

**THE MAXIMUM PRINCIPAL INDEBTEDNESS SECURED BY THIS MORTGAGE IS \$\_\_\_\_\_.**

**MORTGAGE**

(THIS MORTGAGE IS EXEMPT FROM THE PAYMENT OF MORTGAGE REGISTRATION TAX UNDER MINN. STAT. § 287.04 (F) IN THAT THE MORTGAGE RELATES TO A LOAN MADE UNDER A LOW AND MODERATE INCOME HOUSING PROGRAM BY A LOCAL GOVERNMENT AGENCY.)

THIS MORTGAGE is made this \_\_\_\_ day of \_\_\_\_\_, 20\_\_, between \_\_\_\_\_ [indicate marital status] (herein "Mortgagor") and the Burnsville Economic Development Authority, Minnesota, a Minnesota body corporate and public, whose address is 100 Civic Center Parkway, Burnsville, MN 55337 (herein "Authority").

WHEREAS, Mortgagor is indebted to Authority in the principal sum of U.S. \$ \_\_\_\_\_ which indebtedness is evidenced by Mortgagor's promissory note dated of even date herewith and extensions and renewals thereof (herein "Note"), providing for principal and interest, if not sooner paid, due and payable on [insert date] (the "Maturity Date") as defined in the Note or such other date as specified in the Note.

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

(herein the "Property")  
which has the street address of \_\_\_\_\_, Burnsville, Minnesota \_\_\_\_\_  
(herein the "Property Address").

TOGETHER with all the buildings, improvements, fixtures and equipment now or hereafter attached to the property including, but not limited to, all heating, air conditioning, ventilation, plumbing, cooling, electrical and lighting fixtures and equipment, all landscaping, all exterior and interior improvements, all easements, rights, appurtenances, rents, royalties, mineral, oil and gas rights, profits,

water, water rights, and water stock, all of which, including replacements and additions thereto, 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 are herein collectively referred to as the "Property".

MORTGAGOR COVENANTS that Mortgagor is lawfully seized of the Property and has the right to grant and convey the same; that the Property is free from all encumbrances, except for any existing mortgages, its successors and assigns; and that the Mortgagor will warrant and defend generally the title to the Property against all claims and demands, subject to declarations, easements or restrictions of record, if any. Mortgagor that all statements made in any certificate or other statement given by Mortgagor to obtain the loan secured by this Mortgage are true and correct.

PROVIDED, NEVERTHELESS, that if Mortgagor shall pay Authority the sums evidenced by the Note according to the terms of the Note, and shall repay to Authority, at the times and with interest as specified, 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 Mortgagor's expense.

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

1. Payment of Principal and Interest. Mortgagor shall promptly pay when due, the principal and interest 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 Authority under the Note and paragraph 1 hereof shall be applied by Authority first to interest payable on the Note, and then to the principal of the Note.
3. Prior Mortgages and Deeds of Trust; Charges; Liens. Mortgagor shall perform all of Mortgagor's obligations under any mortgage, deed of trust or other security agreement with a lien which has priority over this Mortgage, including Mortgagor's covenants to make payments when due. Mortgagor 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. Hazard Insurance. Mortgagor shall keep all buildings, improvements and fixtures now or later located on or a part of the Property insured against loss by fire, hazards within the term "extended coverage," vandalism, malicious mischief, and other hazards as the Authority may require and in at least the amount of the replacement cost at all times while any amount remains unpaid under this Mortgage and any prior liens.

Each insurance policy shall contain a loss payable clause in favor of the Authority affording all rights and privileges customarily provided under the so-called standard mortgage clause. In the event of damage to the Property by fire or other casualty, Mortgagor shall promptly give notice of such damage to Authority and the insurance company. The insurance shall be issued by an insurance company or companies licensed to do business in the State of Minnesota and acceptable to Authority. The insurance policies shall provide for not less than 30 days written notice to Authority before cancellation, non-renewal, termination, or change in coverage, and Mortgagor shall deliver to Authority a duplicate original or certificate of

such insurance policies.

