

**COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM  
LOAN AGREEMENT**

**THIS AGREEMENT**, made and entered into on this 14 day of November, 2017, by and between **LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT**, an urban county government pursuant to KRS Chapter 67A, and located at 200 East Main Street, Lexington, Fayette County, Kentucky 40507 (hereinafter referred to as "GOVERNMENT"), and **ARBOR YOUTH SERVICES, INC. F/K/A MASH SERVICES OF THE BLUEGRASS, INC. F/K/A METRO GROUP HOMES, INC.**, 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 (hereinafter referred to as "BORROWER").

**RECITALS**

**WHEREAS**, the GOVERNMENT has been awarded federal funds from the U.S. Department of Housing and Urban Development's (hereinafter referred to as "HUD") Community Development Block Grant Program (CFDA 14.218);

**WHEREAS**, the GOVERNMENT'S 2017 Consolidated Plan provide for the allocation of \$237,919 in funds to the BORROWER for the rehabilitation of the facilities of Arbor Youth Services located at 536 and 540 West Third Street, Lexington, KY 40508.

**WHEREAS**, the Government agrees to loan the Borrower funds for the rehabilitation of this property located in Fayette County;

**WHEREAS**, the Borrower agrees to operate this property as emergency shelter for homeless youth and administrative offices for Arbor Youth Services;

**NOW, THEREFORE**, in consideration of the foregoing and mutually agreed upon promises, conditions, and covenants hereinafter set forth, the parties hereto agree as follows:

**ARTICLE 1**

**Obligations and Representations of Government**

- A. The Government agrees to loan to Borrower **\$237,919** upon the terms and conditions set forth herein for the purpose of rehabilitating the facilities located at 536 and 540 West Third Street, Lexington, Fayette County, Kentucky.
- B. The Government agrees to prepare and submit necessary reports on the use of Community Development Block Grant funds to the U.S. Department of Housing and Urban Development.

**ARTICLE 2**

**Obligations and Representations of Borrower**

- A. Borrower agrees to use the funds herein referenced for rehabilitating the facilities located at 536 and 540 West Third Street, Lexington, Fayette County, Kentucky, for use as an emergency shelter and administrative offices to serve homeless youth;

- B. Borrower may use a portion of the funds to hire an architect or other qualified project manager to oversee the project. Borrower must document procurement and provide documentation to the Government.
- C. Borrower agrees the facility must be used as an emergency shelter and administrative office for homeless youth, unless its use is changed to benefit a low-moderate income population and change is approved by the Government.
- D. For the period January 1, 2017, through July 31, 2028, the Borrower shall submit annual reports providing information on the number of unduplicated clients served and household income, race, ethnicity, national origin, age, gender, disability, and veteran status, along with a narrative description of the programming provided and providing the following information about the employees of the Borrower's organization: race, age, sex, and disability. All annual reports are due by July 31 of each year for which a report is required.
- E. Borrower agrees to abide by the Additional Provisions provided in Article 6 such as the Title VI of the Civil Rights Act of 1964; Section 109 of the Housing and Community Development Act of 1974; the Lexington-Fayette County, Kentucky Affirmative Action Plan; federal requirements relating to Access to Records, Interest of Federal Officials, Interest of Members of Public Body, Local Governing Body, or other Public Officials; and Prohibitions Against Payments of Bonus or Commission.
- F. Borrower agrees that pursuant to Title VI of the Civil Rights Act of 1964 any deed of conveyance will contain a clause prohibiting discrimination in the rental, use, conveyance, or financing of the Project.
- G. Borrower agrees to use its best efforts to afford minority-and-women-owned business enterprises the maximum practicable opportunity to participate in the performance of this contract.
- H. Borrower agrees that for the ten-year term of the indebtedness and the due date of the note executed it shall not sell, convey, or otherwise transfer any interest in the property acquired through the financial assistance provided herein, or improvements thereon, before or after completion of the Project, to an entity unwilling or unable to enter into a contract consistent with the terms, conditions, and purposes as set out herein. Borrower agrees that in no event shall it sell, convey, or otherwise transfer any interest in the real property or improvements thereon without the prior written consent of the Government. These restrictions include the transfer of any interest in the aforesaid property by deed, land sales contract, mortgage, or similar agreements.
- I. The Borrower shall keep and maintain books, records, and other documents relating directly to the grants, covenants, terms, provisions, or conditions of this contract during the term of the indebtedness and any duly authorized representative of the Secretary of the U.S. Department of Housing and Urban Development or Comptroller General of the United States or the Government shall, at all reasonable times, have access to and the right to inspect, copy, audit, and examine all such books, records, and other documents of the Borrower during this time period. The Borrower agrees that any duly authorized representative of the Secretary, Comptroller, or the Government shall, at all reasonable times, have access to any portion of the

Project in which the Borrower is involved until the expiration of ten years after the due date of the note executed simultaneously herewith.

- J. The Borrower understands that client information collected under this contract is private and the use or disclosure of such information, when not directly connected with the administration of the government's or Borrower's responsibilities with respect to services provided under this contract, is prohibited unless written consent is obtained from such person receiving service and, in the case of a minor, that of a responsible parent/guardian.
- K. The Borrower agrees to pay all taxes and legal assessments, water rates, and other charges, fines, and impositions against the property promptly, and upon request exhibit the receipts therefore to the Government.
- L. The Borrower agrees to maintain the buildings and improvements and property rehabilitated with funding provided hereunder, in compliance with all local, state, and federal housing and building codes and standards.
- M. The Borrower agrees to operate the facility and all programs in compliance with all local, state and federal laws and regulations.
- N. The Borrower agrees to comply with (a) the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (URA), and implementing regulations at 49 CFR Part 24 and 24 CFR 570.606(b); (b) the requirements of 24 CFR 570.606 (c) governing the Residential Anti-displacement and Relocation Assistance Plan under section 104(d) of the HCD Act; and (c) the requirements in §570.606(d) governing optional relocation policies. The Borrower shall provide relocation assistance to persons (families, individuals, businesses, non-profit organizations and farms) that are displaced as a direct result of acquisition, rehabilitation, demolition or conversion for a CDBG-assisted project. The Borrower also agrees to comply with applicable Government policies concerning the displacement of persons from their residences.
- O. The Borrower agrees to comply with the Historic Preservation requirements set forth in the National Historic Preservation Act of 1966, as amended (16 U.S.C. 470) and the procedures set forth in 36 CFR, Part 800, insofar as they apply to the performance of the contract.
- P. This Agreement is subject to the requirements of the Flood Disaster Protection Act of 1973 and the National Environmental Policy Act of 1969. Use of federal assistance provided hereunder for the purpose of acquisition in an area identified as having special flood hazards shall be subject to the Flood Disaster Protection Act of 1973.
- Q. The Borrower agrees to comply with the Lead Based Paint Poisoning Prevention Act (42 U.S.C. 4821-4846), The Residential Lead-Based Paint Hazard Reduction Act of 1992 (42 U.S.C. 4851-4856), and implementing regulations at 24 CFR 35. The Borrower is responsible for testing and abatement activities as may be required.

EPA's Lead Renovation, Repair and Painting Rule (RRP Rule) requires that firms performing renovation, repair, and painting projects that disturb lead-based paint in homes, child care facilities and pre-schools built before 1978 have their firm certified by EPA (or an EPA authorized state), use certified renovators who are trained by EPA-approved training providers

and follow lead-safe work practices. Any contractor hired using federal dollars must be an EPA certified renovator. Clearance of lead clearance must be received before construction will be considered completed. Certified Lead Inspector, Certified Lead Risk Assessor, or Certified Lead Sampling Technician must conduct clearance testing.

- R. The Borrower agrees to defend, indemnify, and hold harmless Government from any and all losses or claims of whatever kind, that are in any way incidental to, or connected with, or that arise or allege to have arisen, directly or indirectly, in whole or in part, from the execution, performance, or breach of this agreement by Borrower, including any environmental problems, including, without limitation, soil and/or water contamination, and remedial investigations and feasibility studies thereof, which exist at or prior to the agreement commencement date, regardless of when such losses or claims are made or incurred. This indemnity agreement shall in no way be limited by any financial responsibility, or loss control requirements below, and shall survive the termination of this agreement;

For the purposes of this Indemnity Provision:

1. The word “defend” includes, but is not limited to, investigating, handling, responding to, resisting, providing a defense for, and defending claims, at Borrower’s expense, using attorneys approved in writing by Government, which approval shall not be unreasonably withheld.
  2. The word “claims” includes, but is not limited to, claims, demands, liens, suits, notices of violation from Governmental agencies, and other causes of action of whatever kind.
  3. The word “losses” includes, but is not limited to: attorney fees and expenses; costs of litigation; court or administrative costs; judgments; fines; penalties; interest; all environmental cleanups and remediation costs of whatever kind; and any liability arising from death, injury, or damage of any kind, to any person, including employees and agents of Borrower and Government, and damage to, or destruction of, any property, including the property of Government.
- S. The Borrower acknowledges that all laborers and mechanics, etc., employed in the construction of a public facility project assisted with CDBG funds, whether employed by Borrower, contractors, or subcontractors, shall be paid wages complying with the Davis-Bacon Act (40 U.S.C. 3141-3144). The Borrower further agrees to comply with the applicable provisions of the Contract Work Hours and Safety Standards Act (40 U.S.C. Section 327-333), and the applicable provisions of the Fair Labor Standards Act of 1938, as amended (29 U.S.C. et seq.).

Additionally, due to the properties having

- T. The Borrower agrees to comply with 2 CFR 200, “Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards” and agrees to adhere to the accounting principles and procedures required therein, use adequate internal controls, and maintain necessary source documentation for all costs incurred. These principles shall be applied for all costs incurred whether charged on a direct or indirect basis.

### ARTICLE 3

#### Loan Transaction

Borrower and Government agree to comply with the following requirements and conditions regarding the loan transaction:

- A. The closing of this transaction shall take place no later than November 30, 2017.
- B. Borrower agrees to execute and deliver to Government at the closing a note and a mortgage for the sum of **\$237,919** for a term of ten years; during the term of the indebtedness secured by the mortgage, the Borrower, shall make no payments and the amount due shall be reduced and amortized at zero percent (0%) interest, as though each monthly payment were being repaid, so long as the Borrower adheres to the conditions set out in this agreement. At the end of the ten-year term, absent any breach, the full amount of the indebtedness will be forgiven.

### ARTICLE 4

#### Events of Breach and Remedies

- A. One or more of the following events shall constitute a breach of this agreement:
  - a. Failure to comply with any of the grants, covenants, terms, provisions, or conditions set out in any Article of this agreement;
  - b. In the event Borrower (a) defaults under any other debt instrument which could permit foreclosure; or (b) be adjudged a bankrupt or insolvent, make an assignment for the benefit of its creditors or be placed in receivership; or (c) refinances the amount equal to the mortgage in favor of the Government; or (d) reorganizes, dissolves, or liquidates the herein described asset or (e) allows liens or other encumbrances to be placed or to remain against the property without the prior consent of the Government.
- B. Upon any breach, the Government, its successors, and assigns, shall provide notice of such breach and allow the Borrower 10-days to cure or attempt to cure the breach. If the Government finds that the breach has not been or cannot be cured within this time frame, the Government may declare the outstanding principal balance of the indebtedness, calculated as of the date of breach, to be due and payable immediately and upon any such declaration the outstanding principal balance shall become and be immediately due and payable and the Government may take any steps necessary to enforce the collection of the same and all charges and costs permitted by law and the lien of the mortgage.

