HOMEBUYER ASSISTANCE NOTE
(NSP Activity)

Date: _____

FOR VALUE RECEIVED, the undersigned _____ _____ (the "Borrower," whether one or more) jointly and severally agree(s) to pay to the order of the Housing and Redevelopment Authority of the City of Saint Paul, Minnesota, whose address is 25 W. 4th St., Suite 1100, Saint Paul, Mn 55102 (the "Lender"), or its assigns, the principal amount of $_____ Dollars ($_____.00) (the "Loan Amount") with zero percent (0%) interest upon an Event of Default. Said sum was made available to the Borrower to enable the Borrower to purchase the property located at _____, Saint Paul, Minnesota (the "Improved Property"). Borrower acknowledges having received federal assistance in the amount of the Loan Amount.

1. **DEFINITIONS.** As used in this Homebuyer Assistance Note, the following terms have the following respective meanings:

Affordability Period. Five (5) years from the date of this NSP Note.

Fair Market Value. The fair market value of the Improved Property as determined by the most recent assessed value.

Private Lender Mortgage. Any mortgage of the Improved Property, the lien of which has priority over the NSP Mortgage.

Private Lender Note. The promissory note secured by the Private Lender Mortgage.

Default. The occurrence of any of the following prior to the end of the Affordability Period:

(i) The adjudication in bankruptcy of any owner of the Improved Property;

(ii) Foreclosure sale pursuant to the Private Lender Mortgage;

(iii) Deed in lieu of foreclosure to the holder of the Private Lender Mortgage or its designee;

(iv) A Transfer; or

(v) Any use of the Improved Property other than as the primary residence of the Borrower.

Event of Default. A declaration by the Lender pursuant to Section 3 of this NSP Note that the entire unpaid balance of the NSP Note is due and payable.

***Net Proceeds*.** Any and all consideration of any kind whatsoever, whether direct or indirect, that is received by the Borrower for, or in connection with, a Transfer, including without limitation, the stated purchase price, cash, notes, and any indebtedness assumed and/or to which the Improved Property is then subject, interest on any deferred portion of the purchase price, and noncustomary net prorations in favor of seller; adjusted by deducting outstanding senior debt secured against the Improved Property and customary closing costs. Notwithstanding the foregoing, if the Transfer is other than an arms-length transaction with a third party, then, at the option of the Lender, Net Proceeds shall mean the Fair Market Value of the Improved Property less any outstanding amount of the Private Lender Note and Private Lender Mortgage against the Improved Property.

***NSP Note*.** This Homebuyer Assistance Note, as from time to time amended.

***NSP Mortgage*.** The mortgage of even date herewith from the Borrower in favor of the Lender securing payment of the NSP Note, as from time to time amended.

***Transfer*.** A sale or transfer of all or any part of the Improved Property, or an interest therein, whether by lease, deed or contract for deed or otherwise, whether for consideration or by gift or in the event of death or otherwise, and whether voluntarily, involuntarily or by operation of law; provided, however, (a) if the Borrower owns the Improved Property as co-tenants, a transfer of the Improved Property or any interest therein, from one co-tenant to another co-tenant whether by reason of death or otherwise, shall not be considered a Transfer, (b) a taking by eminent domain shall not be considered a Transfer unless it is a total taking in the sense that payment is made for the full value of the Improved Property, (c) the creation of a lien or encumbrance subordinate to the NSP Mortgage shall not be considered a Transfer, (d) the creation of a purchase money security interest for household appliances shall not be considered a Transfer, and (e) a lease to a tenant if the Improved Property is a duplex, provided the Borrower occupies the Improved Property, shall not be considered a Transfer.

2. FORGIVENESS.

If no Event of Default has occurred prior to the end of the Affordability Period, the Borrower will have no obligation to repay the Loan Amount and this NSP Note will be forgiven by the Lender. Provided further, that twenty percent (20%) of the Loan Amount will be forgiven at the end of each year during the Affordability Period that the Borrower has fully complied with the terms of the NSP Note and NSP Mortgage.

3. EVENT OF DEFAULT.

If a Default occurs prior to the end of the Affordability Period, the Lender will mail notice to the Borrower specifying: (a) the Default; (b) the action required to cure such Default; (c) a date not less than thirty (30) days from the date the notice is mailed to the Borrower by which date such Default must be cured; and (d) that failure to cure such Default on or before the date specified in the notice may result in acceleration of the Loan Amount, at which point, Lender may declare the entire Loan Amount immediately due and payable. Failure by the Lender to make that declaration by reason of an Event of

Default will not waive its right to make such a declaration upon the subsequent occurrence of the same or any other Event of Default.

