

MORTGAGE DEED

MORTGAGE REGISTRY TAX DUE HEREON: \$575.00

THIS INDENTURE is made this _____ day of _____, 2019, between Rebound/Stencil Development LLC, a Minnesota Limited Liability Company, 527 Professional Drive, Northfield, MN 55057, Mortgagor, and the City of Northfield Economic Development Authority, a public corporation and political subdivision of the State of Minnesota, Mortgagee.

WITNESSETH, that the said Mortgagor, in consideration of the sum of Two Hundred Fifty Thousand and 00/100 (\$250,000.00) DOLLARS, the receipt whereof is hereby acknowledged, does hereby convey unto Mortgagee, forever, real properties located at 510 Washington Street, located in the City of Northfield, Rice County, Minnesota, 55057, described as follows:

Lot 3, Block 48, in the Original Town (now City) of Northfield, Rice County, Minnesota.

Together with (1) all buildings and improvements constructed or located on the Redevelopment Property (“Improvements”) and (2) all easements and rights benefitting or appurtenant to the Redevelopment Property and Improvements including any right, title or interest in the bed of any street, road, highway or alley adjoining the Redevelopment Property.

TO HAVE AND TO HOLD THE SAME, to Mortgagee forever. The Mortgagor covenants with Mortgagee as follows: That Mortgagor is lawfully seized of the Property and has good right to convey the same; that the Property is free from all encumbrances, except as follows: a first mortgage in the amount of \$ _____, granted by _____, a _____, as Mortgagor in favor of _____, a _____, as Mortgagee, dated _____, and recorded on _____ as Document No. _____ in the offices of the Rice County Recorder/Registrar; that Mortgagee shall quietly enjoy and possess the same; and that Mortgagor will Warrant and Defend the title to the same against all lawful claims not hereinbefore specifically excepted.

PROVIDED, NEVERTHELESS, that if Mortgagor shall pay to Mortgagee the sum of Two Hundred Fifty Thousand and 00/100 (\$250,000.00) Dollars, according to the terms of a promissory note and of the same of even date herewith (the Note), on terms as provided in the Note, and shall repay to the Mortgagee, at the times and with interest as specified, all sums advanced in protecting the lien of this Mortgage, in payment of taxes on the Property and assessments payable herewith, insurance premiums covering buildings thereon, principal or interest on any prior liens, expenses and attorney’s fees herein provided for and sums advanced for any other purpose authorized herein, and shall keep and perform all the covenants and agreements herein contained, then this Mortgage to be null and void, and shall be released at the Mortgagor’s expense.

AND THE MORTGAGOR covenants with the Mortgagee as follows:

1. to pay the principal sum of money as specified in the Note;
2. to pay all taxes and assessments now due or that may hereafter become liens against the Property before penalty attaches thereto;
3. to keep all buildings, improvements and fixtures now or later located on or a part of the property insured against loss by fire, extended coverage perils, vandalism, malicious mischief and, if applicable, steam boiler explosion, for at least the amount of **full insurable value** at all times while any amount remains unpaid under this Mortgage. If any of the buildings, improvements or fixtures are located in a federally designated flood prone area, and if flood insurance is available for that area, Mortgagor shall procure and maintain flood insurance in amounts reasonably satisfactory to Mortgagee. Each insurance policy shall contain a loss payable clause in favor of Mortgagee affording all rights and privileges customarily provided under the so-called standard mortgage clause. In the event of damage to the Property by fire or other casualty, Mortgagor shall promptly give notice of such damage to Mortgagee and the insurance company. The insurance shall be issued by an insurance company or companies licensed to do business in the State of Minnesota and acceptable to Mortgagee. The insurance policies shall provide for not less than ten days written notice to Mortgagee before cancellation, non-renewal, termination, or change in coverage, and Mortgagor shall deliver to Mortgagee a duplicate original or certificate of such insurance policies;
4. to pay, when due, both principal and interest of all prior liens or encumbrances, if any, and to keep the Property free and clear of all other prior liens or encumbrances;
5. to commit or permit no waste on the Property and to keep it in good repair;
6. to complete forthwith any improvements which may hereafter be under course of construction on the Property; and
7. to 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 this Mortgage.

In case of failure to pay said taxes and assessments, prior liens or encumbrances, expenses and attorney's fees as above specified, or to insure said buildings, improvements and fixtures and deliver the policies as aforesaid, the 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 of seven (7%) percent per annum from the date of such payment, and shall be impressed as an additional lien upon the Property and be immediately due and payable from Mortgagor to Mortgagee and this Mortgage shall from date thereof secure the repayment of such advances with interest.

In case of default in any of the foregoing covenants, Mortgagor confers upon the Mortgagee the option of declaring the unpaid balance of the Note and the interest accrued thereon, together with all sums advanced hereunder, immediately due and payable without notice, and hereby authorizes and empowers Mortgagee to foreclose this Mortgage by judicial proceedings or to sell the Property at public auction and convey the same to the purchaser in fee simple in accordance with the statute, and out of the moneys arising from such sale to retain all sums secured hereby, with interest and all legal costs and charges of such foreclosure and the maximum attorney's fee permitted by law, which costs, charges and fees Mortgagor agrees to pay.

The terms of this Mortgage shall run with the Property and bind the parties hereto and their successors in interest.

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