

**THE MAXIMUM PRINCIPAL INDEBTEDNESS SECURED BY THIS MORTGAGE IS**

**\$\_\_\_\_\_.**

**MORTGAGE**

THIS MORTGAGE is made this \_\_\_\_ day of \_\_\_\_\_, 20\_\_ , between the [indicate marital status] (herein "Mortgagor") and the Economic Development Authority in and for the City of Minnetonka, Minnesota, a Minnesota body corporate and public, whose address is 14600 Minnetonka Blvd., Minnetonka MN 55345 (herein "Mortgagee").

WHEREAS, Mortgagor is indebted to Mortgagee 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 amount, if not sooner paid, is due and payable on the Maturity Date as defined in the Note or such other date as specified in the Note. No interest will accrue on the Note.

TO SECURE to Mortgagee 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 Mortgagor of the covenants by Mortgagor and agreements contained herein and contained in the Note. Mortgagor does hereby mortgage, grant and convey to Mortgagee, with power of sale, the property located in the County of Hennepin, State of Minnesota legally described as:

(herein the "Property")

which has the street address of \_\_\_\_\_, Minnetonka, Minnesota \_\_\_\_\_

(herein the "Property Address").

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 are hereinafter referred to as the "Property".

MORTGAGOR COVENANTS that Mortgagor 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. Mortgagor warrants and will defend generally the title to the Property against all claims and demands, subject to encumbrances of record.

PROVIDED, NEVERTHELESS, that if Mortgagor shall pay Mortgagee the sums evidenced by the Note according to the terms of the Note, and shall repay to Mortgagee, 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 Mortgagor's expense.

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

1. Payment of Principal. Mortgagor shall promptly pay when due, the principal indebtedness evidenced by the Note as provided in the Note, and keep and perform all covenants contained in the Note. No interest shall be due on the Note.
2. Application of Payments. Unless applicable law provides otherwise, all payments received by Mortgagee under the Note and paragraph 1 hereof shall be applied by Mortgagee 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.
4. Hazard Insurance. Mortgagor shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included within the term "extended coverage."
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. 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 Mortgagee'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 Mortgagee's interest in the Property, then Mortgagee, at Mortgagee'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 Mortgagee's interest.
7. Any amounts disbursed by Mortgagee 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 Mortgagee agree to other terms of payment, such amounts shall be payable upon notice from Mortgagee to Mortgagor requesting payment thereof. Nothing contained in this paragraph 6 shall require Mortgagee to incur any expense or take any action hereunder.

8. Inspection. Mortgagee may make or cause to be made reasonable entries upon and inspections of the Property, provided that Mortgagee shall give Mortgagor notice prior to any such inspection specifying reasonable cause therefore related to Mortgagee'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 Mortgagee, subject to the terms of any mortgage, deed of trust or other security agreement with a lien which has priority over this Mortgage.
10. Mortgagor Not Released; Forbearance by Mortgagee Not a Waiver. Extension of the time for payment or modification of amortization of the sums secured by this Mortgage, granted by Mortgagee 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. Mortgagee 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 Mortgagee 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 Mortgagee 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 Mortgagee under the terms of this Mortgage, (b) is not personally liable on the Note or under this Mortgage and (c) agrees that Mortgagee 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.
12. 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 notice to Mortgagee as provided herein, and (b) any notice to Mortgagee shall be given in writing and by certified mail to Mortgagee's address stated herein or to such other address as Mortgagee 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 Mortgagee 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. **Mortgagor's Copy.** Mortgagor shall be furnished by Mortgagee with 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 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 Mortgagee's prior written consent, Mortgagee may, at its option, require immediate payment in full of all sums secured by this Mortgage. However, this option shall not be exercised by Mortgagee if exercise is prohibited by federal or state law as of the date of this Mortgage.
16. If Mortgagee exercises this option, Mortgagee 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, Mortgagee may invoke any remedies permitted by this Mortgage without further notice or demand on Mortgagor.
17. **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 Mortgagee 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 Mortgagee.
18. **Acceleration; Remedies.** Upon Mortgagor's breach of any covenant or agreement of Mortgagor in this Mortgage, including the covenants to pay when due any sums secured by this Mortgage, Mortgagee, prior to acceleration, shall give notice to Mortgagor 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 Mortgagor, 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 Mortgagor 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 Mortgagor to acceleration and sale. If the breach is not cured on or before the date specified in the notice, Mortgagee, at Mortgagee's option, may 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. Mortgagee 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.
19. If Mortgagee invokes the power of sale, Mortgagee shall cause a copy of a notice of sale to be served upon the person, if any, in possession of the Property. Mortgagee shall publish a notice of sale and the Property shall be sold at public auction in the manner prescribed by applicable law. Mortgagee or Mortgagee'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.

20. 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 Mortgagee 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 Mortgagee 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 Mortgage; (c) Mortgagor pays all reasonable expenses incurred by Mortgagee in enforcing the covenants and agreements of Mortgagor contained in this Mortgage, and in enforcing Mortgagee's remedies as provided in this Mortgage including, but not limited to, reasonable attorneys' fees; and (d) Mortgagor takes such action as Mortgagee may reasonably require to assure that the lien of this Mortgage, Mortgagee'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.
21. Release. Upon payment of all sums secured by this Mortgage, Mortgagee shall be discharged this Mortgage without charge to Mortgagor. Mortgagor shall pay all costs of recordation, if any
22. Acceleration; Additional Provisions. Mortgagee 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.
23. Repayment and Loan Forgiveness. If the Mortgagor ceases to occupy and/or own the property as a primary resident, during the twenty-year owner occupancy period, the remaining balance of the Loan must be repaid. If the Borrower has not sold or transferred the property and the property is still the primary residence of the Borrower prior to the maturity date of \_\_\_\_\_ 20\_\_, the Loan principal will be forgiven.
24. Maturity Date. The maturity date of this mortgage is \_\_\_\_\_.

