

CITY OF NORTHFIELD ECONOMIC DEVELOPMENT AUTHORITY NORTHFIELD REVOLVING LOAN

PROMISSORY NOTE Northfield Hotel Properties, LLC

\$250,000.00

Northfield, MN

_____, 2017

FOR VALUE RECEIVED, the undersigned loan recipient, hereinafter referred to as the “MAKER”, promises to repay to the order of the ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF NORTHFIELD, hereinafter referred to as the “LENDER”, at its offices located at 801 Washington Street, Northfield, Minnesota, 55057, or such other place as the holder hereof shall designate in writing, the Loan proceeds it received under the Lender’s Northfield Revolving Loan Fund Program in the principal amount of Two Hundred Fifty Thousand and 00/100 (\$250,000.00) dollars, lawful money of the United States, together with interest thereon from the date hereof at the rate of one percent (1%) per annum for the first sixty months following disbursement of the Loan proceeds to MAKER, and thereafter at an annual rate equal to the current prime rate as published in the Wall Street Journal on June 29, 2022 (the “Loan Rate”).

MAKER shall repay the Loan in monthly installments as follows:

1. For each of the first sixty (60) months following disbursement of the Loan proceeds to MAKER, commencing August 15, 2017, MAKER shall make monthly “interest only” payments of interest accrued on the unpaid principal balance of the Loan pursuant to the amortization schedule attached to the Revolving Loan Fund Agreement of even date herewith as Schedule A or a latest date of July 15, 2022;
2. Thereafter, for each of the next fifty-nine (59) months commencing August 15, 2022, MAKER shall make monthly payments of principal and interest accrued at the Loan Rate amortized over a period of twenty (20) years, and in the one hundred twentieth (120th) month after the date of disbursement of the Loan proceeds to MAKER, or a latest date of July 15, 2027, the entire principal balance and all accrued interest on the Loan shall become due and payable and MAKER shall make a “balloon payment” in the full amount of the remaining balance on the Loan, including accrued interest, all in accordance with the Amortization Schedule attached to the Revolving Loan Fund Agreement of even date herewith as Schedule B.

This note is secured by a mortgage of even date herewith granted by Northfield Hotel Properties, LLC, a Delaware limited liability company, as Mortgagor, in favor of the Economic Development Authority of the City of Northfield, as Mortgagee.

This note may be prepaid at any time without notice, in whole or in part, and without incurring any penalty or bonus.

Any change of the MAKER's name or address must be promptly disclosed to the LENDER.

MAKER's failure to pay any amount when due as evidenced hereby, or perform any covenant or agreement hereunder, shall constitute a default under this instrument and any other instrument securing or otherwise relating to such loan transaction, and a default under any other instrument shall constitute a default hereunder. Upon such default, the LENDER, at its option, may declare all or any part of the loan immediately due and payable in full without notice.

No waiver by the LENDER of any default hereunder shall operate as a waiver of any other default on a future occasion. No delay on the part of the LENDER in exercising any right or remedy hereunder shall operate as a waiver thereof. No single or partial exercise of any right or remedy by the LENDER shall preclude future exercise thereof or the exercise of any other right or remedy.

The undersigned, in the case of suit on this note, agrees to pay the LENDER's attorney fees and costs incurred therein. The MAKER and any endorsers and sureties waive demand of payment, notice of nonpayment, protest and notice. Sureties, endorsers and guarantors agree to all of the provisions of this note, and consent that the time of payment of all or any part hereof may be extended at the discretion of the LENDER from time to time, without notice.

MAKER agrees to provide periodic information regarding the status of relevant matters described in this promissory note and the accompanying exhibits hereto.

This agreement shall be governed by, and construed in accordance with, the laws of the state of Minnesota.

NORTHFIELD HOTEL PROPERTIES, LLC.

Date: _____

By: _____
Brett D. Reese, Chief Executive Officer

(Attached exhibits include City of Northfield Economic Development Authority Northfield Revolving Loan Agreement; Mortgage Deed; Personal Guarantee; and Borrower's Affidavit.)