

## PROMISSORY NOTE

**\$100,000.00**

**3/26/2021**

**FOR VALUE RECEIVED**, the undersigned, Hendrie Grant Lending VII, Inc (hereinafter referred to as the "Maker") hereby agrees and promises to pay to the order Leonid Frolov, its endorsees, successors and assigns (hereinafter referred to as "Holder"), at such place as Holder hereof may from time to time designate in writing, the principal sum of One Hundred Thousand AND 00/00 (\$100,000.00) dollars, together with interest on the unpaid principal balance of this Note outstanding from time to time, at the rate of eight percent (8.0%) per year, computed on the basis of a 30 day month, said principal and interest to be paid as hereinafter specified.

All amounts due hereunder shall be payable in lawful money of the United States on or before 3/25/2022 or when the underlying loan is paid whichever comes first. Payment of interest accrued in the previous month due monthly on the first on the month. Final interest payment is due the first of the month following the payoff.

All payments shall be applied first to interest and then to the principal, except that if any advance made by Holder under the terms of any instruments securing this Note is not repaid, any monies received, at the option of Holder, may first be applied to repay such advances, plus interest thereon, and the balance, if any, shall be applied as above.

In the event that any payment required hereunder is not paid within ten days of the due date, Maker agrees to pay a late charge of \$.05 per \$1.00 of unpaid payment to defray the costs of Holder incident to collecting such late payment. This provision shall not be deemed to excuse a late payment or be deemed a waiver of any other rights Holder may have including the right to declare the entire unpaid principal balance and interest immediately due and payable.

This Note is made pursuant to the laws of the State of Minnesota and is the Note referenced in and secured by a Contract for Deed (hereinafter referred to as the "Contract for Deed") and other security instruments of even date herewith, all of which are incorporated herein by reference, given by Maker to Holder encumbering certain real property and personal property situated in Ramsey County, Minnesota more fully described in the Contract for Deed (hereinafter referred to as the "Premises").

Maker shall have no period of time to cure a monetary default. If there is a nonmonetary default (any default which is not a monetary default), Maker shall have ten (10) days to cure such nonmonetary default after written notice of default from Holder unless the nonmonetary default cannot be cured within said ten (10) day period. In such event, Maker shall have a reasonable time to cure the default provided that Maker takes action to begin to cure the nonmonetary default within said ten (10) days and Maker is, in Holder's sole judgment, working diligently to complete the cure. Upon a monetary default or upon expiration of the cure period of a nonmonetary default as set forth above, the entire unpaid principal balance together with accrued interest thereon should become immediately due and payable at the option of Holder. Time is of the essence. No delay or omission on the part of Holder in exercising any right hereunder shall operate as a waiver of such right or of any other remedy under this Note. A waiver on any occasion shall not be construed as a bar to or waiver of any such right or remedy on a future occasion.

Upon the occurrence of an event of default hereunder, Maker agrees to pay the costs of collection including reasonable attorneys' fees.

Maker hereby waives presentment for payment, protest and notice of non-payment and Maker hereby consents, without affecting its liability, to any extension of the time or terms of payment hereof, any renewal, any release of all or any part of the security given for the payment hereof, any acceptance of additional security of any kind, and any release of, or resort to any party liable for payment hereof.

Maker shall have the right to prepay the principal balance outstanding hereunder in full at any time during the term hereof.

All notices, approvals, consents, requests, and demands upon the respective parties hereto shall be in writing; sent by personal delivery (including, without limitation, courier services such as Federal Express), or by certified or registered mail, postage prepaid and return receipt requested; and addressed as follows:

To Holder:

Leonid Frolov  
7040 Lakeland Ave N #112  
Brooklyn Park, MN 55428

To Maker:

Hendrie Grant Lending VII Inc  
237 Richmond St  
Saint Paul, MN 55102-3129

Property Secured:

1971 Nortonia Ave  
St. Paul, MN 55119

or to such other address as may be furnished in writing for such purpose.

This Note is made and executed under the laws of the State of Minnesota and is intended to be governed by the laws of said state. Any action brought to enforce the terms of this Note shall be venued in a court of competent jurisdiction in the State of Minnesota.

Hendrie Grant Lending VII, Inc

  
By Hendrie C. Grant its President



## COLLATERAL ASSIGNMENT OF CONTRACT FOR DEED

This Collateral Assignment of Contract for Deed ("Assignment") is entered into as of this 3/26/2021 between Hendrie Grant Lending VII, Inc ("Assignor") and Leonid Frolov 7040 Lakeland Ave N #112 Brooklyn Park MN 55428 ("Assignee").

Assignor hereby assigns, transfers, and sets over onto Assignee all of Assignor's right, title and interest in and to that Contract for Deed between Bowens Companies, LLC and Hendrie Gant Lending, VII Inc, dated 3/10/2021 and filed in the office of the Ramsey County Minnesota Recorders office as document number \_\_\_\_\_. Said Contract for Deed encumbering the following described real estate located in Ramsey County Minnesota to-wit:

Lot 24, Block 21, Beaver Lake Heights, Ramsey County, Minnesota

This Assignment is given to secure that certain Promissory Note ("Note") of even date by Assignor payable to Assignee, or its Order. This Assignment is for collateral purposes only and except as specified herein, Assignee shall have no liability or obligation of any kind whatsoever arising from, or in connection with, this Assignment, unless Assignee shall take possession of the property which is the subject of said Contract for Deed, or any proceeds of the Contract for Deed. Assignee shall not file this Collateral Assignment with the office of the Ramsey County Minnesota Recorders office unless Assignor defaults on the terms of the Note.

