

RESOLUTION NO CRA - 2024 - 01

CITY OF LAKE CITY, FLORIDA

A RESOLUTION OF THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF LAKE CITY, FLORIDA AFFIRMING THE APPROPRIATION OF FUNDS BY THE COMMUNITY REDEVELOPMENT AGENCY TO THE GREATER LAKE CITY COMMUNITY DEVELOPMENT CORPORATION; RATIFYING THE ACTIONS OF THE THEN-CITY MANAGER IN FURTHERANCE OF SAID APPROPRIATION; RATIFYING THE ACTIONS OF THE CITY FINANCE DIRECTOR AND FINANCE DEPARTMENT IN FURTHERANCE OF EXECUTION OF SAID APPROPRIATION AND EXPENDITURE OF FUNDS; MAKING CERTAIN FINDINGS OF FACT IN SUPPORT OF THE CITY AFFIRMING SAID APPROPRIATION AND EXPENDITURE OF FUNDS ARISING THEREFROM; MAKING CERTAIN FINDING OF FACT IN SUPPORT OF THE CITY RATIFYING THE ACTIONS OF THE THEN-CITY MANAGER, CITY FINANCE DIRECTOR, AND CITY FINANCE DEPARTMENT; AUTHORIZING THE GREATER LAKE CITY COMMUNITY DEVELOPMENT CORPORATION TO LOAN SAID FUNDS TO THE OWNER OF THE SWEETWATER APARTMENTS PHASE II AFFORDABLE HOUSING PROJECT PURSUANT TO THE TERMS OF A GRANT AGREEMENT; AUTHORIZING AND DIRECTING THE CHAIRMAN OF THE COMMUNITY REDEVELOPMENT AGENCY TO EXECUTE SAID GRANT AGREEMENT; PROVIDING CERTAIN CONDITIONS TO THE AUTHORIZATION TO LOAN SAID GRANT FUNDS; REPEALING ALL PRIOR RESOLUTIONS IN CONFLICT; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Lake City Florida, (the "City") pursuant to the Community Redevelopment Act of Florida, established under the provisions of Chapter 163, Florida Statutes (the "Act"), by Resolution No. 81-13, as amended, determined and found the existence of slum and blighted areas within the City which areas constitute a serious and growing menace injurious to the public health, safety, morals and welfare of the residents of the City and contributing substantially and increasingly to an economic and social liability imposing onerous burdens which decrease the tax base and reduce tax revenues, as well as creating other problems for the City; and

WHEREAS, the City, by Resolution No. 81-16, as amended, and as authorized by the Act, created the Lake City Community Redevelopment Agency (the "CRA"); and

WHEREAS, the City has created the Community Redevelopment Advisory Committee (the "CRAC") (Section 2-48, Code of Ordinances of the City of Lake City, Florida); and

WHEREAS, a primary function and responsibility of the CRAC is to evaluate and provide

recommendations to the CRA on the expenditure of funds for redevelopment activities within the CRA area; and

WHEREAS, pursuant to the Act, the City adopted a Community Redevelopment Plan (the "Plan") to eliminate or ameliorate the slum and blighted areas to improve the health, safety and welfare of the citizens of the City; and

WHEREAS, the Plan has been approved by City Council and the CRA is authorized and directed to implement the Plan; and

WHEREAS, the Plan includes a provision authorizing the rehabilitation and redevelopment of the slum and blighted areas by private enterprise consistent with the needs of the City when authorized by the City; and

WHEREAS, Parcel Number R13234-000 (the "Property" and/or the "Site") is located within the CRA area and upon which are located improvements consisting of commercial buildings; and

WHEREAS, Greater Lake City Community Development Corporation (the "Owner") is the owner of and a developer of the Property; and

WHEREAS, on April 3, 2018, the CRAC received a request from an agent of the Owner for the City, via the CRA, to contribute two hundred thousand dollars (\$200,000) to the Sweetwater Apartments Phase II project (the "Project"); and

WHEREAS, on April 3, 2018, the CRAC did adopt a motion, that, among other things, recommended to the CRA funding support of two hundred thousand dollars (\$200,000) to be approved, appropriated, and expended for the Project (the "CRAC Action"); and

WHEREAS, subsequent to the April 3, 2018 actions of the CRAC, then-city manager Joseph Helfenberger, in reliance on the aforementioned actions of the CRAC, but without apparent ratification of the CRA, did execute a *Florida Housing Finance Corporation – Local Government Verification of Contribution – Grant Form* certifying and affirming the commitment of two hundred thousand dollars (\$200,000) in CRA funds by the CRA to the Project (the "Helfenberger Action"); and

WHEREAS, at its meeting on September 7, 2021, the CRA did hear a presentation from the Owner regarding the Project and the CRAC Action, and did discuss same; and

WHEREAS, at its meeting on September 7, 2021, the CRA acknowledged neither the CRAC

Action, nor the Helfenberger Action were ever ratified by the CRA; and

WHEREAS, the Owner and third-parties have relied on the Helfenberger Action in obtaining additional funding from third-parties; and

WHEREAS, on December 6, 2021 the City’s then-Finance Director did cause the then-City Finance Department personnel to issue to the Owner Check Number 367440 in the amount of one hundred thousand dollars (\$100,000) payable from CRA funds; and

WHEREAS, on September 21, 2022 the City’s then-Finance Director did cause the then-City Finance Department personnel to issue to the Owner Check Number 369545 in the amount of one hundred thousand dollars (\$100,000) payable from CRA funds (the payments represented by Check Numbers 367440 and 369545 are collectively referenced as the “Grant Payments”); and

WHEREAS, it remains that the CRA does continue to maintain the successful completion of the Project is in the public interest and in the interests of the City; and

WHEREAS, the CRA does continue to desire that the Project be successfully completed; and

WHEREAS, to formalize the CRAC Action, the Helfenberger Action, the actions of the then-Finance Director and Finance Department, and the general sentiments of the CRA concerning the Project, the CRA does now desire to ratify and affirm the CRAC Action and the Helfenberger Action; and

WHEREAS, formalizing the CRAC Action, the Helfenberger Action, the actions of the then-Finance Director and Finance Department, and the general sentiments of the CRA concerning the Project, thereby funding the Project in accordance with the CRAC Action and the Helfenberger Action is in the public interest and in the interests of the City and the CRA; and

WHEREAS, the Owner has developed a joint venture with third-parties to develop the Project; and

WHEREAS, Owner desires to lend the Grant Payments to said third-party developer in furtherance of the Project, which loan is commercially reasonable under the circumstances; and

WHEREAS, the Owner may only lend the Grant Payments to the third-party developer with the consent of the CRA; and

WHEREAS, the CRA desires to consent to such loan of the Grant Payments pursuant to the terms of the Grant Agreement attached hereto as Exhibit “A”; and

WHEREAS, the CRA desires that said consent to such loan of the Grant Payments be contingent upon the documents attached hereto as Composite Exhibit “B” not be subjected to substantive changes by the Owner or third-parties associated with Owner (including, but not limited to changes by the third-party developer) without CRA’s prior written consent; now therefore

BE IT RESOLVED by the Community Redevelopment Agency of the City of Lake City, Florida:

1. Formalizing the CRAC Action, the Helfenberger Action, and the general sentiments of the CRA and City Council concerning the Project, thereby funding the Project in accordance with the CRAC Action and the Helfenberger Action is in the public or community interest, for public welfare, and in the interests of the City and the CRA; and
2. In furtherance thereof, the CRAC Action is adopted, ratified, and affirmed; and
3. In furtherance thereof, the Helfenberger Action is adopted, ratified, and affirmed; and
4. In furtherance thereof, the issuance of the Grant Payments by the then-Finance Director and Finance Department is adopted, ratified, and affirmed; and
5. Adopting the terms of the Grant Agreement attached hereto as Exhibit “A” is in the public or community interest, for the public welfare, and in the interests of the City and the CRA; and
6. In furtherance thereof, the Grant Agreement in the form of the document attached hereto as Exhibit “A”, should be and is approved by the CRA provided no substantive changes in the documents attached hereto as Composite Exhibit “B” be made by or consented to by the Owner or third-parties associated with Owner (including, but not limited to changes by the third-party developer) without the CRA’s prior written consent; and
7. The Chairman of the CRA is the officer of the City duly designated by the City’s Code of Ordinances to enforce such rules and regulations as are adopted by the CRA; and
8. The Chairman of the CRA is authorized and directed to execute on behalf of and bind the CRA to the terms of the Grant Agreement; and
9. The Chairman of the CRA, with the consent of the City Attorney, is authorized to agree to

minor, non-substantive changes to the Grant Agreement provided such changes do not negatively effect the interests of the CRA; and

10. All prior resolutions of the Community Redevelopment Agency of the City of Lake City in conflict with this resolution are hereby repealed to the extent of such conflict; and

11. This resolution shall become effective and enforceable upon final adoption by the Community Redevelopment Agency of the City of Lake City.

