
LOAN AGREEMENT

BETWEEN

DULUTH ECONOMIC DEVELOPMENT AUTHORITY

and

ONE ROOF HQ LLC

Dated: _____, 2026

Relating to:

**Duluth Economic Development Authority
\$[1,500,000] 501(c)(3) Facilities Revenue Note
(One Roof Project), Series 2026**

The interest of the Duluth Economic Development Authority, in this Loan Agreement (except for the Unassigned Rights described herein) has been assigned to North Shore Bank of Commerce

This instrument was drafted by:

Fryberger, Buchanan, Smith & Frederick, P.A.
302 West Superior Street, Suite 700
Duluth, MN 55802

TABLE OF CONTENTS

	<u>Page</u>
ARTICLE 1 – DEFINITIONS AND RULES OF INTERPRETATION.....	1
Section 1.01. Definitions	1
Section 1.02. Rules of Interpretation; Construction.....	7
Section 1.03. Electronic Signatures	8
Section 1.04. Electronic Transactions	8
ARTICLE 2 – REPRESENTATIONS	9
Section 2.01. Representations by the Issuer	9
Section 2.02. Representations by the Borrower	10
Section 2.03. Tax Covenants	15
Section 2.04. Reliance on Representations.....	17
ARTICLE 3 – THE LOAN.....	17
Section 3.01. Amount and Source of the Loan.....	17
Section 3.02. Repayment of the Loan.....	17
Section 3.03. Determination of Taxability	17
Section 3.04. Notice of Proposed Taxability and Procedure Thereon.....	17
Section 3.05. [Reserved].....	19
Section 3.06. [Reserved].....	19
Section 3.07. The Borrower’s Obligations Unconditional	19
Section 3.08. Delivery of the Note.....	19
Section 3.09. Closing	20
Section 3.10. Disbursing Procedure.....	21
Section 3.11. Administrative Fee.....	21
ARTICLE 4 – THE BORROWER’S COVENANTS.....	22
Section 4.01. Assignment.....	22
Section 4.02. General Covenants of the Borrower.....	22
Section 4.03. Indemnity	25
Section 4.04. Reports to Governmental Agencies and Issuer	26
Section 4.05. Execution of Security Documents	27
Section 4.06. [Reserved].....	27
Section 4.07. [Reserved].....	27
Section 4.08. [Reserved].....	27
Section 4.09. Additional Assurances	27
Section 4.10. Issuer’s Fees and Costs.....	27
ARTICLE 5 – THE BORROWER’S OPTIONS	28
Section 5.01. Prepayment of the Loan Repayments and the Note	28
Section 5.02. Termination Upon Retirement of the Note	29
Section 5.03. Notice of Prepayment	29
ARTICLE 6 – EVENTS OF DEFAULT AND REMEDIES	29
Section 6.01. Events of Default.....	29
Section 6.02. Remedies.....	31
Section 6.03. Manner of Exercise	32
Section 6.04. Issuer’s and Lender’s Fees and Expenses.....	32

TABLE OF CONTENTS

	<u>Page</u>
Section 6.05. Effect of Waiver; No Effect on Liability	32
Section 6.06. Exercise of Remedies.....	33
Section 6.07. Application of Money	33
Section 6.08. Issuer’s Enforcement Rights	34
ARTICLE 7 – GENERAL	34
Section 7.01. Notices	34
Section 7.02. Binding Effect.....	35
Section 7.03. Severability.....	35
Section 7.04. Entire Agreement; Amendments, Changes and Modifications.....	35
Section 7.05. Execution Counterparts.....	36
Section 7.06. Limitation on the Issuer’s Liability; Payment of All Expenses.....	36
Section 7.07. [Reserved].....	37
Section 7.08. Consent to Jurisdiction.....	37
Section 7.09. Waiver of Jury Trial	37
Section 7.10. USA PATRIOT Act.....	37
Section 7.11. Consent to Loan Participation, Assignment	37
Section 7.12. Expenses of Lender	37
Section 7.11. Release	37

EXHIBIT A - FORM OF ANNUAL REPORT

This LOAN AGREEMENT dated _____, 2026, is by and between the DULUTH ECONOMIC DEVELOPMENT AUTHORITY, a public body, corporate and politic and political subdivision of the State of Minnesota organized and existing under the laws of the State of Minnesota and ONE ROOF HQ LLC, a Minnesota nonprofit corporation organized and existing under the laws of the State of Minnesota.

The parties make the following recitals of fact, capitalized terms used in which, if not required to be capitalized by the rules of grammar, have the meanings given in Section 1.01:

RECITALS

A. At the request of the Borrower, the Issuer is issuing the Note, to be purchased by the Lender, the proceeds of which will be used for the Financing Purposes.

B. The parties are entering into this Loan Agreement to provide for the Loan by the Issuer to the Borrower of the proceeds of the Note, and the terms of repayment thereof.

C. The Project and the Facilities will be owned and operated by the Borrower.

D. The Borrower, the Issuer, and the Lender, as purchaser of the Note and Registered Owner, have entered into an Assignment Agreement, pursuant to which the Issuer has assigned and granted to the Lender, as security for the Note, the Loan Repayments to be made hereunder and covenants and all other rights and interests of the Issuer in this Loan Agreement (except for the Unassigned Rights).

The Issuer and the Borrower, each in consideration of the representations, covenants and agreements of the other as set forth herein, mutually represent, covenant and agree as follows:

ARTICLE 1 – DEFINITIONS AND RULES OF INTERPRETATION

Section 1.01. Definitions. In this Loan Agreement and the other Documents, the following terms have the following respective meanings unless the context hereof or the rules of grammar clearly requires otherwise:

Act: the Municipal Industrial Development Act.

Adjustment Date: has the meaning assigned to the term in the Note.

Administrative Fee: the administrative fee payable to the Issuer pursuant to Section 3.11 hereof in an amount equal to 0.75% of the original principal amount of the Note.

Assignment Agreement: the Assignment Agreement, dated the Closing Date, between the Issuer, the Borrower, and the Lender, including any amendment thereof or supplement thereto.

Bond Counsel: the law firm of Fryberger, Buchanan, Smith & Frederick, P.A.

