

Prepared by, and after recording return to:
Patricia K. Green
Stearns Weaver Miller Weissler
Alhadeff & Sitterson, P.A.
150 West Flagler Street, Suite 2200
Miami, FL 33130

NOTE TO RECORDER: This Mortgage is given in relation to the financing of housing under Part V of Chapter 420 of the Florida Statutes and is exempt from taxation pursuant to Section 420.513 Florida Statutes.

MORTGAGE AND SECURITY AGREEMENT

THIS MORTGAGE AND SECURITY AGREEMENT (the “Mortgage”), is executed and delivered the ____ day of _____, 2018 by **PARRAMORE OAKS, LLC**, a Florida limited liability company, whose address is 2002 N. Lois Avenue, Suite 260, Tampa, FL 33607 (the “Mortgagor”), to the **COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF ORLANDO, FLORIDA**, an agency organized pursuant to Chapter 163, Part III, Florida Statutes, with offices at 400 South Orange Avenue, Orlando, FL 32802 (the “Mortgagee”).

WITNESSETH THAT:

FOR GOOD AND VALUABLE CONSIDERATION and also in consideration of the aggregate sum named in the promissory note from the Mortgagor in favor of the Mortgagee, in the original principal amount of **One Million One Hundred Forty Eight Thousand and 00/100 Dollars (\$1,148,000.00)** (the “Note”), the Mortgagor does grant, bargain sell, alien, remise, release, convey and confirm unto the Mortgagee that certain tract of land which the Mortgagor is now seized and possessed and in actual possession, situate in Orange County, State of Florida, legally described as follows:

SEE EXHIBIT “A” ATTACHED HERETO

TOGETHER WITH all structures and improvements now and hereafter located thereon, the rents, issues and profits thereof, all furniture, furnishings, fixtures and equipment now located thereon, and all additions thereto and replacements thereof, which real property, improvements and personalty shall hereinafter collectively be referred to as the “Mortgaged Property”.

TO HAVE AND TO HOLD the same, together with all tenements and hereditaments and appurtenances, unto the Mortgagee.

The Mortgagor does covenant with the Mortgagee that Mortgagor is indefeasibly seized of the Mortgaged Property; that the Mortgagor has full power and lawful right to convey the Mortgaged Property as aforesaid; that the Mortgagor will make such further assurances to perfect its fee interest in the Mortgaged Property in the Mortgagee as may reasonably be required; and

that the Mortgagor does hereby fully warrant title to the Mortgaged Property, and will defend the same against the lawful claims of all persons claiming by, through, or under Mortgagor, but against none other.

PROVIDED ALWAYS, that if the Mortgagor shall pay unto the Mortgagee or otherwise perform and fulfill its obligations with respect to the indebtedness and obligations evidenced by the Note, and shall perform, comply with and abide by each and every one of the stipulations, agreements, conditions and covenants of the Note and this Mortgage, then this Mortgage and the estate thereby created shall cease and be null and void.

AND THE MORTGAGOR HEREBY COVENANTS AND AGREES AS FOLLOWS:

1. PERFORMANCE OF NOTE, MORTGAGE AND HOUSING COVENANTS. The Mortgagor shall pay or otherwise fully perform its obligations with respect to the payment of the principal, interest and other sums of money payable by virtue of the Note and this Mortgage, or either, promptly when the same become due and payable, and shall perform, comply with and abide by each and every of the agreements, conditions and covenants set forth in the Note and this Mortgage together with the agreements, conditions and covenants set forth below (terms which are capitalized but not defined herein shall have the meanings given to them in that certain Development Agreement by and among Invictus Development, LLC, Mortgagee and the City of Orlando, Florida (“City”):

Pursuant to Section 163.380(2), Florida Statutes, Mortgagor shall not sell, lease or transfer the Mortgaged Property without the prior written consent of City and Mortgagee until construction of all improvements comprising Parramore Oaks Apartments Phase I (the “Project”) have been completed, as evidenced by the issuance of a final certificate of occupancy for each building intended to constructed on the Mortgaged Property as shown on the Site Plan...The foregoing shall not be construed to prohibit (a) the lease of units whether completed or under construction to prospective tenants or (b) the pledge or mortgage of Mortgagor’s interest in the Mortgaged Property to a mortgage lender providing financing for the construction of the Project. Furthermore, no less than twenty-five percent (25%) of the units shall qualify as Affordable Housing, as defined below, with applicable set aside requirements, and no less than five percent (5%) of the units will qualify as Permanent Supportive Housing, as defined below. Mortgagor shall design the Project with a mix of units containing a number of bedrooms to facilitate leasing to prospective tenants meeting the affordable housing criteria set forth herein. These restrictive covenants shall not be terminable upon foreclosure by a lender holding a mortgage lien on the Property in connection with Mortgagor’s financing, including construction and permanent loans, except such restrictive covenants may be terminated by a foreclosure judgment obtained by the holder of the first mortgage on the Mortgaged Property in a foreclosure proceeding commenced no earlier than ten (10) years following issuance of certificates of occupancy for all contemplated improvements on the Mortgaged Property.