APPROVED AND ADOPTED, by an affirmative vote of a majority of a quorum present of the Community Redevelopment Agency of the City of Lake City, Florida, at a regular meeting, this ___ day of November, 2024.

BY THE CHAIRMAN OF THE COMMUNITY
REDEVELOPMENT AGENCY OF THE CITY OF
LAKE CITY, FLORIDA

Stephen M. Witt, Chairman

ATTEST, BY THE CITY CLERK OF THE CITY OF
LAKE CITY, FLORIDA:

Audrey E. Sikes, City Clerk

APPROVED AS TO FORM AND LEGALITY:

Clay Martin, City Attorney

GRANT AGREEMENT

THIS GRANT AGREEMENT, hereinafter referred to as the “Agreement”, is entered into this ____ day of _____, 2024, by and between the Community Redevelopment Agency (the “CRA”) of the City of Lake City, Florida, a Florida municipality, hereinafter referred to as the “City”, and The Greater Lake City Community Development Corporation, Inc., a Florida not for profit corporation (“CDC”).

R E C I T A L S

WHEREAS, the CRA granted to CDC, \$200,000 of CRA Funds (the “Grant”) and CDC accepted the Grant; and

WHEREAS, the Grant was made on certain terms, which the parties desire to memorialize herein;

NOW THEREFORE, in consideration of the Grant and the mutual promises in connection with the Grant and other good and valuable consideration received, the parties hereto agree as follows:

1. Recitals. The foregoing Recitals are true and correct and by this reference are incorporated as if fully set forth herein.

2. Use of Grant. CDC shall use the Grant to support affordable housing. In particular, CDC shall use the Grant solely for assisting the development and construction of 48 multifamily apartment units and related amenities (the “Project”) as set forth on that certain *Florida Housing Finance Corporation Local Government Verification of Contribution – Grant Form* attached hereto as **Exhibit “A”** on the property described on **Exhibit “B”**, attached hereto and incorporated herein by reference (the foregoing parameters restricting the use of the Grant shall be referenced herein as the “Grant Purpose”). The Project is anticipated to be known as Sweetwater Apartments Phase II. The Project will be owned by Sweetwater Housing II, LLC, a Florida limited liability company (the “Owner”). It is acknowledged that: (a) the Grant Form was given by the City and was part of the Owner’s application to Florida Housing Finance Corporation for tax credit financing of the Project and that the information in that application (such as preliminary financial information) may change prior to actual closing of the tax credit financing, except that the number of units will not change, and (b) CDC or its affiliate will be a member of Owner and a co-developer. CDC may loan the Grant funds to Owner on terms which include the requirement that the Grant funds loaned be used solely for assisting the Grant Purpose, and otherwise based on terms acceptable to CDC (the “Loan”) and such Loan may be forgivable.

3. Affordable Housing Restrictions. As a condition of Owner receiving the Loan, CDC will cause the Owner to enter into a Declaration of Restrictive Covenants (“DRC”) in favor of the CRA containing the affordable housing requirements set forth in Section 4 hereof, which DRC shall be recorded in the Public Records of Columbia County, Florida immediately following its execution, but in no event later than three (3) business days following the date of execution of

Exhibit A to Resolution Not for Execution

the promissory note evidencing the Loan. The covenants set forth in the DRC shall remain in effect until the last to occur of the following two events – a) the forgiveness of the loan by CRC; or b) the 20th anniversary of the Owner’s receipt of all certificates of occupancy for the Project (“DRC Term”). Notwithstanding the foregoing or anything to the contrary, the DRC shall automatically terminate and be of no force and effect after the end of the DRC Term, or in the event of involuntary noncompliance with the DRC caused by fire or other casualty, seizure, requisition, change in a federal law or an action by a federal agency that prevents the CRA from enforcing the provisions thereof or foreclosure or a deed in lieu of foreclosure by any mortgagee of the Owner. Upon a termination of the DRC pursuant to the preceding sentence, the CRA will execute a recordable document further evidencing such termination. In the case of foreclosure or deed in lieu of foreclosure, such termination will cease to be effective if at any time during the balance of the term hereof, the Owner or any affiliated entity obtains an ownership interest in the Property for federal tax purposes.

4. Use and Occupancy. Of a total of forty-eight (48) units comprising the Project, ten (10) units shall be set aside for households at or below fifty percent (50%) Area Median Income, adjusted for family size (AMI) and thirty-eight (38) units shall be set aside for households at or below eighty percent (80%) AMI, adjusted for family size. Each of the units in the Project will be rent restricted consistent with the low-income housing tax credit program administered by the Florida Housing Finance Corporation (“FHFC”). The CRA acknowledges that FHFC is requiring set asides for the Project which are more extensive than those set forth herein and compliance therewith shall not be a breach hereof. The CRA will rely on FHFC’s compliance monitoring under its low-income housing tax credit program. Owner will be required to provide CRA with all compliance monitoring reports and evidence of applicable cures after any violation.

5. Covenants Run with the Land. All conditions, covenants, and restrictions contained in the DRC shall be covenants running with the Property, and shall, in any event, and without regard to technical classification or designation, legal or otherwise, to the fullest extent permitted by law and equity, be binding for the benefit and in favor of the CRA, and enforceable by the CRA, its successors and assigns, against Owner, its successors and assigns, to or of the Property conveyed herein or any portion thereof or any interest therein, and any party in possession or occupancy of said Property or portion thereof, subject to the provisions of Section 3, above. Each and every contract, deed, or other instrument hereafter executed covering or conveying the Property or the Project or any portion thereof or interest therein (other than mortgage loans and loan documentation executed in connection therewith) shall conclusively be held to have been executed, delivered and accepted subject to such covenants, reservations and restrictions, regardless of whether such covenants, reservations and restrictions are set forth in such contract, deed or other instruments. If a portion or portions or all of the Property or the Project are conveyed, all of such covenants, reservations and restrictions shall run to each portion of the Project or the Project.

6. Venue and Governing Law. Each party covenants and agrees that any and all legal actions arising out of or connected with this Agreement shall be instituted in the Circuit Court of the Third Judicial Circuit, in and for Columbia County, Florida, or in the United States District Court for the Middle District of Florida, Jacksonville Division, as the exclusive forums and venues for any such action, subject to any right of either party to removal from state court to federal court,

Exhibit A to Resolution Not for Execution

which is hereby reserved, and each party further covenants and agrees that it will not institute any action in any other forum or venue and hereby consents to immediate dismissal or transfer of any such action instituted in any other forum or venue. This Agreement is entered into within, and with reference to the internal laws of, the State of Florida, and shall be governed, construed and applied in accordance with the internal laws (excluding conflicts of law) of the State of Florida.

7. Severability. If any provision hereof shall be invalid, illegal, or unenforceable, the validity, legality and enforceability of the remaining portions hereof shall not in any way be affected or impaired thereby.

8. Entire Agreement. This Agreement, together with the Exhibits, embodies the entire agreement and understanding between the parties hereto and there are no other agreements and/or understandings, oral or written, with respect to the subject matter hereof, that are not merged herein and superseded hereby.

9. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

THE REMAINDER OF PAGE INTENTIONALLY LEFT BLANK

IN WITNESS WHEREOF, the CRA and CDC have caused this Agreement to be executed on their behalf by their respective officers or agents herein duly authorized as of the day and year first written above.

