

## LOAN AGREEMENT

This **LOAN AGREEMENT** ("**Agreement**") is made and entered into by and between AMERICAN RESERVE LIFE INSURANCE COMPANY, an Oklahoma life insurance company (hereinafter called "**Lender**"), and LITTLE HANS LOLLIK HOLDINGS, LLP, a Delaware limited liability partnership (hereinafter called "**Borrower**").

### RECITALS:

The Borrower has applied to Lender for a loan (the "**Loan**") in the principal amount of One Million Six Hundred Fifty Thousand AND No/100<sup>ths</sup> DOLLARS (\$1,650,000.00) for the financing of the acquisition of the land (the "**Land**") described on Exhibit "A" which is incorporated herein by reference.

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

### AGREEMENTS:

#### ARTICLE 1

##### The Loan

1.01 **Lender's Loan Commitment.** Lender hereby agrees to lend up to the amount of the Loan to Borrower, subject to the terms and provisions of this Agreement. The Loan will be evidenced by Borrower's promissory note (the "**Note**") dated of even date herewith in the amount of the Loan and secured by, among other collateral, a Mortgage, Security Agreement and Assignment of Rents (the "**Mortgage**") dated of even date herewith covering the Land, and all personal property located on the Land (the Land and all such personal property being hereinafter referred to collectively as the "**Property**"). All payments of the Loan, including the application of the proceeds of any collateral for the Loan, shall be applied to the payment of the principal and interest of the Loan in the order and manner in which Lender shall, in its sole discretion, deem appropriate.

1.02 **Loan Fee.** Borrower agrees to pay to Lender a loan fee (the "**Loan Fee**") in the amount of \$33,000.00, which shall be funded from proceeds of the Loan. The Loan Fee shall be payable at Closing of the Loan. **In addition, at the Closing of the Loan, Borrower will pay to Premier Funding, LLC, a Loan Set-Up Fee in the amount of \$3,500.00.**

1.03 **Maturity.** The Loan shall mature on September 30, 2006.

1.04 **Loan Allocations.** Exhibit "B", which is attached hereto and incorporated herein by reference, allocates portions of the Loan for particular purposes (the "**Allocations**"), and the Loan shall be disbursed strictly in accordance with the Allocations and the terms of Exhibit "B".

1.05 **Profit Participation.** In consideration of Lender's agreement to make the Loan to Borrower, Borrower has agreed to grant to Lender a right to participate in the revenues and profits which Borrower anticipates will be generated by the sale of the Property. As a condition to closing of the Loan, Borrower shall have entered into a Profit Participation Agreement evidencing the terms and conditions of such profit participation.

1.06 **Interest Reserve Fund.** At closing, Borrower shall establish an interest reserve account in the amount of \$82,500.00, representing approximately six (6) months of accrued interest on the Loan. The account shall be maintained with Lender during the full term of the Loan, provided, however, during the final six (6) months of the Loan term, Borrower shall be entitled to draft upon such account for required interest payments. In the event that Borrower exercises the right to extend the maturity of the Loan, as set forth below, then upon the exercise of such extension option, Borrower's right to draw upon the interest reserve account shall abate, Borrower shall deposit such funds as may be necessary in order to reestablish a reserve account sufficient for six (6) months of accrued interest and Borrower shall be entitled to draw upon such account during the final six (6) months of the extended term of the Loan.

1.07 **Extension of Maturity.** Borrower shall be entitled to extend the maturity of the Loan for a period of twelve (12) months, in accordance with the terms and provisions hereof. In order to exercise this option, Borrower shall take the following action:

(a) Borrower shall provide Lender with written notice of Borrower's election to so extend the maturity not less than one hundred twenty (120) days prior to the maturity date of the Loan.

(b) Borrower shall execute such documents as Lender may reasonably request in order to evidence the extension of the Loan, and the continued effectiveness of all of the Loan Documents.