4. **NET PROCEEDS.** Lender agrees that the Loan Amount will be payable solely out of Net Proceeds.

5. **SUBORDINATION.** This NSP Note and the NSP Mortgage is subordinate to the Private Lender Note and Private Lender Mortgage. No further subordinations will be given for refinancing or otherwise.

6. **MISCELLANEOUS.**

6.1 This NSP Note is secured by the NSP Mortgage. All of the terms, covenants, conditions, provisions and agreements of the NSP Mortgage are hereby made a part of this instrument to the same extent and with the same force and effect as if fully set forth herein.

6.2 If any payment due under this NSP Note is not paid when due, and this NSP Note is placed in the hands of any attorney or attorneys for collection or foreclosure of the NSP Mortgage or enforcement of any other security instrument securing payment hereof, the Borrower promises to pay, in addition to the amount due hereon, the reasonable costs and expenses of foreclosure and collection (including attorneys' fees), and all such costs and expenses shall be secured by the NSP Mortgage.

6.3 No failure or delay by the Lender to exercise any right or remedy under this NSP Note shall waive such right or remedy.

6.4 This NSP Note is made and delivered in Minnesota, and accordingly, the clauses and provisions of this NSP Note and the rights, payments, charges, indebtedness and other items hereby secured shall be construed and enforced according to the laws of the State of Minnesota.

6.5 Demand, protest and notice of demand and protest are hereby waived and the undersigned waives, to the extent authorized by law, any and all homestead and other exemption rights which otherwise would apply to the debt evidenced by this NSP Note.

(Signature page follows.)

(Signature page to Homebuyer Assistance Note)

IN WITNESS WHEREOF, the Borrower has caused this NSP Note to be executed the day and year first above written.

_____
Borrower

_____
Borrower

STATE OF MINNESOTA)
) ss.
COUNTY OF RAMSEY)

The foregoing instrument was acknowledged before me this _____ day of _____ 20____ by _____, (a single person) (married).

_____
Notary Public

STATE OF MINNESOTA)
) ss.
COUNTY OF RAMSEY)

The foregoing instrument was acknowledged before me this _____ day of _____ 20____ by _____, (a single person) (married).

_____
Notary Public

Exempt from
Mortgage Registry Tax
Pursuant to Minnesota Statutes § 287.04(f)

HOMEBUYER ASSISTANCE MORTGAGE
(NSP Activity)

THIS MORTGAGE, made this ____ day of _____, 20___ by _____ (a single person) (married) (hereinafter designated as "Mortgagor(s)") to the **Housing and Redevelopment Authority of the City of Saint Paul, Minnesota,** a Minnesota public body, whose main office is located at 25 W. 4th St, Saint Paul, Minnesota 55102 (hereinafter designated as "Mortgagee").

WITNESSETH: That Mortgagor(s) hereby mortgages and conveys to Mortgagee the following described premises and improvements located at _____, Saint Paul, Minnesota and legally described as:

(the "Improved Property").

This Mortgage is given in consideration of and as security for the payment of _____and No/100 Dollars ($_____.00) (the "Loan Amount"), receipt of which is hereby acknowledged and which is made to enable the Mortgagor(s) to acquire the Improved Property. The Loan Amount is evidenced by a homebuyer assistance note (the "NSP Note") with the full debt, if not paid earlier, due and payable on the Maturity Date as defined in the Note, but in no event later than five years from the date of the mortgage. Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the NSP Note.

Mortgagor(s) makes and includes in this Mortgage the statutory covenants and other provisions set forth in Minnesota Statutes, Section 507.15, including the following:

a. To warrant title to the Improved Property.

b. To pay all other mortgages, liens, charges or encumbrances against the Improved Property as and when they become due.

c. To pay the indebtedness of the NSP Note.

d. To pay all real estate taxes and special assessments on the Improved Property.

e. To keep the Improved Property in good repair and in compliance with all applicable state and local building, housing and health codes and laws and not commit waste.

f. To keep the Improved Property insured against loss by fire and other hazards for at least the sum of the full insurable value of the Improved Property for the protection of the Mortgagee and identify the Mortgagee as an additional insured and loss payee.

Mortgagor(s) further covenants:

g. To use and occupy the Property solely as a personal place of residence from the date of this Mortgage through the Affordability Period.

h. Not to use or permit the use of the Property for any illegal or criminal activity.

