

This instrument was prepared by and return to:
Stephanie Rayman, Pinellas County
Housing & Community Development Department
310 Court Street, 1st Floor, Clearwater, FL 33756

**LEASEHOLD MORTGAGE
PENNY FOR PINELLAS WORKFORCE HOUSING PROGRAM
Pinellas County Affordable Housing Program**

THIS LEASEHOLD MORTGAGE is made as of the ____ day of **December, 2025**, between **Fairfield Avenue Apartments LLC**, whose principal address is **9800 - 4th Street N, Suite 200, St. Petersburg, FL 33702** (herein Borrower), and **PINELLAS COUNTY**, a political subdivision of the State of Florida, (herein Lender), by and through the Pinellas County Board of County Commissioners, whose principal address is 310 Court Street, in care of Affordable Housing Program Administrator, Clearwater, Florida 33756.

WHEREAS, Borrower is indebted to Lender in the principal sum of **Six Million Two Hundred Thousand and 00/100 Dollars (\$6,200,000.00)**, which indebtedness is evidenced by Borrower's Promissory Note of even date (herein Note); and

WHEREAS, Borrower does hereby mortgage, grant and convey to Lender a security interest in Borrower's leasehold interest in the following property as described in Exhibit A (attached) which has an address of **3300 Fairfield Avenue South, St. Petersburg, FL 33712**, located in the County of Pinellas, State of Florida together with all the improvements now or hereafter erected on the property, 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 property, all of which, including replacements and additions thereto, shall be deemed to be and remain a part of the property covered by this Mortgage (herein Property) and also known as **Fairfield Avenue Apartments**; and

WHEREAS, Borrower covenants that Borrower is lawfully seized of the leasehold estate hereby conveyed and has the right to mortgage, grant and convey the Property, and that Borrower will warrant and defend generally the leasehold interest in the Property against all claims and demands, subject to any declarations, easements or restrictions listed in a schedule of exceptions to coverage in any title insurance policy insuring Lender's interest in the Property; and

WHEREAS, Borrower has also entered into a Land Use Restriction Agreement of even date herewith (herein LURA), and an Affordable Housing Development Program Agency Agreement of even date herewith (herein Agency Agreement), and covenants that Borrower will perform and comply with the requirements and conditions of the LURA and Agency Agreement, the terms of which are incorporated herein and that failure to comply with the terms of the LURA or Agency Agreement shall be a default under the Mortgage and Note; and

WHEREAS, Lender and Borrower covenant and agree that all proceeds from this loan shall be used for **construction of (264) new rental housing units** of which **(264) units shall be workforce affordable Assisted Units** as defined in and as further outlined in the Agency Agreement, agreed upon contingency funds, and reasonable closing costs associated with this loan (herein Project). Excess funds, if any, will be returned to Lender and applied to the Borrower's indebtedness in the following order: outstanding interest due, if any; fees, if any, and then to the principal balance of the mortgage.

Borrower and Lender mutually covenant and agree as follows:

1. Payment of Principal: Principal is deferred for and will be forgiven **thirty (30)** years from the date of this Mortgage pursuant to the terms of the corresponding Note (herein Affordability Period).

2. Taxes and Insurance: Borrower shall pay all ad valorem property taxes due on the subject property prior to any delinquency, and shall maintain adequate casualty, liability, and, if in a flood zone, flood insurance on the subject property until this Mortgage is satisfied.

3. Application of Payments: Unless applicable law provides otherwise, all payments received by Lender under the Note and this Mortgage will be applied by Lender first to interest payable on the Note, then to the principal of the Note, to satisfy the Mortgage only upon full payment of amounts payable to Lender under the Note and under this Mortgage.

4. Charges and Liens: Borrower shall pay all taxes, assessments and other charges, fines, and impositions attributable to the Property which may attain a priority over this Mortgage in the manner provided herein. Failure to pay as required hereunder shall constitute a default of this Mortgage, the Note, and Agency Agreement. Borrower shall promptly furnish to Lender all notices of amounts due under this paragraph and shall promptly furnish to Lender evidence of satisfying the encumbrance (by bond or otherwise) receipts evidencing such payments. Borrower shall promptly discharge any lien, whether or not such lien has priority over this Mortgage. Notwithstanding anything contained herein the contrary, Lender agrees that Borrower may obtain institutional financing for acquisition, construction or refinancing of the Project, and agrees to cooperate with Borrower in such undertaking. Lender specifically agrees: (i) that this Mortgage shall be subject and subordinate in all respects to the liens, terms, covenants, and conditions of such loans; and (ii) to execute a subordination in form and substance reasonably dictated by the third-party lender.