(c) No default or event which, with the giving of notice or the passage of time, or both, would constitute a default under the Loan shall be in existence either at the time of exercise of the election by Borrower to extend the Loan or at any time thereafter through and including the original maturity date.

(d) Borrower shall pay to Lender an extension fee in the amount of \$75,000.00, which extension fee shall be payable to Lender not later than August 31, 2006.

(e) In the event that the balance of the interest reserve fund is less than \$82,500, Borrower shall make payment to Lender of such amount as shall be necessary to cause the balance of the interest reserve fund to be not less than \$82,500. Such payment by Borrower to Lender shall be made not later than August 31, 2006.

(f) Borrower shall pay all costs and expenses incurred by Lender in connection with such extension, including but not limited to documents preparation fees, title insurance premiums, and Lender's attorney's fees.

## **ARTICLE 2** **Advances**

2.01 **Initial Advance.** As a condition precedent to Lender's obligation to disburse the initial advance (the "**Initial Advance**") of loan proceeds, Borrower must deliver to Lender the documents, certificates and items listed on Addendum I attached hereto and made a part hereof.

## **ARTICLE 3** **Representations and Warranties**

Borrower represents and warrants to Lender that all of the statements concerning Borrower contained herein and previously delivered to Lender are true and correct and that:

3.01 **No Litigation.** To the best of Borrower's knowledge, no litigation or governmental proceeding is pending, or threatened, against Borrower or the Property which may result in any material adverse change in Borrower's business, properties or operations, or affect the title to the Property or prevent or alter use of the Property and improvements for the proposed purpose, except such as have been disclosed in writing to Lender.

## **ARTICLE 4** **Covenants**

4.01 **Affirmative Covenants.** Until the Loan and all other obligations and liabilities of Borrower secured by the Mortgage are fully paid, Borrower shall:

(a) Promptly pay, or cause to be paid, when due all lawful claims, whether for labor, materials or otherwise, which might or could, if unpaid, become a lien or charge on the Property, unless and to the extent that any such claim is being contested in good faith by appropriate proceedings, provided, however, that in such case notice thereof has been delivered to Lender setting forth the nature and amount of the contested claim, and reserves deemed adequate by Lender have been established therefor; and

(b) Comply with all applicable territorial and federal laws and regulations (whether now existing or hereafter enacted) concerning accessibility of the Project to the disabled.

4.02 **Negative Covenants.** Until the Loan and all other obligations and liabilities of Borrower secured by the Mortgage are fully paid and satisfied, Borrower covenants that it will not, without the prior written consent of Lender:

(a) Convey all or a substantial part of its assets to any other party or entity or merge with any entity;

(b) Borrower will not secure any additional financing with a lien on the Property without the prior written consent of Lender, which consent shall not be unreasonably conditioned, withheld or delayed;

(c) Borrower will not incur, create, assume, or permit to occur in the indebtedness except the Loan without the prior written consent of Lender, which consent shall not be unreasonably conditioned, withheld or delayed and excepting trade indebtedness incurred in the ordinary course of business;

(d) Borrower will not make any investment in or make any loan in the nature of any investment to, or acquire any stock or other equity interest in, or acquire all of substantially all of the assets of, any entity; and

(e) Borrower shall not own any assets other than the Property, and shall not engage in any other business than that necessary for the ownership, management or operation of the Property and shall not commingle the funds in other assets of the Property with those of any affiliate of Borrower or any other entity; or

(f) Borrower's partners shall not permit the transfer of a controlling interest in its ownership, nor permit the transfer of a controlling interest in Borrower.

Upon payment in full of the Note, Borrower shall not have to comply with the foregoing covenants.

## **ARTICLE 5**

### **Events of Default and Remedies**

5.01 **Events of Default.** Borrower's failure to comply with any term, covenant or provision contained in the Note, the Mortgage, any other Loan Document shall constitute an "Event of Default" hereunder.

5.02 **Notice and Cure.** Borrower shall be entitled to notice and opportunity to cure default under the Note, the Mortgage, this Agreement and other Loan Documents, as follows:

(a) In case of a default involving only the payment of money, Lender shall not provide Borrower with written notice of such monetary default. Borrower shall be entitled to a five (5) day grace period in which to make any such payment.

(b) With respect to non-monetary defaults, that is a default involving the failure of Borrower to perform an obligation or covenant of any of the Loan Documents other than for payment of money, Lender shall provide Borrower with written notice of such default, and Borrower shall be entitled to thirty (30) days opportunity to cure such default; provided that if the nature of the default is such that the Borrower cannot reasonably cure such default within thirty (30) days, the time for cure shall be extended so long as the Borrower is

diligently pursuing the cure of such default, but such not to exceed a total of one hundred twenty (120) days.

## **ARTICLE 6**

### **Disclaimers and Indemnities**

6.01 **Exculpation.** Lender has no liability or obligation in connection with the Project or the development or completion thereof or work performed thereon, and has no obligation except to advance the Loan proceeds as herein agreed, and Lender is not obligated to inspect the Project; nor is Lender liable, and under no circumstances whatsoever shall Lender be or become liable for the performance or default of any contractor or subcontractor, or for any failure to construct, complete, protect or insure the Project, or any part thereof, or for the payment of any cost or expense incurred in connection therewith, or for the performance or nonperformance of any obligation of Borrower or any Guarantor to Lender or to any other person, firm or entity without limitation; and nothing, including, without limitation, any disbursement of Loan proceeds or the Borrower's Deposit or acceptance of any document or instrument, shall be construed as a representation or warranty, express or implied, on Lender's part.

6.02 **Indemnities.** Any term or condition of any of the Loan Documents to the contrary notwithstanding, Lender shall not have, and hereby expressly disclaims any obligation or responsibility for the management, conduct or operation of the business and affairs of Borrower and any Guarantor. Borrower hereby indemnifies and agrees to hold Lender harmless from and against any cost, expense or liability incurred or suffered by Lender as a result of any assertion or claim of any obligation or responsibility of Lender for the management, operation and conduct of the business and affairs of Borrower or any Guarantor, or as a result of any assertion or claim of any liability or responsibility of Lender for the payment or performance of any indebtedness or obligation of Borrower or of any Guarantor. In the event any claim or demand is made which Lender reasonably believes might involve or lead to some liability of Lender, Borrower shall, immediately upon receipt of written notification of any such claim or demand, assume in full the personal responsibility for and the defense of any such claim or demand, and pay in connection therewith any loss, damage, deficiency, liability or obligation, including, without limitation, legal fees and court costs incurred in connection therewith.

6.03 **Lender's Gross Negligence or Willful Misconduct.** Notwithstanding the foregoing paragraphs 6.01 or 6.02, it is understood and agreed that Lender shall not be indemnified by Borrower against any cost, expense or liability incurred or suffered by Lender as a result of Lender's gross negligence or willful misconduct.

## **ARTICLE 7**

### **Environmental Matters**

7.01 **Affirmative Covenants, Representations, Warranties.** Borrower hereby covenants with and represents and warrants to Lender as follows:

(a) **No Violation.** That the location, construction, occupancy, operation and use of the Property does not violate any applicable law, statute, ordinance, rule, regulation, order

or determination of any governmental authority or any board of fire underwriters (or other body exercising similar functions), or any restrictive covenant or deed restriction (recorded or otherwise) affecting the Property, including without limitation, all applicable zoning ordinances, building codes, flood disaster laws and health and environmental laws and regulations (hereinafter sometimes collectively called "**Applicable Law**").

(b) **No Inquiry.** Without limitation of (a) above, the Property and Borrower is not in violation of or subject to any existing, pending or threatened investigation or inquiry by any governmental authority or to any remedial obligations under any Applicable Laws pertaining to health or the environment (hereinafter sometimes collectively called "**Applicable Environmental Law**"), including without limitation, the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 ("**CERCLA**"), the Resource Conservation and Recovery Act of 1976 ("**RCRA**"), the Clean Air Act, applicable U.S. Virgin Islands Statutes, and this representation and warranty would continue to be true and correct following disclosure to the applicable governmental authorities of all relevant facts, conditions and circumstances, if any, pertaining to the Property.

