

RESOLUTION NO. 97- 135

A RESOLUTION BY THE BOARD OF COUNTY COMMISSIONERS OF ST. JOHNS COUNTY, FLORIDA, AUTHORIZING THE COUNTY ADMINISTRATOR TO ACKNOWLEDGE AND SUBORDINATE A MORTGAGE HELD BY ST. JOHNS COUNTY ON THE PROPERTY OF MR. RAMU PATEL FOR WATER AND SEWER UNIT CONNECTION FEES OWED BY MR. PATEL.

RECITALS

WHEREAS, Mr. Patel, d.b.a. SARP, Incorporated, has proposed to refinance a \$1,000, 000 first priority mortgage for the purpose of raising \$700,000 in additional funds for improvements to his hotel property described as Mortgaged Property in Exhibit A hereto which is attached and incorporated herein for reference; and

WHEREAS, St. Johns County currently holds a second priority subordinated \$144,083.29 mortgage for water and sewer unit connection fees on said Mortgaged Property owned by Mr. Patel; and

WHEREAS, Mr. Patel requests that the County subordinate its current second priority mortgage to the refinanced and increased first mortgage.

WHEREAS, Mr. Patel intends to utilize proposed funds raised by said refinancing to increase the value of the Mortgaged Property, which property is currently appraised at over \$3 million; and

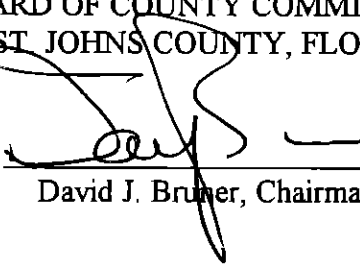
WHEREAS, The amount of the proposed first mortgage of \$1.7 million, and the amount of the second mortgage held by St. Johns County (current balance \$144,083.29) are well below the appraised value of said Mortgaged Property.

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

1. That based upon the above RECITALS which are hereby incorporated herein as findings of fact in support of this resolution; the County Administrator is authorized to execute documents reasonably necessary to subordinate said St. Johns County second priority mortgage to the above described refinanced \$1,700,000 first priority mortgage on the subject Mortgaged Property.

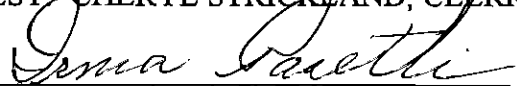
PASSED AND ADOPTED by the Board of County Commissioners of St. Johns County, State of Florida, this 26 day of August, 1997.

BOARD OF COUNTY COMMISSIONERS
OF ST. JOHNS COUNTY, FLORIDA

By: 

David J. Bruner, Chairman

ATTEST: CHERYL STRICKLAND, CLERK

By: 

Deputy Clerk



**ACKNOWLEDGMENT, CONSENT AND
AFFIRMATION OF SUBORDINATION**

THIS AGREEMENT, executed this 28th day of August, 1997 by ST. JOHN'S COUNTY, a political subdivision of the State of Florida ("SJC"), whose address is 4020 Lewis Spradbery, St. Augustine, Florida 32095 and in favor of AMERICAN NATIONAL BANK OF FLORIDA, a national banking association ("American"), whose address is 2031 Hendricks Avenue, Jacksonville, Florida 32207.

RECITALS

1. On May 19, 1992, SARP, Inc., a Florida corporation (the "Borrower") made and delivered to SJC a Unit Connection Fee Promissory Note in the original principal amount of \$172,991.84, payable as therein specified (the "Note"), which Note is secured by a Unit Connection Fee Mortgage dated May 19, 1992 from Borrower to SJC encumbering the property described therein (the "Mortgaged Property") and recorded in Official Records Volume 942, Page 178 of the public records of St. Johns County, Florida (the "First Mortgage"), which First Mortgage has been modified by First Modification to Unit Connection Fee Mortgage dated January 1, 1993.

2. On June 17, 1993, Borrower made and delivered to NationsBank of Florida, N.A. ("NationsBank") a Promissory Note in the original principal amount of \$1,000,000.00 (the "Promissory Note"), payable as therein specified, which Promissory Note is secured by a Real Estate Mortgage, Assignment and Security Agreement dated June 17, 1993 from Borrower to NationsBank encumbering the Mortgaged Property and recorded in Official Records Volume 998, Page 138 of the public records of St. Johns County, Florida (the "Second Mortgage").

