

**LOAN AGREEMENT FOR THE
GRAND RAPIDS ECONOMIC DEVELOPMENT AUTHORITY'S
DOWNTOWN ENTERTAINMENT LOAN PROGRAM**

This Loan Agreement (this "Agreement") is made this 24th day of July 2025, between the Grand Rapids Economic Development Authority, a public body corporate and politic organized and existing under the laws of the State of Minnesota ("Lender"), and Northern Community Radio, a Minnesota Nonprofit Corporation ("Borrower").

RECITALS

A. Lender has created Downtown Entertainment Loan Program (the "Program") to strengthen the economic vitality of the Downtown area of the City of Grand Rapids, Minnesota, as it is geographically defined in the 2023 Grand Rapids Downtown Plan Update ("Downtown"), through creative placemaking, arts and culture by (i) providing short-term, flexible financing for larger scale entertainment events and cultural programming held in Downtown, (ii) limiting the risk of organizing and hosting, and thereby encouraging, entertainment events and cultural programming that benefit the broader community by providing rich engagement opportunities for both residents and visitors, (iii) supporting noteworthy entertainment events and cultural programming in Downtown that draw large audiences and enhance and promote the standing of the City of Grand Rapids, Minnesota (the "City") as a highly desirable place to live and work, (iv) utilizing public spaces in Downtown to host entertainment events and cultural programming which activate Downtown, increasing patronage to local businesses and establishing a "sense of place" and community connection to Downtown, and (v) helping support local businesses in Downtown by attracting people to Downtown, and has approved a loan policy for the Program (the "Program Policy").

B. Lender has received a \$300,000 grant from the Charles K Blandin Foundation ("Blandin") to support the Program, pursuant to a grant agreement, between Lender and Blandin, dated January 3, 2023 (the "Grant Agreement").

C. Borrower has submitted a complete loan application for the Program (the "Loan Application"), and Lender has approved a loan to Borrower in the maximum principal amount of \$75,000 (the "Loan") to pay a portion of the expenses described in Exhibit A (the "Loan Activities") attached hereto, in connection with 2025 Grand Rapids Riverfest, an outdoor music festival, to be held on September 6, 2025 and to be located on and around the grounds of the Grand Rapids Area Library in Downtown (the "Event").

D. Lender and Borrower wish to memorialize the terms of the Loan in this Agreement.

ACCORDINGLY, to induce Lender to make the Loan to Borrower, and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. **The Loan Amount.** Subject to the terms and conditions of this Agreement, the Note (as hereinafter defined), the Program Policy, and the Loan Application, Borrower agrees to take and Lender agrees to make a loan in the principal amount of Seventy Five Thousand Dollars and no/100 (\$75,000.00) or so much thereof as is disbursed to Borrower in accordance with this Agreement to finance all or a portion of the Loan Activities. If the costs of the Loan Activities exceed the amount of the Loan, such excess shall be the sole responsibility of Borrower. The Loan shall be evidenced by a promissory note (the "Note"), payable by Borrower to Lender and substantially in the form of Exhibit B attached to this Agreement, which shall be dated as of the date hereof (the "Loan Closing Date"). Proceeds of the Loan shall be disbursed in accordance with Section 3 hereof.

2. **Repayment or Forgiveness of Loan.**

(a) Interest at the rate of 1.00 percent (1.00%) per annum shall accrue from the Loan Closing Date and continue until the Maturity Date (as hereinafter defined).

(b) On or before January 6, 2026 (the "Maturity Date"), which is no more than nine months following the Loan Closing Date, and no more than four months following the date of the Event, Borrower shall make a single payment in an amount equal to the outstanding principal amount of the Loan and the accrued interest thereon pursuant to the terms of the Note.

(c) If prior to the Maturity Date, Borrower can provide evidence satisfactory to Lender that the Event did not reach the Breakeven Point, the Breakeven Amount shall be forgiven and subtracted from the Loan as provided in the Note. The amount of the Loan to be repaid shall be calculated by the Lender in its sole discretion. The Lender in its sole discretion shall decide what documentation is satisfactory to evidence the Breakeven Point, any Gap and any Breakeven Amount. For the purposes of this section, the following definitions apply:

(i) "Breakeven Amount" shall mean the Gap, unless the Gap is greater than the Loan, in which case the Breakeven Amount shall be the full amount of the Loan.