If the Loan Amount is forgiven according to the terms of the NSP Note, then this Mortgage shall become null and void. But if an Event of Default occurs under the NSP Note, then the Mortgagee, its successors or assigns, are hereby authorized and empowered to foreclose this Mortgage by action or advertisement, pursuant to the statutes of the State of Minnesota in such case provided, power being expressly granted to sell the Improved Property at public auction and convey the same to the purchaser in fee simple and, out of the proceeds arising from such sale, to pay the Loan Amount of the NSP Note, together with all legal costs and charges of such foreclosure and the maximum attorney's fees permitted by law.

Mortgagee prior to acceleration shall mail notice to Mortgagor(s) specifying: (1) the Event of Default; (2) the action required to cure such default; (3) the date, not less than thirty (30) days from the date the notice is mailed to Mortgagor(s), by which date such default must be cured; and (4) that failure to cure such 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 Improved Property. The notice shall further inform Mortgagor(s) 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(s) to acceleration and sale. If the default 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 remedy permitted by applicable law. Notwithstanding Mortgagee's acceleration of the sums secured by this Mortgage, Mortgagor(s) shall have the right to have any proceedings begun by Mortgagee to enforce this Mortgage discontinued at any time prior to the earlier of (i) sale of the Improved Property pursuant to the power of sale contained in this Mortgage or (ii) a judgment enforcing this Mortgage, if: (a) Mortgagor(s) pays Mortgagee all sums constituting the default actually existing under this Mortgage and the NSP Note at the commencement of foreclosure proceedings under this Mortgage; (b) Mortgagor(s) cures all breaches of any other covenants or agreements of Mortgagor(s) contained in this Mortgage, (c) Mortgagor(s) pays all reasonable expenses incurred by Mortgagee in enforcing the covenants and agreements of Mortgagor(s) contained in this Mortgage and in enforcing Mortgagee's remedies as provided herein, including, but not limited to, reasonable attorney's fees; and (d) Mortgagor(s) takes such action as Mortgagee may reasonably require to assure that the lien of this Mortgage, Mortgagee's interest in the Improved Property and Mortgagor(s)'s obligation to pay the sums secured by this Mortgage shall continue unimpaired. Upon such payment and cure by Mortgagor(s), this Mortgage and the obligations secured hereby shall remain in full force and effect as if no acceleration had occurred.

MORTGAGOR(S) HEREBY: EXPRESSLY CONSENTS TO THE FORECLOSURE AND SALE OF THE MORTGAGED PROPERTY BY ACTION PURSUANT TO MINNESOTA STATUTES CHAPTER 581 OR, AT THE OPTION OF MORTGAGEE, BY ADVERTISEMENT PURSUANT TO MINNESOTA STATUTES CHAPTER 580, WHICH PROVIDES FOR SALE AFTER SERVICE OF NOTICE THEREOF UPON THE OCCUPANT OF THE MORTGAGED IMPROVED PROPERTY AND PUBLICATION OF SAID NOTICE FOR SIX WEEKS IN THE COUNTY IN MINNESOTA WHERE THE MORTGAGED PROPERTY IS SITUATED AND ACKNOWLEDGES THAT SERVICE NEED NOT BE MADE UPON MORTGAGOR(S) PERSONALLY UNLESS MORTGAGOR(S) IS AN OCCUPANT AND THAT NO HEARING OF ANY TYPE IS REQUIRED IN CONNECTION WITH THE SALE AND EXCEPT AS MAY BE PROVIDED IN SAID STATUTES, EXPRESSLY WAIVES ANY AND ALL RIGHT TO PRIOR NOTICE

OF SALE OF THE MORTGAGED PROPERTY AND ANY AND ALL RIGHTS TO A PRIOR HEARING OF ANY TYPE OF CONNECTION WITH THE SALE OF THE MORTGAGED PROPERTY.

MORTGAGOR ACKNOWLEDGES THAT THIS IS A LEGAL DOCUMENT AND THAT BEFORE SIGNING MORTGAGOR HAS FULLY UNDERSTOOD THE TERMS AND CONDITIONS HEREIN, AND THE RIGHTS WAIVED HEREBY AND THE EFFECT OF SUCH WAIVER OR HAS SOUGHT LEGAL COUNSEL TO EXPLAIN SUCH TERMS AND CONDITIONS, RIGHTS AND THE WAIVER OF SUCH RIGHTS.