### ARTICLE 5

#### Miscellaneous

- A. The Borrower agrees not to discriminate against any employee or applicant for employment because of race, color, religion, sex, age, national origin, or handicap. The Borrower agrees that it shall state in all solicitation or advertisements for employees placed by or on behalf of any contractor that all qualified applicants will receive equal consideration for employment without regard to race, color, religion, sex, age, national origin, or handicap; Borrower further

agrees that upon transfer of the property identified herein, a covenant prohibiting such discrimination shall be included in the deed of conveyance and which shall run with the land.

- B. In the event 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, at the option of the Government, not affect any other provision of this agreement, but this agreement shall be construed as if such invalid, illegal, or unenforceable provisions had never been contained herein or therein.
- C. All of the grants, covenants, terms, provisions, and conditions herein shall run with the land and shall apply to, bind, and inure to the benefit of the successors and assigns of Arbor Youth Services, Inc., and the successors and assigns of the Government.
- D. This agreement constitutes the entire agreement between the parties as to the rehabilitation of the two facilities located at 536 and 540 West Third Street, Lexington, Fayette County, Kentucky, and may be modified only by agreement signed by the party against whom enforcement is sought. The terms and conditions herein shall survive the closing and shall not merge upon delivery of the deeds to purchaser.

## **ARTICLE 6**

### **Additional Provisions**

#### **A. PUBLIC LAW 88-352: TITLE VI OF THE CIVIL RIGHTS ACT OF 1964**

The Borrower agrees to insure that no person shall on the ground of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program in the facility developed through this contract.

#### **B. SECTION 109 OF THE HOUSING AND COMMUNITY DEVELOPMENT ACT OF 1974**

The Borrower will not on the ground of race, color, national origin, sex, age, or handicap:

1. Deny any facilities, services, financial aid or other benefits provided under the program or activity.
2. Provide any facilities, services, financial aid or other benefits that are different, or are provided in a different form from that provided to others under the program or activity.
3. Subject to segregated or separate treatment in any facility in, or in any matter of process related to receipt of any service or benefit under the program or activity.
4. Restrict in any way access to, or in the enjoyment of any advantage or privilege enjoyed by others in connection with facilities, services, financial aid or other benefits under the program or activity.
5. Treat any individual differently from others in determining whether the individual satisfies any admission, enrollment, eligibility, membership, or other requirement or condition

which individual must meet in order to be provided any facilities, services or other benefit provided under the program or activity.

6. Deny an opportunity to participate in a program or activity as an employee.

**C. ACCESS TO RECORDS**

The Borrower agrees that the Lexington-Fayette Urban County Government, the Secretary of Housing and Urban Development, the Comptroller General of the United States, or any of their duly authorized representative, shall have access to any and all books, documents, papers, and records of the Developer which are directly pertinent to this specific project for the purposes of making an audit, examination, excerpts, and transcriptions. All project records shall be retained for a period of three years after project completion.

**D. INTEREST OF CERTAIN FEDERAL OFFICIALS**

No member of or Delegate to the Congress of the United States and no Resident Commission, shall be admitted to any share or part of this Agreement or to any benefit to arise from the same.

**E. INTEREST OF MEMBERS, OFFICERS, OR EMPLOYEES OF PUBLIC BODY, MEMBER OF LOCAL GOVERNING BODY, OR OTHER PUBLIC OFFICIALS**

No member, officer, or employee of the Public Body, or its designees or agents, no member of the governing body of the locality in which the program is situated, and no other public official of such locality or localities who exercises any functions or responsibilities with respect to the program during his tenure or for one year thereafter, shall have any interest, direct or indirect, in any contract or sub-contract, or the proceeds thereof, for work to be performed in connection with the program assisted under this Agreement.

**F. PROHIBITION AGAINST PAYMENTS OF BONUS OR COMMISSION**

The assistance provided under this Agreement shall not be used in the payment of any bonus or commission for the purpose of obtaining HUD approval of the application for such assistance, or HUD approval of applications for additional assistance, or any other approval of concurrence of HUD required under this Agreement, Title I of the Housing and Community Development Act of 1974 or HUD regulations with respect thereto; provided, however, that reasonable fees or bonafide technical, consultant, managerial or other such services, other than actual solicitation, are not hereby prohibited if otherwise eligible as program costs.

**G. DEBARMENT AND SUSPENSION**

The Borrower certifies, in accordance with Executive Order 12549 (Debarment and Suspension February 18, 1986) that to the best of its knowledge and belief, that it, its principals, and its subcontractors:

Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions or contract by and Federal department or

agency for noncompliance with the Federal Labor Standards, Title VI of the Civil Rights Act of 1964 as amended, Executive Order 11246 as amended or any other federal law;

- a. Have not within a three-year period preceding this proposal been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State, or local) transaction or contract under a public transaction; violation of federal or state antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
- b. Are not presently indicted for or otherwise criminally or civilly charged by a government entity (Federal, State, or local) with commission of any of the offenses enumerated in paragraph (a) of this certification; and
- c. Have not within a three-year period preceding this proposal had one or more public (Federal, State, or local) transactions or contracts terminated for cause or default.

