

LOAN AGREEMENT

This Loan Agreement (this “Agreement”) is dated as August 5, 2025, by TWIN CITIES HABITAT FOR HUMANITY, INC., a Minnesota nonprofit corporation (the “Borrower”), and the COLUMBIA HEIGHTS ECONOMIC DEVELOPMENT AUTHORITY, a public body corporate and politic and political subdivision of the State of Minnesota (the “Lender” or the “Authority”).

RECITALS

A. The Borrower has requested a forgivable loan from the Lender in the principal amount of \$35,000.00 to provide gap financing for the development of a single-family residential home (the “Project”), located at 4243 5th Street in the City of Columbia Heights, Minnesota (the “Property”) and legally described in EXHIBIT A attached hereto.

B. The Lender is willing to make such loan to the Borrower in the principal amount of \$35,000.00, subject to all of the terms and conditions of this Agreement.

C. In consideration for the Loan, the Borrower is executing and delivering to the Lender this Agreement.

ACCORDINGLY, to induce the Lender to make the Loan (as hereinafter defined) to the 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 and Disbursement of Loan. Subject to and upon the terms and conditions of this Agreement, the Lender agrees make a loan to the Borrower in the principal amount of Thirty-Five Thousand and No/100 Dollars (\$35,000.00) (the “Loan”) to be advanced as a single disbursement as hereinafter provided. The Loan shall be evidenced by a promissory note (the “Note”), payable by Borrower to Lender and substantially in the form of EXHIBIT B attached to this Agreement. Proceeds of the Loan shall be disbursed in accordance with Section 3 hereof.

2. Repayment of Loan.

(a) If the Borrower continues to satisfy its obligations under the Purchase and Development Agreement, dated February 21, 2024, between the EDA and the Borrower, recorded on February 26, 2024 in the Office of Anoka County Property Records and Taxation as Document No. 2408839.001 (the “PDA”), including but not limited the requirement that the Project be substantially completed by December 31, 2025, then the Loan shall be forgiven.

(b) If the Borrower fails to satisfy its obligations under the PDA, including but not limited substantial completion of the Project by December 31, 2025, 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 become due and payable, without presentment or demand, protest or other notice of any kind. In such event, Lender may proceed to exercise any right or remedy under the Note. Borrower shall repay the Loan with interest as follows:

(i) The unforgiven principal amount of the Loan to be repaid shall equal the amount of the Loan disbursed to Borrower in accordance with this Agreement, plus interest on such amount, at the per annum rate of 0% commencing on the date of the Default Notice.

(ii) Payments of principal and interest 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.

3. Disbursement of Loan Proceeds.

(a) The Loan shall be disbursed in a single lump sum on such date as the parties hereto agree, provided that such date shall be not later than August 31, 2025 (the "Loan Closing Date").

(b) The following events shall be conditions precedent to the payment of the Loan proceeds to the Borrower on the Loan Closing Date or any subsequent date:

(i) The Borrower shall execute and deliver to the Lender, without expense to the Lender, executed copies of this Agreement and the Note;

(ii) The Board of Commissioners of the EDA shall have approved the Loan and the execution by the Lender of all documents related thereto;

(iii) Borrower shall have provided information detailing sources and uses of funds to be utilized for the Project, including an itemized breakdown of: (i) the sources and amounts of all funds to be used to pay costs related to the Project; and (ii) the uses and amounts of such funds; and (iii) the total cost of the Project.

(c) Upon receipt by Lender of the items required pursuant to this section, the Lender agrees to disburse the Loan proceeds to the Borrower in an amount not to exceed the Loan amount.

4. Representations and Warranties. The Borrower represents and warrants to the Lender that:

(i) The Borrower is duly authorized and empowered to execute, deliver, and perform this Agreement and to receive the Loan from the Lender.

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

(iii) The execution and delivery of this Agreement and the Note have been duly executed and delivered by the Borrower and constitute its lawful and binding obligations, legally enforceable against it.

(iv) 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.

