MORTGAGE

ADDRESS:

THIS MORTGAGE, made this_____ day of_____, 2010, by _____,
, ("Mortgagor"), to the HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA, a public body corporate and politic with principal offices at 25 West Fourth Street, Saint Paul, Minnesota 55102, and its successors and assigns ("Mortgagee").

WITNESSETH: That said Mortgagor hereby mortgages and conveys to said Mortgagee the following described premises situated in the City of Saint Paul, County of Ramsey, State of Minnesota, ("Property") to wit:

LEGAL DESCRIPTION

free from all encumbrances except first mortgage with _____,
in the amount of $_____.

This Mortgage is given in consideration of and as security for the payment of **FIFTEEN THOUSAND AND 00/100** DOLLARS **($15,000.00)** ("Loan") receipt of which is hereby acknowledged and which is made in order to promote home ownership and occupancy in the City of Saint Paul, Minnesota. The Loan is evidenced by a Promissory Note ("Note") payable to the order of the Mortgagee of even date herewith. The outstanding principal amount of the Note shall be due and payable upon the default of the Mortgagor in the performance of any terms, conditions or covenants of this Mortgage and otherwise shall be satisfied and this Mortgage discharged upon the Mortgagor's compliance with the terms, conditions and covenants of this Mortgage.

This instrument is exempt from Mortgage Registration Tax pursuant to M.S. 287.04.

THE MORTGAGOR covenants the following statutory covenants:

1. To warrant title to the Property;

2. To pay the indebtedness as herein provided;

3. To pay all real estate taxes and special assessments on the Property;

4. To keep the Property in good repair and in compliance with all applicable state and local building, housing and health codes and that no waste shall be committed thereon; and,

5. To keep the buildings insured against loss by fire and other hazards for at least the sum of the full insurable value of the Property and include replacement cost clause and identify the Mortgagee as additional-insured and loss payee.

AND THE MORTGAGOR FURTHER COVENANTS

6. To use and occupy the Property solely as a personal place of residence from the date of this Mortgage until_____(ten years from date of closing) ("Homestead Period");

7. Not to sell or otherwise transfer the Property during the Homestead Period unless the new home buyer executes a new Mortgage and Note, and agrees to use and occupy the Property as a personal place of residence for the Homestead Period and executes an Affidavit of Agreement to Homestead for the balance of the Homestead Period.

8. Not to lease, rent or otherwise use the Property for the production of income during the Homestead Period. Nothing in this covenant shall prohibit the Mortgagor from receiving payments from members of the Mortgagor's family in compensation for room and board, so long as Mortgagor occupies the home as a personal residence as required herein.

9. To pay the whole of the principal amount of the Loan in the event of any breach of this Mortgage which has not been cured within thirty (30) days written notice to Mortgagor;

10. To pay principal and interest on any prior purchase money mortgage;

11. To give the Mortgagee notice within thirty (30) days of any default or breach on superior or subordinate mortgages or liens;

12. Not to mortgage or permit any lien or other encumbrance to be placed upon the Property during the Homestead Period without written prior consent of the Mortgagee. Nothing in this covenant shall prohibit the Mortgagor from executing a purchase money mortgage to which the Mortgagee shall consent and shall agree to subordinate Mortgagee's lien to a superior lien of the purchase money mortgage;

13. Not to use or occupy nor permit the use and occupancy of the Property without a current Code Compliance Letter and/or Certificate of Occupancy issued by the City of Saint Paul;

14. Not to use or permit the use of the Property for any illegal or criminal activity; and
15. To use the Property in accordance with the uses specified in the City Wide Redevelopment Plan as adopted and approved by the City of Saint Paul in Council Resolution No. 277600, dated October 28, 1981, and local zoning ordinances as now in

effect and as may hereafter be amended.

IF THE MORTGAGOR shall pay the Mortgagee the principal amount of the Loan or if the Mortgagor shall use and occupy the Property as personal place of residence for the Homestead Period or if the Mortgagor sells or transfers to persons who shall use and occupy the Property as personal place of residence for the Homestead Period, and the Mortgagor, successors and assigns shall not otherwise breach the terms, conditions and covenants of this Mortgage, then this Mortgage shall be discharged and the Note satisfied.

As long as the Mortgagor occupies the Property as a principal place of residence, the principal amount of the Loan shall be fully discharged at the completion of the Homestead Period.

If a breach be made in any of the terms, conditions and covenants herein, the Mortgagee may declare the principal amount of the Loan due and payable immediately, and THE MORTGAGOR HEREBY CONSENTS TO AND ACKNOWLEDGES THE RIGHT OF THE MORTGAGEE, AT MORTGAGEE'S OPTION, TO ACT TO FORECLOSE THIS MORTGAGE BY ACTION OR ADVERTISEMENT PURSUANT MINNESOTA STATUTES CHAPTERS 580 OR 581. A POWER OF SALE BEING HEREIN EXPRESSLY GRANTED WHICH SHALL ALLOW THE MORTGAGEE TO SELL AT PUBLIC AUCTION AFTER SERVICE OF NOTICE THEREOF UPON THE OCCUPANT OF THE MORTGAGED PROPERTY; MORTGAGOR ACKNOWLEDGES THAT SUCH SERVICE NEED NOT BE MADE ON THE MORTGAGOR PERSONALLY UNLESS THE MORTGAGOR IS AN OCCUPANT OF THE MORTGAGED PROPERTY AND THAT NO HEARING IS REQUIRED IN CONNECTION WITH THE SALE. MORTGAGOR EXPRESSLY WAIVES ANY AND ALL RIGHTS TO PRIOR NOTICE OF SALE AND ANY AND ALL RIGHTS TO PRIOR HEARING IN CONNECTION WITH THE SALE. OUT OF THE PROCEEDS OF SUCH SALE THE PRINCIPAL AMOUNT OF THE LOAN SHALL BE PAID TOGETHER WITH ALL LEGAL COSTS AND CHARGES OF FORECLOSURE WITH MAXIMUM ATTORNEY'S FEES PERMITTED BY LAW.

IN THE EVENT OF DEFAULT, Mortgagee, if it intends to foreclose this Mortgage, agrees to give Mortgagor written notice by certified mail to the address of the mortgaged Property which shall specify:

1. The nature of the default or breach;

2. The action required to cure the default or breach;

3. A date, no less than 30 days from the date of notice, by which default or breach must be cured;

4. That failure to cure as specified may result in foreclosure;

5. Mortgagor's right to reinstate subsequent to commencement of the action to foreclose; and,

6. Mortgagor's right to bring suit to assert the nonexistence of a default or breach or to raise any other defense to foreclosure and sale.

In case of Mortgagor's failure to pay said taxes and assessments, prior liens or encumbrances, expenses and attorney's fees as above specified, or to insure said buildings, and improvements, and deliver the policies as aforesaid, Mortgagee may pay such taxes, assessments, prior liens, expenses and attorney's fees and interest thereon, or obtain such insurance and the sums so paid shall bear interest from the date of such payment at the legal rate of interest, and shall be impressed as an additional lien upon the Property and be immediately due and payable from Mortgagor to Mortgagee.

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 shall be construed according to the Laws of the State of Minnesota.

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

_____
(Purchaser)

_____
(Purchaser)

STATE OF MINNESOTA)
)
COUNTY OF RAMSEY)

The foregoing instrument was acknowledged before me this _____ day of _____, 2010, by _____, _____..

_____
Notary Public

Drafted by:
OFFICE OF THE CITY ATTORNEY
400 City Hall
15 West Kellogg Boulevard
Saint Paul, Minnesota 55102