Bond Year: has the meaning assigned in the Tax Certificate.

Borrower: One Roof HQ LLC, a Minnesota limited liability company, its successors and assigns.

Business Day: any day other than a Saturday, Sunday or other day on which the Lender is not open for business.

Closing Date: the date set forth on the cover page and in the initial paragraph of this Loan Agreement.

Code: the Internal Revenue Code of 1986, as amended.

Collateral Documents: the Mortgage, the Security Agreement, financing statements, and any other documents and agreements referred to in the aforementioned documents or contemplated by the transactions described in this Loan Agreement and relate to the security of the Lender as the same may be amended, supplemented, extended, replaced, or restated.

Date of Taxability: that point in time, as specified in a Determination of Taxability, that the interest payable on the Note becomes includable in the gross income of the Registered Owner for federal income tax purposes.

Default: any of the events described in Section 6.01, in the Note, in the Mortgage or in any of the other Documents that, with the giving of notice or passage of time (or both) would constitute a Default hereunder.

Default Rate: has the meaning assigned in the Note.

Determination of Taxability: either (a) the loss of the designation of the Note as a "qualified tax-exempt obligation" within the meaning of Section 265(b)(3) of the Code; or (b) the issuance of a statutory notice of deficiency (or document of similar import) by the IRS, a ruling from the National Office or any District Office of the IRS, or a final decision of a court of competent jurisdiction that holds in effect that interest payable on the Note is includable for federal income tax purposes in the gross income of the Registered Owner; provided, however, that no Determination of Taxability shall arise from the interest on Note being included, for example, (1) as a specific "tax preference" item for individual or corporate taxpayers in computing the alternative minimum tax; (2) in income for purposes of calculating alternative minimum taxable income of any company; (3) in earnings and profits of branches of foreign corporations for purposes of calculating the "branch profits" tax; (4) within gross income of certain recipients of social security and railroad retirement benefits; or (5) as passive investment income to certain subchapter S corporations that have subchapter C earnings and profits, all as calculated under the applicable provisions of the Code.

Documents: the Loan Documents, the Lease, and the Collateral Documents.

Electronic Means: a transmission through a time-sharing terminal, facsimile machine or the Internet, as a portable document format ("pdf") or other replicating image attached to an electronic mail or internet message, if operative as between any two parties, for which a transmission confirmation has been received by the sender and that is confirmed in writing within 24 hours (with an automatic "read receipt" or similar notice not constituting confirmation of an email receipt for purposes of this this definition).

ERISA: the federal Employee Retirement Income Security Act of 1974.

Event of Default: the occurrence of any of the events specified in Section 6.01, as to which any requirement for notice or lapse of time (or both) has been satisfied.

Facilities: the existing facilities, buildings, and improvements located on the Land, as further improved by the Project.

Financing Purposes: financing, funding, or paying for, as applicable, (i) the Project, (ii) required reserves, if necessary, (iii) capitalized interest, if necessary, and (iv) costs associated with issuing the Note.

Fiscal Year: the Borrower's fiscal year.

GAAP: generally accepted accounting principles as issued by the Financial Accounting Standards Board (FASB) from time to time, consistently applied.

Guarantor: One Roof Community Housing, a Minnesota nonprofit corporation, and an organization described in Section 501(c)(3) of the Code.

Host City: the City of Duluth, Minnesota.

Indebtedness: collectively, without duplication, (a) all items that, in accordance with GAAP, would be included in the liability side of a balance sheet as of the Borrower's Fiscal Year end, excluding capital stock, surplus, capital and earned surplus, (b) all indebtedness secured by any mortgage, pledge, security interest or lien existing on property owned subject to such mortgage, pledge, security interest or lien, and (c) all amounts representing the capitalization of rentals, all in accordance with GAAP; provided, however, that leases that would have been treated as operating leases under GAAP prior to December 31, 2019, shall not constitute Indebtedness, regardless of when incurred.

Indemnified Matters: has the meaning assigned to the term in Section 7.06.

Indemnified Parties: has the meaning assigned to the term in Section 7.06.

Initial Interest Rate: has the meaning assigned to the term in the Note.

IRS: the Internal Revenue Service of the Department of the Treasury of the United States of America.

Issuance Costs: has the meaning assigned in the Tax Certificate.

Issuer: the Duluth Economic Development Authority.

Land: has the meaning assigned to the term in the Mortgage.

Lender: North Shore Bank of Commerce, a Minnesota banking corporation, its successors and assigns, with an office located at the address set forth in Section 7.01.

Lease: the lease agreement between the Borrower and the Guarantor, under which the Borrower will lease the Land and the Facilities to the Guarantor.

Loan: the loan by the Issuer to the Borrower of the Proceeds pursuant to this Loan Agreement.

Loan Agreement: this Loan Agreement, dated the Closing Date, between the Issuer and the Borrower, including any amendment hereof or supplement hereto.

Loan Documents: this Loan Agreement and the Assignment Agreement, together with the Collateral Documents and all other documents and instruments delivered in connection thereto or pursuant thereto, as the same may be amended or extended from time to time.

Loan Repayments: the payments required of the Borrower pursuant to Sections 3.02 and 3.03.

Make Whole Payments: any payments required to be made to or on behalf of the Issuer in the exercise or enforcement of the Unassigned Rights.

Mortgage: the Mortgage, Assignment of Leases and Rents, Security Agreement and Fixture Financing Statement, dated the Closing Date, from the Borrower to the Lender, including any amendment thereof or supplement thereto.

Mortgaged Property: the real and personal property in which a lien is granted by the Borrower under the Mortgage.

Municipal Industrial Development Act: Minnesota Statutes, Sections 469.152 through 469.1655, as amended.

Note: the 501(c)(3) Facilities Revenue Note (One Roof Project), Series 2026, dated the Closing Date, issued by the Issuer pursuant to the Resolution.

