

**FORECLOSURE PURCHASE INCENTIVE PROGRAM  
DOWN-PAYMENT ASSISTANCE LOAN  
AGREEMENT**

**Between**

**THE HOUSING AND REDEVELOPMENT AUTHORITY  
IN AND FOR THE CITY OF RICHFIELD, MINNESOTA**

**and**

**at**

**This Instrument Drafted by:**

**Richfield Housing and Redevelopment Authority in and for the City of Richfield  
6700 Portland Avenue South  
Richfield, MN 55423  
(612) 861-9760**

## AGREEMENT

**THIS AGREEMENT**, made and entered into as of this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by and between the Housing and Redevelopment Authority in and for the City of Richfield, a public body corporate and politic under the laws of the State of Minnesota, having its principal office at 6700 Portland Avenue, Richfield, Minnesota (HRA), and \_\_\_\_\_ (Buyer).

### WITNESSETH:

**WHEREAS**, the City of Richfield (City) and the HRA have previously created and established a Redevelopment Project (Project) and Tax Increment Financing District (TIF District) pursuant to the authority granted in Minnesota Statutes, Sections 469.001 through 469.047 and Sections 469.174 through 469.179 (collectively, the Acts); and

**WHEREAS**, pursuant to the Acts, the City and the HRA have previously adopted a redevelopment plan (Redevelopment Plan) and a tax increment financing plan (TIF Plan) to finance all or a portion of the public development costs of the Project; and

**WHEREAS**, in order to achieve the objectives of the Redevelopment Plan and TIF Plan as hereinafter defined and particularly to make specified land in the Project available for development by private enterprise for and in accordance with the Redevelopment Plan, the HRA has determined to provide substantial aid and assistance to finance public development costs in the Project; and

**WHEREAS**, the HRA has become concerned that within the Project there is an increasing number of homes which have been foreclosed and are standing vacant, and, in many cases are not being adequately secured or maintained; and

**WHEREAS**, under such circumstances, the properties themselves are subject to deterioration; and the entire neighborhood is subject to the impacts caused by such conditions; and

**WHEREAS**, the HRA, in recognition of the need to provide decent, safe and sanitary housing in the community has established a deferred loan program which is designed to provide assistance to individuals who are acquiring foreclosed properties within the Project, and in furtherance of the goals and objectives of the plan for the Project; and.

**WHEREAS**, the Buyer has proposed to purchase and occupy such a property which the HRA has determined will promote and carry out the objectives of the Project, will assist in carrying out the obligations of the Redevelopment Plan and TIF Plan, will be in the vital best interests of the City and the health, safety and welfare of its residents and is in accord with the public purposes and provisions of the applicable state and local laws and requirements under which development in the Project has been undertaken and is being assisted.

NOW, THEREFORE, in consideration of the mutual covenants and obligation of the HRA and the Buyer, each party does hereby represent, covenant and agree with the other as follows:

**ARTICLE I.**

**DEFINITIONS, EXHIBITS, RULES OF INTERPRETATION**

**Section 1.1. Definitions.** In this Agreement, the following terms have the meaning given below unless the context clearly requires otherwise:

- (a) **City.** The City of Richfield, Minnesota.
- (b) **Down Payment.** The Buyer's equity contribution which is required by the lender as a precondition to making the loan.
- (c) **Closing** The date on which Buyer closes on the Purchase of the Property.
- (d) **Guidelines** The guidelines adopted by the HRA as such are applicable to the providing of down payment assistance.
- (e) **Property.** The real property legally described as:

**[Insert Legal]**

Located on land having a street address of:

**[Insert Address]**

(f) **Unavoidable Delays.** Delays which are the direct result of strikes, labor troubles, fire or other casualty to the Improvements, litigation commenced by third parties which results in delays or acts of any federal, state or local government, except those contemplated by this Agreement, which are beyond the control of the Buyer.

**Section 1.2 Exhibits.** The following Exhibits are attached to and by reference made a part of this Agreement:

- A.. Guidelines
- B. The Note and Mortgage

**Section 1.3 Rules of Interpretation.**

(a) This Agreement shall be interpreted in accordance with and governed by the laws of the State of Minnesota.

(b) The words “herein” and “hereof” and words of similar import, without reference to any particular section or subdivision refer to this Agreement as a whole rather than any particular section or subdivision hereof.

