

SECURED NON-RECOURSE PROMISSORY NOTE

Dated: January 5, 2021

\$92,400.00
St. Paul, Minnesota

FOR VALUE RECEIVED, Monica M. Anderson and Michael R. Hulke, as Personal Representatives of the Estate of Agnes M. Hulke a/k/a Agnes Marie Ann Hulke, (collectively referred to herein as “**Borrower**”), agrees and promises to pay to Cash for Houses Inc, a Minnesota corporation (“**Lender**”), or its assigns, in lawful money of the United States of America, the principal amount of up to Ninety-Two Thousand Four Hundred and no/100 Dollars (\$92,400.00), or, if less, an amount equal to the total Project Costs as defined herein.

WHEREAS, Borrower, as seller, and Lender, as purchaser, have entered into that certain Purchase Agreement with final acceptance date of January 4, 2021, (the “Purchase Agreement”) regarding real property located at 1915 Ivy Avenue East, St. Paul, Minnesota (the “Property”); and

WHEREAS, the Property is currently classified by the City of Saint Paul (the “City”) as a Category III vacant property; and

WHEREAS, the Saint Paul City Code prohibits the transfer of title to a Category III vacant property without first obtaining the appropriate certificate of occupancy or compliance from the City; and

WHEREAS, the Purchase Agreement provides that the closing of the purchase and sale transaction contemplated thereby (the “Closing”) is contingent upon Lender correcting all of the deficiencies identified in the City’s Code Compliance Report dated July 30, 2020, (the “Project” and/or the “Report”) and obtaining the appropriate certificate of occupancy or compliance, all at Lender’s sole cost and expense; and

WHEREAS, the Purchase Agreement provides that within ten (10) days from the date thereof, Lender shall provide Borrower with a proposed budget for the Project; and

WHEREAS, the Purchase Agreement provides that Borrower shall execute a note and mortgage in favor of Lender for said amount or so much thereof as is actually expended by Lender in the making of the improvements for the Project, including but not limited to demolition, disposal, labor, materials, equipment, government applications, permits, licenses, inspections, insurance, escrows, deposits, bonds, financing, and Buyer’s professional fees (collectively the “Project Costs”);

NOW, THEREFORE, in consideration of the foregoing and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Borrower agrees as follows:

1. Documentation of Project Costs. Lender shall provide to Borrower a receipt and waiver of lien rights (“Lien Waiver”) signed by the general contractor, subcontractors, material suppliers, equipment providers, or other vendors with whom Lender has a direct contract or that Lender has otherwise hired for the Project or who otherwise provide labor, materials, skill or machinery for the Project (collectively “Vendors”). Lender shall furnish Borrower with a Sworn Construction Statement designating all Vendors, and copies of all Lien Waivers promptly upon receipt. Lender shall furnish Borrower with detailed invoices or other appropriate documentation of any and all other Project Costs promptly upon receipt.

2. Payment of Promissory Note. The outstanding principal balance of this Secured Non-Recourse Promissory Note (“**Promissory Note**”) shall be satisfied by conveyance of the Property from Borrower to Lender at the Closing. Notwithstanding the foregoing, at any time prior to Closing, the outstanding principal balance of this Promissory Note shall be due and payable in full upon the occurrence of an Event of Default.

3. Interest. No interest shall accrue on this Promissory Note, unless Borrower defaults on its obligation to fulfill its obligations at Closing or defaults under this Promissory Note in which case interest shall accrue at a rate of six percent (6%) per annum.

4. Non-Recourse Obligation. Notwithstanding anything to the contrary stated herein, Lender agrees that for payment of this Promissory Note it will look solely to conveyance of the Property at the Closing or foreclosure of the mortgage on the Property given to secure the payment of this Promissory Note, and no other assets of Borrower shall be subject to judgment, levy, execution, or other enforcement procedure for the satisfaction of the remedies of Lender, or for any payment required to be made under this Promissory Note.

5. Default. Each of the following shall constitute an event of default (“Event of Default”) under this Promissory Note: Borrower fails to comply with or to perform any term, obligation, covenant or condition contained in this Promissory Note or in the Purchase Agreement, as the same may be amended from time to time, including but not limited to Borrowers’ obligation to Close on or before July 31, 2021, and fails to cure such default within thirty (30) days after receipt of written notice of such default from Lender. Lender may hire or pay someone else to help collect this Promissory Note if Borrower does not pay. Borrower will pay Lender that amount. This includes, Lender’s reasonable attorneys’ fees and Lender’s legal expenses, whether or not there is a lawsuit, including reasonable attorneys’ fees, expenses for bankruptcy proceedings, and all appeals.

6. Governing Law. This Promissory Note shall be governed by, construed and enforced in accordance with the laws of the State of Minnesota, without regard to its conflict or choice of law principles. This Promissory Note has been accepted by Lender in the State of Minnesota. Any action arising out of or relating to this Promissory Note shall be brought only in the state or federal courts of Minnesota, and all parties expressly consent to such court’s jurisdiction and irrevocably waive any objection with respect to the same, including any objection based on forum non conveniens.

7. Assignment. Borrower may not assign this Promissory Note, or any of its rights or obligations hereunder, without the prior written consent of Lender and any attempted assignment without Lender’s prior written consent shall be null and void. The terms of this Promissory Note shall be binding upon Borrower, and upon Borrower’s successors and permitted assigns, and shall inure to the benefit of Lender and its successors and assigns.

8. Miscellaneous. Lender may delay or forego enforcing any of its rights or remedies under this Promissory Note without losing them. No waiver of any right or remedy under this Promissory Note shall be valid unless in writing and signed by Lender, and any such waiver shall be effective only in the specific instance and for the specific purpose given. Borrower, to the extent allowed by law, waives presentment, demand for payment and notice of dishonor.

9. Jury Waiver. LENDER BY ITS ACCEPTANCE HEREOF AND BORROWER HEREBY VOLUNTARILY, KNOWINGLY AND INTENTIONALLY WAIVE ANY AND ALL RIGHTS TO TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING ARISING UNDER THIS PROMISSORY NOTE OR CONCERNING THE INDEBTEDNESS EVIDENCED HEREBY, REGARDLESS OF WHETHER SUCH ACTION OR PROCEEDING CONCERNS ANY CONTRACTUAL, TORTIOUS OR OTHER CLAIM. BORROWER ACKNOWLEDGES THAT THIS WAIVER OF JURY TRIAL IS A MATERIAL INDUCEMENT TO LENDER IN EXTENDING CREDIT TO BORROWER, THAT LENDER WOULD NOT HAVE EXTENDED SUCH CREDIT WITHOUT THIS WAIVER, AND THAT BORROWER HAS BEEN REPRESENTED BY AN ATTORNEY OR HAS HAD AN OPPORTUNITY TO CONSULT WITH AN ATTORNEY IN CONNECTION WITH THIS WAIVER AND UNDERSTANDS THE LEGAL EFFECT OF THIS WAIVER.

BORROWER REPRESENTS AND WARRANTS THAT PRIOR TO SIGNING THIS PROMISSORY NOTE, IT HAS READ AND UNDERSTANDS ALL THE PROVISIONS OF THIS PROMISSORY NOTE AND AGREES TO BE BOUND HEREBY.

Agreed as of the date first written above:

Monica M. Anderson as Personal Representative
of the Estate of Agnes M. Hulke a/k/a Agnes
Marie Ann Hulke

Michael R. Hulke as Personal Representative
of the Estate of Agnes M. Hulke a/k/a Agnes
Marie Ann Hulke