

**LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT  
DIVISION OF GRANTS AND SPECIAL PROGRAMS  
FIRST AMENDED AND RESTATED MORTGAGE NOTE**

**\$1,227,576.00**

\_\_\_\_\_, 2024

**FOR VALUE RECEIVED**, the undersigned, **DAVIS PARK STATION, LIMITED LIABILITY LIMITED PARTNERSHIP**, a Kentucky limited liability limited partnership, whose principal address is 159 Old Georgetown Street, Lexington, Kentucky 40508 ("Borrower"), does hereby promise and agree to pay to the order of the **LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT**, an urban county government of the Commonwealth of Kentucky pursuant to Chapter 67A of the Kentucky Revised Statutes, 200 East Main Street, Lexington, Fayette County, Kentucky 40507, its successors or assigns ("Government"), through its Division of Grants and Special Programs, the principal sum of **ONE MILLION TWO HUNDRED TWENTY SEVEN THOUSAND FIVE HUNDRED SEVENTY SIX DOLLARS AND 00/100 CENTS (\$1,227,576.00)** in lawful money of the United States, with interest at the rate of zero percent (0%) per annum, amortized over twenty years and shall be repayable in full at the end of the twenty (20) year period on November 1, 2043 ("Maturity Date").

This First Amended and Restated Mortgage Note replaces the Mortgage Note previously executed by the parties on October 11, 2023 in the amount of **NINE HUNDRED FIFTY THOUSAND DOLLARS AND 00/000 DOLLARS (\$950,000.00)**.

**LOAN CONDITIONS:**

1. This Note evidences a Loan by the Government to the Borrower for the exclusive purpose of constructing residential rental property containing five (5) dwelling unit(s) located at **501 and 512 De Roode Street, Lexington, Fayette County, Kentucky 40508**, under the name of Davis Park Station ("Project") in the manner set out in the HOME-ARP Agreement of October 11, 2023 and the First Amended Agreement of even date herewith, by and between Borrower and the Government (collectively "Agreement") and the monies so provided shall be used solely for such purpose.

2. No principal or interest payments will be required during the term of the indebtedness as long as the Borrower complies with all terms and conditions of this Note, the Leasehold Mortgage of even date herewith, the Declaration of Restrictive Covenants, and the Loan Agreement (collectively, the "Loan Documents") between the Borrower and the Government. The Mortgage, the Declaration of Restrictive Covenants, and the Loan Agreement are incorporated herein by reference and made a part hereof.

3. This Note is a draw note for construction purposes and disbursements of principal hereunder shall be made to Borrower upon its delivery of invoices, or other evidence satisfactory to the Government, related to construction costs of the Project and supporting the amount requested.

4. If within one (1) year from the date of completion of the construction of the Project, said date established as the date of the final progress payment to Borrower, Borrower breaches any of the provisions of the collective Loan Documents, such shall be considered an event of default and the

full disbursed amount of the Loan, plus fifteen percent (15%) of that full amount, shall be immediately due and payable; provided, before the Government may accelerate any amount due under the Loan or take advantage of any other remedies, Borrower shall have a thirty (30) day grace period from receipt of written notice of default to cure such default.

5. If during the second (2<sup>nd</sup>) through twentieth (20<sup>th</sup>) year of the Loan the Borrower breaches any of the provisions of this Note and Loan Documents, such shall be considered an event of default and the fully disbursed amount of the Loan, plus twelve percent (12%) of that amount, shall be immediately due and payable; provided, before the Government may accelerate any amount due under the Loan or take advantage of any other remedies, Borrower shall have a thirty (30) day grace period from receipt of written notice of default to cure such default.

6. Any default on a superior lien encumbering the Project or any initiation of a foreclosure based on any lien encumbering the Project shall be an event of default under this Note and the Loan Documents and the full disbursed amount of the Loan, plus twelve percent (12%) of that full amount, shall be immediately due and payable.

7. The Loan evidenced by this Note may be assumed by an individual or entity capable and able to enter into enforceable contracts, agreements or other loan documents as may be required to ensure compliance with the requirements and intent of the HOME-ARP Program upon the prior written consent of the Government, which consent shall not be unreasonably withheld or delayed.

8. This Note shall be the joint and several obligation of all makers, co-makers, endorsers, sureties and guarantors and shall be binding upon them and their successors, heirs or assigns and each waives demand, presentment and protest and notice of dishonor, and agree in case of any default to pay all costs of collection, including reasonable attorney fees and legal expenses.

9. Except as otherwise provided in this Paragraph, Borrower shall have no personal liability under this Note or any of the other Loan Documents for the repayment of the amount due and owing hereunder (the "Indebtedness") or for the performance of any other obligations of Borrower under the Loan Documents, and the Government's only recourse for the satisfaction of the Indebtedness and the performance of such obligations shall be the Government's exercise of its rights and remedies with respect to the Mortgaged Property (as such term is defined in the First Amended Subordinate Leasehold Mortgage of even date herewith) and any other collateral held by the Government as security for the Indebtedness. This limitation on Borrower's liability shall not limit or impair the Government's enforcement of its rights against any guarantor of the Indebtedness or any guarantor of any obligations of Borrower.

10. The indebtedness evidenced by this Note is secured by a First Amended Subordinate Leasehold Mortgage of even date herewith in favor of the Government on real property, which will be recorded in the Office of the Fayette County Clerk, and reference is made to said instrument for rights as to acceleration of the indebtedness evidenced by this Note.

11. Invalidation of any one of these provisions by judgment or Court order shall not affect any other provisions of this Note, which provisions shall remain in effect.

12. The undersigned may only prepay the principal amount outstanding in whole or in part at any time without penalty after first receiving the written consent of all Senior Lenders as identified and defined in the Loan Agreement.

**IN WITNESS WHEREOF**, the parties have executed this Note on the day and year first above written.

**BORROWER:**

**DAVIS PARK STATION LIMITED  
LIABILITY LIMITED PARTNERSHIP,**  
a Kentucky limited liability limited partnership

By: Davis Park Station GP, LLC,  
a Kentucky limited liability company,  
its General Partner

By: \_\_\_\_\_  
Johan Graham, Member

**DUE DATE: November 1, 2043**

PROPERTY ADDRESS: 501 and 512 De Roode Street Lexington, Fayette County, Kentucky 40508

4859-7713-2762, v. 1