(c) References herein to any particular section or subdivision hereof are to the section or subdivision of this Agreement as originally executed.

(d) Any titles of the several parts, articles and sections of this Agreement are inserted for convenience and reference only and shall be disregarded in construing or interpreting any of its provisions.

## ARTICLE II.

### REPRESENTATIONS AND UNDERTAKINGS

**Section 2.1 By the Buyer.** The Buyer makes the following representations and undertakings:

(a) The Buyer has the legal authority and power to enter into this Agreement and has duly authorized the execution, delivery and performance of this Agreement;

(b) The Buyer has the necessary equity capital or will obtain commitments for financing necessary for acquisition of the Property;

(c) The Buyer is familiar with the Guidelines as they relate to down payment assistance, and agrees to follow and be bound by them;

(f) Buyer intends to reside at the Property following Closing and to use the same as Buyer’s principal residence; and is not acquiring the Property for the purpose of resale or speculation.

**Section 2.2 By the HRA.** The HRA makes the following representations as the basis for the undertaking on its part herein contained:

(a) The HRA is authorized by law to enter into this Agreement and to carry out its obligations hereunder; and

(b) The HRA will, in a timely manner, subject to all notification requirements, review and act upon all submittals and applications of the Buyer.

## ARTICLE III.

### ACQUISITION OF PROPERTY; CONVEYANCE TO BUYER

**Section 3.1 Purchase of Property by Buyer.** The Buyer has, or will utilize its best efforts to enter into a binding agreement to purchase the Property. Upon determination by the HRA that Buyer has entered into a binding purchase agreement for the purchase of the Property,

the HRA will deliver to Buyer the Note described in Section 5.1. If no binding purchase agreement is entered into within 30 days from the date of this Agreement, either the HRA or the Buyer may declare this Agreement null and void, and the parties will thereby be released from any further obligation hereunder.

**Section 3.3 Closing.** Closing must take place on or before \_\_\_\_\_, 20\_\_\_, or such other date as may be agreed to by the Buyer and HRA in writing. At Closing, the Buyer will provide the HRA with a mortgage in recordable form (and pay for the cost of recording). The mortgage will be a first lien on the Property and will act as security for repayment of any Down Payment funds provided to the Buyer at Closing in the event that Buyer defaults on any of its obligations hereunder or under the Note. The Mortgage and Note will be in substantially the form shown on the attached Exhibit B.

**ARTICLE IV.  
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**ARTICLE V.**

**DOWN PAYMENT ASSISTANCE**

**Section 5.1 Issuance of the Note.** As consideration for Buyer's obligations, and subject to all of the conditions of this Agreement, the HRA agrees to provide the Buyer with a Down Payment Assistance in the amount of \$10,000. Upon the Buyer providing the HRA with evidence that Buyer has entered into a purchase agreement for the purchase of the Property, the HRA will deliver to Buyer a promissory note in substantially the form of the Note contained in the attached Exhibit B. Payment of the Down Payment Assistance will be exclusively subject to and in accordance with the terms of the Note as such are contained in the Note or described in this Agreement.

**Section 5.2 Note Terms.** In addition to terms contained in the Note, the Note will be subject to the following:

- (a) Assuming the Buyer is in compliance with Buyers obligations, the Note will be payable at Closing.
- (b) The Note will be cancelled if the Closing does not occur by the last date provided in Section 3.3.
- (c) The Note will not bear interest.
- (d) The Note may be canceled by the HRA in the event that the Buyer is in default of any of its obligations under this Agreement.
- (e) The Note may not be assigned or pledged unless the proposed recipient certifies to the HRA that it is aware of and accepts to the conditions of the Note governing payment.

(f) Repayment of the Down Payment Assistance paid to Buyer under the Note is required in the event that the Buyer fails to meet the time requirements of Sections 3.3 and 3.4. The Note will be subject to repayment if: (i) the Buyer does not continue to own and occupy the property as its primary residence for a period of at least five years following Closing; (ii) the Buyer fails to obtain homestead classification for the Property as soon as possible following Closing; or (iii) Buyer fails to continuously maintain the homestead classification for the Property for five years following the Closing. Such repayment obligation will be secured by a mortgage in substantially the form shown in Exhibit B which will be delivered by Buyer to the HRA at Closing. Unless the HRA agrees otherwise in accordance with Section 6.3, the Mortgage will be a first lien on the Property.