5. Hazard Insurance: Borrower shall keep the improvements now existing or hereafter erected on the property insured against loss by fire, hazards included within the term "extended coverage", and such other hazards as Lender may require, and in such amounts and for such periods as Lender may require; provided, that Lender shall not require that the amount of such coverage exceed that amount of coverage required to pay the sums secured by this Mortgage. The insurance carrier providing the insurance shall be chosen by Borrower subject to approval by Lender, provided that such approval shall not be unreasonably withheld. All premiums on insurance policies shall be paid timely when due, directly to the insurance carrier. All insurance policies and renewals thereof shall be in a form acceptable to Lender and shall include a standard mortgage clause in favor of and in form acceptable to Lender. Lender shall have the right to hold the policies and renewals thereof, and Borrower shall promptly furnish to Lender all renewal notices and all receipts of paid premiums. In the event of loss, Borrower shall give prompt notice to the insurance carrier and Lender. Lender may make proof of loss if not made promptly by Borrower. Unless Lender and Borrower otherwise agree in writing, insurance proceeds shall be applied to restoration or repair of the Property damaged, provided such restoration or repair is economically feasible and the security of this Mortgage is not thereby impaired. If such restoration or repair is not economically feasible or if the security of this Mortgage would be impaired, the Borrower directing the insurance company to apply insurance proceeds to the sums secured by this Mortgage by such outstanding sums directly to Lender, with the excess, if any, paid to Borrower.

6. Preservation and Maintenance of Property: Borrower shall keep the Property in good repair and shall not commit waste or permit impairment or deterioration of the Property. Upon project completion and throughout the duration of the affordability period, property must meet the Property standards as defined in 24 CFR 92.251.

7. Protection of Lender's Security: If Borrower fails to perform the covenants and agreements contained in this Mortgage, the Note, LURA, or Agency Agreement the terms of which are incorporated herein by reference, or if any action or proceeding is commenced which materially affects Lender's interest in the Property,

including, but not limited to, eminent domain, insolvency, code enforcement, or arrangements or proceedings involving a bankrupt or decedent, then Lender at Lender's option, upon notice to Borrower, may make such appearances, disburse such sums and take such action as is necessary to protect Lender's interest, including, but not limited to entry upon the Property to make repairs. Any amounts disbursed by Lender pursuant to this Paragraph 7, shall bear interest thereon at the rate of ten percent (10%) per annum, and shall become additional indebtedness of Borrower secured by this Mortgage. Unless Borrower and Lender agree to other terms of payment, such amounts shall be payable upon notice from Lender to Borrower requesting payment thereof and shall bear interest from date of disbursement at the rate payable from time to time on outstanding principal under the Note. Nothing contained in this Paragraph 7 shall require Lender to incur any expense or take any action hereunder.

8. Inspection: Lender may make or cause to be made reasonable entries upon and inspections of the Property, provided that Lender shall give Borrower notice prior to any such inspection specifying reasonable cause therefore related to Lender's interest in the Property.

9. Condemnation: In the event of condemnation, the Lender may do and pay for whatever is reasonable or appropriate to protect Lender's interest in the Property. The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of the Property, or part thereof, or for conveyance in lieu of condemnation, are hereby assigned and shall be paid to Borrower. In the event of a partial taking of the Property, unless Borrower and Lender otherwise agree in writing, the proceeds shall be paid to Borrower. However, if, as a result of any such condemnation or a casualty event, it is impractical or impossible to operate the project consistent with the use that existed prior to such event during the remainder of the Affordability Period, then Lender shall be entitled to a proportionate share of proceeds toward repayment of the Note. After such payment, the grant shall be deemed forgiven, and this Mortgage shall be satisfied of record and the Property shall be released from the LURA.

