

**DRAFT**

**CEDC BOARD**

**THIS AMENDMENT TO PENALTY MORTGAGE EXTENDS DEADLINE TO COMPLETE CONSTRUCTION TO DECEMBER 31, 2020 – INCREASING PENALTY BY \$1,000 BUILDING IN PLANNING BOARD REVIEW PROCESS WITH SPRING GROUNDBREAKING**

**PENALTY NOTE MODIFICATION ALLONGE  
(NO.1)**

**THIS NOTE MODIFICATION ALLONGE (No. 1)** (this “Allonge”) made as of the \_\_\_<sup>th</sup> day of January, 2020, by **PAUL HARPIS**, an individual with a principal address of 628 Route 9J, Stuyvesant, New York 12173 (referred to herein as the “Borrower”) and **COLUMBIA ECONOMIC DEVELOPMENT CORPORATION**, with a principal place of business located at One Hudson City Centre, Suite 301, Hudson, New York 12534 (hereinafter referred to as “CEDC” or “Lender”) amends, and supplements the Penalty Note in the original principal amount of \$45,000.00 dated June 8, 2016, as amended August \_\_\_ 2018, together with any further amendments, supplements, replacements and other modifications (the “Note”) given by Borrower to Lender which is secured pursuant to the terms of a mortgage and/or security agreement or any other agreement providing collateral to secure Borrower’s obligations (the “Security Instruments”) and granted or assigned to Lender covering the real and/or personal property described in the Security Instruments. Capitalized terms used herein without definition shall have the meaning set forth in the Note.

In consideration of the acceptance of this Allonge by Lender, Borrower hereto agrees as follows:

1. The undersigned hereby represents and warrants to the Lender that the execution and delivery of this Allonge to the Lender has been duly authorized by Borrower and that the Borrower is duly empowered to do so.
2. Borrower hereby acknowledges and agrees that as of November 30, 2019, the outstanding principal balance on the Note is \$55,000.00, with interest on \$45,000 from June 8, 2016 and interest on \$10,000 from August \_\_\_ 2018.
3. Notwithstanding anything to the contrary contained in the Penalty Note, Security Instruments, guaranty or other loan document:

(i) Section 1 of the Penalty Note is hereby amended and restated in its entirety to read as follows:

**1. BORROWER’S PROMISE TO PAY**

**PAUL HARPIS** with an address of 628 State Route 9J, Stuyvesant, New York 12173 (the "Borrower" or the "Undersigned"), for value received, promises to pay to the order of **COLUMBIA ECONOMIC DEVELOPMENT CORPORATION**, with a principal place of business located at One Hudson City Centre, Suite 301, Hudson, New York 12534

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(hereinafter referred to as "CEDC", "Lender" or "Note Holder") the sum of **FIFTY SIX THOUSAND AND 00/100 DOLLARS (\$56,000.00)** (the "Principal") which shall be paid at such rate and in accordance with such terms as indicated below.

(ii) Section 2 of the Penalty Note is hereby restated in its entirety to read as follows:

**2. RATE**

The Borrower shall pay interest at the rate indicated below (the "Interest Rate").

A fixed Interest Rate of Twelve (12%) percent per annum.

(iii) Section 20(j) of the Penalty Note is hereby amended and restated in its entirety to read as follows:

**20. PAYMENT REQUIREMENTS PURSUANT TO THIS NOTE**

The sum of FIFTY SIX THOUSAND and 00/100 DOLLARS (\$56,000.00) evidenced by this Note is in the form of a penalty, along with accrued interest from the date of this allonge, must be paid by the Borrower to the Lender under the following conditions:

(j) The sum of **FIFTY SIX THOUSAND and 00/100 DOLLARS (\$56,000.00)** shall be due if the Borrower fails to complete the construction of the building proposed for this property in accordance to the provisions of a site plan as approved by the Town of Claverack, and occupy said building by December 31, 2020.

4. Borrower and Lender agree that all collateral and guaranties securing or supporting the Penalty Note shall remain as collateral and support for the Note as modified hereby.

**5. BORROWER REAFFIRMS ITS KNOWING AND VOLUNTARY WAIVER OF JURY TRIAL SET FORTH IN SECTION 16 OF THE PENALTY NOTE.**

6. Nothing in this Allonge shall be understood or construed to be a satisfaction or release in whole or in part of the obligations under the Penalty Note or the Security Instruments or any loan document given in connection with said Penalty Note or the Security Instruments. Except as otherwise specifically provided in this Allonge, the Penalty Note and the Security Instruments will remain unchanged and fully enforceable according to the original terms and conditions. Borrower and Lender will be bound by, and comply with, all of the terms and provisions thereof, as amended or modified by this Allonge.

7. This Allonge is only a modification of the Penalty Note and not a novation. If any one or more of the provisions of this Allonge should for any reason be invalid, illegal or unenforceable in any respect, the validity, legality, or enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby, and such invalid, illegal or unenforceable provision shall be deemed modified to the extent necessary to render it valid while most nearly preserving its original intent. Except for the above modifications, the Penalty Note



shall remain in full force and effect, and this Allonge shall not release or affect the liability of any guarantors, sureties or endorsers on the Penalty Note. If the Penalty Note being modified by this Allonge is signed by more than one person, the modified note shall continue to be the joint and several obligation of all signatories to the Penalty Note.

8. To induce Lender to enter into this Allonge, Borrower waives and releases and forever discharges Lender and its officers, directors, attorneys, agents and employees from any liability, damage, claim, loss or expense of any kind that any of them may have against Lender or any of them arising out of or relating to the loan documents. Borrower further agrees to indemnify and hold Lender and its officers, directors, attorneys, agents and employees harmless from any loss, damage, judgment, liability or expense (including attorneys' fees) suffered by or rendered against Lender or any of them on account of any claims arising out of or relating to the loan documents. Borrower further states that it has carefully read the foregoing release and indemnity, knows the contents thereof and grants the same as its own free act and deed.

9. This Allonge may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument. One or more parties may transmit his/her signature on this Allonge via telecopy, facsimile or other form of electronic transmission, and that such signature shall be binding and have the same effect as a manual signature upon the original. The undersigned agrees that in any legal proceeding, a copy of this Allonge kept in Lender's course of business may be admitted into evidence as an original.

**IN WITNESS WHEREOF**, this Note has been signed by the Borrower at Hudson, New York on \_\_\_\_\_, 2020.

**BORROWER**

\_\_\_\_\_  
**Paul Harpis**

**AGREED TO AND ACCEPTED THIS \_\_\_\_<sup>th</sup> DAY OF  
January, 2020**

**CEDC,**  
Lender

By: \_\_\_\_\_  
F. Michael Tucker, President

**DRAFT**

STATE OF NEW YORK    )  
  )  
COUNTY OF COLUMBIA )       ss.:

On the        day of                in the year 2020 before me, the undersigned, personally appeared, **PAUL HARPIS**, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

\_\_\_\_\_  
Notary Public

STATE OF NEW YORK    )  
  )  
COUNTY OF COLUMBIA )       ss.:

On the        day of                in the year 2020 before me, the undersigned, personally appeared, **F. MICHAEL TUCKER**, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

\_\_\_\_\_  
Notary Public