

COLUMBIA HEIGHTS ECONOMIC DEVELOPMENT AUTHORITY
PROFESSIONAL SERVICES AGREEMENT

This Professional Services Agreement (“Agreement”) is made on the __ day of _____, 2026, between the Columbia Heights Economic Development Authority, a body corporate and politic organized and existing under the laws of the State of Minnesota (the “Authority”), and Metropolitan Consortium of Community Developers, a Minnesota nonprofit corporation doing business as the Minnesota Consortium of Community Developers (the “Contractor”). The Authority and the Contractor are each a “Party” and together the “Parties.”

The Authority has created the Columbia Heights Economic Support Microloan Program (the “Program”), a forgivable loan program whereby the Authority shall provide forgivable loans (the “Loans” and, each a “Loan”) up to \$10,000 to assist businesses located in the City of Columbia Heights, Minnesota (the “City”) with structure costs such as rent, mortgage, utilities, and insurance, in order to help maintain the entrepreneurship and diversity the Columbia Heights business community is known for and also to protect the City’s overall health and well-being by preventing tax base decreases and blight caused by business closures and empty commercial storefronts.

The Program was created using Authority funds, as authorized by powers in Minnesota Statutes, §§ 469.090 through 469.1082, as amended, including § 469.192, and §§ 116J.993 through § 116J.995, as amended.

In connection with the Program, the Authority has prepared and approved (1) guidelines for the Program (the “Guidelines”), (2) a loan application (the “Application”), (3) a model loan agreement (the “Loan Agreement”) and (4) a model promissory note (the “Note” and, together with the Guidelines, the Application, and the Loan Agreement, the “Program Documents”).

1. Scope of Work. The Contractor agrees to administer the Program as further described in Exhibit A (“Work”) which is attached to this Agreement and incorporated by this reference. All Work provided by Contractor under this Agreement shall be provided in a manner consistent with the level of care and skill ordinarily exercised by professional consultants currently providing similar services.

2. Term and Termination. The term of this Agreement will commence on April 7, 2026. Unless extended by written agreement of the Parties, this Agreement will terminate no later than April 27, 2027, or upon completion of the Work, whichever occurs first. This Agreement may be terminated earlier by either Party with or without cause, by delivering, a written notice at least thirty (30) days prior to the date of such termination to the other Party. The date of termination shall be stated in the notice. Upon termination the Contractor shall be paid for services rendered and eligible reimbursable expenses incurred by the Contractor through and until the date of termination. If the Authority terminates this Agreement for cause, the notice shall so-state, and no further payment shall be due to the Contractor following the delivery of the termination notice.

3. Compensation for Work. The Authority agrees to compensate the Contractor for the Work in an amount equal to 15% of the principal amount of each Loan, subject to an aggregate compensation limit for the Work over the term of this Agreement not to exceed \$40,000 (the “Fees” and, related to each Loan, the “Fee”). Any changes in the Work which may result in an increase to the compensation due the Contractor shall require prior written approval of the Authority.

4. Invoice. Following the issuance of a Loan and the execution of the related Loan Agreement and Promissory Note, the Contractor shall submit an invoice for the Work related to that Loan. Invoices shall contain the following:

- a. The amount of the Loan and the Fee.
- b. For reimbursable expenses, if any, an itemized listing, including receipts for such expenses.
- c. A statement dated and signed by the Contractor: “I declare under penalty of perjury that this account, claim, or demand is just and correct and that no part of it has been paid.”

5. Method of Payment. For each Loan, the submitted invoice shall be paid in two parts: (i) 10% of the principal amount of each Loan shall be paid upon submission of the invoice, which shall occur upon execution of the Loan Agreement and the Promissory Note, and (ii) 5% of the principal amount of each Loan shall be paid when the Loan is forgiven or the Authority submits a Default Notice (as defined in Section 8(b) of the Loan Agreement) for the Loan.

