

City of Minnetonka  
**Promissory Note**  
(Deferred Loan)

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**Lender:** The Economic Development Authority  
In and For the City of Minnetonka  
14600 Minnetonka Blvd  
Minnetonka, MN 55345

Date:

**Borrower(s):**

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The undersigned Borrower(s) (referred to herein as "Borrower"), jointly and severally if more than one, promise(s) to pay to the order of the Lender named above (referred to herein as "Lender") at the address listed above or whatever location Lender may specify, the sum of \_\_\_\_\_ dollars (\$ \_\_\_\_\_) (the "Loan"), plus interest on the unpaid balance at an annual rate of \_\_\_\_\_%. Interest will begin to accrue as of the date of this note and continues to accrue until the loan has been paid in full.

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**Security** This note  IS secured by a Mortgage on my residence at:

IS NOT secured by other collateral or property.

An itemization of amount financed is available upon request.

If secured, the legal description of the property securing this Note is:

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**Repayment** The Borrower will pay the entire unpaid Principal and Interest on this Note upon the sale, transfer of title or if this property is no longer occupied by the Borrower(s) if on or before the thirtieth (30th) anniversary date of this Note. If the property has not been sold, transferred and is still occupied by the Borrower(s) after the thirtieth (30th) anniversary date of this Note 100% of the unpaid principal and interest shall be forgiven.

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**Prepayment** Borrower may prepay this loan in part or in whole, at any time prior to the maturity date, without penalty. If a partial payment (also known as a principal reduction payment) is made at any time, it does not change the regularly scheduled monthly payments required or any other terms required under this Promissory Note.

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**Assumption** Anyone buying or acquiring an interest in the property secured by this Promissory Note may NOT assume the remaining debt.

Initial(s) \_\_\_\_\_

The terms "I" and "my" refer to all and any Borrowers, individually and together, who execute this Promissory

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**Promises** I make the following promises:

- \* The property to be purchased will be my personal residence.
- \* My residence does not have more than \_\_\_ units.
- \* My residence is permanently attached to the land by way of a foundation and is taxed as real property.
- \* I do not intend to use more than 49% of my residence for business purposes.
- \* I am the owner of the property referenced herein.

I understand that the Economic Development Authority in and for the City of Minnetonka will rely on these promises and that I could be guilty of fraud if these promises are not true.

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**Additional Terms**

**Simple Interest**

Interest on my loan will be calculated using the 'simple interest' method. This means that the actual interest I will pay will depend on my unpaid balance at the end of each day. Interest may also be referred to as finance charge.

If I pay ahead of the regular scheduled due date(s), the finance charge may be less than estimated. If my payments are late, my finance charge may be higher. You will adjust my last payment accordingly, but you may excuse any additional finance charge due to late payments.

I understand that the simple interest method of calculating interest may not always give the same results as the method used in making the Truth in Lending disclosures. Therefore, the actual amount I pay may not be exactly as disclosed.

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**Your Rights if I Default**

I will be in default if:

- \* I do not make a payment when it is due, or in the full amount due.
- \* I made misstatements on my loan application or knowingly provided false information or documentation.
- \* Someone tries by legal proceedings to get money or property I have on deposit with you.
- \* I do not keep property insurance in place and in effect that covers the loss of the residence, in whole or in part.
- \* I use my residence for unlawful purposes.
- \* An event of default occurs under any mortgage covering my property.
- \* I no longer occupy the property as my principal place of residence.
- \* I sell, transfer, or otherwise assign any or all interest in my property without paying my loan in full.
- \* I do not live up to any promise I have made under this Promissory Note, or
- \* I fail to comply with the terms of the Mortgage entered into to secure the Loan.

If I am in default, you may require immediate payment of the unpaid balance of this Promissory Note, including the interest I owe. You do not have to give me advance notice.

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**Borrower Waivers**

I hereby expressly waive my rights to require the Lender to do (A) demand payment of amounts due ("presentment"); (B) to give notice that amounts due have not been paid ("notice of dishonor"); and (C) to obtain an official certificate of nonpayment ("protect").

Initial(s) \_\_\_\_\_

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**Additional Terms**

If there is a mortgage, you may also foreclose and sell my residence and use the money from the sale of the property to pay my loan. You may also exercise any other legal rights you may have. However, even if I am in default, you do not have to require immediate payment. You may delay enforcing any of your rights without losing them.

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**Bankruptcy**

If anybody starts a case under the U.S. Bankruptcy code which names anyone who signs this Promissory Note as a debtor, the unpaid balance of this Note, including any interest I owe, will immediately become due and payable.

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**Legal and Collection Costs**

I must pay any reasonable attorney's fees, legal expenses, and costs of collection that result from my default (unless prohibited by law). The Lender or its servicing agent may charge the Borrower for any check or authorized payment withdrawal request that is returned unpaid due to insufficient funds or for any other reason.

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**Governing Law**

This Promissory Note shall be governed and construed in accordance with the laws of the State of Minnesota.

I have received, read and understand all terms and conditions of this Promissory Note and agree to all its terms.

BORROWER(S):

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**TIL and NMLSR ID**

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Loan Originator Company Name

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Loan Originator Individual Name (as name appears on NMLSR)

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Loan Originator Company NMLSR ID

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Loan Originator Individual NMLSR ID (if applicable)