

# HERNANDO COUNTY SHIP LOAN MORTGAGE

THIS MORTGAGE ("Mortgage") is made, executed and entered effective the \_\_\_\_\_ day of \_\_\_\_\_, 2022, by and between the following named parties:

NAME OF BORROWER:   The Arc Nature Coast, Inc.  
                                  5283 Neff Lake Road  
                                  Brooksville, FL 34601

NAME OF LENDER:       Hernando County Board of County Commissioners  
                                  15470 Flight Path Drive  
                                  Brooksville, FL 34604

**THIS MORTGAGE** secures that certain indebtedness which is evidenced by that certain Promissory Note, hereinafter referred to as the "Note", a copy of which is attached as Exhibit "A".

**THE BORROWER**, for and in consideration of the loan which is evidenced by the Note, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and in order to secure the payment of all amounts due and payable under the subject indebtedness which is evidenced by the Note, does hereby mortgage, grant, bargain, sell, alien, remise, release, convey, and confirm unto the said Lender its interest in all that certain real property of which said Borrower is now seized and possessed, together with all right and interests of Borrower in any way appertaining thereto, which property, rights and interests are more particularly described as follows:

**SEE EXHIBIT "B" (LEGAL DESCRIPTION) ATTACHED HERETO**

**TOGETHER** with all the improvements now or hereafter erected on the property, and all easements, rights, appurtenances, rents, royalties, mineral, oil and gas rights and profits, water, water rights, and water stock, and all fixtures now or hereafter attached to the property, all of which, including replacements and additions thereto, shall be deemed to be and remain a part of the property covered by this Mortgage; and all of the foregoing, together with said property are herein referred to as the "Property".

**BORROWER** does hereby covenant with Lender that Borrower is lawfully seized of an interest in the Property and has good right to sell and convey the same to Lender; and Borrower will, and its successors and assigns shall, fully warrant the interest

to said Property and will defend the same against the lawful claims of all persons whomsoever.

**COVENANTS AND AGREEMENTS OF LENDER:**

The loan shall be made to Borrower at zero percent (0%) interest for a term of thirty (30) years from the date upon which the ARC Nature Coast, Inc. executes this Mortgage and associated Promissory Note for the property described as Lot 26, Block 1681, SPRING HILL, Unit 25 as per plat thereof recorded in Plat Book 10, Page 61 of the Public Records of Hernando County, Florida and also known as 4612 Crescent Road, Spring Hill, FL 34606. The described property shall remain "Affordable" as defined in Section 420.907, F.S. and for use by persons with "developmental disabilities" according to Section 393.063(9) F.S. for a period of not less than fifteen (15) years.

In addition to the foregoing, the Borrower hereby covenants and agrees with Lender as follows:

**OBLIGATIONS OF NOTE AND MORTGAGE:** Borrower will perform, comply with and abide by each stipulation, agreement, condition and covenant in the Note and in this Mortgage.

**MAINTENANCE:** Borrower will not permit, commit, or suffer any waste, impairments, damage, or deterioration of the Property or any part thereof. Borrower will maintain the subject Property in good and proper condition and state of repair.

**COMPLIANCE WITH LAWS:** Borrower shall comply with all laws, ordinances, regulations, covenants, conditions and restrictions affecting the mortgaged property and will not permit any violation thereof.

**SALE, LEASE, OR TRANSFER OF PROPERTY:** Except for resident leases in the ordinary course of business, if the Borrower sells, leases, or transfers all or part of its interest in the Property (except for the grant of utility or roadway improvement easements which will not impair the operation of the project or have a significant impact on the marketability of the project), the Note will be accelerated and any balance remaining on the Note will be due and payable to Lender. No mortgage agreement, land use restriction agreement, or "superior financing" will be deemed to be a sale or transfer of the Property.

**DEFAULT (OTHER):** The happening of any of the following events shall constitute a default hereunder:

1. Failure of Borrower to perform any agreement in this Mortgage or in any other instrument securing said Note or in any other instrument executed by Borrower in connection with the loan secured hereby which is not cured within ninety (90) days after notice from Lender;

2. Failure of Borrower to perform any agreement in any other mortgage securing any other note on the Property or other instrument executed by Borrower in connection with loans to construct the property if not cured within the applicable grace periods;
3. The filing of any petition under the Bankruptcy Code, or any similar federal or state statute, by Borrower which is not dismissed within ninety (90) days of such filing;
4. The filing in any court by any person or entity requesting the appointment of a receiver or trustee to take custody of the Property which filing is not dismissed within ninety (90) days after filing;
5. The filing of any application in any court for the appointment of a receiver for the benefit of one or more creditors, or the making of a general assignment for the benefit of creditors as to Borrower where such filing is not dismissed within ninety (90) days after filing;
6. The failure to comply with the Affordability and Use Restrictions as set out below; or
7. If proceedings are instituted for the foreclosure or collection of any mortgage, judgment or lien superior to or subordinate to this Mortgage on the Property where the proceedings are not dismissed within ninety (90) days after filing.

