

This instrument prepared by:

Note to clerk of the circuit court: The intangible personal property evidenced by this instrument is owned by the State of Florida or a political subdivision of the State of Florida and pursuant to Section 199.183, Florida Statutes, is exempt from the nonrecurring intangible personal property tax imposed by Chapter 199 Florida Statutes

MORTGAGE LIEN AND SECURITY AGREEMENT

In consideration of a fixed capital outlay grant (the "**Grant**"), by the State of Florida Department of Children and Family Services (the "**Department**") to City of Gainesville for the Gainesville Correctional Institute Homeless Shelter (the "**Provider**") in the amount of \$300,000 for the purchase of, and/or renovations to, and/or construction of improvements on, the following described property, under Contract Number ___ between the Provider and the Department, and pursuant to Section 402.73 (3) Florida Statute, the Provider and the other undersigned, if any, hereby mortgage and grant a lien to the Department, whose mailing address is 1317 Winewood Blvd., Tallahassee, Florida 32399, on all of the undersigned's rights, title and interests in and to the land and real property located in Gainesville, Alachua County, Florida, and more particularly described in **Exhibit "A"** attached hereto and made a part hereof (said land and real property and the other matters referred to in the next phrase being hereinafter collectively referred to as the "**Property**"), together with all existing or subsequently erected or affixed buildings, improvements, and fixtures; tenements and hereditaments; easements; appurtenances; and all other rights, royalties, and profits, including without limitation all mineral, oil, gas, and similar matters (subject and subordinate, however, to the lien of the prior mortgage or federal interest in favor of _____ recorded in O.R. Book _____, beginning at Page _____ in the Public Records of _____ County, Florida.

Check the appropriate item below:

(a) The Provider is acquiring and/or owns the Property, in which case the buildings, appurtenances, fixtures, fixed equipment, structures, improvements, renovations, and/or personalty to be purchased and/or made pursuant to the Grant are described in **Exhibit "B"** attached hereto and made a part hereof; or

(b) The Provider is not acquiring and does not own the Property, in which case (i) _____ (the "fee owner") is the owner of the Property and joins in the execution of this instrument for the purpose of subordinating his, her, or its fee simple interest in the Property to the lien of this instrument, and the Provider has a leasehold interest in the Property pursuant to a lease with the fee owner, which lease or a short form or memorandum thereof, is of record in O. R. Book _____, beginning at Page _____,

in the Public Records of _____ County Florida, (ii) the relationship between the fee owner of the Property and the Provider is as landlord/tenant, (iii) this instrument encumbers Provider's leasehold interest in the Property, and (iv) the improvements, renovations, and/or personalty to be purchased and/or made pursuant to the Grant are described in Exhibit "B" attached hereto and made a part hereof.

The Provider also hereby grants to the Department a security interest under the Florida Uniform Commercial Code-Secured Transactions, Chapter 679, F.S., in all fixtures; plumbing, heating, air conditioning and other equipment; building materials, appliances, floor and window coverings, and any personalty, purchased or to be purchased with the Grant to be located on and/or used in connection with the Property and/or the improvements and renovations to the Property to be made pursuant to the Grant, including but not limited to those items described in Exhibit "B" attached hereto and made a part hereof.

This instrument is given to secure (a) the payment and performance of all obligations of the Provider under the AGREEMENT GOVERNING FIXED CAPITAL OUTLAY GRANTS AND AIDS of even date herewith between the Provider and the Department (the "Agreement") pursuant to which the Department has made the Grant to the Provider, (b) the Department's Interest (as hereafter defined) in the Property pursuant to the Agreement and the Grant and (c) the payment and performance of all obligations hereunder. The Department's financial interest in the Property pursuant to the Agreement and the Grant (the "Department's Interest") shall be or deemed to be an amount equal to the amount of the Grant proceeds that have been disbursed to the Provider from time to time, plus all other cost, fees, and expenses owed by the Provider, or for which the Provider is liable, under this instrument and the Agreement.

