

**PREPARED BY:
CITY OF DELTONA
2345 Providence Blvd.
Deltona, FL 32725-1806**

**AFTER RECORDING, RETURN TO:
CITY OF DELTONA
CITY CLERK
2345 Providence Boulevard
Deltona, FL 32725-1806**

**SECOND MORTGAGE
CITY OF DELTONA, FLORIDA
S.H.I.P. PROGRAM**

THIS MORTGAGE ("Second Mortgage") is given on this (DAY)th day of (MONTH), (YEAR). The Mortgagor is (NAME), a single person, (STREET ADDRESS), Deltona, County of Volusia, Florida (ZIP CODE) ("Mortgagor").

This Mortgage is given to CITY OF DELTONA, a municipal corporation organized under the laws of the State of Florida, ("Lender"), whose address is 2345 Providence Boulevard, Deltona, County of Volusia, Florida 32725.

Mortgagor owes Lender the principal sum of (AMOUNT) and 00/100 Dollars (NUMERICAL AMOUNT). AS EVIDENCED BY THE PROMISSORY NOTE GIVEN TO LENDER DATED THE SAME DATE HEREIN.

This Second Mortgage secures: (a) the repayment of the debt evidenced by the Note dated the same date herein to Lender, with interest, and all renewals, extensions and modifications of the Note; and (b) the performance of Mortgagor's covenants and agreements under this Second Mortgage and the Note. For this purpose, Mortgagor does hereby mortgage, grant and convey to Lender the following described property located in Volusia County, Florida:

Legal: (COMPLETE LEGAL DESCRIPTION), of the Public Records of Volusia County, Florida

which has the address of (STREET ADDRESS), Deltona, County of Volusia, Florida (ZIP CODE).

TOGETHER WITH all the improvements now or hereafter erected on the property, and all easements, appurtenances, and fixtures now or hereafter a part of the property. All replacements and additions shall also be covered by this Second Mortgage. All of the foregoing is referred to in this Second Mortgage as the "Property."

MORTGAGOR COVENANTS that Mortgagor is lawfully seized of the estate hereby conveyed and has the right to mortgage, grant and convey the Property. Mortgagor warrants and will defend generally the title to the Property against all claims and demands, subject to any encumbrances of record.

UNIFORM COVENANTS. Mortgagor and Lender covenant and agree as follows:

WHEREAS, The Mortgagor proposes to finance the cost of certain Down Payment, Closing Costs, and Repairs Assistance on the above-described property from the proceeds of the Lender; and

WHEREAS, as long as the Mortgagor remains the owner and occupant of the above-described property, during the thirty (30) year period from the date hereof, the Note, secured by this Second Mortgage, will not require payment.

NOW, THEREFORE, in consideration of the covenants and conditions herein and other good and valuable consideration, it is agreed as follows:

1. Principal and Interest. The principal amount of the loan shall be **(AMOUNT) and 00/100 Dollars (NUMERICAL AMOUNT).** The interest rate of the loan shall be zero percent (0%).

2. Funds for Taxes and Insurance. Subject to applicable law, Mortgagor shall pay to the appropriate governmental authority, until the Note is paid in full, a sum ("Funds") for: (a) yearly taxes and assessments which may attain priority over this Second Mortgage as a lien on the Property; (b) yearly leasehold payments or ground rents on the Property, if any; (c) yearly hazard or property insurance premiums, if any; (d) yearly flood insurance premiums, if any; and (e) yearly mortgage insurance premiums, if any.

3. Application of Payments. Assistance will be provided to Mortgagor in the form of a zero-interest, deferred payment loan for a term of thirty (30) years. The loan shall immediately become due and payable to the City if any of the following occurs:

- a. Mortgagor sells, transfers, or disposes of the property by any means, including bankruptcy, foreclosure, or deed in lieu of foreclosure; or
- b. Mortgagor no longer occupies the unit as his/her principal residence; or
- c. Mortgagor dies; or
- d. Mortgagor refinances his/her First Mortgage or requires subordination for a new Second Mortgage; or
- e. Heirs may assume the debt as long as they are income eligible and become the owner-occupant; or
- f. Leasing or renting of the property within thirty (30) years of the date of execution of this Note and Second Mortgage; or
- g. Destruction or abandonment of the residence by Maker or Maker's successors; or
- h. Failure to pay applicable property taxes, when due, on subject property and improvements; or
- i. Failure to maintain adequate hazard insurance on subject property and improvements; or

- j. Failure to comply with the terms and conditions of the First Mortgage securing the property.
- k. Mortgagor shall repay the loan amount to Lender in full, less any available forgiveness of the loan as provided in the recapture provisions of the Federal and/or local regulations in effect at the time of repayment.
- l. Should this aforementioned provision be violated, a default shall be declared, and the entire amount shall be immediately due and payable. **THE FULL AMOUNT OF THE SECOND MORTGAGE SHALL BE DUE ON SALE OR LEASE, IF THE SALE, LEASE, TRANSFER OR REFINANCING OCCURS IN LESS THAN THIRTY (30) YEARS.** Mortgagor shall repay the loan amount to Lender in full, less any available forgiveness as provided in the recapture provisions of the Federal and/or local regulations in effect at the time of default.

