

FRYBERGER

— LAW FIRM —

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May 21, 2026

Duluth Economic Development Authority
Attn: Board of Commissioners &
Tricia Hobbs, Executive Director
411 West First Street
Duluth, Minnesota 55802

Re: Request for the Issuance of Private Activity Revenue Bonds by the Duluth Economic Development Authority (One Roof Project)

Dear Board of Commissioners and Ms. Hobbs:

This letter is provided to follow-up on discussions we have had regarding the request of One Roof Community Housing, a Minnesota nonprofit corporation (“One Roof”), the sole member of One Roof HQ LLC, a Minnesota limited liability company (the “Borrower”), to have the Duluth Economic Development Authority (the “Issuer”), act as the issuer of private activity revenue bonds, in one or more series (the “Bonds”). Fryberger, Buchanan, Smith & Frederick, P.A., would act as Bond Counsel and Lender’s Counsel on the issuance of such Bonds.

The Bonds are proposed to be sold to North Shore Bank (the “Lender”), and the proceeds thereof lent to the Borrower to: (i) finance the acquisition of, and improvements to, the real property located at 1819 West Superior Street (the “Facilities”), in the City of Duluth, Minnesota (the “City”); (ii) fund capitalized interest, if any; (iii) fund required reserves, if any; and (iv) pay costs of issuance associated with the Bonds (collectively, the “Project”).

The Bonds would be issued under Minnesota Statutes, Sections 469.152 through 469.1655, as amended (the “Act”), and would be issued as tax-exempt obligations. Both the Act and the Internal Revenue Code of 1986, as amended (the “Code”), and the rules and regulations promulgated thereunder, allow for issuers to issue tax-exempt bonds for projects, such as the Project described above.

The Borrower is proposing that the Issuer designate the Bonds as “bank-qualified” (an additional benefit provided under the Code). If the Issuer does not intend to issue over \$10,000,000 of tax-

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exempt bonds this year, it would be able to make such designation. Based on our discussions with DEDA and the City, DEDA will be able to designate the Bonds as “bank-qualified”.

The Bonds and the resolutions adopted by the Issuer will recite that the Bonds, if and when issued, will not to be payable from or charged upon any of the Issuer’s or the City’s funds, other than the revenues received under a loan agreement (the “Loan Agreement”) and pledged to the payment of the Bonds, and **the Issuer and the City are not subject to any liability on the Bonds**. No holder of the Bonds will ever have the right to compel any exercise by the Issuer or the City of their taxing powers to pay any of the principal of the Bonds or the interest or premium thereon, or to enforce payment of the Bonds against any property of the Issuer or of the City except the interests of the Issuer in payments to be made by the Borrower under the Loan Agreement. The Bonds will not constitute a charge, lien, or encumbrance, legal or equitable, upon any property of the Issuer or the City, except the interests of the Issuer in payments to be made by the Borrower under the Loan Agreement. The Bonds are not moral obligations on the part of the State or its political subdivisions, including the Issuer and the City, and the Bonds will not constitute a debt of the Issuer or the City within the meaning of any constitutional or statutory limitation.

The issuance of the Bonds will not affect the Issuer’s or the City’s credit rating on bonds that either entity issues for its own purposes.

Please feel free to contact me if you have any further questions or comments.

Sincerely,

A handwritten signature in blue ink, appearing to read "D. Burns", with a long horizontal flourish extending to the right.

Daniel F. Burns