Obligations: (a) all present and future debts and other obligations of the Borrower to the Lender, whether arising by contract, tort, guaranty, overdraft or otherwise, whether or not the advances or events creating such debts or other obligations are presently foreseen, whether such obligations were originally payable to the Lender or are acquired by the Lender from another Person, and regardless of the class of the debts or other obligations, be they otherwise secured or unsecured; (b) the payment when and as due and payable of the obligations of the Borrower under the Note and Loan Agreement, including, but not limited to the aggregate principal amount of the Note and all interest and late fees payable thereunder; (c) the payment of all other sums, with interest thereon, that may be advanced by the Lender in accordance with or that may be secured by the Mortgage, including without limitation all advances consisting of protective advances, as described in Minnesota Statutes, Section 287.05, subd. 4, and expenses described in the Mortgage (the payment obligations under (b) and (c) of this paragraph are hereinafter collectively referred to as the "Mortgage Indebtedness"); (d) the obligation of the Borrower under this Loan Agreement and the other Documents to perform the covenants and agreements contained therein and in any modification, extension or amendment thereof; and (e) the performance of all the covenants, conditions and agreements contained in the Mortgage and the other Loan Documents (to the extent relating to the Note or the Mortgaged Property).

Officer: Borrower's president, vice-president, secretary, treasurer or any other Person having or exercising the duties of an officer as set forth in Borrower's certificate of incorporation or bylaws, or by State law.

Organizational Documents: the certificate or articles of incorporation or organization, as amended, and bylaws or operating agreement, as amended, or any other governing documents of similar import of the Person indicated.

Permitted Encumbrances: has the meaning assigned to such term in the Mortgage.

Person: any individual, corporation, partnership, joint venture, association, joint stock company, limited liability company, trust, unincorporated organization, government or any agency or political subdivision thereof or any other form of entity.

Private Business Use: any actual or beneficial use, whether directly or indirectly, pursuant to a lease, management contract, research agreement, joint venture agreement, incentive payment contract, output contract or any other arrangement that conveys special legal entitlements for beneficial use, in a trade or business carried on by any person other than an Exempt Person. Except to the extent that a use is an Unrelated Trade or Business, Private Business Use does not include the following, as permitted by the Code and Regulations: (i) use by the general public, (ii) use by agents of the Borrower, (iii) use that is solely incidental to the financing arrangement represented by the Obligations, (iv) use pursuant to certain short-term arrangements, (v) certain incidental uses, (vi) use pursuant to a contract or arrangement, and (vii) use pursuant to certain research agreements.

Proceeds: the \$[1,500,000] proceeds of the Note.

Project: the acquisition of, and improvements to, the Land and the Facilities, located at 1819 West Superior Street, in the City of Duluth, Minnesota.

Qualified 501(c)(3) Bonds: has the meaning assigned in the Tax Certificate.

Real Property: that certain real property described on Exhibit A to the Mortgage and all present and future improvements, fixtures, leases, rents and other appurtenant rights.

Rebate Amount: has the meaning assigned to the term in Section 2.03G(ii).

Registered Owner: the holder of the Note as shown in the records of the Issuer maintained by the Registrar as required by the Resolution. The Lender is the Registered Owner as of the Closing Date.

Registrar: has the meaning assigned to the term in the Resolution.

Regulations: the U.S. Treasury Regulations promulgated under the Code, as amended from time to time.

Resolution: the resolution adopted May 27, 2026, by the governing body of the Issuer authorizing the issuance of the Note and establishing the terms and conditions thereof and approving the Loan Documents to which the Issuer is a party.

Secured Indebtedness: the Obligations.

Security Agreement: the Security Agreement, dated the Closing Date, from the Borrower to the Lender, including any amendment thereof or supplement thereto.

State: the State of Minnesota.

Taxable Rate: has the meaning assigned to the term in the Note.

Tax Certificate: the Arbitrage and Tax Certificate dated the Closing Date, executed by the Borrower and endorsed by the Issuer relating to the Note.

Tax-exempt Organization: either (a) a Person organized under the laws of one of the states of the United States of America or the District of Columbia that is an organization described in Section 501(c)(3) of the Code and exempt from federal income taxes under Section 501(a) of the Code or any predecessor or successor provisions of similar import heretofore or hereafter enacted or an organization that is otherwise treated as an organization described in Section 501(c)(3) of the Code and exempt from federal income taxes under Section 501(a) of the Code, having an exempt purpose substantially related to that of the Borrower or (b) a governmental unit within the meaning of Section 103 of the Code.

Tax Loss Amount: an amount equal to (a) the aggregate difference between (i) the amounts actually paid on the Note between the Date of Taxability and the date of earliest receipt of a notice of the Determination of Taxability by the Issuer, the Registered Owner or the Borrower, and (ii) the amounts that would have been due during such period if the Taxable Rate had been in effect, plus (b) the amount of interest, penalties and fees, if any, incurred by the Registered Owner as a result of a Determination of Taxability.

Title Company: Arrowhead Abstract & Title Co.

UCC: the Uniform Commercial Code as in effect in the State.

Unassigned Rights: the rights of the Issuer: (a) to payment of the Administrative Fee, (b) to receive payment of its fees and expenses, (c) to indemnification under this Loan Agreement, (d) to execute and deliver supplements and amendments to this Loan Agreement, (e) to consent as specifically provided for in this Loan Agreement, (f) to information and notices, and (g) to enforce the payment of Make Whole Payments; provided, however, that any rights, benefits and interest inuring solely to the benefit of the Lender (either directly or by assignment hereof) pursuant to any of the foregoing sections shall not constitute Unassigned Rights hereunder, and any rights, benefits and interests inuring both to the benefit of the Issuer and the Lender (either directly or by assignment hereof), shall constitute Unassigned Rights with respect to Issuer only, and any rights, benefits and interest inuring to the benefit of the Lender shall not constitute Unassigned Rights.

Unrelated Trade or Business: has the meaning assigned in the Tax Certificate.

Section 1.02. Rules of Interpretation; Construction.

(1) The validity, construction and enforceability of this Loan Agreement and the Note shall be governed by the internal laws of the State, without giving effect to conflict of laws or principles thereof, but giving effect to federal laws of the United States applicable to national banks. Whenever possible, each provision of this Loan Agreement and any other statement, instrument or transaction contemplated hereby or relating hereto, shall be interpreted in such manner as to be effective and valid under such applicable law, but, if any provision of this Loan Agreement or any other statement, instrument or transaction contemplated hereby or relating hereto shall be held to be prohibited or invalid under such applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Loan Agreement or any other statement, instrument or transaction contemplated hereby or relating hereto.