The term “Permanent Supportive Housing” shall have the same meaning as adopted by the Florida Housing Finance Corporation (“FHFC”) as follows:

Affordable rental housing that is leased for continued occupancy for as long as the tenant complies with lease requirements. The lease shall have no limits on length of tenancy related to the provision or participation in supportive services. Permanent Supportive Housing shall facilitate and promote activities of daily living, access to community-based services and amenities, and inclusion in the general community. Permanent Supportive Housing shall strive to meet the needs and preferences of the focus households.

Tenants occupying the 5% of units set aside for Permanent Supportive Housing in this Project will be referred through the Central Florida Coordinated Entry System. Notwithstanding the foregoing, Mortgagor will be entitled to lease any available unit in the Project to a tenant which does not have special needs and is not referred through the Central Florida Coordinated Entry System, if Mortgagor has held the unit open for rental by a special-needs resident and none has been referred within the requisite time period prescribed by FHFC rules.

The term “Affordable Housing” when used in the context of the required reservation of 25% of the Project for Affordable Housing means that no less than 25% of the residential units comprising the Project will be leased to low and very low income households as may be defined for the Orlando area by the U.S. Department of Housing and Urban Development (HUD) from time to time.

The foregoing covenants regarding Affordable Housing and Permanent Supportive Housing are defined as the “Affordability Covenants”. The Affordability Covenants shall be in effect for a period of thirty (30) years, commencing on date of issuance of a final Certificate of Occupancy for the Project and shall automatically terminate on the date which is thirty (30) years following the date thereof (the “Affordability Period”).

The Mortgagor’s investor member shall have the right, but not the obligation to cure any defects or defaults on behalf of the Mortgagor and the parties agree to accept such performance as if undertaken by the Mortgagor. Copies of all notices of default hereunder shall be delivered to Mortgagee’s investor member at the following address:

STCC Parramore Oaks, LLC
c/o SunTrust Community Capital, LLC
303 Peachtree Street, N.E., 22nd Floor
Atlanta, Georgia 30308

With a copy to:

Nixon Peabody LLP
100 Summer Street
Boston, MA 02110
Attn: David Kavanaugh

2. TAXES AND OTHER CHARGES. The Mortgagor shall pay before any interest, charge or penalty is due thereon, all taxes, assessments, levies, liabilities, obligations, encumbrances, water and sewer rents and all other charges or claims of every nature and kind which may be imposed or filed at any time against this Mortgage, the Mortgaged Property or any part thereof or against the interest of the Mortgagee therein, or which by any present or future law may have priority over the indebtedness secured hereby; provided, however, that if the Mortgagor in good faith and by appropriate legal action shall contest the validity of any such items or the amount thereof, and shall have established on its books or by deposit of cash with the Mortgagee or the holder of any senior lien on the Mortgaged Property a reserve for the payment thereof in such amount as the Mortgagee may require, then the Mortgagor shall not be required to pay the item: (a) while the reserve is maintained; and (b) so long as the contest operates to prevent collection, is maintained and prosecuted with diligence, and shall not have been terminated or discontinued adversely to the Mortgagor. The Mortgagor shall furnish the Mortgagee with annual receipted tax bills evidencing payment within ninety (90) days from their due date.

3. PROTECTIVE ADVANCES. Mortgagee may, at its option, and without waiving its right to accelerate the indebtedness hereby secured and to foreclose the same, pay after delinquency any or all of those certain obligations required by the terms hereof to be paid by the Mortgagor for the protection of the Mortgage security or for the collection of the indebtedness hereby secured. All sums so advanced or paid by Mortgagee shall bear interest from the date thereof at the delinquent rate specified in the Note as fully and to the same extent as though a part of the original indebtedness evidenced by the Note and secured by this Mortgage, excepting however, that said sums shall be repaid to the Mortgagee within fifteen (15) days after demand by the Mortgagee to the Mortgagor for said payment.

