



NOW, THEREFORE, in consideration of the Forgivable Mortgage, the Mortgagor hereby covenants as follows:

1. The Mortgagor agrees to comply with the requirements of the tenant certification form (the "Tenant Certification Form"), the Forgivable Note, and the Landlord Written Participation & Certification Agreement, which are incorporated herein by reference.
2. The Mortgagor will not permit or suffer the use of the property for which this Forgivable Mortgage is given for any purpose other than Mortgagor's principal place of residence.
3. The activities of the Mortgagor will be subject to the review of and, in the discretion of the Authority, audit by Authority staff to ensure compliance with this Agreement, the Act and the Authority's Rules, and the Mortgagor will provide any books, records or documents in such form and at such place as the Authority may request.
4. The Mortgagor will not permit or suffer the alteration of or addition to any structure upon said Property without the prior written consent of the Forgivable Mortgagee.
5. Prior to the fifth (5th) anniversary of the date of this Forgivable Mortgage, if the Property is sold or transferred without the Mortgagee's prior written consent, or if the Mortgagor fails to perform any obligation required under the terms of this Forgivable Mortgage (each such noncompliance an "Early Maturity Event"), such act shall be deemed a breach of a covenant in this Forgivable Mortgage, and the Note shall be immediately due and payable in an amount equal to the principal amount advanced under the Note. For purposes of this Forgivable Mortgage, the words "sold or transferred," individually or together, specifically include, but are not limited to, an outright sale, sale on a land contract, sale with an assumption of the Forgivable Mortgage, sale with wrap around financing, transfer by operation of law either upon the death of the Mortgagor or otherwise.
6. On and after the fifth anniversary of the date of this Forgivable Mortgage, the Mortgagor shall have no further repayment obligation.
7. The Mortgagor will pay before the same become delinquent or subject to interest or penalties, all 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 premises or any part thereof (unless otherwise agreed to in writing), and that in default thereof, the Mortgagee may, without demand or notice, pay the said taxes, assessments, charges or encumbrances, and pay such sum of money as the Mortgagee may deem to be necessary therefor, and shall be the sole judge of the legality or validity thereof and of the amount necessary to be paid in satisfaction thereof.
8. The Mortgagor will keep the improvements now existing or hereafter erected on the mortgaged 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 fire and other policies required by the Authority, in amounts acceptable to the Authority. All policies shall be endorsed with a standard mortgagee clause with loss payable to the Authority.
9. The Mortgagor will not permit or commit any waste on said premises and will keep the buildings thereon and all equipment therein mortgaged, if any, in good repair, and promptly comply with all laws, ordinances, regulations, and requirements of any governmental body

affecting the said mortgaged premises, and should said premises or any part thereof require inspections, repair, care, or attention of any kind or nature not provided by the Mortgagor, or by another party responsible therefore the Mortgagee, being hereby made sole judge of the necessity therefor may, after notice to the Mortgagor, enter or cause entry to be made on said property, and inspect, repair, protect, care for or maintain said property as the Mortgagee may deem necessary, and may pay such sum of money as the Mortgagee may deem to be necessary therefore and shall be the sole judge of the amount necessary to be paid.

10. Should any default be made in the covenants of this Forgivable Mortgage, the Mortgagee may cause the abstract or abstracts of title, or Title Insurance Policy and the tax histories of said premises to be certified to date, or may procure new abstracts of title or Title Insurance Policies and tax histories or title search in case none were furnished to the Mortgagee, and may pay therefor such sums as it may deem to be necessary, and if unpaid, may pay the Mortgage tax on this instrument, and shall be the sole judge of the amount necessary to be paid therefor.
11. Should any default be made in the performance of any covenants of this Forgivable Mortgage or the Note, or any part thereof, when the time of performance has arrived, as above provided, then all sums due hereunder shall, at the option of the Mortgagee, without notice, become immediately payable thereafter, although the period above limited for the payment thereof may not have expired, anything herein contained or contained in the Note to the contrary notwithstanding, and any failure to exercise such option shall not constitute a waiver of the right to exercise the same at any other time with respect to the same default or any subsequent default.
12. No forbearances on the part of the Mortgagee and no extension of the time for the payment of the debt hereby secured, given by the Mortgagee, shall operate to release, discharge, modify, change or affect the original liability of the Mortgagor herein either in whole or in part.
13. **NOTICE: THIS MORTGAGE CONTAINS A POWER OF SALE AND UPON AN EVENT OF 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 Forgivable 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 Section 49 of the Act 346 of the Public Acts of 1966 (MCL 125.1449, et seq.) entitled "Foreclosure of Mortgage by Advertisement," which permits the mortgage holder to sell the Property without affording the Mortgagor a hearing, or giving the Mortgagor personal notice; the only notice required is to publish notice in a newspaper of general circulation in the county in which the Property is located and to post a copy of the notice on the mortgaged premises.
14. **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**

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.

15. 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 Forgivable 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.
16. The Borrower further agrees to 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 Forgivable Mortgage.
17. All remedies provided in this Forgivable Mortgage are distinct and cumulative to any other right or remedy under this Forgivable Mortgage or afforded by law or equity, and may be exercised concurrently, independently or successively.
18. The invalidity of any clause, part or provision of this Forgivable Mortgage shall not affect the validity of the remaining provisions of this Forgivable Mortgage.
19. In the event of any default in any other obligation, covenant or agreement of the Borrower under any mortgage(s), either senior or junior to this Forgivable Mortgage, such default shall constitute a default by the Borrower under this Forgivable Mortgage, and the Authority may declare the whole of the indebtedness secured hereby to be due and payable and exercise any other rights and remedies provided to the Authority by the provisions hereof in the event of default by the Borrower.
20. The covenants herein contained shall bind, and the benefits and advantages shall inure to, the respective successors and assigns of the parties hereto.

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

By: \_\_\_\_\_

By: \_\_\_\_\_

**STATE OF MICHIGAN**            )  
  )  
County of    )

Before me personally appeared  
on this            day of                                    ,            by

\_\_\_\_\_

Notary Public, State of Michigan  
County of  
My Commission Expires:

Form Drafted by:  
Kara Hart-Negrich  
Michigan State Housing Development Authority  
735 East Michigan Avenue, P.O. Box 30044  
Lansing, MI 48909

Form Completed by:

And when Recorded, Return to:

Michigan State Housing Development Authority  
Neighborhood Housing Initiatives Division  
735 East Michigan Avenue, P.O. Box 30044  
Lansing, Michigan 48909

**EXHIBIT A  
LEGAL DESCRIPTION**

Commonly known as:

Parcel/Property ID #: