

## MORTGAGE

THIS MORTGAGE is made this                      day of                      between the Mortgagor, \_\_\_\_\_

---

(herein "Borrower") and the Mortgagee, the Housing and Redevelopment Authority In and For the City of Anoka, Minnesota, a body corporately and politically organized and existing under the laws of the State of Minnesota, whose address is 2015 First Avenue, Anoka, Minnesota 55303 (herein "Lender").

WHEREAS, Borrower is indebted to Lender in the Principal sum of U.S. \$ \_\_\_\_\_ which indebtedness is evidenced by Borrower's note dated \_\_\_\_\_ and extensions and renewals thereof (herein "Note"), providing for principal, if not sooner paid.

TO SECURE to Lender the repayment of the indebtedness evidenced by the Note, and all renewals, extensions and modifications; the payment of all other sums, advanced in accordance herewith to protect the security of this Mortgage; and the performance by Borrower of the covenants by borrower and agreements contained herein, and in the Note contained. Borrower does hereby mortgage, grant and convey to Lender, with power of sale, the property located in the County of Anoka, State of Minnesota legally described as:

(herein the "Property")  
which has the address of  
(herein the "Property Address").

, Anoka, Minnesota

TOGETHER with all the improvements now or hereafter erected on the property, and all easements, rights, appurtenances and rents, all of which shall be deemed to be and remain a part of the property covered by this Mortgage; and all of the foregoing, together with said property (or the leasehold estate if this Mortgage is on a leasehold) are hereinafter referred to as the "Property".

BORROWER COVENANTS that Borrower is lawfully seized of the estate hereby conveyed and has the right to grant and convey the Property, and that the Property is unencumbered, except for encumbrances of record. Borrower covenants that Borrower warrants and will defend generally the title to the Property against all claims and demands, subject to encumbrances of record.

PROVIDED, NEVERTHELESS, that if Borrower shall pay Lender the sums evidenced by the Note according to the terms of the Note, and shall repay to Lender, at the times, all sums advanced in protecting the lien of this Mortgage, in payment of taxes on the Property and assessments payable therewith, insurance premiums covering buildings thereon, principal or interest on any prior liens, expenses and attorney's fees herein provided for and sums advanced for any other purpose authorized herein, and shall keep and perform all the covenants and agreements herein contained, then this Mortgage shall be null and void, and shall be released at Borrower's expense.

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

1. Payment of Principal. Borrower shall promptly pay when due, the principal indebtedness evidenced by the Note and late charges as provided in the Note, and keep and perform all covenants contained in the Note.
2. Application of Payments. Unless applicable law provides otherwise, all payments received by Lender under the Note and paragraph 1 hereof shall be applied by Lender first to the principal of the Note.
3. Prior Mortgages and Deeds of Trust; Charges; Liens. Borrower shall perform all of Borrower's obligations under any mortgage, deed of trust or other security agreement with a lien which has priority over this Mortgage, including Borrower's covenants to make payments when due. Borrower Shall pay or cause to be paid all taxes, assessments and other charges, fines and impositions attributable to the Property which may attain a priority over this Mortgage, leasehold payments or ground rents, if any.
4. Property Insurance. Borrower shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, and all hazards included within the term "extended coverage" and any other hazards including but not limited to floods, for which Lender requires insurance, naming Lender as an additional insured on the insurance policy, and shall provide a copy of said insurance policy to Lender upon request. If Borrower fails to maintain any of the coverages described above, Lender may obtain insurance coverage, at Lender's option and Borrower's expense. Lender is under no obligation to purchase any particular type or amount of coverage, nor is Lender obligated to cover or protect the Borrowers personal items or equity in the property.
5. Occupancy. Borrower shall occupy, establish and use the Property as the Borrower's principal residence.
6. Preservation and Maintenance of Property; Leaseholds; Condominiums; Planned Unit Developments. Borrower shall keep the Property in good repair and shall not commit waste or permit impairment or deterioration of the Property and shall comply with the provisions of any lease if this Mortgage is on a leasehold. If this Mortgage is on a unit in a condominium or a planned unit development, Borrower shall perform all of Borrower's obligations under the declaration or covenants creating or governing the condominium or planned unit development, the by-laws and regulations of the condominium or planned unit development, and constituent documents.

7. Protection of Lender's Security. If Borrower fails to perform the covenants and agreements contained in this Mortgage, the Note, the Borrower's Affidavit or in any other document executed in connection with this Mortgage, or if any action or proceeding is commenced which materially affects Lender's interest in the Property, then Lender, at Lender's option, upon notice to Borrower, may make such appearances, disburse such sums, including reasonable attorneys' fees, and take such other action as is necessary to protect Lender's interest.

Any amounts disbursed by Lender pursuant to this paragraph 7, 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. Nothing contained in this paragraph 6 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. 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 Lender, subject to the terms of any mortgage, deed of trust or other security agreement with a lien which has priority over this Mortgage.
10. Borrower Not Released; Forbearance by Lender Not a Waiver. Extension of the time for payment or modification of amortization 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 amortization of the sums secured by this Mortgage by reason of any demand made by the original Borrower and/or Borrower's successors in interest. 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.
11. Successors and Assigns Bound; Joint and Several Liability; Co-signers. The covenants and agreements herein contained shall bind, and the rights hereunder shall inure to, the respective successors and assigns of Lender and Borrower, subject to the provisions of paragraph 14 hereof. All covenants and agreements of Borrower shall be joint and several. Any Borrower who co-signs this Mortgage, but does not execute the Note, (a) is co-signing this Mortgage only to mortgage, grant and convey that Borrower's interest in the Property to Lender under the terms of this Mortgage, (b) is not personally liable on the Note or under this Mortgage and (c) agrees that Lender and any other Borrower hereunder may agree to extend, modify, forbear, or make any other accommodations with regard to the terms of this Mortgage or the Note without that Borrower's consent and without releasing that Borrower or modifying this Mortgage as to that Borrower's interest in the Property.
12. 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, in writing and by personally delivering it or 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 in writing and by certified mail to Lender's address stated herein or to such other address as Lender may designate by notice to Borrower as provided herein. Any notice provided for in the Mortgage shall be deemed to have been given to Borrower or Lender upon receipt when served personally, or upon mailing when sent by certified mail when given in the manner designated herein.

