

**PROMISSORY NOTE
CITY OF GAINESVILLE GCRA – BUSINESS IMPROVEMENT GRANT PROGRAM**

AMOUNT: \$ _____

Disbursal Date: _____

Street Address:

Legal Description:

FOR VALUE RECEIVED, the undersigned, _____, whose business address is _____ (“BORROWER”) jointly and severally promise(s) to pay to the order of the CITY OF GAINESVILLE, FLORIDA, a municipal corporation existing under the laws of the State of Florida (“LENDER”), the principal sum of written above pursuant to the terms and conditions of this Promissory Note (“Note”):

1. SECURITY:

In addition to the protections given to the LENDER under this Note, this Note is secured by a mortgage bearing the date of this Note (“Mortgage”), executed by BORROWER, as mortgagor, to LENDER, as mortgagee, encumbering certain property in Alachua County, Florida, as more specifically described in the Mortgage (“Property”).

All of the agreements, conditions, covenants, provisions, and stipulations contained in the Mortgage that are to be kept and performed by BORROWER and any guarantors of the Note, are made hereby a part of this Note to the same extent and with the same force and effect as if they were set forth fully herein, and BORROWER covenants and agrees to keep and perform them or cause them to be kept and performed strictly in accordance with their terms. This Note and the Mortgage may be assumed with the written consent of the LENDER.

2. LOAN AND INTEREST

The LENDER on the Disbursal Date will disburse to or on behalf of BORROWER the principal balance of this Note as specified on this Note above, subject to the terms of this Note and Mortgage (“Loan”). This Loan will be a non-amortizing ___ 10-year loan or ___ 15-year loan (choose one) subject to the terms of this Note. This Loan is made at a fixed per annum rate of zero (0) % interest, except that if BORROWER fails to pay this Note as required upon either the Maturity Date or an event of default, this Note shall be payable at a fixed per annum interest rate of ten percent (10%) from the date when payment of this Note is due until paid in full by the BORROWER. Interest calculations shall be based on a 360-day year and charged on the basis of actual days elapsed.

Unless otherwise prepaid or forgiven in accordance with the terms of this Note, the entire outstanding Loan principal balance of this Note, together with all accrued and unpaid interest, shall be due and payable in full on the Maturity Date, which shall be the date that is the number of years specified above from the date this document is filed with the County Clerk. No loan payment shall be due for the term of this Loan until the loan balloons and is due and payable upon either the Maturity Date or

an event of default. All payments of principal and interest shall be made in lawful money of the United States, which shall be legal tender in payment of all debts, public and private, at the time of payment.

3. LOAN FORGIVENESS

In consideration for participation in the City of Gainesville's Business Improvement Grant Program as adopted by the City of Gainesville as of the execution date of this Note, the LENDER will forgive that portion of the Loan for which the BORROWER has satisfied the requirements set forth in this Section, which forgiveness may include up to the total outstanding principal balance of the Loan.

LENDER will forgive the Loan as set forth in this Section if the BORROWER has met the following conditions:

1. BORROWER owns the Property described in the Mortgage securing this Note; and
2. BORROWER complies with all terms and conditions of the City of Gainesville's Business Improvement Grant Program as provided in the **Business Improvement Grant Program Agreement attached to this Note and incorporated herein**; and
3. BORROWER maintains adequate fire/property insurance on the Property, naming the City of Gainesville as a Mortgagee; and
4. BORROWER pays and keeps annual property taxes current; and
5. BORROWER keeps the Property in reasonably good condition as determined in the sole discretion of the City, which may be verified by inspections conducted by the City at reasonable times agreed upon by the parties.

The Loan will be automatically forgiven and will not need to be repaid by BORROWER if BORROWER has continuously met the five (5) conditions set forth herein for the entire Loan Period, which is the period from the Disbursal Date to the Maturity Date.

In the event of the BORROWER's death or the business no longer exists, the LENDER will determine if any heirs or legally associated businesses meet the same Mortgage conditions and qualify to assume the Mortgage. If the City determines no business entity exists that qualifies for assumption of the Loan, it will become due under the original terms without any interest penalty.

4. PREPAYMENT

BORROWER may prepay this Note in full, including the entire outstanding principal balance together with all accrued and unpaid interest, at any time before the Maturity Date with no penalty, upon five (5) calendar days' notice to the LENDER. No partial prepayments may be made at any time. If the BORROWER elects to prepay and satisfy this Note, the entire outstanding principal balance of the Loan that has not been forgiven by the LENDER as documented herein shall be due and payable.

5. DEFAULT

If BORROWER fails to pay principal or interest on the date on which it falls due or fails to perform any of the agreements, conditions, covenants, provisions, or stipulations contained in this Note and Mortgage, then the BORROWER will have breached and be in default of this Note and Mortgage ("Default"). The LENDER shall provide written notice of Default to BORROWER ("Notice of Default"). BORROWER shall have thirty (30) calendar days from the date of a Notice of Default to cure such Default ("Cure Period"), which period may be reasonably extended at the sole discretion of the LENDER. Upon BORROWER's failure to cure such Default within the Cure Period, the LENDER, at its

option and without notice to BORROWER, may declare immediately due and payable the entire unpaid and unforgiven balance of principal with interest from the date of such default. In such case, the LENDER may bring about any actions not prohibited by applicable law and recover all costs and expenses associated with such actions, including but not limited to interest on any judgment obtained by the LENDER and reasonable attorneys' fees including attorneys' fees on appeal.

