damage by fire and other insured casualty excepted, and that upon the expiration or termination of this Lease Agreement it will surrender said property in like condition.

Section 402. Alterations and Additions. The Lessee shall have the privilege of making alterations, additions and improvements upon, in and to the leased premises as it in its discretion may from time to time determine to be desirable for its uses and purposes. Any or all of said alterations, additions, or improvements shall, at the option of the Lessee, remain the property of the Lessee and may be removed by the Lessee at its option at the end of the initial term or of any renewal term of this Lease Agreement, provided the Lessee gives ninety (90) days' written notice of the exercise by the Lessee of its said option. In the event the Lessee exercises its option to remove said alterations, additions or improvements, the Lessee shall, prior to the expiration of said initial term or any such renewal term, as the case may be, restore the affected part of the leased premises to the original condition thereof except for ordinary wear and tear and damage by elements. This provision shall not give the Lessee the right to remove the original improvements to the leased premises. In the event the Lessee does not exercise its said option and give such notice prior to the end of said initial term or any renewal term, said alterations, additions or improvements shall become the property of the Lessor and shall remain upon and be surrendered with the leased premises, as a part thereof, at the end of said initial term or any such renewal term, as the case may be. Any mechanic's lien filed against the leased premises for work done for or materials furnished to the Lessee shall be discharged or otherwise released by the Lessee with due diligence. The Lessor shall, at the request of the Lessee, grant or release, with or without consideration, such easements, rights-of-way, licenses, or other rights, over, upon or beneath the surface of the land as may reasonably be required for roads, utilities, drainage, and similar purposes in connection with the use and occupancy of the leased premises, provided that efficient operation of the leased premises is not impaired.

Section 403. Removal of Lessee's Property from the Leased Premises. The right of the Lessee to remove equipment, furnishings and other personal property of the Lessee at any time before the expiration or termination of this Lease Agreement, including any renewal term, and while the Lessee is in good standing with reference to its obligations thereunder, is hereby recognized, provided that any damage to the leased premises caused by such removal shall be repaired by the Lessee.

Section 404. Quiet Possession. The Lessor covenants and agrees to keep the Lessee in quiet and peaceable possession and enjoyment of the leased premises during the entire term of this Lease Agreement.

ARTICLE V

CONDEMNATION

Section 501. Condemnation. If, during the term of this Lease, the leased premises or any portion thereof be taken, appropriated or condemned by reason of eminent domain, there shall be such division of the proceeds and awards in such condemnation proceedings and such abatement of rent and other adjustments made as are just and equitable under the circumstances. It is the intent of the parties hereto that they will share in their awards to the extent that their respective interests are depreciated, damaged or destroyed by the exercise of the right of eminent domain. The fact that Lessee placed the improvements on the leased premises and has equity capital invested therein and is deprived of the use of such premises shall constitute items of damage in determining the portion of the condemnation award to which Lessee is entitled. The balance of the principal and interest due on any valid mortgage on the leased premises and improvements shall firs be paid out of the proceeds received from the condemnation.

ARTICLE VI

INDEMNITY

Section 601. Claims for Loss, Damage or Injury to Persons and Property. The Lessee agrees that during the term of this Lease Agreement the

Lessee will protect and hold the Lessor harmless against any claim for loss, damage, or injury, including death, to any person or property while on the leased premises to the extent that the same may exceed the limits of coverage under the liability insurance to be provided pursuant to this Section 601; provided, however, that nothing herein shall be interpreted to release the Lessor from liability, if any, for negligence attributable to the Lessor or its servants or employees, nor to indicate that the Lessee assumes any liability therefor. The Lessee agrees that it will provide insurance coverage of the liabilities referred to in this Section, with limits of not less than $100,000/$300,000 for bodily injury, and $100,000 for property damage, either (a) by a specific policy or policies relating to the hotel, or (b) under a general or blanket policy covering said hotel and other facilities and operations of the Lessee. In either event the Lessee will cause to be furnished to the Riverfront Commission from time to time copies of "certificates" disclosing the continuing existence of such insurance coverage; and each such policy shall be so written or endorsed as to make the Lessor an insured party thereunder and entitled to the direct benefit and protection thereof. The Lessee further agrees to increase said liability insurance in a proportionate amount determined by any increase in the cost of living as reflected by an accepted indicator or the index to the cost of living and provided the same would result in increases of at least $10,000 over the then present liability policy limits.

ARTICLE VII

TERMINATION, DEFAULT AND RELETTING

Section 701. Termination for Nonpayment of Rent. It is made a condition of this Lease Agreement that if the Lessee should fail to pay any one or more of said rental installments or any part thereof when the same shall become due and payable, the Lessor at its option may cancel and terminate this Lease Agreement upon giving the Lessee thirty days' written notice of such election; provided, however, that within said period of thirty days from the receipt of said notice the Lessee shall have the privilege of paying to the Lessor all accrued and unpaid rental, in which event said notice shall be of no effect.

Section 702. Other Defaults by Lessee. It is further agreed that if the Lessee shall default in the performance of any of the provisions, covenants or conditions on its part to be performed, kept or observed hereunder, other than the payment of rentals, then and in any such event the Lessor at its election may bring about the termination of this Lease Agreement at any time thereafter by giving the Lessee sixty days' written notice of such termination, therein specifying the alleged defaults and the appropriate action requisite to remedy the same, other than the payment of money, and at the expiration of such sixty-day period, this lease and all of the estate, right, title and interest herein granted to or vested in the Lessee shall cease and terminate, unless within said sixty-day period all such default or defaults shall have been duly remedied; provided, that as to default which cannot reasonably be completely corrected within said sixty-day period due to any cause beyond the Lessee's control, the Lessor shall not terminate this Lease if the Lessee, within the said sixty-day period after the giving of said notice, commences to correct such default and thereafter with reasonable diligence and in good faith prosecutes the correction of such default.

Section 703. Default by Lessor. In the event the Lessor should fail to construct and complete the parking garage, belvedere, the park on the roof of the garage, the fountains, reflective pools, canopy, and other improvements which the Lessor is to construct and complete as hereinafter provided and within the time limits agreed to by the Lessor, no rent shall be due by the Lessee to the Lessor until such time as said improvements to be constructed by the Lessor have been completed and/or are available for use by the Lessee or under contract as hereinbefore provided. If during either the original term of this Lease or any renewal periods, if exercised by the Lessee, the Lessor shall fail to maintain any or all of said improvements and to make the same available for the use of the Lessee and its guests, the rent due by the Lessee shall cease during any such period and until the Lessor shall have corrected said defect or made them available for use by the Lessee and its guests. The Lessee shall, unless said defect is of

an obvious nature and known to the Lessor, give the Lessor notice of any such defect or failure to fulfill its obligation hereunder, and the Lessor shall have a reasonable period, not to exceed sixty (60) days, within which to commence and complete, if practical, the remedying of any such defects.

ARTICLE VIII

OPTIONS OF COMPANY AND RIGHT OF ASSIGNMENT

Section 8.01. Renewals.

A. Provided that if this Lease shall not have been previously terminated, the Lessee, by giving to the Lessor notice of its election to exercise at least sixty days in advance of the expiration of the term then current, shall have the right and option to extend the term of this Lease Agreement for four (4) consecutive renewal terms of ten (10) years each. The first renewal term shall commence immediately following the expiration of the initial term, the second, after the expiration of the first renewal term, et cetera.

B. All of the terms, covenants and conditions of this Lease Agreement applicable to the initial term, other than the right of further renewal following the expiration of the last of the renewal terms hereinabove provided for, shall be equally applicable to each of the renewal terms which may come into effect.

Section 802. Assignment. The Lessee may assign or transfer this Lease Agreement or sublet the whole or any part of the leased premises after notice to the Lessor but without the consent of the Lessor, during the initial or any renewal term of this Lease. Any assignment, however, shall not relieve the Lessee of any liability or obligation hereunder. The Lessee shall not, whether before or after any such assignment, dissolve its corporate structure according to the Statutes governing dissolution of corporations in the Commonwealth of Kentucky without the prior written consent of the Lessor, which shall not be unreasonably withheld. It is specifically understood that there is no restriction upon the right of the Lessee to enter into such subleases or sublicenses

as it may deem desirable in the operation of the hotel or related facilities so long as it shall be the principal operator thereof. Neither this provision nor any other provision herein shall be construed as a restriction upon the assignment or right to assign, by or on behalf of any lending institution, mortgagee or other person having a mortgage on the facilities, through either judicial or private sale, this Lease or their right to cause this Lease to be assigned to any such other person as designated by said lending institution or mortgagee or who may purchase or acquire the same by any judicial sale.