(ii) "Breakeven Point" shall mean the point at which all revenues for the Event are equal to all expenses for the Event (including the Loan as an Event expense) as determined by the Lender in its sole discretion.

(iii) "Gap" shall mean, in the case of the Event not reaching the Breakeven Point, the difference between the Event expenses and the Event revenues as determined by the Lender in its sole discretion.

3. **Disbursement of Loan Proceeds.**

(a) The Loan shall be disbursed in a single lump sum on the Loan Closing Date, provided that, prior to disbursement, Borrower shall have delivered to Lender the following:

(i) Loan Documents. Executed copies of this Agreement and the Note;

(ii) Borrower's Organizational Documents. Copies of Borrower's organizational documents, including, if applicable, articles of incorporation or articles of organization, copies of Borrower's Form 990 for the past two years, if applicable, a certificate of good standing issued by the Minnesota Secretary of State, an Employer Identification Number (EIN) certificate and evidence that the Borrower has a city, state, or federal license to do business or relevant professional license;

(iii) Accounting System. Borrower having provided evidence satisfactory to the Lender that the Borrower has established a separate accounting system for the exclusive purpose of recording the receipt and expenditure of the Loan proceeds; and

(iv) Cost Certificate. A sworn certificate detailing costs and sources of funds to be utilized for the Event ("Cost Certificate") in a form acceptable to Lender, showing an itemized breakdown of: (i) the source and amount of all Event funds, including any public or private funding; and (ii) the total cost of the Event.

(b) Upon receipt by Lender of the items required pursuant to this section hereof in the form and condition required therein, Lender agrees to disburse the Loan proceeds to Borrower.

4. **Representations and Warranties**. Borrower represents and warrants to Lender that:

(a) Borrower is duly authorized and empowered to execute and deliver this Agreement, perform all obligations hereunder, and to borrow money from Lender.

(b) The execution and delivery of this Agreement, and the performance by Borrower of its obligations hereunder, do not and will not violate or conflict with any provision of law and do not and will not violate or conflict with, or cause any default or event of default to occur under, any agreement binding upon Borrower.

(c) The execution and delivery of this Agreement has been duly approved by all necessary action of Borrower, and this Agreement has in fact been duly executed and delivered by Borrower and constitutes its lawful and binding obligation, legally enforceable against it.

(d) Borrower agrees that it will keep and maintain books, records, and other documents relating directly to the receipt and disbursement of proceeds of the Loan and that any authorized representative of Lender, with reasonable advance notice, may have access to and the right to inspect, copy, audit, and examine all such books, records, and other documents of Borrower related to the Loan for 6 years after the date hereof.

(e) To the best of Borrower's knowledge, Borrower has fully complied with all applicable state and federal laws pertaining to its business and will continue to comply throughout the term of this Agreement. If at any time Borrower receives notice of noncompliance from any governmental entity, Borrower agrees to notify Lender of such noncompliance and take any necessary action to comply with the state or federal law in question.

(f) Borrower warrants that it will use the proceeds of the Loan made by Lender solely to finance the Loan Activities.

(g) Borrower represents that the Event will be held in Downtown and that attendance at the Event will likely be greater than or equal to 1,000 people.

(h) Borrower will not create, permit to be created, or allow to exist any liens, charges, or encumbrances prior to the obligation created by this Agreement, except as otherwise authorized in writing by Lender.

(i) Borrower will comply with all state and local laws pertaining to licensing, building codes, zoning, permitting including special event permitting, and environmental requirements. Borrower represents that it does not have delinquent taxes, bills, fines or other charges due to the City. Borrower represents and certifies that it will receive all required permits and approvals for the Event.

(j) Borrower is solely responsible for all Event planning, preparation and executing including all hiring and supervising of work necessary to put on the Event.

(k) The Borrower will not discriminate against any person or family on the ground of race, color, age, national origin, sex, religion, or family status. Borrower will comply with all federal, state and local laws prohibiting discrimination on the basis of age, sex, marital status, race, creed, color, national origin or the presence of any sensory, mental or physical handicap, or any other basis now or hereafter prohibited by law. Borrower will include in all solicitations for work at the Event, a statement that all qualified applicants will be considered for employment. Borrower will not discriminate, or allow any contractor, subcontractor, union or vender engaged in any activity in connection with the Project to discriminate against any employee or applicant for employment in connection with the Project because of age, marital status, race, creed, color, national origin, or the presence of any sensory, mental or physical handicap, except when there is a bona fide occupational limitation and will take affirmative action to insure applicants and employees are treated equally with respect to all aspects of employment, rates of pay and other forms of compensation, and selection for training.

