

**Dakota County Community Development Agency
2010 First Time Homebuyer Program DOWNPAYMENT ASSISTANCE LOAN NOTE**

Date: _____

FOR VALUE RECEIVED, the undersigned _____ (the "Borrower," whether one or more) jointly and severally agrees(s) to pay to the order of Dakota County Community Development Agency, Eagan, Minnesota whose address is 1228 Town Centre Drive, Eagan,

MN 55123 (the "Lender"), _____ Dollars (\$ _____), without interest, on the Maturity Date.

1. Definitions. As used in this Note, the following terms have the following respective meanings:

2010 First Time Homebuyer Program Downpayment Assistance Loan Mortgage. The mortgage of even date herewith between the Lender and the Borrower securing payment of this Note, as from time to time amended.

Event of Default. As defined in Section 3.1 hereof.

First Mortgage. Any mortgage of the Mortgaged Real Estate the lien of which has priority over the 2010 First Time Homebuyer Program Downpayment Assistance Loan Mortgage.

First Note. The promissory note secured by the First Mortgage.

Maturity Date. The earliest to occur of:

- (i) The adjudication in bankruptcy of any owner of the Property;
- (ii) A declaration by the Lender pursuant to the terms of the First Note that the entire unpaid balance of the First Note is due and payable;
- (iii) Any use of the Property other than as a single family residence, constituting the primary residence of the Borrower;
- (iv) A written declaration by the Borrower pursuant to the terms hereof that it desires to prepay this Note;
- (v) A Transfer;
- (vi) Foreclosure sale pursuant to the First Mortgage;
- (vii) Transfer of the Property to the holder of the First Mortgage or its designee;
- (viii) Satisfaction of the First Mortgage; and
- (ix) 30 years from the date hereof.

Note. This 2010 First Time Homebuyer Program Downpayment Assistance Loan Note, as from time to time amended.

Property. The real estate encumbered by the 2010 First Time Homebuyer Program Downpayment Assistance Loan Mortgage at any time.

Transfer. A sale or transfer of all or any part of the Property, or an interest therein, whether by lease, deed or contract for deed or otherwise, whether for consideration or by gift or in the event of death or otherwise, and whether voluntarily, involuntarily or by operation of law; provided, however, (a) if the Borrower owns the Property as co-tenants, a transfer of the Property or any interest therein, from one co-tenant to another co-tenant whether by reason of death or otherwise, shall not be considered a Transfer, (b) a taking by eminent domain shall not be considered a Transfer unless it is a total taking in the sense that payment is made for the full value of the Property, (c) the creation of a lien or encumbrance subordinate to the 2010 First Time Homebuyer Program Downpayment Assistance Loan Mortgage shall not be considered a Transfer, and (d) the creation of a purchase money security interest for household appliances shall not be considered a Transfer.

2. Prepayment; Payment.

2.1 Prepayment of this Note in full or in part may occur at any time without penalty.

2.2 Payment of any remaining unpaid principal balance of this Note will occur on the Maturity Date.

3. Default.

3.1 Any event or thing which, upon the giving of notice as required by the 2010 First Time Homebuyer Program Downpayment Assistance Loan Mortgage, permits acceleration of the indebtedness secured by the 2010 First Time Homebuyer Program Downpayment Assistance Loan Mortgage shall constitute an Event of Default hereunder.

3.2 If an Event of Default occurs, the Lender may declare the entire unpaid principal balance of this Note immediately due and payable without notice. Failure by the Lender to make that declaration by reason of an Event of Default shall not waive its right to make such a declaration upon the subsequent occurrence of the same or any other Event of Default.

5. Subordination. This Note is subordinate to the First Note and the First Mortgage.

6. Miscellaneous.

6.1 This Note is secured by the 2010 First Time Homebuyer Program Downpayment Assistance Loan Mortgage. All of the terms, covenants, conditions, provisions and agreements of the First Time Homebuyer Program Downpayment Assistance Loan Mortgage are hereby made a part of this instrument to the same extent and with the same force and effect as if fully set forth herein.

6.2 The Borrower and all others who may become liable for all or any part of this obligation agree hereby to be jointly and severally bound and jointly and severally waive demand, protest, notice of nonpayment and any and all lack of diligence or delays in collection or enforcement hereof, and specifically consent to any extension of time, or release of any party liable for this obligation, including any maker, or acceptance of other security therefore. Any such extension or release may be made without notice to said party and without in any way affecting the liability of such party.

6.3 If any payment due under this Note is not paid when due, and this Note is placed in the hands of any attorney or attorneys, for collection or foreclosure of the 2010 First Time Homebuyer Program Downpayment Assistance Loan Mortgage or enforcement of any other security instrument securing payment hereof, the Borrower promises to pay, in addition to the amount due hereon, the reasonable costs and expenses of foreclosure and collection (including attorneys' fees), and all such costs and expenses shall be secured by the 2010 First Time Homebuyer Program Downpayment Assistance Loan Mortgage.

6.4 No failure or delay by the Lender to exercise any right or remedy under this Note shall waive such right or remedy.

6.5 This Note is made and delivered in Minnesota, and accordingly, the clauses and provisions of this Note and the rights, payments, charges, indebtedness and other items hereby secured shall be construed and enforced according to the laws of the State of Minnesota.

IN WITNESS WHEREOF, the Borrower has caused this Note to be executed as of the day and year first above written.

Borrower

Borrower