**BY THE CHAIRMAN OF THE
COMMUNITY REDEVELOPMENT
AGENCY OF THE CITY OF LAKE
CITY, FLORIDA**

Exhibit - Not for Execution

Stephen M. Witt, Mayor

**ATTEST, BY THE CITY CLERK OF
THE CITY OF LAKE CITY, FLORIDA:**

Exhibit - Not for Execution

Audrey E. Sikes, City Clerk

**APPROVED AS TO FORM AND
LEGALITY:**

Exhibit - Not for Execution

Clay Martin, City Attorney

Signed, sealed, and delivered in the presence of:

Witness Signature:

Name printed or typed

CDC:

THE GREATER LAKE CITY COMMUNITY
DEVELOPMENT CORPORATION, INC., a Florida
not for profit corporation

By: Exhibit - Not for Execution
Lester McKellum, Executive Director

Witness Signature

Name printed or typed

STATE OF FLORIDA

COUNTY OF _____

The foregoing instrument was acknowledged before me by means of ____ physical presence or ____ online notarization, this ____ day of _____, 2024, by Lester McKellum, Executive Director of The Greater Lake City Community Development Corporation, Inc., a Florida not for profit corporation, on behalf of the corporation, who is ____ personally known to me or has produced _____ as identification.

[SEAL]

Notary Public
Print Name: _____
Commission Expires: _____

Commission No.: _____

Exhibit "A"

Florida Housing Finance Corporation Local Government Verification of Contribution – Grant Form

FLORIDA HOUSING FINANCE CORPORATION LOCAL GOVERNMENT VERIFICATION OF CONTRIBUTION – GRANT FORM

Name of Development: Sweetwater Apartments Phase II

Development Location: NE Martin Luther King St., NE Martin Luther King St., and NE Joe Coney Ter., Lake City (At a minimum, provide the address number, street name and city, and/or provide the street name, closest designated intersection and either the city (if located within a city) or county (if located in the unincorporated area of the county). If the Development consists of Scattered Sites, the Development Location stated above must reflect the Scattered Site where the Development Location Point is located.)

The City/County of Lake City commits \$ 200,000.00 as a grant to the Applicant for its use solely for assisting the proposed Development referenced above. The City/County does not expect to be repaid or reimbursed by the Applicant, or any other entity, provided the funds are expended solely for the Development referenced above. No consideration or promise of consideration has been given with respect to the grant. For purposes of the foregoing, the promise of providing affordable housing does not constitute consideration. The commitment for this grant must be effective as of the Application Deadline for the applicable RFA, and is provided specifically with respect to the proposed Development.

The source of the grant is: CRA Funds (e.g., SHIP, HOME, CDBG)

CERTIFICATION

I certify that the foregoing information is true and correct and that this commitment is effective at least through the date required in the applicable RFA.

Handwritten signature of Joseph Helfenberger

Joseph Helfenberger Print or Type Name City Manager Print or Type Title

NOTE TO LOCAL GOVERNMENT OFFICIAL: Additional information is set forth in the applicable Request for Application under which the Applicant is applying for funding for the above referenced Development.

This certification must be signed by the chief appointed official (staff) responsible for such approvals, Mayor, City Manager, County Manager/Administrator/Coordinator, Chairperson of the City Council/Commission or Chairperson of the Board of County Commissioners. If the contribution is from a Land Authority organized pursuant to Chapter 380.0663, Florida Statutes, this certification must be signed by the Chair of the Land Authority. One of the authorized persons named above may sign this form for certification of state, federal or Local Government funds initially obtained by or derived from a Local Government that is directly administered by an intermediary such as a housing finance authority, a community reinvestment corporation, or a state-certified Community Housing Development Organization (CHDO). Other signatories are not acceptable. The Applicant will not receive credit for this contribution if the certification is improperly signed. To be considered for points, the amount of the contribution stated on this form must be a precise dollar amount and cannot include words such as estimated, up to, maximum of, not to exceed, etc.

If the Application is not eligible for automatic points, this contribution will not be considered if the certification contains corrections or 'white-out' or if the certification is altered or retyped. The certification may be photocopied.

Please note: This form may be modified by Florida Housing Finance Corporation per Section 67-60.005, F.A.C.

Exhibit "B"

**Land Use Restriction Agreement
LEGAL DESCRIPTION**

After Recording Return to:
Randy Alligood, Esq.
Nelson Mullins Riley & Scarborough LLP
390 N Orange Avenue, Suite 1400
Orlando, Florida 32828

Folio No.:

(SPACE ABOVE THIS LINE FOR RECORDER'S USE)

DECLARATION
OF COVENANTS AND RESTRICTIONS

(a/k/a Land Use Restriction Agreement "LURA")

THIS DECLARATION OF COVENANTS AND RESTRICTIONS, hereinafter referred to as the "LURA", is entered into this ____ day of _____, 2024, by and between the Community Redevelopment Agency (the "CRA") of the Lake City, Florida, a Florida municipality, hereinafter referred to as the "City", and Sweetwater Housing II, LLC, a Florida limited liability company, hereinafter referred to as the "Owner".

R E C I T A L S

WHEREAS, Owner is the owner of a leasehold interest in that certain real property located in Lake City, Florida, legally described in **Exhibit "A"** attached hereto and incorporated herein by reference, hereinafter referred to as the "Property"; and

WHEREAS, the CRA and The Greater Lake City Community Development Corporation, Inc., a Florida not for profit corporation ("CDC") entered into that certain Grant Agreement dated as of _____, 2024 (the "Grant Agreement") and CDC has received a grant in accordance with the Grant Agreement in the amount of \$200,000 (the "Grant Funds").

WHEREAS, CDC and Owner have entered into that certain Promissory Note and Loan Agreement dated _____, 2024, pursuant to which CDC will loan the Grant Funds to Owner (the "Loan"); and

WHEREAS, the Loan funds will be used by Owner for the development and construction of forty-eight (48) units of affordable rental housing on the Property and related amenities (the "Project"); and

WHEREAS, as a condition of CDC making the Loan, the CRA and the Owner desire to enter into this LURA; and

Exhibit B to Resolution
Not for Execution

WHEREAS, this LURA shall be properly filed and recorded by the Owner within the Official Public Records of Columbia County, Florida and shall constitute a restriction upon the use of the Property subject to and in accordance with the terms contained herein.

NOW THEREFORE, in consideration of the CRA providing funding to the Owner as required by the Grant Agreement, the parties hereto agree as follows:

1. Recitals. The foregoing Recitals are true and correct and by this reference are incorporated as if fully set forth herein.

2. Property. The Property subject to this LURA is further described in **Exhibit “A”**, attached hereto and incorporated herein by reference.

3. Duration of Covenants. The covenants set forth in this LURA shall remain in effect until the last to occur of the following two events –the forgiveness of the loan by CRC; or b) the 20th anniversary of the Owner’s receipt of all certificates of occupancy for the Project (“LURA Term”). Notwithstanding the foregoing or anything to the contrary in the Agreement, this LURA shall automatically terminate and be of no force and effect after the end of the DRC Term, or in the event of involuntary noncompliance with this LURA caused by fire or other casualty, seizure, requisition, change in a federal law or an action by a federal agency that prevents the CRA from enforcing the provisions hereof, or foreclosure or a deed in lieu of foreclosure by any mortgagee of the Owner. Upon a termination of this LURA pursuant to the preceding sentence, the CRA and Owner will execute a recordable document further evidencing such termination. In the case of foreclosure or deed in lieu of foreclosure, such termination will cease to be effective if at any time during the balance of the term hereof, the Owner or any affiliated entity obtains an ownership interest in the Property for federal tax purposes.

4. Use and Occupancy. Of a total of forty-eight (48) units comprising the Project, ten (10) units shall be set aside for households at or below fifty percent (50%) Area Median Income, adjusted for family size (AMI) and thirty-eight (38) units shall be set aside for households at or below eighty percent (80%) AMI, adjusted for family size. Each of the units in the Project will be rent restricted consistent with the low-income housing tax credit program administered by the Florida Housing Finance Corporation. The CRA acknowledges that FHFC is requiring set asides which are more extensive than those set forth herein and compliance therewith shall not be a breach hereof. The CRA will rely on FHFC’s compliance monitoring under its low-income housing tax credit program. Owner will provide CRA with all compliance monitoring reports and evidence of applicable cures after any violation.