(2) The terms "hereby," "hereof," "herein," "hereunder" and similar terms, as used in this Loan Agreement, refer to this Loan Agreement in its entirety, and the term "heretofore" means before, and the term "hereafter" means after, the date of this Loan Agreement.

(3) Any headings preceding the texts of the Articles and Sections of this Loan Agreement and any table of contents or marginal notes appended to copies of this Loan Agreement are solely for convenience and do not constitute a part of this Loan Agreement, or affect its meaning, construction or effect; provided that all references to Articles, Sections, recitals, Exhibits and Schedules shall be construed to refer to Articles, Sections and recitals of, and Exhibits and Schedules to this Loan Agreement.

(4) Any definition of or reference to any agreement, instrument or other document shall be construed to refer to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications).

(5) All accounting terms not otherwise defined in this Loan Agreement have the meanings assigned to them in accordance with GAAP; and, unless otherwise expressly provided, all computations provided for in this Loan Agreement must be made in accordance with GAAP.

(6) Any pronoun shall include correlative words of the masculine, feminine and neuter genders and words importing the singular number mean and include the plural number and vice versa.

(7) Any opinion of counsel required hereunder must be a written opinion of such counsel.

(8) References to any Person shall be construed to include the Person's successors and assigns.

(9) References to the Note as "tax exempt" or to the "tax-exempt status of the Note" are to the exclusion of interest from gross income pursuant to Section 103(a) of the Code, irrespective of any taxation of the interest on the Note in limited contexts such as (a) the alternative minimum tax, (b) part of the adjusted current earnings of the Registered Owner, (c) as a part of effectively connected earnings and profits for purposes of the branch profits tax on

foreign corporations, consistent with Section 59(i) of the Code, or (d) the lack of designation by the Issuer under Section 265(b) of the Code and except as otherwise specified in the definition of "Determination of Taxability".

(10) The words "include," "including" and the like mean "including without limitation" and, when followed by any specific item(s), are deemed to refer to examples rather than to be words of limitation.

(11) When the words "Collateral Documents," "Loan Documents," and "Documents" are used in the context of the authorization, execution, delivery, approval or performance of the specified documents by a particular party, each such term shall mean or refer to only those documents that provide for or contemplate authorization, execution, delivery, approval or performance by such party.

Section 1.03. Electronic Signatures.

(1) The parties agree that the electronic signature of a party to this Loan Agreement shall be as valid as an original signature of such party and shall be effective to bind such party to this Loan Agreement. The parties agree that any electronically signed document (including this Loan Agreement) shall be deemed (i) to be "written" or "in writing," (ii) to have been signed and (iii) to constitute a record established and maintained in the ordinary course of business and an original written record when printed from electronic files. Such paper copies or "printouts," if introduced as evidence in any judicial, arbitral, mediation or administrative proceeding, will be admissible as between the parties to the same extent and under the same conditions as other original business records created and maintained in documentary form. Neither party shall contest the admissibility of true and accurate copies of electronically signed documents on the basis of the best evidence rule or as not satisfying the business records exception to the hearsay rule.

(2) For purposes hereof:

A. "electronic signature" means a manually signed original signature that is then transmitted by Electronic Means;

B. "electronically signed document" means a document transmitted by Electronic Means and containing, or to which there is affixed, an electronic signature;

C. "transmitted by electronic means" means sent in the form of a facsimile or sent via the internet as a pdf or other replicating image attached to an e-mail message; and

D. "pdf" means portable document format.

Section 1.04. Electronic Transactions. The transaction described herein may be conducted and related documents may be stored by Electronic Means. Copies, telecopies, facsimiles, electronic files and other reproductions of original executed documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

ARTICLE 2 – REPRESENTATIONS

Section 2.01. Representations by the Issuer. The Issuer makes the following representations as the basis for its representations, warranties, covenants, and agreements herein, upon which the Borrower, Bond Counsel, and the Lender are permitted to rely:

A. The Issuer is a duly organized and existing a public body, corporate and politic, and political subdivision of the State, and is authorized to issue the Note for the Financing Purposes pursuant to the Act.

B. In authorizing the issuance of the Note, it has relied entirely (and without independent investigation) on written representations and/or opinions provided by the Borrower, consultants to the Borrower, and Bond Counsel that the Project is a “project” as defined in Section 469.153, subdivision 2(b), of the Act, and the Issuer assumes no responsibility for the accuracy of such representations and opinions.

C. The issuance and sale of the Note, the execution and delivery of this Loan Agreement, the Assignment Agreement, and the performance of all covenants and agreements of the Issuer contained in this Loan Agreement, the Note, the Assignment Agreement, and of all other acts and things required under the Constitution and laws of the State to make this Loan Agreement, the Assignment Agreement, and Note valid and binding obligations of the Issuer in accordance with their terms, are authorized by the Act. The matters relating to it set forth herein have been authorized by the Resolution adopted by its governing body on May 27, 2026, by the affirmative vote of not less than a majority of its members present.

D. It has called and held a public hearing on financing the Project and issuing the Note.

E. It has not repealed, rescinded, amended, or revoked (i) any of its proceedings relating to the issuance, execution or delivery of the Note, the Loan Documents to which it is a party or (ii) the Resolution.

F. Pursuant to the Resolution, the Issuer has authorized and directed the Lender to disburse the proceeds of the Note directly to the Borrower and such other parties as may be entitled to payment, upon receipt of such supporting documentation as the Lender may deem reasonably necessary or as required by this Loan Agreement.

G. To its actual knowledge (but without independent investigation), the execution and delivery of Loan Documents to which it is a party and the Note does not constitute on its part a breach of, or a default under, any existing (i) provision of any special legislative act, charter, constitution or other proceeding establishing or relating to its establishment or its affairs or its resolutions or any applicable law, regulation, rule or ordinance, or (ii) any agreement, indenture, mortgage, lease or other instrument to which it is a party or by which it is bound.

H. There is no pending or (to its actual knowledge, but without independent investigation) threatened suit, action or proceeding against it before or by any court, arbitrator, administrative agency or other governmental authority that contests or seeks

to restrain its execution or delivery of the Note or the Loan Documents to which it is a party.