(l) The members, officers and employees of the Borrower shall comply with all applicable state statutory and regulatory conflict of interest laws and provisions.

5. **Event of Default by Borrower.** The following shall be Events of Default under this Agreement:

- (a) failure to pay any principal or interest on the Loan when due;
- (b) any representation or warranty made by Borrower herein or in any document, instrument, or certificate given in connection with this Agreement or the Note that is false when made;
- (c) failure of Borrower to submit the Report as detailed in section 10 hereof;

(d) if Borrower fails to pay its debts as they become due, makes an assignment for the benefit of its creditors, admits in writing its inability to pay its debts as they become due, files a petition under any chapter of the Federal Bankruptcy Code or any similar law, state or federal, now or hereafter existing, becomes “insolvent” as that term is generally defined under the Federal Bankruptcy Code, files an answer admitting insolvency or inability to pay its debts as they become due in any involuntary bankruptcy case commenced against it, or fails to obtain a dismissal of such case within thirty (30) days after its commencement or convert the case from one chapter of the Federal Bankruptcy Code to another chapter, or be the subject of an order for relief in such bankruptcy case, or be adjudged a bankrupt or insolvent, or has a custodian, trustee, or receiver appointed for, or has any court take jurisdiction of its property, or any part thereof, in any proceeding for the purpose of reorganization, arrangement, dissolution, or liquidation, and such custodian, trustee, or receiver is not discharged, or such jurisdiction is not relinquished, vacated, or stayed within thirty (30) days of the appointment;

(e) a garnishment summons or writ of attachment is issued against or served upon Lender for the attachment of any property of Borrower in Lender’s possession or any indebtedness owing to Borrower, unless appropriate papers are filed by Borrower contesting the same within thirty (30) days after the date of such service or such shorter period of time as may be reasonable in the circumstances;

(f) any breach or failure of Borrower to perform any other term or condition of this Agreement not specifically described as an Event of Default in this Agreement and such breach or failure continues for a period of thirty (30) days after Lender has given written notice to Borrower specifying such default or breach, unless Lender agrees in writing to an extension of such time prior to its expiration; provided, however, if the failure stated in the notice cannot be corrected within the applicable period, Lender will not unreasonably withhold its consent to an extension of such time if corrective action is instituted by Borrower within the applicable period and is being diligently pursued until the Default is corrected, but no such extension shall be given for an Event of Default that can be cured by the payment of money by Borrower (i.e., payment of taxes, insurance premiums, or other amounts required to be paid hereunder); or

(g) any breach by Borrower of any other agreement between Borrower or Lender relating to the Loan and/or the Event, including but not limited to a breach of a covenant by Borrower in the Note or any action by Borrower which would result in a default by Lender under the terms of the Grant Agreement

6. Lender’s Remedies upon Borrower’s Default. Upon an Event of Default by Borrower and after provision by Lender of written notice thereof, Lender shall have the right to exercise any or all of the following remedies (and any other rights and remedies available to it):

(a) declare the principal amount of the Loan and any accrued interest thereon to be immediately due and payable;

(b) suspend its performance under this Agreement; and

(c) take any action provided for at law or in equity to enforce compliance by Borrower with the terms of this Agreement and the Note.

Interest will continue to accrue on any amount due until the date on which it is paid to Lender, and all such interest will be due and payable at the same time as the amount on which it has accrued.

7. **Lender's Costs of Enforcement of Agreement.** If an Event of Default has occurred as provided herein, then upon demand by Lender, Borrower shall pay or reimburse Lender for all expenses, including all attorneys' fees and expenses incurred by Lender in connection with the enforcement of this Agreement and the Note, or in connection with the protection or enforcement of the interests and collateral security of Lender in any litigation, bankruptcy or insolvency proceeding or in any action or proceeding relating in any way to the transactions contemplated by this Agreement.

8. **No Business Subsidy.** The parties agree that the Loan is not a business subsidy as defined in Minnesota Statutes, Sections 116J.993 to 116J.995, as amended (the "Business Subsidy Act"), because the assistance is a loan in the amount of less than \$75,000.