(c) **No Permits Required.** At this time, Borrower has not obtained and is not required to obtain any permits, licenses or similar authorizations to construct, occupy, operate or use any buildings, improvements, fixtures and equipment forming a part of the Property by reason of any Applicable Environmental Laws.

(d) **No Hazardous Substance or Solid Waste.** Borrower has taken all steps necessary to determine and has determined based upon such steps that no hazardous substances or solid wastes have been disposed of or otherwise released on or to the Property. The use which Borrower makes and intends to make of the Property will not result in the disposal or other release of any hazardous substance or solid waste on or to the Property. The terms "hazardous substance" and "release" shall have the meanings specified in CERCLA, and the terms "solid waste" and "disposal" (or "disposed") shall have the meanings specified in RCRA; provided, in the event either CERCLA or RCRA is amended, so as to broaden the meaning of any term defined thereby, such broader meaning shall apply subsequent to the effective date of such amendment and provided further, to the extent that other applicable federal laws and regulations and/or laws of the Territory of the U.S. Virgin Islands establish a meaning for "hazardous substance," "release," "solid waste", or "disposal" which is broader than that specified in either CERCLA or RCRA, such broader meaning shall apply.

(e) **No Notice of Violation.** Neither Borrower nor, to the best of Borrower's knowledge and belief, any tenant of any portion of the Property has received any notice from any governmental authority with respect to any violation of any Applicable Law.

(f) **No Future Violation.** Borrower shall not cause any violation of any Applicable Law, nor permit any tenant of any portion of the Property to cause such a violation, nor permit any environmental liens to be placed on any portion of the Property.

(g) **No Specific Violation.** Without limitation, Borrower has determined that no violation of Applicable Law exists with respect to any polychlorinated biphenyls, asbestos, or underground storage tanks at the Property, and will comply fully with, and cause any tenants to comply fully with, the requirements of all Applicable Laws with respect to any polychlorinated biphenyls, asbestos or underground storage tanks at the Property. Borrower will provide Lender a copy of any notice or other communication which Borrower receives from any governmental authority with respect to any polychlorinated biphenyls, asbestos or underground storage tanks at the Property.

All of the foregoing covenants, representations and warranties made by Borrower shall be continuing and shall be true and correct for the period from the date hereof through and as of the date of the payment of all indebtedness and the performance of all obligations secured by the Mortgage and the release of the Mortgage, with the same force and effect as if made each day throughout such period, and all of such representations and warranties shall survive such payment, performance and release.

7.02 **Investigations and Studies; Notice and Compliance.** Borrower covenants to conduct and complete all investigations, studies, sampling and testing and all remedial, removal and other actions necessary to cleanup and remove hazardous substances on, in, from or affecting any portion of the Property (a) in accordance with all governmental requirements, (b) to the satisfaction of Lender, and (c) in accordance with the orders and directives of all governmental authorities. Borrower agrees to (a) give notice to Lender immediately upon Borrower's acquiring knowledge of the presence of any hazardous substances on the Property or of any hazardous substances contamination with a full description thereof; (b) promptly comply with any governmental requirements requiring the removal, treatment or disposal of such hazardous substances or hazardous substances contamination and provide Lender with satisfactory evidence of such compliance; and (c) provide Lender, within thirty (30) days after demand by Lender, with a bond, letter of credit or similar financial assurance evidencing to Lender's satisfaction that the necessary funds are available to pay the cost of removing, treating and disposing of such hazardous substances or hazardous substances contamination and discharging any assessments which may be established on the Property as a result thereof. For purposes of this paragraph, the term "hazardous substance" shall have the meaning as set out and defined in this Article.