(v) To the best of Borrower's knowledge, the 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 the Borrower receives a notice of noncompliance from any governmental entity, the Borrower agrees to notify the Lender of such noncompliance and take any necessary action to comply with the state or federal law in question.

(vi) The Borrower warrants that it will use the proceeds of the Loan made by the Lender solely to finance the Project.

(vii) Borrower will not create, permit to be created, or allow to exist any liens, charges, or encumbrances prior to the obligation created by this Agreement, except as otherwise authorized in writing by Lender.

(viii) 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 of Columbia Heights (the "City"). The Borrower represents and certifies that the Project is a conforming or legally nonconforming use under the current zoning regulations of the City.

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

(i) failure to pay any principal or interest on the Loan when due;

(ii) any representation or warranty made by the Borrower herein or in any document, instrument, or certificate given in connection with this Agreement or the Note that is false when made;

(iii) if the Borrower fails to pay its debts as they become due, makes an assignment for the benefit of its creditors, admits in writing its inability to pay its debts as they become due, files a petition under any chapter of the Federal Bankruptcy Code or any similar law, state or federal, now or hereafter existing, becomes "insolvent" as that term is generally defined under the Federal Bankruptcy Code, files an answer admitting insolvency or inability to pay its debts as they become due in any involuntary bankruptcy case commenced against it, or fails to obtain a dismissal of such case within thirty (30) days after its commencement or convert the case from one chapter of the Federal Bankruptcy Code to another chapter, or be the subject of an order for relief in such bankruptcy case, or be adjudged a bankrupt or insolvent, or has a custodian, trustee, or receiver appointed for, or has any court take jurisdiction of its property, or any part thereof, in any proceeding for the purpose of reorganization, arrangement, dissolution, or liquidation, and such custodian, trustee, or receiver is not discharged, or such jurisdiction is not relinquished, vacated, or stayed within thirty (30) days of the appointment;

(iv) a garnishment summons or writ of attachment is issued against or served upon the Lender for the attachment of any property of the Borrower in the Lender's possession or any indebtedness owing to the Borrower, unless appropriate papers are filed by the Borrower contesting the same within thirty (30) days after the date of such service or such shorter period of time as may be reasonable in the circumstances;

(v) any breach or failure of the 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 the Lender has given written notice to the Borrower specifying such default or breach, unless the Lender agrees in writing to an extension of such time prior to its expiration; provided, however, if the failure stated in the notice cannot be corrected within the applicable period, the Lender will not unreasonably withhold its consent to an extension of such time if corrective action is instituted by the Borrower within the applicable period and is being diligently pursued until the Default is corrected, but no such extension shall be given

for an Event of Default that can be cured by the payment of money by the Borrower (i.e., payment of taxes, insurance premiums, or other amounts required to be paid hereunder); or

(vi) any breach by the Borrower of any other agreement between the Borrower or the Lender relating to the Loan and/or the Project, including but not limited to a breach of a covenant by the Borrower in the Note.

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

(i) declare the principal amount of the Loan and any accrued interest thereon to be due and payable;

(ii) suspend its performance under this Agreement; and

(iii) take any action provided for at law to enforce compliance by the Borrower with the terms of this Agreement and the Note.

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

8. No Business Subsidy. The parties agree that the Loan is not a "business subsidy" within the meaning of Minnesota Statutes, Sections 116J.993 to 116J.995, as amended, because the assistance being provided to the Borrower is for housing.

9. Indemnification.

(a) The Borrower shall and does hereby agree to protect, defend, indemnify and hold the 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 the 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.

(d) Nothing in this Agreement shall constitute a waiver of or limitation on any immunity from or limitation on liability to which the Borrower is entitled under law.