3. On July 9, 1993, SJC and NationsBank executed a Subordination Agreement (the "Subordination Agreement") whereby the lien of the First Mortgage was subordinated to the lien of the Second Mortgage, which Subordination Agreement is recorded in Official Records Volume 1003, Page 57 of the public records of St. Johns County, Florida.

4. American has or will purchase the loan evidenced and secured by the Promissory Note and Second Mortgage from NationsBank.

5. Borrower has made and delivered or will make and deliver to American a Promissory Note dated 29 August, 1997, in the stated principal amount of \$1,026,964.40 (the "Advance Note"), which Advance Note is secured by the Second Mortgage by virtue of that certain Future Advance Notice of even date therewith by and between Borrower and American and which is recorded contemporaneously herewith in the public records of St. Johns County, Florida.

6. Borrower has made and delivered or will make and deliver to American a Renewal and Consolidated Promissory Note dated 29 August, 1997 (the "Consolidated Note") in the stated principal amount of \$1,700,000.00, which Consolidated Note renews and

consolidates the unpaid principal balances of the Promissory Note and the Advance Note and which is secured by the Second Mortgage.

7. Borrower and American have executed or will execute a Modification Agreement dated 29 August, 1997 (the "Modification Agreement") wherein certain of the terms of the Second Mortgage are modified and amended, which Modification Agreement is recorded contemporaneously herewith in the public records of St. Johns County, Florida.

8. A condition precedent to American's agreement to purchase the loan evidenced by the Promissory Note and to extend additional credit to Borrower as aforesaid is the execution of this Agreement.

NOW THEREFORE, in consideration of these presents, ten dollars (\$10.00) and other good and valuable considerations, the receipt and sufficiency of which are hereby acknowledged, SJC hereby agrees as follows:

1. The recitals hereinabove set forth are true and correct and are incorporated herein by this reference.

2. SJC hereby acknowledges, consents and agrees to the assignment of the Second Mortgage to American and the execution and delivery of the Advance Note, Future Advance Notice, Consolidated Note and Modification Agreement and the recordation of the Future Advance Notice and Modification Agreement in the public records of St. Johns County, Florida.

3. SJC hereby covenants, acknowledges, agrees, affirms and reaffirms that the First Mortgage is and continues to be subordinate and inferior to the lien, priority, force and effect of the Second Mortgage, as modified by the Future Advance Notice and the Modification Agreement, to the same extent as if the Second Mortgage, Future Advance Notice, Advance Note, Consolidated Note and Modification Agreement had been executed, delivered, accepted and recorded prior to the First Mortgage, with all rights to American of a first lien holder under Florida law. Further, the First Mortgage shall be subordinate and inferior to all further modifications and extensions of the Consolidated Note and Second Mortgage.

4. The use of the terms First Mortgage and Second Mortgage is for convenience only and shall not be construed to alter the terms of the subordination effected by the Subordination Agreement, as acknowledged and affirmed hereby.

5. This Agreement shall be governed by, and shall be construed and enforced in accordance with, the laws of the State of Florida.

6. This Agreement shall be binding upon SJC and its successors and assigns and shall inure to the benefit of American and its successors and assigns.

IN WITNESS WHEREOF, this Agreement is executed as of the day and year first above written.

Signed, sealed and delivered in the presence of:

Laura S. Taylor
Printed Name: Laura S. Taylor

ST. JOHN'S COUNTY, FLORIDA

George S. Flynt
Printed Name: George S. Flynt

By: *Nicholas M. Meiszer*
NICHOLAS M. MEISZER
Its: COUNTY ADMINISTRATOR

ATTEST: Cheryl Strickland, Clerk

(County Seal)

ATTEST: *Anna Pasetti*
Its: Deputy Clerk

STATE OF FLORIDA
COUNTY OF FL

The foregoing instrument was executed and acknowledged before me this 28th day of August 1997 by Nicholas M. Meiszer and George Flynt as County Administrator and Asst. County Administrator, respectively of St. Johns County, Florida, a political subdivision of the State of Florida, on behalf of St. Johns County. They are personally known to me or produced N/A as identification.

Patrick F. McCormack
Notary Public, State of Florida at Large
Printed Name: Patrick McCormack
My Commission Expires:

NOTARY PUBLIC
STATE OF FLORIDA
PATRICK F. MCCORMACK
COMMISSION # CC 526485
EXPIRES JAN 22, 2000
BONDED THRU
ATLANTIC BONDING CO., INC.