

91-720-0750

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OFFICE OF THE COUNTY RECORDER
ITASCA COUNTY, MINNESOTA

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NICOLLE ZUEHLKE
ITASCA COUNTY RECORDER

BY TS Dep



Exempt From Mortgage Registration Tax


Jeffrey T. Walker, Auditor/Treasurer

MORTGAGE REGISTRY TAX DUE: This instrument is exempt from registration tax because the City of Grand Rapids is the Mortgagee and exempt from taxation pursuant to Minnesota Statute 287.04.

REAL ESTATE MORTGAGE SCDP COMMERCIAL & RESIDENTIAL LOAN PROGRAM

THIS MORTGAGE, is made this 27th day of December, 2016 by Canal Apartments LLC(owners), n/a (marital status) (hereinafter collectively referred to as "Mortgagor") and the **City of Grand Rapids**, a public body corporate and politic of the State of Minnesota, having its principal office at 420 N Pokegama Ave, Grand Rapids, MN 55744 (hereinafter referred to as "Mortgagee"); and, where applicable, the Contract for Deed vendor(s), remainderman, or separated spouses not in possession or others with ownership interest joining in this mortgage at the place provided below.

WITNESSETH: Mortgagor and Mortgagee have entered into that certain Loan Note and Agreement for SCDP Loan Program (hereinafter referred to as the "Note") pursuant to which Mortgagee has loaned, or committed to loan, Mortgagor the sum of Fifteen Thousand Sixty dollars & 00/100's (\$15,060.00) (hereinafter referred to as the "Loan"). In consideration thereof the Mortgagor does hereby Mortgage, grant, bargain, sell and convey unto the Mortgagee, its successors and assigns, forever, with power of sale, all parcel(s) of land situated in the County of Itasca, State of Minnesota, described in the attached **EXHIBIT A**, together with the hereditaments and appurtenances thereunto belonging or in anywise appertaining, and all fixtures now or hereinafter attached to or used in connection with the premises herein described, all of which including replacements and additions thereto, shall be deemed to be and remain a part of the property covered by this Mortgage (hereinafter referred to as the "Mortgaged Property"). Said Mortgage is given to secure repayment of the entire indebtedness due on or before December 27th, 2023 (date of maturity) by Mortgagor to Mortgagee under the Note, as well as all other amounts due by Mortgagor to Mortgagee under the terms of this Mortgage

TO HAVE AND TO HOLD THE SAME, unto the said Mortgagee, its successors and assigns forever.

PROVIDED, NEVERTHELESS, that if the Mortgagor shall well and truly pay to the Mortgagee the principal sum of Fifteen Thousand Sixty dollars & 00/100's (\$15,060.00), together with interest thereon according to the terms of the Note of even date herewith, the provisions of which are incorporated herein by reference (or of any instrument issued in substitution therefore or in renewal or as a refinancing thereof); principal and interest being

shall be added to the indebtedness secured hereby and shall bear interest from the date of payment by the Mortgagee at the rate specified in the Note secured in this Mortgage, and shall be due and payable to the Mortgagee on demand.

If all or any part of the property identified on Exhibit A or any interest therein is sold, transferred, or otherwise conveyed (whether by deed, Contract for Deed, lease or otherwise), and whether voluntarily or involuntarily, either while the Mortgagor is living or by reason of the death of the Mortgagor, (excluding the transfer of the Property by operation of the law or devise to a surviving Mortgagor joint tenant or former tenant in common, for so long as said surviving Mortgagor joint tenant, devisee or owner uses the property as residential rental investment property) all installments then remaining unpaid on the Note together with accrued interest will be immediately due and payable. The right to accelerate will not be triggered by a lease of residential rental units for a period of seven years or less. Notwithstanding anything to the contrary therein contained, the loan evidenced by the Note secured by this Mortgage and any other documents securing the same shall not be assigned or transferred by the undersigned for assumption of payments nor summed without the prior written consent of the holder of the Note, which consents shall be at the said holder's sole option and discretion. In the event Mortgagor requests a release of a portion of the lands encumbered by this Mortgage not needed to secure the indebtedness evidenced by the Note, to enable Mortgagor to sell the lands so released; and if Mortgagee determines, in its sole discretion and option, to provide a partial release of this Mortgage for that purpose, the proceeds of sale of such land shall be paid to the Mortgagee and accounted for as prepayment.