7.03 **Indemnification.** Borrower agrees to indemnify and hold Lender harmless from and against and to reimburse Lender with respect to, any and all claims, demands, causes of action, loss, damage, liabilities, costs and expenses, including attorneys' fees and court costs, of any and every kind or character, known or unknown, fixed or contingent, asserted against or incurred by Lender at any time and from time to time by reason of or arising out of (a) the breach of any representation or warranty of Borrower set forth herein, (b) the failure of Borrower to perform any obligation herein required to be performed by Borrower, and (c) the ownership, construction, occupancy, operation, use and maintenance of the Property prior to the date (the "**Release Date**") on which (i) the indebtedness and obligations secured by the Mortgage have been paid and performed in full and the Mortgage has been released, and (ii) if Lender becomes the owner of the Property by way of foreclosure of the lien of the Mortgage, deed in lieu of such foreclosure or otherwise, the Property has been sold by Lender; provided that this indemnification shall not apply with respect to any release or violation of any Applicable Environmental Law which occurs after Borrower has granted

exclusive possession of the Property to Lender or any receiver that Lender may have appointed as part of a foreclosure.

The indemnity hereinabove given applies, without limitation, to any violation, on or before the Release Date, of any applicable Environmental Law in effect on or before the Release Date and any and all matters arising out of any act, omission, event or circumstance existing or occurring on or prior to the Release Date, including without limitation, the presence on the Property or release from the Property of hazardous substances or solid waste disposed of or otherwise released prior to the Release Date, regardless of whether the act, omission, event or circumstance constituted a violation of any Applicable Environmental Law at the time of its existence or occurrence. The terms "hazardous substance" and "release" shall have the meanings specified in CERCLA, and the terms "solid waste" and "disposal" (or "disposed") shall have the meanings specified in RCRA; provided, in the event either CERCLA or RCRA is amended so as to broaden the meaning of any term defined thereby, such broader meaning shall apply subsequent to the effective date of such amendment and provided further, to the extent that other applicable federal laws and regulations and/or laws of the Territory of the U.S. Virgin Islands establish a meaning for "hazardous substance," "release," "solid waste," or "disposal" which is broader than that specified in either CERCLA or RCRA, such broader meaning shall apply. The indemnity hereinabove given and the provisions of this paragraph shall survive the Release Date and shall continue thereafter in full force and effect.

THE INDEMNIFICATION PROVISIONS IN THIS ARTICLE ARE INTENDED, WITHOUT LIMITATION, TO APPLY WITH RESPECT TO MATTERS CAUSED BY OR ARISING OUT OF THE NEGLIGENCE (BUT NOT GROSS NEGLIGENCE OR WILLFUL MISCONDUCT) OF LENDER.

#### **ARTICLE 8** **Miscellaneous**

8.01 **Notice.** Notice required or permitted hereunder shall be effective upon (a) personal delivery (including without limitation, delivery by a courier service such as Federal Express) or (b) seven (7) days after deposit of a copy thereof with the United States Postal Service, postage prepaid, certified or registered mail, return receipt requested, addressed to Lender or Borrower, as the case may be, at the address set forth below opposite the signature of such party. A copy of any notice to be sent to Borrower shall also be sent to PRM Development, LLC, 150 North Wacker Drive, Suite 1120, Chicago, Illinois 60606.

8.02 **APPLICABLE LAW.** THIS AGREEMENT AND THE LOAN DOCUMENTS HAVE BEEN EXECUTED AND DELIVERED IN THE STATE OF TEXAS AND SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS AND APPLICABLE LAWS OF THE UNITED STATES OF AMERICA. BORROWER AND LENDER ACKNOWLEDGE THAT THE PROPERTY SECURING THE LOAN IS LOCATED IN US VIRGIN ISLANDS, AND THAT THE TERRITORY OF US VIRGIN ISLANDS BEARS A REASONABLE RELATIONSHIP TO THE TRANSACTION EVIDENCED BY THE NOTE, THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS AND THE MORTGAGE SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE TERRITORY OF US VIRGIN ISLANDS.