5. Covenants Run with the Land. All conditions, covenants, and restrictions contained in this LURA shall be covenants running with the Property, and shall, in any event, and without regard to technical classification or designation, legal or otherwise, to the fullest extent permitted by law and equity, be binding for the benefit and in favor of the CRA, and enforceable by the CRA, its successors and assigns, against Owner, its successors and assigns, to or of the Property conveyed herein or any portion thereof or any interest therein, and any party in possession or occupancy of said Property or portion thereof, subject to the provisions of Section 3, above. Each and every contract, deed, or other instrument hereafter executed covering or conveying the Property or the Project or any portion thereof or interest therein (other than mortgage loans and

Exhibit B to Resolution Not for Execution

loan documentation executed in connection therewith) shall conclusively be held to have been executed, delivered and accepted subject to such covenants, reservations and restrictions, regardless of whether such covenants, reservations and restrictions are set forth in such contract, deed or other instruments. If a portion or portions or all of the Property or the Project are conveyed, all of such covenants, reservations and restrictions shall run to each portion of the Project or the Project.

6. Violation of Agreement. If a material violation of any of the provisions hereof occurs and after written notice from the CRA and is not cured within a reasonable period of time, the party to this LURA that is affected by the violation may institute and prosecute any proceeding at law or in equity to abate, prevent, or enjoin any such violation or attempted violation and to compel specific performance. A reasonable period of time to cure any default shall be ten (10) days (in the case of monetary defaults) or thirty (30) days (in the case of non-monetary defaults) from the date the CRA delivers by personal service or mails written notice of such default to the Owner. The provisions hereof are imposed upon and made applicable to the Property and shall run with the Property and shall be enforceable against the owner of the Property or any other person or entity that has or had an ownership interest in the Property or the Project at the time of such violation or attempted violation. No delay in enforcing the provisions hereof as to any breach or violation shall impair, damage, or waive the right of any party entitled to enforce the provisions hereof as to any breach or violation shall impair, damage or waive the right of any party entitled to enforce the provisions hereof or to obtain relief against or recover for the continuation or repetition of such breach or violation hereof at any later time or times. Notwithstanding anything to the contrary contained herein, the CRA agrees that any cure of any default made or tendered by Owner's Investor Member shall be deemed to be a cure by Owner and shall be accepted or rejected on the same basis as if made or tendered by Owner.

7. Modification of Agreement. The CRA and its successors and assigns, and Owner and the successors and assigns of Owner in and to all or any part of Owner's leasehold interest to the Property, shall have the right to consent and agree to changes in, or to eliminate in whole or in part, any of the covenants, conditions, or restrictions contained in this LURA without the consent of any tenant, lessee, easement holder, licensee, mortgagee, trustee, beneficiary under a deed of trust, or any other person or entity having any interest less than Owner's leasehold interest in the Property. Any amendment or modification to this LURA must be in writing and signed by the CRA and Owner, or their successors and assigns.

8. Venue and Governing Law. Each party covenants and agrees that any and all legal actions arising out of or connected with this LURA shall be instituted in the Circuit Court of the Third Judicial Circuit, in and for Columbia County, Florida, or in the United States District Court for the Middle District of Florida, as the exclusive forums and venues for any such action, subject to any right of either party to removal from state court to federal court, which is hereby reserved, and each party further covenants and agrees that it will not institute any action in any other forum or venue and hereby consents to immediate dismissal or transfer of any such action instituted in any other forum or venue. This LURA is entered into within, and with reference to the internal laws of, the State of Florida, and shall be governed, construed and applied in accordance with the internal laws (excluding conflicts of law) of the State of Florida.

Exhibit B to Resolution Not for Execution

9. Termination. The covenants set forth herein shall automatically terminate and be of no further force and effect upon satisfactory completion of the LURA Term prescribed herein. Upon passing of the LURA Term, the covenants herein shall be deemed satisfactorily complied with.

10. Filing. Upon execution and delivery by the parties hereto, the Owner shall cause this LURA and all amendments and supplements hereto to be recorded and filed in the Official Public Records of Columbia County, Florida, and shall pay all fees and charges incurred in connection therewith.

11. Severability. If any provision hereof shall be invalid, illegal, or unenforceable, the validity, legality and enforceability of the remaining portions hereof shall not in any way be affected or impaired thereby.

12. Entire Agreement. This LURA together with the Exhibits embodies the entire agreement and understanding between the parties hereto and there are no other agreements and/or understandings, oral or written, with respect to the subject matter hereof, that are not merged herein and superseded hereby.

13. Counterparts. This LURA may be executed in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

THE REMAINDER OF PAGE INTENTIONALLY LEFT BLANK

Exhibit B to Resolution
Not for Execution

IN WITNESS WHEREOF, the CRA and Owner have caused this LURA to be executed on their behalf by their respective officers or agents herein duly authorized as of the day and year first written above.

BY THE CHAIRMAN OF THE
COMMUNITY REDEVELOPMENT
AGENCY OF THE CITY OF LAKE CITY,
FLORIDA

Exhibit - Not for Execution

Stephen M. Witt, Mayor

ATTEST, BY THE CITY CLERK OF THE
CITY OF LAKE CITY, FLORIDA:

Exhibit - Not for Execution

Audrey E. Sikes, City Clerk

APPROVED AS TO FORM AND
LEGALITY:

Exhibit - Not for Execution

Clay Martin, City Attorney

Signed, sealed, and delivered in the presence of:

Witness Signature:

Name printed or typed

Witness Signature

Name printed or typed

OWNER:

SWEETWATER HOUSING II, LLC, a
Florida limited liability company

By: DDER Sweetwater Housing II
Manager, LLC, a Florida limited
liability company, its manager

By: DDER Holdings, LLC, a Florida
limited liability company, its
manager

By: Exhibit - Not for Execution
Deion Lowery, Manager

STATE OF _____)
COUNTY OF _____)

The foregoing instrument was acknowledged before me by means of physical presence or online notarization, this _____ day of _____, 2024 by Deion Lowery, a Manager of DDER Holdings, LLC, a Florida limited liability company, as manager of DDER Sweetwater Housing II Manager, LLC, a Florida limited liability company, as manager of Sweetwater Housing II, LLC, a Florida limited liability company. He/she is personally known to me or has produced _____ (type of identification) as identification.

Notary Public

[Notary Seal]

Name typed, printed, or stamped

My Commission Expires:

**Exhibit B to Resolution
Not for Execution**

Exhibit “A”

**Land Use Restriction Agreement
LEGAL DESCRIPTION**

End of Exhibit “A”

**Exhibit B to Resolution
Not for Execution**

PROMISSORY NOTE AND LOAN AGREEMENT
Sweetwater Housing

Folio Number and Property Address: See Exhibit "A":

Date: _____, 2024

Amount: \$200,000

FOR GOOD AND VALUABLE CONSIDERATION, The Greater Lake City Community Development Corporation, Inc., a Florida not for profit corporation ("Lender") promises to loan to Sweetwater Housing II, LLC, a Florida limited liability company, ("Borrower"), and Borrower promises to repay Lender, the sum of Two Hundred Thousand and NO/100 Dollars (\$200,000.00) (the "Loan") or so much thereof as is outstanding from time to time.

LOAN AGREEMENT: Lender entered into that certain Grant Agreement with the Community Redevelopment Agency of the City of Lake City, Florida dated _____ (the "Grant Agreement") which provides Lender a grant of \$200,000 (the "Grant Funds"), which Grant Funds have been received by Lender. Pursuant to the Grant Agreement, Lender will loan the Grant Funds to Borrower to finance a portion of the development and construction of a 48-unit affordable multifamily housing development to be located in Lake City, Columbia County, Florida (the "City"), and to be known as "Sweetwater Apartments Phase II" (the "Project"). The total principal amount of the Loan shall be advanced to Borrower, at minimum, in the following manner: Borrower shall submit to Lender the required documentation for Lender to request a draw under the Developer Agreement and Lender shall promptly loan the requested funds to Borrower. The required documentation shall consist of the documentation required by Borrower's first mortgage construction lender.