(g) If the Buyer shall continue to observe all of the covenants and requirements and obligations imposed on Buyer under this Agreement and in the Note for a period of five years from the date of Closing, then the Buyer's obligation to repay the Down Payment Assistance will terminate and be of no further force and effect; and that an instrument discharging the Mortgage will be provided to Buyer for recording at the Buyer's request.

## ARTICLE VI.

### FINANCING

**Section 6.1 Financing.** Within 15 days of the date of execution of this Agreement, the Buyer shall submit to the HRA evidence of a commitment for financing for the purchase of the Property in compliance with the provisions of Section 2.1(b) of this Agreement. The evidence must include an acknowledgment by the proposed lender that it is aware of the terms of this Agreement as they relate to the Note and Mortgage. Such evidence will also be sufficient to determine the amount of Down Payment that will be required to complete the purchase. If the HRA finds that the financing together with the Down Payment Assistance and other equity available to Buyer is adequate in amount to provide for the purchase of the Property, the HRA shall notify the Buyer of its approval.

If the HRA rejects the evidence of financing as inadequate, the Buyer shall have 30 days or such additional period of time as the Buyer may reasonably require from the date of such notification to submit evidence of financing satisfactory to the HRA. If the Buyer fails to submit such evidence or fails to use due diligence in pursuing financing, the HRA may terminate this Agreement and, if issued, cancel the Note, and both parties shall be released from any further obligation or liability hereunder, or under the Note.

**Section 6.2 Copy of Notice of Default to Lender.** Whenever the HRA shall deliver any notice or demand to the Buyer with respect to any Event of Default by the Buyer in its obligations or covenants under this Agreement, the HRA shall at the same time forward a copy of such notice or demand to each Holder of any Mortgage authorized by the Agreement at the last address of such Holder shown in the records of the HRA.

**Section 6.3 Subordination.** In order to facilitate obtaining financing for the purchase of the Property by the Buyer, the HRA shall agree to modify this Agreement, the Note or the Mortgage in the manner and to the extent the HRA deems reasonable, upon request by the financial institution and the Buyer.

## ARTICLE VII.

### PROHIBITIONS AGAINST ASSIGNMENT AND TRANSFER

**Section 7.1 Representation as to Redevelopment.** The Buyer represents and agrees that its undertakings pursuant to the Agreement, are not for speculation in land holding. The Buyer further recognizes that, in view of the importance of the Development to the general welfare of Richfield and the substantial financing and other public aids that have been made available by the HRA for the purpose of making the Development possible, the qualification and identity of the Buyer are of particular concern to the HRA. The Buyer further recognizes that it is because of such qualifications and identity that the HRA is entering into this Agreement, and, in so doing, is further willing to rely on the representations and undertakings of the Buyer for the faithful performance of all undertakings and covenants agreed by the Buyer to be performed.

**Section 7.2 Prohibition Against Transfer of Property and Assignment of Agreement.** For the reasons set out in Section 7.1 of this Agreement, the Buyer represents and agrees that prior to the issuance of the Certificate of Completion by the HRA:

(a) Except only by way of security for, and only for the purpose of obtaining financing necessary to enable the Buyer or any successor in interest to the Property, or any part thereof, to perform its obligations with respect to the Development under this Agreement, and any other purpose authorized by this Agreement, the Buyer, except as so authorized, has not made or created, and that it will not make or create, or suffer to be made or created, any total or partial sale, assignment, conveyance, or any trust in respect to this Agreement or the Property or any part thereof or any interest therein, or any contract or agreement to do any of the same, without the prior written approval of the HRA.

## ARTICLE VIII.

### EVENTS OF DEFAULT

**Section 8.1 Events of Default Defined.** The following shall be deemed Events of Default under this Agreement and the term shall mean, whenever it is used in this Agreement, unless the context otherwise provides, any one or more of the following events:

(a) Failure by the Buyer to pay when due the payments required to be paid or secured under any provision of this Agreement;

(b) Failure by the Buyer to observe and substantially perform any covenant, condition, obligation or agreement on its part to be observed or performed hereunder, including the time for such performance;

(c) If the Buyer shall admit in writing its inability to pay its debts generally as they become due, or shall file a petition in bankruptcy, or shall make an assignment for the benefit of its creditors, or shall consent to the appointment of a receiver of itself or of the whole or any substantial part of the Property;

(d) If the Buyer, on a petition in bankruptcy filed against it, be adjudicated as bankrupt, or a court of competent jurisdiction shall enter an order of decree appointing, without the consent of the Buyer, a receiver of the Buyer or of the whole or substantially all of its property, or approve a petition filed against the Buyer seeking reorganization or arrangement of the Buyer under the federal bankruptcy laws, and such adjudication, order or decree shall not be vacated or set aside or stayed within 60 days from the date of entry thereof; or

(e) If the Development is in default under any Mortgage and has not entered into a work-out agreement with the Mortgagee.

