

This Instrument Prepared By
and When Recorded Return To:
Arkansas Development Finance Authority
Attn: Vice President, Legal & Tax
P.O. Box 8023
Little Rock, Arkansas 72203-8023

MORTGAGE
ARKANSAS DEVELOPMENT FINANCE AUTHORITY
NEIGHBORHOOD STABILIZATION PROGRAM (NSP1)

KNOW ALL MEN BY THESE PRESENTS:

City of Jonesboro (hereinafter called "Mortgagor"), for a valuable consideration, hereby grants, bargains, sells, conveys and delivers unto Arkansas Development Finance Authority (hereinafter called "Mortgagee"), and unto its successors and assigns, its right, title and interest in and to the real property (the "Property" or the "Project") situated in Craighead County, Arkansas, as more particularly described on the attached Exhibit "A."

This Mortgage also conveys all of its right, title and interest in and to all buildings and improvements now or at any time hereafter located on any land herein above described, together with all of the following equipment now or at any time hereafter located in such building regardless of method or annexation or removability including, but not limited to: all electrical equipment (including lighting equipment, refrigeration equipment, ceiling fans, attic and window fans, motors and all other electrical paraphernalia) except items attached merely by plugging in wall sockets; all furnaces (including floor furnaces), heaters, radiators and all other heating equipment except small gas stoves on floor; all bath tubs, toilets, sinks, basins, pipes and other plumbing equipment; all screens, awnings, and window shades; all linoleum and other permanent floor coverings; all engines and elevators

TO HAVE AND TO HOLD the same unto Arkansas Development Finance Authority, and its successors and assigns forever.

And Mortgagor covenants with Mortgagee, its successors and assigns that Mortgagor will forever warrant and defend the title to all the Property against all lawful claims whatever.

PROVIDED, however, the foregoing conveyance is given as a Mortgage for the purpose of securing the following:

(a) The payment of a promissory note (the "Note"), with an effective date of **September __, 2019** evidencing a principal indebtedness (which indebtedness, and all extensions and renewals thereof is hereinafter called the "Primary Indebtedness") of **Thirty-Two Thousand Three Hundred and 00/100s Dollars (\$32,300.00)** from date until maturity at the zero percent (0%) interest rate, **per annum** for a term of ten (10) years, amortized over a ten (10) year term, with the first forgivable installment beginning one month from placed in service date. All unforgiven installments shall be due on the Maturity Date.

(b) The payment of all future and additional indebtedness, direct or indirect, created after the date of this Mortgage, which may be owing by Mortgagor (or by any of the persons herein designated

under the term "Mortgagor" to the holder of the Primary Indebtedness at any time prior to the payment in full of the Primary Indebtedness) or the foreclosure of this Mortgage therefore (the event occurring first to be controlling); such additional indebtedness to be secured hereby regardless of whether it shall be predicated upon future loans or advances hereafter made by the holder(s) of the Primary Indebtedness, or obligations hereafter acquired by such holder(s) through assignment or subrogation or otherwise, or shall represent indirect obligations (created after the date of this Mortgage) based upon any endorsements, guaranties or suretyship AND IT IS AGREED THAT THIS MORTGAGE SHALL STAND AS SECURITY FOR ALL SUCH FUTURE AND ADDITIONAL INDEBTEDNESS WHETHER IT BE INCURRED FOR ANY BUSINESS PURPOSE THAT WAS RELATED OR WHOLLY UNRELATED TO THE PURPOSE OF THE ORIGINAL LOAN, OR WHETHER IT WAS INCURRED FOR SOME PERSONAL OR NON-BUSINESS PURPOSE, OR FOR ANY OTHER PURPOSE RELATED OR UNRELATED, OR SIMILAR OR DISSIMILAR, TO THE PURPOSE OF THE ORIGINAL LOAN. THIS IS A NON-RECOURSE LOAN; and

Upon the payment or forgiveness of all such sums and compliance with the specified NSP Program Requirements, this Mortgage will become void and will be released by a proper marginal notation or, at the option of the holder(s) of the secured debt, by a release deed to be recorded at the expense of Mortgagor.

