

**LOAN AGREEMENT FOR THE  
COLUMBIA HEIGHTS  
ECONOMIC SUPPORT MICROLOAN PROGRAM**

This Loan Agreement (this “Agreement”) is made this \_\_ day of \_\_\_\_\_, 2026, between the Columbia Heights Economic Development Authority, a public body corporate and politic organized and existing under the laws of the State of Minnesota (“Lender”), and \_\_\_\_\_ [name of business], a Minnesota \_\_\_\_\_ [type of business entity, e.g. limited liability company, sole proprietorship, assumed name, etc.] (“Borrower”).

**RECITALS**

A. Lender has created the Columbia Heights Economic Support Microloan Program (the “Program”), a forgivable loan program for businesses intended to support economic success in the City of Columbia Heights, Minnesota (the “City”) by aiding businesses impacted by the Metro Surge federal immigration enforcement actions, thereby (i) providing financial resources to small businesses located within the City that may struggle to obtain traditional financing, (ii) improving the odds of businesses continuing to operate in the City, (iii) preventing blight and improving commercial properties in the City, and (iv) helping small businesses create and retain jobs in the City, and Lender has approved guidelines for the Program (the “Program Guidelines”).

B. Borrower has submitted a loan application (the “Loan Application”) and Lender has approved a forgivable loan to Borrower under the Program in the maximum principal amount of \$\_\_\_\_\_ (the “Loan”) to pay a portion of the expenses described in Exhibit A attached hereto, all of which expenses constitute eligible uses under the Program Guidelines, in connection with Borrower’s \_\_\_\_\_ [kind of business, e.g. restaurant, salon, etc.] located at \_\_\_\_\_ [address] in the City (the “Project”).

C. Lender and Borrower wish to memorialize the terms of the Loan in this Agreement.

ACCORDINGLY, to induce Lender to make the Loan to Borrower, and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. **The Loan Amount.** Subject to the terms and conditions of this Agreement, the Note (as hereinafter defined), the Program Guidelines, and the Loan Application, Borrower agrees to take and Lender agrees to make a loan in the principal amount of \_\_\_\_\_ Dollars and no/100 (\$\_\_\_\_\_.00) or so much thereof as is disbursed to Borrower in accordance with this Agreement. The Loan shall be evidenced by a promissory note (the “Note”), substantially in the form of Exhibit B attached to this Agreement. Proceeds of the Loan shall be disbursed in accordance with Section 2 hereof.

**2. Disbursement of Loan Proceeds.**

(a) The Loan shall be disbursed in a single lump sum directly to the Borrower upon satisfactory delivery to the Lender of the following:

(i) Loan Documents. Executed copies of this Agreement and the Note;

(ii) Borrower's Organizational Documents. Copies of Borrower's organizational documents, including articles of incorporation or articles of organization, as applicable, proof that the business is actively registered with the Minnesota Secretary of State, and evidence that it has a city, state, or federal license to do business or relevant professional license, if applicable;

(iii) Business Location Information. Borrower has submitted a copy of a fully executed lease or purchase agreement clearly indicating the Project is located within the City;

(iv) As necessary, staff of the Lender or the City may conduct a site visit to verify current operations.

(b) Upon receipt by Lender of the items required pursuant to this section hereof in the form and condition required therein, Lender agrees to disburse the Loan proceeds to the Borrower in an amount not to exceed the Loan amount.

**3. Representations and Warranties.** Borrower represents and warrants to Lender that:

(a) Borrower is duly authorized to sign, deliver, and perform this Agreement and to receive the Loan from Lender and constitutes its lawful and binding obligation, legally enforceable against it.

(b) The execution and delivery of this Agreement, and the performance by Borrower of its obligations hereunder, do not and will not violate or conflict with, or cause any default or event of default to occur under any agreement binding upon Borrower.

(c) Borrower agrees that it will keep and maintain books, records, and other documents relating directly to the receipt and disbursement of proceeds of the Loan and that any authorized representative of Lender, with reasonable advance notice, may have access to and the right to inspect, copy, audit, and examine all such books, records, and other documents of Borrower related to the Loan for 6 years after the date hereof.

(d) To the best of Borrower's knowledge, Borrower has fully complied with all applicable state and federal laws pertaining to its business and will continue to comply throughout the term of this Agreement. If at any time Borrower receives notice of noncompliance from any governmental entity, Borrower agrees to notify Lender of such noncompliance and take any necessary action to comply with the state or federal law in question.

(e) Borrower warrants that it will use the proceeds of the Loan made by Lender solely to pay the expenses described in Exhibit A attached hereto with respect to the Project.

(f) Borrower will comply with all state and local laws pertaining to licensing, building codes, zoning, and environmental requirements. Borrower represents that it does not have delinquent taxes, bills, fines or other charges due to the City. Borrower represents and certifies that the Borrower is in good standing with the City.

(g) Borrower represents and certifies that it is an eligible recipient of the Loan under the Program Guidelines. Borrower further represents and certifies that it is a business with fewer than 50 Full-Time Equivalent employees. The Borrower represents and certifies that the Project will be undertaken in connection with the ongoing operations of its existing business within the City.

4. **Event of Default by Borrower.** The following shall be Events of Default under this Agreement:

- (a) failure to pay any principal on the Loan when due;
- (b) any representation or warranty made by Borrower herein or in any document, instrument, or certificate given in connection with this Agreement or the Note that is false when made;
- (c) any breach or failure of Borrower to perform any other term or condition of this Agreement not specifically described as an Event of Default in this Agreement and such breach or failure continues for a period of thirty (30) days after Lender has given written notice to Borrower specifying such default or breach, unless Lender agrees in writing to an extension of such time prior to its expiration; or
- (d) any breach by Borrower of any other agreement between Borrower or Lender relating to the Loan and/or the Project, including but not limited to a breach of a covenant by Borrower in the Note.

5. **Lender's Remedies upon Borrower's Default.** Upon an Event of Default by Borrower and after provision by Lender of written notice thereof, Lender shall have the right to exercise any or all of the following remedies (and any other rights and remedies available to it):

- (a) declare the principal amount of the Loan to be immediately due and payable;
- (b) suspend its performance under this Agreement; and
- (c) take any action provided for at law to enforce compliance by Borrower with the terms of this Agreement and the Note.

6. **Lender's Costs of Enforcement of Agreement.** If an Event of Default has occurred as provided herein, then upon demand by Lender, Borrower shall pay or reimburse Lender for all expenses, including all attorneys' fees and expenses incurred by Lender in connection with the enforcement of this Agreement and the Note, or in any action or proceeding relating in any way to the transactions contemplated by this Agreement.

7. **No Business Subsidy.** The parties agree that the Loan is not a business subsidy as defined in Minnesota Statutes, Sections 116J.993 to 116J.995, as amended (the "Business Subsidy Act"), because the assistance is in the amount of less than \$25,000.

8. **Forgiveness.**

(a) If Borrower (i) continues to operate its business in the City for a period of eight (8) months from the date of this Loan Agreement (the "Required Operations Period") and (ii) provides a summary to Lender describing how the funds helped it continue to operate its business in substantially the form set forth in Exhibit C (the "Summary") on the eight (8) month anniversary of the date hereof (the "Deadline Date"), then the Loan shall be forgiven upon written confirmation from Lender. Verification of continued operations will be established through a site visit performed by the Lender.

(b) If Borrower (i) ceases to operate its business during the Required Operations Period or (ii) fails to submit the Summary by the Deadline Date, then the Loan shall not be forgiven, and Lender may by written notice to Borrower declare the Loan due and payable (the "Default Notice"), whereupon the Loan and all amounts owing with respect to this Agreement and the Note shall immediately become due and payable. In such event, Lender may proceed to exercise any right or remedy under the Note. Borrower shall repay the Loan as follows:

(i) The principal amount of the Loan to be repaid shall equal the amount of the Loan disbursed to Borrower in accordance with this Agreement commencing on the date of the Default Notice.

(ii) Payments of principal shall commence on the 15th day of the first month following the date of the Default Notice and continue each and every month on the 15th day of each month through and including the 15th day of the 24th month after the Default Notice or such other repayment term as agreed to by the Executive Director of the Lender, as described in the Note.

(c) Prior to declaring the Loan due and payable, the Lender may work with the Borrower to resolve the issues causing the Loan to become due and payable.

9. **Indemnification.**

(a) Borrower shall and does hereby agree to protect, defend, indemnify, and hold Lender and the City, and their officers, agents, and employees, harmless of and from any and all liability, loss, or damage that it may incur under or by reason of this Agreement, and of and from any and all claims and demands whatsoever that may be asserted against Lender or the City by reason of any alleged obligations or undertakings on its part to perform or discharge any of the terms, covenants, or agreements contained herein.

(b) This indemnification and hold harmless provision shall survive the execution, delivery, and performance of this Agreement and the payment by Lender of any portion of the Loan.

10. **Miscellaneous.**

(a) **Waiver.** The performance or observance of any promise or condition set forth in this Agreement may be waived, amended, or modified only by a writing signed by Borrower and Lender. No delay in the exercise of any power, right, or remedy operates as a waiver thereof, nor shall any single or partial exercise of any other power, right, or remedy.

(b) **Assignment.** This Agreement is binding upon the parties. All rights and powers specifically conferred upon Lender may be transferred or delegated by Lender to any of its successors and assigns. Borrower's rights and obligations under this Agreement may be assigned only when such assignment is approved in writing by Lender.

(c) **Governing Law.** This Agreement is made and shall be governed in all respects by the laws of the state of Minnesota. Any disputes, controversies, or claims arising out of this Agreement shall be heard in the state or federal courts of Minnesota, and all parties to this Agreement waive any objection to the jurisdiction of these courts, whether based on convenience or otherwise.

(d) **Severability.** If any provision or application of this Agreement is held unlawful or unenforceable in any respect, such illegality or unenforceability shall not affect other provisions or applications that can be given effect, and this Agreement shall be construed as if the unlawful or unenforceable provision or application had never been contained herein or prescribed hereby.

(e) **Notice.** All notices required hereunder shall be given by depositing in the U.S. mail, postage prepaid, certified mail, return receipt requested, to the following addresses (or such other addresses as either party may notify the other):

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

To Borrower: [Borrower name]  
[Borrower address]  
Attn: \_\_\_\_\_

(f) **Termination.** If the Loan is not disbursed pursuant to this Agreement within six (6) months hereof, this Agreement shall terminate and neither party shall have any further obligation to the other, except that if the Loan is not disbursed because Borrower has failed to use its best efforts to comply with the conditions set forth in Section 3 of this Agreement, then Borrower shall pay to Lender all reasonable attorneys' fees, costs, and expenses incurred by Lender in connection with this Agreement and the Note.

(g) **Entire Agreement.** This Agreement, together with the Exhibits hereto, which are incorporated by reference, constitutes the complete and exclusive statement of all mutual understandings between the parties with respect to this Agreement, superseding all prior or contemporaneous proposals, communications, and understandings, whether oral or written, concerning the Loan.

(h) **Electronic Signatures; Execution in Counterparts.** The electronic signature of the parties to this Agreement shall be as valid as an original signature of such party and shall be effective to bind the parties hereto. For purposes hereof, (i) "electronic signature" means a manually signed original signature that is then transmitted by electronic means; and (ii) "transmitted by electronic means" means sent in the form of a facsimile or sent via the internet as a portable document format ("pdf") or other replicating image attached to an electronic mail or internet message. This Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

(i) **Data Practices.** All data collected, created, received, maintained or disseminated for any purpose in the course of the Borrower's performance of this Agreement is governed by the Minnesota Government Data Practices Act, Minn. Stat. Ch. 13, and any other applicable state statutes, any state rules adopted to implement the Act and statutes, as well as federal statutes and regulations on data privacy.

[Signatures to follow on next pages.]

IN WITNESS WHEREOF, this Agreement has been duly executed and delivered by the proper officers thereunto duly authorized on the day and year first written above.

Lender:  
COLUMBIA HEIGHTS  
ECONOMIC DEVELOPMENT AUTHORITY

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

Its Executive Director

DRAFT

[SIGNATURE PAGE TO LOAN AGREEMENT – LENDER]

Borrower:

\_\_\_\_\_  
[Business name]

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

Title: \_\_\_\_\_

DRAFT

[SIGNATURE PAGE TO LOAN AGREEMENT – BORROWER]

**EXHIBIT A**

**LIST OF ELIGIBLE EXPENSES UNDER PROGRAM GUIDELINES**

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## EXHIBIT B

### PROMISSORY NOTE

\$\_\_\_\_\_00

\_\_\_\_\_, 2026

\_\_\_\_\_ [name of business], a Minnesota \_\_\_\_\_ [type of business entity, e.g. limited liability company, sole proprietorship, assumed name, etc.] (“Borrower”), for value received, hereby promises to pay to the Columbia Heights Economic Development Authority, a public body corporate and politic organized and existing under the laws of the State of Minnesota, its successors and assigns (“Lender”), at its designated principal office or such other place as Lender may designate in writing, the principal sum of \_\_\_\_\_ and No/100ths Dollars (\$\_\_\_\_.00) or so much thereof as may be advanced under this Note (the “Loan”), upon the date Lender provides notice in writing to Borrower declaring the Loan due and payable (the “Default Notice”), in any coin or currency which at the time or times of payment is legal tender for the payment of private debts in the United States of America. This Note does not accrue interest. The principal of this Note is payable as follows:

1. On the fifteenth (15th) day of each month (each a “Payment Date”), commencing on the 15th day of first month following the date of the Default Notice, through and including the 15th day of the 24th month after the Default Notice, Borrower shall pay an amount equal to a portion of the principal in an amount sufficient to fully amortize this Note based on a level monthly payment of principal by the Loan Payoff Date (as hereinafter defined), provided, however, the entire balance of as of 24 months from the date of the Default Notice (the “Loan Payoff Date”) shall be due and payable in full on the Loan Payoff Date, as provided in the amortization schedule to be prepared and attached hereto as Exhibit A at or about the time Lender provides the Default Notice to Borrower. If Borrower does not pay the amount due within 10 days after any Payment Date, a penalty of fifty dollars (\$50.00) will be added to the amount due.

2. Borrower shall have the right to prepay the outstanding principal amount of this Note, in whole or in part, on any date without penalty.

3. As provided in the Loan Agreement of even date herewith (the “Loan Agreement”) between Lender and Borrower, if Borrower continues to operate its business in the City of Columbia Heights, Minnesota (the “City”) for a period of eight (8) months from the date of signature of the Loan Agreement (the “Required Operations Period”) and provides a written summary to Lender as set forth in the Loan Agreement, the Loan shall be forgiven; provided however if Borrower ceases, even temporarily, to operate its business during the Required Operations Period, then the Loan shall not be forgiven, and the amounts payable under the Loan Agreement and this Note will immediately become due and payable, subject to the terms of the Loan Agreement. The Loan shall be repaid in accordance with the terms of Loan Agreement.

4. The Loan has been authorized pursuant to a resolution adopted by the Board of Commissioners of Lender approving the Program (as defined in the Loan Agreement) on April 6, 2026. This Note evidences the Loan and is given pursuant to the Loan Agreement.

It is agreed that time is of the essence of this Note. If an Event of Default occurs hereunder or under the Loan Agreement then Lender may at its right and option, take all actions under the Loan Agreement.

5. The remedies of Lender as provided herein and in the Loan Agreement, shall be cumulative and concurrent and may be pursued singly, successively, or together and, at the sole discretion of Lender, may be exercised as often as occasion therefor shall occur; and the failure to exercise any such right or remedy shall in no event be construed as a waiver or release thereof.

Lender shall not be deemed, by any act of omission or commission, to have waived any of its rights or remedies hereunder unless such waiver is in writing and signed by Lender and then only to the extent specifically set forth in the writing. A waiver with reference to one event shall not be construed as continuing or as a bar to or waiver of any right or remedy as to a subsequent event. This Note may not be amended, modified, or changed except only by an instrument in writing signed by the party against whom enforcement of any such amendment, modifications, or change is sought.

6. The obligations of Borrower hereunder are unconditional irrespective of any defense or any rights of setoff, recoupment, or counterclaim it might otherwise have against Lender, the City, or any government body or other person.

7. If any of the terms of this Note, or the application thereof to any person or circumstances shall, to any extent, be invalid or unenforceable, the remainder of this Note, or the application of such terms to persons or circumstances other than those to which it is invalid or unenforceable, shall not be affected thereby, and each of the terms of this Note shall be valid and enforceable to the fullest extent permitted by law.

8. It is intended that this Note is made with reference to and shall be construed as a Minnesota contract and governed by the laws of the State of Minnesota.

9. **IT IS HEREBY CERTIFIED AND RECITED** that all conditions, acts, and things required to exist, happen, and be performed precedent to or in the issuance of this Note do exist, have happened, and have been performed in regular and due form as required by law.

IN WITNESS WHEREOF, Borrower has caused this Promissory Note to be duly executed as of the date first written above.

Borrower:

\_\_\_\_\_  
[Business name]

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

Title: \_\_\_\_\_

DRAFT

## EXHIBIT C

### LOAN SUMMARY FOR THE COLUMBIA HEIGHTS EDA

#### Applicant Information

Name: \_\_\_\_\_

Business Name: \_\_\_\_\_

Business Address: \_\_\_\_\_

How many employees do you have?

- Part-Time \_\_\_\_\_
- Full-Time (including yourself) \_\_\_\_\_

Is your business still operating in Columbia Heights?

- Yes \_\_\_\_\_
- No \_\_\_\_\_

What were the proceeds of the Columbia Heights EDA loan used for?

How did the Columbia Heights EDA loan have an impact on your business?

Did the Columbia Heights EDA loan help your business remain in operation?

- Yes \_\_\_\_\_
- No \_\_\_\_\_

Did the Columbia Heights EDA loan help your business stay in the City of Columbia Heights?

- Yes \_\_\_\_\_
- No \_\_\_\_\_