4. ACCELERATION OF MATURITY. That (a) in the event of any breach of this Mortgage or default on the part of the Mortgagor which is not cured within thirty (30) days following written notice from the Mortgagee, or if such default not cannot practicably be cured within thirty (30) days, then within such additional time as may be required to effect a cure (such additional time not to exceed one hundred and twenty (120) days), so long as (i) the cure is commenced within thirty (30) days and is diligently prosecuted and (ii) the lack of a cure during such continuing cure period has no material adverse effect on the Mortgaged Property, or (b) in the event any of said sums of money herein referred to be not promptly and fully paid within five (5) days next after the same become due and payable, without demand or notice; or (c) in the event each and every stipulation, agreement, condition and covenant of the Note and this Mortgage are not duly, promptly and fully performed, discharged, executed, effected, completed, complied with and abided by, following the giving of notice and the expiration of applicable cure periods; or then in any such event, the said aggregate sum mentioned in said Note then remaining unpaid, and all monies secured hereby shall become due and payable at the option of the

Mortgagee, as fully and completely as if all of the sums of money were originally stipulated to be paid on such day, anything in the Note and/or in this Mortgage to the contrary notwithstanding; and thereupon or thereafter, at the option of the Mortgagee, without notice or demand, suit at law or in equity, therefore, or thereafter begun, may be prosecuted as if all money secured hereby had matured prior to its institution.

Notwithstanding anything to the contrary herein, the Note is a non-recourse obligation of the Mortgagor and its members and neither Mortgagor nor its members have personal liability for repayment of the loan evidenced by the Note. Mortgagor's sole recourse shall be to the collateral which secures the Loan.

5. APPOINTMENT OF RECEIVER. At any time while a suit is pending to foreclose or to reform this Mortgage or to enforce any claims arising hereunder, the Mortgagee may apply to a court of appropriate jurisdiction for the appointment of a receiver, and such court shall forthwith appoint a Receiver of the Mortgaged Property, including all and singular the income, profits, rents, issues and revenues from whatever source derived. The Receiver shall have all the broad and effective functions and powers in anywise entrusted by a court to a Receiver, and such appointment shall be made by such court as an admitted equity and as a matter of absolute right to the Mortgagee without reference to the adequacy or inadequacy of the value of the Mortgaged Property, or to the solvency or insolvency of the Mortgagor or the Defendants. All income, profits, rents, issues and revenues collected by the Receiver shall be applied by such Receiver according to the lien of this Mortgage, and the practice of such court.

6. LEASES AFFECTING MORTGAGED PROPERTY. The Mortgagor shall comply with and observe its obligations as landlord under all leases affecting all or any portion of the Mortgaged Property (the "Residential Leases"). Upon request, the Mortgagor shall furnish promptly to the Mortgagee executed copies of all such Residential Leases now existing or hereafter created.

7. MORTGAGE CONSTITUTES SECURITY AGREEMENT. This Mortgage also constitutes a security agreement as defined under the Uniform Commercial Code. The Mortgagor hereby grants to the Mortgagee a security interest in and to all furniture, furnishings, equipment, machinery, and personal property of every nature whatsoever now owned or hereafter acquired by the Mortgagor located upon the Mortgaged Property together with all proceeds therefrom. The Mortgagor shall execute any and all documents as the Mortgagee may request, including, without limitation, financing statements pursuant to the Uniform Commercial Code as adopted by the State of Florida, to preserve and maintain the priority of the lien created hereby on property which may be deemed personal property or fixtures. The Mortgagor hereby authorizes and empowers the Mortgagee to execute and file on behalf of the Mortgagor all financing statements and refilings and continuations thereof as the Mortgagee deems necessary or advisable to create, preserve or protect said lien. The Mortgagor and Mortgagee expressly agree that the filing of a financing statement shall never be construed as in anywise derogating from or impairing the express declaration and intention of the parties hereto that all such personal property located on or utilized in connection with the real property encumbered by this

Mortgage shall at all times and for all purposes, in all proceedings both legal and equitable, be deemed a part of the real property encumbered by this Mortgage.

8. MORTGAGE SECURES INDEBTEDNESS. It is expressly agreed and understood that this Mortgage secures the indebtedness and the obligation of the Mortgagor to the Mortgagee with respect to the Note, as the same is evidenced by the Note, and all renewals, extensions and modifications thereof. This Mortgage shall not be deemed released, discharged or satisfied until the entire indebtedness evidenced by the Note is paid in full.

9. FUTURE ADVANCES. Pursuant to the laws of the State of Florida, this Mortgage shall secure not only the existing indebtedness evidenced by the Note, but also such future advances as may be made by the Mortgagee to the Mortgagor in accordance with the Note or this Mortgage, whether or not such advances are obligatory or are to be made at the option of the Mortgagee, or otherwise, and as are made within twenty (20) years from the date hereof, to the same extent as if such future advances were made on the date of the execution of this Mortgage. The total amount of indebtedness that may be so secured may decrease or increase from time to time, but the total unpaid balance so secured at one time shall not exceed two times the face amount of the Note, and any disbursements made for the payment of taxes, levies or insurance on the Mortgaged Property with interest on such disbursements at the rate designated in the Note to apply following a default thereunder.

10. NO WAIVER. It is expressly agreed and understood that a waiver by the Mortgagee of any right or rights conferred to it hereunder with regard to any one transaction or occurrence shall not be deemed a waiver of such right or rights to any subsequent transaction or occurrence. It is further agreed that any forbearance or delay by the Mortgagee in the enforcement of any right or remedy hereunder shall not constitute or be deemed a waiver of such right or remedy.

