

Maine State Housing Authority (MaineHousing)
LEAD HAZARD REDUCTION DEMONSTRATION GRANT PROGRAM

MULTIFAMILY MORTGAGE DEED AND SECURITY AGREEMENT

1. Words Used Often in This Document.

- A The word "Mortgage" means this document which is dated _____
- B. The words "I", "me", "my", "mine" and "the borrower" means each person who signs as a consumer below.
- C. The words "you", "your" or "the bank" means _____ and its successors and assigns.
- D. The word "Note" means, collectively, one or more promissory notes in the aggregate amount of \$ _____ signed by me and dated the same date as this Mortgage and any extension, renewal, refinancing or allonge of such note(s).
- E. The word "Property" means the property which is subject to this Mortgage and which is described below.

2. Grant of Mortgage and Description of Property.

As security for the Note, I grant to you the property which is located at:

_____ (Street)
_____ (Town/City)
_____ (County), Maine _____ (Zip)

with all rights that the law gives to mortgage holders including the rights known as "mortgage covenants," except you agree not to use any encumbrances identified in this Mortgage as the basis for exercising these rights. The Property has the following legal description (legal descriptions may be attached):

This Mortgage also covers all additions to and improvements of the property, including without limitation, the following mobile home (if applicable):

Make: _____ Model: _____

Serial number: _____

This is the same Property conveyed to me by deed or lease dated _____, recorded in the _____ County Registry of Deeds in Book _____, Page _____. The Property is not already subject to a prior first mortgage given to _____ dated _____, recorded in said Registry in Book _____, Page _____.

3. Default and Foreclosure.

I am in default if I make any false statements in or break any promises under this Mortgage, the Note, the Borrower Affidavit or any other document I signed as part of my application for this loan. I am also in default if I break any of the promises made to the holder of my first mortgage, if any.

If I am in default you may demand immediate payment of the entire remaining balance under the Note. If you require Immediate Payment in Full you will send me a notice which states this requirement. The notice will give me at least 30 days to make payment in full. The 30-day period will begin on the date which is 3 days after the day the notice is mailed or, if it is not mailed, on the date the notice is delivered. If I do not make payment in full during that period, you may bring a lawsuit for foreclosure without giving me any further notice or demand for payment. I agree to pay your reasonable expenses in exercising your rights under this paragraph, including attorneys' fees, costs, and agent's compensation.

4. Future Advances.

You may, at your sole option, make future advances to me, provided however, that the total principal amount secured hereby and remaining unpaid, including such advances, shall not at any time exceed \$100,000 for lead paint hazard control loans. This does not limit advances to protect your security. I shall execute a note or an allonge evidencing any further advances. All provisions of this Mortgage shall apply to further advances. I understand that you are under no obligation to make further advances.

5. Borrower's Promises.

A. Taxes and Claims. I will pay all taxes due on the Property and will keep the Property free from all future claims against it.

B. Repair and Maintenance. I will keep the Property in good condition and make all repairs reasonably necessary.

If I do not pay taxes, keep the Property free from further claims, keep the Property properly insured, keep the Property in good condition, or comply with my responsibilities under any lease, you may do so and add the cost to the balance of my loan and you will be entitled to interest on the additional amount at the same rate as the Note. This Mortgage also secures any amount you add to the balance of my loan under this paragraph.

C. Low/Mod Guidelines. At time of job completion, 50% of the units receiving lead paint hazard control financing must be occupied by tenants with gross household incomes at or below 50% of the area median income as established by the U.S. Department of Housing and Urban Development (HUD). At time of job completion the remaining 50% of the units receiving lead paint hazard control financing must be occupied by tenants with gross household incomes at or below 80% of the area median income as established by HUD. If these requirements are not met, the loan shall be in default and shall be accelerated, and all sums due and payable under the note shall be due and payable immediately. Additionally, I will comply with Program Administrator's request to complete and submit an Annual Verification of Grant Compliance form.

D. If these requirements are not met, the loan shall be in default and shall be accelerated, and all sums due and payable under the note shall be due and payable immediately.