Unless Authority and Mortgagor otherwise agree in writing, insurance proceeds shall be applied to restoration of the property damaged, provided such restoration or repair is economically feasible and the security of this Mortgage is not thereby impaired. If restoration or repair is not economically feasible or if the security of this Mortgage would be impaired, the insurance proceeds shall be applied to the sums secured by this Mortgage, with the excess, if any, paid to Mortgagor. If the Property is abandoned by Mortgagor, or if Mortgagor fails to respond to Authority within 30 days from the date notice is mailed by Authority to Mortgagor that the insurance carrier offers to settle a claim for insurance benefits, Authority is authorized to collect and apply the insurance proceeds at Authority's option either to restoration or repair of the Property or to the sums secured by this Mortgage.

Nothing in this Section shall be construed to adversely affect or otherwise diminish the rights of any holder of a senior mortgage.

5. Preservation and Maintenance of Property; Leaseholds; Condominiums; Planned Unit Developments. Mortgagor 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, Mortgagor shall perform all of Mortgagor'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.
6. Protection of Authority's Security. If Mortgagor fails to perform the covenants and agreements contained in this Mortgage, the Note, the Mortgagor's Affidavit or in any other document executed in connection with this Mortgage, or if any action or proceeding is commenced which materially affects Authority's interest in the Property, then Authority, at Authority's option, upon notice to Mortgagor, may make such appearances, disburse such sums, including reasonable attorneys' fees, and take such other action as is necessary to protect Authority's interest.

Any amounts disbursed by Authority pursuant to this paragraph 6, with interest thereon, at the Note rate, shall become additional indebtedness of Mortgagor secured by this Mortgage. Unless Mortgagor and Authority agree to other terms of payment, such amounts shall be payable upon notice from Authority to Mortgagor requesting payment thereof. Nothing contained in this paragraph 6 shall require Authority to incur any expense or take any action hereunder.

7. Inspection. Authority may make or cause to be made reasonable entries upon and inspections of the Property, provided that Authority shall give Mortgagor notice prior to any such inspection specifying reasonable cause therefore related to Authority's interest in the Property.
8. 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 Authority, subject to the terms of any mortgage, deed of trust or other security agreement with a lien which has priority over this Mortgage.

9. Mortgagor Not Released; Forbearance by Authority Not a Waiver. Extension of the time for payment or modification of amortization of the sums secured by this Mortgage, granted by Authority to any successor in interest of Mortgagor, shall not operate to release, in any manner, the liability of the original Mortgagor and Mortgagor's successors in interest. Authority 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 Mortgagor and/or Mortgagor's successors in interest. Any forbearance by Authority 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.
10. 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 Authority and Mortgagor, subject to the provisions of paragraph 14 hereof. All covenants and agreements of Mortgagor shall be joint and several. Any Mortgagor who co-signs this Mortgage, but does not execute the Note, (a) is co-signing this Mortgage only to mortgage, grant, and convey that Mortgagor's interest in the Property to Authority under the terms of this Mortgage, (b) is not personally liable on the Note or under this Mortgage and (c) agrees that Authority and any other Mortgagor 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 Mortgagor's consent and without releasing that Mortgagor or modifying this Mortgage as to that Mortgagor's interest in the Property.
11. Notice. Except for any notice required under applicable law to be given in another manner, (a) any notice to Mortgagor 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 Mortgagor at the Property Address or at such other address as Mortgagor may designate by proper written notice to Authority as provided herein, and (b) any notice to Authority shall be given in writing and by certified mail to Authority's address stated herein or to such other address as Authority may designate by notice to Mortgagor as provided herein. Any notice provided for in the Mortgage shall be deemed to have been given to Mortgagor or Authority upon receipt when served personally, or upon mailing when sent by certified mail when given in the manner designated herein.
12. 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.
13. Mortgagor's Copy. Mortgagor shall be furnished by Authority with a conformed copy of the Note and of this Mortgage at the time of execution or after recordation hereof.
14. Transfer of the Property or a Beneficial Interest in Mortgagor. If all or any part of the Property or any interest in it is sold or transferred (or if a beneficial interest in Mortgagor is sold or transferred and Mortgagor is not a national person) without Authority's prior written consent, Authority may, at its option, require immediate payment in full of all sums secured by this

Mortgage. However, this option shall not be exercised by Authority if exercise is prohibited by federal or state law as of the date of this Mortgage.

