

**SECOND MORTGAGE
HOMEBUYER PROGRAM – PURCHASE ASSISTANCE
SHIP COMMUNITY LAND TRUST**

THIS SECOND MORTGAGE is made this _____ day of _____, 20__ , between the Mortgagor, _____ (herein the "Borrower") and the Mortgagee, _____, whose street address is _____ (herein the "Lender").

WHEREAS, the Borrower is indebted to Lender in the principal sum of _____ (\$ _____), without interest, which indebtedness is evidenced by the Borrower' s Promissory Note dated _____, and extensions and renewals dated thereof (herein "Note"), providing for payment of principal indebtedness on the terms stated therein;

TO SECURE to the Lender the repayment of the indebtedness evidenced by the Note; the payment of all other sums, advanced in accordance herewith to protect the security of this Mortgage; and the performance of the covenants and agreements of the Borrower herein contained, **the Borrower does hereby mortgage, grant, and convey to Lender the buildings and improvements existing on the Leased Land and the Borrower's leasehold interest in the Leased Land**, located in the County of _____, State of Florida, more particularly described as follows:

LEGAL DESCRIPTION OF PROPERTY: _____

which has the address of (Street Address) _____, (City) _____, Florida (Zip Code) _____, (herein the "Leased Land");

TOGETHER with all the buildings and improvements now or hereafter erected on the Leased Land, and all easements, rights, appurtenances and rents, all of which shall be deemed to be and remain a part of the property covered by this Mortgage; and all of the foregoing, are hereinafter referred to as the "Property." **Lender acknowledges that Borrower is mortgaging 1) the building and improvements owned by the Borrower; and 2) the Borrower's leasehold interest in the Leased Land. Nothing in this Mortgage shall be construed as giving Lender a claim on the Community Land Trust's fee simple interest in the Leased Land.**

BORROWER COVENANTS represents and warrants to the Lender and its successors and assigns that Borrower is lawfully seized of the estate hereby conveyed and has the right to mortgage, grant and convey the Property, and that the Property is unencumbered, except for the mortgage lien of the First Mortgage in favor of Mortgage Lender, and for other encumbrances of record. Borrower covenants, represents and warrants to the Lender and its successors and assigns that Borrower will defend generally the title to the Property

against all claims and demands, subject to the mortgage lien of the First Mortgage and other encumbrances of record.

BORROWER FURTHER COVENANTS and agrees with the Lender as follows:

1. **Payment.** The Borrower shall pay any indebtedness due under the Note.

2. **Prior Mortgages and Deeds of Trust; Charges; Liens.** The Borrower shall perform all of the Borrower's obligations under the First Mortgage and any other mortgage, or other security agreement with a lien which has priority over this Mortgage, including the Borrower's covenants to make payments when due. The Borrower shall pay or cause to be paid all taxes, assessments and other charges, fines and impositions attributable to the Property, which may attain a priority over this Mortgage, and leasehold payments or ground rents, if any.

3. **Hazard Insurance.** The Borrower shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included within the term "extended coverage", and such other hazards as the Lender may require and in such amounts and for such periods as the Lender may require.

The insurance carrier providing the insurance shall be chosen by the Borrower subject to approval by the Lender; provided, that such approval shall not be unreasonably withheld. All insurance policies and renewals thereof shall be in a form acceptable to the Lender and shall include a standard mortgage clause in favor of, and in a form acceptable to the Lender. The Lender shall have the right to hold the policies and renewals thereof, subject to the terms of the First Mortgage and any other mortgage, or other security agreement with a lien which has priority over this Mortgage.

In the event of loss, the Borrower shall give prompt notice to the insurance carrier and to the Lender. The Lender may make proof of loss if not made promptly by the Borrower.

If the Property is abandoned by the Borrower, or if the Borrower fails to respond to the Lender within thirty (30) days from the date notice is mailed by the Lender to the Borrower that the insurance carrier offers to settle a claim for insurance benefits, the Lender is authorized to collect and apply the insurance proceeds at the Lender's option either to restoration or repair of the Property or to the sums secured by this Mortgage.

4. **Preservation and Maintenance of Property; Leaseholds; Condominiums, Planned Unit Developments.** The Borrower shall keep the Property in good repair and shall not commit waste or permit impairment or deterioration of the Property and shall comply with the provisions of any lease if this Mortgage is on a leasehold. If this Mortgage is on a unit in a condominium or a planned unit development, the Borrower shall perform all of the Borrowers obligations under the declaration or covenants creating or governing such condominium or planned unit development, and constituent documents.

5. **Protection of Lenders Security.** If the Borrower fails to perform the covenants and agreements contained in this Mortgage, or if any action or proceeding is commenced which materially affects the Lender's interest in the Property, then the Lender, at the Lender's option, upon notice to the Borrower, may make such appearances, disburse such sums, including reasonable attorneys' fees, and take such action as is necessary to protect the Lender's interest in the Property. If the Lender required mortgage insurance as a condition of making the Second Mortgage Loan secured by this Mortgage, the Borrower shall pay the premiums required to maintain such insurance in effect until such time as the requirement for such insurance terminates in accordance with the Borrowers and the Lenders written agreement or applicable law.

Any amounts disbursed by the Lender pursuant to this Paragraph 5, with interest thereon, at the rate of seven percent (7%) per annum, or the then statutory rate of interest as established from year to year under section 55.03, Florida Statutes, shall become additional indebtedness of the Borrower secured by this Mortgage. Unless the Borrower and the Lender agree to other terms of payment, such amounts shall be payable upon notice from the Lender to the Borrower requesting payment thereof. Nothing contained in this Paragraph 5 shall require the Lender to incur any expense or take any action hereunder.

6. **Inspection.** The Lender may make or cause to be made reasonable entries upon and inspections of the Property; provided that the Lender shall give the Borrower notice prior to any such inspection specifying reasonable cause therefor related to the Lender's interest in the Property.

7. **Condemnation.** The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of the Property, or part thereof, or for conveyance in lieu of condemnation, are hereby assigned and shall be paid to the Lender, subject to the terms of any mortgage, deed of trust or other security agreement with a lien which has priority over this Mortgage.

8. **Successors and Assigns Bound; Joint and Several Liability; Co-Signers.** The covenants and agreements herein contained shall bind, and the rights hereunder shall inure to, the respective successors and assigns of the Lender and the Borrower, subject to the provisions of Paragraph 13 hereof. If more than one Borrower executes this Mortgage, all covenants, representations, warranties and agreements of Borrower shall be joint and

several. Any Borrower who co-signs this Mortgage, but does not execute the Note; (a) is co-signing this Mortgage only to mortgage, grant and convey that Borrower's interest in the property to the Lender under the terms of this Mortgage, (b) is not personally liable on the Note or under this Mortgage, and (c) agrees that Lender and any other Borrower hereunder may agree to extend, modify, forbear, or make any other accommodations with regard to the terms of this Mortgage or the Note without that Borrower's consent and without releasing that Borrower or modifying this Mortgage as to that Borrower's interest in the Property.

9. **Notice.** Except for any notice required under applicable law to be given in another manner: (a) any notice to the Borrower provided for in this Mortgage shall be given by delivering it or by mailing such notice by certified or registered mail, postage prepaid, addressed to the Borrower at the Property Address or at such other address as the Borrower may designate by notice to the Lender as provided herein, and (b) any notice to the Lender shall be given by certified mail, postage prepaid, to the Lender's address stated on page 1 hereof, or to such other address as the Lender may designate by notice to the Borrower as provided herein. Any notice provided for in this Mortgage shall be deemed to have been given to the Borrower or the Lender when given in the manner designated herein.

10. **Governing Law; Severability; Costs.** This Mortgage shall be governed by the laws of the State of Florida, and, to the extent applicable hereto, the laws and regulations of the United States of America. In the event that any provision or clause of this Mortgage or the Note conflicts with applicable law, such conflict shall not affect other provisions of this Mortgage or the Note, which can be given effect without the conflicting, provision, and to this end the provisions of this Mortgage and the Note are declared to be severable. As used herein, "costs," "expenses," and "attorneys' fees" include all sums to the extent not prohibited by applicable law or limited herein.

11. **Borrowers Copy.** Borrower shall be furnished a conformed copy of the Note and of this Mortgage at the time of execution or after recordation thereof.

12. **Transfer of the Property; Assumption; Release by Lender.** If all or any part of the Property or any interest in it is sold, transferred, gifted, or conveyed without prior written approval by _____, the approved Community Land Trust (CLT), whether by voluntary act, involuntarily, by operation of law or otherwise, or if the Borrower is divested of title by judicial sale, levy or other proceeding, or if foreclosure action is instituted against the Property, or if the Borrower loses homestead exception status on the Property, or if the Property fails to be the Borrower's primary residence, or if the Property is rented, all sums secured by this Mortgage shall immediately become due and payable as provided herein, from date of such transfer, gift or other conveyance, until paid in full. **THIS MORTGAGE IS ASSUMABLE.**

Lender agrees that this Mortgage and Note under this Mortgage are assumable to income-eligible subsequent purchasers with prior written approval by _____, the approved Community Land Trust (CLT), without constituting a default under this Mortgage. The Borrower and CLT jointly shall promptly notify Lender prior to the assumption of this Mortgage by a subsequent purchaser. Lender agrees to release the Borrower from all personal and other liabilities under this Mortgage upon the assumption of this Mortgage by a subsequent purchaser.

