

MORTGAGE NOTE

\$420,000

November 1, 2018
Lexington, Kentucky

FOR VALUE RECEIVED, the undersigned, **GREENHOUSE17**, a Kentucky non-stock non-profit corporation pursuant to KRS Chapter 273, and whose post office address is 540 West Third Street, Lexington, Kentucky 40508 ("Maker"), does hereby promise and agree to pay to the order of the **LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT**, whose mailing address is 200 East Main Street, Lexington, Kentucky 40507 ("Government"), its successors or assigns, the principal sum of:

Four hundred twenty thousand and 00/100 dollars (\$420,000.00)

together with interest thereon as hereinafter provided, in lawful money of the United States of America, in the manner set forth herein, on or before the 31st day of October 2028, the "Final Maturity Date".

The principal of this note (the "Note") shall bear interest on the unpaid balance thereof at a rate per annum of 0%.

No principal or interest payments will be required during the term of the indebtedness and the principal amount due shall be reduced and amortized at zero percent (0%) interest as though 120 monthly payments of \$3,500 of the principal were being made as long as the Maker complies with all terms and conditions of this Note and the Mortgage of even date herewith, and the Loan Agreement of even date herewith, between Maker and Government. The Mortgage and Loan Agreement are incorporated herein by reference and made a part hereof. In the event a break of any term or condition of this Note of the Mortgage and Loan Agreement occurs, the entire outstanding principal balance of the indebtedness calculated as of the date of breach, together with any cost of collection, including reasonable attorney fees, and any other sums secured by the Mortgage, shall be immediately due and payable, at the Government's option. As long as Maker complies with all terms and conditions of this Note and the Mortgage and Loan Agreement for the full ten (10) year term of this indebtedness, the indebtedness shall be forgiven and the Maker discharged from any liability hereunder.

This Note is the "Note" issued pursuant to, and subject to all the terms and conditions of, the Mortgage and the Loan Agreement of even date herewith and any other instrument securing payment of this Note (collectively the "Security Instruments" and together with this Note being hereinafter referred to as the "Loan Documents") between Maker and Government. The occurrence of any event or default under the Loan Documents or under any note, security document or other loan document between Maker and Government shall be a default hereunder, and Government may, at its option, and without notice, declare the entire unpaid principal balance of this Note to be immediately due and payable and proceed to enforce and realize upon any or all security for this Note provided under the Loan Documents.

The Maker hereby agrees and acknowledges that the stated sum is being loaned hereunder for the rehabilitation of apartment complex located at 4400 Briar Hill Road, Lexington, KY 40516, and that the sum loans shall be used solely for such rehabilitation. The Maker further

agrees and acknowledges that the sum is being loaned in consideration of the property being used for the operation of an emergency shelter for adults and dependent children fleeing domestic violence, dating violence, sexual assault, stalking or other dangerous or life-threatening conditions related to violence; and that said facilities must be used for the stated purposes unless a change in use will benefit low-moderate income populations and the change is approved in advance by writing the Government.

The Maker agrees and acknowledges that it shall not sell, convey or otherwise transfer any interest in the real property or any improvements or fixtures thereon acquired through this financial assistance to any entity unwilling or unable to enter into a contract containing the terms, conditions and purposes set out herein and in the Mortgage and Loan Agreement. Maker further agrees and acknowledges that in no event shall it sell, convey or otherwise transfer any interest in the real property or improvements or fixtures thereon without the prior written consent of the Government.

Maker agrees and acknowledges that to the extent that a default under any other mortgage or lien on the subject real property or improvements could permit foreclosure, such a default shall also constitute a default under this Note and all sums due the Government shall be immediately due and payable at the Government's option.

Failure of the Government to exercise any of its rights and remedies shall not constitute a waiver of the right to exercise the same at that or any other time. All rights and remedies of the Government for default under this Note shall be cumulative to the greatest extent permitted by law. Time shall be of the essence in the performance of Maker's obligations under this Note. The Government may exercise its option to accelerate during any default by Maker regardless of any prior forbearance.

