

PROMISSORY NOTE

(SAC/WAC Loan Program)

Date: _____

1. Parties and Loan Purpose

FOR VALUE RECEIVED, the undersigned Borrower promises to pay to the City of Spring Lake Park, Minnesota ("City"), a municipal corporation, the principal sum of \$_____ (the "Loan Amount"), together with interest at a fixed annual rate of ____% per annum. This rate is based on the average 10-year Treasury rate in effect on the date this Note is executed.

The Loan Amount will be used solely to pay Sewer Access Charge (SAC) and Water Access Charge (WAC) fees associated with improvements at the following property:

Project / Business Address: _____

Spring Lake Park, MN 55432

Legal Description: See Exhibit A

2. Loan Term and Repayment

2.1 Term. The Loan shall be repaid over a term not exceeding five (5) years.

2.2 Quarterly Billing. Repayment shall occur through quarterly installments billed as a designated line item on the utility bill for the premises. Payments are due when regular utility charges are due.

2.3 Application of Payments. Payments are applied to debt in the following order: (a) water/sewer usage, (b) accrued interest and penalties, and (c) principal.

2.4 Amortization Schedule. Payments shall follow the amortization schedule attached as Exhibit B.

3. Borrower Obligations and Eligibility

Borrower must continuously operate an eligible establishment under the City's SAC/WAC Loan Policy and maintain all licenses required for business operation. Borrower must promptly notify the City of any change in ownership or business status.

4. Default and Acceleration

The full outstanding balance becomes immediately due if Borrower:

- Fails to operate the business;
- Fails to maintain required licenses;
- Fails to pay required installments or utility charges;

- Transfers ownership of the business; or
- Defaults on any term of this Note.

The City will provide written notice and a ten (10) day opportunity to cure. Failure to cure authorizes full acceleration.

5. Relationship to Utility Charges

Loan installments appear on the utility bill. Unpaid installments constitute unpaid water/sewer service charges under Minn. Stat. § 444.075, Subd. 3(e). The City may certify any unpaid amounts to the County Auditor as a lien against the property. This Note binds the Borrower only; property owner obligations arise under a separate Special Assessment Waiver and Consent Agreement.

6. Prepayment

Borrower may prepay any portion of the Loan at any time without penalty.

7. Collection Costs

Borrower shall reimburse the City for reasonable attorneys' fees and costs incurred in enforcement or collection of this Note.

8. Personal Guarantee

The undersigned Guarantor personally and unconditionally guarantees the full and timely payment of all amounts owed under this Note. This guarantee is absolute and continuing, and the Guarantor waives notice of acceptance, presentment, demand, dishonor, and any requirement that the City first proceed against the Borrower.

9. Governing Law

This Note shall be governed by and construed in accordance with the laws of the State of Minnesota. The Borrower and Guarantor agree that any legal action, claim, or proceeding arising out of or relating to this Note shall be brought exclusively in the District Court of Anoka County, Minnesota, and each party hereby consents to the personal jurisdiction of that court.

Borrower Signature

Borrower Name (Entity): _____

By: _____

Name: _____

Title: _____

Date: _____

STATE OF _____)
) ss.
COUNTY OF _____)

This instrument was acknowledged before me on the ____ day of _____,
20__, by _____, the _____ (title) of
_____ (entity name), a _____
(entity type) organized under the laws of the State of _____, on behalf of
the entity.

Notary Public

Personal Guarantee

Guarantor Name: _____

Signature: _____

Address: _____

City/State/Zip: _____

Date: _____

STATE OF MINNESOTA)

) ss

COUNTY OF _____)

On this ____ day of _____, 20__, before me personally appeared _____, who acknowledged the execution of this instrument.

Notary Public

Exhibit A – Legal Description

[Insert legal description here]

Exhibit B – Amortization Schedule

[Insert schedule here]