8. Mortgagor will pay any other expenses and attorney's fees incurred by Mortgagee by reason of litigation with any third party for the protection of the lien of the Mortgage.
9. Mortgagor hereby makes the following additional covenants and certifications as an inducement and basis and condition to receipt of the loan secured by this Mortgage:
 - a. The Mortgagor has no present intention to sell, assign, or transfer the interest of the Mortgagor in said Property to another.
 - b. The proceeds of the Note will be used only for alterations, repairs or improvements on or in connection with the Mortgaged Property.
 - c. Mortgagor has made no material misstatement of fact in connection with Mortgagor's application for the loan secured by this Mortgage.

It is expressly agreed that upon Mortgagor's breach of any covenant, agreement, or certification contain in this paragraph 10, the holder of the Note secured by this Mortgage may, at its sole option and discretion, declare the entire principal amount outstanding of the Note and all accrued interest thereon immediately due and payable.

10. In the event that the property described above is subject, as of the date of this Mortgage, to one or more contracts for deed (hereinafter collectively referred to as a "Contract for Deed"), the Vendor on the Contract, by executing this document as provided below, agrees to the following, which shall be considered to amend the Contract for Deed:
 - a. In the event of default by Vendee upon the Contract for Deed, the Vendor shall notify, in writing, the Mortgagee.
 - b. In the event that the Contract for Deed Vendor gives notice of cancellation of the contract to the Vendee, the Vendor shall also provide a copy of the Notice of Cancellation to the Mortgagee, and shall withhold exercising the power of cancellation for a period of 30 days after giving notice to the Mortgagee in order

retain all sums secured hereby, with interest and all legal fee costs and charges of such foreclosure and the maximum attorney's fee permitted by law, which costs, charges and fees the Mortgagor herein agrees to pay.

THE MORTGAGOR AND THE MORTGAGEE FURTHER COVENANT AND AGREE:

1. Mortgagor shall be furnished a conformed copy of this Mortgage and the Note it secures at the time of execution or after recordation.
2. Upon default of any covenant or agreement by Mortgagor under the terms of this Mortgage, Mortgagee prior to foreclosure shall mail notice to Mortgagor as provided herein specifying (I) the nature of the default by the Mortgagor, (II) the action required to cure such default, (III) a date, not less than thirty (30) days from date that the notice is mailed to Mortgagor by which such default must be cured; and (IV) that failure to cure such default on or before the date specified in the notice may result in acceleration of the sums secured by the Mortgage and sale of the Mortgaged Property. The notice shall further inform Mortgagor of the right to reinstate after acceleration and the right to bring court action to assert the nonexistence of a default or any other defense of the Mortgagor to acceleration and sale.
3. In addition to any notice required under applicable law to be given in another manner, (I) any notice to the Mortgagor provided for in this Mortgage shall be given by mailing such notice by certified mail addressed to the Mortgagor at the address of the Mortgaged Property, or at such other address as the Mortgagor may designate by notice to Mortgagee in writing as provided herein, and (II) any notice to the Mortgagee shall be given by certified mail, return receipt requested, to Mortgagee at the following address: **420 N Pokegama Ave, Grand Rapids, MN 55744** or to such other address as Mortgagee may designate by notice in writing to the Mortgagor as provided herein. Any notice provided for in this Mortgage shall be deemed to have been given to Mortgagor or Mortgagee when given in the manner designated herein.



709507

EXHIBIT A

Attachment to Real Estate Mortgage Dated the 27th Day of December, 2016

Mortgagor(s): Canal Apartments LLC

Legal Description:

Wilson & Gillespies Add to GR,
Lots 11-14 BLK 7 & Vac Ogema Ave Lyg W & Adj thereto less Ry Row
Sec: 21 TWP: 55.0 RG: 25

525 Canal St
Grand Rapids, MN 55744

Property ID: 91-720-0750

EXHIBIT B

Attachment to Real Estate Mortgage Dated the 27th Day of December, 2016

Mortgagor(s): Canal Apartments LLC

Priority Leases, Liens and Encumbrances:

Grand Rapids State Bank
523 NW 1st Ave
Grand Rapids, MN 55744
Loan No's: 9181400004 and 9181400005