ARTICLE IX

MISCELLANEOUS

Section 901. Restrictions. The within named Lessee agrees that it will not build or construct, within one thousand (1,000) feet of the leased premises, a facility, the principal purpose of which is the operation of a parking facility for the parking and storage of automobiles and other vehicles.

Section 902. Notices. Any notice or demand required to be given by the terms and provisions of this Lease Agreement shall be in writing, sent by registered or certified mail, return receipt requested, and if given by the Lessee, addressed to the Lessor at the City Hall, Louisville, Kentucky, to the attention of the Riverfront Commission, or if given by the Lessor, addressed to the Lessee at 3720 Seventh Street Road, Louisville, Kentucky, to the attention of the President. Either party may by notice as aforesaid supply a different address for notices or demands to it.

Section 903. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

IN TESTIMONY WHEREOF, the City of Louisville, Kentucky, acting upon the authority of its Board of Aldermen and pursuant to their specific approval of this Lease Agreement and its terms and conditions and the obligations

imposed upon the City of Louisville, Kentucky, as Lessor herein, to perform and do certain things, the said City of Louisville, Kentucky, has caused its corporate name to be hereunto inscribed by Frank W. Burke, its duly authorized Mayor, and attested under its corporate seal by its Director of Finance; and Home Supply Company has caused its corporate name to be hereunto subscribed by its duly authorized President, attested under its corporate seal by its Secretary, pursuant to a resolution duly adopted by its Board of Directors, all being done as of the year and day first above written. The City of Louisville Riverfront Development and Operating Commission has caused its name to be inscribed hereto by its Chairman, attested by its Executive Director.

CITY OF LOUISVILLE, KENTUCKY

By: _____
Mayor

(SEAL)

ATTEST:

Frank A. Heller, Jr.
Director of Finance

HOME SUPPLY COMPANY

By: _____
President

(SEAL)

ATTEST:

_____
Secretary

CITY OF LOUISVILLE RIVERFRONT DEVELOPMENT AND OPERATING COMMISSION

By: _____
Chairman

ATTEST:

_____
Executive Director

MEMORANDUM OF INTERPRETATION

THIS MEMORANDUM, representing an agreement by and between the CITY OF LOUISVILLE, KENTUCKY, and the CITY OF LOUISVILLE RIVERFRONT DEVELOPMENT AND OPERATING COMMISSION, on the one hand, and HOME SUPPLY COMPANY, a Kentucky corporation, on the other hand, as to the interpretation of a document entitled "Lease Agreement", dated the 31st day of August, 1970, executed simultaneously herewith by the aforesaid parties,

W I T N E S S E T H:

That the parties hereto agree that in interpreting the provisions of the aforesaid Lease Agreement the parties understand the following to be the true and correct interpretation of, and the intention of the parties to, said Lease Agreement:

1. Nothing in the provisions of Section 103 is intended to permit or enable Home Supply Company to mortgage furniture and other tangible personal property not attached to the premises, and to which the City of Louisville does not hold title, by the method prescribed in Section 103 for the "conveyance out" of the fee to the site, the mortgaging thereof and the "conveyance back" to the City of Louisville subject to the mortgage. Such furnishings and tangible personal property may, however, be mortgaged by Home Supply Company as the owner thereof.

2. The provisions of Section 105 relating to zoning, and the covenants of the City of Louisville therein contained, are acknowledged to be subject to all requirements of law and public policy.

3. The use of the belvedere, park and other improvements referred to in Sections 202 and 703 of the Lease Agreement as

"available for the use of the lessee and its guests" is such use as is consistent with public control, use and necessity, and in common with the right of the public to use said belvedere, park and other improvements.

4. The obligation of the Lessor to "maintain" improvements during the term of the lease or any renewal thereof, as set out in Section 703, is construed by the parties to require the Lessor to provide such facilities and to exercise reasonable diligence in keeping them in good operating condition, repair and appearance.

The provision in Section 703 permitting Lessee to cease payment of rentals during any period such improvements are not so "maintained" by Lessor is intended to be applicable only (1) after notice by Lessee to Lessor of the existence of a defect or defects deemed a failure to so "maintain" such improvements, whether or not each such defect is alleged or considered to be of an obvious nature, and (2) then only if such defect has not been remedied by Lessor within a reasonable period after such notice, which period where practical shall not exceed sixty (60) days, provided, further, Lessee shall not cease payment of rentals to Lessor for alleged failure to "maintain" improvements if the defect or defects complained of cannot reasonably be completely remedied within such sixty (60) day period if, within such sixty (60) days, Lessor commences to correct such defect or defects and thereafter in good faith and with reasonable diligence prosecutes correction thereof.