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 the Borrower and the 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 shall be binding upon the Borrower and its successors and assigns and shall inure to the benefit of the Lender and its successors and assigns. All rights and powers specifically conferred upon the Lender may be transferred or delegated by the Lender to any of its successors and assigns. The Borrower's rights and obligations under this Agreement may be assigned only when such assignment is approved in writing by the 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: Twin Cities Habitat for Humanity, Inc.
1954 University Avenue W.
Saint Paul, MN 55104
Attn: Noah Keller, Land Acquisition Project Manager and Global
Engagement Manager

(f) *Termination.* If the Loan is not disbursed pursuant to this Agreement within 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 the Borrower has failed to use its best efforts to comply with the conditions set forth in Section 3 of this Agreement, then the Borrower shall pay to the Lender all reasonable attorneys' fees, costs, and expenses incurred by the 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) *Headings.* The headings appearing at the beginning of the several sections contained in this Agreement have been inserted for identification and reference purposes only and shall not be used in the construction and interpretation of this Agreement.

(i) *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.

(j) *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.

[The remainder of this page is intentionally left blank.]

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**

President

Secretary

[Signature Page to Loan Agreement (Forgivable Loan)]

Borrower:

TWIN CITIES HABITAT FOR HUMANITY, INC. a
Minnesota nonprofit corporation

By: _____

Name: _____

Its: _____

[Signature Page to Loan Agreement (Forgivable Loan)]

EXHIBIT A

LEGAL DESCRIPTION

Lot 26, Block 28, Columbia Heights Annex to Minneapolis, Anoka County, Minnesota.

EXHIBIT B

FORM OF PROMISSORY NOTE

PROMISSORY NOTE

\$35,000.00

August __, 2025

TWIN CITIES HABITAT FOR HUMANITY, INC., a Minnesota nonprofit corporation, for value received, hereby promises to pay to the COLUMBIA HEIGHTS ECONOMIC DEVELOPMENT AUTHORITY, a public body corporate and politic and political subdivision 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 Thirty-Five Thousand and No/100ths Dollars (\$35,000.00) or so much thereof as may be advanced under this Note (the “Loan”), with interest thereon at the per annum rate of 0% as determined on or about the date Lender provides notice in writing to Borrower declaring the Loan due and payable (the “Default Notice”), accruing on the disbursed amount from the date of 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. The principal and interest 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 12th month after the Default Notice, Borrower shall pay an amount equal to the accrued interest from the preceding Payment Date (or with respect to the first Payment date, from the date of the Default Notice) and a portion of the principal in an amount sufficient to fully amortize this Note based on a level monthly payment of principal and interest by the Loan Payoff Date (as hereinafter defined), provided, however, the entire balance of principal and accrued and unpaid interest 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 and interest amount of this Note, in whole or in part, on any date without penalty.

3. As provided in the Loan Agreement (as hereinafter defined), if the Borrower continues to satisfy its obligations under the Purchase and Development Agreement, dated February 21, 2024, between the EDA and the Borrower, recorded on February 26, 2024 in the Office of Anoka County Property Records and Taxation as Document No. 2408839.001 (the “PDA”), including but not limited the requirement that the development of a single-family residential home (the “Project”), located at 4243 5th Street in the City of Columbia Heights, Minnesota be substantially completed by December 31, 2025, the Loan shall be forgiven; provided however if the Borrower fails to satisfy its obligations under the PDA, including but not limited substantial completion of the Project by December 31, 2025, then the Loan shall not be forgiven, and the amounts payable under the Loan Agreement and this Note will become due and payable.

4. This Note evidences the Loan and is given pursuant to the Loan Agreement, dated as of August 1, 2025 (the “Loan Agreement”), between Borrower and Lender.

It is agreed that time is of the essence of this Note. If an Event of Default occurs hereunder, under the Loan Agreement or any other instrument securing this Note, then Lender may at its right and option, pursuant to a Default Notice, declare the principal balance of this Note and interest accrued thereon due and payable in accordance with the amortization schedule to be prepared and attached hereto as Exhibit A, together with any costs of collection including attorney fees incurred by Lender in collecting or enforcing payment hereof, whether suit be brought or not, and all other sums due hereunder or 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:

TWIN CITIES HABITAT FOR HUMANITY, INC. a
Minnesota nonprofit corporation

By: _____

Name: _____

Its: _____

[Exhibit A

(Insert amortization schedule to be prepared and attached in the event Lender provides the Default Notice to Borrower)]