9. **Indemnification.**

(a) Borrower shall and does hereby agree to protect, defend, indemnify and hold Lender, the City, and their officers, agents, and employees, harmless of and from any and all liability, loss, or damage that it may incur under or by reason of this Agreement and of and from any and all claims and demands whatsoever that may be asserted against Lender, the City or Blandin by reason of any alleged obligations or undertakings on its part to perform or discharge any of the terms, covenants, or agreements contained herein.

(b) Should Lender, or its officers, agents, or employees incur any such liability or be required to defend against any claims or demands pursuant to Section 9, or should a judgment be entered against Lender, the amount thereof, including costs, expenses, and attorneys fees, shall bear interest thereon at the rate then in effect on the Note, shall be secured hereby, shall be added to the Loan, and Borrower shall reimburse Lender for the same immediately upon demand, and upon the failure of Borrower to do so, Lender may declare the Loan immediately due and payable.

(c) This indemnification and hold harmless provision shall survive the execution, delivery, and performance of this Agreement and the payment by Lender of any portion of the Loan.

(d) Nothing in this Agreement will constitute a waiver of or limitation on any immunity from or limitation on liability to which Borrower is entitled under law.

10. **Reporting.** On or before the Maturity Date, Borrower must submit to Lender a report (the "Report") on the impact of the Loan, including but not limited to, total Event attendance, the ratio of local (<50 miles) to visitor attendance at the Event, any and all vendor sales and sponsorship sales related to the Event, invoices for expenses paid from proceeds of the Loan, and an account of any media coverage of the Event. In addition, Borrower shall on demand timely provide all information for Lender to complete required reports under the Grant Agreement. The borrower shall submit all information to the Lender to enable it to calculate the Breakeven Amount. Failure to submit any information required in this Section 10 shall be an Event of Default.

11. **Acknowledgement of Financial Assistance.** Borrower shall acknowledge the financial assistance provided by both Lender and Blandin on any and all printed or online materials for the Event in accordance with Section VII of the Grant Agreement.

12. **Miscellaneous.**

(a) **Waiver.** The performance or observance of any promise or condition set forth in this Agreement may be waived, amended, or modified only by a writing signed by Borrower and Lender. No delay in the exercise of any power, right, or remedy operates as a waiver thereof, nor shall any single or partial exercise of any other power, right, or remedy.

(b) **Assignment.** This Agreement is binding upon the parties. All rights and powers specifically conferred upon Lender may be transferred or delegated by Lender to any of its successors and assigns. Borrower's rights and obligations under this Agreement may be assigned only when such assignment is approved in writing by Lender.

(c) **Amendment.** This Agreement may only be amended by written agreement of the parties.

(d) **Governing Law.** This Agreement is made and shall be governed in all respects by the laws of the state of Minnesota. Any disputes, controversies, or claims arising out of this Agreement shall be heard in the state or federal courts of Minnesota, and all parties to this Agreement waive any objection to the jurisdiction of these courts, whether based on convenience or otherwise.

(e) **Severability.** If any provision or application of this Agreement is held unlawful or unenforceable in any respect, such illegality or unenforceability shall not affect other provisions or applications that can be given effect, and this Agreement shall be construed as if the unlawful or unenforceable provision or application had never been contained herein or prescribed hereby.

(f) **Notices.** All notices required hereunder shall be given by depositing in the U.S. mail, postage prepaid, certified mail, return receipt requested, to the following addresses (or such other addresses as either party may notify the other):

To Lender:	Grand Rapids Economic Development Authority 420 North Pokegama Avenue
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Grand Rapids, MN 55744
Attn: Executive Director

To Borrower: Northern Community Radio
260 NE 2nd St.
Grand Rapids, MN 55744

Attn: Sara Bignall, CEO/General Manager

(g) **Termination.** This Agreement shall terminate on the later of the Maturity Date or the date that the Loan has been paid in full (the “Termination Date”). If the Loan is not disbursed pursuant to this Agreement by September 6, 2025, this Agreement shall terminate and neither party shall have any further obligation to the other, except that if the Loan is not disbursed because Borrower has failed to use its best efforts to comply with the conditions set forth in Section 3 of this Agreement, then Borrower shall pay to Lender all reasonable attorneys’ fees, costs, and expenses incurred by Lender in connection with this Agreement and the Note. Notwithstanding anything herein to the contrary, the indemnification provisions provided in Section 9 hereof shall not terminate on the Termination Date.

(h) **Entire Agreement.** This Agreement, together with the Exhibits hereto, which are incorporated by reference, constitutes the complete and exclusive statement of all mutual understandings between the parties with respect to this Agreement, superseding all prior or contemporaneous proposals, communications, and understandings, whether oral or written, concerning the Loan.