4. **Charges; Liens.** Mortgagor shall pay all taxes, assessments, charges, fines and impositions attributable to the Property which may attain priority over this Second Mortgage, and leasehold payments or ground rents, if any. Mortgagor shall pay these obligations in the manner provided herein. Mortgagor shall promptly furnish to Lender all notices of amounts to be paid under this paragraph.

5. **Hazard or Property Insurance.** Mortgagor 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 any other hazards, including floods or flooding, for which Lender requires insurance. This insurance shall be maintained in the amounts and for the periods that Lender requires. The insurance carrier providing the insurance shall be chosen by Mortgagor subject to Lender's approval, which shall not be unreasonably withheld. If Mortgagor fails to maintain coverage described above, Lender may, at Lender's option, obtain coverage to protect Lender's rights in the Property in accordance with the terms and conditions set forth herein. All insurance policies and renewals shall be acceptable to Lender and shall include a standard mortgage clause. If Lender requires, Mortgagor shall promptly give to Lender all receipts of paid premiums and renewal notices. In the event of loss, Mortgagor shall give prompt notice to the insurance carrier and Lender. Lender may make proof of loss if not made promptly by Mortgagor.

6. **Occupancy, Preservation, Maintenance and Protection of the Property.** Mortgagor shall not destroy, damage or impair the Property, allow the Property to deteriorate, or commit waste on the Property. Mortgagor shall be in default if any forfeiture action or proceeding, whether civil or criminal, is begun that in Lender's good faith judgment could result in forfeiture of the Property or otherwise materially impair the lien created by this Second Mortgage or Lender's security interest. Mortgagor may cure such a default and reinstate by causing the action or proceeding to be dismissed with a ruling that, in Lender's good faith determination, precludes forfeiture of the Mortgagor's interest in the Property or other material impairment of the lien created by this Second Mortgage.

7. **Protection of Lender's Rights in the Property.** If Mortgagor fails to perform the covenants and agreements contained in this Second Mortgage, or there is a legal proceeding that may significantly affect Lender's rights in the Property (such as a proceeding in bankruptcy, probate, for condemnation or forfeiture or to enforce laws or regulations), then Lender may do and pay for whatever is necessary to protect the value of the Property and Lender's rights in the Property. Lender's actions may include paying any sums secured by a lien which has priority over this Second Mortgage, appearing in court, paying reasonable attorney's fees and entering on the Property to make repairs. Although Lender may take action, Lender does not have to do so.

Any amounts disbursed by Lender shall become additional debt of Mortgagor secured by this Second Mortgage.

8. Inspection. Lender or its agent may make reasonable entries upon and inspections of the Property. Lender shall give Mortgagor notice at the time of or prior to an inspection specifying reasonable cause for the inspection.

9. Defaults.

- a. A Default in any mortgage note, or lien of record, including, but not limited to the Second Mortgage Note and the First Mortgage approved herein, shall constitute a default under this instrument. The institution of a mortgage or lien foreclosure legal proceeding shall be one basis authorizing the Lender to declare a default. In the event of foreclosure, the Lender reserves the right of first refusal on the land as described above.
- b. In the event the First Mortgage holder acquires title to the Property pursuant to a deed in lieu of foreclosure, the lien of this Second Mortgage shall automatically terminate upon the First Mortgage holder's acquisition of title.
- c. The Mortgagor hereby further covenants and agrees to pay promptly when due the principal and interest and other sums of money provided for in said note and Second Mortgage, or either; to pay all and singular the taxes, assessments, levies, liabilities, obligations, and encumbrances of every nature on said property to permit, commit or suffer no waste, impairment or deterioration of said land or the improvement thereon at any time; to pay all costs, charges, and expenses, including attorney's fees and title searches, reasonably incurred or paid by the Lender because of the failure of the Mortgagor to promptly and fully comply with the agreements, stipulations, conditions and covenants of said note and this Second Mortgage, or either; to perform, comply with and abide by each and every of the agreements, stipulations, conditions and covenants of said note and the Second Mortgage, or either. In the event the Mortgagor fails to pay when due any tax, assessment, insurance premium or other sum of money payable by virtue of said note and this Second Mortgage, or either, the Lender may pay the same, without waiving or affecting the option to foreclose or any other right hereunder, and all such payments shall bear interest from the date thereof at the highest lawful rate then allowed by the laws of the State of Florida.
- d. In the event of a foreclosure or a deed in lieu of foreclosure of the First Mortgage, any provision herein restricting the use of the Property or restricting the Mortgagor's ability to sell the Property shall have no further force or effect on subsequent owners or purchasers of the Property. Any person, including his/her successors or assigns and excluding the Mortgagor or a related entity or person to the Mortgagor, 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 First Mortgage holder acquires title to the Property pursuant to a deed in lieu of foreclosure, the lien of his Second Mortgage shall automatically terminate upon the First Mortgage holder's acquisition of title.
- e. Default will automatically occur if the Maker fails to comply with any of the terms in the local housing assistance program (LHAP) guidelines applicable to the funds provided for this note.

