

## **ALLONGE TO PROMISSORY NOTE**

### **(Hollowbrook Apartments)**

**THIS ALLONGE TO PROMISSORY NOTE** ("Allonge") dated as of \_\_\_\_\_, 2016, is made by **ONIC-HOLLOWBROOK, LLC**, a Florida limited liability company ("Borrower"), with a principal address of 101 South Terry Avenue, Orlando, FL 32801, to and for the benefit of **CITY OF ORLANDO**, a Florida municipal corporation with a principal address of 400 South Orange Avenue, Orlando, FL 32801 ("Junior Lender"), and is to be attached to, incorporated into, and shall amend that certain City of Orlando HOME/SHIP Promissory Note in the original principal amount of \$349,889.00 dated March 6, 2006 (herein, "Note").

### **WITNESSETH:**

**WHEREAS**, Borrower obtained a loan from the Junior Lender in the original principal amount of THREE HUNDRED FORTY NINE THOUSAND EIGHT HUNDRED EIGHTY NINE AND NO/100 DOLLARS (\$349,889.00) (the "Loan") in connection with that certain multifamily residential housing development known as Hollowbrook Apartments (the "Improvements") located on property in Orange County, Florida (the "Land"). The Land, the Improvements, the fixtures and personal property and other amenities now or hereafter located on or used in connection with the Land are referred to collectively hereafter as the "Development"; and

**WHEREAS**, the Note is secured by that certain Mortgage and Security Agreement dated as of March 6, 2006 and recorded March 14, 2006 in Official Records Book 8528, Page 3683, as amended by that certain Global Modification, Amendment and Subordination of Mortgage and Security Agreement, City of Orlando HOME/SHIP Promissory Note and Other Loan Documents, as recorded on a date even herewith in Official Records Book \_\_\_\_\_, Page \_\_\_\_\_, all in the Public Records of Orange County, Florida, given by Borrower in favor of Junior Lender (as amended, the "Mortgage"), which Mortgage encumbers the Development; and

**WHEREAS**, in connection with the refinancing of the debt, the Junior Lender approved, among other things, (i) the refinancing of the first mortgage with a new lender, (ii) subordination to the new first mortgage of the existing Loan, and (iii) extension of the term of the existing Loan to mature co-terminus with the first mortgage; and

**WHEREAS**, Borrower has entered into a first mortgage loan with GREYSTONE FUNDING CORPORATION, a Virginia corporation ("Senior Lender"), acting as the mortgagee under the United States Department of Housing and Urban Development ("HUD") and in connection with such loan, HUD has required the execution of a "HUD Rider" to the Note; and

**WHEREAS**, Borrower is executing and delivering this Allonge in order to reflect the Senior Lender's HUD requirements and to confirm the fact that the Note and Mortgage are

subordinate to that certain first Note (Multistate) in the original principal amount of \$7,336,000.00, dated as of \_\_\_\_\_, 2016, given by Borrower in favor of Senior Lender ("Mortgage Note"), and that certain Multifamily Mortgage, Assignment of Leases and Rents and Security Agreement dated as of \_\_\_\_\_, 2016, given by Borrower in favor of Senior Lender ("First Mortgage"), which encumbers the Development and will be recorded in the Public Records of Orange, County Florida.

**NOW, THEREFORE**, the Borrower ratifies the provisions and obligations of the Note and agrees as follows:

1. Amendment to Note. This Allonge is to be physically attached to the Note and is incorporated into and forms a part of the Note.

2. References. All references in the Note and the Mortgage to the term "Note" shall mean the Note as amended and endorsed by this Allonge.

3. HUD Rider. The provisions of the Note are subject in all respects to the provisions of the HUD Rider attached hereto and made a part hereof, which terms are incorporated into the Note as of the date hereof.

4. Extension of Maturity Date. The last sentence of the first paragraph of the Note is hereby amended and restated as follows:

"This Note shall become due and payable on the earlier of (1) \_\_\_\_\_, 2050; or (2) the sale or refinancing of the Mortgaged Property; provided however, in no event shall any principal be due earlier than the date on which the obligations secured by the Multifamily Mortgage, Assignment of Leases and Rents and Security Agreement dated as of \_\_\_\_\_, 2016 (the "Mortgage Loan") is paid in full."

5. Ratification. Except as amended hereby, the Note is restated and republished in its entirety and remains in full force and effect and shall be binding upon Borrower, its representatives, successors and assigns.