[ INTENTIONALLY LEFT BLANK - SIGNATURE PAGE TO FOLLOW ]



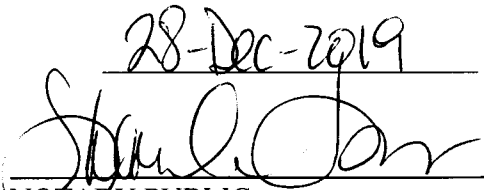
IN TESTIMONY WHEREOF, the parties have hereto caused this contract to be executed upon signature by proper officers and representatives.

LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT

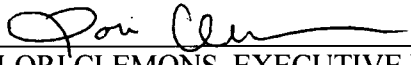
BY:   
JIM GRAY, MAYOR

STATE OF KENTUCKY  
COUNTY OF FAYETTE

The foregoing instrument was subscribed, sworn to, and acknowledged before me by Jim Gray, Mayor of the Lexington-Fayette Urban County Government, on behalf of the Government, on this, the 14 day of November, 2017

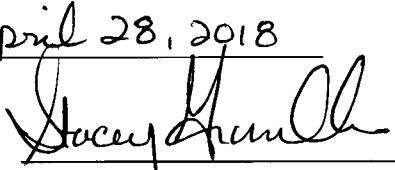
My commission expires: 28-Dec-2019  
  
NOTARY PUBLIC # 547793

ARBOR YOUTH SERVICES, INC. F/K/A MASH SERVICES OF  
THE BLUEGRASS, INC. F/K/A METRO GROUP HOMES, INC.,

BY:   
LORI CLEMONS, EXECUTIVE DIRECTOR

STATE OF KENTUCKY  
COUNTY OF FAYETTE

The foregoing instrument was subscribed, sworn to, and acknowledged before me by Lori Clemons, Executive Director, Arbor Youth Services, Inc., a Kentucky nonprofit corporation, on this the 8<sup>th</sup> day of November, 2017.

My commission expires: April 28, 2018  
  
NOTARY PUBLIC

**MORTGAGE**

**THIS MORTGAGE** (the "Mortgage"), executed on the date shown by the notarial certificates hereon, but delivered, effected and dated this 14 day of November 2017, by and between **ARBOR YOUTH SERVICES, INC. F/K/A MASH SERVICES OF THE BLUEGRASS, INC. F/K/A METRO GROUP HOMES, INC.**, 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 (the "Mortgagor") and **LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT**, an urban county government of the Commonwealth of Kentucky pursuant to KRS 67A, whose mailing address is 200 East Main Street, Lexington, Kentucky 40507 (the "Mortgagee").

**WITNESSETH:**

Mortgagor and Mortgagee have entered into a Loan Agreement of even date herewith, for the rehabilitation of real property and improvements described herein, the terms of which, together with such amendments as are from time to time agreed to by the parties, are incorporated herein as if fully set forth. Mortgagor is justly indebted to Mortgagee for money loaned to Mortgagor pursuant to the Loan Agreement, as evidenced by that certain note (the "Note") of even date herewith in the original principal amount of \$237,919 with interest thereon at the rate provided therein, payable to the order of Mortgagee on or before January 1, 2028, which is the Final Maturity Date of the Note. The terms of the Note are incorporated herein as if fully set forth.

**NOW, THEREFORE**, in consideration of the premises and in order to secure payment of the indebtedness evidenced by the Note or so much thereof as may be advanced by the Mortgagee, the payment of all other sums, with interest thereon, advanced in accordance herewith to protect the security of this Mortgage, and any other sums payable on or by reason of, the Note or this Mortgage, or any other instrument securing payment of the Note (collectively, the "Loan Documents"), and the faithful performance and observance of all covenants, stipulations and agreements set out herein and in the Loan Agreement and Note, and all renewals, amendments, substitutions, extensions and modifications thereof, Mortgagor hereby grants, conveys, assigns and mortgages unto Mortgagee, its successors and assigns, all of its right, title and interest in and to the following described property (hereinafter called the "Mortgaged Property") situated and located in Fayette County, Kentucky, to-wit:

- a) The real property (the "Land") described in Exhibit A;
- b) All rents, issues, profits, royalties, income and other benefits derived from the Mortgaged Property;
- c) All interests, estates or other claims, both in law and in equity, which Mortgagor now has or may hereafter acquire in the Mortgaged Property;
- d) All easements, rights-of-way, licenses, privileges and appurtenances to the Land and all rights used in connection therewith or as a means of access thereto, and all tenements, hereditaments and appurtenances thereof and thereto;

- e) All right, title and interest of Mortgagor, now owned or hereafter acquired, in and to any land lying within the right-of-way of any street, open or proposed, adjoining the Land and any and all sidewalks, alleys and strips and lands adjacent to or used in connection with the Mortgaged Property;
- f) Any and all buildings and improvements now or hereafter erected on the Land, including, but not limited to, the fixtures, attachments, appliances, equipment, machinery and other articles attached to said buildings and improvements (the "Improvements");
- g) All right, title and interest of Mortgagor in and to all tangible personal property (the "Personal Property") owned by Mortgagor and now or at any time thereafter located on or at the Land and used in the operation hereof, including, but not limited to: all goods, machinery, tools, building materials, insurance proceeds, equipment (including fire sprinklers and alarm systems, office, air conditioning, heating, snow removal, lawn care, refrigerating, electronic monitoring, entertainment, recreational, window or structural cleaning rigs, maintenance, exclusion of vermin or insects, removal of dust, refuse or garbage and all other equipment of every kind), wall safes, furnishings, appliances (including ice boxes, refrigerators, fans, heaters, stoves, water heaters and incinerators), rugs, carpets and other floor coverings, draperies and drapery rods and brackets, awnings, window shades, blinds, curtains, lamps, chandeliers and other lighting fixtures and office maintenance and other supplies; as well as renewals, replacements, proceeds, additions, increases, insurance payments, awards and substitutes thereof, together with all interest of Mortgagor in any such items hereafter acquired, all of which personal property mentioned herein shall be deemed fixtures and accessions to the freehold and a part of the realty and not severable in whole or in part without material injury to the Land or Improvements, but excluding therefrom the personal property of any tenant or licensee of the Mortgaged Property; and
- h) All the estate, interest, right, title, other claim or demand, including claims or demands with respect to the proceeds of insurance, which Mortgagor now has or may hereafter acquire in the Land, and any and all awards made for the taking by eminent domain, or by any proceeding or purchase in lieu thereof, of the whole or any part of the Mortgaged Property, including without limitation any awards resulting from a change of grade of streets and awards for severance damages.

This Mortgage is made subject to, and is to include all valid conditions, restrictions, easements and stipulations of record, applicable zoning rules and regulations and taxes not yet due and payable pertaining to the above-described real property as may be revealed in the chain of title thereto.

**TO HAVE AND TO HOLD** the Mortgaged Property together with all of the rights, privileges, appurtenances and Improvements thereunto belonging unto the Mortgagee, its successors and assigns.

**PROVIDED, HOWEVER,** that if Mortgagors shall pay the Note according to the terms thereof and perform all of the covenants, conditions, stipulations and agreements set out in the same or herein contained, then this Mortgage shall be canceled, and the Mortgagee shall, at Mortgagor's cost and request, release the same.

## ARTICLE 1

### GENERAL COVENANTS OF MORTGAGOR

Mortgagor covenants and agrees with Mortgagee as follows:

- 1.1 Good Title. Mortgagor warrants that it has a good and marketable title to an indefeasible fee estate in the Mortgaged Property subject to no lien, charge or encumbrance or exceptions except as are satisfactory to Mortgagee; and that this Mortgage is and will remain a valid and enforceable lien on the Mortgaged Property subject only to the exceptions referred to above. Mortgagor has full power and lawful authority to mortgage the Mortgaged Property in the manner and form herein done or intended hereafter to be done. Mortgagor will preserve such title, and will forever warrant and defend generally the validity and priority of the lien hereof against the claims and demands of all persons and parties whomsoever.
- 1.2 Taxes and Charges.
  - (a) Mortgagor will promptly pay, from time to time when same shall become due, all taxes of every kind and nature, all general and special assessments, levies, permits, inspection and license fees, water and sewer rates, and all other public charges, fines or impositions against the Mortgaged Property or any part thereof or upon the revenues, rents, issues, income and profits thereof or arising with respect to the occupancy, use or possession thereof and upon request exhibit the receipts therefore to the Mortgagee.
  - (b) Mortgagor will pay, from time to time when the same shall become due, all charges for utilities or services to the Mortgaged Property and all claims and demands of mechanics, materialmen, laborers, and others which, if unpaid, might result in, or permit the creation of, a lien on the Mortgaged Property or any part thereof, or on the revenues, rents, issues, income and profits arising therefrom and in general will do or cause to be done everything necessary so that the lien hereof shall be fully preserved, at the cost of Mortgagor, without expense to Mortgagee.
- 1.3 Insurance. That Mortgagor shall insure the improvements on the Mortgaged Property against loss by fire and such other hazards as are covered by a standard extended coverage endorsement by an insurance company or companies authorized to do business in the Commonwealth of Kentucky and acceptable to the Mortgagee until the Note is fully paid. The policy or policies for said insurance, bearing such standard extended coverage endorsement, shall be in such amounts as Mortgagee may require and shall have attached thereto loss payable clauses in favor of, and delivered to, Mortgagee. In the event of loss by fire or other causes covered by said standard extended coverage endorsement, Mortgagor shall give immediate notice thereof by mail to Mortgagee which may make proof of loss if not made promptly by Mortgagor, and the insurance company or companies concerned are hereby authorized and directed to make payment for such loss directly to Mortgagee, and Mortgagee may, at its option, apply such insurance proceeds, or any part thereof, to

the payment or reduction of the Note hereby secured or to the restoration or repair of such improvements.

- 1.4 Use and Repairs. Mortgagor will not commit any waste on the Mortgaged Property or without Mortgagee's prior written consent will not make any substantial change in the use of the Mortgaged Property and will not make any alterations in same. Mortgagor will at all times maintain the Improvements in good operating order and condition and will promptly make, from time to time, all repairs, renewals, replacements, additions and improvements in connection therewith which are needful or desirable to such end. The Mortgagor shall maintain the Mortgaged Property in compliance with all local, state and federal housing and building codes and standards that exist as of the date of this Mortgage and as the same may be amended.
- 1.5 Mortgagees Procurement of Insurance, Payment of Charges and Repairs. Upon failure of the Mortgagor to maintain insurance, pay taxes and other charges, or keep the improvements thereon in good repair, the Mortgagee, at its option, may procure such insurance, pay said taxes and charges and make such repairs. All sums so paid by the Mortgagee shall be repaid to it immediately by the Mortgagor, and in the default thereof shall be added to and become a part of the debt of the Mortgagor, and shall be secured by the aforementioned mortgage to the extent allowed by law and bear legal interest from the date of such payment until paid.
- 1.6 Condemnation. Mortgagor will give the Mortgagee prompt notice of any condemnation or eminent domain action, actual or threatened, and hereby assigns, transfers, and sets over to the Mortgagee the entire proceeds of any award or claim for damages for all or any part of the Mortgaged Property taken or damaged under the power of eminent domain or condemnation, the Mortgagee being hereby authorized to intervene in any such action and to collect and receive from the condemning authorities and give property receipts and acquittances for such proceeds. Mortgagor will not enter into any agreements with the condemning authority permitting or consenting to the taking of the Mortgaged Property unless the prior written consent of Mortgagee is first obtained. Any expenses incurred by the Mortgagee in intervening in such action or collecting such proceeds shall be reimbursed to the Mortgagee first out of the condemnation proceeds. The proceeds or any part thereof shall be applied solely at the discretion of Mortgagee.
- 1.7 Access to Mortgaged Properties. Mortgagee shall have access to and the right to inspect the Mortgaged Properties at all reasonable times.
- 1.8 Use or Transfer of or Lien Upon the Mortgaged Properties.
  - (a) Mortgagor shall use the Mortgaged Properties to operate as an emergency shelter for homeless youth and administrative offices for Arbor Youth Services until January 1, 2028, unless a change in use is made to benefit a low-moderate income population and the Mortgagee gives prior written approval to the change in use.