If Authority exercises this option, Authority shall give Mortgagor notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is delivered or mailed within which Mortgagor must pay all sums secured by this Mortgage. If Mortgagor fails to pay these sums prior to the expiration of this period, Authority may invoke any remedies permitted by this Mortgage without further notice or demand on Mortgagor.

15. Statutory Covenants. Mortgagor makes and includes in this Mortgage the Statutory Covenants and other provisions set forth in Minnesota Statutes Section 507.15 and the Mortgagor 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) Mortgagor 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 Authority 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 Authority.

Notwithstanding the foregoing, the Mortgagor acknowledges and understands that the entire principal amount of the Loan plus accrued interest shall be due and payable in full on the maturity date on the Note.

16. Acceleration; Remedies. Unless the Maturity Date has occurred, upon Mortgagor's breach of any covenant, representation or agreement of Mortgagor in this Mortgage or the Note, including the covenants to pay when due any sums secured by this Mortgage, Mortgagor confers upon the Authority the option of declaring the unpaid balance of the Note, together with all sums advanced hereunder, and the interest accrued thereon, if any, immediately due and payable without notice, and hereby authorizes and empowers Authority to foreclose this Mortgage by judicial proceedings or to sell the Property at public auction and convey the same to the purchaser in fee simple in accordance with the statute, and out of the monies arising from such sale to retain all sums secured hereby, with interest and all legal costs and charges of such foreclosure and the maximum attorney's fee permitted by law, which costs, charges and fees Mortgagor agrees to pay.

Authority agrees that, if it intends to foreclose, Authority will give Mortgagor written notice of any default under the terms and conditions of the Note or this Mortgage, by sending the notice to Mortgagor as provided in paragraph 16 hereof. The notice of default shall contain the following provisions:

- A. the nature of the default by Mortgagor;
- B. the action required to cure the default;
- C. a date, not less than 30 days from the date the notice is mailed to Mortgagor, by which such default must be cured;
- D. that failure to cure the default 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;
- E. that Mortgagor has the right to reinstate this Mortgage after acceleration; and

- F. that Mortgagor has the right to bring a court action to assert the nonexistence of a default or any other defense of Mortgagor to acceleration and sale.
17. Assignment of Rents; Appointment of Receiver. As additional security hereunder, Mortgagor hereby assigns to Authority the rents of the Property, provided that Mortgagor shall, prior to acceleration under paragraph 8 hereof or abandonment of the Property, have the right to collect and retain such rents as they become due and payable.

Upon acceleration under paragraph 16 hereof or abandonment of the Property, and at any time prior to the expiration of any period of redemption following sale of the Property, Authority 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 the Property including those past due. All rents and income from the Property collected by the receiver shall be applied first to the costs of management of the Property and collection of rents, including, but not limited to the receiver's fees, premiums on the receiver's bonds and reasonable attorney's fees, and then to the sums secured by this Mortgage. The receiver shall be liable to account only for those rents actually received.