I. The Issuer has designated the Note as a “qualified tax-exempt obligation,” within the meaning of Section 265(b)(3) of the Code.

J. The Issuer acknowledges that under present administrative requirements of the IRS, the Issuer is, in connection with the issuance of the Note, required to execute an IRS Form 8038 (and, if applicable respecting future arbitrage rebate, IRS Form 8038-T), and/or such additional forms as may supplement or replace the same, if any, and the Issuer agrees to execute said forms upon request from the Borrower and/or the Lender, accompanied by said completed forms; provided that the Issuer shall have no responsibility to complete or file said forms or to investigate the accuracy of the information provided therein, as submitted to the Issuer by or on behalf of the Borrower and/or the Lender; and further provided that the Borrower shall pay the cost of preparation, legal review, and filing of all such forms.

Section 2.02. Representations by the Borrower. The Borrower makes the following representations, upon which the Lender, Bond Counsel, and the Issuer may rely:

A. It is a Minnesota nonprofit corporation duly organized and in good standing under the laws of the State of Minnesota, duly authorized to conduct its business in all states where its activities require such authorization, has full power to enter into this Loan Agreement, the Mortgage, and the other Documents to which it is a party, it has full power to carry out its obligations hereunder and thereunder, and to own and use the Facilities for the purpose set forth in this Loan Agreement, and by proper corporate action has authorized the execution and delivery of this Loan Agreement, the Mortgage, and all other Documents to which it is a party, and it is also a disregarded entity for federal tax purposes.

B. The Guarantor is an organization described in Section 501(c)(3) of the Code and is exempt from tax under Section 501(a) of the Code, and is the sole member of the Borrower. There is no action, proceeding or investigation pending or to Borrower’s actual knowledge threatened by the Internal Revenue Service or authorities of the State of Minnesota which, if adversely determined, might result in a modification of the status of the Guarantor, and thereby the Borrower, as a Section 501(c)(3) entity.

C. The execution and delivery of the Documents to which it is a party and the consummation of the transactions contemplated hereby and thereby and the fulfillment of the terms and conditions hereof and thereof do not conflict with or result in a violation or breach of any of the terms or conditions of Borrower’s Organizational Documents or of any of the terms and conditions of any court order, judgment or decree, or any other applicable law, regulation, rule or ordinance, or any mortgage, indenture, loan agreement or other restriction or any agreement or instrument to which it is a party or to which any of its property is subject (except any conflict, violation or breach that is not material or that has been waived in a writing executed by the party having authority to so waive such conflict, violation or breach), and do not constitute an event of default under any of the foregoing or result in the creation or imposition of any lien, charge or encumbrance of any

nature upon any of its property or assets contrary to the terms of any agreement or instrument to which it is a party or by which it is bound of which it has knowledge.

D. It does not rely on any warranty of the Issuer, either express or implied, that the Project constitutes a "project" within the meaning of the Act or that the Project will be suitable to its needs and recognizes that under the Act the Issuer is not authorized to operate the Project or to expend any funds thereon other than the revenues received by the Issuer under the Loan Agreement or the proceeds of the Note or other funds granted to it for purposes contemplated in the Act.

E. It is authorized and licensed to, and does own and operate the Mortgaged Property under the laws, rulings, regulations and ordinances of the State and the departments, agencies and political subdivisions thereof; and, to Borrower's knowledge, the Project is, and will be upon completion, in compliance in all material respects with applicable federal, state and local laws, regulations, codes and ordinances.

F. To its knowledge, there is no pending suit, action, proceeding or investigation by or before any court, arbitrator, administrative agency or other federal, state or local governmental authority that individually or in the aggregate, if adversely determined, would have a material adverse effect on, or affect the validity as to it, of any of the transactions contemplated hereby or its ability to perform its obligations hereunder or as contemplated hereby.

G. To its knowledge, there is no threatened suit, action, proceeding or investigation or any basis therefor that individually or in the aggregate, if adversely determined, would have a material adverse effect on, or affect the validity as to it, of any of the transactions contemplated hereby or its ability to perform its obligations hereunder or as contemplated hereby.

H. The Proceeds, together with any other funds available to it, will be sufficient for the Financing Purposes, including but not limited to, the financing of the Project, and paying Issuance Costs in full, and the Proceeds will be used only for the purposes contemplated hereby and allowable under the Act and the Code.

I. Comparable private financing for the Project was not found by it to be reasonably available, and the Project is economically more feasible with the availability of the financing herein authorized.

J. It is not in the trade or business of selling properties such as the Project and is undertaking the Project for use in its trade or business, and it has no intention now or in the foreseeable future to voluntarily sell, surrender or otherwise transfer, in whole or part, its interest in the Project.

K. It has reviewed and approves and consents to the terms and conditions of the Note.

L. To its knowledge (i) no member of the governing body or other officer of the Issuer or Host City is directly or indirectly financially interested in this Loan Agreement or any contract, agreement or job hereby contemplated to be entered into or taken; (ii)

no official or employee of the Issuer or of the Host City has or will have any personal interest, direct or indirect, in this Loan Agreement; (iii) it has not paid or given any official or employee of the Issuer or of the Host City any money or other consideration for obtaining this Loan Agreement; and (iv) other than payment of any applicable Administrative Fee and/or out-of-pocket expenses, including legal costs associated with review of the Documents, it has not paid, nor is it required to pay, the Issuer or the Host City any amounts as consideration for the financing contemplated by this Loan Agreement.

M. It covenants that it will do all things reasonably necessary to allow the Issuer to comply with all notice and filing requirements imposed under the Act.

N. Except as disclosed to and accepted in writing by the Lender, all financial information it has delivered to the Lender is true and correct in all material respects as of the Closing Date, and does not fail to represent its financial condition as of its respective dates and as of the Closing Date and no material or adverse change has occurred in the financial conditions reflected therein.

O. As of the date hereof, the use of the Facilities as designed and operated complies, in all material respects, with all presently applicable development, pollution control, water conservation and other laws, regulations, rules and ordinances of the federal government and the State and the respective agencies thereof and the political subdivisions in which the Facilities are located and that are applicable to Borrower. The Borrower has obtained, or will obtain in a timely manner, all necessary and material approvals of and licenses, certificates, permits, consents and franchises from federal, state, county, municipal or other governmental authorities having jurisdiction over the Facilities to operate the Facilities and to enter into, execute and perform its obligations under this Loan Agreement, the Mortgage, and the other Documents; and no violation of any local ordinance, laws, regulation or requirement, which are applicable to Borrower, exists with respect to the Facilities.

P. Except as disclosed to and accepted in writing by Lender (delivery by the Title Company of a title insurance policy insuring the priority of the Mortgage shall be deemed such written approval), Borrower has not entered into any contracts or agreements for work or construction, acquisition, installation and equipping that could result in the imposition of a mechanic's or material supplier's lien on the Mortgaged Property prior to or on parity with the lien of the Mortgage and security interest evidenced by the Collateral Documents.

Q. It has the power and authority and has (or reasonably expects to timely obtain) all necessary licenses, permits and franchises to execute and deliver, and to perform its obligations under, and to grant the liens and security interests provided for in, each of the Documents to which it is a party. Each of the Documents to which it is a party has been executed and delivered by it and each constitute its legal, valid and binding obligation, enforceable against it in accordance with its terms.

R. It is neither in default in the payment of the principal of or interest on any Indebtedness nor in default under any instrument or agreement under which such Indebtedness was incurred or to which it is subject.

S. Except as otherwise disclosed in writing to Lender, there are no actions, suits, or proceedings pending or, to the knowledge of the Borrower, threatened against or affecting the Borrower or any property of the Borrower in any court, arbitrator, or administrative agency or before any federal, state, municipal or other governmental authority, which, if decided adversely to the Borrower, would have a material adverse effect upon the Borrower, or upon the business, properties, assets, or condition (financial or otherwise) of the Borrower, or the validity of any of the transactions contemplated by this Loan Agreement, the Mortgage, or the other Documents; and the Borrower is not in default with respect to any order of any court, arbitrator, administrative agency, or other federal, state, or municipal governmental authority.

T. The Borrower is not in default in the payment of the principal of or interest on any indebtedness for borrowed money nor in default under any instrument or agreement under and subject to which any indebtedness for borrowed money has been issued.

U. It has filed all federal and State income tax returns that, to its knowledge, are required to be filed and has paid all taxes shown on said returns and all assessments and governmental charges owed by it to the extent that they have become due.

V. The Borrower has approved the terms and conditions of the Note.

W. The Borrower intends to operate the Facilities to carry out its charitable purposes at least until the date on which the entire principal amount of the Note has been fully paid and is no longer outstanding.

X. This Loan Agreement, the Mortgage, and the other Documents, when executed and delivered by the Borrower, constitute legal, valid and binding obligations of the Borrower, enforceable against the Borrower in accordance with their respective terms (subject, as to enforceability, to limitations resulting from bankruptcy, insolvency, and other similar laws affecting creditors' rights generally).

Y. To its knowledge, no consent, approval, order or authorization of, or registration, declaration or filing with, or notice to, any governmental authority or any third party not already received or given is required in connection with the execution and delivery of this Loan Agreement, or any of the agreements or instruments herein mentioned or related hereto to which it is a party or the carrying out or performance of any of the transactions required or contemplated hereby or thereby.

Z. Since the end of its most recent Fiscal Year, there has not occurred (i) any material adverse change in its business, operations or financial condition or (ii) any material diminution in the value of the Mortgaged Property, or (iii) discovery of any adverse environmental conditions with respect to the Mortgaged Property.

AA. Except as disclosed to and accepted in writing by the Lender: (i) it is not an employee benefit plan as defined in Section 3(l) of ERISA, whether or not subject to ERISA; (ii) none of its assets constitute assets of any such plan under ERISA regulations or rulings; (iii) with respect to any such plan that it sponsors, participates in or has fiduciary duties with respect to, it has materially complied with all federal and state laws,

plan documents and funding requirements; (iv) it does not sponsor, participate in, or have fiduciary duties with respect to any defined benefit pension plan subject to Title IV of ERISA or any multi-employer pension plan as defined in Section 3(37)(A) of ERISA or any plan providing medical or other welfare benefits to retirees or other former employees (except as required by federal or state law); and (v) it is not (and has not ever been) a member of a group of trades or businesses (whether or not incorporated) that is treated as a single employer under Section 414 of the Code.

BB. It has good and absolute title to all its properties and assets financed or refinanced hereunder, reflected in its latest balance sheet delivered to the Lender prior to the Closing Date, free and clear of all mortgages, security interests, liens and encumbrances, except for Permitted Encumbrances, and such covenants, restrictions, rights, easements and minor irregularities in title that (i) have been previously disclosed in writing to and expressly accepted in writing by the Lender, it being understood that Lender's approval of such exceptions shall be deemed given in writing upon acceptance of the policy of title insurance and authorization of the disbursement of Proceeds of the Note; (ii) do not materially interfere with its business or operations as presently conducted; (iii) are the subject of an intercreditor agreement between the Lender and the holder of any such mortgage, security interest, lien or encumbrance acceptable to Lender; or (iv) will be satisfied and terminated on the Closing Date.

CC. It is in material compliance with all provisions of all agreements, instruments, decrees and orders to which it is a party or by which it or its property is bound or affected, the breach or default of which could have a material adverse effect on its financial condition, properties or operations.

DD. It acknowledges, represents and warrants that it understands the nature and structure of the transactions relating to the financing of the Project; that it is familiar with the provisions of all of the documents and instruments relating to such financing to which it is a party or of which it is a beneficiary; that it understands the risks inherent in such transactions, including, without limitation, the risk of loss of the Mortgaged Property; and that it has not relied on the Issuer or the Lender for any guidance or expertise in analyzing the financial or other consequences of the transactions contemplated by this Loan Agreement or otherwise relied on the Issuer in any manner.

EE. The representations and warranties in this Section, and any additional representations and warranties contained herein shall be deemed to have been renewed and restated by it at the time of each request by it for an advance of Proceeds of the Note, except as such representation or warranty (i) may have been modified as permitted by and in compliance with this Loan Agreement, so long as such modification does not excuse an Event of Default otherwise then-existing hereunder, or (ii) is no longer true and correct due to no failure by it to fulfill its obligations and covenants under this Loan Agreement.