- (b) The Mortgagor shall not sell, convey or otherwise transfer, whether voluntarily, involuntarily or by operation of law, title to any part or any legal or equitable interest or full possessory right in the real property or improvements to an entity unwilling or unable to enter into a contract containing the terms, conditions and purposes set forth in the Loan Agreement. In no event shall Mortgagor sell, convey, or otherwise transfer any interest in the real property or improvements or permit the same without the written consent of the Mortgagee and according to the terms and conditions of the Loan Agreement. Such transfer shall include, but is not limited to the transfer of any interest by deed, land contract, mortgage, lease, option or similar agreement.
- (c) The Mortgagor shall not, without the prior written consent of the Mortgagee:
  - (1) grant or permit to be filed against the Mortgaged Property any mortgage, charge, encumbrance or lien of any nature whatsoever, except the lien of ad valorem property taxes, not then due and payable; or
  - (2) grant or create any easement, license, right-of-way, condition or covenant with respect to any portion or interest in the Mortgaged Property; or
  - (3) permit or allow the directors of Mortgagor to transfer, pledge, mortgage or otherwise assign their interests in Mortgagor or change the legal status of Mortgagor or dissolve. In the event the legal status of Mortgagor shall change or title to the Mortgaged Property or any part thereof is transferred, this prohibition shall apply to the partnership interests transfers of the shares if the new entity is a partnership or beneficial interest with the new entity as a trust, it being agreed that a transfer upon the death of a partner of his interest to his heirs or estate or the transfer to a trust established of the benefit of the partner or the partner's family shall not be prohibited.
- (d) In the event that Mortgagee's consent is requested under (c) above, then any such request shall be accompanied by a full and complete disclosure of the change so requested, including all pertinent information affecting such sale, transfer or encumbrance, and Mortgagee may require reasonable consideration (including, without limitation, an increase in interest or payment of a fee) as a condition precedent to such approval.

1.9 Indemnification. The Mortgagor will defend, protect, indemnify and save harmless Mortgagee from and against all liabilities, obligations, claims, damages, penalties, causes of action, costs and expenses (including, without limitation, reasonable attorney fees and expenses except as may be limited by law or judicial order or decision entered in any action brought to recover monies under this section) imposed upon, incurred by or asserted against Mortgagee by reason of (a) Mortgagee's ownership of any interest in the Mortgaged Property or any part thereof, (b) any

accident, injury to or death of persons or loss of or damage to property occurring on or about the Mortgaged Property or any part thereof or the adjoining sidewalks, curbs, vaults and vault space, if any, streets or ways, (c) any use, disuse or condition of the Mortgaged Property or any part thereof, or the adjoining sidewalks, curbs, vaults and vault space, if any, streets or ways, (d) any failure on the part of the Mortgagor to perform or comply with any of the terms hereof, (e) any necessity to defend any of the rights, title or interests conveyed by this Mortgage, or (f) the performance of any labor or services or the furnishing of any materials or other property in respect of the Mortgaged Property or any part thereof; provided, however, the indemnity herein contained shall not apply to negligent acts or omissions of Mortgagee, its agents and employees. In case any action, suit or proceeding is brought against Mortgagee for any such reason, the Mortgagor, upon the request of the Mortgagee, will at the Mortgagor's expense, cause such action, suit or proceeding to be resisted and defended by independent counsel. Any amounts payable to Mortgagee under this Section which are not paid within ten (10) days after written demand therefor shall be indebtedness secured by this Mortgage. The obligations of the Mortgagor under this section for liability arising from events occurring prior to defeasance of this Mortgage shall survive any such defeasance.

- 1.10 Option to Subordinate. Nothing in this agreement shall be construed to prohibit the assignment or subordination of this lien by the Mortgagee.
- 1.11 Zone Changes. Mortgagor covenants not to initiate, join in, or consent to any change in any zoning ordinance, private restrictive covenants or public or private restriction limiting or restricting the uses which may be made of the Mortgaged Premises, without the prior written consent of the Mortgagee obtained in each instance, provided such consent is not unreasonably withheld.

## ARTICLE 2

### EVENTS OF DEFAULT AND REMEDIES

- 2.1 Events of Default. The following shall constitute Events of Default hereunder:
  - (a) if default shall be made in the due observance or performance of any covenant or condition on the part of Mortgagor in the Loan Documents, and the same shall not be cured within thirty (30) days of such default; or
  - (b) if there is a default in any of the terms, covenants and conditions contained in any mortgage or security agreement constituting or granting a lien or security interest upon the property subject hereto (whether same be prior, subordinate or of equal dignity to the lien or security interest granted pursuant hereto) or should proceedings be instituted for the foreclosure or collection of any mortgage, judgment or lien prior or subordinate or of equal dignity to or with the lien or security interest granted pursuant hereto; or