10. Borrower Not Released: Extension of the time for payment or modification of the sums secured by this Mortgage granted by Lender to any successor in interest of Borrower shall not operate to release, in any manner, the liability of the original Borrower and Borrower's successors in interest. Lender shall not be required to commence proceedings against such successor or refuse to extend time for payment or otherwise modify the sums secured by this Mortgage by reason of any demand made by the original Borrower and Borrower's successors in interest. Any additional amounts subsequently disbursed by Lender shall become additional debt of the Borrower and secured by this mortgage.

11. 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. A waiver of one provision shall not be construed as a subsequent waiver of the same or any other provision. Waivers shall be effectuated by mutual written agreement. 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 the indebtedness secured by this Mortgage.

12. Remedies Cumulative: All remedies provided in this Mortgage are distinct and cumulative to any other right or remedy under this Mortgage, Note, Agency Agreement, LURA, or afforded by law or equity, and may be exercised concurrently, independently, or successively.

13. Successors and Assigns; The covenants and agreements herein contained shall bind, and the rights hereunder shall inure to, the respective successors and assigns of Lender and Borrower. Borrower may transfer its rights and obligations hereunder, and the Lender agrees to cooperate with respect to modifying this Mortgage in connection therewith; provided that prior to such assignment, (i) Borrower shall demonstrate to Lender that the potential assignee has the authority to undertake the obligations and responsibilities set forth

herein; (ii) Borrower shall disclose to the assignee in writing: (a) the existence of this Mortgage, the Note, the LURA and the Agency Agreement, and (b) that Borrower will assign and assignee shall be obligated to assume all of Borrower's rights and obligations hereunder by written instrument upon transfer of leasehold interest to the Property; and (iii) Borrower provides no less than thirty (30) days' notice to the County of the intended assignment. In the event the Borrower assigns its obligations, all of the Borrower's obligations and agreements made hereunder shall be fully and completely assigned to such assignee in full as if such assignee were mentioned by name instead of the Borrower herein.

14. Notice: Except for any notice required under applicable law to be given in another manner, (a) any notice to Borrower provided for this Mortgage shall be given by mailing such notice by certified mail addressed to Borrower at such 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 stated hereinabove, in care of the Pinellas County Board of County Commissioners in care of the Affordable Housing Program Administrator or to such other address as Lender may designate by notice to Borrower or Lender when given in the matter designated herein.

15. Governing Law, Severability: The laws of Florida shall govern this Mortgage. Venue shall be in Pinellas County, Florida, or nearest location having proper jurisdiction. In the event that any provision or clause of this Mortgage or the Note conflicts with applicable law, such conflict shall not affect other provisions of this Mortgage or the Note which can be given effect without the conflicting provision, and to this end the provisions of the Mortgage and the Note are declared to be severable.

16. 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 hereof.

17. Transfer of the Property: If all or any part of the Property or an interest therein is sold or transferred by Borrower without complying with Section 13 above, then the Borrower shall be considered in default and subject to acceleration pursuant to the terms herein. Further, Borrower's successor or assignee is bound by all the terms and conditions of the Mortgage, Note, LURA, and Agency Agreement as well as all construction timeframes and all conditions set forth in any and all schedules part of the Agency Agreement.

18. Acceleration; Remedies: Upon Borrower's breach of any covenant(s) or term(s) in this Mortgage, the Note, LURA or Agency Agreement, including the covenants to pay when due any sums that are secured by this Mortgage or debts senior to this Mortgage, Lender prior to acceleration shall mail notice to Borrower as provided in Paragraph 14 hereof specifying: (1) the breach; (2) the action required to cure such breach; (3) a date, not less than 30 days from the date the notice is mailed to Borrower, by which such breach must be cured; however, if a non-monetary breach can be cured, but not within such thirty (30) day period, the Borrower shall not be in default so long as the Borrower commences cure actions within such thirty (30) day period, thereafter diligently pursues the cure of the breach to completion, and cures the breach within one hundred eighty (180) days from the date of Lender's notice the Borrower of the breach; and (4) that failure to cure such breach on or before the date specified in the notice may result in acceleration of the sums secured by this Mortgage, foreclosure by judicial proceeding and sale of Property. The notice shall further inform Borrower of the right to reinstate after acceleration and the right to assert in the foreclosure proceeding, 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 proceeding. Lender shall be entitled to collect in such proceeding, all expenses of foreclosure, including, but not limited to costs of documentary evidence, abstracts and title reports.