LOAN PAYMENT: Borrower shall promptly pay the principal of the indebtedness evidenced by this Note, and all other charges and indebtedness provided herein and in that certain Mortgage to be entered into on date even herewith and recorded in the Public Records of Columbia County, Florida (the "Mortgage"), at the times and in the manner provided in this Note and in the Mortgage. The interest rate on the loan shall be **zero percent (0%) interest** throughout the term of the loan unless there is a default, that is continuing beyond any applicable notice and cure period, in which case interest shall immediately accrue at the lesser of the prime rate (as announced from time to time by PNC Bank) or highest rate authorized under Florida law. The principal shall be non-amortizing.

Payment of all outstanding principal shall be due in full on the 20th anniversary of the receipt of all required certificates of occupancy for the Project (the "Maturity Date"), and prior to such date, no payments shall be required. This Note may be forgiven in the sole and absolute discretion of the Lender at any time after the fifteenth anniversary of the receipt of all required certificates of occupancy for the Project, if the Borrower is in material compliance with all applicable affordable housing requirements and has cured any material events of default in connection with such requirements and the investor member has exited as a member of Borrower.

DEFAULT & ACCELERATION: Lender shall have the right to declare the amount of the total unpaid balance hereof to be due and payable in advance of the Maturity Date upon Borrower's breach hereunder or under the Mortgage and such breach has not been cured within a reasonable time after Borrower has been given notice and opportunity to cure such breach.

Exhibit B to Resolution
Not for Execution

ESTOPPEL/WAIVER: Failure of Lender to declare a default shall not constitute a waiver of such default. Upon default, this Note will accrue interest at the highest rate permissible under applicable law, or, if this Note be reduced to judgment, such judgment should bear interest at the highest rate permissible under applicable law.

PREPAYMENT: Borrower reserves the right to prepay at any time all or part of the principal amount of this Note without the payment of penalties or premiums. All payments of this Note, prior to default, shall be first applied to reduce the accrued and outstanding interest, if any, and second to the payment of principal.

COLLECTION COSTS: If suit is instituted by Lender to recover this Note, Borrower agree(s) to pay all reasonable out of pocket costs of such collection including reasonable attorney's fees and court costs, at trial, appellate and bankruptcy matters.

PARTIES: The words "Borrower" and "Lender" in this Note shall be construed to include the respective heirs, personal representatives, successors, and permitted assigns of the Borrower and the Lender.

SUBORDINATION. The right of the Lender to payment of the indebtedness evidenced by this Note is and will at all times be subordinate to the rights of all Superior Loans as such term is defined in the Mortgage and to the extent provided in any subordination agreement to be entered into by and among the Lender and the lenders of the Superior Loan(s) (individually and collectively, the "Subordination Agreement"). The Mortgage and any other documents securing this Note are and shall be subject and subordinate in all respects to the liens, terms, covenants and conditions set forth in such Superior Loan documents and any subordination agreement entered into in a form and manner agreed to between the parties. The rights and remedies of the payee and each subsequent holder of this Note and the Mortgage securing this Note are subject to the restrictions and limitations set forth in the Superior Loan documents and any Subordination Agreement.

CONSTRUCTION AND VENUE: Each party covenants and agrees that any and all legal actions arising out of or connected with this Note shall be instituted in the Circuit Court of the Third Judicial Circuit, in and for Columbia County, Florida, or in the United States District Court for the Middle District of Florida, Jacksonville Division, as the exclusive forums and venues for any such action, subject to any right of either party to removal from state court to federal court, which is hereby reserved, and each party further covenants and agrees that it will not institute any action in any other forum or venue and hereby consents to immediate dismissal or transfer of any such action instituted in any other forum or venue. This Note is entered into within, and with reference to the internal laws of, the State of Florida, and shall be governed, construed and applied in accordance with the internal laws (excluding conflicts of law) of the State of Florida.

NON-RECOURSE: This Note is a non-recourse obligation; accordingly, upon the occurrence of default under this Note or the Mortgage, Lender may only look to the mortgaged property for the repayment of the Note and may not enter a deficiency judgment against Borrower as the maker under this Note or any of Borrower's members.

Exhibit B to Resolution Not for Execution

STANDSTILL: So long as [PNC Investor Member], or an affiliate thereof, is the investor of the Borrower, Lender will not commence foreclosure proceedings with respect to the Mortgaged Property or exercise any other rights or remedies it may have under the Mortgage or the Note, including, but not limited to, accelerating the loan, collecting rents, appoint (or seeking appointment of) as receiver or exercising any other rights or remedies thereunder. Lender waives no rights or remedies it may have under the Mortgage or Note, but merely agrees to not enforce those rights or remedies until the end of the Compliance Period (as such term is defined in the [Amended and Restated Operating Agreement] Agreement), unless such default is related to noncompliance with the DRC (as defined in the Mortgage), in which case Lender's remedy shall be limited to specific performance and the costs of litigation in connection therewith.

THIS NOTE ARISES OUT OF OR IS GIVEN TO SECURE THE REPAYMENT OF A LOAN ISSUED IN CONNECTION WITH THE FINANCING OF AFFORDABLE HOUSING AND IS EXEMPT FROM INTANGIBLE TAX PURSUANT TO SECTION 420.513(1), FLORIDA STATUTES.

<<SIGNATURE ON FOLLOWING PAGE>>

IN WITNESS WHEREOF, this Note has been duly executed by Lender and Borrower as of the day and year first written above.

WITNESSES:

Print: _____
Address: _____

Print: _____
Address: _____

LENDER:

THE GREATER LAKE CITY COMMUNITY
DEVELOPMENT CORPORATION, Inc., a Florida
not for profit corporation

By: Exhibit - Not for Execution
Lester McKellum, Executive Director

STATE OF FLORIDA

COUNTY OF _____

The foregoing instrument was acknowledged before me by means of ____ physical presence or ____ online notarization, this ____ day of _____, 2024, by Lester McKellum, Executive Director of The Greater Lake City Community Development Corporation, Inc., a Florida not for profit corporation, on behalf of the corporation, who is ____ personally known to me or has produced _____ as identification.

[SEAL]

Notary Public
Print Name: _____
Commission Expires: _____

Commission No.: _____

**Exhibit B to Resolution
Not for Execution**

BORROWER:

Witness Signature

Name Printed or Typed

Witness Signature

Name Printed or Typed

SWEETWATER HOUSING II, LLC, a Florida limited liability company

By: DDER Sweetwater Housing II Manager, LLC, a Florida limited liability company, its manager

By: DDER Holdings, LLC, a Florida limited liability company, its manager

By: Exhibit - Not for Execution
Deion Lowery, Manager

STATE OF _____)
COUNTY OF _____)

The foregoing instrument was acknowledged before me by means of physical presence or online notarization, this _____ day of _____, 2024 by Deion Lowery, a Manager of DDER Holdings, LLC, a Florida limited liability company, as manager of DDER Sweetwater Housing II Manager, LLC, a Florida limited liability company, as manager of Sweetwater Housing II, LLC, a Florida limited liability company. He/she is personally known to me or has produced _____ (type of identification) as identification.

Notary Public

Name typed, printed, or stamped

My Commission Expires: _____

[Notary Seal]

**Exhibit B to Resolution
Not for Execution**

PROMISSORY NOTE

Exhibit “A”

Legal Description

**Exhibit B to Resolution
Not for Execution**

THIS INSTRUMENT PREPARED
BY AND RETURN TO:
Randy Alligood, Esq.
Nelson Mullins Riley & Scarborough LLP
390 N Orange Avenue, Suite 1400
Orlando, Florida 32828

THIS MORTGAGE IS GIVEN TO SECURE THE FINANCING OF HOUSING UNDER PART V OF CHAPTER 420, FLORIDA STATUTES, AND IS EXEMPT FROM TAXATION PURSUANT TO SECTION 420.513, FLORIDA STATUTES. ACCORDINGLY, NO DOCUMENTARY STAMP TAX OR INTANGIBLE TAX IS DUE IN CONNECTION WITH THIS MORTGAGE.

