

LEGISLATIVE #

120289B

This Instrument prepared
Without examination of title by:
Marion J. Radson, Esq.
City of Gainesville
Office of the City Attorney
P.O. Box 490, Sta. 46
Gainesville, FL 32627



THIS INTEREST PAYMENT ONLY MORTGAGE IS EXEMPT FROM BALLOON STATUS
PER SECTION 697.05(4)(d), FLORIDA STATUTES.

MORTGAGE

DATE AND PARTIES. This Mortgage ("Security Instrument") is given this day of
December 20, 2011 by the Mortgagor to the Lender. The parties and their addresses are:

MORTGAGOR:

GAINESVILLE COMMUNITY REDEVELOPMENT AGENCY

A body corporate and politic of the State of Florida
Attention: CRA Director
802 NW 5th Avenue, Suite 200
Gainesville, FL 32601

LENDER:

CITY OF GAINESVILLE

A Florida municipal corporation
Attention: Finance Director
200 East University Avenue, MS 8
Gainesville, FL 32601

1. **CONVEYANCE.** For good and valuable consideration, the receipt and sufficiency of which is acknowledged and to secure the Secure Debt and Mortgagor's performance under this Security Instrument, Mortgagor grants, bargains, conveys and mortgages to Lender, the property (collectively and individually referred to as the "Property") described in Exhibit "A" attached hereto.

Together with all rights, easements, appurtenances, royalties, mineral rights, oil and gas rights, and all existing and future improvements, structures, fixtures, and replacements that may now, or

at any time in the future, be part of the Property. This Security Instrument will remain in effect until the Secured Debt and all underlying agreements have been terminated in writing by Lender.

2. **SECURED DEBT.** The indebtedness secured by this Security Instrument is evidenced by the Promissory Note dated of even date herewith, from Mortgagor to Lender. A portion of the Note attributable to each Property is due and payable upon the closing on the sale of that Property. Mortgagor will have 30 days from the closing date to deliver to Lender the payment of the Note balance plus accrued interest attributable to the Property being sold. Upon which Lender shall promptly provide a Partial Release of Mortgage which Mortgagor shall record in the Public Records of Alachua County, Florida.

In the event that the Property is not sold to a third party within 12 months after the issuance of the Certificate of Completion, Lender at Lender's option may do all or any one of the following.

- a. Allow Mortgagor to lease the Property to a third party and Mortgagor will apply the monthly proceeds of the rent payment (minus the costs of managing, protecting and preserving the Property, and other necessary expenses) to the portion of the Secured Debt attributable to the leased Property until the Secured Debt is paid off or until the Property is sold, whichever occurs first.
- b. Declare the entire Secured Debt plus accrued interest due in full five years from the date of this Agreement.

3. **PAYMENTS.** Mortgagor agree that all payments under the Secured Debt will be paid when due and in accordance with the terms of the Secured Debt and this Security Instrument.

4. **WARRANTY OF TITLE.** Mortgagor warrants that Mortgagor is or will be lawfully seized of the estate conveyed by this Security Instrument and has the right to grant, bargain, convey, sell, and mortgage the Property. Mortgagor also warrants that the Property is unencumbered, except for encumbrances of record.

5. **PRIOR SECURITY INTERESTS.** With regard to any other mortgage, deed of trust, security agreement or other lien document that created a prior security interest or encumbrance on the Property, Mortgagor agrees:

- a. To make all payments when due and to perform or comply with all covenants.
- b. To promptly deliver to Lender any notices that Mortgagor receives from the holder.
- c. Not to allow any modification or extension of, nor to request any future advances under any note or agreement secured by the lien document without Lender's prior written consent.

6. **CLAIMS AGAINST TITLE.** Mortgagor will pay all taxes, assessments, lien, encumbrances, lease payments, ground rents, utilizes, and other charges relating to the Property when due. Lender may require Mortgagor to provide to Lender copies of all notices that such amounts are due and the receipts evidencing Mortgagor's payment. Mortgagor will defend title to the Property against any claims that would impair the lien of this Security Instrument. Mortgagor agrees to assign to Lender, as requested by Lender, any rights, claims, or defenses Mortgagor may have against parties who supply labor or materials to maintain or improve the Property.

7. **WARRANTIES AND REPRESENTATION.** Mortgagor has the right and authority to enter into this Security Instrument. The execution and delivery of this Security Instrument will not violate any agreement governing Mortgagor or to which Mortgagor is a party.

