

**Promissory Note**  
(4040 West 70th Street)

**\$3,650,000.00**

**Edina, Minnesota**  
\_\_\_\_\_, 2020

FOR VALUE RECEIVED, EAST EDINA HOUSING FOUNDATION, a Minnesota nonprofit corporation dba EDINA HOUSING FOUNDATION (“Borrower”), hereby promises to pay to the order of the HOUSING AND REDEVELOPMENT AUTHORITY OF EDINA, MINNESOTA, (“Lender”), at its principal office at 4801 West 50th Street, Edina, Minnesota 55402, or at such other place as the holder hereof may from time to time designate in writing, the principal sum of **\$3,650,000.00**, or so much thereof as remains unpaid from time to time (the “Loan”) in lawful money of the United States and immediately available funds, with interest thereon computed and paid in accordance with the terms of this Promissory Note (this “Note”) and that certain Loan Agreement dated as of the date hereof between Borrower and Lender (as the same may be amended, restated, replaced, supplemented or otherwise modified from time to time, the “Loan Agreement”). All capitalized terms not defined herein shall have the respective meanings set forth in the Loan Agreement.

1. Borrower agrees to pay the principal sum of this Note and interest on the unpaid principal sum of this Note from time to time outstanding as follows:

(a) Borrower agrees to repay the Loan together with interest at a fixed, simple annual interest rate equal to **0.00%** on the outstanding principal balance of the Loan following the Disbursement Date until the Loan is repaid in full.

(b) Borrower shall not be obligated to make any periodic payments of principal or interest on the Loan before the Maturity Date (defined below).

(c) The principal of the Loan (together with any accrued but unpaid interest, if any) shall be repaid no later than **June 1, 2022** (“Maturity Date”), as the same may be extended pursuant to the terms and conditions of the Loan Agreement.

2. This Note is issued pursuant to the terms of the Loan Agreement, and is secured by that certain Mortgage, Assignment of Rents, Security Agreement, and Fixture Financing Statement dated as of the date hereof, executed by Borrower in favor of Lender (the “Mortgage”), and Lender is entitled to all of the benefits and security provided for in said documents, in each case, as the same may be amended, restated, replaced, supplemented or otherwise modified from time to time.

3. The principal balance of this Note may from time to time be prepaid, at the option of Borrower, in whole or in part without penalty under this Note. Any partial prepayments shall be applied in the inverse order of payment dates of principal installments, if any.

4. All payments and prepayments, at the option to Lender, shall be applied first to any costs of collection, second to any late charges, third to accrued interest on this Note (if any), and lastly to principal.

5. The occurrence of an Event of Default, as defined in the Loan Agreement, shall constitute an Event of Default hereunder (hereinafter referred to as an “Event of Default”). Upon the occurrence of an Event of Default, Lender may take exercise all of its rights and remedies under the Loan Agreement and the Mortgage, including, without limitation, declaring the outstanding unpaid principal balance of this Note (together with any accrued but unpaid interest, if any) and all other obligations of Borrower to Lender to be

forthwith due and payable. Failure to exercise any right or remedy provided for or referenced herein shall not constitute a waiver of the right to exercise the same in connection with the applicable Event of Default or any subsequent Event of Default.

6. Borrower and all others who may become liable for the payment of all or any part of the debt under this Note do hereby severally waive presentment and demand for payment, notice of dishonor, notice of intention to accelerate, notice of acceleration, protest and notice of protest and non-payment and all other notices of any kind. No release of any security for this Note or extension of time for payment of this Note or any installment hereof, and no alteration, amendment or waiver of any provision of this Note, the Loan Agreement or the Mortgage made by agreement between Lender or any other person shall release, modify, amend, waive, extend, change, discharge, terminate or affect the liability of Borrower or any other person who may become liable for the payment of all or any part of the debt under this Note or the Loan Agreement. No notice to or demand on Borrower shall be deemed to be a waiver of the obligation of Borrower or of the right of Lender to take further action without further notice or demand as provided for in this Note, the Loan Agreement or the Mortgage.

7. Borrower agrees that if, and as often as, this Note is placed in the hands of an attorney for collection or to defend or enforce any of Lender's rights hereunder or under the Loan Agreement or Mortgage, Borrower will pay to Lender its attorneys' fees and all court costs (including attorneys' fees and court costs prior to trial, at trial and on appeal, or in any bankruptcy proceeding) and other expenses incurred in connection therewith.

8. Upon the transfer of this Note by Lender, Borrower hereby waiving notice of any such transfer, Lender may deliver all the collateral mortgaged, granted, pledged or assigned pursuant to the Loan Agreement or Mortgage, or any part thereof, to the transferee who shall thereupon become vested with all the rights herein or under applicable law given to Lender with respect thereto, and Lender shall thereafter forever be relieved and fully discharged from any liability or responsibility in the matter; but Lender shall retain all rights hereby given to it with respect to any liabilities and the collateral not so transferred.

9. This Note shall be governed by and construed in accordance with the laws of the state of Minnesota, without giving effect to the choice of law provisions thereof.

10. Subject to Article 7 of the Loan Agreement, this Note shall impose no personal liability on Borrower for payments to be made hereunder.

[Remainder of page left blank, signature page follows.]

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

EAST EDINA HOUSING FOUNDATION,  
a Minnesota nonprofit corporation

By: \_\_\_\_\_

Name: \_\_\_\_\_

Its: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Its: \_\_\_\_\_