6. WAIVERS

- A. BORROWER and any co-signors, endorsers, sureties, or guarantors waive and release any rights to presentment for payment, demand, notice of demand, notice of nonpayment or dishonor, protest, notice of protest of this Note, and all other notices in connection with the delivery, acceptance, performance, default, or enforcement of the payment of this Note, and each agree that each shall have unconditional liability without regard to the liability of any other party, and that they shall not be affected in any manner by any extension of time, renewal, waiver, or modification granted or consented to by the LENDER. BORROWER and any co-signors, endorsers, sureties, or guarantors consent to any and all extensions of time, renewals, waivers, or modifications that may be granted by the LENDER with respect to the payment or other provisions of this Note, and to the release of any collateral or any part thereof, with or without substitution, and they agree that additional borrowers, endorsers, guarantors, or sureties may become parties hereto without notice to them or affecting their liability hereunder.
- B. The LENDER shall not be deemed by any act of omission or commission to have waived any of its rights or remedies hereunder, unless such waiver is in writing and signed by the LENDER, and then only to the extent specifically set forth in writing. A waiver on one event shall not be construed as continuing or as a bar to or waiver of any right or remedy to a subsequent event.

7. GIVING OF NOTICES

All notices required under or in connection with this Note shall be delivered or sent by certified or registered mail, return receipt requested, postage prepaid, to the addresses set forth above, or to such other address as any party may designate from time to time by notice to the others in the manner set forth herein. All notices shall be deemed to have been given or made either at the time of delivery thereof to an officer or employee or on the third business day following the time of mailing in the aforesaid manner. Any notice to LENDER shall be given in the same manner to the following address:

Gainesville Community Reinvestment Area
Post Office Box 490, MS 48
Gainesville, Florida 32627

8. **The BORROWER(S) covenant(s) that all information BORROWER(S) provided to LENDER to obtain this loan is true and accurate. If the LENDER determines that BORROWER(S) fraudulently provided false information, then this Note shall immediately become due and payable at the option of the LENDER.**

9. RESPONSIBILITY OF PERSONS UNDER THIS NOTE

If more than one person or business entity signs this Note, each is personally and severally liable to pay the full amount owed and to keep all of the promises made in this Note. Any guarantor, surety, or endorser of this Note is also obligated to do these things. The LENDER may enforce its rights under

this Note against each BORROWER individually or against all BORROWERS together and may enforce its rights against any of them in any order. This means that any BORROWER may be required to pay all of the amounts owed under this Note.

10. SUBORDINATE NOTE

This Note and the Mortgage securing payment of this Note are expressly made subject and subordinate to the terms and conditions specified in that certain note described as follows: having an original principal face amount of _____ DOLLARS (\$_____), dated _____ (the "First Note"), made by BORROWER payable to _____ ("First Lender") and secured by that certain mortgage from BORROWER to the First Lender, recorded in the Official Records of Alachua County, Florida (the "First Mortgage"). If there is no First Note, First Mortgage, or First Lender, then mark "N/A" herein and any reference to First Note, First Mortgage, or First Lender will be inoperable and inapplicable.

11. FUTURE MODIFICATION OF FIRST NOTE/FIRST MORTGAGE/SECOND NOTE/SECOND MORTGAGE

The LENDER consents to any agreement or arrangement in which the First Lender waives, postpones, extends, reduces, or modifies any provisions of the First Note or the First Mortgage, including any provision requiring the repayment of money.

12. CONFLICTING LANGUAGE

If any provision of this Note or the Mortgage securing this Note conflicts with any provision of the First Note or the First Mortgage, the terms and provisions of the First Note and the First Mortgage shall govern.

13. COSTS AND EXPENSES:

BORROWER shall pay the cost of any revenue tax or other stamps now or hereafter required by law at any time to be affixed to this Note.

14. NO PARTNERSHIP OR JOINT VENTURE:

Nothing contained in this Note or elsewhere shall be construed as creating a partnership or joint venture between the LENDER and BORROWER or between the LENDER and any other person or as causing the holder of this Note to be responsible in any way for the debts or obligations of BORROWER or any other person.

15. GOVERNING LAW:

This Note shall be governed by and construed in accordance with the laws of the State of Florida, notwithstanding any Florida conflict of law provision to the contrary. In the event of any legal action under this Note, venue shall be in Alachua County, Florida.

16. HEADINGS:

Headings at the beginning of each numbered section of this Note are intended solely for convenience of reference and are not to be construed as being a part of the Note.

IN WITNESS WHEREOF, this Note has been duly signed and sealed on or as of the date affirmed below.

WITNESSES:

BORROWER:

Witness: _____

Signature: _____

Print Name: _____

Print Name: _____

Address: _____

Witness: _____

Print Name: _____

Address: _____

STATE OF FLORIDA
COUNTY OF _____

The foregoing instrument was acknowledged before me by means of ____ physical presence or ____ online notarization, this _____ day of _____, _____, by _____, who is ____ personally known to me OR _____ has produced identification. Type of identification produced _____.

Notary Public; State of Florida
Print Name:
My Commission Expires:
My Commission No.: