

RESOLUTION NO. 2020-484

**A RESOLUTION OF THE BOARD OF COUNTY
COMMISSIONERS OF ST. JOHNS COUNTY,
FLORIDA, APPROVING THE TERMS, PROVISIONS,
AND CONDITIONS OF THE MULTI-FAMILY LIEN
SUBORDINATION AGREEMENTS; PROVIDING
CONDITIONS UNDERWHICH THE COUNTY
ADMINISTRATOR MAY EXECUTE THE LIEN
SUBORDINATION AGREEMENTS.**

RECITALS

WHEREAS, St. Johns County, has been eligible to receive funding under the State Initiative Partnership Program (SHIP) since inception in 1992 and administer other state and federal housing programs.

WHEREAS, St. Johns County SHIP and housing programs have traditionally provided homeownership, rental housing and housing rehabilitation services to eligible County residents.

WHEREAS, funds are provided to the benefit of eligible clients or developers as a deferred forgivable lien to secure public interest.

WHEREAS, funding federal, state, and local affordable housing program eligibility is based on client income or special needs.

WHEREAS, funds are provided to the benefit of eligible clients or developers as a deferred forgivable lien to secure public interest.

WHEREAS, the County receives subordination requests from end users who have loans through the County's housing programs.

**NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY
COMMISSIONERS OF ST. JOHNS COUNTY:**

Section 1. The above recitals are incorporated by reference into the body of this resolution and such recitals are adopted as findings of fact.

Section 2. The Board of County Commissioners hereby approves the terms, provisions, and conditions of the SHIP Program and authorizes the County Administrator, or his designee, to execute the required forms on behalf of the County, in substantially the same form and format as attached.

Section 3. To the extent that there are typographical or administrative errors or omissions that do not change the tone, tenor, or context of this resolution, this resolution may be revised without subsequent approval of the Board of County Commissioners.

PASSED AND ADOPTED by the Board of County Commissioners of St. Johns County this 1 day of December 2020.

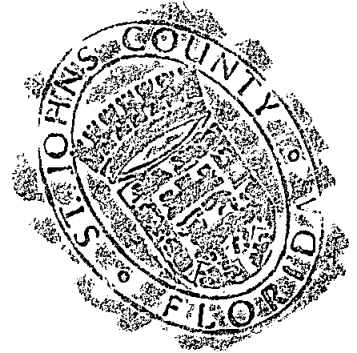
BOARD OF COUNTY COMMISSIONERS
OF ST. JOHNS COUNTY

By: Henry Dean
Henry Dean, Vice Chairman

Attest: Brandon J. Patty, Clerk of Circuit Court and
Comptroller

By: Pam Halterman
Deputy Clerk

RENDITION DATE 12/3/20



Mail to: St. Johns County
Housing and Community Development
200 San Sebastian View, Suite 2300
St. Augustine, FL 32084

ST. JOHNS COUNTY MULTI-FAMILY SUBORDINATION AGREEMENT

This subordination agreement is made by St. Johns County, a political subdivision of the state of Florida, on this _____ day of _____, _____, as follows:

1. The undersigned warrants that St. Johns County is the owner and holder of a note (the SHIP note) and mortgage (the SHIP mortgage) dated the _____ day of _____, _____. The SHIP mortgage is recorded in official records book _____, page _____, of the public records of St. Johns County, State of Florida, and encumbers the property described as follows (the Property):
(Enter legal property description below or attach as Schedule A.)

2. The SHIP mortgage was executed by _____
_____ (the Borrower) to the undersigned.

3. The SHIP mortgage and SHIP note have not been assigned, transferred or pledged by the undersigned which has full authority to execute this subordination agreement.

4. The undersigned acknowledges that the Borrower has executed a mortgage in favor of _____, a(n) _____ corporation (the Lender), dated the _____ day of _____, _____ securing a note in the amount of \$ _____, encumbering the Property. The undersigned recognizes that the Lender will not close on its mortgage loan and disburse the proceeds thereof unless the SHIP mortgage is subordinated in priority to the Lender's mortgage.

5. To induce the Lender to disburse the proceeds of its mortgage loan, the undersigned hereby subordinates and makes inferior in lien and dignity the SHIP mortgage and SHIP note to the Lender's mortgage. The lien, security interest, and all of the terms and conditions of the SHIP mortgage and SHIP note, and any and all assignments, amendments, extensions, consolidations, or renewals of the SHIP mortgage and SHIP note, as well as all future advances thereunder, are likewise subordinated.

6. This Subordination Agreement shall inure to the benefit the Borrower and the Borrower's successors and assigns, and shall be binding upon the undersigned and the undersigned's successors and assigns.

7. As an inducement to St. Johns County to subordinate the SHIP mortgage to the Lender's mortgage, the Borrower offers the following assurances:

a. This is the first and only lien subordination requested by the Borrower on the real property described herein.

b. There is a benefit to Borrower as a result of the lien subordination, including, but not limited to one of the following:

1. The monthly payment (PITI) and the interest rate of the Lender's mortgage are lower than the PITI and interest rate of the existing mortgage on the Property;
2. There is a beneficial reduction in the term of the existing mortgage on the Property without a significant increase in monthly payment;
3. Subordination of the lien will allow the Borrower to continue to provide the Property's rental units to very low, low, and/or moderate income households at an affordable rate; or
4. It is necessary for the Borrower to execute the Lender's mortgage in order to prevent foreclosure of the Property.

c. If the Borrower is to receive cash or a check at closing, such funds shall be used for repairs to the Property or set aside as a reserve for future capital needs in connection with the Property.

d. A Loan Estimate issued pursuant to the TILA-RESPA Integrated Disclosure Rule (the Rule) shall be provided to the County before or with the completed Subordination Agreement. If a Loan Estimate is not required under the Rule, a document providing substantially the same information as the Loan Estimate shall be provided to the County.

e. A Closing Disclosure issued pursuant to the Rule shall be faxed for final review to the County by the title company before closing. If a Closing Disclosure is not required under the Rule, a document providing substantially the same information as the Closing Disclosure shall be provided to the County

8. This Subordination Agreement shall be governed by the laws of the State of Florida. Venue for any cause of action arising under this subordination agreement shall lie exclusively in St. Johns County or, in the case of a federal action, the Middle District of Florida, Jacksonville Division.

(Lender)

STATE OF _____
COUNTY OF _____

By: _____
(signature of officer or agent)

Its: _____
(title or position)

The foregoing instrument was acknowledged before me this

_____ by _____
(date) (name of officer or agent)

_____ of _____
(title) (name of corporation acknowledging)

a _____ corporation, on behalf of the corporation. He/she is
(state or place of incorporation)

personally known to me or has produced _____
(type of identification)

as identification.

(signature of person taking acknowledgment)

(name typed, printed or stamped)

(title or rank)

(serial number, if any)

STATE OF FLORIDA
COUNTY OF ST. JOHNS COUNTY

By:
County Administrator of St. Johns County
Post Office Drawer 349
St. Augustine, Florida 32085

The foregoing instrument was acknowledged before me this _____
(date)

by _____, County Administrator, who
is personally known to me or has provided _____ as
identification.

(type of identification)

(signature of person taking acknowledgment)

(name typed, printed or stamped)

(title or rank)

(serial number, if any)