6. Assumption/Transfer the Property.

A. I will not sell or transfer all or part of the Property or any rights in the Property without your consent. If I sell or transfer the Property or any rights in the Property without your consent I will still be fully obligated under the Note and under this Mortgage and you may require Immediate Payment In Full. However, you will not have the right to require Immediate Payment In Full as a result of a transfer of rights in household appliances, to a person who provides me with the money to buy those appliances, in order to protect that person against possible losses.

B. If you give your consent, any person to whom I sell or transfer the Property may take over all of my rights and obligations under this Mortgage (known as an "assumption of the Mortgage") if certain conditions are met. Those conditions are:

1. I give you notice of the sale or transfer;
2. You agree that the person's credit is satisfactory;
3. The person agrees to pay interest on the amount owed to you under the Note and under this Mortgage at whatever rate you require;
4. The person signs an assumption agreement that is acceptable to you and that obligates the person to keep all of the promises and agreements made in the Note and in this Mortgage; and
5. If this Mortgage is held by the Maine State Housing Authority, the person also satisfies the same eligibility requirements that I had to satisfy in order to obtain this loan, including the tenant gross household income limits

7. Discharge.

When I have paid all amounts due under the Note and this Mortgage or those amounts have been forgiven, you will record a discharge of this Mortgage in the Registry of Deeds.

Dated: _____

Signature of Borrower

Witness _____

Borrower Name

Signature of Borrower

Witness _____

Co- Borrower Name

STATE OF MAINE
COUNTY OF _____, ss

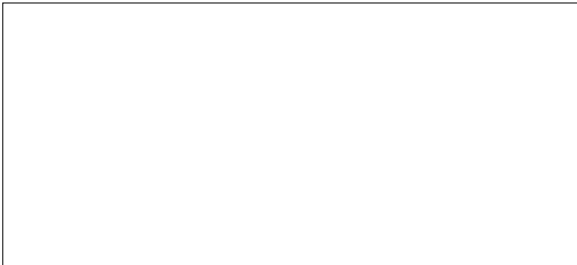
Personally appeared the above-named _____ in his/her capacity as _____ and acknowledged the foregoing to be his/her free act and deed.

[Notarial Seal]

Name:

Notary Public/Attorney-at-Law

Commission expires: _____



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MULTIFAMILY RENTAL RIDER STATEMENT AND AGREEMENT

I/We _____, of _____, Maine (Owners, if not Owner, Legally Authorized Agents for Owner) hereinafter "**Owner**" in consideration of and as a condition of eligibility for monies provided for lead paint hazard control work to be done on the premises owned by **Owner** at _____, Maine, agree to the following:

Following completion of lead hazard control work on apartment(s) _____, and associated interior and exterior common areas located on the property which I own located at _____, Maine shall be rented to households with gross annual incomes at or below 50% of the area median income as established by the United States Department of Housing and Urban Development for a period of three years from date of loan closing unless the property is converted into an owner occupied dwelling.

Following completion of lead hazard control work on apartment(s) _____, and associated interior and exterior common areas located on the property which I own located at _____, Maine shall be rented to households with gross annual incomes at or below 80% of the area median income as established by the United States Department of Housing and Urban Development for a period of three years from date of loan closing unless the property is converted into an owner occupied dwelling.

I agree and understand that the Maine State Housing Authority may independently verify, at any time, that I have met these requirements by obtaining financial information from any tenants, and that the rental of the described units to persons who meet the income guidelines described herein is a condition of my eligibility for this lead paint hazard control loan.

I further agree and understand that if I fail to provide documentation to the Maine State Housing Authority that my tenants meet income guidelines specified herein, that I am in default of the Mortgage Deed and Promissory Note and that as a result, the Maine State Housing Authority may foreclose the mortgage or refuse to discharge its mortgage in the event the Note is paid until such time as the documentation is provided by me.

Dated: _____

Signature of Owner

Owner Name

Signature of Co-Owner

Co-Owner Name

Witness _____

Witness _____