8.03 **Severability.** In case any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision hereof, and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.

8.04 **Assignment/Participation by Lender.** Lender shall have the right to assign and/or sell participations in all or any portion of this Agreement, the Loan and the Loan Documents, and this Loan Agreement shall be binding on and inure to the benefit of Lender and its successors and assigns. In the event of such an assignment, Borrower will agree to such modifications to this Agreement as will facilitate such assignment, provided that such modifications will not materially add to the obligations of Borrower or materially affect the rights of Borrower. This Agreement shall be binding upon Borrower and its successors and assigns. Borrower may not assign (whether voluntarily or by operation of law) any of its rights under this Agreement without the prior written consent of Lender.

8.05 **ENTIRE AGREEMENT. THIS LOAN AGREEMENT AND THE LOAN DOCUMENTS REPRESENT THE ENTIRE AND FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. ANY AMENDMENT OR MODIFICATION SHALL BE IN WRITING AND SIGNED BY THE PARTY BOUND THEREBY. ANY PRIOR ORAL AGREEMENTS BETWEEN THE PARTIES ARE SUPERSEDED BY AND MERGED INTO THIS DOCUMENT, AND THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.**

8.06 **Partial Release.** Notwithstanding any term or provision contained in this Loan Agreement or in the Note or Mortgage, or any of the other Loan Documents, Borrower shall be entitled to obtain a release of the Mortgage upon payment to Lender of the sum of \$1,650,000.00, together with all accrued interest on the Note, and any other charges and fees owed to Lender other than amounts owed under the Profits Participation Agreement. Upon any release of such Mortgage, unless the amounts due under the Profits Participation Agreement have been paid in full at such time, the Profits Participation Agreement shall remain in full force and effect, and recorded and filed of record effecting the Property, and upon request of Lender, Borrower shall execute such other and further documents which shall be subordinate to any new mortgage obtained by Borrower, as may be necessary to provide Lender with the opportunity to conduct a foreclosure sale of the Property in the event that Borrower fails to comply with the terms and provisions of the Profits Participation Agreement.

EXECUTED AND DELIVERED as of the \_\_\_\_\_ day of September, 2004.

Address:



LENDER:

AMERICAN RESERVE LIFE INSURANCE COMPANY

By: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Title: \_\_\_\_\_

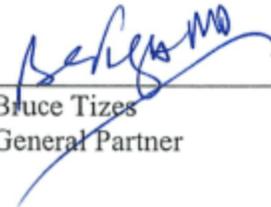
BORROWER:

Address:



LITTLE HANS LOLLIK HOLDINGS, LLP,  
a Delaware limited liability partnership

By: Roark Architecture, L.P.,  
a British Virgin Islands limited partnership  
Managing Partner

By:   
Bruce Tizes  
General Partner

STATE OF TEXAS §  
  §  
COUNTY OF DALLAS §

This instrument was acknowledged before me on this \_\_\_\_\_ day of September, 2004, by \_\_\_\_\_, the \_\_\_\_\_ President of AMERICAN RESERVE LIFE INSURANCE COMPANY, a life insurance company organized under the laws of Oklahoma, on behalf of said life insurance company.

[ S E A L ]

\_\_\_\_\_  
Notary Public, State of Texas

My Commission Expires:

\_\_\_\_\_  
Printed/Typed Name of Notary

TERRITORY OF U.S. VIRGIN ISLANDS §  
  §  
DISTRICT OF ST. THOMAS / ST. JOHN §

This instrument was acknowledged before me on the 17<sup>th</sup> day of September, 2004 by

Bruce Tizes, as the General Partner of Roark Architecture, LP, a British Virgin Islands limited partnership, Managing Partner of LITTLE HANS LOLLIK HOLDINGS, LLP, on behalf of said limited partnership and said limited liability partnership.