This Mortgage and the NSP Note shall be construed according to the laws of the State of Minnesota.

(Signature page follows.)

Signature page to Mortgage

IN WITNESS WHEREOF, the Mortgagor(s) has caused this Mortgage to be duly executed as of the day and year first above written.

MORTGAGOR(S):

_____

_____

STATE OF MINNESOTA)
) ss.
COUNTY OF RAMSEY)

The foregoing instrument was acknowledged before me this _____ day of _____ 20____ by _____, (a single person) (married).

_____
Notary Public

STATE OF MINNESOTA)
) ss.
COUNTY OF RAMSEY)

The foregoing instrument was acknowledged before me this _____ day of _____ 20____ by _____, (a single person) (married).

_____
Notary Public

This instrument was drafted by:

City Attorney Office
Room 400 City Hall
Saint Paul, Mn 55102

QUIT CLAIM DEED
Corporation to [*Individual*][*Joint Tenants*]

Address: _____
Saint Paul, Mn

THIS INDENTURE, made this ___day of ___, 201_, between the HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA, a public body corporate and politic, organized and existing under the laws of the State of Minnesota (the "Grantor"), and _____[*individually*][*as joint tenants*](the "Grantee").

In consideration of the sum of $_____, paid by the Grantee to the Grantor, the receipt of which is hereby acknowledged, the Grantor does hereby grant, bargain, quitclaim and convey to the Grantee, the tract or parcels of land lying and being in the City of Saint Paul, County of Ramsey, and State of Minnesota, described as follows:

_____, Ramsey County, Minnesota
(the "Property").

The Grantor certifies that the Grantor knows of no wells on the Property.

State Deed Tax due hereon: $____

This conveyance is subject to and encumbered by the following restrictions and covenants, ("Restrictions and Covenants") which are expressly stated to be covenants running with and burdening the Property:

1. Minerals and mineral rights in favor of the State of Minnesota in those portions of the Property the title to which may have forfeited to the State of Minnesota.

2. Easements, covenants, conditions, restrictions and other instruments of record, if any.

3. The Property shall at all times be owner-occupied and homesteaded as defined in Minnesota Statute 273.124, by the Grantee, unless specifically waived in writing by the Grantor.

4. No cyclone or chain link-type fencing is allowed in the front of any structure on the Property, and any such fencing must not extend any farther forward than the front corners of the structure. Other types of decorative fencing (wood or ornamental iron) is allowed anywhere on the Property so long as it is no higher that four feet and complies with Section 33.07 of the Saint Paul Legislative Code - Fences-Requirements.

5. The personal property that is located in the Property as of the date of this deed, specifically the stove, refrigerator, dishwasher, light fixtures, washer, dryer, and vent hood/microwave combination, may not be removed from the Property unless specifically approved in writing by the Grantor

6. Utility and drainage easements as shown on the plat.

7. Building and zoning laws, ordinances, state and federal regulations.

It is intended and agreed that the Restrictions and Covenants shall be covenants running with the land, and that they shall, in any event, and without regard to technical classification or designation, legal or otherwise, be binding to the fullest extent permitted by law and equity for the benefit and in favor of, and enforceable by, the Grantor, its successors and assigns, against

the Grantee, its successors and assigns, and any party in possession or occupancy of the Property or any part thereof. The Grantor shall be entitled to recover its attorney's fees and costs if it prevails in any action brought to enforce the Restrictions and Covenants against the Grantee, its successors and assigns, and any party in possession or occupancy of the Property or any part thereof.

TO HAVE AND TO HOLD THE SAME, together with all the hereditaments and appurtenances thereunto belonging.

IN TESTIMONY WHEREOF, the Grantor has set its hand on the day and year first above written.

Housing and Redevelopment Authority
of the City of Saint Paul, Minnesota

By _____
Its Chairperson

STATE OF MINNESOTA)
) ss
COUNTY OF RAMSEY)

On this _____ day of _____, 201__, before me a Notary Public within and for said County, personally appeared Dave Thune, to me personally known, who, being by me duly sworn, did say that he is the Chairperson of the HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA, the corporation named in the foregoing instrument, and the said instrument was signed on behalf of said corporation by authority of its Board of Commissioners, and said Dave Thune acknowledged said instrument to be the free act and deed of said corporation.

_____
Notary Public

THIS INSTRUMENT DRAFTED BY:

OFFICE OF CITY ATTORNEY
15 WEST KELLOGG BOULEVARD
400 CITY HALL
SAINT PAUL, MINNESOTA 55102