

PROMISSORY NOTE

\$12,705.00

West St. Paul, Minnesota

Dated: **March xx, 2020**

Jane Smith and John Smith, (married to each other), (“Borrower”) whose address is **XXX Sixth Street North**, West St. Paul, Minnesota 55118, (“Property”) hereby acknowledge themselves to be indebted and for the value received, hereby promise to pay to the order of the **West St Paul Economic Development Agency**, a public body corporate and politic under the laws of the State of Minnesota, (“Lender”) whose address is 1616 Humboldt Avenue, West St. Paul, Minnesota 55118, the principal sum of **Twelve Thousand Seven Hundred Five and No/100 Dollars (\$12,705.00)** in lawful money of the United States, together with interest on the unpaid principal balance at the Interest Rate which shall be payable by consecutive installments in accordance with the terms and conditions set forth herein and the amortization schedule attached to this Note, which is hereby incorporated by reference. .

1. **Interest Rate.** The interest rate (“Interest Rate”) on this Note shall be a fixed rate of three and a half percent (3.5%) per annum, calculated on a 360-day year.
2. **Monthly Payments.** This Note shall be payable in successive monthly installments of **Blank and no/100 Dollars (\$xx.xx)** beginning on the **1st day of May, 2020**, and continuing and due on the **1st** day of each month thereafter until the **1st day of April, 20xx** the “Maturity Date” when the entire unpaid principal and accrued interest shall be due and payable in full.
3. **Late Fee.** If the Lender has not received the full monthly payment as required in this Note on or before the 10th day after the due date of said monthly payment, Lender will charge Borrower a late fee of five percent (5%) of the amount of the monthly payment due **(\$x.xx)**.
4. **Insufficient Funds.** Lender will charge Borrower Fifteen Dollars (\$15.00) for each check or automatic payment withdrawal request that is returned unpaid due to insufficient funds or for any other reason.
5. **Prepayment Penalty.** Borrower has the right to pay the principal evidenced by this Note, in whole or in part, without charge or penalty, on the first day of any month. Lender shall accept prepayment on other days provided that Borrower pays interest on the amount prepaid for the remainder of the month. If the Borrower makes a partial prepayment, there will be no changes in the due date or in the amounts of the monthly payment unless Lender agrees in writing to those changes. Upon the occurrence of an Event of Default, the Lender shall have the right to apply any future prepayments in such a manner as the Lender shall solely determine.
6. **Mortgage.** This Note is secured by a Mortgage (the “Mortgage”) in favor of the Lender on the “Property” as legally described in the Mortgage.

7. **Event of Default.** As used herein, the term “**Event of Default**” shall mean the occurrence or existence of one or more of the following events, whatever the reason, whether voluntary, involuntary or effected by operation of law, namely:
- (a) Borrower failure to make any payment within fifteen (15) days of due date, whether by acceleration of maturity or otherwise, of any interest due under this Note or any fee or other sum payable to the Lender under this Note; or
 - (b) Borrower failure to commence and complete Property rehabilitation as defined in the Loan Agreement one hundred twenty (120) days of the date hereof; or
 - (c) Borrower sells, assigns, conveys, or transfers the Property without paying Lender the full amount due under this Note: or
 - (d) Property is no longer Borrower’s primary principal place of residence; or
 - (e) Except for failure to pay principal or interest, any other default in any material respect by the Borrower in the performance or observance of any agreement, covenant, condition, provision or term contained in this Note, the Mortgage, the Loan Agreement, or any document incident thereto which shall remain unremedied for thirty (30) days or more after receipt of notice thereof by Borrower from the Lender; or
 - (f) Borrower failure to obtain or maintain insurance coverage on the Property as required by the Mortgage; or
8. **Automatic Acceleration upon Event of Default.** The outstanding principal balance of this Note shall become due and payable upon both of the following happening:
- (a) The occurrence of an Event of Default; and
 - (b) Lender giving notice to Borrower that Lender has elected to require acceleration, and that the outstanding principal balance of this Note is due and payable.
9. **Right of Set Off by Lender.** Upon the occurrence of an Event of Default, Lender shall have the right to set off the full amount due hereunder by the Borrower to the Lender.
10. **Lender Rights.** The rights and remedies of the Lender, as provided herein or by law or equity, in the Mortgage or the Loan Agreement, shall be cumulative and concurrent, and may be pursued singularly, successively, or together at the sole discretion of the Lender.
11. **Enforcement Costs.** Upon the occurrence of an Event of Default or at any time thereafter, Borrower promises to pay all costs of collection of this Note, including but not limited to reasonable attorneys’ fees paid or incurred by the Lender on account of such collection, whether or not suit is filed with respect thereto and whether such cost or expense is paid or incurred prior to or after the entry of judgment.

12. **WAIVER TO TRIAL BY JURY. BORROWER HEREBY WAIVES ANY RIGHT TO A TRIAL BY JURY UNDER ANY ACTION OR PROCEEDING ARISING DIRECTLY OR INDIRECTLY OUT OF THIS NOTE.**

13. **Waiver.** Borrower waives every present and future defense, cause of action, counterclaim or setoff which Borrower may now have or hereafter may have to any action by the Lender in enforcing this Note.

14. **Amendments.** The provisions contained in this Note may not be amended, except through a written amendment signed by Borrower and the Lender.

15. **Notices.** Any notices hereunder shall be deemed sufficiently given by one party to the other if in writing and if and when delivered or tendered either in person or by depositing it in the United States mail in a sealed envelope, by First-Class mail, addressed as follows:

If to Borrower: [Name]
[Address]
West St. Paul, MN 55118

If to Lender: West St. Paul Economic Development Authority
Attn: [name]
1616 Humboldt Ave
West St. Paul, MN 55118

With a Copy to: Attorney for City of West St. Paul
Attn: Korine L. Land
LeVander, Gillen & Miller, P.A.
633 South Concord Street, Suite 400
South St. Paul, MN 55075

or to such other address as the party addressed shall have previously designated by notice given in accordance with this Section. Notices shall be deemed to have been duly given on the date of service if personally served on the party to whom notice is to be given, or on the third day after mailing if mailed as provided above, provided, that a notice not given as above shall, if it is in writing, be deemed given if and when actually received by a party.

16. **Governing Law.** This Note shall be governed by the laws of the State of Minnesota, provided that such laws are not otherwise preempted by federal laws and regulations. In the event of any litigation pertaining to this Note, the exclusive forum, venue and place of jurisdiction shall be in Dakota County, Minnesota.

17. **Assignment.** This Note shall inure to the benefit of and bind the heirs, personal representatives, successors and assigns of the parties; provided however, that Borrower may not assign, transfer or delegate any of the rights or obligations under this Note.

18. **Words of Construction.** Whenever used, the singular shall include the plural, the plural the singular, and the use of any gender shall be applicable to all genders.

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

BORROWER:

By: _____

By: _____

Exhibit A
[amortization schedule]