8. **PROPERTY CONDITION, ALTERATIONS AND INSPECTION.** Mortgagor will keep the Property in good condition and make all repairs that are reasonably necessary. Mortgagor will not commit or allow any waste, impairment, or deterioration of the Property. Mortgagor agrees that the nature of the occupancy and use will not substantially change without Lender's prior written consent. Mortgagor will not permit any change in any license, restrictive covenant or easement without Lender's prior written consent. Mortgagor will notify Lender of all demands, proceedings, claims, and actions against Mortgagor, and of any loss or damage to the Property.

Mortgagor will not partition or subdivide the Property without Lender's prior written consent.

Lender or Lender's agents may, at Lender's option, enter the Property at any reasonable time for the purpose of inspecting the Property. Lender will give Mortgagor notice at the time of or before an inspection specifying a reasonable purpose for the inspection. Any inspection of the Property will be entirely for Lender's benefit and Mortgagor will in no way rely on Lender's inspection.

9. **AUTHORITY TO PERFORM.** If Mortgagor fails to perform any duty or any of the covenants contained in this Security Instrument, Lender may, without notice, perform or cause them to be performed. Lender's right to perform for Mortgagor will not create an obligation to perform, and Lender's failure to perform will not preclude Lender from exercising any of Lender's other rights under the law or this Security Instrument. If any construction on the Property is discontinued or not carried on in a reasonable manner, Lender may take all steps necessary to protect Lender's security interest in the Property, including completion of the construction.

10. **DEFAULT.** Mortgagor will be in default if any of the following occur:

- a. **Payment.** Mortgagor fails to make a payment in full when due.
 - b. **Insolvency or Bankruptcy.** The dissolution or insolvency of, appointment of a receiver by or on behalf of, application of any debtor relief law, the assignment for the benefit of creditors by or on behalf of, the voluntary or involuntary termination of existence by, or the commencement of any proceeding under any present or future federal or state insolvency, bankruptcy, reorganization, composition or debtor relief law by or against Mortgagor of this Security Instrument.
 - c. **Failure to Perform.** Mortgagor fails to perform any condition or to keep any promise or covenant of this Security Instrument
 - d. **Other Documents.** A default occurs under the terms of any other document relating to the Secured Debt.
 - e. **Misrepresentation.** Mortgagor makes any verbal or written statement or provides any financial information that is untrue, inaccurate, or conceals a material fact at the time it is made or provided.
 - f. **Forfeiture.** The property is used in a manner or for a purpose that threatens confiscation by a legal authority.
11. **REMEDIES.** On or after default, Lender may use any and all remedies Lender has under state or federal law or in any document relating to the Secured Debt. Lender may make a claim for any and all insurance benefits or refunds that may be available on Mortgagor's default.

Subject to any right to cure, required time schedules or any other notice rights Mortgagor may have under federal and state law, Lender may make all or any part of the amount owing by the terms of the Secured Debt immediately due and foreclose this Security Instrument in a manner provided by law upon the occurrence of a default or anytime thereafter.

All remedies are distinct, cumulative and not exclusive, and the Lender is entitled to all remedies provided at law or equity, whether or not expressly set forth. The acceptance by Lender of any sum in payment or partial payment on the Secured Debt after the balance is due or is accelerated or after foreclosure proceedings are filed will not constitute a waiver of Lender's right to require full and complete cure of any existing default. By not exercising any remedy, Lender does not waive Lender's right to later consider the event a default if it continues or happens again.

12. **ENVIRONMENTAL LAWS AND HAZADOUS SUBSTANCES.** As used in this section, (1) Environmental Law means, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA, 42 U.S.C. 9601 et

seq.) all other federal, state and local laws, regulations, ordinances, court orders, attorney general opinions or interpretive letters concerning the public health, safety, welfare, environment or a hazardous substance; and (2) Hazardous Substance means any toxic, radioactive or hazardous material, waste, pollutant or contaminant which has characteristics which render the substance dangerous or potentially dangerous to the public health, safety, welfare, or environment. The term includes, without limitation, any substances defined as "hazardous material," "toxic substance," "hazardous waste," "hazardous substance," or "regulated substance" under any Environmental Law.

