

HDF MORTGAGE

MSHDA MOD Program HDF Repayable Grant No. ***

THIS MORTGAGE, made this [fillable field] day of [fillable field], [fillable field] by and between [BORROWER NAME], a Michigan [entity type], whose address is [address, city, state, zip] (the "Borrower"), and the MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY, a public body corporate and politic of the State of Michigan, whose address is 735 East Michigan Avenue, Lansing, MI 48912 (the "Authority").

RECITALS:

A. The Authority is authorized under Act 346 of the Michigan Public Acts of 1966, as amended, to make grants and loans from the Authority's Housing Development Fund ("HDF") for the purposes of ***.

B. The Borrower has applied for and has been approved to receive a repayable grant from the Authority, known as HDF Grant No. ***, pursuant to the Repayable Grant Agreement between the Authority and the Borrower dated *** (the "Grant Agreement").

C. The Borrower is utilizing the HDF Grant to finance the acquisition and construction of a modular housing unit and related improvements on the land described in Exhibit A to this HDF Mortgage (the "Mortgage"), which land and improvements are together referred to as the "Property."

D. The HDF Grant is evidenced by the HDF Promissory Note of even date given by the Borrower to the Authority (the "Note"). The MAXIMUM PRINCIPAL AMOUNT (excluding protective advances) that may be secured by this Mortgage, as stated in the Note, is *** Dollars (\$***).

E. **THIS IS A FUTURE ADVANCE MORTGAGE**, which means that the Note and any future advances (as defined in MCL §565.901 et seq.) made by the Authority (which shall altogether constitute and be a part of the HDF Grant) are secured by this Mortgage.

NOW, THEREFORE, to secure the repayment of the sums owed under the Note, and the performance of the covenants and agreements contained in this Mortgage and the Grant Agreement, the Borrower MORTGAGES AND WARRANTS to the Authority, its successors or assigns, AND GRANTS A SECURITY INTEREST to the Authority, its successors or assigns, int

the Property and all buildings, improvements, fixtures, and other property of the Borrower located in the City/Township of [fillable field], in the County of [county name] and State of Michigan, as described in the attached Exhibit A.

TOGETHER with the privileges and appurtenances belonging to and all of the rents, issues, and profits which may arise or be had from the Property.

TO HAVE AND TO HOLD the Property, forever, provided that if the Borrower shall make all payments due under the Note, and performs all of the agreements contained in this Mortgage and the Grant Agreement, then this Mortgage and the Note shall be null and void; otherwise this Mortgage and the Note shall remain in full effect.

AND the Borrower hereby COVENANTS as follows:

1. The Borrower will make all payments required under the Note and perform all other obligations of the Borrower as contained in this Mortgage and the Grant Agreement at the times and in the manner provided therein.
2. The Borrower agrees that if (i) the Property or any interest therein is sold, transferred or otherwise conveyed to a person who is not an eligible homebuyer; (ii) the Property is occupied by a person or family who is not an eligible homebuyer or is used for other than residential purposes, as determined by the Authority; (iii) the Property is refinanced; or (iv) the Borrower is in default of the Grant Agreement or the Note, and such default continues beyond any applicable grace or cure period, then the entire principal balance of the HDF Grant and any other sums due under this Mortgage or the Grant Agreement shall, at the option of an Authorized Officer of the Authority and without notice, become immediately due and payable. The failure of the Authority to exercise this option after any default does not waive its right to exercise the option at any time for a continuing or subsequent default
3. The Authority may, at its option, declare immediately due and payable all or any part of the HDF Grant and any other amounts secured by this Mortgage upon the Authority's discovery of the Borrower's failure to disclose any fact deemed by the Authority to be material, or of the making of any misrepresentation by, on behalf of, or for the benefit of the Borrower, in the Grant application or in any of the agreements entered into by the Borrower with the Authority including but not limited to the Grant Agreement, the Note and this Mortgage.
4. Promptly after the date of any sale, transfer, lease, mortgage or other conveyance of all or any part of the Borrower's interest in the Property, Borrower, or its heirs, executors, or representatives shall give the Authority written notice by certified mail of such sale, transfer, mortgage or conveyance.
5. The Borrower will pay all ground rents, taxes, assessments, water rates, and all other charges and encumbrances which now are or shall hereafter be or appear to be a lien upon the said Property or any part thereof, before the same become delinquent or subject to interest or penalties (unless otherwise agreed to in writing), and that in default thereof, the Authority may, without demand or notice, pay the said taxes, assessments, charges or encumbrances, and shall be the sole judge of the legality or validity thereof and of the amount necessary to be paid in satisfaction thereof.