If default occurs under the above or in the performance of any of Borrower's obligations, covenants or agreements hereunder, and continues to exist after the applicable cure periods expire, the Note shall be accelerated and all of the indebtedness shall become immediately due and payable, at the option of the Lender, without notice, demand, presentment and protest which are hereby expressly waived. Under these facts, the Lender may avail itself of all rights and remedies at law or in equity, and this Mortgage may be foreclosed. Borrower shall pay all costs and expenses thereof, including the cost of securing abstracts or other evidence of the status of title to the mortgaged Property and reasonable attorney's fees.

**ATTORNEYS' FEES AND COSTS:** Borrower shall pay any and all reasonable costs, charges and expenses, including attorneys' fees, reasonably incurred or paid at any time by the Lender because of the failure on the part of the Borrower to perform, comply with and abide with each material stipulation, agreement, condition and covenant of the aforesaid Note and this Mortgage (subject to the applicable cure periods), and such fees and costs shall bear interest at the maximum rate allowable under law until paid.

**SECURITY AGREEMENT:** Borrower hereby grants to Lender a security interest in and to all of those portions of the Property which may ultimately be held to be personal property.

**HAZARD INSURANCE:** If any buildings or other improvements now or hereafter constitute part of the mortgaged Property, Borrower shall keep the Property insured against loss or damage by fire, lightning, windstorm, and other perils customarily insured against.

**SATISFACTION:** Whenever there is no outstanding indebtedness or other obligation secured hereby, Lender will execute a "Satisfaction of Mortgage" to Borrower, in recordable form and cancel the Note.

**NON-RECOURSE:** In case of default under the Mortgage, the Agreement dated \_\_\_\_\_ between Hernando County and The ARC Nature Coast, Inc., or any of the other loan documents (collectively, the "Loan Documents"), Lender shall seek no personal judgment against Borrower, officers, directors, agents or employees for repayment of the Loan as a result of any deficiency arising from the foreclosure of the Mortgage. Lender's sole recourse shall be against the real property, personal property and intangibles, which have been given as collateral by Borrower and are securing the Loan as represented by the Promissory Note.

**MISCELLANEOUS PROVISIONS:**

- (a) Successors and Assigns. Whenever in this Mortgage one of the parties hereto is named or referred to, the successors and permitted assigns of such parties shall be included, and all covenants and agreements contained in this Mortgage by or on behalf of the Borrower and by or on behalf of the Lender shall bind and inure to the benefit of their respective successors and assigns, whether so expressed or not.
- (b) Headings. The heading of the sections, paragraphs and subdivisions of this Mortgage are for the convenience of reference only and are not to be considered a part hereof or limit or otherwise affect any of the terms hereof.
- (c) Invalid Provisions to Affect No Others. If any provision of this Mortgage is found to be invalid under Florida law and would operate to invalidate this Mortgage in whole or in part, then such provision is to be severed from the Mortgage with the remainder of the Mortgage remaining operative, in full force and effect.

**AFFORDABILITY AND USE RESTRICTION.** The mortgaged Property, enabled by SHIP funds, must remain affordable as defined in Section 420.9071, F.S., and for use by persons with "developmental disabilities" according to Section 393.063(9) F.S. for a period of fifteen (15) years, beginning with the date of this Mortgage and associated Promissory Note in order for the Mortgage to be satisfied and the Note cancelled. The

affordability and use restriction shall terminate upon foreclosure or upon a deed transfer in lieu of foreclosure.

**GENERAL PROVISIONS:**

- (a) Time shall be deemed of the essence as to all provisions of this Mortgage.
- (b) Lender may from time to time, without notice and without limitation as to any legal right or privilege of Lender: (a) accept additional security of any kind, (b) release any of the Property securing the indebtedness, or (c) consent to the creation of any easement on or over the mortgaged Property or any changes to the use of occupancy thereof if allowed under federal and state law.
- (c) This Mortgage shall be governed by and construed in accordance with the laws of the State of Florida.
- (d) No delay by Lender in exercising any right or remedy hereunder shall operate as a waiver thereof or preclude the exercise of the right or remedy during the continuance of any default. No waiver by Lender of any default shall constitute a waiver of, or consent to, subsequent defaults.
- (e) Any agreement made by Borrower and Lender pursuant to this Mortgage shall be superior to the rights of any intervening lien or encumbrance.
- (f) Borrower hereby waives all right of homestead or other exemption as to the Property subject to this Mortgage.
- (g) Mailings to the Borrower will be made to the last address furnished to the Lender or at the mortgaged Property by U.S. mail. Mailings to the Lender shall be made by U.S. mail to Hernando County Housing Authority, 621 West Jefferson Street, Brooksville, FL 34601.

