REPAYMENT NOTE FOR RAMSEY LOCAL AFFORDABLE HOUSING AID (LAHA) PROGRAM

FOR VALUE RECEIVED, the undersigned, _____, ("Borrower"), on this _____day of _____, 2026 ("Effective Date") hereby promises to pay to the order of the City of Ramsey ("City" or "Lender"), the principal sum of $_____ pursuant to the terms and conditions set forth herein.

1. **Purpose.** The City has authority under Minn. Stat. § 477A.35, subd. 2(e)(iv) to use Local Affordable Housing Aid ("LAHA") funds to rehab and improve residential dwellings, and the Borrower is proposing a qualifying project under Minn. Stat. § 477A.35, subd. 4(a)(3).

2. **Loan**. Lender has agreed to provide a forgivable LAHA loan, in accordance with the terms and conditions of the Ramsey LAHA Policy Guidelines in the amount of _____ dollars **(**$_____**)** (hereinafter "Loan"), upon the condition that Borrower execute and deliver this repayment note ("Repayment Note"). Provided that Borrower is not in default of any of the terms of this Repayment Note, no payments are due.

3. **Term.** This Repayment Note commences on the Effective Date and terminates on the earlier of the Borrower paying off the Loan in full, or _____.

4. **Interest**. This Repayment Note shall bear interest at zero percent (0.00%) per annum.

5. **Grant of Mortgage**. As security for Borrower's obligation of repayment, and subject to the terms and conditions of this Note, Borrower hereby agrees to grant a mortgage (the "Mortgage") to Lender to secure the payment of this Loan on the real estate located at _____ Ramsey, Minnesota, situated in the County of Anoka, and legally described as follows:

   PIN:

   (hereinafter the "Mortgaged Property").

6. **Covenants**. Borrower agrees and covenants with Lender to abide by the following statutory and additional covenants:

a. The Mortgaged Property described herein is and shall continue to be during the term of this Repayment Note the principal residence of the Borrower;

b. Borrower has no present intention to rent, sell, assign, or transfer interest of the Borrower in said Mortgaged Property;

c. The proceeds of the Loan will be used only as permitted by the Ramsey LAHA Forgivable Loan Policy;

d. Borrower has made no material misstatements of fact in connection with Borrower's application for the Loan;

7. **Events of Default**. Borrower further specifically covenants and agrees with Lender that any of the following are events that constitute a default in the terms of this Repayment Note:

   a. A violation of any of the covenants set forth in this Repayment Note.

   b. If all or any portion of legal or equitable interest in the Mortgaged Property is sold, leased, transferred or otherwise conveyed, without the Lender's prior consent which may or may not be given in Lender's sole discretion.

That any such default shall require the repayment of the Loan in the manner provided under Section 8 of this Repayment Agreement, and in accordance with and under all terms and provisions set forth herein.

This Repayment Note shall run with the Mortgaged Property and shall inure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, representatives, successors and assigns. All covenants and agreements of the Borrower shall be joint and several.

In the event Borrower or his/her heirs, executors, or representatives shall default, fail or refuse to make a required repayment within said limited period, or shall fail to perform according to the provisions of any other covenant, Lender may, with or without notice to Borrower, foreclose the Mortgage by action or advertisement and retain statutory costs and attorneys' fees in accordance with the terms of Minnesota law.

8. **Acceleration**. Upon the occurrence of an Event of Default under this Repayment Note, and in addition to any other rights and remedies that Lender may have, Lender shall have the right, at its sole and exclusive option, to declare this Repayment Note immediately due and payable.

9. **Amount Due/Deferred Loan Terms**: If the property ownership transfers or a default in the terms of this Note occurs:

	Percent Project Contribution		
Resale	0-24.99%	25-49.99%	50%+
0-2 Years	100% Repayment	100% Repayment	100% Repayment
2-4 Years	75% Repayment	66% Repayment	50% Repayment
4-6 Years	50% Repayment	33% Repayment	0 (Forgiven)

6-8 Years	25% Repayment	0 (Forgiven)	0 (Forgiven)
After 8 Years	0 (Forgiven)	0 (Forgiven)	0 (Forgiven)

10. **Remedies**. No delay or omission on part of the Lender in exercising any right hereunder shall operate as a waiver of any such right or of any other right of Lender, nor shall any delay, omission or waiver on any one occasion be deemed a bar to or waiver of the same or any other right on any future occasion. The rights and remedies of the Lender shall be cumulative and may be pursued singly, successively, or together, in the sole discretion of the Lender.

11. **Expenses**. In the event any payment under this Repayment Note is not paid when due, the Borrower agrees to pay, in addition to the principal and interest hereunder, reasonable attorneys' fees, plus all other reasonable expenses incurred by Lender in exercising any of its rights and remedies upon default.

12. **Governing Law**. This Repayment Note shall be governed by, and construed in accordance with, the laws of the State of Minnesota.

IN WITNESS WHEREOF, the undersigned has/have executed and delivered this Repayment Note as of the day and year first above written.

BORROWERS:

_____

STATE OF MINNESOTA)
) ss.
COUNTY OF ANOKA)

On this _____ day of _____, 20__, before me, a Notary Public within and for said County, personally appeared _____**,** to me known to be the person(s) described in and who executed the foregoing instrument and acknowledged that he/she/they executed the same as his/her/their free act and deed.

_____
Notary Public

THIS INSTRUMENT WAS DRAFTED BY:
Amanda Johnson, Ramsey City Attorney
Eckberg Lammers, P.C.
1809 Northwestern Ave
Stillwater, MN 55082

PLEASE RETURN TO:
City of Ramsey
7550 Sunwood Dr NE
Ramsey, MN 55303