FF. The representations and certifications contained in the Tax Certificate and the other certificates delivered by it on the Closing Date are true and correct and are incorporated by reference herein.

Section 2.03. Tax Covenants. The Borrower makes the following covenants regarding issues raised by the Code and the Regulations, upon which the Lender, the Issuer and Bond Counsel may rely:

A. Borrower will fulfill all conditions specified in the Code and applicable Regulations that are necessary to maintain the tax-exempt status of the interest borne by the Note and for such purpose the Tax Certificate is incorporated by reference as though fully set forth herein.

B. Neither Borrower nor Guarantor have been notified by the Internal Revenue Service of any revocation, modification, withdrawal or rescission of the ruling or determination letter recognizing the Guarantor as a Tax-exempt Organization, and the ownership, undertaking, and operation of the Project is not an "unrelated trade or business" of the Guarantor or Borrower within the meaning of Section 513 of the Code. There is no action, proceeding or investigation pending or, to the Borrower's knowledge, threatened by the Internal Revenue Service or authorities of the State which, if adversely determined, might result in a modification of the status of the Guarantor or the Borrower as a Tax-exempt Organization.

C. Not more than five percent of the net Proceeds (including Issuance Costs) will be used, directly or indirectly: (a) to finance or refinance property used in an Unrelated Trade or Business of the Borrower; or (b) in the trade or business of any Person other than a Tax-exempt Organization in furtherance of its exempt or essential governmental purpose, except to the extent that such use would not result in the Note failing to be characterized as Qualified 501(c)(3) Bonds.

D. The payment of the principal of, or interest on, no more than five percent of the net Proceeds is (under the terms of the Note or any underlying arrangement) directly or indirectly: (a) secured by any interest in: (I) property used or to be used for a Private Business Use (other than use described in the preceding paragraph), or (II) payments in respect of such property; or (b) to be derived from payments (whether or not to the Issuer or an entity other than a Tax-exempt Organization) in respect of property, or borrowed money, used or to be used for a Private Business Use (other than use described in the preceding paragraph).

E. The Guarantor is the sole member of the Borrower.

F. While any portion of the Note remains unpaid, no portion of the Proceeds will be used to provide any airplane, skybox or other private luxury box, any facility primarily used for gambling, or a store, the principal business of which is the sale of alcoholic beverages for consumption off premises, and the Borrower does not expect that the Facilities, or any portion thereof, shall subsequently be used for any of such purposes.

G. With respect to the Proceeds, the Borrower will:

(i) maintain records identifying all gross proceeds attributable to the Note, the yield at which such gross proceeds are invested, any arbitrage profit derived therefrom (earnings in excess of the yield on the Note) and any earnings derived from the investment of such arbitrage profit;

(ii) make, or cause to be made within 30 days after the close of each fifth Bond Year and upon payment in full of the Note, determination of the amount, if any, of excess arbitrage required to be paid to the United States by the Issuer (the "Rebate Amount");

(iii) upon each such determination, the Borrower will furnish the Lender a certificate showing how such calculation was made;

(iv) pay, or cause to be paid, to the United States at least once every five Bond Years the Rebate Amount, if any, including the last installment that must be made no later than 60 days after the day on which there is payment in full of the Note; and

(v) retain all records of the annual determination of the foregoing amounts until six years after the payment in full of the Note.

H. There is no action, proceeding or investigation pending or threatened on any basis therefor by the IRS or authorities of the State that, if adversely determined, would result in a modification of the status of the Borrower as a Tax-exempt Organization.

I. The Borrower expressly understands and agrees that the Issuer and the Host City have not made any investigation and do not make any representation, express or implied, and do not assume and shall have no responsibility with respect to whether the interest on the Note is or may remain tax exempt or otherwise excludable from gross income for any income tax purposes, and it is further expressly agreed and understood that the Issuer and the Host City shall have no obligation to make any investigation respecting such tax exemption or to monitor compliance by the Borrower with any of its "tax" or other covenants herein, or to determine whether the Borrower, the Lender or any other Person has taken such actions (or refrained from acting, as the case may be) as may be necessary to preserve any such tax exemption.

J. The Borrower shall maintain such written procedures as appropriate and applicable to ensure the Borrower's principal responsibility for compliance with the post-issuance requirements necessary to maintain the tax-exempt status of the interest on the Note, including requirements that must be continually monitored, including (i) monitoring the investment (pending expenditure) of Proceeds (and keeping detailed records thereof) in order to assure compliance with the arbitrage requirements applicable to the Note, (ii) monitoring the expenditure of Proceeds (and keeping detailed records thereof), (iii) monitoring the use of the Project in order to ensure that the Note continues to qualify as a Qualified 501(c)(3) Bond, (iv) periodically consulting with Bond Counsel with respect to arbitrage issues and compliance, and (v) consulting with Bond Counsel as necessary to determine whether, and to what extent, any change in the use or purpose of the financed Facilities will require any remedial action under the relevant Regulations.

K. In order to qualify the Note and this Loan Agreement as a "program investment" described under Section 1.148-2(d)(iii) of the Regulations, the Borrower (and any "related person" thereto) shall not, pursuant to any arrangement, formal or informal, purchase obligations of the Issuer in an amount related to the amount of the Loan.

Section 2.04. Reliance on Representations. The Borrower agrees that the representations of the Borrower contained in this Article are, without limitation, for the use and benefit of the Lender, the Issuer, and Bond Counsel, and the Lender, the Issuer, and Bond Counsel are entitled to rely thereon and have relied thereon in conjunction with the issuance of the Note.

ARTICLE 3 – THE LOAN

Section 3.01. Amount and Source of the Loan. The Issuer agrees to lend to the Borrower and the Borrower agrees to borrow from the Issuer, upon the terms and conditions herein, in the Documents and the Note, the aggregate principal sum of \$[1,500,000] by having the Proceeds applied and disbursed in accordance with the provisions of this Loan Agreement. The Borrower agrees to apply no more than two percent of the Proceeds to payment of Issuance Costs. The balance of the Proceeds will be applied towards the other Financing Purposes.