1. **COVENANTS OF MORTGAGOR.** Mortgagor agrees to the following:
 - (a) to pay, prior to delinquency, all taxes, special improvement assessments and other governmental charges against the Property, both real and personal, at any time levied or becoming due;
 - (b) to carry insurance upon all insurable property encumbered hereby against such hazards, in such amounts and under such form of policies, as shall be acceptable to, or requested by, the holder(s) of the indebtedness secured hereby; each insurance policy to carry mortgage clause in favor of such holder(s) upon such form as may be approved by the holder(s), and each policy to be delivered to and held by such holder(s). Also to carry public liability insurance, and insurance against other hazards, to such extent as may be requested by the holder(s) of the secured indebtedness. In each instance, Mortgagor shall have the right to select the insurer, subject to Mortgagee's right to reject the proposed insurer for reasonable cause;
 - (c) except as otherwise approved by Mortgagee, to prevent the Property from becoming encumbered by any lien or charge having priority over, or on a parity with, the lien of this Mortgage and to comply with all statutes, ordinances and regulations relating to such property; and
 - (d) to protect the Property from waste, injury or unusual deterioration and, without subjecting the Property to any statutory lien, to make all replacements and repairs necessary to keep the Property in good physical condition. In that connection, it is agreed that Mortgagor may not cut the timber from any land encumbered hereby; moreover, Mortgagor may not remove or substantially remodel or alter any structure on the Property without prior written consent of the holder(s) of the secured indebtedness.

2. **DEFAULT.** The holder(s) of the Primary Indebtedness or any future or additional indebtedness secured hereby (whether such indebtedness then be evidenced by the original note(s) or by any instrument(s) given in renewal or extension of such indebtedness) may, at the option of such holder(s), declare the entire unmatured portion of all indebtedness secured hereby to be immediately due and payable, and the same shall forthwith become immediately due and payable (which acceleration of maturity may be accomplished without notice to anyone), in any one of the following events:
- (a) Upon the filing of a voluntary or involuntary petition to subject Mortgagor (or any party obligated as maker, endorser, surety or guarantor for the payment of the secured indebtedness) to any bankruptcy, debt-adjustment, receivership or other insolvency proceeding which has not been dismissed or stayed within ninety (90) days.
 - (b) Upon the occurrence of any event that continues beyond the expiration of all applicable notice, grace and cure periods, which, under the terms of the instrument at any time evidencing the indebtedness secured hereby, warrants acceleration (at the option of the holder) of the maturity of said indebtedness.
 - (b) [Reserved].
 - (c) If Mortgagor shall fail to materially comply with any of the agreements contained in this Mortgage.
 - (d) If Mortgagor, being a partnership or a corporation, shall be dissolved or reorganized in any manner.
 - (e) If at any time it shall appear that title to the Property, or any portion thereof, is subject to any prior lien, title or interest not mentioned in this Mortgage or shown on a Title Policy of Owner's Insurance issued within thirty (30) days hereof in connection with Mortgagor's leasehold interest in the Property as a prior encumbrance.
 - (f) If at any time Mortgagor shall sell or convey the title to or any interest in any realty mortgaged hereunder without the prior written consent of the holder(s) of the secured indebtedness.
 - (g) If at any time it should appear that the Mortgagor has attempted to sell free from the lien of this Mortgage any personal property or removable fixture encumbered hereby, or is about to attempt such a sale; or that any personal property or removable fixture encumbered hereby has been, or is about to be moved to a different jurisdiction, subjected to physical damage or unusual deterioration, seized under legal process, or subjected by the Mortgagor or a third party to any other disposition which in the opinion of the holder(s) of the secured indebtedness will impair the security value of this instrument.

- (h) If at any time it should appear that the Mortgagor's financial statements given to and relied upon by the Mortgagee incorrectly or inaccurately set forth the financial condition of the Mortgagor.
- (i) If Mortgagor materially breaches the NSP Agreement between Mortgagor and Mortgagee.

It is particularly understood that the foregoing acceleration provisions will be applicable not only to the maturities recited in the original mortgage note(s) but also to any substituted maturities created by extension or renewal. The failure of the holder(s) of the secured indebtedness to declare any acceleration of maturities when a ground therefore exists, even though such forbearance may be repeated from time to time, will not constitute a waiver of the right of such holder(s) to accelerate maturities upon a reoccurrence of the same ground therefore, nor will the act of such holder(s) in remedying any condition resulting from Mortgagor's default bar the holder(s) from declaring an acceleration of maturities by reason of such default.

3. **REMEDIES UPON DEFAULT.** In the event of a default hereunder, the holder(s) of the indebtedness secured hereby shall be entitled to any of the following remedies:

- (a) Pursuit of any and all remedies provided by judicial proceedings and non-judicial remedies, including self-help repossession;
- (b) Foreclosure of this Mortgage in compliance with Act 53, "The Statutory Foreclosure Act of 1987" by public sale to the highest bidder for cash, on the premises or at the main door of the Courthouse of Pulaski County, public notice of the time, terms and place of said sale having been given for thirty (30) days by publication in some newspaper, published in Pulaski County, once a week for four (4) consecutive weeks prior to the date of sale, the final publication to be no more than seven (7) days prior to the sale, which advertisement shall be sufficient for the purpose of foreclosure. **THE OWNER OF THE NOTE SECURED HEREBY MAY BECOME A PURCHASER AT SUCH SALE.** No bid shall be accepted that is less than two-thirds (2/3) of the entire indebtedness due at the date of the sale. Notice required under Act 53 of 1987 will be directed to the Mortgagor at the following address supplied by Mortgagor, to wit:

**City of Jonesboro
Attn: Regina Burkett
300 North Church Street
Jonesboro, AR 72403**

Election of either (a) or (b) by Mortgagee is not irrevocable and Mortgagee may at any time subsequent to commencement of the proceedings terminate such proceeding and proceed with any other remedy.

- (c) The holder(s) of the indebtedness secured hereby may require the Mortgagor to assemble (at Mortgagor's expense) any or all of the personal property encumbered hereby and make it available to such holder(s) at a place specified

by such holder(s) which is reasonably convenient to both parties; and such holder(s) may enforce all of its or their remedies, in respect to the encumbered personal property, that may be available under the Uniform Commercial Code. In the last event all expenses of retaking, holding, preparing for sale, selling or the like, as well as all reasonable attorney's fees (not exceeding 10% of the secured indebtedness plus accrued default interest) and lawful expenses incurred by said holder(s) in enforcing such remedies shall be payable to said holder(s) by Mortgagor shall constitute a part of the secured indebtedness.

- (d) Such holder(s) may enforce the lien of this Mortgage in respect to any or all real and personal property encumbered hereby:
 - (1) either separately or in bulk, in such order as Mortgagee, in its sole discretion, shall direct, including at any judicial or non-judicial sale; and
- (e) by proceedings that are prosecuted simultaneously or are prosecuted separately in such order as the holder(s) may elect.

4. **MORTGAGEE EXPENDITURES.** If the holder(s) of the indebtedness secured hereby shall expend any sum or sums for the protection of any of the Property or the lien of this Mortgage (such holder(s) to have uncontrolled discretion as to the necessity of making any such expenditures), the repayment of such sum or sums on demand (with interest thereon at the maximum legal rate from the date of each expenditure) shall be the personal obligation of Mortgagor; and such obligation to repay will constitute a part of the indebtedness secured hereby. The expenditures thus made reimbursable will include (without limiting the foregoing) taxes, special improvement assessments, insurance premiums, repairs and maintenance expenses, sums paid to discharge prior liens, rents on premises in which mortgaged personal property may be situated, etc. The cost of any abstract, title commitment, or appraisal procured by the holder(s) of the secured indebtedness to facilitate foreclosure will also constitute a part of the reimbursable expense secured hereby.

5. **RELINQUISHMENT OF MORTGAGOR'S RIGHTS.** Mortgagor releases all rights of dower, courtesy, homestead and appraisement hereunder and also releases unto Mortgagee all right of redemption under the laws of Arkansas, including particularly all right of redemption under Act No. 53 of May 8, 1989, and amendments thereto currently codified as ARK. CODE ANN. § 18-49-106.

EXECUTED on this __ day of September 2019.

MORTGAGOR:

ACKNOWLEDGMENT

STATE OF ARKANSAS

COUNTY OF Craighead

BEFORE ME, the undersigned Notary Public, on this day personally appeared Harold Pettin, Mayor of the City of Jonesboro, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same of the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 5th day of September 2019.

Laurie Denise Hester
NOTARY PUBLIC, State of Arkansas

My Commission Expires:

11-13-2027



Attachment A

Legal Description

A PART OF LOTS 3-4 BLOCK 1 OF STEPHENSONS ADDITION TO THE CITY OF JONESBORO, CRAIGHEAD COUNTY, ARKANSAS, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

THE WEST 150 FEET OF LOT 3 AND THE SOUTH 16 FEET OF THE WEST 150 FEET OF LOT 4 IN BLOXK 1 OF THE SPTEPHENSON'S ADDITION TO THE CITY OF JONESBORO, ARKANSAS.

CONTAINING IN ALL 7,244 SQ. FT. OR 0.17 ACRES, MORE OR LESS.

SUBJECT TO EASEMENTS, RESTRICTIONS, RESERVATIONS AND RIGHTS-OF-WAY OF RECORD.