6. The Borrower will keep the Property insured against loss from fire and such other hazards, casualties, liabilities and contingencies as may be required by an Authorized Officer of the Authority, and all such insurance shall be evidenced by a standard all-risk insurance policy, commercial liability policy, and other policies required by the Authority, in amounts acceptable to the Authority. The amount of property insurance shall not be less than (a) eighty (80%) percent of the actual cash value of the insurable improvements or (b) the amount of the HDF Grant, whichever is greater. All policies shall be endorsed with a standard mortgagee clause with loss payable to the Authority.
7. If the Property or any part of it is damaged by fire or other hazard insured against, the amounts paid by any insurance company pursuant to a policy of insurance shall be paid to the Authority to the extent of the outstanding amounts owed to the Authority by the Borrower. At the option of the Authority, the proceeds may be applied first to interest, if any, and then to principal owed under the Note or released for the repairing or rebuilding of the Property. No amount applied to the reduction of the principal of the Note shall relieve the Borrower from making further payments hereunder following the date of receipt of the proceeds.
8. All awards of damages in connection with any condemnation for public use of or injury to any of the Property shall be paid to the Authority to the extent of the outstanding amounts owed to the Authority by the Borrower. At the option of the Authority, the proceeds may be applied first to interest if any. The Authority is hereby authorized in the name of the Borrower to execute and deliver valid acquittances for such awards and to appeal such awards.
9. The Borrower will not permit or commit any waste on the Property and will keep the buildings and all equipment associated with the Property, if any, in good repair, and promptly comply with all laws, ordinances, regulations, and requirements of any governmental body affecting the Property. If the Property or any part of the Property should require inspection, repair, care, or attention of any kind or nature not provided by, or on behalf of, the Borrower, the Authority may, after notice to the Borrower, enter or cause entry to be made on the Property to inspect, repair, protect, care for or maintain the Property as the Authority may deem necessary, and may effect any repair, protection, care or maintenance, of whatever nature and at whatever cost it may deem necessary or advisable, in its sole and absolute discretion. Acknowledging that the Property will be unoccupied, the Borrower agrees to take appropriate measures to secure the Property from trespass, vandalism and damage by third parties.
10. The Borrower will not execute or file for record any instrument which imposes a restriction upon the sale or occupancy of the Property on the basis of sex, race, color, religion, national origin, age (unless with respect to a senior citizens housing program), disability, familial status or marital status except as provided by law.
11. If there is a default under this Mortgage, an Authorized Officer of the Authority may cause the abstract or abstracts of title, or Title Insurance Policy and the tax histories of the Property to be certified to date, or may procure new abstracts of title or Title Insurance Policies and/or tax histories or title searches in case none were furnished to it, and may pay whatever sums as it may deem to be necessary to obtain them.
12. The Borrower shall pay the Authority forthwith the amounts of all sums of money which the Authority shall pay or expend pursuant to the provisions of the Note and this

Mortgage, together with interest upon all such sums from the date of expenditure until paid at the rate of interest payable on the HDF Grant, and all unpaid sums shall be a further lien on the Property under this Mortgage.

13. No sale or transfer of the Property, no forbearance on the part of the Authority, nor extension of the time for the repayment of the HDF Grant shall operate to release, discharge, modify, change or affect the original liability of the Borrower herein either in whole or in part. No waiver by the Authority of any right or remedy granted under this Mortgage or failure to insist upon strict performance of the Borrower's obligations under this Mortgage shall affect any other right or remedy of the Authority or the subsequent exercise of the same right or remedy.
14. NOTICE: THIS MORTGAGE CONTAINS A POWER OF SALE AND UPON DEFAULT MAY BE FORECLOSED BY ADVERTISEMENT AS HEREIN PROVIDED. Upon default being made in the payment of the sums of money herein agreed to be paid, or in the performance of any of the covenants or agreements herein contained according to the terms hereof or of the Note secured hereby, the holder of the Note is hereby authorized and empowered to sell the Property or cause it to be sold and to convey the same to the purchaser in any lawful manner, including but not limited to that provided in the Act and by Section 49 of the Act entitled "Foreclosure of Mortgage by Advertisement," which permits the mortgage holder to sell the Property without affording the Borrower a hearing, or giving it personal notice; the only notice required is to publish notice in a newspaper of general circulation in the county wherein the Property is located and to post a copy of the notice on the Property.