MORTGAGE

THIS MORTGAGE, hereinafter referred to as the “Mortgage” is made on or as of the _____, 2024, by Sweetwater Housing II, LLC, a Florida limited liability company, hereinafter referred to as "Borrower," whose principal address is 2700 Westhall Lane, Suite 200, Maitland, Florida 32751, in favor of The Greater Lake City Community Development Corporation, Inc., a Florida not for profit corporation whose principal address is 363 NW Bascom Norris Drive, Lake City, Florida 32055, hereinafter referred to as "Lender".

RECITALS:

A. Lender entered into that certain Grant Agreement between the Community Redevelopment Agency (the “CRA”) of the City of Lake City, Florida (the “City”) and the Lender (the “Grant Agreement”) dated _____, 2024 verifying, among other things, the grant commitment of the CRA set forth in that certain Florida Housing Finance Corporation Local Government Verification of Contribution – Grant Form which provides Lender with a grant of CRA funds in the amount of \$200,000 (the “Grant”), which Grant has been received by Lender.

B. Pursuant to the Grant Agreement, Lender will loan (the “Loan”) the Grant funds to Borrower to finance a portion of the development and construction of a 48-unit affordable multifamily housing development to be located in Columbia County, Florida (the “County”), and to be known as “Sweetwater Apartments Phase II”.

C. The Loan is evidenced by that certain Promissory Note and Loan Agreement, of even date hereof, by Borrower in favor of Lender (the “Note”). The terms of the Note are incorporated herein by reference.

WITNESSETH:

To secure the payment of the outstanding balance of the Loan in the principal amount of up to Two Hundred Thousand and NO/100 Dollars (\$200,000.00) and all other indebtedness which Borrower is obligated to pay to Lender pursuant to the provisions of the Note and this Mortgage, Borrower hereby grants, conveys and mortgages to Lender, subject to the rights of any prior mortgagees, all of its right, title and interest in:

- (a) the leasehold estate in the Land described on Exhibit A attached hereto; and
- (b) any improvements now or hereafter erected on the Land (the “Improvements”), and all easements, rights, appurtenances, rents, royalties, mineral, oil and gas rights and profits, water, water rights, and water stock, and all fixtures now or hereafter attached to the Land or the Improvements, all of which, including replacements and additions hereto; and

**Exhibit B to Resolution
Not for Execution**

(c) any awards now or hereafter made for the taking of the property mortgaged hereby, or any part thereof (including any easement) by the exercise of the power of eminent domain, including any award for change of grade of any street or other roadway, which awards are hereby assigned to Lender and are deemed a part of the property mortgaged hereby; and Lender is hereby authorized to collect and receive the same toward the payment of indebtedness secured by this Mortgage, notwithstanding the fact that the amount thereon may not then be due and payable; and

(d) any land lying in the streets, roads, or alleys adjoining to the Land; and

(e) any fixtures attached to any Improvements, now owned or hereafter acquired or attached; and

(f) any articles of personal property relating the property mortgaged hereby, now owned or hereafter acquired.

All Borrower's right, title and interest in the above-described property are hereinafter collectively referred to as the "Mortgaged Property."

TO HAVE AND TO HOLD the Mortgaged Property and every part thereof unto Lender, its permitted successors and assigns for the purposes and uses herein set forth.

AND Borrower further covenants and agrees with Lender, as follows:

1. PAYMENT OF PRINCIPAL AND INTEREST.

Borrower shall promptly pay the principal of the indebtedness evidenced by the Note, and all other charges and indebtedness provided therein and in this Mortgage, at the times and in the manner provided in the Note and in this Mortgage.

2. FUNDS FOR TAXES, ASSESSMENTS AND LIENS.

Borrower shall pay before the same become delinquent, as hereinafter provided, all taxes, assessments, and other governmental charges, fines and impositions, of every kind and nature whatsoever, now or hereafter imposed on the Mortgaged Property, or any part thereof, and will pay when due every amount of indebtedness secured by any lien to which the lien of this Mortgage is expressly subject.

3. COMPLETION OF IMPROVEMENTS.

This Mortgage and the Note are executed and delivered to secure moneys advanced to Borrower for the purpose of constructing on the Land, Improvements consisting of 48 rental apartment units and related amenities. The apartment units shall be constructed and rented to tenants in compliance with the Grant Agreement and a Declaration of Restrictive Covenants referenced in the Grant Agreement and recorded in the Public Records of Columbia County (the "DRC"). If the construction or installation of the Improvements shall not be carried out with reasonable diligence, or shall be discontinued at any time for a period of thirty (30) consecutive days for any reason other than strikes, lock-outs, acts of God, fires, floods, pandemics, or other similar catastrophes, such as riots, war or insurrection, or other events beyond the control of Borrower, Lender, after due notice to Borrower, is hereby authorized but has no obligation (A) to enter upon the Mortgaged Property and employ any watchman, protect the Improvements from depredation or injury and to preserve and protect such property, (B) to carry out any or all the existing contracts between Borrower and other parties for the purpose of making any of the Improvements, (C) to make and enter into additional contracts and incur obligations for

Exhibit B to Resolution Not for Execution

the purposes of completing any portion of the Improvements pursuant to the obligations of Borrower hereunder either in the name of Lender or Borrower, and (D) to pay and discharge all debts, obligations and liabilities incurred by reason of any action taken by Lender as provided in this Paragraph, all of which amounts so paid by Lender, with interest thereon from the date of each such payment at the rate indicated in the Promissory Note executed of even date herewith, shall be payable by Borrower to Lender on demand and shall be secured by this Mortgage.

4. BUILDING REMOVAL, ADDITIONS AND COMPLIANCE WITH REQUIREMENTS.

No building, structure, improvement, fixture or personal property mortgaged hereby shall be removed or demolished without the prior written consent of Lender except for (a) obsolete or worn property, which if necessary for the operation of the Mortgaged Property, is replaced by adequate substitutes equal or greater in value than the replaced items and (b) inventory and goods in the ordinary course of business. Borrower will not make, permit, or suffer any alteration of or addition to any building, structure or improvement which may hereafter be erected or installed upon the Mortgaged Property, or any part thereof, except the Improvements, nor will Borrower use, or permit or suffer the use of, any of the Mortgaged Property for any purpose other than the purpose or purposes for which the same is now intended to be used, without the prior written consent of Lender. Borrower will maintain the Mortgaged Property in good condition and state of repair and will not suffer or permit any waste to any part thereof, and will promptly comply with all the requirements of Federal, State and local governments or of any departments, divisions or bureaus thereof, pertaining to such property or any part thereof.

5. CHARGES AND LIENS.

Borrower will not voluntarily create, or permit or suffer to be created or to exist, on or against the Mortgaged Property or any part thereof, any lien or encumbrance and will keep and maintain the same free from the claims of all parties supplying labor and/or materials which will enter into the construction or installation of the Improvements. Notwithstanding, the following liens and encumbrances are permitted: : (a) that certain first mortgage loan by PNC in the original principal amount of \$_____ (“First Mortgage Loan”), secured by a first mortgage and which is evidenced and secured by separate first mortgage loan documents; (ii) that certain second mortgage loan by Florida Housing Finance Corporation in the principal amount of \$1,375,000 (the “Second Mortgage Loan”) secured by that certain second mortgage, and which is evidenced and secured by separate mortgage loan documents; and (iii) any substitution or refinancing of any of the foregoing loans regardless of the amount of such substitution or refinancing and regardless of who the lender is (altogether, the “Senior Debt”) (b) any such liens and encumbrances provided on the Borrower’s title policy provided to Lender in connection with the closing of the Loan; (c) utility, cable, or other similar liens, encumbrances, claims or easements that are customarily granted for the operation of similar projects or in the ordinary course of business of operating an apartment complex; (d) residential leases; (e) any encumbrances permitted under the Borrower’s operating agreement and (f) and any other encumbrances to which Lender has consented or to which any holder of any portion of the Senior Debt (“Senior Lender”) has consented (altogether, “Permitted Encumbrances”). The Loan secured hereby and the terms of this Mortgage shall be subordinate in all respects to the Senior Debt and the agreements, documents and instruments executed by Borrower in connection therewith. Lender agrees that it will execute and deliver if requested by any holder of the Senior Lender, a subordination agreement in the form and substance reasonably acceptable to such holder.