19. Borrower's Right to Reinstate: Notwithstanding Lender's acceleration for the sums secured by this Mortgage, Borrower shall have the right to have any proceedings begun by Lender to enforce this Mortgage discontinued at any time prior to entry of a Judgment enforcing this Mortgage (a) Borrower pays Lender all sums which would be then due under this Mortgage, the Note and notes securing Future Advances as defined herein, if any, had no acceleration occurred; (b) Borrower cures all breaches of any other covenants or agreements of Borrower contained in this Mortgage; (c) Borrower pays all reasonable expenses incurred by Lender in enforcing the covenants and agreements of Borrower contained in this Mortgage and in enforcing Lender's remedies as provided in Paragraph 18 hereof; and (d) Borrower takes such action as Lender may reasonably require to assure that the lien of this Mortgage, Lender's interest in the Property and Borrower's obligation to pay the sums secured by this Mortgage shall continue unimpaired. Upon such payment and cure by Borrower, this Mortgage and the obligation secured hereby shall remain in full force and effect as if no acceleration had occurred.

20. Assignment of Rents or Other Sums; appointment of Receiver: As additional security hereunder, Borrower hereby assigns to Lender the rents of or other sums generated by the Property, provided that Borrower shall, prior to acceleration under Paragraph 18 hereof or abandonment of the property, have the right to collect and retain such rents or other sums as they become due and payable. Upon acceleration under Paragraph 18 hereof or abandonment of the Property, Lender shall be entitled to have a receiver appointed by a court to enter upon, take possession of and manage the Property and to collect the rents of or other sums generated by the Property, including those past due. All rents or other sums collected by the receiver shall be applied first to payment of Lender's costs of management of the Property and collection of rents or other sums, including, but not limited to, receiver's fees, premiums on receiver's bonds and then to the sums secured by this Mortgage. The receiver shall be liable to account only for those rents actually received.

21. Release: Upon the termination of the Affordability Period and pursuant to the terms of this Mortgage, Note, Agency Agreement, and LURA, Lender shall release this Mortgage without charge to Borrower. Borrower shall pay all costs of recordation, if any.


22. Deferred Payment as Personal Benefit: The Lender's waiver of interest payments on the deferred payment of the sum secured by this Mortgage was made by Lender to Borrower in furtherance of the Borrower's contributions to affordable housing and redevelopment efforts in Pinellas County. The waiver, therefore, results in a delay of reimbursement at a rate not otherwise available to the public at large. Accordingly, Borrower understands that this waiver is to be a personal benefit and not as an instrument to increase the value of the Property.


(SIGNATURES ON FOLLOWING PAGE)

IN WITNESS WHEREOF, the parties hereto have caused this AGREEMENT to be executed and delivered on their behalf as of the date first set forth above.

Signed, sealed, and delivered in the presence of:

Note: two witnesses are required


Witness #1 Signature
Print Name: ROBERT KAPUSTA, JR.
Address: 5858 Central Ave
St. Pete, FL 33707


Witness #2 Signature
Print Name: DAVINA G. CARROLL
Address: 5858 Central Ave
St. Pete, FL 33707

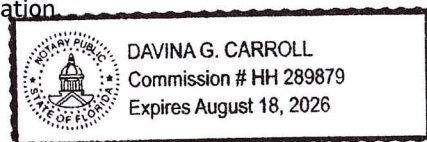
For: **Fairfield Avenue Apartments LLC**
a Florida Limited Liability Company
Federal Employee ID Number: **85-2636929**

By: 
Name: Fred Hemmer
Title: Manager
Address: 9800 - 4th Street N, Suite 200
St Petersburg, FL 33702

Date: November 24, 2025

STATE OF Florida
COUNTY OF Pinellas

The foregoing instrument was acknowledged before me by means of (X) physical presence or () online notarization, this 24 day of November, 2025 by **Fred Hemmer, as Manager, of Fairfield Avenue Apartments LLC** who is (X) personally known to me or () who has produced _____ as identification.