13. Governing Law; Severalties. The state and local laws applicable to this Mortgage shall be the laws of the jurisdiction in which the Property is located. The foregoing sentence shall not limit the applicability of Federal law to this Mortgage. 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 this Mortgage and the Note are declared to be severable. As used herein, "costs", "expenses" and "attorneys' fees" include all sums to the extent not prohibited by applicable law or limited herein.
14. 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.
15. Transfer of the Property or a Beneficial Interest in Borrower. This mortgage is due and payable in accordance with the repayment schedule described in the Note if all or any part of the Property or any interest in it is sold or transferred (or if a beneficial interest in Borrower is sold or transferred and Borrower is not a national person) or if the property no longer becomes the Borrower(s) principal residence. However, this option shall not be exercised by Lender if exercise is prohibited by federal law as of the date of this Mortgage.

If Borrower fails to pay the amount required to satisfy the Mortgage upon transfer or sale of the property or upon a change in the occupancy status of the property, Lender may invoke any remedies permitted by this Mortgage or available to it under applicable law, without further notice or demand on Borrower.

16. Statutory Covenants. Borrower makes and includes in this Mortgage the Statutory Covenants and other provisions set forth in Minnesota Statutes Section 507.15 and the Borrower covenants with the following statutory covenants: (a) to warrant title to the Property, (b) to pay all other mortgages, liens, charges or encumbrances against the Property as and when they become due, (c) to pay the indebtedness of the Note as herein provided, (d) to pay all real estate taxes on the Property (e) that the Property shall be kept in repair and no waste shall be committed, (f) Borrower shall keep any buildings on the Property insured against loss by fire and other hazards for at least the sum of the full insurable value of the Property for the protection of the Lender and (g) that the whole of the principal sum shall become due after default, in the payment of any installment of principal or interest, or of any tax, or in the performance of any other covenant, at the option of the Lender.

NON-UNIFORM COVENANTS. Borrower and Lender further covenant and agree as follows:

17. Acceleration; Remedies. Upon Borrower's breach of any covenant or agreement of Borrower in this Mortgage, including the covenants to pay when due any sums secured by this Mortgage, Lender, prior to acceleration, shall give notice to Borrower as provided in paragraph 11 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; 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 and sale of the Property. The notice shall further inform Borrower of the right to reinstate after acceleration and the right to bring a court action to assert the nonexistence of a default or any other defense of Borrower to acceleration and sale. If the breach is not cured on or before the date specified in the notice, and Borrower has not initiated a court action as described herein, Lender may, at its sole option, declare all of the sums secured by this Mortgage to be immediately due and payable without further demand and may invoke the power of sale hereby granted and any other remedies permitted by applicable law. Lender shall be entitled to collect all reasonable costs and expenses incurred in pursuing the remedies provided in this paragraph 16, including, but not limited to, reasonable attorneys' fees.

If Lender invokes the power of sale, Lender shall cause a copy of a notice of sale to be served upon the person, if any, in possession of the Property. Lender shall publish a notice of sale and the Property shall be sold at public auction in the manner prescribed by applicable law. Lender or Lender's designee may purchase the Property at any sale. The proceeds of the sale shall be applied in the following order: (a) to all sums secured by this Mortgage; (b) to all reasonable costs and expenses of the sales, including, but not limited to, reasonable attorneys' fees and costs of title evidence; and (c) the excess, if any, to the person or persons legally entitled thereto.

18. Borrower's Right to Reinstate. Notwithstanding Lender's acceleration of the sums secured by this Mortgage due as a result of to Borrower's breach, if Borrower meets certain conditions, Borrower shall have the right to have any proceedings begun by Lender to enforce this Mortgage discontinued at any time prior to the earlier to occur of (i) sale of the Property pursuant to the power of sale contained in this Mortgage or (ii) entry of a judgment enforcing this Mortgage if: (a) Borrower pays Lender all sums constituting the default actually existing under this Mortgage and the Note at the commencement of foreclosure proceedings under this Mortgage; (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 this Mortgage including, but not limited to, reasonable attorneys' fees; 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 obligations secured hereby shall remain in full force and effect as if no acceleration had occurred. However, this right to reinstate shall not apply in the case of acceleration under paragraph 14 hereof.
19. Release. Upon payment of all sums secured by this Mortgage, Lender shall discharge this Mortgage without charge to Borrower. Borrower shall pay all costs of recordation, if any.
20. Waiver of Homestead. Borrower hereby waives all right of homestead exemption in the Property.
21. Acceleration; Additional Provisions. Lender may declare all amounts secured by this Mortgage due and payable if: (a) Borrower fails to occupy the Property as his/her principal residence; (B.) Borrower omits or misrepresents a material fact in any document executed in connection with this Mortgage; or (C.) any prior Mortgage is paid in full; or (d) any prior Mortgage is in default or foreclosure; or (E.) as otherwise provided in this Mortgage.