6. NOTICE OF FIRE OR CASUALTY.

Borrower will give immediate notice by registered or certified mail to Lender of any fire, damage or other casualty affecting the Mortgaged Property or any part thereof outside the ordinary course of business.

7. COVERAGE OF INSURANCE POLICIES.

a. Borrower will keep all buildings, other structures and improvements insured against loss by fire, flood (when applicable) and other hazards, casualties and contingencies in such amounts and manner and for such periods as reasonably required by the Senior Lender. The Lender shall be listed as an additional insured on all such insurance policies.

b. In the event of loss or damage to the Mortgaged Property, Borrower will give to Lender immediate notice thereof by mail, at the address herein above stated and Lender may make and file proof of loss if not made otherwise promptly by or on behalf of Borrower or by a Senior Lender. Unless Borrower and Lender otherwise agree in writing, insurance proceeds shall be applied to restoration or repair, provided such restoration or repair is economically feasible and the security of this Mortgage is not thereby impaired, subject to the Senior Debt. If such restoration or repair is not economically feasible or if the security of this Mortgage would be impaired, the insurance proceeds shall be applied to the sums secured by this Mortgage with the excess, if any, paid to Borrower, subject to the Senior Debt.

c. At least thirty (30) days prior to the expiration of each policy, the Borrower will furnish the Lender with evidence satisfactory to the Lender of the payment of premium and the reissuance of a policy continuing insurance in force as required by this Mortgage. All policies will contain a provision that the policies will not be cancelled or materially amended (including any reduction in the scope or limits of coverage), without at least ten (10) days prior written notice to the Lender. If all or any part of the insurance will expire, or be withdrawn, or become void or unsafe, by reason of the Borrower's breach of any condition, or if Borrower does not procure insurance as required herein, the Borrower will place new insurance on the premises, satisfactory to the Lender. Borrower's compliance with the insurance requirements of any Senior Debt shall be deemed compliance with the terms of this Section 7.

8. TAXES.

In order to protect more fully the security of this Mortgage, Borrower shall promptly submit to Lender upon request, or Lender's designated agent, the Columbia County Tax Invoice for the Mortgaged Property. Such invoice shall show either that no taxes are due because they have already been paid in full or be accompanied by a receipt showing taxes have been paid in full.

9. LOCAL ORDINANCES.

The Improvements and all plans and specifications shall comply with all applicable local ordinances, regulations and rules made or promulgated with lawful authority.

10. PROTECTION OF LENDER'S SECURITY.

If Borrower fails to perform the covenants and agreements contained in this Mortgage, excluding any lien to which this Mortgage is expressly subject, or if any action or proceeding is commenced which materially affects Lender's interest in the Mortgaged Property, including, but not limited to eminent domain, insolvency, code enforcement, or arrangements or proceedings involving a bankrupt or decedent, exemption and/or removal of the Mortgaged Property from ad valorem taxation, then Lender at Lender's option and subject to the Senior Debt, upon notice to Borrower, may make such appearances, disburse such sums, and take such action as is reasonably necessary to protect Lender's interest, including, but not limited to seeking all available legal or equitable remedies under Florida law including but not limited to, disbursement of reasonable attorney's fees at trial, appellate and bankruptcy levels and entry upon the Mortgaged Property to make repairs.

Any amounts disbursed by Lender pursuant to this Paragraph with interest thereon, shall become additional indebtedness of Borrower secured by this Mortgage. Unless Borrower and Lender agree to other terms of payments, such

amounts shall be payable upon notice from Lender to Borrower requesting payment thereof, and shall bear interest from the date of disbursement at the highest rate payable under Florida law from time to time on outstanding principal under the Note unless payment of interest at such time would be contrary to applicable law, in which event such amounts shall bear interest at the highest rate permissible under applicable law. Nothing contained in this Paragraph shall require Lender to incur any expense or take any action hereunder.

11. LENDER INSPECTIONS.

Lender, or any of its Agents or Representatives, shall have the right to inspect the Mortgaged Property upon reasonable written notice, which shall not be less than three (3) business days. Should the Mortgaged Property, or any part thereof, require repair, care or attention, then, after written notice as provided herein (Paragraph 16) to Borrower, and Borrower's failure to so perform, Lender may (but does not have any obligation to do so) enter or cause entry to be made upon the Mortgaged Property and repair, protect and maintain the Mortgaged Property as Lender may deem necessary. Any and all money that Lender must pay to accomplish the proper maintenance on the Mortgaged Property shall become due and payable under the provisions of Paragraph 10.

12. EVENT OF DEFAULT.

An Event of Default will be the occurrence of any one of the following events and expiration of the applicable cure period set forth in Paragraph 13 below, and, subject to Section 28 of this Mortgage, upon that occurrence Lender may, at Lender's option, declare all sums secured by this Mortgage to be immediately due and payable:

- a. Failure to pay the amount of any installment of principal and interest, or other charges payable on the Note, which shall have become due, prior to the due date of the next such installment;
- b. Material nonperformance by Borrower of any covenant, agreement, term, or condition of this Mortgage or the Note after Borrower has been given due notice in accordance with Paragraph 13 below by Lender to cure such nonperformance and sixty (60) days to cure;
- c. Failure of Borrower to perform any covenant, agreement, term or condition in any instrument creating a lien upon the Mortgaged Property, or any part thereof, which shall have priority over the lien of this Mortgage which continues beyond sixty (60) days after notice thereof from Lender to Borrower and any applicable grace or cure period and for which a default has been declared in writing;
- d. Intentionally Omitted;
- e. Failure by the Borrower to submit promptly to the Lender or Lender's designated agent proof of payment of all insurance and taxes, as required herein; and
- f. The failure to pay ad valorem and/or tangible personal property taxes for the Mortgaged Property and such payment is continuing beyond a reasonable period of time after receiving written notice from the Lender.

Notwithstanding anything to the contrary herein, direct or indirect transfers of membership interest in the Borrower are not prohibited under this Mortgage or the Note and shall not result in an Event of Default.

13. OPTION OF MORTGAGEE UPON EVENT OF DEFAULT.

Subject to Section 28 of this Mortgage, upon the occurrence of An Event of Default, Lender, prior to acceleration, shall mail notice to Borrower and Borrower's investor member as is provided in Paragraph 16 hereof, specifying:

- a. The breach;
- b. The action required to cure such breach;
- c. A date not less than ten (10) days from the date the notice is mailed to Borrower by which such breach must be cured if the default is a monetary default, and a date not less than thirty (30) days from the date the notice is mailed to Borrower by which such breach must be cured if the default is a non-monetary default; and
- d. 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 proceedings, and sale of the Mortgaged Property. The notice shall further inform Borrower of the right to assert in the foreclosure proceedings the non-existence of a default, or any other defense of Borrower to acceleration and foreclosure.

If the breach is not cured on or before the date specified in the notice, Lender, at 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 proceedings. Lender shall be entitled to collect in such proceedings all expenses of foreclosure, including, but not limited to, reasonable attorney's fees at trial, appellate and bankruptcy levels and costs of documentary evidence, abstract, title reports and court costs.

Notwithstanding anything to the contrary contained herein, if an Event of Default occurs, prior to exercising any remedies hereunder, Lender shall give Borrower and Borrower's investor member (the "Investor") simultaneous written notice of such default. Any notice delivered to Borrower shall be deemed ineffective and not delivered until a copy of the notice is delivered to Investor as set forth in Section 16 below. Lender hereby agrees that any cure of any default made or tendered by Investor shall be deemed to be a cure by Borrower, and accepted or rejected on the same basis as if made or tendered by Borrower. Investor shall have a period of thirty (30) days after receipt of notice, or such longer period of time as may be set forth herein, to cure a default prior to exercise of remedies by Lender hereunder or under any related documents.