- (c) Mortgagor refinances an amount equal to the mortgage in favor of the Mortgagee; or
- (d) Mortgagor reorganizes, dissolves, or liquidates; or
- (e) Mortgagor allows liens or other encumbrances to be placed or to remain against the property without the prior written consent of the Mortgagee; or
- (f) Mortgagor fails to use the Mortgaged Property as a residential facility for very low-income and extremely low-income persons with intellectual disabilities or severe and persistent mental illness.
- (g) Mortgagor sells or conveys or otherwise transfers any interest in the Mortgaged Property except in accordance with the terms and conditions of the Note, Mortgage or Loan Agreement; or
- (h) Mortgagor fails to maintain and keep in force required insurance; or
- (i) Mortgagor fails to pay all taxes, legal assessments, water rates and other charges, fines or impositions when same shall become due and payable; or
- (j) Mortgagor fails to maintain the real property in compliance with all codes and standards; or
- (k) Mortgagor is adjudged a bankrupt or insolvent or makes an assignment for the benefit of its creditors or is placed in receivership.

2.2 Remedies. Upon the happening of any Event of Default and at any time thereafter, without notice given to Mortgagor:

- (a) Mortgagee may declare the entire principal of the Note then outstanding (if not then due and payable), and all accrued and unpaid interest thereon, to be due and payable immediately, and upon any such declaration the principal of the Note and said accrued and unpaid interest shall become and be immediately due and payable, anything in the Note or in this Mortgage to the contrary notwithstanding.
- (b) Mortgagee may exercise all rights under the Loan Documents.
- (c) Mortgagee may institute proceedings to enforce the lien of this Mortgage.
- (d) Mortgagee may take such steps to protect and enforce its rights whether by action, suit or proceeding in equity or at law for the specific performance of any covenant, condition or agreement in the Note or in this Mortgage, or in aid of the execution of any power herein granted, or for the enforcement of any other appropriate legal or equitable remedy or otherwise as Mortgagee shall elect, including appointment of a receiver for the Mortgaged Property, as a matter of right, without regard to the value of the Mortgaged Property or



the solvency of any person liable for the payment of the Note, and regardless of whether Mortgagee has an adequate remedy at law; Mortgagor hereby waives any and all defenses to the appointment of a receiver and hereby specifically consents to such appointment.

- 2.3 Foreclosure; Expense of Litigation. In any suit to foreclose the lien hereof, or enforce any other remedy, or protect any right of Mortgagee under this Mortgage, or the Note, there shall be allowed and included as additional indebtedness in the decree for sale or other judgment or decree to the extent allowed by law all reasonable expenditures and expenses which may be paid or incurred by or on behalf of Mortgagee for attorney fees, appraiser's fees, outlays for documentary and expert evidence, stenographers' charges, publication costs and costs (which may be estimated as to items to be expended after entry of the decree) of procuring all such abstracts of title, title searches and examinations, title insurance policies, and similar data and assurances with respect to title as Mortgagee may deem reasonably necessary either to prosecute such suit or to evidence to bidders at any sale which may be had pursuant to such decree the true condition of the title to or the value of the Mortgaged Property. All expenditures and expenses of the nature in this paragraph mentioned, and such expenses and fees as may be incurred in the protection of the Mortgaged Property and the maintenance of the lien of this Mortgage, including the reasonable fees of any attorney employed by Mortgagee in any litigation or proceeding affecting this Mortgage, the Note or the Mortgaged Property, including bankruptcy proceedings, or in preparation for the commencement or defense of any proceeding, shall be immediately due and payable by Mortgagor, and shall be secured by this Mortgage.
- 2.4 Remedies Not Exclusive. No remedy herein conferred upon or reserved to Mortgagee is intended to be exclusive of any other remedy or remedies, and each and every such remedy shall be cumulative, and shall be in addition to every other remedy given hereunder or under any other document securing payment of the Note or now or hereafter existing at law or in equity or by statute. No delay or omission of Mortgagee to exercise any right or power accruing upon any Event of Default shall impair any such right or power, or shall be construed to be a waiver of any such Event of Default or an acquiescence therein; and every power and remedy given by this Mortgage to Mortgagee may be exercised from time to time as often as may be deemed expedient by Mortgagee. Nothing in this Mortgage or in the Note shall affect the obligation of Mortgagor to pay the principal of the Note in the manner and at the time and place therein respectively expressed.

### ARTICLE 3

#### MISCELLANEOUS

- 3.1 Agreements Separable. In the event any one or more of the provisions contained in this Mortgage or in the Note 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 of this Mortgage, but this Mortgage shall be construed as if

such invalid, illegal or unenforceable provision had never been contained herein or therein.

- 3.2 Notices. All notices hereunder shall be in writing and shall be personally delivered or sent by United States certified mail, postage fully paid, return receipt requested, or by overnight nationwide commercial courier addressed to the parties as follows:

Mortgagee: Lexington-Fayette Urban County Government  
c/o Division of Grants and Special Programs  
200 East Main Street, 6<sup>th</sup> Floor  
Lexington, Kentucky 40507  
Attention: Division Director

Mortgagor: Arbor Youth Services, Inc.  
540 West Third Street  
Lexington, Kentucky 40508

or at such other address as any of the parties may from time to time designate by written notice given as herein required. Mailed notices shall not be deemed given or served until three (3) business days after the date of mailing thereof or, if delivery is by nationwide commercial courier, service of notice shall be deemed given one (1) business day after the date of delivery thereof to said courier. Rejection or refusal to accept, or inability to deliver because of changed addresses or because no notice of changed address was given, shall be deemed a receipt of such notice.

