

PROMISSORY NOTE

NORTH DAKOTA DIVISION OF COMMUNITY SERVICES

SFN 51603 (10/00)

FOR VALUE RECEIVED _____
of _____ North Dakota (the Maker)
promises to pay to the order of _____, at its principal
place of business, or at such other place as may be designated from time to time by the holder of this note, the
principal sum of _____ to be paid in (monthly, quarterly, or semi-annual) installments
prior to their due dates in the amounts set forth in the repayment schedule to be attached after the date of the first
drawdown of CDBG funds. If there is no repayment schedule, then all amounts are due and payable on demand.

Any and all installments or part of any installment may be paid anytime prior to their due dates without penalty.

In the event the Maker fails to requisition and spend the full face amount of the loan as set out above and as set
out in the Loan Agreement then the amount of each installment payment shall be reduced accordingly in equal
amounts.

If default is made in the payment of this note, or if holder believes itself insecure, the entire principal shall at once
become due and payable without notice at the option of the holder of this note, and thereupon the Maker agrees to
pay all costs of collection, including attorney fees as set out in the Loan Agreement referred to herein. Failure to
exercise this option shall not constitute a waiver of the right to declare the entire principal amount of this note due
and payable at once at any subsequent time.

Maker represents and warrants that the extension of credit evidenced by this note is for the purposes described in
the Loan Agreement.

This Promissory Note is the note referred to in, and is entitled to the benefits of, the Loan Agreement dated
_____, 20 ____, between the Maker and the _____.
The Loan Agreement, among other things, contains provisions for acceleration of the maturity hereof upon the
happening of certain stated events and also for repayments on account of principal hereof prior to the maturity
hereof upon the terms and conditions therein specified.

<p>Borrower</p> <p>_____ XYZ Inc., A North Dakota Corporation</p> <p>By</p> <p>_____ (In his/her capacity as President of XYZ, Inc., and Individually)</p> <p>Date</p> <p>_____</p>	<p>Lender</p> <p>_____ City/County</p> <p>By</p> <p>_____ (Chief Elected Official)</p> <p>Date</p> <p>_____</p>
<p>By</p> <p>_____ (In his/her capacity as Secretary of XYZ, Inc., and Individually)</p> <p>Date</p> <p>_____</p>	<p>By</p> <p>_____ (Auditor)</p> <p>Date</p> <p>_____</p>
<p>The special endorsement of this Note does not constitute an indebtedness or a change against the credit of the general funds of the _____.</p>	
<p>By</p> <p>_____</p> <p>Signature</p>	<p>_____</p> <p>Title</p>