(NOTARY STAMP/SEAL ABOVE)

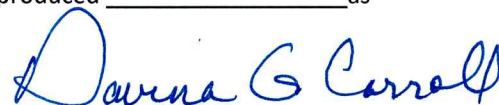

(Signature)
DAVINA G. CARROLL
(Name of Notary, typed, printed, or stamped)

Exhibit A
Legal Description

Lots 1, 2, and 3, COX LUMBER CO. REPLAT, according to the map or plat thereof, as recorded in Plat Book 132, Page(s) 57, of the Public Records of Pinellas County, Florida.

This instrument was prepared by and return to:
Stephanie Rayman, Pinellas County
Housing & Community Development Department
310 Court Street, 1st Floor, Clearwater, FL 33756

PROMISSORY NOTE
PENNY FOR PINELLAS WORKFORCE HOUSING PROGRAM
Pinellas County Affordable Housing Program

Closing Date: _____, 2025

\$6,200,000.00

1. **Intent.** This Promissory Note (herein Note) provides an amount not to exceed **Six Million Two Hundred Thousand and 00/100 Dollars (\$6,200,000.00)**, paid by Pinellas County, a political subdivision of the State of Florida (herein Lender), to **Fairfield Avenue Apartments LLC** whose principal address is **9800 - 4th Street N, Suite 200, St. Petersburg, FL 33702** (herein Borrower), to partially finance allowable capital expenses associated with the **construction of (264) new rental housing units of which (264) units shall be workforce affordable assisted units** (Assisted Units), as defined in the Affordable Housing Development Program Agency Agreement (herein Agency Agreement) of even date herewith, on that certain property described in Exhibit A (attached) which has an address of **3300 Fairfield Avenue South, St. Petersburg, FL 33712** located in the County of Pinellas, together with all the improvements now or hereafter erected on the property, 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 property, all of which, including replacements and additions thereto, shall be deemed to be and remain a part of the property (herein Property).

2. **Borrower's Promise to Pay.** Borrower's repayment of **Six Million Two Hundred Thousand and 00/100 Dollars (\$6,200,000.00)** of the original principal balance to the Lender will be forgiven **Thirty (30)** years from the date of this Note, provided that the Borrower and its successors and assigns have developed and operated the Assisted Units to provide affordable rental workforce housing in compliance with the terms of this Note and the accompanying Mortgage, as well and the Land Use Restriction Agreement (herein LURA) and the Agency Agreement for the respective terms thereof, and any other security instrument associated with the Mortgage, the terms of which are incorporated herein by reference.

Subject to compliance with those obligations set forth in the Land Use Restriction Agreement, this Note and payment of the principal of the loan will be forgiven **Thirty (30)** years from the date of this Note (herein Affordability Period). Borrower covenants that if the Property is sold or title or any interest therein is otherwise transferred to any third party not in compliance with the terms of the Mortgage before before such date, except for the rental or lease of individual units to income qualified persons, then following a ten (10) business days written notice with opportunity to cure, the full principal sum plus interest from the date of the Mortgage due hereunder shall be immediately due and payable in accordance with provision 17 of the Mortgage.

3. **Default; Acceleration.** In case of an uncured default in the payment required hereunder, if any, or in the event of the uncured default in the performance of any of the covenants, conditions, or agreements contained in the Mortgage, LURA, or Agency Agreement, including all incorporated attachments thereto (subject to force majeure delays), or any other related agreement(s) given to secure the payment hereof, then in accordance with Section 18 of the Mortgage, the Lender or subsequent legal holder may, without notice, declare the whole debt immediately due and payable. Such outstanding principal will begin to bear interest at the rate of ten percent (10%) per annum from the date of such default until paid in full. The undersigned reserve(s) the right to prepay at anytime, all or any part of the principal amount of the Note without payment of penalties or premiums. Despite prepayment in part or in full as a result of a default, the Borrower

acknowledges and agrees that the Mortgage shall remain in full force and effect and will not be considered satisfied until the date set forth in paragraph 2.

Any default under the LURA, Agency Agreement, Mortgage, and any incorporated attachments thereto (subject to force majeure delays) executed incidental to this loan following applicable notice and cure periods shall also be a default under this Note.