- 3.3 Successors and Assigns. All of the grants, covenants, terms, provisions and conditions herein shall run with the land and shall apply to, bind and inure to the benefit of the successors and assigns, as the case may be, of Mortgagor and the successor and assigns of Mortgagee. References in this Mortgage to "Mortgagee" shall include all successors and assigns and any subsequent holder of the Mortgage and the Note secured hereby.
- 3.4 Construction. This Mortgage shall be construed according to the laws of the Commonwealth of Kentucky.
- 3.5 Non-Waiver. No waiver of any covenant or condition or the breach of any covenant or condition of this Mortgage shall be deemed to constitute a waiver of any subsequent breach of such covenant or condition, nor to justify or authorize the nonobservance on any other occasion of the same or of any other covenant or condition hereof, nor shall the acceptance of any payment by Mortgagee at any time when Mortgagor is in default under any covenant or condition hereof be construed as a waiver of such default, nor shall any waiver or indulgence granted by Mortgagee to Mortgagor be taken as an estoppel against Mortgagee promptly to avail itself of such other rights or remedies as Mortgagee may have or be construed as a waiver of such default, but Mortgagee may at any time thereafter, if such default continues, exercise all its rights arising from such default in the manner provided in this Mortgage.

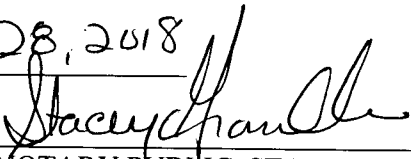
IN WITNESS WHEREOF, Mortgagor has caused this writing to be signed, sealed and delivered on its behalf by its duly authorized Executive Director, effective as of the day and year herein first above written.

ARBOR YOUTH SERVICES, INC. F/K/A MASH  
SERVICES OF THE BLUEGRASS, INC. F/K/A  
METRO GROUP HOMES, INC.,

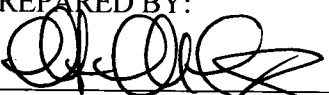
BY:   
LORI CLEMONS, EXECUTIVE DIRECTOR

STATE OF KENTUCKY  
COUNTY OF FAYETTE

The foregoing Mortgage was subscribed, sworn to and acknowledged before me by Lori Clemons, Executive Director of Arbor Youth Services, Inc. a Kentucky nonprofit corporation, on this the 8<sup>th</sup> day of November, 2017.


My commission expires: April 28, 2018  
  
NOTARY PUBLIC, STATE AT LARGE, KY

PREPARED BY:

  
Melissa Moore Murphy, Attorney Senior  
Lexington-Fayette Urban County Government  
Department of Law  
200 East Main Street, 11<sup>th</sup> Floor  
Lexington, Kentucky 40507  
(859) 258-3500

**IN WITNESS WHEREOF**, Mortgagee has caused this writing to be signed, sealed and delivered on its behalf of LFUCG, effective as of the day and year herein first above written.


LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT

BY:   
\_\_\_\_\_  
JIM GRAY, MAYOR

STATE OF KENTUCKY  
COUNTY OF FAYETTE

The foregoing instrument was subscribed, sworn to, and acknowledged before me by Jim Gray, Mayor of the Lexington-Fayette Urban County Government, on behalf of the Government, on this, the 14 day of November, 2017

My commission expires: 28-Dec-2019

  
\_\_\_\_\_  
NOTARY PUBLIC #547793

[ INTENTIONALLY LEFT BLANK ]

## **EXHIBIT A**

### **Legal Description**

#### **536 West Third Street**

All of Lot 71 in the Preston Subdivision to the City of Lexington, State of Kentucky, a plat of which is on record in the Fayette County Court Clerk's office in Plat Cabinet E, Slide 22 (f/k/a Plat Book 1, Page 22), the said Lot No. 71 fronting on Third Street 50 feet and extending back of equal width 140 feet, and for a more particular description of said Lot, reference is hereby made to the plat of record of aforesaid, the same being known and designated as 536 West Third Street; and

Being the same property conveyed, by deed dated September 20, 1985, of record in Deed Book 1383, Page 65, in the office of the Fayette County Court Clerk, to Metro Group Homes, Inc., a Kentucky Corporation, which became MASH Services of the Bluegrass, Inc., and then became Arbor Youth Services all by Articles of Amendments filed with the Kentucky Secretary of State

#### **540 West Third Street**

All of Lot No. 72 of Preston Subdivision to the City of Lexington as shown by plat thereof of record in Plat Cabinet E, Slide 22, in the Fayette County Court Clerk's office, and known as 540 West Third Street; and

Being the same property conveyed, by deed dated May 5, 1999, of record in Deed Book 2050, Page 178, in the office of the Fayette County Court Clerk, to Metro Group Homes, Inc., a Kentucky Corporation, which became MASH Services of the Bluegrass, Inc., and then became Arbor Youth Services all by Articles of Amendments filed with the Kentucky Secretary of State.

**MORTGAGE NOTE**

\$237,919

November 14, 2017  
Lexington, Kentucky

**FOR VALUE RECEIVED**, the undersigned, **ARBOR YOUTH SERVICES, INC. F/K/A MASH SERVICES OF THE BLUEGRASS, INC. F/K/A METRO GROUP HOMES, INC.**, 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:

Two hundred thirty-seven thousand, nine hundred nineteen and 00/100 dollars (\$237,919.00)

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 1st day of January 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 \$1,982.65 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 536 & 540 West Third Street,

Lexington, Fayette County, Kentucky, 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 homeless youth and administrative offices for Arbor Youth Services, 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”**

**ARBOR YOUTH SERVICES, INC. F/K/A MASH  
SERVICES OF THE BLUEGRASS, INC. F/K/A  
METRO GROUP HOMES, INC.,**

BY:   
LORI CLEMONS, EXECUTIVE DIRECTOR

DATE: 11/8/17

  
WITNESS

DUE DATE:

January 1, 2028