5. The maximum of $200.00 payable by Lessee for parking tickets validated, as set out in Section 206, is intended as the maximum for each twenty-four (24) hour period.

The provision in Section 206 for the increase on a proportional percentage basis of the rates for validated parking tickets if the base

monthly parking rate of $20.00 is increased is intended also to be applicable to the maximum obligation of $200.00 for each twenty-four (24) hour period so that such maximum obligation shall likewise be increased on a proportional percentage basis if the base monthly parking rate is increased.

6. The use of the area described in Parcel B to the Lease Agreement, and particularly as reflected on Sheet RS-1 of Exhibit A and as further referred to in Sections 102 and 206 of the Lease Agreement, to include the right of Home Supply Company as Lessee to use said area for the purposes of parking; a receiving, unloading or shipping dock or platform; a fire exit stairway; the maintenance of a storage traffic lane; a porte cochere; the planting of various shrubs, flowers or other scenic materials; the maintenance of walkways; and including the right of ingress and egress at all times, to and from said Parcels A and B leased by the City of Louisville and the City of Louisville Riverfront Development and Operating Commission to Home Supply Company. Home Supply Company is also to have the right to build or construct dining rooms, ballrooms and related facilities above the area shown on Sheet No. A6 of Exhibit "A".

7. The areas described in Parcels A and B in the Lease Agreement are intended to include, convey and be available for use by the Home Supply Company, in accordance with the terms of said Lease, all areas necessary for the Home Supply Company to construct its hotel and related facilities and the maintenance thereof, as more fully described on the plans for the hotel presently being constructed by the said Home Supply Company, said Plan being attached hereto and marked for identification as Exhibit "D", consisting of five (5) pages of construction plans entitled "Riverfront Project;" and the parties hereto do hereby agree that in the event that a subsequent survey or determination would necessitate the change in the exact legal descriptions set forth as Parcels A and B in the aforesaid Lease Agreement, that they will promptly enter into such amendatory agreements as may be necessary to reflect any actual changes in legal descriptions and do so with prompt and reasonable dispatch.

8. That the Exhibit referred to as "C" in Paragraph 205(c) is not presently available for attachment to the Lease and in fact has been superseded by the plans for the hotel which are now attached hereto as Exhibit "D", and the parties feel that said exhibit is more accurate and more reflective of the area intended to be described in said Exhibit "C". Accordingly, the parties agree that Exhibit "C" consists of the third page of Exhibit "D", which is designated "Second Floor Plan, Elevation 469/10," and the area referred to therein is that area beginning on the South wall of the garage, thence North to Column No. 2 of the garage plan, and then from Column No. 2 Eastwardly to approximately four feet East, Column Q running from Column L on said garage plan; and that specialty shops referred to in Section 205 and intended to be covered by Exhibit "C" set forth in Subsection (c) of Section 205, shall be the area above described.

IN TESTIMONY WHEREOF, the City of Louisville, Kentucky, acting upon the authority of its Board of Aldermen and pursuant to their specific approval of the Lease Agreement referred to in this instrument of interpretation, has caused its corporate name to be hereunto subscribed by Frank W. Burke, its duly authorized Mayor, and attested under its corporate seal by its Director of Finance; and Home Supply Company has caused its name to be hereunto subscribed by its duly authorized President, attested under its corporate seal by its Secretary, pursuant to the authority vested in said officials by its Board of Directors. The City of Louisville Riverfront Development and Operating Commission has caused its name to be subscribed hereunto by its Chairman, attested by its Executive Director.

All being done as of this 31st day of August, 1970.

CITY OF LOUISVILLE, KENTUCKY

(SEAL

By: Frank W. Burke
Mayor

ATTEST:

Frank A. Fuller, Jr.
Director of Finance

HOME SUPPLY COMPANY

(SEAL)

By: _____
President

ATTEST:

_____
Secretary

CITY OF LOUISVILLE RIVERFRONT
DEVELOPMENT AND OPERATING COMMISSION

By: _____
Chairman

ATTEST:

_____
Executive Director

LEASE MODIFICATION AGREEMENT

THIS LEASE MODIFICATION AGREEMENT ("Agreement") is made as of the 30 day of January, 2006 by and among **AL J. SCHNEIDER COMPANY**, p/k/a Home Supply Company, Inc., a Kentucky corporation whose principal office address is 325 W. Main Street, Suite 1810, Louisville, Kentucky 40202, ("Lessee"), **LOUISVILLE/ JEFFERSON COUNTY METRO GOVERNMENT** (the "Metro Government") (successor to the City of Louisville, Kentucky), a Kentucky local government, with an address at 527 West Jefferson Street, Louisville, Kentucky 40202 and **THE CITY OF LOUISVILLE PARKING AUTHORITY OF RIVER CITY (PARC), INC.** ("PARC" and, together with the Metro Government, the "City" or sometimes "Lessor"), successor to the City of Louisville Riverfront Development and Operating Commission, an agency of the Louisville/Jefferson County Metro Government, with an address at 527 West Jefferson Street, Louisville, Kentucky 40202.

RECITALS:

A. WHEREAS, Lessee and the City entered into a Lease Agreement dated August 31, 1970, as amended by a Memorandum of Interpretation dated August 31, 1970 and a Memorandum of Lease entered into on July 15, 2003 (collectively, the "Lease") for certain real property located in Jefferson County, Kentucky, and commonly known as the "Galt House Hotel – West Tower" ("Galt House West");

B. Contemporaneous with this Agreement, Lessee has made and will continue to make substantial improvements ("Improvements") to the Galt House West and adjacent properties, all of which will result in increased visitation and benefit to the City of Louisville.

C. The Lease expires on July 1, 2009, and Lessee has the right to renew the Lease for four (4) consecutive renewal periods of ten (10) years each, all as set forth in the Lease.

D. In order to induce Lessee to continue to make the Improvements, the cost of which will equal or exceed Twelve Million Dollars ($12,000,000.00), Lessor is willing to modify and amend the Lease.

NOW, THEREFORE, in consideration of the mutual agreements contained herein, it is agreed as follows:

1. Right to Renew. Article VIII, Section 8.01, Section A, captioned Renewals shall read as follows:

> A. Provided that if this Lease shall not have been previously terminated, the Lessee, by giving to the Lessor notice of its election to exercise at least sixty (60) days in advance of the expiration of the term then current, shall have the right and option to extend the term of this Lease Agreement for three (3) consecutive renewal terms of twenty-five (25) years each. The first Renewal Term shall commence immediately

following the expiration of the Initial Term, the second after the expiration of the first Renewal Term, and the third after the expiration of the second Renewal Term.

2. Rent Modification. Article I, Section 103 is modified and amended by adding as the last literary sentence the following:

Notwithstanding the foregoing, the maturity date of any mortgage granted by Lessee shall not extend beyond the initial term and any renewal term of this Lease.

3. Article VI, Section 601, is amended to read in its entirely as follows:

The Lessee shall indemnify, hold harmless, and defend the Metro Government, its elected and appointed officials, employees, agents and successors in interest from all claims, damages, losses and expenses including attorneys' fees, arising out of or resulting, directly or indirectly, from the Lessee's use of the premises or breach of the contract, provided that such claim, damage, loss, or expense is: (1) attributable to personal injury, bodily injury, sickness, death, or to injury to or destruction of property, including the loss of use resulting therefrom, or breach of contract, and (2) is not caused by the negligent act or omission or willful misconduct of the Metro Government or its elected and appointed officials and employees acting within the scope of their employment. This Hold Harmless and Indemnification Clause shall in no way be limited by any financial responsibility or insurance requirements and shall survive the termination of this Contract.

Without limiting Lessee's indemnification requirements, it is agreed that Lessee shall obtain at its own cost and expense Commercial General Liability insurance, via the Occurrence Form, with a minimum of a $2,000,000 per occurrence and general aggregate combined single limit of liability for bodily injury, personal injury and property damage, through either licensed, or non-admitted insurers in accordance with Kentucky Insurance Law (KRS 304.10-040), in the State of Kentucky, with an A. M. Best Rating of no less than A- VI. Lessee must submit copies of the actual policy or certificates of insurance to PARC--in order to maintain insurance in force at all times during the term of this agreement. Lessee agrees to have this policy endorsed to include the Metro Government, its elected and appointed officials, employees, agents and successors as an Additional Insured as respects operations of the Named Insured performed relative to Galt House hotels operations. It is expressly understood that the Metro Government does not in any way represent that the specified Limits of Liability or coverage or policy forms are sufficient or adequate to protect the interest or liabilities of the Lessee."