18. Mortgagor's Right to Reinstate. Notwithstanding Mortgagee's acceleration of the sums secured by this Mortgage due as a result of Mortgagor's breach, if Mortgagor meets certain conditions, Mortgagor shall have the right to have any proceedings begun by Authority 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) Mortgagor pays Authority all sums constituting the default actually existing under this Mortgage and the Note at the commencement of foreclosure proceedings under this Mortgage; (b) Mortgagor cures all breaches of any other covenants or agreements of Mortgagor contained in this Authority; (c) Mortgagor pays all reasonable expenses incurred by Authority in enforcing the covenants and agreements of Mortgagor contained in this Mortgage, and in enforcing Authority's remedies as provided in this Mortgage including, but not limited to, reasonable attorneys' fees; and (d) Mortgagor takes such action as Authority may reasonably require to assure that the lien of this Mortgage, Authority's interest in the Property and Mortgagor's obligation to pay the sums secured by this Mortgage shall continue unimpaired. Upon such payment and cure by Mortgagor, 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, Authority shall discharge this Mortgage without charge to Mortgagor. Mortgagor shall pay all costs of recordation, if any.
20. Acceleration; Additional Provisions. Authority may declare all amounts secured by this Mortgage due and payable if: (a) Mortgagor fails to occupy the Property as his/her principal residence; (b) Mortgagor omits or misrepresents a material fact in any document executed in connection with this Mortgage; (c) any prior Mortgage is in default or foreclosure; or (d) as otherwise provided in this Mortgage or the Note.
21. Mortgagor Not Released. Extension of the time for payment of the sums secured by this Mortgage granted by Authority shall not operate to release, in any manner, the liability of

original Mortgagor and Mortgagor's successors in interest.

22. Forbearance Not a Waiver. Any forbearance by Authority 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. The procurement of insurance or the payment of taxes or other liens or charges by Authority shall not be a waiver of Authority's right to accelerate the indebtedness secured by this Mortgage.
23. Remedies Cumulative. All remedies provided in this Mortgage are distinct and cumulative to any other right or remedy under this Mortgage or afforded by law or equity, and may be exercised concurrently, independently or successively.
24. Successors and Assigns Bound; Joint and Several Liability; Captions. The covenants and agreements herein contained shall bind, and the rights hereunder shall inure to, the respective successors and assigns of Authority and Mortgagor. All covenants and agreements of Mortgagor shall be joint and several. The captions and headings of the paragraphs of this Mortgage are for convenience only and are not be used to interpret or define the provisions hereof.
25. Notice. Except for any notice required under applicable law to be given in another manner, notices shall be given by mailing the notice by certified mail, return receipt requested, to: (a) Mortgagor at the Property Address or such other address as Mortgagor may designate by notice to Authority; and (b) Authority at the address stated herein or such other address as Authority may designate by notice to Mortgagor. Notice is deemed to have been given upon mailing.
26. Governing Law; Severability. This Mortgage is governed by Minnesota law. In the event that any provision or clause of this Mortgage or the Note conflicts with Minnesota law, such conflict shall not affect other provisions of this Mortgage or the Note which can be given effect without the conflicting provisions, and to this extent the provisions of the Mortgage and the Note are declared to be severable.
27. Nonrecourse. The obligation of the Mortgagor is nonrecourse, and the Authority may look for payment of the Note solely to the Property.
28. Death of Mortgagor. This lien may pass to Mortgagor's heirs provided they continue to occupy the property as their principal place of residence.
29. Mortgagor's Compliance with Federal Regulations. Mortgagor agrees to comply with all U.S. Department of Housing and Urban Development regulations that govern the Authority's First Time Homebuyer Program, including but not limited to Community Development Block Grant regulations and Lead Based Paint Regulations.

BY SIGNING BELOW, Mortgagor accepts and agrees to the terms and covenants contained in this Mortgage and in any Rider executed by Mortgagor and recorded with it.

\_\_\_\_\_  
Mortgagor

\_\_\_\_\_  
Mortgagor

STATE OF MINNESOTA     )  
  ) ss  
COUNTY OF                    )

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_,  
202\_\_, by \_\_\_\_\_ [indicate marital status].

\_\_\_\_\_  
Notary Public

My commission expires \_\_\_\_\_

This instrument was prepared by:  
Burnsville Economic Development Authority  
100 Civic Center Parkway  
Burnsville, MN 55337