**Section 8.2 Remedies on Default.** Whenever any Event of Default occurs, the HRA may, in addition to any other remedies or rights given the HRA under this Agreement, take any one or more of the following actions following written notice by the HRA to the Buyer as provided in Section 9.5 of this Agreement:

(a) suspend its performance under this Agreement until it receives assurances from the Buyer, deemed reasonably adequate by the HRA, that the Buyer will cure its default and continue its performance under this Agreement;

(b) cancel or rescind this Agreement;

(c) cancel or rescind the Note;

(d) foreclose on the Mortgage;

(e) withhold the Certificate of Completion; or

(f) take whatever action at law or in equity may appear necessary or desirable to the HRA to enforce performance and observance of any obligation, agreement, or covenant of the Buyer under this Agreement; provided, however, that any exercise by the HRA of its rights or remedies hereunder shall always be subject to and limited by, and shall not defeat, render invalid or limit in any way (a) the lien of any Mortgage authorized by this Agreement and (b) any rights or interest provided in this Agreement for the protection of the Holders of a Mortgage; and provided further that should any Mortgagee succeed by foreclosure of the Mortgage or deed in lieu thereof to the Buyer's interest in the Property, it shall, notwithstanding the foregoing, be obligated to perform the obligations of the Buyer under this Agreement to the extent that the same have not therefore been performed by the Buyer.

**Section 8.3 No Remedy Exclusive.** No remedy herein conferred upon or reserved to the HRA is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or now or hereafter existing at law or in equity or by statute. No delay or omission to

exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the HRA or the Buyer to exercise any remedy reserved to it, it shall not be necessary to give notice, other than such notice as may be required in this Article VIII.

**Section 8.4 No Additional Waiver Implied by One Waiver.** In the event of the occurrence of any Event of Default by either party, which Event of Default is thereafter waived by the other party, such waiver shall be limited to the particular Event of Default so waived and shall not be deemed to waive any other concurrent, previous or subsequent Event of Default.

## ARTICLE IX.

### ADDITIONAL PROVISIONS

**Section 9.1 Conflict of Interests; Representatives Not Individually Liable.** No HRA officer who is authorized to take part in any manner in making this Agreement in his or her official capacity shall voluntarily have a personal financial interest in this Agreement or benefit financially there from. No member, official, or employee of the HRA shall be personally liable to the Buyer, or any successor in interest, for any Event of Default by the HRA or for any amount which may become due to the Buyer or successor or on any obligations under the terms of this Agreement.

**Section 9.2 Non-Discrimination.** The provisions of Minnesota Statutes Section 181.59, which relate to civil rights and non-discrimination, and any affirmative action program of the City shall be considered a part of this Agreement and binding on the Buyer as though fully set forth herein.

**Section 9.3 Notices and Demands.** Except as otherwise expressly provided in this Agreement, a notice, demand or other communication under this Agreement by either party to the other shall be sufficiently given or delivered if it is sent by mail, postage prepared, return receipt requested or delivered personally:

(a) As to the HRA:

Richfield HRA  
Executive Director  
6700 Portland Avenue South  
Richfield, MN 55423

(b) As to the Buyer:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

or at such other address with respect to either such party as that party may, from time to time, designate in writing and forward to the other as provided in this Section 9.3.

**Section 9.4 Counterparts.** This Agreement may be simultaneously executed in any number of counterparts, all of which shall constitute one and the same instrument.

**IN WITNESS WHEREOF**, the HRA has caused this Agreement to be duly executed in its name and behalf and its seal to be hereunto duly affixed and the Buyer has caused this Agreement to be duly executed as of the day and year first above written.