The Department's Interest shall be, or at the time that it is to be determined shall be deemed to have been, proportionately reduced and subsequently vacated over a 10 (ten) year period (the "Term") of depreciation unless the lien of this mortgage is satisfied before that time or if before that time the Department declares all sums and obligations hereunder to be immediately due and payable in accordance with the provisions of **section 18** below. The Term shall commence on the date of the execution of this instrument and end on the date that is 10 (ten) years from the date of (i) the Provider's purchase of the Property, as evidenced by the date the deed to the Provider for the Property is recorded in the Public Records of the county in which the Property is located or (ii) the completion of the improvements to be made pursuant to the Grant as evidenced by a notice of the completion of said improvements approved by the Department and recorded in the Public Records of the County in which the Property is located, whichever is later,

As a condition of receipt of state funding for this purchase, and/or renovation, and/or construction the undersigned agree that (a) if the Property is disposed of before the Department's Interest is vacated, or (b) at the time of any termination of the Agreement or the obligations of the parties thereunder, or (c) at the time the Department declares all sums and obligations hereunder to be immediately due and payable in accordance with the provisions of **section 18** below, an amount calculated as set forth in section 10 below shall be immediately due and payable to the Department by the Provider and any other person or firm personally liable hereunder, without any interest thereon except in the event of default under this instrument or as

otherwise expressly provided for in this instrument. If the Provider or any other person or firm personally liable hereunder fails to pay all such sums immediately upon any disposition of the Property or otherwise when due, from and after the date that the Department declares a default hereunder such sums shall bear interest at the highest rate permitted by law and such interest shall also be immediately due and payable to the Department by the Provider and any other person or firm personally liable hereunder.

Estoppel letters or other information concerning this instrument may be obtained by contacting:

The undersigned further agree:

1. To keep the Property insured in the manner provided in the Agreement Governing Fixed Capital Outlay Grants and Aids dated _____, 2014
2. To pay all taxes, assessments, and other costs and charges that may become a lien on the Property and all documentary stamp or other excise taxes due in connection with the execution and delivery of this instrument as they become due (and in all events prior to delinquency), and furnish to the Department evidence thereof that is satisfactory to the Department.
3. To comply with all laws, ordinances, rules, regulations, procedures, guidelines and standards pertaining to the Property, including without limitation all environmental laws, ordinances, rules, and regulations; and to obtain, keep, and maintain all permits and licenses necessary for the construction, renovation, repair, and operation of the Property and the business to be conducted on the Property for the purposes for which the Grant has been made. Also to comply with all laws, ordinances, rules, regulations, procedures, guidelines and standards pertaining to the Grant, including without limitation, if the Agreement provides that the Grant is funded from a supplemental emergency social services block grant, all laws, rules, regulations, procedures, guidelines and standards applicable to the supplemental emergency social services block grant program.
4. To pay all persons or firms performing any work or supplying any materials for the construction and/or renovation of improvements on or the maintenance or repair of the Property and all other persons and firms who may have construction lien or other statutory lien rights for the performance of work or services relating to the Property as and when all sums therefor are due and payable.
5. To pay and perform all obligations under any other prior or superior mortgages, liens, or encumbrances as they become due (and in all events prior to delinquency), not to create, suffer, or permit any subsequent liens or mortgages on the Property without the Department's prior written consent, to keep the Property free and clear of all other liens and encumbrances, including without limitation all construction liens and other statutory liens for the performance of work or services relating to the Property.

6. To keep the Property free and clear of all pollutants, hazardous materials, and waste, including without limitation petroleum products, with the exception of legally permitted and properly stored materials in reasonable amounts customarily used in the construction, renovation, use, and operation of similar property.
7. To maintain the Property in good condition and promptly perform all repairs, replacements, and maintenance necessary to preserve its value.
8. During the term of this instrument, the Provider shall not sell, transfer, mortgage, or assign its interest in the Property or in the property subject to the security interest under the Florida Uniform Commercial Code-Secured Transactions, unless the Department, in its sole discretion, whether reasonable or not, approves the sale, transfer, mortgage, or assignment; and, in the case of sale, transfer, or assignment so approved by the Department, the purchaser, transferee, or assignee must fully assume, in writing, all of the terms and conditions of this instrument, the Agreement, and, if applicable, the Notice of Federal Interest referred to in the Agreement. Without limiting the generality of the foregoing, if the Agreement provides that the Grant is funded from a supplemental emergency social services block grant, Provider shall not convey, transfer, assign, mortgage, lease or otherwise encumber the Property or the property subject to the security interest under the Florida Uniform Commercial Code-Secured Transactions, without the prior written approval of the United States Department of Health and Human Services.
9. Provider shall continue the operation, maintenance, repair, and administration of the Property in accordance with the purposes for which the funds of the Grant were originally appropriated and for a period of time that is the greater of **(a)** the time expressly specified by the act appropriating the Grant, or **(b)** the expiration of the Term.
10. **(a)** If Provider fails to comply with **Section 9** above, or **(b)** if the Property is disposed of before the Department's Interest is vacated, or **(c)** at the time of any termination of the Agreement or the obligations of the parties thereunder, or **(d)** at the time the Department declares all sums and obligations hereunder to be immediately due and payable in accordance with the provisions of **section 18** below, the Provider and any other person or firm personally liable hereunder shall pay to the Department, no later than upon demand by the Department, without any interest thereon except in the event of default under this instrument or as otherwise expressly provided for in this instrument, the amount to be paid shall be the Department's Interest, as adjusted by depreciation.

Provided in no event shall the amount to be paid exceed the amount of the Grant.

If the Provider or any other person or firm personally liable hereunder fails to pay all such sums when due, then from and after the date that the Department declares a default hereunder such sums shall bear interest at the highest rate permitted by law and such interest shall also be immediately due and payable by the Provider and any other person or firm personally liable hereunder.

11. The Provider shall indemnify, defend, and hold the Department harmless from and against any and all claims or demands for damages resulting from personal injury, including death or damage to property, arising out of or relating to the Property or the use of the Grant money.

12. Provider and any other person or firm personally liable hereunder shall return any portion of the Grant money received that is not necessary for the purchase of the land, or the cost of the improvements, renovations, and personalty, for which the Grant was awarded.

13. At all times in which Grant money is being disbursed and during any term or period of construction or renovation of improvements on the Property and until such time as the Grant money is fully and properly spent according to the act appropriating the Grant, the Provider shall obtain a blanket fidelity bond, in the amount of the Grant, issued by a company authorized and licensed to do business in this state, which will reimburse the Department in the event that anyone handling the Grant moneys either misappropriates or absconds with the Grant moneys. All employees handling the Grant moneys must be covered by the bond.

14. If any obligation hereunder or under the Agreement is not timely paid or performed, or in the event of any breach of any warranty hereunder or under the Agreement, in addition to all other remedies, the Department may, but is not obligated to, pay or perform the obligation and cure the breach and the costs thereof shall bear interest at the highest rate permitted by law. Such costs and interest thereon shall be secured by this instrument and be immediately due and payable and paid by Provider and any other person or firm personally liable hereunder to the Department upon demand by the Department.

15. If any action or proceeding is commenced that in the opinion of the Department would materially affect the Department's interest in the Property, the Department may, but is not obligated to, take any actions the Department deems appropriate to protect its interest in the Property and the costs thereof shall bear interest at the highest rate permitted by law. Such costs and interest thereon shall be secured by this instrument and be immediately due and payable and paid by Provider and any other person or firm personally liable hereunder upon demand by the Department.

16. Provider warrants that **(a)** Provider and all persons or firms having any ownership interest in the Property have joined in the execution and delivery of this instrument and have good and marketable fee simple title to the Property free and clear of all other liens and encumbrances other than governmental taxes, assessments, and charges not yet due and payable and any other matter consented to by the Department in writing, **(b)** each of the undersigned has the full right, power, and authority to execute and deliver this instrument to the Department and this instrument has been validly executed by each of them, **(c)** this instrument constitutes a valid lien and encumbrance on the good and marketable fee simple title to the Property and the good and marketable title to the property encumbered by the security interest under the Florida Uniform Commercial Code-Secured Transactions granted by this instrument, including without limitation the property described in Exhibit "B" attached hereto, free and clear of all other liens and

encumbrances other than governmental taxes, assessments, and charges not yet due and payable and any other matter consented to by the Department in writing, and **(d)** with the exception of such matters they will defend their title to the Property and such other property and the priority of the lien of this instrument thereon against the claims of all other persons or firms.

17. Upon **(a)** the failure of any obligation under this instrument or under the Agreement, to be timely paid and performed and/or the breach by the Provider of any term or condition under this or under the Agreement; **(b)** the death or dissolution of any of the undersigned; **(c)** the insolvency of any of the undersigned, the appointment of a receiver for any part of the property of any of the undersigned, any assignment by or on behalf of any of the undersigned for the benefit of creditors, any type of creditor workout, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against any of the undersigned; or **(d)** any attempt by any governmental agency or entity, any other person or entity that has the power to exercise the power of eminent domain, or any creditor, to attach, levy upon, garnish, or take the Property or any portion or proceeds thereof, the Department may, at its option, declare a default hereunder, declare all sums and obligations hereunder, with interest thereon as hereafter provided, to be immediately due and payable, and exercise any all remedies therefor available at law, in equity, or under this instrument. From and after the date that the Department declares any such default hereunder all sums due hereunder shall bear interest at the highest rate permitted by law. A default under this instrument or under the Agreement shall be a default under each and all such instruments.

18. Without limitation, such remedies include **(a)** regardless of whether or not the apparent value of the Property exceeds the amount of the obligations secured hereby by a substantial amount, the right to have a receiver appointed to take possession of all or any part of the Property with the power to protect, preserve, operate and collect any rents from the Property preceding foreclosure or sale, and to apply the proceeds over and above the cost of the receivership, to the obligations secured hereby (the receiver may serve without bond if permitted by law), **(b)** judicial foreclosure of the interests of the undersigned, and **(c)** to the fullest extent permitted by law the right to obtain a judgment for any deficiency remaining in the sums secured hereby after the application of all amounts received by the Department from the exercise of any of the rights provided in this **section 19**, the foregoing **section 18**, and the following **Section 20**.

19. Without limiting the generality of any the foregoing, with respect to the security interest under the Florida Uniform Commercial Code-Secured Transactions, Chapter 679 F.S. granted by this instrument, the Department shall have all rights and remedies of a secured party under the Florida Uniform Commercial Code-Secured Transactions.

20. All of the Department's remedies hereunder are cumulative and may be exercised alone, together, or in any combination thereof.

21. Immediately upon demand by the Department, the Provider and any other person or firm personally liable hereunder shall pay to the Department all costs of collection of the obligations and sums set forth herein after referral to a collection agency or attorney, including without limitation an attorney that is a salaried employee of the Department, and also including without

limitation reasonable attorneys' fees at trial, on appeal, and in any insolvency proceedings, including without limitation the costs of an attorney that is a salaried employee of the Department, and all costs incurred by the Department in exercising its remedies hereunder. All such costs shall bear interest at the highest rate permitted by law and all such costs and interest thereon are part of the sums secured hereby.

22. This instrument contains the entire agreements of the parties with respect to the matters covered hereby and may be modified or amended only by an instrument signed by whoever will be bound or obligated by the modification or amendment. No rights of the Department hereunder shall be construed to have been waived unless waived in writing by an instrument signed by the Department and any such written waiver shall not apply to any other right of the Department hereunder or any future exercise of any such rights waived in the written instrument unless so expressly stated in the written instrument signed by the Department.

23. This instrument shall be governed and construed by any applicable federal law and to the extent not preempted by federal law by the laws of the State of Florida without regard to its conflicts of laws provisions.

24. If any provision of this instrument is found by a court of competent jurisdiction to be invalid or unenforceable, or invalid or unenforceable in any particular circumstances, no such invalidity or unenforceability shall affect or impair the validity or enforceability of such provision in other permissible circumstances or the validity or enforceability of any other provision of this instrument

25. Without the written consent of the Department recorded in the Public Records in the County in which this instrument is recorded, there shall be no merger of the interest or estate created by this instrument and any other interest or estate in the Property at any time held by the Department in any capacity.

26. This instrument shall inure to the benefit of and be binding upon the parties, their respective heirs, personal representatives, successors, and permissible successors in title and assigns, and in the event that any one or more of them hereafter become the owner of the Property the Department may, without notice to or consent by any of the undersigned, deal with any such owner or owners by way of extension, modification, renewal, forbearance or otherwise make other accommodations with regard to the terms and provisions of and the obligations and sums under this instrument without affecting or impairing the personal liability of the Provider or any other party personally liable for the obligations and sums hereunder or the lien or priority of the lien of this instrument on the Property.

27. Wherever used in this instrument all pronouns shall include the feminine, masculine, and neuter gender and the singular shall include the plural and vice versa.

28. Time is of the essence in the payment and performance of the obligations under this instrument.

By the acceptance of this instrument the Department agrees that it shall execute a satisfaction of this instrument in recordable form upon full compliance by the Provider with the all of the terms of this instrument.

All parties to this instrument hereby waive the right to any jury trial in any action, proceeding, or counterclaim brought by any party against any other party.

In witness whereof, this instrument has been executed as of the ____ day of _____, 2014.

The balance of this page is intentionally left blank. The signature and acknowledgement page follows.