Mortgagor represents warrants and agrees that:

- a. Except as previously disclosed and acknowledged in writing to Lender, Mortgagor has no knowledge of or reason to believe that Hazardous Substance has been, is, or will be located, transported, manufactured, treated, refined, or handled by any person on, under or about the Property, except in the ordinary course of business and in strict compliance with all applicable Environmental Law.
- b. Except as previously disclosed and acknowledged in writing to Lender, Mortgagor has not and will not cause, contribute to, or permit the release of any Hazardous Substance on the Property.
- c. Mortgagor will immediately notify Lender if (1) a release of threatened release of Hazardous Substance occurs on, under or about the Property or migrates or threatens to migrate from nearby property; or (2) there is a violation of any Environmental Law concerning the Property. In such an event, Mortgagor will take all necessary remedial action in accordance with Environmental Law.
- d. Except as previously disclosed and acknowledged in writing to Lender, Mortgagor has no knowledge of or reason to believe there is any pending or threatened investigation, claim, or proceeding of any kind relating to (1) any Hazardous Substance located on, under or about the Property; or (2) any violation by Mortgagor or any tenant of any Environmental Law. Mortgagor will immediately notify Lender in writing as soon as Mortgagor has reason to believe there is any such pending or threatened investigation, claim, or proceeding. In such event, Lender has the right, but not the obligation, to participate in any such proceeding including the right to receive copies of any documents relating to such proceedings.
- e. Except as previously disclosed and acknowledged in writing to Lender, Mortgagor and every occupant, tenant, and contractor and its employees, agents, and subcontractors have been, and will remain in full compliance with any applicable Environmental Law.

- f. Except as previously disclosed and acknowledged in writing to Lender, there are no underground storage tanks, private dumps or open wells located on or under the Property and no such tank, dump or well will be added unless Lender first consents in writing.
 - g. Mortgagor will regularly inspect the Property, monitor the activities and operations on the Property, and confirm that all permits, licenses or approvals required by any applicable Environmental Law are obtained and complied with.
 - h. Mortgagor will permit, or cause any tenant, occupants, and contractor and its employees agents, and subcontractors to permit, Lender or Lender's agent to enter and inspect the Property and review all records at any reasonable time to determine (1) the existence, location and nature of any Hazardous Substance on, under or about the Property; (2) the existence, location, nature, and magnitude of any Hazardous Substance that has been released on, under or about the Property; or (3) whether or not Mortgagor and any tenant are in compliance with applicable Environmental Law.
 - i. Lender has the right, but not the obligation, to perform any of Mortgagor's obligations under this section at Mortgagor's expense.
 - j. As a consequence of any breach of any representation, warranty or promise made in this section, (1) Mortgagor will indemnify and hold Lender, its agents, officers, employees and Lender's successors or assigns harmless from and against all losses, claims, demands, liabilities, damages, cleanup, response and remediation costs, penalties and expenses, including without limitation all costs of litigation and attorney's fees, which Lender, its agents, officers, employees and Lender's successors or assigns may sustain; and (2) at Lender's discretion, Lender may release this Security Instrument and in return Mortgagor will provide Lender with collateral of at least equal value to the Property without prejudice to any of Lender's rights under this Security Instrument.
 - k. Notwithstanding any of the language contained in this Security Instrument to the contrary, the terms of this section will survive any foreclosure or satisfaction of this Security Instrument regardless of any passage of title to Lender or any disposition by Lender of any or all of the Property. Any claims and defenses to the contrary are hereby waived.
12. **CONDEMNATION.** Mortgagor will give Lender prompt notice of any pending or threatened action by private or public entities to purchase or take any or all of the Property through condemnation, eminent domain, or any other means. Mortgagor authorizes Lender to intervene in Mortgage's name in any of the above described actions or claims. Mortgagor assigns to Lender the proceeds of any award or claim for damages connected with a condemnation or other taking of all or any part of the Property. Such proceeds will be considered payments and will be applied as provided in this Security

Instrument. This assignment of proceeds is subject to the terms of any prior mortgage, deed of trust, security agreement or other line document.

13. **INSURANCE.** Mortgagor agrees to keep the Property insured against the risks reasonably associated with the Property until the Property is released from this Security Instrument. Mortgagor may choose the insurance company.

All insurance policies and renewals will include a standard "mortgage clause" and, where applicable, "loss payee clause." If required by Lender, Mortgagor agrees to maintain comprehensive general liability insurance and rental loss or business interruption insurance in amounts and under policies acceptable to Lender. The comprehensive general liability insurance must name Lender as an additional insured. The rental loss or business interruption insurance must be in an amount equal to at least coverage of one year's debt service, and required escrow account deposits (if agreed to separately in writing).

Mortgagor will give Lender and the insurance company immediate notice of any loss. All insurance proceeds will be applied to restoration or repair of the Property or to the Secured Debt, at Lender's option. If Lender acquires the Property in damaged condition, Mortgagor's rights to any insurance policies and proceeds will pass to Lender to the extent of the Secured Debts.

Mortgagor will immediately notify Lender of cancelation or termination of insurance. If Mortgagor fails to keep the Property insured, Lender may obtain insurance to protect Lender's interest in the Property and Mortgagor will pay for the insurance on Lender's demand. Lender may demand that Mortgagor pay for the insurance all at once, or Lender may add the insurance premiums to the balance of the Secured Debt and charge interest on it at the rate that applies to the Secured Debt. This insurance may include coverage not originally required of Mortgagor, may be written by a company other than one Mortgagor would choose, and may be written at a higher rate than Mortgagor could obtain if Mortgagor purchased the insurance.

14. **CONSTRUCTION LOAN.** This Security Instrument secures an obligation incurred for the construction of an improvement on the Property.
15. **FIXTURE FILING.** Mortgagor gives to Lender a security interest in all goods that Mortgagor owns now or in the future and that are or will become fixtures related to the Property.

16. **APPLICABLE LAW.** This Security Instrument is governed by the laws of Florida, the United States of America, and by the laws of the jurisdiction where the Property is located.
17. **AMENDMENT, INTEGRATION AND SEVERABILITY.** This Security Instrument may be amended or modified only in writing and executed by Mortgagor and Lender. This Security Instrument and any other documents relating to the Secured Debt are the complete and final expression of the agreement between the parties. If any provision of this Security Instrument is found to be unenforceable by a court of competent jurisdiction, then the unenforceable provision will be severed and the remaining provisions will still be enforceable.
18. **NOTICE.** Unless otherwise required by law, any notice will be given by delivering it to the appropriate party's address listed on Page 1, or to any other address designated in writing.

SIGNATURES. By signing, Mortgagor agrees to the terms and covenants contained in this Security Instrument. Mortgagor also acknowledges receipt of a copy of this Security Instrument.

MORTGAGOR:

Gainesville Community Redevelopment Agency

By *Russ Blackburn*
 Russ Blackburn, Executive Director

APPROVED AS TO FORM AND LEGALITY
 By: *Nicolle M. Shalley*
 Nicolle M. Shalley
 Attorney for Gainesville CRA

STATE OF FLORIDA

COUNTY OF ALACHUA

On this day of, December 20, 2011, before me in Alachua County, Florida, appeared Russ Blackburn to me personally known, who, being by me duly sworn acknowledged the above instrument to be his free act and deed, for and on behalf of the agency.

Kimberly A. Sweigard
 Notary Public, State of Florida
 My Commission Expires: Aug. 26, 2012

NOTARY PUBLIC-STATE OF FLORIDA
 Kimberly A. Sweigard
 Commission # DD817770
 Expires: AUG. 26, 2012
 BONDED THRU ATLANTIC BONDING CO., INC.

EXHIBIT "A"

321 NW 7th Terrace, Gainesville, Florida 32601:

LOT 3 AND THE SOUTH 20' OF LOT 2, OF J. MORGAN FENNELL'S SUBDIVISION AS PER PLAT RECORDED IN PLAT BOOK "A", PAGE 74, OF THE PUBLIC RECORDS OF ALACHUA COUNTY, FLORIDA, SAID SUBDIVISION BEING IN BLOCK 3, BROWN'S ADDITION IN SECTION 5, TOWNSHIP 10 SOUTH, RANGE 20 EAST.

Parcel Identification Number: 13639-000-000

403 NW 8th Street, Gainesville, Florida 32601:

AS PER OFFICIAL RECORDS BOOK 339, PAGES 252 AND 253 BEGINNING AT THE SW CORNER OF LOT FIVE (5) OF BLOCK THREE (3) OR 315 FEET SOUTH OF THE NORTHWEST CORNER OF SAID BLOCK THREE (3) BROWN'S ADDITION TO THE CITY OF GAINESVILLE, RUN THENCE NORTH 50 FEET, MORE OR LESS; THENCE EAST 100 FEET, MORE OR LESS; THENCE SOUTH 50 FEET, MORE OR LESS; THENCE WEST 100 FEET, MORE OR LESS, TO POINT OF BEGINNING; LYING AND BEING IN SECTION (5), TOWNSHIP TEN (10), RANGE TWENTY (20) EAST.

Parcel Identification Number: 13622-000-000

725 NW 4th Ave, Gainesville, Florida 32601:

LOT FOURTEEN (14); ALSO 20 FEET NORTH AND SOUTH BY 32 FEET EAST AND WEST, LYING AND BEING IN THE NORTHWEST CORNER OF LOT 13; ALL IN J.M.FENNELL'S SUBDIVISION IN BLOCK 3, OF BROWN'S ADDITION TO GAINESVILLE, FLORIDA, AS PER PLAT RECORDED IN PLAT BOOK, "A", PAGE 74 OF THE PUBLIC RECORDS OF ALACHUA COUNTY, FLORIDA.

Parcel Identification Number: 13651-000-000