**THE HOUSING AND REDEVELOPMENT  
AUTHORITY IN AND FOR THE CITY OF  
RICHFIELD, MINNESOTA**

By \_\_\_\_\_  
Its Chairperson

By \_\_\_\_\_  
Its Executive Director

\_\_\_\_\_

Buyer  
  
\_\_\_\_\_



**EXHIBIT A**  
**GUIDELINES**  
**[To be attached prior to execution]**

**EXHIBIT B**

**PROMISSORY NOTE**

\$10,000 \_\_\_\_\_, 20\_\_

The Housing and Redevelopment Authority in and for the City of Richfield, Minnesota, a public body corporate and politic (the “Maker”), for value received, hereby promises to pay to \_\_\_\_\_ (the “Holder”) the principal sum of Ten thousand and No/100 Dollars (\$10,000), with no interest as hereinafter provided, in any coin or currency which at the time or times of payment is legal tender for the payment of private debts in the United States of America. The principal of this Note is payable as follows:

1. The principal amount of the Note is as provided for in that certain agreement by and between Maker and Holder entitled: Foreclosure Purchase Incentive Program Downpayment Assistance Agreement dated \_\_\_\_\_ (the “Agreement”) and shall bear no interest. Terms contained in this Note shall have the meanings given them in the Agreement unless a different meaning is clearly indicated.

2. The Note shall be due and payable the Note will be payable at Closing. No amount shall be due or payable prior to that date.

3. This Note will be cancelled if the Closing does not occur by the last date provided in Section 3.3 of the Contract.

4. This Note is given pursuant to the Agreement. All of the agreements, conditions, covenants, provisions, and stipulations and remedies contained in the Agreement are hereby made a part of this Note to the same extent and with the same force and effect as if they were fully set forth herein. It is agreed that time is of the essence of this Note. If a default by the Maker or the Holder occurs under the Agreement, then the Holder or Maker may at its right and option, exercise any rights it may have under law or at equity, under the Agreement, and under the Note.

5. The remedies of the Maker or Holder as provided herein, and in the Agreement, or any other instrument, shall be cumulative and concurrent and may be pursued singly, successively, or together, and, at the sole discretion of the Maker or Holder, may be exercised as often as occasion therefore shall occur; and the failure to exercise any such right or remedy shall in no event be construed as a waiver or release thereof.

The Maker or Holder shall not be deemed, by any act of omission or commission, to have waived any of its rights or remedies hereunder unless such waiver is in writing and signed by the Maker or Holder and then only to the extent specifically set forth in the writing. A waiver with reference to one event shall not be construed as continuing or as a bar to or waiver of any right or

remedy as to a subsequent event. This Note may not be amended, modified, or changed except only by an instrument in writing signed by the party against whom enforcement of any such amendment, modifications, or change is sought.

6. This Note shall be governed by and construed in accordance with the laws of the state of Minnesota without regard to its conflict of laws provisions. Any disputes, controversies, or claims arising out of this Note shall be heard in the state or federal courts of Minnesota, and all parties to this Note waive any objection to the jurisdiction of these courts, whether based on convenience or otherwise

7. Holder may not assign, transfer or pledge this Note without the prior written consent of the Maker. Maker may condition consent on obtaining a certification from the proposed assignee, transferee or pledgee acknowledging and agreeing to Maker’s rights to cancel the Note in accordance with the terms of the Note and the Agreement.

8. IT IS HEREBY CERTIFIED AND RECITED that all conditions, acts, and things required to exist, happen, and be performed precedent to or in the issuance of this Note do exist, have happened, and have been performed in regular and due form as required by law.

9. Any payments paid to Buyer under the Note will be repaid to the HRA in the event that the Buyer fails to meet the requirements of the Agreement. Such repayment obligation will be secured by a mortgage in substantially the form shown in Exhibit B of the Agreement which will be executed and delivered by Buyer to the HRA at Closing. Unless the HRA agrees otherwise in accordance with Section 6.3, the Mortgage will be a first lien on the Property.

IN WITNESS WHEREOF, the Maker has caused this Note to be duly executed as of the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

**HOUSING AND REDEVELOPMENT AUTHORITY IN AND FOR THE CITY OF RICHFIELD, MINNESOTA**

By: \_\_\_\_\_  
Executive Director

**ATTEST:**

\_\_\_\_\_  
Recording Secretary

Dated: \_\_\_\_\_

**EXHIBIT B (cont'd)**

P. O. Box 198  
Kennedy & Graven

**MORTGAGE**

**This Indenture** made this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_, between \_\_\_\_\_, Mortgagor, and **THE HOUSING AND REDEVELOPMENT AUTHORITY IN AND FOR THE CITY OF RICHFIELD, MINNESOTA**, a Minnesota public body corporate and politic under the laws of the State of Minnesota, Mortgagee.