[The remainder of this page has intentionally been left blank.]

IN WITNESS WHEREOF, the said Borrower has executed this instrument effective as indicated on page 1 of this Mortgage.

Signed, sealed and delivered in  
The presence of:

The ARC Nature Coast, Inc.

By: \_\_\_\_\_

\_\_\_\_\_  
Witness/Attest

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Print Name/Title

\_\_\_\_\_  
Witness/Attest


\_\_\_\_\_  
Print Name

STATE OF FLORIDA  
COUNTY OF HERNANDO

The foregoing instrument was acknowledged before me by means of \_\_\_ physical presence or \_\_\_ online notarization this \_\_\_ day of \_\_\_\_\_, 2022, by \_\_\_\_\_ as the \_\_\_\_\_ of The Arc Nature Coast, Inc., who is personally known to me or who has produced \_\_\_\_\_ as identification.

\_\_\_\_\_  
NOTARY PUBLIC

Approved as to Form  
and Legal Sufficiency:

  
\_\_\_\_\_  
County Attorney's Office

## EXHIBIT A

# HERNANDO COUNTY SHIP PROMISSORY NOTE

FOR VALUE RECEIVED, The Arc Nature Coast, Inc., a private non-profit 501 (c)(3) charitable organization, whose business address is 5283 Neff Lake Road Brooksville, FL 34601, (referred to below as the "Maker") promises to pay to the order of HERNANDO COUNTY, a political subdivision of the State of Florida (referred to below as the "County"), at 15470 Flight Path Drive, Brooksville, FL 34604, or at such other address as the County may designate from time to time in writing, the principal sum of EIGHTEEN THOUSAND THIRTY-FOUR AND 44/100 DOLLARS (\$18,034.44).

The deferred loan shall be made to Borrower at 0% percent interest for thirty (30) years and shall be forgiven, provided the unit(s) remains "Affordable" as defined in Section 420.907 F.S. and for use by persons with "Developmental Disabilities" according to Section 393.063(9) F.S. for a period of not less than fifteen (15) years for the property described as Lot 26, Block 1681, SPRING HILL, Unit 25 as per plat thereof recorded in Plat Book 10, Page 61, of the Public Records of Hernando County, Florida, and known as 4612 Crescent Road, Spring Hill, FL 34606.

Notwithstanding anything to the contrary herein or any loan documents, the Maker's officers, directors, agents or employees shall not be personally liable for the Note. In case of default under the Mortgage, the Restriction Agreement dated \_\_\_\_\_, between Hernando County and The Arc Nature Coast, Inc., or any of the other loan documents (collectively, the "Loan Documents"), the County shall seek no personal judgment against Maker's officers, directors, agents or employees for repayment of the Note as a result of any deficiency arising from the foreclosure of the Mortgage. The County's sole recourse shall be against the real property, personal property and intangibles, which have been given as collateral by Maker and are securing payments of the Note.

The Maker shall have the privilege and option, at any time, to prepay, in whole or in part, the principal balance remaining unpaid.

The Maker hereby waives presentment, protest, demand, and notice of dishonor.

It is understood and agreed by the Maker that the failure of the County to exercise its right of acceleration, due to a default by Maker, or any indulgence granted from time to time, shall in no event be construed as a waiver of such right of acceleration and shall not stop the County from thereafter exercising such right.

The Maker acknowledges and agrees that all remedies available to the County shall be cumulative and that none is exclusive, and that all such remedies may be exercised concurrently or consecutively at the option of the County.

The Maker promises and agrees to pay all reasonable costs and expenses reasonably incurred by the County in collection of this Note, including without limitation, reasonable attorneys' fees incurred at the trial level and with respect to all appeals.

This Note shall be governed as to validity, interpretation, construction, effect, and in all other respects, by the laws of the State of Florida. Furthermore, the venue of any legal proceeding instituted for the purpose of enforcing this Note shall be in Hernando County, Florida.

This Note is secured by a Mortgage of same date encumbering certain real property and personal property located in Hernando County, Florida.

EXECUTED by the Maker this \_\_\_\_ day of \_\_\_\_\_, 2022.

By: The Arc Nature Coast, Inc.

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

\_\_\_\_\_  
Witness Signature

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Witness Signature

\_\_\_\_\_  
Print Name

Approved as to Form  
and Legal Sufficiency:

  
\_\_\_\_\_  
County Attorney's Office



## **EXHIBIT B**

**Lot 26, Block 1681, SPRING HILL, Unit 25 as per plat thereof recorded in Plat Book 10, Page 61 of the Public Records of Hernando County, Florida.**