6. Representatives and Notices. The individuals below will act as the representatives of the Parties with respect to the work to be performed under this Agreement. Any termination notice issued under this Agreement shall be either hand delivered or sent by U.S. Mail to the below-named individuals:

To Authority:

Columbia Heights Economic
Development Authority
3989 Central Ave NE
Columbia Heights, MN 55421
Attn: Executive Director

To Contractor:

Metropolitan Consortium of
Community Developers
3137 Chicago Avenue
Minneapolis, MN 55407
Attn: CEO

7. Assignment or Subcontracting. The Contractor shall not assign or enter into subcontracts for services provided under this Agreement without the written consent of the Authority. If subcontracts are approved and entered into, the Contractor shall promptly pay any subcontractor involved in the performance of this Agreement as required by, and the Contractor shall otherwise comply with, the State Prompt Payment Act, Minnesota Statutes, Section 471.425, as amended.

8. Independent Contractor. All Work provided pursuant to this Agreement shall be provided by Contractor as an independent contractor and not as an employee of the Authority or the City for any purpose. Any and all officers, employees, subcontractors, and agents of Contractor, or any other person engaged by Contractor in the performance of the Work pursuant to this Agreement, shall not be considered employees of the Authority or the City. Contractor, its employees, subcontractors, or agents shall not be entitled to any of the rights, privileges, or benefits of the Authority's or the City's employees, except as otherwise stated herein.

9. Annual Review. Following the anniversary date of each year of this Agreement, the Authority shall have the right to conduct a review of the performance of the Work performed by the Contractor under this Agreement. The Contractor agrees to cooperate in such review and to provide such information as the Authority may reasonably request. Following each performance review the Parties shall, if requested by the Authority, meet and discuss the performance of the Contractor relative to the remaining Work to be performed by the Contractor under this Agreement.

10. Compliance with Laws and Regulations. The Contractor shall comply with all federal, state and local laws, statutes, ordinances, rules and regulations in the performance of the Work.

11. Non-Discrimination. During the performance of this Agreement, the Contractor shall not discriminate against any person, contractor, vendor, employee or applicant for employment because of race, color, creed, religion, national origin, sex, marital status, status with regard to public assistance, disability, sexual orientation, or age. The Contractor shall post in places available to employees and applicants for employment, notices setting forth the provisions of this non-discrimination clause and stating that all qualified applicants will receive consideration for employment. The Contractor shall incorporate the foregoing requirements in all of its subcontracts for Work done under this Agreement and will require all of its subcontractors performing such Work to incorporate such requirements in all subcontracts for the performance of the Work. The Contractor further agrees to comply with all aspects of the Minnesota Human Rights Act, Minnesota Statutes 363.01, et. seq., Title VI of the Civil Rights Act of 1964, and the Americans with Disabilities Act.

12. Data Practices Act Compliance. The Contractor acknowledges that all data provided, produced, or obtained under this Agreement shall be protected, maintained, and administered in accordance with the Minnesota Government Data Practices Act, Minnesota Statutes Chapter 13 (the "Act"), and that with regard to such data Contractor must comply with the Act as if it were a government entity. Contractor will immediately report to the Authority any requests from third Parties for information relating to this Agreement.

13. Audit Disclosure. Under Minn. Stat. § 16C.05, subd. 5, Contractor's books, records, documents, and accounting procedures and practices relevant to this Agreement, including books and records of any approved subcontractors, are subject to examination by the Authority, the City and/or the State Auditor or Legislative Auditor, as appropriate, for a minimum of six years after the termination of this Agreement.

14. Indemnification. The Contractor agrees to defend, indemnify, and hold the City, the Authority, and the mayor, president, commissioners, councilmembers, officers, agents, employees, and representatives harmless from and against all liability, claims, damages, costs, judgments, losses, and expenses, including but not limited to reasonable attorney's fees, arising out of or resulting from any negligent or wrongful act or omission of the Contractor, its officers, agents, employees, contractors and/or subcontractors, pertaining to the performance or failure to perform the Work. Nothing herein shall be construed as a limitation on or waiver of any immunities or limitations on liability available to the Authority under Minnesota Statutes, Chapter 466, or other law.

15. Insurance. Prior to starting the Work and during the full term of this Agreement, the Contractor shall procure and maintain insurance Contractor shall obtain, at Contractor's expense, as follows:

- a. Workers Compensation insurance in accordance with Minnesota law;
- b. Professional Liability Insurance covering any damages caused by an error, omission, or any negligent act and/or General Liability Coverage against claims for bodily injury, death, or property damage arising out of Contractor's performance of duties under this Agreement;
- c. Automobile insurance for owned, hired, and non-owned vehicles, if necessary;
- d. Coverage shall be sufficiently broad to cover to all duties and obligations undertaken by Contractor in this Agreement including duties related to indemnification;
- e. Insurance must be on an "occurrence" basis, and, other than Workers Compensation, the limits of such policies must be no less than \$1,000,000 per occurrence and \$1,500,000 aggregate;
- f. Policies must be held by insurance companies licensed to do business in the state in Minnesota and having a current A.M. Best rating of no less than A-, unless otherwise agreed to by the Authority in writing;
- g. Contractor must provide a copy of: (i) a certification of insurance satisfactory to the Authority, and (ii) if requested, the Contractor's insurance declaration page, riders and/or endorsements, as applicable, which evidences the compliance with this Paragraph, must be filed with the Authority prior to the start of Contractor's Work. Such documents evidencing insurance shall be in a form acceptable to the Authority and shall provide satisfactory evidence that the Contractor has complied with all insurance requirements.

16. Ownership of Documents. All plans, diagrams, analysis, reports and information generated in connection with the performance of this Agreement (the "Information") shall become the property of the Authority, but the Contractor may retain copies of such documents as records of the services provided. The Authority may use the Information for any reasons it deems appropriate without being liable to the Contractor for such use. The Contractor shall not use or

disclose the Information for purposes other than performing the Work contemplated by this Agreement without the prior consent of the Authority.

17. Conflicts. No salaried officer or employee of the Authority or the City and no member of the City Council of the City or the Board of Commissioners of the Authority shall have a financial interest, direct or indirect, in this Agreement. The violation of this provision shall render this Agreement void.

18. Waiver. Any waiver by either Party of a breach of any provisions of this Agreement shall not affect, in any respect, the validity of the remainder of this Agreement or either Parties' ability to enforce a subsequent breach.

19. Governing Law. This Agreement shall be controlled by the laws of the State of Minnesota. Any disputes, controversies, or claims arising under this Agreement shall be heard in the state or federal courts of Minnesota and the Parties waive any objections to jurisdiction.

20. Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be considered an original.

21. Severability. The provisions of this Agreement are severable. If any portion hereof is, for any reason, held by a court of competent jurisdiction to be contrary to law, such decision shall not affect the remaining provisions of this Agreement.

22. Entire Agreement. Unless stated otherwise in this, the entire agreement of the Parties is contained in this Agreement. This Agreement supersedes all prior oral agreements and negotiations between the Parties relating to the subject matter hereof as well as any previous agreements presently in effect between the Parties relating to the subject matter hereof. Any alterations, amendments, deletions, or waivers of the provisions of this Agreement shall be valid only when expressed in writing and duly signed by the Parties, unless otherwise provided herein.

23. Financial and Other Reports. In addition to any other reporting required by this Agreement or its exhibits, Contractor shall submit to the Authority such reports and back-up data as may be required by the Authority, the United States Department of the Treasury (the "Treasury"), or any other entity with authority over the reporting of ARPA Funds.

24. Improper Payments. Any item of expenditure by Contractor under the terms of this Agreement which is found by auditors, investigators and other authorized representatives of the Authority, the City of Columbia Heights, State of Minnesota, or authorized federal government agency, including but not limited to Treasury, to be improper, unallowable, in violation of federal or state law or the terms of this Agreement, or involving any fraudulent, deceptive, or misleading representations or activities of Contractor shall become Contractor's liability, to be paid by Contractor from funds other than those provided by the Authority under this Agreement or any other agreements between Contractor and the Authority or the City.

[Signatures to follow on next page.]

IN WITNESS WHEREOF, the undersigned Parties have entered into this Agreement as of the date set forth above.

COLUMBIA HEIGHTS ECONOMIC
DEVELOPMENT AUTHORITY

METROPOLITAN CONSORTIUM
OF COMMUNITY DEVELOPERS

By:

By:

Its:

Its:

DRAFT

EXHIBIT A

WORK

The Contractor shall perform the following Work:

The Columbia Heights Economic Development Authority (the “Authority”) has created the Columbia Heights Economic Support Microloan Program (the “Program”), a forgivable loan program whereby the Authority shall provide forgivable loans (the “Loans” and, each a “Loan”) up to a principal amount of \$10,000 each to assist businesses located in the City of Columbia Heights, Minnesota (the “City”) with structure costs such as rent, mortgage, utilities, and insurance, in order to help maintain the entrepreneurship and diversity the Columbia Heights business community is known for and also to protect the City’s overall health and well-being by preventing tax base decreases and blight caused by business closures and empty commercial storefronts. In connection with the Program, Authority has prepared and approved (1) guidelines for the Program (the “Guidelines”), (2) a loan application (the “Application”), (3) a model loan agreement (the “Loan Agreement”) and (4) a model promissory note (the “Note” and, together with the Guidelines, the Application, and the Loan Agreement, the “Program Documents”).

The Contractor will administer the Program and provide the following services:

1. Loan Administration. MCCD shall serve as fund administrator for the Program, and will administer all aspects of the Program in accordance with the Program Documents. MCCD's services include, but are not limited to, the following:

- (a) Promotion of the Program to prospective business clients in coordination with the Columbia Heights EDA.
- (b) Timely response to questions and providing technical assistance upon receipt of inquiries.
- (c) Educate applicants and potential applicants on the Program Documents.
- (d) Assist applicants in completing the Application.
- (e) Intake of application forms via email and/or other submission methods mutually agreed upon.
- (f) Sending of email or other forms of notice to applicants to confirm receipt of applications.
- (g) Proper handling and security of private information submitted.
- (h) Record-keeping of applications received.

- (i) Review, rate, and make recommendations on submitted applications. The recommendations of the Contractor shall be sent to the Authority for final approval.
- (j) Facilitate execution of the Loan Agreement and the Note. The Loan Agreement shall be executed by the Executive Director of the Authority.
- (k) Verifying that costs have been incurred by the applicant.
- (l) Hold and disburse the approved loan funds in accordance with the Program Documents.
- (m) Notification to selected applicants of initial funding decisions.
- (n) Coordination of requests for required documentation from applicants.
- (o) Review and evaluation of required documentation submitted by applicants.
- (p) Managing all aspects of loan administration.
- (q) Monthly reporting to the Authority as set forth herein.
- (r) Additional programmatic and financial information required for effective monitoring of services, upon request from the Authority.
- (s) For each Loan, collect the completed loan summary (the “Summary”) attached as Exhibit C to the Loan Agreement.
- (t) Review and confirm whether each Borrower meets the forgiveness requirements detailed in Section 8(a) of the Loan Agreement and recommend and facilitate forgiveness or repayment of each Loan, subject to approval by the Authority.

MCCD shall disburse all Program Funding no later than December 31, 2026, and complete reporting requirements no later than April 7, 2027. In the event that the Program loan funds are not disbursed to eligible borrowers before the deadline, MCCD shall return these funds to the Authority no later than April 27, 2027. This section shall survive the term, cancellation, or termination of this agreement.

2. Reporting to the Authority. MCCD agrees to submit reports on the first business day of each month to the Authority, providing the following information:

- (a) Number of applicants;
- (b) Number of loans approved;
- (c) Total funds loaned to the businesses;

- (d) Type and location of businesses;
- (e) Short description of use of funds; and
- (f) Demographic information of businesses.

3. Release of Loan Funds. The Authority shall disburse Program funds to MCCD upon receipt of written request for payment that includes a list of approved loan recipients.

4. Notifications. MCCD shall notify the Authority immediately of any changes or substitutions to the list of loan recipients. Within 30 days of receipt of loan funds, MCCD will provide copies of loan agreements or other documentation of loan closing equal to the amount of funds requested and disbursed. In the event of any discrepancy, MCCD shall have 30 days to remedy the discrepancy to the satisfaction of the Authority or return funds to the Authority in the amount in question.

5. Retention of Loan Funds. In the event that applications from eligible borrowers result in requests less than the full Program Fund amount of \$300,000 minus Administrative Fees within the contract term, the Authority shall retain the remaining funds.

6. Fraud. The Authority is not responsible for remedying fraudulent or unauthorized payments requested in MCCD's name.