The Maker hereby waives presentment, notice of dishonor, and protest. The Maker agrees that in the event of a default and if this Note is referred to an attorney for collection, or is collected through any court, including any bankruptcy court, the maker promises to pay the Government its reasonable attorney fees and court costs incurred in collecting or attempting to collect or securing or attempting to secure this Note or enforcing the Government's rights in any collateral securing this Note. This Note shall bind and benefit the successors, heirs and assigns of the parties but shall not be assumable without Government's written consent.

This Note has been delivered in and shall be governed by and construed in accordance with the laws of the Commonwealth of Kentucky. If any provision, or portion thereof, of this Note, or the application thereof to any persons or circumstances shall to any extent be held to be invalid or unenforceable, the remainder of the Note, or the application of such provision, or portion thereof, to any other person or circumstances shall not be affected thereby, and each provision of this Note shall be valid and enforceable to the fullest extent permitted by law.

The indebtedness evidenced by this Note is secured by the aforesaid Mortgage of even date herewith and reference is made to said instrument for rights as to acceleration of the indebtedness evidenced by this Note. A default under the Mortgage is a default under this Note.

IN THE EVENT GOVERNMENT SHALL AT ANY TIME INSTITUTE ANY ACTION OR PROCEEDING AGAINST MAKER, MAKER HEREBY CONSENTS TO THE JURISDICTION OF ALL COURTS OF THE COMMONWEALTH OF KENTUCKY AND ALL FEDERAL DISTRICT COURTS, AND TO THE VENUE OF ANY SUCH ACTION OR PROCEEDING IN THE STATE OR FEDERAL COURTS IN THE CITY OF LEXINGTON, FAYETTE COUNTY, KENTUCKY, WHICH IS THE PLACE OF MAKING OF THIS NOTE AND IS THE PRINCIPAL PLACE WHERE THE OBLIGATIONS OF MAKER TO THE GOVERNMENT ARE TO BE PERFORMED. TO THE FULLEST EXTENT PERMITTED BY LAW, MAKER HEREBY WAIVES THE RIGHT TO TRIAL BY JURY IN ANY ACTION BROUGHT BY ANY PARTY TO THIS NOTE AGAINST ANY OTHER PARTY TO THIS NOTE. THE CONSENT AND WAIVER CONTAINED HEREIN HAS BEEN VOLUNTARILY AND KNOWINGLY MADE, AFTER THE MAKER HAS BEEN ADVISED AND COUNSELED BY ITS ATTORNEYS AS TO THE NATURE THEREOF.

Dated as of the date and year first above written.

“MAKER”

GREENHOUSE17

BY: 
DARLENE THOMAS, EXECUTIVE DIRECTOR

DATE: 11/12/18


WITNESS

DUE DATE:

October 30, 2028



To: Maureen Watson, Mayor's Office
From: Suzie Loveday, Division of Grants & Special Programs
Date: November 27, 2018
RE: Mayor's Signature on CDBG MORTGAGE for GreenHouse17

Request Mayor's original signature on the attached Mortgage (3 copies) for GreenHouse17. CDBG funding is being provided in the amount of \$420,000 for the purpose of rehabilitating the Domestic Violence Shelter located at 4400 Briar Hill Road, Lexington, KY 40516. Commitment of this funding and execution of these documents was authorized by Council on June 21, 2018; **Resolution #377-2018**.

Mayor's original signature is necessary because:

- () Required by funding source or other document originator;
- () Required by ordinance or other legal requirement.
- () Signature must be notarized.
- (x) Other LFUCG Division of Grants and Special Programs – Annual Action Plan

Special Instructions (i.e. blue ink, multiple originals, etc): None.

Document due to Vendor/Agency/Funding Source: November 30, 2018

Person Requesting (Return To): Suzie Loveday, Grants Manager Phone: x3073

Director, Grants & Special Programs:  Date: 11/27/18

All documents from Grants & Special Programs requesting the Mayor's signature require the Director's signature above or, if necessary, the signature of the person designated to act in the director's absence.