LOUISVILLE/JEFFERSON COUNTY METRO GOVERNMENT (successor to the City of Louisville), a Kentucky local government

By: _____

Name: Jerry E. Abramson

Title: Mayor

THE CITY OF LOUISVILLE PARKING AUTHORITY OF RIVER CITY (PARC), INC., successor to the City of Louisville Riverfront Development and Operating Commission, an agency of the Louisville/ Jefferson County Metro Government

By: C Bruce Traughber

Name: C. Bruce Traughber

Title: Chairman

COMMONWEALTH OF KENTUCKY)
) ss:
COUNTY OF JEFFERSON)

The foregoing instrument was acknowledged before me this 30th day of January 2006, by Jerry E. Abramson, as Mayor of the **LOUISVILLE/JEFFERSON COUNTY METRO GOVERNMENT**, a Kentucky local government, on behalf of the local government.

My commission expires: 3-25-08

Marsha T. Martin
Notary Public

COMMONWEALTH OF KENTUCKY)

) ss:
COUNTY OF JEFFERSON)

The foregoing instrument was acknowledged before me this 30th day of January 2008, by C. Bruce Traughber, as Chairman of **THE CITY OF LOUISVILLE PARKING AUTHORITY OF RIVER CITY (PARC), INC.**, successor to the City of Louisville Riverfront Development and Operating Commission, an agency of the Louisville/Jefferson County Metro Government, on behalf of the agency.

My commission expires: 3-25-08.

Marsha J. Martin
Notary Public

THIS INSTRUMENT PREPARED BY:

William J. Cooper, Jr.
William J. Cooper, Jr.
Ackerson & Yann, P.S.C.
One Riverfront Plaza
401 W. Main Street, Suite 1200
Louisville, Kentucky 40202
(502) 589-4130

U:\wcooper\Schneider\Schneider Company\Galt House\Lease Modification Agreement Rev1.doc

Document No.: DN2007062315
Lodged By: ACKERSON
Recorded On: 04/10/2007 03:25:15
Total Fees: 19.00
Transfer Tax: .00
County Clerk: BOBBIE HOLSCLAW-JEFF CO KY
Deputy Clerk: CARHAR

END OF DOCUMENT

ACKERSON & YANN

A PROFESSIONAL LIMITED LIABILITY COMPANY
ONE RIVERFRONT PLAZA
401 WEST MAIN STREET, SUITE 1200
LOUISVILLE, KENTUCKY 40202

ROBERT M. YANN
JOHN G. CARROLL
WILLIAM J. COOPER, JR.
VICTOR L. BALTZELL, JR.
EDWARD L. GALLOWAY
JOSEPH C. SOUZA
DAVID B. BLANDFORD
LARRY C. ETHRIDGE
W. DAVID KISER
THOMAS D. MURPHY II
DANIEL M. WALTER
MATTHEW F. COOGLE
JENNIFER HATCHER
REBECCA A. MARTIN
JEREMY BECK

TELEPHONE: (502) 583-7400
FAX: (502) 589-4997
VOICE MAIL: (502) 587-5507

BROWNSBORO ROAD BRANCH:
6520 GLENRIDGE PARK PLACE
SUITE NO. EIGHT
LOUISVILLE, KENTUCKY 40222

E-Mail Address:
office@ackersonlegal.com

ROBERT L. ACKERSON
(1934-2008)

JAN 9 RECD

January 8, 2009

Via Certified Mail
Return Receipt Requested

Louisville/Jefferson County Metro Government
527 W. Jefferson Street
Louisville, KY 40202

Re: Lease Renewal
Galt House Hotel – West Tower

To Whom It May Concern:

Please be advised that the Al J. Schneider Company does hereby elect to exercise its option to extend the term of its Lease for a period of twenty-five (25) years, all as set forth in that certain Lease Modification Agreement dated January 30, 2006, a copy of which is enclosed for your ready reference. This notice is being given by the undersigned as the attorney-in-fact for the Lessee, Al J. Schneider Company.

Very truly yours,

William J. Cooper Jr.

William J. Cooper, Jr.

WJC/db
E-mail: wcooper@ackersonlegal.com
cc: Parking Authority of River City, Inc. (via Certified Mail)
Mary S. Moseley
Keven Combs
Enclosure
U:\wcooper\Schneider\Schneider Company\Galt House\Lease Renewal Notice 1-8-09.doc