My commission expires:

\_\_\_\_\_

Notary Public, \_\_\_\_\_

A. JAMES CASNER III  
NOTARY PUBLIC OF ST. THOMAS & ST. JOHN USVI  
COMMISSION EXPIRES MARCH 4, 2005  
LNP-006-01

**Exhibit "A"**

**Little Hans Lollik Island  
No. 10 Great Northside Quarter  
U.S. Virgin Islands**

EXHIBIT "B"

Allocations

<u>Allocations</u>	<u>Amount</u>
Loan Fee	\$ 33,000.00
Interest Reserve	82,500.00
Land Allocation and Estimated Closing costs	1,534,500.00
 Total:	 <u>\$1,650,000.00</u>

## ADDENDUM I

ATTACHED TO AND INCORPORATED BY REFERENCE  
IN THAT CERTAIN LOAN AGREEMENT BETWEEN  
LITTLE HANS LOLLIK HOLDINGS, LLP, AS BORROWER AND  
AMERICAN RESERVE LIFE INSURANCE COMPANY, AS LENDER

The following shall be executed, delivered, and satisfied as the case may be prior to the Initial Advance and shall be in form and content satisfactory to Lender in its sole discretion:

- (1) Loan Fee in the amount of \$33,000.00, in cash;
- (2) The Note;
- (3) The Mortgage;
- (4) Security Agreement;
- (5) Security Agreement executed by all of the partners who own partnership interests in Borrower, pledging all of such partnership interests to Lender;
- (6) Environmental Indemnity executed by Borrower in favor of Lender;
- (7) The Title Policy (or Binder, if acceptable to Lender);
- (8) Uniform Commercial Code Financing Statements Form UCC-1 with respect to the security interest granted in the Mortgage, together with evidence of the priority of the security interest perfected thereby;
- (9) Evidence that all applicable zoning ordinances or restrictive covenants affecting the Property permit the use for which the Property is intended and have been or will be complied with;
- (10) Evidence, satisfactory to Lender, of the Property's compliance with the requirements of all applicable "environmental protection" laws, rules and regulations, whether federal, state or municipal, including, if required by Lender, an environmental assessment report and/or an environmental audit reflecting that there is (i) no evidence of environmental contamination at the Property and (ii) no evidence of any failure of the Project to comply with applicable environmental laws. The satisfactory opinion of the Borrower's Architect or Engineer may satisfy the requirements of this paragraph;
- (11) Owner's liability insurance policy or policies, and, upon the construction of any improvements, hazard insurance policy or policies, with "standard mortgage clause" naming Lender as mortgagee, insuring the Property against all risks or loss, and insurance against

such other risks and hazards as Lender may require, all such insurance to be in such amounts, in such form and content, and issued by such company or companies as may be acceptable to Lender;

- (12) As appropriate for Borrower, fully executed counterparts or duly certified copies of, and any amendments of, the Articles of Organization of Borrower, Regulations, together with certificates of existence of and payment of franchise taxes in the Territory of the U.S. Virgin Islands, together with consent of partners authorizing such Borrower to execute the Loan Documents and to perform its obligations thereunder;
- (13) Evidence that all necessary action on the part of Borrower has been taken with respect to the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby, so that this Agreement and all Loan Documents to be executed and delivered by or on behalf of a Borrower will be valid and binding upon Borrower or the person or entity executing and delivering such document. Such evidence shall include a legal opinion of Borrower's legal counsel, in form and substance reasonably acceptable to Lender, confirming such authority, validity and binding effect, confirming that neither the Loan nor any of the financing arrangements contemplated by this Loan Agreement violate the usury laws of the Territory of the U.S. Virgin Islands, and covering such other matters as Lender reasonably may require;
- (14) Closing Certificate and Affidavit in form and substance satisfactory to Lender; and
- (15) Such other documents, instruments and certificates as Lender may require to evidence the status, organization or authority of the Borrower or to evidence, govern or secure the payment of the Loan.