11. GOVERNING LAW AND VENUE. This Mortgage shall be construed and enforced pursuant to the laws of the State of Florida, excluding all principles of choice of laws, conflict of laws and comity. Any action pursuant to a dispute under this Mortgage must be brought in Orange County and no other venue. All meetings to resolve said dispute, including voluntary arbitration, mediation, or other alternative dispute resolution mechanism, will take place in this venue.

12. PARTIES BOUND; NO ORAL MODIFICATIONS. Each and every of the terms, covenants and conditions contained herein shall be binding upon the parties hereto and their successors, heirs, assigns and devisee. This Mortgage is not subject to modification other than by a written document or instrument executed by the party or parties to be charged with such modification.

13. WAIVER OF TRIAL BY JURY. MORTGAGOR (AND MORTGAGEE, BY ITS ACCEPTANCE HEREOF) HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE THE RIGHT TO A TRIAL BY JURY WITH RESPECT TO ANY LITIGATION BASED HEREON OR ARISING OUT OF, UNDER OR IN CONNECTION WITH, THIS MORTGAGE, OF THE OR THE FINANCING

CONTEMPLATED HEREBY, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER ORAL OR WRITTEN) OR THE ACTIONS OF ANY PARTY HERETO. THIS PROVISION IS A MATERIAL INDUCEMENT FOR THE MORTGAGEE EXTENDING THE LOAN SECURED BY THIS MORTGAGE.

14. AGREEMENT TO SUBORDINATE. Mortgagee agree that: (i) this Mortgage and the Note that it secures is and shall be subordinated in right of payment to the prior payment in full of the indebtedness evidenced by that first mortgage encumbering the Mortgaged Property, in favor of SunTrust Bank, N.A. ("Senior Lender"), to be recorded in the Public Records of Orange County, Florida ("Senior Mortgage") and (ii) this Mortgage and the Note it secures are and shall be subject and subordinate in all respects to the liens, terms, covenants and conditions of the Senior Mortgage and any other loan documents in favor of Senior Lender ("Senior Loan Documents") and to all advances heretofore made or which may hereafter be made pursuant to the Senior Mortgage and the other Senior Loan Documents (including but not limited to, all sums advanced for the purposes of (1) protecting or further securing the lien of the Senior Mortgage, curing defaults by the Borrower under the Senior Loan Documents or for any other purpose expressly permitted by the Senior Mortgage, or (2) constructing, renovating, repairing, furnishing, fixturing or equipping the Mortgaged Property).

15. EXTENDED USE AGREEMENT. The parties acknowledge that Mortgagor intends to enter into an extended use agreement with Florida Housing Finance Corporation (the "Agency"), which constitutes the extended low-income housing commitment described in Section 42(h)(6)(B) of the Internal Revenue Code, as amended (the "Code"). As of the date hereof Code Section 42(h)(6)(E)(ii) does not permit the eviction or termination of tenancy (other than for good cause) of an existing tenant of any low-income unit or any increase in gross rent with respect to such unit not otherwise permitted under Code Section 42 for a period of 3 years after the date the building was acquired by foreclosure or by instrument in lieu of foreclosure. In the event the extended use agreement required by the Agency is recorded against the Property, Lender agrees to comply with the provisions set forth in Code Section 42(h)(6)(E)(ii).

SIGNATURE APPEARS ON FOLLOWING PAGE

IN WITNESS WHEREOF, the Mortgagor has hereunto set its hand and seal the day and year first above written.

MORTGAGOR:

PARRAMORE OAKS, LLC,
a Florida limited liability company

By: IVD PARRAMORE, LLC, a Florida
limited liability company, its manager

By: INVICTUS DEVELOPMENT, LLC, a Florida
limited liability company, as its Manager

By: _____
Paula McDonald Rhodes, Manager

ACKNOWLEDGMENT

STATE OF FLORIDA)

COUNTY OF HILLSBOROUGH)

THE FOREGOING INSTRUMENT was acknowledged before me on this _____ day of _____, 2018, by Paula McDonald Rhodes, as Manager of INVICTUS DEVELOPMENT, LLC, a Florida limited liability company, the manager of PARRAMORE OAKS, LLC, a Florida limited liability company . She is personally known to me or produced a Florida driver's license as identification.

My Commission Expires:

Signature of Notary Public, State of Florida

Printed Name of Notary Public

Exhibit A
Legal Description Of The Property

Lot 2, Block 1; Lot 1 Block 2; and Lot 1, Block 3; PARRAMORE OAKS APARTMENTS,
according to the Plat thereof recorded in at Plat Book ____, Page ____, of the Public Records
of Orange County, Florida