[SIGNATURE PAGE TO FOLLOW]

**SIGNATURE PAGE TO  
ALLONGE TO PROMISSORY NOTE**

**(Hollowbrook Apartments)**

**IN WITNESS WHEREOF**, Borrower has executed this Allonge as of the date and year first written above.

**BORROWER:**

**ONIC-HOLLOWBROOK, LLC, a Florida  
limited liability company**

**By: Orlando Neighborhood Improvement  
Corporation, Inc., a Florida nonprofit  
corporation, its sole member**

**By: \_\_\_\_\_  
Robert E. Ansley, Jr., President**

**ACKNOWLEDGMENT AND ACCEPTANCE OF  
ALLONGE TO PROMISSORY NOTE**

**(Hollowbrook Apartments)**

Delivery acknowledged and accepted this \_\_\_\_ day of \_\_\_\_\_, 2016 by CITY OF ORLANDO, a Florida municipal corporation.

**JUNIOR LENDER:**

**CITY OF ORLANDO**, a Florida municipal corporation

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

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

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

**EXHIBIT "B"**

**HUD SECONDARY FINANCING RIDER  
TO  
ALLONGE TO PROMISSORY NOTE  
  
(Hollowbrook Apartments)**

This Rider ("Rider") is attached to and made a part of that certain (i) of Orlando HOME/SHIP Promissory Note (herein, the "Note") dated March 6, 2006 as amended by a certain Allonge to Promissory Note (herein, the "Note Amendment") dated \_\_\_\_\_, 2016 (herein, collectively, the "Junior Note"), both from ONIC-HOLLOWBROOK, LLC, a Florida limited liability company (the "Borrower"), in favor of CITY OF ORLANDO, a Florida municipal corporation (herein, the "Junior Lender"), in the principal amount of \$349,889.00 evidencing a loan (herein, the "Junior Loan") from Junior Lender to Borrower, and (ii) Mortgage and Security Agreement dated as of March 6, 2006 (herein, the "Mortgage"), from Borrower in favor of Junior Lender, as amended by that certain Global Modification, Amendment and Subordination of Mortgage and Security Agreement, City of Orlando HOME/SHIP Promissory Note and Other Loan Documents (herein, the "Mortgage Amendment") dated the date hereof (herein, collectively, the "Junior Mortgage"). The Junior Note and Junior Mortgage and any and all other documents now or hereafter executed and/or delivered in connection with the Junior Loan are hereafter collectively referred to as the "Junior Loan Documents." The terms and conditions of this Rider supersede all other terms of the Junior Loan Documents, and, should there be any conflict or inconsistency between this Rider and any other provisions of the Junior Loan Documents, the terms and conditions of this Rider shall prevail.

As used herein, "Senior Loan Documents" shall mean (i) that certain Note (Multistate) (herein, the "Senior Note") dated \_\_\_\_\_, 2016 from Borrower in favor of GREYSTONE FUNDING CORPORATION, a Virginia corporation (herein, the "Senior Lender"), in the original principal amount of \$7,336,000.00 evidencing a loan (herein, the "Senior Loan") from Senior Lender to Borrower, (ii) that certain Multifamily Mortgage, Assignment of Leases and Rents and Security Agreement (herein, the "Senior Mortgage") dated \_\_\_\_\_, 2016 from Borrower in favor of Senior Lender, granting a mortgage on the project known as Hollowbrook Apartments, FHA Project No. \_\_\_\_\_ (herein, the "Project"), (iii) that certain Regulatory Agreement for Multifamily Projects (herein, the "Regulatory Agreement") dated \_\_\_\_\_, 2016 by and between Borrower and the Secretary of Housing and Urban Development (herein, "HUD"), and (iv) any and all other documents required by Senior Lender and/or HUD in connection with, evidencing and/or securing the Senior Loan.

The Junior Lender, by acceptance of delivery and recordation of the Mortgage Amendment and the Borrower, by execution of the Note Amendment and the Mortgage Amendment, agree to the following provisions incorporated in said Junior Note and Junior Mortgage to the same extent as if fully rewritten therein:

1. The Junior Loan Documents and all amounts now and/or hereafter advanced thereunder and/or secured thereby are specifically subordinate to the Senior Loan Documents and all amounts now and/or hereafter advanced thereunder and/or secured thereby.
2. The Junior Note may not mature, and may not bear a maturity date, prior to the date on which the Senior Note matures. The term of the Junior Loan may be extended if the Junior Note matures, there are no surplus cash funds available for repayment and the Senior Loan has not been retired in full or HUD grants a deferment of amortization or forbearance that results in an extended maturity of the Senior Loan.
3. The Junior Loan may be assumed when a sale or transfer of the physical assets occurs under the following conditions:
  - a. Not more than the excess, if any, of (i) 75 percent of the net proceeds of the sale or transfer is applied to the reduction of the Junior Loan over (ii) the amount paid on account of any other loans with respect to the Project which are junior to the Senior Loan but senior to the Junior Loan; provided, however, that if there are other loans which have the same priority as the Junior Loan, the foregoing amount shall be allocated pari passu among such loans based upon the total outstanding indebtedness of each.
  - b. As used herein, net proceeds are the funds available to the Borrower after:
    - i. Correcting any monetary or covenant default under any of the Senior Loan Documents, and
    - ii. Making required contributions to any reserve funds and needed improvements to the Project as evidenced by HUD's annual inspection reports.
4. As long as HUD or its successors or assigns is the insurer or holder of the Senior Mortgage, any payments due under the Junior Loan Documents shall be payable only from 75% of "Surplus Cash" (or "residual receipts") as that term is defined in the Regulatory Agreement and subject to the availability of such surplus cash (or residual receipts) in accordance with the provision of said Regulatory Agreement. The restriction on payment imposed by this paragraph shall not excuse any default caused by failure of the Borrower to pay the indebtedness evidenced by the Junior Note.
5. Notwithstanding anything in the document to which this Rider is attached or any other of the Junior Loan Documents, any indemnity obligations of the owner of the Development shall be suspended and be of no force or effect during any period of time from and after the date of any transfer of title to the Development by foreclosure, deed in lieu of foreclosure or comparable conversion of any lien on the Development conveying title to the Development to HUD or to the United States Government acting as an assignee of HUD; provided, however, that the preceding provisions of this sentence shall cease to apply and the obligations of such owner and its successors and permitted assigns contained in the Indemnity, shall be reinstated if, at any time

subsequent to the suspension of such obligations as the result of the foreclosure or the delivery of a deed in lieu of foreclosure or a similar event, (1) such owner or any related person (within the meaning of Section 1.103-10(e) of the Regulations) obtains an ownership interest in the Development for federal income tax purposes, or (2) HUD or the United States Government acting as an assignee of HUD, conveys title or other ownership interest in the Development to a third party.

[SIGNATURES BEGIN ON NEXT PAGE]

**COUNTERPART SIGNATURE PAGE FOR  
HUD SECONDARY FINANCING RIDER TO  
ALLONGE TO PROMISSORY NOTE**

**(Hollowbrook Apartments)**

**WITNESSES:**

**JUNIOR LENDER:**

**CITY OF ORLANDO**, a Florida municipal  
corporation

\_\_\_\_\_  
Print: \_\_\_\_\_

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

\_\_\_\_\_  
Print: \_\_\_\_\_

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

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

[SEAL]

STATE OF FLORIDA  
COUNTY OF \_\_\_\_\_

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 2016, by \_\_\_\_\_, as the \_\_\_\_\_ of CITY OF ORLANDO, a Florida municipal corporation, on behalf of said corporation. Said person is personally known to me or has produced a valid driver's license as identification.

\_\_\_\_\_  
Notary Public; State of Florida

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

My Commission Expires: \_\_\_\_\_

My Commission No.: \_\_\_\_\_



**COUNTERPART SIGNATURE PAGE FOR  
HUD SECONDARY FINANCING RIDER TO  
ALLONGE TO PROMISSORY NOTE**

**(Hollowbrook Apartments)**

**WITNESSES:**

**BORROWER:**

**WITNESSES**

**BORROWER**

**ONIC-HOLLOWBROOK, LLC**, a Florida  
limited liability company

Print: \_\_\_\_\_

By: Orlando Neighborhood Improvement  
Corporation, Inc., a Florida nonprofit  
corporation, its sole member

By: \_\_\_\_\_  
Robert E. Ansley, Jr., President

Print: \_\_\_\_\_

Borrower's Address: c/o ONIC-HOLLOWBROOK, LLC  
101 South Terry Avenue, Orlando, FL 32805

STATE OF FLORIDA  
COUNTY OF \_\_\_\_\_

[SEAL]

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 2016, by Robert E. Ansley, Jr., as President of ORLANDO NEIGHBORHOOD IMPROVEMENT CORPORATION, INC., a Florida nonprofit corporation (the "Corporation"), the sole member of ONIC-HOLLOWBROOK, LLC, a Florida limited liability company (the "Company"), , on behalf of Corporation and Company. Said person is personally known to me or has produced a valid driver's license as identification.