(i) **Headings.** The headings appearing at the beginning of the several sections contained in this Agreement have been inserted for identification and reference purposes only and shall not be used in the construction and interpretation of this Agreement.

(j) **Electronic Signatures; Execution in Counterparts.** The electronic signature of the parties to this Agreement shall be as valid as an original signature of such party and shall be effective to bind the parties hereto. For purposes hereof, (i) “electronic signature” means a manually signed original signature that is then transmitted by electronic means; and (ii) “transmitted by electronic means” means sent in the form of a facsimile or sent via the internet as a portable document format (“pdf”) or other replicating image attached to an electronic mail or internet message. This Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

(k) **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of Minnesota, without regard to choice of law principles. All litigation regarding this Agreement will be venued in the appropriate state or federal district court in Itasca County, Minnesota.

(l) **Accounting and Records.** The Borrower agrees to establish and maintain complete, accurate and detailed accounts and records relating to the receipt and expenditure of all funds received under this Agreement. Such accounts and records shall be kept and maintained by the Borrower for a period of six (6) years following the Termination Date. Accounting methods shall be in accordance with generally accepted accounting principles.

(m) **Audits.** The accounts and records of the Borrower described in paragraph (l) above shall be audited in the same manner as all other accounts and records of the Borrower and may, for a period of six (6) years following the Termination Date, be inspected on the Borrower's premises by the Authority or individuals or organizations designated by the Authority, upon reasonable notice thereof to the Borrower. The books, records, documents and accounting procedures relevant to this Agreement are subject to examination by the State Auditor in accordance with Minnesota law.

(n) **Data Practices.** All data collected, created, received, maintained or disseminated for any purpose in the course of the Grantee's performance of this Agreement is governed by the Minnesota Government Data Practices Act, Minn. Stat. Ch. 13, and any other applicable state statutes, any state rules adopted to implement the Act and statutes, as well as federal statutes and regulations on data privacy.

IN WITNESS WHEREOF, this Agreement has been duly executed and delivered by the proper officers thereunto duly authorized on the day and year first written above.

Lender:
GRAND RAPIDS ECONOMIC DEVELOPMENT
AUTHORITY

By: _____

Its President

By: _____

Its Executive Director

[SIGNATURE PAGE TO LOAN AGREEMENT – LENDER]

Borrower:
NORTHERN COMMUNITY RADIO, INC.

By: _____

Title: CEO/General Manager

[SIGNATURE PAGE TO LOAN AGREEMENT – BORROWER]

EXHIBIT A
LOAN ACTIVITIES

2025 Grand Rapids Riverfest Downtown Entertainment Loan Application

Grand Rapids Riverfest
Saturday, September 6th, 2025

Attached Files:

- Downtown Entertainment Loan Application (2025)
- Copies of Form 990 (2024)

Detailed Event Budget/Cash Flow Projections

2025 GR Riverfest Budget		
REVENUE	2025 Budgeted	2024 Actual
Regular Tickets	\$214,450	\$213,901
Comp Tickets		
Grants	\$0	\$1,000.00
Sponsors (cash only)	\$75,500	\$74,185.00
GREDA Loan	\$75,000	\$75,000.00
Merchandise	\$20,000	\$18,972.62
Misc	\$1,126	
Food Vendor	\$6,000	\$5,800.00
In-Kind (Non-Cash)		\$21,009.00
	\$392,076	\$409,867.55
EXPENSE	2025 Budgeted	2024 Actual
HEADLINER - Courtney Barnett	\$115,000	\$125,000.00
SUPPORT - Margo Price	\$60,000	\$80,000.00
SUPPORT - Jeremie Albino	\$7,500	\$20,000.00
SUPPORT - Alan Sparhawk	\$10,500	\$10,000.00
SUPPORT - 5th Band		\$4,000.00
Backline and add'l tech	\$10,000	\$10,000.00
Staging/Audio/Lights/Tech Person	\$31,000	\$34,166.00

