

## ALLONGE TO PROMISSORY NOTE

This ALLONGE TO PROMISSORY NOTE ("Allonge") is made effective as of \_\_\_\_\_, 2025 by and between Central Hillside Development Limited Partnership, LLP, a Minnesota limited liability limited partnership ("Developer") and the City of Duluth, a public body corporate and politic under the laws of the State of Minnesota (the "City"). All terms used in this Allonge shall have the meanings given to them on the Note unless otherwise defined in this Note.

### RECITALS

- A. The Developer issued and delivered a promissory note (the "Note") dated August 18, 2005 in favor of the Hillside Business Association, a Minnesota nonprofit corporation ("HBA") in the original principal amount of \$7,282,000.00, bearing an initial interest rate as set forth in that certain City promissory note, as amended, ("City Note") dated August 18, 2005 in the principal amount of \$7,282,000 issued in favor of the United States Department of Housing and Urban Development to obtain the funds necessary to make a Section 108 loan to the HBA and ultimately to the Developer and the Note maturing on August 18, 2025 (the "Maturity Date").
- B. The HBA entered into a Collateral Assignment of Mortgage and Note, agreed to and accepted by the Developer, dated August 5, 2005 and delivered the same to the City.
- C. The Developer desires to extend the Maturity Date of the Note.
- D. As of the date hereof, the outstanding principal of the Note is \$2,521,000.
- E. As of the date hereof, the outstanding interest on the Note is \$34,512.49.
- F. The City has agreed to changes in the term of the Note and the City and Developer wish by execution of this Allonge to reduce their agreement to writing.

### AGREEMENT

NOW, THEREFORE, and in consideration of the above recitals, the parties agree as follows:

- 1. Incorporation of Recitals. The recitals stated above are a part hereof and are incorporated herein.
- 2. Amendment to Note. Effective as of the date first written above, the following changes apply to the Note:
  - a. *Maturity Date*. The maturity date of the Note is changed from August 18, 2025 to July 18, 2026 or if earlier, the date of any sale, conveyance, encumbrance, assignment or other transfer by Developer of Property as described in that CBDO Mortgage dated August 5, 2005. All references to the maturity date in the note shall be deemed to be references to this definition (the "Maturity Date"). Interest is payable as provided in the Note and all outstanding interest shall be due and payable as of the date hereof.

- b. *General Obligation.* The Note is deemed amended to the extent necessary to reflect the changes as set forth above. No other amendments are made to the Note.
3. No Additional Security or Credit. The parties expressly agree and acknowledge that execution of this Allonge does not constitute an agreement by Developer to grant additional security to the City, nor an agreement by City to loan any amount in excess of that amount loaned pursuant to the Note; nor shall it obligate the Developer to at any future time grant additional security to City or obligate City to at any future time loan any amount to the Developer in excess of that amount loaned pursuant to the Note.
  4. Legal and Binding Obligations. The parties further acknowledge that by this Allonge neither the Developer nor City is, by acceptance of this Allonge, waiving any rights under the Note.
  5. Ratification of Loan Agreement and Collateral Assignment of Mortgage and Note. The parties ratify and affirm that certain Section 108 Loan Agreement between City of Duluth and Hillside Business Association and Central Hillside Development Limited Partnership, LLLP dated as of August 18, 2005 5<sup>th</sup> Street Redevelopment Project and that certain Collateral Assignment of Mortgage and Note by the HBA and agreed to and accepted by the Developer in favor of the City dated August 5, 2005 in connection with the Note.
  6. Authority and Capacity. The individuals executing this Allonge on behalf of the Developer have full and complete corporate authority and capacity to bind the Developer to this Allonge.
  7. Effect of Allonge. Except as amended or modified by this Allonge, all terms and conditions of the Note remain in full force and effect.
  8. Execution Counterparts. This Allonge may be executed in several counterparts each of which is an original and all of which constitute but one and the same instrument.
  9. Miscellaneous. This is the entire agreement between the City and Developer with respect to this Allonge. There are no other agreements or understandings, express or implied, except as set forth in this Allonge. This Allonge is governed by the laws of the State of Minnesota. This Allonge may only be amended with the written consent of the parties.

*(Remainder of page intentionally left blank)*

IN WITNESS WHEREOF, the parties hereto each duly executed this Allonge as of the day and year first written above.

CENTRAL HILLSIDE DEVELOPMENT LIMITED PARTNERSHIP, LLP

By: VP DEVELOPMENT, INC., Its General Partner

By: \_\_\_\_\_

Scott Vesterstein, Its President