Assignor agrees that Assignee may, at any time after the occurrence of default on the Note, and where such failure continues for (25) days after written notice thereof from Assignee to Assignor, then:

- (i) Notify the obligor on, or issuer of the Contract for Deed to make payment to Assignee of any amounts due or disputable thereon;
- (ii) In Assignor's name, or Assignee's name, enforce collection of any amounts due on the Contract for Deed by suitor or otherwise, or surrender, release or exchange all or any part of it, or compromise, extend or renew for any period any obligation evidenced by the Contract for Deed;
- (iii) Receive all proceeds of the Contract for Deed;
- (iv) Hold any increase or profits received from the Contract for Deed as additional security.

If the Assignor shall pay to the Assignee the sum of \$100,000.00 according to the terms of the Note, the final payment being due and payable on 3/25/2022, and shall keep and perform all of the covenants and agreements contained herein, then this Collateral Assignment shall be null and void, and shall be released by Assignee.

Upon a default of Assignor under the Note, or in the event of a default by Assignor under any other document or instrument executed in connection with the Note, Assignee shall have the right, and is hereby empowered to take title to the property, or any proceeds therefrom and, in such



## PLEDGE AND SECURITY AGREEMENT

Hendrie Grant Lending VII, Inc., a Minnesota Company ("Pledgor") does hereby grant unto Leonid Frolov ("Secured Party") a security interest in the following property ("Collateral"):

Contract for Deed dated 3/10/2021 between Bowens Companies, LLC, a Limited Liability Company under the laws of Minnesota, as vendee, and Hendrie Grant Lending, VII Inc, a Corporation under the laws of Minnesota as vendor recorded in the office of the Ramsey County Recorders as Document No .. \_\_\_\_\_

to secure the prompt payment to Secured Party of a Promissory Note in the original principal amount of \$100,000.00 dated 3/26/2021 executed by Pledgor in favor of Secured Party, with interest as provided herein (the "Obligation").

Pledgor warrants, represents and agrees that:

1. It is the owner of the Collateral, free of all liens, encumbrances and security interests except the security interest hereby created, and has authority to execute this Agreement.
2. Pledgor will, at any time or times hereafter, execute such financing statements and other instruments and perform such acts as the Secured Party may request to establish and maintain a valid security interest in the Collateral and will duly endorse, in blank, each and every instrument constituting Collateral by signing on said instrument or by signing a separate document of assignments or transfer, if required by Secured Party.
3. Pledgor shall be in default under this Agreement upon the happening of any of the following events: (a) nonpayment, when due, of any amount payable on the Obligation or failure to observe or perform any term hereof; (b) Pledgor becomes insolvent or unable to pay debts as they mature or makes an assignment for the benefit of creditors, or any proceeding is instituted by or against Pledgor alleging that Pledgor is insolvent or unable to pay debts as they mature; (c) entry of any judgment against Pledgor; or (d) if any warranty or representation herein contained shall prove to be untrue in any material respect.
4. In the event of a default hereunder, Secured Party shall have all rights and remedies of a secured party under Minn. Stat. Sec. 336.9-101, et seq. any other law of Minnesota. Without limiting any of the foregoing, Security Party may sell the whole or any part of the Collateral, either at public or private sale. After deducting all legal and other costs, expenses and charges incurred in the collection, sale, deliver or preservation of the Collateral, Secured Party shall apply the residue of such sale proceeds to the payment of the Obligation secured hereunder. The surplus of such process shall be paid to Pledgor. Pledgor shall pay on demand to the Secured Party any balance that may be due after the sale of the Collateral and the application of the sale proceeds as provided above.



5. Any disposition of the Collateral as herein provided shall be deemed commercially reasonable. Mere delay or failure to act shall not preclude the exercise or enforcement of any of the Secured Party's rights or remedies. All rights and remedies of the Secured Party shall be cumulative and may be exercised singularly or concurrently, at Secured Party's option, and the exercise or enforcement of any one such right or remedy shall neither be a condition to nor bar the exercise or enforcement of any other.

6. All notices to be given to the Pledgor shall be deemed sufficiently given if delivered or mailed by certified mail, postage prepaid, to Pledgor at the most recent address shown on Secured Party's records.

7. Pledgor will reimburse Secured Party for all expenses (including reasonable Attorneys' fees) incurred by Secured Party in the protection, defense or enforcement of the Security Interest, including expenses incurred in any litigation or bankruptcy or insolvency proceedings.

8. This Agreement shall be governed by the laws of the State of Minnesota and, unless the context otherwise requires, all terms used herein which are defined in Articles 8 and 9 of the Uniform Commercial Code, as in effect in Minnesota, shall have the meanings herein stated.

9. This Agreement shall be binding upon and inure to the benefit of the Pledgor and Secured party, their successors and assigns.

Dated 3/26/2021

Hendrie Grant Lending VII, Inc

  
By Hendrie C. Grant its President