

## PROMISSORY NOTE

\$35,000.00

August \_\_, 2025

TWIN CITIES HABITAT FOR HUMANITY, INC., a Minnesota nonprofit corporation, for value received, hereby promises to pay to the COLUMBIA HEIGHTS ECONOMIC DEVELOPMENT AUTHORITY, a public body corporate and politic and political subdivision of the State of Minnesota, its successors and assigns (“Lender”), at its designated principal office or such other place as Lender may designate in writing, the principal sum of Thirty-Five Thousand and No/100ths Dollars (\$35,000.00) or so much thereof as may be advanced under this Note (the “Loan”), with interest thereon at the per annum rate of 0% as determined on or about the date Lender provides notice in writing to Borrower declaring the Loan due and payable (the “Default Notice”), accruing on the disbursed amount from the date of the Default Notice, in any coin or currency which at the time or times of payment is legal tender for the payment of private debts in the United States of America. The principal and interest of this Note is payable as follows:

1. On the fifteenth (15th) day of each month (each a “Payment Date”), commencing on the 15th day of first month following the date of the Default Notice, through and including the 15th day of the 12th month after the Default Notice, Borrower shall pay an amount equal to the accrued interest from the preceding Payment Date (or with respect to the first Payment date, from the date of the Default Notice) and a portion of the principal in an amount sufficient to fully amortize this Note based on a level monthly payment of principal and interest by the Loan Payoff Date (as hereinafter defined), provided, however, the entire balance of principal and accrued and unpaid interest as of 24 months from the date of the Default Notice (the “Loan Payoff Date”) shall be due and payable in full on the Loan Payoff Date, as provided in the amortization schedule to be prepared and attached hereto as Exhibit A at or about the time Lender provides the Default Notice to Borrower. If Borrower does not pay the amount due within 10 days after any Payment Date, a penalty of fifty dollars (\$50.00) will be added to the amount due.

2. Borrower shall have the right to prepay the outstanding principal and interest amount of this Note, in whole or in part, on any date without penalty.

3. As provided in the Loan Agreement (as hereinafter defined), if the Borrower continues to satisfy its obligations under the Purchase and Development Agreement, dated February 21, 2024, between the EDA and the Borrower, recorded on February 26, 2024 in the Office of Anoka County Property Records and Taxation as Document No. 2408839.001 (the “PDA”), including but not limited the requirement that the development of a single-family residential home (the “Project”), located at 4243 5th Street in the City of Columbia Heights, Minnesota be substantially completed by December 31, 2025, the Loan shall be forgiven; provided however if the Borrower fails to satisfy its obligations under the PDA, including but not limited substantial completion of the Project by December 31, 2025, then the Loan shall not be forgiven, and the amounts payable under the Loan Agreement and this Note will become due and payable.

4. This Note evidences the Loan and is given pursuant to the Loan Agreement, dated as of August 1, 2025 (the “Loan Agreement”), between Borrower and Lender.

It is agreed that time is of the essence of this Note. If an Event of Default occurs hereunder, under the Loan Agreement or any other instrument securing this Note, then Lender may at its right and option, pursuant to a Default Notice, declare the principal balance of this Note and interest accrued thereon due and payable in accordance with the amortization schedule to be prepared and attached hereto as Exhibit A,

together with any costs of collection including attorney fees incurred by Lender in collecting or enforcing payment hereof, whether suit be brought or not, and all other sums due hereunder or under the Loan Agreement.

5. The remedies of Lender as provided herein and in the Loan Agreement, shall be cumulative and concurrent and may be pursued singly, successively, or together and, at the sole discretion of Lender, may be exercised as often as occasion therefor shall occur; and the failure to exercise any such right or remedy shall in no event be construed as a waiver or release thereof.

Lender shall not be deemed, by any act of omission or commission, to have waived any of its rights or remedies hereunder unless such waiver is in writing and signed by Lender and then only to the extent specifically set forth in the writing. A waiver with reference to one event shall not be construed as continuing or as a bar to or waiver of any right or remedy as to a subsequent event. This Note may not be amended, modified, or changed except only by an instrument in writing signed by the party against whom enforcement of any such amendment, modifications, or change is sought.

6. The obligations of Borrower hereunder are unconditional irrespective of any defense or any rights of setoff, recoupment or counterclaim it might otherwise have against Lender, the City, or any government body or other person.

7. If any of the terms of this Note, or the application thereof to any person or circumstances shall, to any extent, be invalid or unenforceable, the remainder of this Note, or the application of such terms to persons or circumstances other than those to which it is invalid or unenforceable, shall not be affected thereby, and each of the terms of this Note shall be valid and enforceable to the fullest extent permitted by law.

8. It is intended that this Note is made with reference to and shall be construed as a Minnesota contract and governed by the laws of the State of Minnesota.

9. IT IS HEREBY CERTIFIED AND RECITED that all conditions, acts, and things required to exist, happen, and be performed precedent to or in the issuance of this Note do exist, have happened, and have been performed in regular and due form as required by law.

IN WITNESS WHEREOF, Borrower has caused this Promissory Note to be duly executed as of the date first written above.

Borrower:

**TWIN CITIES HABITAT FOR HUMANITY, INC.** a  
Minnesota nonprofit corporation

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

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

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

[Exhibit A

(Insert amortization schedule to be prepared and attached in the event Lender provides the Default Notice to Borrower)]