10. Mortgagor Not Released; Forbearance By Lender Not a Waiver. Extension of the time for payment or modification of amortization of the sums secured by this Second Mortgage granted by Lender to any successor in interest of Mortgagor shall not operate to release the liability of the original Mortgagor or Mortgagor's successors in interest. Lender shall not be required to commence proceedings against any successor in interest or refuse to extend time for payment or otherwise modify amortization of the sums secured by this Second Mortgage by reason of any demand made by the original Mortgagor or Mortgagor's successors in interest. Any forbearance by Lender in exercising any right or remedy shall not be a waiver of or preclude the exercise of any right or remedy.

11. Successors and Assigns Bound; Joint and Several Liability; Co-signers. The covenants and agreements of this Second Mortgage shall bind and benefit the successors and assigns of Lender and Mortgagor subject to the provisions herein. Mortgagor's covenants and agreements shall be joint and several. Mortgagor who co-signs this Second Mortgage but does not execute the Note: (a) is co-signing this Second Mortgage only to mortgage, grant and convey that Mortgagor's interest in the Property under the terms of this Second Mortgage; (b) is not personally obligated to pay the sums secured by this Second Mortgage; and (c) agrees that Lender and any other Mortgagor may agree to extend, modify, forbear or make any accommodations with regard to the terms of this Second Mortgage or the Note without that Mortgagor's consent.

12. Notices. Any notice to Mortgagor provided for in this Second Mortgage shall be given by delivering it or by mailing it by first class mail unless applicable law requires use of another method. The notice shall be directed to the Property Address or any other address Mortgagor designates by notice to Lender. Any notice to Lender shall be given by first class mail to Lender's address stated herein or any other address Lender designates by notice to Mortgagor. Any notice provided for in this Second Mortgage shall be deemed to have been given to Mortgagor or Lender when given as provided herein.

13. Governing Law; Severability. This Second Mortgage shall be governed by federal law and the law of the jurisdiction in which the Property is located. In the event that any provision or clause of this Second Mortgage or the Note conflicts with applicable law, such conflict shall not affect other provisions of this Second Mortgage or the Note which can be given effect without the conflicting provision. To this end the provisions of this Second Mortgage and the Note are declared to be severable.

14. Mortgagor's Copy. Mortgagor shall be given one conformed copy of the Note and of this Second Mortgage.

15. Mortgagor's Right to Convey. Mortgagor covenants with the Lender that the Mortgagor is indefeasibly seized of said land in fee simple; that the Mortgagor has good right and lawful authority to convey said land as aforesaid; that the Mortgagor will make such further assurances to perfect the fee simple title to said land in the Lender as may reasonably be required; that the Mortgagor hereby fully warrants the title to said land and will defend the same against the lawful claims of all persons whomsoever; and that said land is free and clear of all encumbrances except:

A purchase money First Mortgage approved by Lender.

16. Hazardous Substances. Mortgagor shall not cause or permit the presence, use, disposal, storage, or release of any Hazardous Substances on or in the Property. Mortgagor shall not do, nor allow anyone else to do, anything affecting the Property that is in violation of any Environmental Law. The preceding two sentences shall not apply to the presence, use, or storage on the Property of small quantities

of Hazardous Substances that are generally recognized to be appropriate to normal residential uses and to maintenance of the Property. Mortgagor shall promptly give Lender written notice of any investigation, claim, demand, lawsuit or other action by any governmental or regulatory agency or private party involving the Property and any Hazardous Substance or Environmental Law of which Mortgagor has actual knowledge. If Mortgagor learns, or is notified by any governmental or regulatory authority, that any removal or other remediation of any Hazardous Substance affecting the Property is necessary, Mortgagor shall promptly take all necessary remedial actions in accordance with Environmental Law.

“Hazardous Substances” are those substances defined as toxic or hazardous substances by Environmental Law and the following substances: gasoline, kerosene, other flammable or toxic petroleum products, toxic pesticides and herbicides, volatile solvents, materials containing asbestos or formaldehyde, and radioactive materials. Environmental Laws means federal laws and laws of the jurisdiction where the Property is located that relate to health, safety or environmental protection.

17. **Release.** Upon payment of all sums secured by this Second Mortgage, Lender shall release this Second Mortgage without charge to Mortgagor. Mortgagor shall pay any recordation costs.

18. **Attorney’s Fees.** As used in this Second Mortgage and the Note, attorney's fees shall include any attorney’s fees awarded by an appellate court.

BY SIGNING BELOW, Mortgagor accepts and agrees to the terms and covenants contained in this Second Mortgage executed by Mortgagor.

*Signed, sealed and delivered
in the presence of:*

MORTGAGOR:

Witness Signature

By: _____
(NAME)

Print Name

**STATE OF FLORIDA
COUNTY OF VOLUSIA**

The foregoing instrument was acknowledged before me this (DAY)th day of (MONTH), (YEAR), by (NAME), who has produced _____, as identification.

Notary Public Signature

(Notary Seal)

Print Name