WAIVER: BY CONFERRING THIS POWER OF SALE UPON THE MORTGAGE HOLDER, THE BORROWER FOR ITSELF, ITS SUCCESSORS AND ASSIGNS HEREBY WAIVES ALL RIGHTS UNDER THE CONSTITUTION AND LAWS OF THE UNITED STATES AND UNDER THE CONSTITUTION AND LAWS OF THE STATE OF MICHIGAN BOTH TO A HEARING ON THE RIGHT TO EXERCISE AND THE EXERCISE OF THE POWER OF SALE, AND TO NOTICE EXCEPT AS REQUIRED BY THE MICHIGAN STATUTE WHICH PROVIDES FOR FORECLOSURE BY ADVERTISEMENT. However, the Borrower reserves the right to timely contest the exercise of the power of sale by instituting suit against the mortgage holder in the circuit court of the county in which the Property is located or any other court of competent jurisdiction.

The Borrower further agrees that the mortgage holder is authorized and empowered to retain out of the sale proceeds such monies as are due under the terms of this Mortgage, the costs and charges of such sale, and also the attorney's fee provided by statute or as otherwise provided by a court of competent jurisdiction, rendering the surplus monies (if any there should be) to the Borrower. In the event of a public sale, the Property may, at the option of the mortgage holder, be sold in one or more parcels.

15. The Borrower will not voluntarily create nor permit to be created against the Development any lien or liens, whether superior or junior to the lien of this Mortgage, and will keep and maintain the Property free from the claims of all persons supplying labor or materials that will be used in the construction, rehabilitation or repair of the Property and the failure of the Borrower to keep the Property lien-free shall be a default under this Mortgage.

16. 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.
17. The invalidity of any clause, part or provision of this Mortgage shall not affect the validity of the remaining provisions of this Mortgage.
18. The Borrower agrees that upon completion of the construction of the improvements on the Property, the Property will comply with all municipal ordinances and regulations made or promulgated by lawful authority and with the rules of the Board of Fire Underwriters having jurisdiction.
19. If the construction of the improvements to be made pursuant to the Grant Agreement shall not be carried on with reasonable diligence, or shall be discontinued at any time for any reason other than strikes or lock-outs, after due notice to the Borrower or any subsequent owner, the Authority is hereby constituted and appointed the Borrower's true and lawful attorney-in-fact with full power of substitution in the premises, and is invested with full and complete authority to enter upon the Property. As attorney-in-fact for the Borrower, the Authority may employ watchmen to protect such improvements from depredation or injury and to preserve and protect the personal property therein, and to continue any and all outstanding contracts for the erection and completion of such building or buildings, to make and enter into any contracts and obligations wherever necessary, either in its own name or in the name of the Borrower, and to pay and discharge all debts, obligations and liabilities incurred thereby. All such sums so advanced by the Authority shall be secured by this Mortgage and shall be due and payable on demand with interest at the rate in accordance with the Note.
20. Except as otherwise provided herein, the following officers of the Authority are authorized to give any approval or notice or take any action on behalf of the Authority in connection with the administration of this Mortgage: the Executive Director, the Chief Housing Investment Officer, the Chief Financial Officer, the Deputy Director of Finance, the Director of Legal Affairs, the Deputy Director of Legal Affairs or any person duly appointed to act in that capacity. The term "Authorized Officer of the Authority" refers to the foregoing employees of the Authority when acting within the scope of their authority.
21. The Authority may make or authorize reasonable entries upon and inspections of the Development, provided that the Authority shall give the Borrower notice prior to any inspection specifying reasonable cause therefor related to the Authority's interest in the Property.
22. The covenants herein contained shall bind, and the benefits and advantages shall inure to, the respective successors and assigns of the parties hereto. Whenever used, the singular number shall include the plural and the singular, and use of any gender shall be applicable to all genders.
23. No modification to this Mortgage shall be binding upon the parties unless in writing and signed by both parties.

IN WITNESS WHEREOF, the Borrower has caused these presents to be signed as of the day and year first above written.

[insert name of grantee]

By: _____

Its: _____ --__

STATE OF MICHIGAN)
)
COUNTY OF)

On this ____ day of _____, ____, the foregoing Mortgage was acknowledged before me by _____, the _____ of [borrower], a Michigan [entity type], on behalf of said partnership/municipality/corporation/etc..

Notary Public, _____ County, MI
Acting in the County of _____
My Commission Expires: _____

FORM DRAFTED BY:
Margaret A. Meyers
Michigan State Housing Development Authority
For the Housing Initiatives Division
P.O. Box 30044
Lansing, MI 48909

FORM COMPLETED BY:
name of person completing form
grantee name
grantee address
grantee city, state zip

WHEN RECORDED RETURN TO: Ann Grambau
Michigan State Housing Development Authority (above address)

EXHIBIT A
LEGAL DESCRIPTION

To the Mortgage between the Michigan State Housing Development Authority and [borrower name], a Michigan [entity type]

[legal description]

Commonly known as:

[address, city, state, zip]

Parcel / Property Tax ID #: AUTOFILL