**Witnesseth:** That the said Mortgagor, in consideration of the sum of One (\$1.00) Dollar and other good, valuable and sufficient consideration, the receipt whereof is hereby acknowledged, does hereby Grant, Bargain, Sell, and Convey unto the said Mortgagee, its successors and assigns, Forever, all the tracts or parcels of land lying and being in the County of Hennepin and State of Minnesota, described as follows, to-wit:

The separate tracts and parcels of land described in the attached Exhibit A. (The “Property”)

**To Have and to Hold the Same,** Together with the hereditaments and appurtenances thereto belonging to the said Mortgagee, its successors and assigns, forever. And the said Mortgagor, for itself, and its successors and assigns, does covenant with the said Mortgagee, its successors and assigns, as follows: That it is lawfully seized of said premises and has good right to sell and convey the same; that the same are free from all incumbrances, save and except reservations, restrictions and easements of record; that the Mortgagee, its successors and assigns, shall quietly enjoy and possess the same; and that the Mortgagor will Warrant and Defend the title to the same against all lawful claims not hereinbefore specifically excepted.

**Provided, Nevertheless,** That if said Mortgagor, its successors and assigns, shall keep and perform each and every one of its obligations to be performed by Mortgagor under and pursuant to that certain Agreement dated as of \_\_\_\_\_ (the “Agreement”), made and entered

into between Mortgagor and Mortgagee, and shall keep and perform all the covenants and agreements herein contained, then this deed to be null and void, and to be released at the Mortgagor's expense. This Mortgage secures a principal debt in the amount of \$10,000 payable by Mortgagor to Mortgagee under the terms of the Agreement, and amendments thereto, between Mortgagor and Mortgagee.

**And the Mortgagor**, for itself, and its successors and assigns, does hereby covenant and agree with the Mortgagee, its successors and assigns, to perform its obligations as above specified, to pay all taxes and assessments now due or that may hereafter become liens against said premises at least ten (10) days before penalty attaches thereto; to pay, when due, both principal and interest of all prior liens or incumbrances, and to keep said premises free and clear of all other liens or incumbrances; to commit or permit no waste on said premises and to keep them in good repair; to complete forthwith any improvements which may hereafter be under course of construction thereon, and to pay any other expenses and attorneys' fees incurred by said Mortgagee, its successors or assigns, by reason of litigation with any third party for the protection of the lien of this Mortgage.

**That Mortgagor**, does further covenant and agree that if any lien for labor, skill or material shall be filed for record during the life of this Mortgage, upon or against the premises hereby mortgaged, the said Mortgagor will, within thirty (30) days after the date of its filing for record, either pay off the said lien and secure its satisfaction of record, or will protect the Mortgagee against any loss or damage growing out of its enforcement, by furnishing a bond for the same amount in the form and with the sureties to be approved by the Mortgagee.

In case of failure to pay said taxes and assessments, prior liens or incumbrances, expenses and attorneys' fees as above specified, or to insure said buildings and deliver the policies as aforesaid, the Mortgagee, its successors or assigns, may pay such taxes, assessments, prior liens, expenses and attorneys' fees and interest thereon, or effect such insurance, and the sums so paid shall bear interest at the highest rate permitted by law from the date of such payment, shall be impressed as an additional lien upon said premises, and be immediately due and payable from the Mortgagor, its successors or assigns, to said Mortgagee, its successors or assigns, and this Mortgage shall from date thereof secure the repayment of such advance with interest.

In case of default in any of the foregoing covenants, the Mortgagor confers upon the Mortgagee the option of declaring a default and hereby authorizes and empowers said Mortgagee, its successors and assigns, to foreclose this Mortgage by judicial proceedings or to sell said premises at public auction and convey the same to the purchaser in fee simple in accordance with the statute, and out of the money arising from such sale to retain all sums secured hereby, with interest and all legal costs and charges of such foreclosure and the maximum attorneys' fee permitted by law, which costs, charges and fees the Mortgagor herein agrees to pay.



**EXHIBIT A**

**LEGAL DESCRIPTION**

[To be inserted before execution]