13. APPOINTMENT OF RECEIVER.

Lender in any action to foreclose this Mortgage may be entitled to have a receiver appointed by a court of law as a matter of right and without regard to the value of the Mortgaged Property or the solvency of Borrower or other parties liable for the payment of the Note and other indebtedness secured by this Mortgage. Said receiver shall enter upon, take possession of and manage the Mortgaged Property, and will collect rents of the Mortgaged Property, including those past due. All rents collected by the receiver shall be applied first to payments of the costs of management of the Mortgaged Property and collection of rents, including, but not limited to, receiver's fees, premiums on receiver's bonds, and reasonable attorney's fees, and then to the sums secured by this Mortgage. The receiver shall be liable to account only for those rents actually received.

15. FORBEARANCE BY LENDER NOT A WAIVER.

Any forbearance by Lender in exercising any right or remedy hereunder, or otherwise afforded by applicable law, shall not be a waiver of or preclude the exercise of any such right or remedy. The procurement of insurance or the payment of taxes or other liens or charges by Lender shall not be a waiver of Lender's right to accelerate the maturity of indebtedness secured by this Mortgage.

16. NOTICE.

Except for any notice required under applicable law to be given in another manner, (a) any notice to Borrower provided for in this Mortgage shall be given by mailing such notice by certified mail addressed to Borrower at the property address or at such other address as Borrower may designate by notice to Lender as provided herein, and (b) any notice to Lender shall be given by certified mail, return receipt requested, to Lender's address below, or to such other address as Lender may designate by notice to Borrower as provided herein. Any notice provided for in this Mortgage shall be deemed to have been given to Borrower or Lender when given in the manner designated herein.

LENDER: The Greater Lake City Community Development Corporation, Inc.
363 NW Bascom Norris Drive
Lake City, Florida 32055

BORROWER: Sweetwater Housing II, LLC
c/o DDER Holdings, LLC
2700 Westhall Lane, Suite 200
Maitland, Florida 32751
Attn: Deion Lowery

WITH COPIES TO: Revital Sweetwater II, LLC
3750 Gunn Highway, Suite 104
Tampa, Florida 33618

DDER Holdings, LLC
2700 Westhall Lane, Suite 200
Maitland, Florida 32751

Nelson Mullins Riley & Scarborough LLP
390 N. Orange Avenue, Suite 1400
Orlando, Florida 32801
Attn: Randal M. Alligood, Esq.
Email: randy.alligood@nelsonmullins.com
Telephone: 407-669-4202

INVESTOR MEMBER: PNC Bank
101 South 5th Street, Suite 700
Louisville, KY 40202
Attention: Scott Wilson

WITH COPY TO: Kutak Rock
1650 Farnam Street
Omaha, NE 68102
Attention: Greg Grattan

17. ONE PARCEL.

In case of a foreclosure sale of the Mortgaged Property, it may be sold as one parcel.

18. BORROWER'S COPY.

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

19. LAWFULLY SEIZED.

Borrower is lawfully seized of the Mortgaged Property and has good right, full power, and lawful authority to sell and convey the same in the manner above provided, and will warrant and defend the same to Lender forever against the lawful claims and demands of any and all parties whatsoever, subject to the Senior Debt and Permitted Encumbrances.

20. INTENTIONALLY LEFT BLANK

21. CAPTIONS.

The captions of this Mortgage are for convenience only and shall not be construed as defining or limiting the scope or intent of the provisions hereof.

22. SUCCESSORS AND ASSIGNS.

This Mortgage and all covenants, agreements, terms, and conditions herein contained shall be binding upon and inure to the benefit of Borrower, and, to the extent permitted by law, every subsequent owner of the Mortgaged Property and shall be binding upon and inure to the benefit of Lender and its assigns. Notwithstanding the foregoing, Lender shall not, directly or indirectly, assign this Mortgage or the Note or any part thereof or beneficial interest therein or grant participations therein, without the prior written consent of Borrower. Borrower may assign its rights hereunder to a purchaser of the leasehold interest in the Land and Improvements, as long as such purchaser assumes the obligations of Borrower hereunder and under the Note.

23. VENUE

Each party covenants and agrees that any and all legal actions arising out of or connected with this Mortgage shall be instituted in the Circuit Court in and for Columbia County, Florida, or in the United States District Court for the Middle District of Florida, Jacksonville Division, as the exclusive forums and venues for any such action, subject to any right of either party to removal from state court to federal court, which is hereby reserved, and each party further covenants and agrees that it will not institute any action in any other forum or venue and hereby consents to immediate dismissal or transfer of any such action instituted in any other forum or venue. This Mortgage is entered into within, and with reference to the internal laws of, the State of Florida, and shall be governed, construed and applied in accordance with the internal laws (excluding conflicts of law) of the State of Florida.

24. SURVIVABILITY AND SEVERABILITY

a. Any term, condition, covenant or obligation which requires performance by either party subsequent to termination of this Mortgage shall remain enforceable against such party subsequent to such termination.

b. In the event any section, sentence, clause or provision of this Mortgage is held to be invalid, illegal or unenforceable by a court having jurisdiction over the matter, the remainder of this Mortgage shall not be affected by such determination and shall remain in full force and effect.

25. RELEASE

Upon payment of all sums secured by this Mortgage and the Note, the Lender shall release this Mortgage and the Note. The Borrower shall pay all recordation costs.

26. NON-RECOURSE

The non-recourse provisions set forth in the Note are incorporated herein by reference.

27. MERGER AND MODIFICATIONS

This Mortgage will not be modified or amended except by agreement in writing signed by both parties. This Mortgage embodies the entire agreement and understanding between the parties hereto and there are no other agreements and/or understandings, oral or written, with respect to the subject matter hereof, that are not merged herein and superseded hereby.

28. STANDSTILL

So long as [PNC Investor Member], or an affiliate thereof, is a member of the Borrower, Lender will not commence foreclosure proceedings with respect to the Mortgaged Property or exercise any other rights or remedies it may have under the Mortgage or the Note, including, but not limited to, accelerating the loan, collecting rents, appoint (or seeking appointment of) as receiver or exercising any other rights or remedies thereunder. Lender waives no rights or remedies it may have under the Mortgage or Note, but merely agrees to not enforce those rights or remedies until the end of the Compliance Period (as such term is defined in the [Amended and Restated Operating] Agreement), unless such default is related to noncompliance with the DRC, in which case Lender's remedy shall be limited to specific performance and the costs of litigation in connection therewith.

29. SUBORDINATION TO TAX CREDIT EXTENDED USE AGREEMENT.

This Mortgage is and shall be subordinate to the extended low-income housing commitment (as such term is defined in Section 42(h)(6)(B) of the Internal Revenue Code) recorded against the Property.

[Signatures on the following page]

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IN WITNESS WHEREOF, this Mortgage has been duly signed and sealed by the Borrower on or as of the day and year first above written.

Witness Signature

Name Printed or Typed

Witness Signature

Name Printed or Typed

SWEETWATER HOUSING II, LLC, a Florida limited liability company

By: DDER Sweetwater Housing II Manager, LLC, a Florida limited liability company, its manager

By: DDER Holdings, LLC, a Florida limited liability company, its manager

By: **Exhibit - Not for Execution**
Deion Lowery, Manager

STATE OF _____)
COUNTY OF _____)

The foregoing instrument was acknowledged before me by means of physical presence or online notarization, this _____ day of _____, 2024 by Deion Lowery, a Manager of DDER Holdings, LLC, a Florida limited liability company, as manager of DDER Sweetwater Housing II Manager, LLC, a Florida limited liability company, as manager of Sweetwater Housing II, LLC, a Florida limited liability company. He/she is personally known to me or has produced _____ (type of identification) as identification.

[Notary Seal]

Notary Public

Name typed, printed, or stamped

My Commission Expires: _____

Exhibit B to Resolution Not for Execution

MORTGAGE

**Exhibit "A"
Legal Description**