Cleaning	\$500	\$3,435.00
Sponsor Banners/signage	\$3,500	\$4,400.00
Screen	\$20,000	\$20,000.00
Hotel for bands and stage crew	\$5,000	\$15,535.00
Hospitality/Catering	\$3,500	\$4,395.77
Rentals	\$4,000	\$26,385.62
Transportation	\$500	\$1,066.69
Merch*	\$10,000	\$12,947.02
Marketing	\$10,000	\$29,796.00
Ticketing & Merchant Fees	\$2,500	\$3,721.70
MISC	\$7,500	
Photography	\$1,100	\$1,000.00
Wrist Bands	\$1,047	
Donation to GRALF	\$1,500	
Repayment GRED Loan	\$75,000	\$4,018.00
\$379,647		\$409,866.80
Estimated Income:	\$12,429	\$0.75

Ticket Breakdown

<i>Type</i>	<i>Cost</i>	<i>Qty</i>	<i>Total</i>
Member Presale	\$104	300	\$31,200
Early Bird	\$114	500	\$57,000
General Tickets	\$134	875	\$117,250
Last Minute	\$154	25	\$3,850
Kids Ages 13-17	\$39	100	\$3,900
Kids 12-5	\$10	125	\$1,250

		1925	\$214,450
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2024 ticket sales were about 2,400. We are estimating a similar size crowd this year, possibly slightly smaller. We raised the cost of tickets due to expected increased costs while at the same time lowered our projected overall ticket sales.

Description of required contracts for the event and their status

- KAXE and City of Grand Rapids
- Contracts with all performing artists for 2025
- Courtney Barnett – Confirmed and contracted
- Margo Price – Confirmed and Contracted
- Jeremie Albino – Confirmed and Contracted
- Alan Sparhawk – Confirmed and contracted
- Staging/Production – Jason Martin – Confirmed
- Blandin Foundation – use of parking lot and green space – Confirmed, awaiting contract
- Vendor Contracts – in progress
- Sponsorship Agreements – Most all sponsorship spots have been confirmed and contracted
- Rick Harding – Use of property line for fencing – Confirmed and contracted
- Blandin Paper Company – Use of parking lot - Confirmed

Other partnerships:

- United Way of 1000 Lakes
- Grand Rapids Public Works
- Grand Rapids Area Library
- Grand Rapids Police Department
- Itasca Life Options
- MN North – Itasca - Wrestling
- Glorvigen, Tierney & Co.
- MacRostie Art Center
- Grand Rapids Area Library Foundation
- Fire in the Village

Description of all other funding sources for the event and their status

- | | |
|--|------------------------------|
| • Ticket Sales – On Sale May 2, 2025 | • In-Kind Donations – verbal |
| • Local Sponsorships – Most levels confirmed, not invoiced | commitments |

EXHIBIT B

PROMISSORY NOTE

\$_____.00

_____, 2025

_____ [name of entity], a Minnesota _____ [type of entity, e.g. limited liability company, sole proprietorship, non-profit, etc.] (“Borrower”), for value received, hereby promises to pay to the Grand Rapids Economic Development Authority, a public body corporate and politic organized and existing under the laws 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 _____ and No/100ths Dollars (\$_____.00) or so much thereof as may be advanced under this Note (the “Principal Balance”), with interest thereon at the per annum rate of 1.00%, in any coin or currency which at the time of payment is legal tender for the payment of private debts in the United States of America. This note (this “Note”) evidences the loan provided (the “Loan”) pursuant to the Loan Agreement, dated _____, 2023 (the “Loan Agreement”), between Borrower and Lender. Capitalized terms used herein and not separately defined shall have the meanings ascribed to them in the Loan Agreement.

The principal and interest of this Note is payable as follows:

1. On or before _____, 202__ (the “Maturity Date”), which is no more than nine months from the date of execution of this Note and no more than four months from the date of the Event, Borrower shall make a single payment in an amount equal to the sum of the Principal Balance and accrued interest thereon, subject to a reduction in the Principal Balance in accordance with Section 3 hereof.
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, if the Borrower can provide sufficient evidence that the Event did not reach the Breakeven Point, the Breakeven Amount shall be forgiven and subtracted from the Principal Balance due on the Maturity Date.

4. It is agreed that time is of the essence of this Note. If an Event of Default occurs under the Loan Agreement or any other instrument securing this Note, then Lender may at its right and option declare immediately due and payable, the principal balance of this Note and interest accrued thereon, 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. The performance or observance of any promise or condition set forth in this Note may be waived, amended, or modified only by a writing signed by the Maker and the Holder. No delay in the exercise of any power, right, or remedy operates as a waiver thereof, nor shall any single or partial exercise of any other power, right, or remedy.

10. 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:

[Entity Name]

By: _____

Title: _____