4. Non-Appropriation: In the event funds are not budgeted and appropriated by the COUNTY in any fiscal year for purposes described herein, pursuant to Florida Statutes Sections 129.06 and 129.07 and Art. VII, §12 of the Florida Constitution, the County shall notify the AGENCY of such occurrence and this Agreement shall terminate on the last day of the current fiscal period without penalty or expense to the COUNTY.

5. HUD Provisions: As long as HUD is the insurer or holder of the Senior Note (as such term and other capitalized terms are defined in the form Subordination Agreement, [HUD-92420M]) on FHA Project No. 067-35618, the following provisions (“**HUD Provisions**”) shall be in full force and effect:


- (a) any payments due under the Subordinate Note shall be payable only (i) from Surplus Cash of the Project; but in no event greater than seventy-five percent (75%) of the total amount of Surplus Cash; or (ii) from monies received from Non-Project Sources. In no event may payments due under all subordinate debt of Maker cumulatively exceed 75% of available Surplus Cash. The restriction on payment imposed by this paragraph shall not excuse any default caused by the failure of the Borrower to pay the indebtedness evidenced by the Subordinate Note;
- (b) no prepayment of the Subordinate Note shall be made until after final endorsement by HUD of the Senior Note, unless such prepayment is made from Non-Project Sources and is approved in writing by HUD.
- (c) this Subordinate Note is non-negotiable and may not be sold, transferred, assigned, or pledged by the Subordinate Lender except with the prior written approval of HUD;
- (d) interest on the Subordinate Note shall not be compounded as long as HUD is the insurer or holder of the Note secured by the Security Instrument;
- (e) Maker hereby waives presentment, demand, protest and notice of demand, protest and nonpayment of this Subordinate Note;
- (f) the terms and provisions of this Subordinate Note are also for the benefit of and are enforceable by HUD against any party hereto, their successors and assigns. This Subordinate Note may not be modified or amended without the written consent of HUD; and
- (g) in the event of any conflict between the terms of the Subordinate Note and the HUD Provisions, the terms of the HUD Provisions shall control.


(SIGNATURES ON FOLLOWING PAGE)

IN WITNESS WHEREOF, the parties hereto have caused this AGREEMENT to be executed and delivered on their behalf as of the date first set forth above.


Signed, sealed, and delivered in the presence of:

Note: two witnesses are required


Witness #1 Signature
Print Name: ROBERT KAPUSTA, JR.
Address: 5858 Central Ave
St. Pete, FL 33707


Witness #2 Signature
Print Name: DAVINA G. CARROLL
Address: 5858 Central Ave
St. Pete, FL 33707

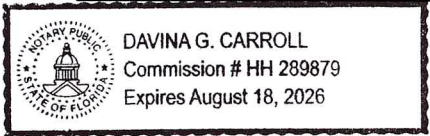
For: **Fairfield Avenue Apartments LLC**
a Florida Limited Liability Company
Federal Employee ID Number: **85-2636929**

By: 
Name: Fred Hemmer
Title: Manager
Address: 9800 - 4th Street N, Suite 200
St Petersburg, FL 33702

Date: November 24, 2025

STATE OF Florida
COUNTY OF Pinellas

The foregoing instrument was acknowledged before me by means of ☒ physical presence or () online notarization, this 24 day of November, 2025 by **Fred Hemmer, as Manager, of Fairfield Avenue Apartments LLC**, a Florida Limited Liability Company who is ☒ personally known to me or () who has produced _____ as identification.



(NOTARY STAMP/SEAL ABOVE)

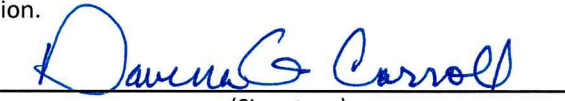

(Signature)
DAVINA G. CARROLL
(Name of Notary, typed, printed, or stamped)

Exhibit A
Legal Description

Lots 1, 2, and 3, COX LUMBER CO. REPLAT, according to the map or plat thereof, as recorded in Plat Book 132,
Page(s) 57, of the Public Records of Pinellas County, Florida.