

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

\$542,000.00

DATE ____, 2025__

FOR VALUE RECEIVED, the undersigned, **PRESBYTERIAN HOUSING CORPORATION**, a Kentucky nonprofit corporation, whose mailing address is 1510 Versailles Road, Lexington, KY 40504 ("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 FIVE HUNDRED FORTY- TWO THOUSAND AND 00/000 DOLLARS (**\$542,000.00**) in lawful money of the United States, with interest at the rate of zero percent (0%) per annum, and a maturity date of January 31, 2034, by and through an Agreement entered into on February 19, 2019. All the unpaid principal balance and all accrued but unpaid interest was to be due and payable on February 19, 2034.

WHEREAS, the Borrower and Government have since reached a new agreement to amend the original maturity date of February 19, 2034, to a new maturity date of **June 30, 2037**. This First Amended and Restated Mortgage Note ("Amended Note") shall replace the Mortgage Note of February 19, 2034.

LOAN CONDITIONS:

1. This Amended Note evidences a Loan by the Government to the Borrower for the exclusive purpose rehabilitating residential rental property containing 20 dwelling unit(s) located at 1205 Centre Parkway, Lexington, KY 40517 ("Project") in the manner set out in the HOME Agreement of February 19, 2019, by and between Borrower and the Government ("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 Amended Note, the Mortgage of February 19, 2019, and the Amended Mortgage of even date herewith, and the Agreement dated February 19, 2019, and the Amended Agreement of even date herewith (collectively, the "Loan Documents") between the Borrower and the Government. The Loan Documents are incorporated herein by reference and made a part hereof.
3. This Amended 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 apartment buildings at 1205 Centre Parkway, Lexington, KY 40517 under the name of Lake Manor Apartments (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 this Amended Note or the Loan Documents, such shall be considered a 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 (2nd) through fifteenth (15th) year of the Loan the Borrower breaches any of the provisions of this Amended Note or the Loan Documents, such shall be considered a default and the fully disbursed amount of the Loan 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 a default under this Amended Note and the Loan Documents and the amount as set out hereinabove 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.

7. The Loan evidenced by this Amended 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 Program upon the prior written consent of the Government, which consent shall not be unreasonably withheld or delayed.

8. This Amended 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 Amended Note or any of the other the 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 Mortgage, dated February 19, 2019 and Amended Mortgage of even date herewith (the "Mortgage") 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.

Borrower shall be personally liable to the Government for the repayment of a portion of

the Indebtedness equal to any loss or damage suffered by the Government as a result of:

(1) failure of Borrower to pay to Lender upon demand after default under any of the Loan Documents, which, with the passage of time of the giving of notice or both shall constitute a default (an "Event of Default"), all rents to which the Government is entitled under the Mortgage and the amount of all security deposits collected by Borrower from tenants then in residence;

(2) failure of Borrower to apply all insurance proceeds and condemnation proceeds as required by the Mortgage;

(3) fraud or written material misrepresentation by Borrower, Key Principal or any officer, director, partner, member or employee of Borrower in connection with the application for or creation of the Indebtedness or any request for any action or consent by the Government;

(4) failure to apply rents, first, to the payment of reasonable operating expenses (other than property management fees that are not currently payable pursuant to the terms of any agreement with the Government executed in connection with the Loan) and then to debt service amounts, except that Borrower will not be personally liable (i) to the extent that Borrower lacks the legal right to direct the disbursement of such sums because of a bankruptcy, receivership or similar judicial proceeding, or (ii) with respect to rents that are distributed in any calendar year if Borrower has paid all operating expenses and debt service amounts for that calendar year; or

Borrower shall become personally liable to the Government for the repayment of all of the Indebtedness upon the occurrence of any of the following Events of Default:

(1) Borrower's acquisition of any property or operation of any business not permitted by the Mortgage;

(2) a transfer that is an Event of Default under the Mortgage; or

(3) the occurrence of a Bankruptcy Event (but only if the Bankruptcy Event occurs with the consent, encouragement or active participation of Borrower, Key Principal or any Borrower Affiliate). As used herein, "Bankruptcy Event" shall mean (a) a voluntary insolvency or bankruptcy proceeding or (b) an involuntary insolvency or bankruptcy proceeding which is (i) commenced by the Borrower, the Key Principal or any person or entity controlling or under common control with such parties (the "Borrowing Group") or (ii) in which any member of the Borrowing Group objects to a motion by the Government for relief from any stay or injunction from the foreclosure of the Mortgage or any other remedial action permitted under the Amended Note, the Mortgage or any of the other Loan Documents.

To the extent that Borrower has personal liability under this Paragraph, the Government may exercise its rights against Borrower personally without regard to whether the Government has exercised any rights against the Mortgaged Property or any other security, or pursued any rights against any guarantor, or pursued any other rights available to the Government under this Amended Note, the Mortgage, any other Loan Document or applicable law. For purposes of this Paragraph, the term "Mortgaged Property" shall not include any funds that (1) have been applied by Borrower as required or permitted by the Mortgage prior to the occurrence of an Event of Default, or (2)