If the Borrower assisted under this program dies during the loan term, the obligations under this Note may be assumed by a SHIP eligible heir and the deferred loan shall continue in force as long as the heir occupies the home as a primary residence. If the legal heir is not SHIP eligible or chooses not to occupy the home, the unforgiven balance shall become immediately due and payable.

Lender or Servicer on behalf of the Lender shall give Borrower notice of any acceleration. The acceleration notice shall provide a period of not less than thirty (30) days from the date the notice is given in accordance with Paragraph 10 hereof within which the Borrower must pay all sums secured by this Mortgage. If Borrower fails to pay these sums prior to the expiration of this period, the Lender may invoke any remedies permitted by this mortgage without further notice or demand on the Borrower.

13. Acceleration; Remedies. Except as provided in Paragraph 12 hereof, upon the Borrower's breach of any covenant or agreement of the Borrower in this Mortgage, or in the event that the Borrower shall have made material misrepresentations or materials omissions in his/her/their application for a Second Mortgage Loan, the Lender, at the Lender's option, may declare all of the sums secured by this Mortgage to be immediately due and payable without further demand and may foreclose this Mortgage by judicial proceeding. Prior to acceleration of this Mortgage, the Lender shall give notice to the Borrower as provided in Paragraph 9 hereof specifying (1) the breach (if the breach is curable); (2) the action required to cure such breach; (3) a date, not less than ten (10) days from the date the notice is mailed to Borrower, by which such breach must be cured; and (4) that failure to cure such breach on or before the date specified in the notice may result in acceleration of the sums secured by this Mortgage, foreclosure by judicial proceeding, and sale of the Property. The notice shall further inform Borrower of the right to reinstate after acceleration and, the right to assert in the foreclosure proceeding the nonexistence of a default or any other defense of Borrower to collect in such proceeding all expenses of foreclosure, including, but not limited to, reasonable attorneys' fees, court costs, and costs of documentary evidence, abstracts and title reports.

14. Community Land Trust Right to Cure; Option to Purchase; Liabilities. If Lender sends a notice of default to the Borrower, Lender shall, at the same time, send a copy of that notice to the Community Land Trust (CLT). In the event of default, Borrower and Lender agree that the CLT has the option, but not the obligation, to cure the default on the Borrower's behalf (the "cure period"), provided that all current payments due the Lender since the notice of default was given are made to the Lender.

If the Lender acquires title to the Home and Borrower's interest in the Leased Land through foreclosure or acceptance of deed in lieu of foreclosure, the Lender shall give the CLT written notice of such acquisition and the CLT shall have an option to purchase the Home and Borrower's interest in the Leased Land from the Lender for the full amount owing to the Lender; provided, however, that the CLT notifies the Lender in writing of the CLT's intent to make such purchase within thirty (30) days following the CLT's receipt of the Lender's notice of such acquisition of the Home and Borrower's interest in the Leased Land; further provided that the CLT shall complete such purchase within sixty (60) days of having given written notice of its intent to purchase; and provided that, if the CLT does not complete the purchase within such period, the Lender shall be free to sell the Home and Borrower's interest in the Leased Land.

Nothing in this Mortgage shall be construed as rendering the CLT or any subsequent holder of the CLT's interest in and to the Lease, or their respective heirs, executors, successors or assigns, personally liable for the payment of the debt evidenced by this Mortgage and respective Note. It is the intention of the parties hereto that the CLT's consent to the Mortgage shall be without any liability on the part of the CLT for any deficiency judgment.

15. Borrowers Right to Reinstate. Notwithstanding the Lenders acceleration of the sums secured by this Mortgage due to the Borrower's breach, the Borrower shall have the right to have any proceedings begun by the Lender to enforce this Mortgage discontinued at any time prior to entry of a judgment enforcing this Mortgage if: (a) the Borrower pays the Lender all sums which would be then due under this Mortgage and the Note had no acceleration occurred; (b) the Borrower cures all breaches of any other covenants or agreements of the Borrower contained in this Mortgage; (c) the Borrower pays all reasonable expenses incurred by the Lender in enforcing the covenants and agreements of the Borrower contained in this Mortgage, and in enforcing the Lender's remedies as provided in Paragraph 13 hereof, including, but not limited to, reasonable attorneys' fees and court costs; and (d) the Borrower takes such action as the Lender may reasonably require to assure that the lien of this Mortgage, the Lender's interest in the Property and the Borrower's obligation to pay the sums secured by this Mortgage shall continue unimpaired. Upon such payment and cure by the Borrower, this Mortgage and the obligations secured hereby shall remain in full force and effect as if no acceleration had occurred.

16. Annual Report. Program regulations require that the Owner report to Lender annually information regarding evidence of hazard and flood insurance, if applicable, on the Property during the term of the Mortgage. Failure on the part of the Owner to meet these conditions will constitute a breach of this Mortgage. The Owner shall be notified of this breach and must thereafter comply with the requirements set forth in paragraph 13.

17. Occupancy. The Owner of the loan evidenced by the Promissory Note executed of even date herewith understands, acknowledges, and agrees that said loan is for _____ . The Owner must reside in said dwelling. Failure of the Owner to maintain continuous residency in said dwelling shall constitute a default under this Mortgage.

18. Restrictions on Use. The Owner understands that the assistance provided by this program is limited to single-family owner-occupied housing. Failure of the owner to reside in the Property is a violation of this agreement. Renting or subletting a portion of or all of the Property is a violation of this agreement. By executing this agreement, the owner is bound to restrictions of use as required by the City of _____ Code. The property shall be used as a single-family residence and no addition or improvement will change the use of the property and no additions, construction, or improvements will be made to the property without proper permitting and inspections as required by the _____ Building Code. If there has been an order of the Code Enforcement Board or the Hearing Examiner finds that the Owner has violated the foregoing provisions, the Owner agrees his Mortgage Lien shall not be released and the Owner will be required to repay the balance of the mortgage lien at the time of sale, refinance or title transfer of the property. The balance due will be determined based on the date the violation is adjudicated.

19. **Subordination.** Lender and Borrower acknowledge and agree that this Security Instrument is subject and subordinate in all respects to the liens, terms, covenants and conditions of the First Mortgage. Owner covenants and agrees to comply with all of the terms and provisions of the First Mortgage. Further, any default on the part of the Owner herein under the terms of the Prior Mortgage or the Note secured hereby shall constitute a default under the terms of this Mortgage and the Note secured thereby and shall entitle the Lender herein to exercise any and all rights and remedies given hereunder. The terms and provisions of the First Mortgage are paramount and controlling, and they supersede any other terms and provisions hereof in conflict therewith.

In the event of a foreclosure or deed in lieu of foreclosure of the First Mortgage, any provisions herein or any provisions in any other collateral agreement restricting the use of the Property to low or moderate income households or otherwise restricting the Borrower's ability to sell the Property may have no further force or effect on subsequent owners or purchasers of the Property. Any person, including his successors or assigns (other than the Borrower or a related entity of the Borrower), receiving title to the Property through a foreclosure or deed in lieu of foreclosure of the First Mortgage shall receive title to the Property free and clear from such restrictions.

Further, if the Senior Lien Holder acquires title to the Property pursuant to a deed in lieu of foreclosure, the lien of this Security Instrument shall terminate at the discretion of the Lender upon the Senior Lien Holder's acquisition of title, such termination will not be unreasonably withheld provided that (i) the Lender has been given written notice of a default under the First Mortgage, (ii) the Lender shall not have cured the default under the First Mortgage within the thirty (30)-day period provided in such notice sent to the Lender, and (iii) there is not sufficient equity in the Property to satisfy the senior lien (assuming reasonable costs) and the lien of this Mortgage Loan.

20. **Release.** Upon payment of all sums secured by this Mortgage, Lender shall release this Mortgage. Borrower shall pay all costs of preparation or recordation of the satisfaction, if any. Lender shall also release a Borrower from personal and other liability upon a subsequent purchaser assuming this Mortgage. Borrower shall not be personally or otherwise liable for this Mortgage once it is assumed by a subsequent purchaser.

21. **Attorneys' Fees.** As used in this Mortgage and in the Note, "attorneys' fees" shall include attorneys' fees, if any, incurred in connection with the collection or enforcement of this Mortgage or of the Note, whether or not suit is brought and whether incurred at trial, on appeal, in bankruptcy proceedings or otherwise.

IN WITNESS WHEREOF, the Borrower has executed this Mortgage.

NOTICE TO BORROWER
DO NOT SIGN THIS MORTGAGE IF IT CONTAINS BLANK SPACES.
ALL SPACES SHOULD BE COMPLETED BEFORE YOU SIGN.

Signed, sealed and delivered
in the presence of:

Print Name: _____

Borrower Name Printed: _____

Address: _____

Print Name: _____

Borrower Name Printed: _____

Address: _____

STATE OF FLORIDA)
COUNTY OF _____)

The foregoing instrument was acknowledged before me on the _____ day of _____, 20____, by _____, (Borrower) and _____ (Borrower), who is/are personally known to me or who has/have produced _____ (type of identification) as identification.

NOTARY SEAL:

NOTARY PUBLIC, STATE OF FLORIDA

Print Name

(Commission Number)