

HERNANDO COUNTY SHIP LOAN MORTGAGE

THIS MORTGAGE ("Mortgage") is made, executed and entered effective the ____ day of _____, 2023, by and between the following named parties:

NAME OF BORROWER: Mid Florida Community Services, Inc.
820 Kennedy Blvd.
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 Mid Florida Community Services, Inc. executes this Mortgage and associated Promissory Note for the property described as Lot 33, Block J, Tangerine Estates, according to the plat thereof, as recorded in Plat Book 6, Page 70, of the Public Records of Hernando County, Florida and also known as 16154 La Bella Street, Brooksville, FL 34604. The described property shall remain "Affordable" as defined in Section 420.907, F.S. and for use by persons with "developmental disabilities" according to Chapter 393.063 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, lighting, 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 Mid Florida Community Services, 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 Chapter 393.063 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:

Mid Florida Community Services, 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 _____, 2023, by _____, as the _____ of Mid Florida Community Services, Inc., who is personally known to me or who has produced _____ as identification.

(Signature of person taking acknowledgment)

(Name typed, printed or stamped)

(Title or rank)

(Serial number, if any)

Approved as to Form
and Legal Sufficiency:

Victoria Anderson

County Attorney's Office

EXHIBIT A

HERNANDO COUNTY SHIP PROMISSORY NOTE

FOR VALUE RECEIVED, Mid Florida Community Services, Inc., a private non-profit 501 (c) (3) charitable organization, whose business address is 820 Kennedy Boulevard, 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 SEVENTY-FIVE THOUSAND DOLLARS AND 00/00 (\$75,000.00).

The deferred loan shall be made to Borrower at 0% percent interest for thirty 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 Chapter 393.063 F.S. for a period of not less than fifteen years for the property described as Tangerine Estates BLK J LOT 33 and known as 16154 La Bella Street, Brooksville, FL 34604.

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 Mid Florida Community Services, 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, 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 _____, 2023.

By: Mid Florida Community Services, Inc.

By: _____

Name: _____

Title: _____

Witness Signature

Print Name

Witness Signature

Print Name

Approved as to Form
and Legal Sufficiency

Victoria Anderson
County Attorney's Office

**LAND USE RESTRICTION AGREEMENT
BETWEEN
HERNANDO COUNTY
AND
MID FLORIDA COMMUNITY SERVICES, INC.**

This Land Use Restriction Agreement is made and entered into this _____ day of _____, 2023, by and between Mid Florida Community Services, Inc., a private non-profit 501(c)(3) charitable organization, whose business address is: 820 Kennedy Boulevard, Brooksville, FL 34601, and Hernando County (hereinafter the "COUNTY") located at 15470 Flight Path Drive, Brooksville, FL 34604.

W I T N E S S E T H

WHEREAS, on the above date, the COUNTY and Mid Florida Community Services, Inc., entered into an Agreement (the "Agreement") through which Mid Florida Community Services, Inc., will receive funding from the COUNTY's State Housing Initiatives Partnership ("SHIP") program for the purpose of rehabilitating a group home to be leased to persons who have special needs as defined in Section 393.063, F.S.; and

WHEREAS, pursuant to said Agreement, the affordability restriction is set out in the Mortgage and Promissory Note to be executed between Mid Florida Community Services, Inc., and the COUNTY; and

WHEREAS, the Florida Housing Finance Corporation ("FHFC") has requested that the affordability restrictions now be set out in a separate recorded agreement; and

WHEREAS, Mid Florida Community Services, Inc., and the COUNTY desire to enter into this Land Use Restriction Agreement in order to be deemed in compliance with FHFC regulations.

NOW THEREFORE, THE PARTIES AGREE AS FOLLOWS:

1. The property subject to this Land Use Restriction Agreement is known as 16154 La Bella Street, Brooksville, FL 34601, being more fully described as:

Lot 33, Block J, Tangerine Estates, according to the plat thereof, as recorded in Plat Book 6, Page 70, of the Public Records of Hernando County, Florida.

Parcel No. R12 223 18 3660 00J0 0330

Key No. 01806585

2. Mid Florida Community Services, Inc., hereby agrees that the home will remain affordable pursuant to the affordability regulations of Section 420.9071(2) F.S., without regard to the term of any mortgage or the transfer of ownership, for not less than fifteen (15) years (the "Affordability Period"), which time period shall begin to run when Mid Florida Community Services, Inc., has executed a Mortgage and Promissory Note to the COUNTY for said described property.
3. The affordability restriction may terminate upon foreclosure of a mortgage or a deed in lieu of foreclosure. However, the affordability restriction may be revived for the remaining portion of the Affordability Period if, during the original Affordability Period, the owner of record before foreclosure or the issuance of a deed in lieu of foreclosure, or any entity that includes the former owner or those with whom the former owner is affiliated, acquires an ownership in the project or property.
4. Whenever in this Agreement one of the parties is referred to, successors and permitted assigns of such parties shall be included, and all covenants and agreements contained in this Agreement shall bind and inure to the benefit of their respective successors and assigns, whether so expressed or not.

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

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly authorized representatives.

ATTEST:

MID FLORIDA COMMUNITY SERVICES, INC.

Witness

Print Name

Witness

Print Name

By: _____

Title

Date

ATTEST:

HERNANDO COUNTY
BOARD OF COUNTY COMMISSIONERS

By: _____
Douglas A. Chorvat Jr., Clerk

By: _____
Elizabeth Narverud, Chairwoman

Approved as to Form
and Legal Sufficiency:

Victoria Anderson
County Attorney's Office

EXHIBIT B

Lot 33, Block J, Tangerine Estates, according to the plat thereof, as recorded in Plat Book 6, page 70, of the Public Records of Hernando County, Florida.