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WITNESSETH: Mortgagor and Mortgagee have entered into that certain Loan Note and Agreement for SCDP Loan Program (hereinafter referred to as the "Note") pursuant to which Mortgagee has loaned, or committed to loan, Mortgagor the sum of Fifteen Thousand Five Hundred Eighty Two dollars & 00/100's (\$15,582.00) (hereinafter referred to as the "Loan"). In consideration thereof the Mortgagor does hereby Mortgage, grant, bargain, sell and convey unto the Mortgagee, its successors and assigns, forever, with power of sale, all parcel(s) of land situated in the County of Itasca, State of Minnesota, described in the attached **EXHIBIT A**, together with the hereditaments and appurtenances thereunto belonging or in anywise appertaining, and all fixtures now or hereinafter attached to or used in connection with the premises herein described, all of which including replacements and additions thereto, shall be deemed to be and remain a part of the property covered by this Mortgage (hereinafter referred to as the "Mortgaged Property"). Said Mortgage is given to secure repayment of the entire indebtedness due on or before December 27th, 2023 (date of maturity) by Mortgagor to Mortgagee under the Note, as well as all other amounts due by Mortgagor to Mortgagee under the terms of this Mortgage

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premiums related to the same, or for any other purpose elsewhere authorized hereunder, shall be added to the indebtedness secured hereby and shall bear interest from the date of payment by the Mortgagee at the rate specified in the Note secured in this Mortgage, and shall be due and payable to the Mortgagee on demand.

If all or any part of the property identified on Exhibit A or any interest therein is sold, transferred, or otherwise conveyed (whether by deed, Contract for Deed, lease or otherwise), and whether voluntarily or involuntarily, either while the Mortgagor is living or by reason of the death of the Mortgagor, (excluding the transfer of the Property by operation of the law or devise to a surviving Mortgagor joint tenant or former tenant in common, for so long as said surviving Mortgagor joint tenant, devisee or owner uses the property as residential rental investment property) all installments then remaining unpaid on the Note together with accrued interest will be immediately due and payable. The right to accelerate will not be triggered by a lease of residential rental units for a period of seven years or less. Notwithstanding anything to the contrary therein contained, the loan evidenced by the Note secured by this Mortgage and any other documents securing the same shall not be assigned or transferred by the undersigned for assumption of payments nor summed without the prior written consent of the holder of the Note, which consents shall be at the said holder's sole option and discretion. In the event Mortgagor requests a release of a portion of the lands encumbered by this Mortgage not needed to secure the indebtedness evidenced by the Note, to enable Mortgagor to sell the lands so released; and if Mortgagee determines, in its sole discretion and option, to provide a partial release of this Mortgage for that purpose, the proceeds of sale of such land shall be paid to the Mortgagee and accounted for as prepayment.

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Mortgagor Initials JS

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3. In addition to any notice required under applicable law to be given in another manner, (I) any notice to the Mortgagor provided for in this Mortgage shall be given by mailing such notice by certified mail addressed to the Mortgagor at the address of the Mortgaged Property, or at such other address as the Mortgagor may designate by notice to Mortgagee in writing as provided herein, and (II) any notice to the Mortgagee shall be given by certified mail, return receipt requested, to Mortgagee at the following address: **420 N Pokegama Ave, Grand Rapids, MN 55744** or to such other address as Mortgagee may designate by notice in writing to the Mortgagor as provided herein. Any notice provided for in this Mortgage shall be deemed to have been given to Mortgagor or Mortgagee when given in the manner designated herein.



EXHIBIT A

Attachment to Real Estate Mortgage Dated the 27th Day of December, 2016

Mortgagor(s): Canal Apartments LLC

Legal Description:

Wilson & Gillespies Add to GR,
Lots 1-6 & 13-18 BLK 6 Less Vill St
Sec: 21 TWP: 55.0 RG: 25

515 Canal St and 112 NE 5th Ave
Grand Rapids, MN 55744

Property ID: 91-720-0610

EXHIBIT B

Attachment to Real Estate Mortgage Dated the 27th Day of December, 2016

Mortgagor(s): Canal Apartments LLC

Priority Leases, Liens and Encumbrances:

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Grand Rapids, MN 55744
Loan No's: 9181400004 and 9181400005