Section 3.02. Repayment of the Loan.

(1) Subject to any rights of prepayment granted herein and in the Note, the Borrower agrees to repay the Loan in installments on the dates and in amounts sufficient to provide for the prompt payment of all principal, interest and penalty, if any, due and payable by the Issuer pursuant to the Note, including interest payable pursuant to a Determination of Taxability. Loan Repayments must be applied as provided in Section 6.07. All payments shall be made directly to the Lender as provided in the Note for the account of the Issuer.

(2) The interest rate on the Note is subject to adjustment on each Adjustment Date. In the event that the Lender, in consultation with Bond Counsel, is informed that adjustment of the interest rate on the Note results in a “reissuance” of the Note under the Code and Regulations, Borrower agrees to pay the expenses of the Lender incurred to maintain the tax-exempt status of the Note.

Section 3.03. Determination of Taxability.

(1) In the event of a Determination of Taxability, the rate of interest on the Note will be automatically increased, effective as of the Date of Taxability to the Taxable Rate in accordance with the terms of the Note, in which event the Loan Repayments required hereunder by the Borrower will be adjusted accordingly with the increased payments required pursuant to the Note. In such case, the Borrower agrees also to pay the Tax Loss Amount to the Lender.

(2) The provisions of this Section shall survive payment or defeasance of the Note and termination or expiration of any other provisions of this Loan Agreement.

Section 3.04. Notice of Proposed Taxability and Procedure Thereon.

(1) No Determination of Taxability will be effective unless (a) the Borrower has been given notice by the IRS, the Issuer or otherwise, of the issuance of a Determination of Taxability; (b) if a ruling resulting in a Determination of Taxability was requested by the Lender, the Borrower received written notice that a ruling would be requested at least 45 days prior to its submission and a copy of the request at least 30 days prior to the date of its submission to the National Office or any District Office of the IRS; (c) if any proceeding is commenced in any court of competent jurisdiction the Borrower is allowed to intervene or to assume responsibility for the

contest or appeal, or both, in the name of the Lender, if necessary in the Borrower's opinion within 10 days of such commencement and before final judgment in such proceeding; or (d) the provisions of the following paragraph (2) apply.

(2) The Borrower shall have an opportunity for no more than 90 days after receipt by the Issuer, the Lender or the Borrower, whichever receipt is earliest, to contest any such statutory notice, ruling or final decision and no such statutory notice, ruling or final decision shall be deemed a "Determination of Taxability" if the Borrower is contesting the same during such 90 day period in good faith until the earliest of (a) abandonment of such contest by the Borrower, (b) the date on which such statutory notice, ruling or final decision becomes final, or (c) the 91st day after the initial receipt by the Issuer, the Lender, the Guarantor, or the Borrower, whichever receipt is earliest, of such statutory notice, ruling or final decision.

(3) The expenses of any contest or appeal of any action that may give rise to a Determination of Taxability must be paid by the party, other than the Issuer, initiating the contest or appeal and neither the Borrower nor the Lender is required to contest or appeal any Determination of Taxability; provided that if the Lender elects in its sole discretion after consultation with the Borrower to contest or appeal such action, the Borrower must, at the request of the Lender, pay, or reimburse the Lender for the payment of, all reasonable costs incurred by the Lender in such contest or appeal (including any reasonable attorneys' fees), to which Borrower has consented in advance, which consent by Borrower will not unreasonably be withheld.

(4) The Borrower additionally agrees to pay or reimburse the Issuer and the Lender (including costs of counsel thereto) for expenses incurred by the Issuer and/or the Lender in the event of a Determination of Taxability, a request for information by the IRS or the State Department of Revenue with respect to the Note or any obligations refunded by the Note, an audit by the IRS or the State Department of Revenue relating to the Note, any obligations refunded by the Note or the status of the Borrower, and/or a request for a closing agreement under the IRS Tax Exempt Bond Voluntary Closing Agreement Program (VCAP) relating to the Note or any obligations refunded by the Note.

(5) In the event an investigation, document request, audit, or other action relating to the Note is commenced by the IRS or in the event the Lender, or the Borrower on behalf of the Lender, chooses to contest any statutory notice of deficiency, ruling of the IRS or judgment of a court of competent jurisdiction relating to the federal income tax exemption of the interest payable on the Note, the Lender, at its election, may increase the rate of interest on the Note to the level set forth in Section 3.03, and require that the Borrower make Loan Repayments based upon such increased rate pending the final results of such investigation, suit or contest. The additional funds collected as a result of the rate increase must be placed in escrow by the Lender and must bear interest at a rate no greater than the original rate of interest on the Note. In the event the contest is resolved in favor of the Lender and the Borrower, and the interest on the Note continues to be exempt from federal income taxation, the funds held in such escrow account must be returned to the Borrower and must not be used to pay any interest or principal on the Note, unless an Event of Default by the Borrower has occurred under this Loan Agreement, in which case the Lender may retain the escrowed funds for payment on the Obligations. In the event the contest is resolved against the Lender and the Borrower and interest payable on the Note is held to be subject to federal income taxation, the amount on hand in the escrow account must be applied to the additional Loan Repayments then due pursuant to this Section, with any excess returned to the Borrower, unless an Event of Default by the Borrower has occurred under

this Loan Agreement, in which case the Lender may retain the remainder of the escrowed funds for payment on the Obligations.

(6) The provisions of this Section shall survive payment or defeasance of the Note and termination or expiration of any other provisions of this Loan Agreement.

Section 3.05. [Reserved].

Section 3.06. [Reserved].

Section 3.07. The Borrower's Obligations Unconditional.

(1) The obligation of the Borrower to make the payments and to perform and observe the other agreements on its part contained herein, in the other Documents and in the Note shall be absolute and unconditional. All Loan Repayments and all other payments required of the Borrower hereunder must be paid without notice or demand (except as provided herein and in the Note) and without set off, counterclaim, abatement, deduction or defense. The Borrower will not suspend or discontinue any payments, and will perform and observe all of its other agreements in the Documents to which it is a party and, except as expressly permitted herein, will not terminate the Documents to which it is a party for any cause, including but not limited to any acts or circumstances that may constitute failure of consideration, destruction of or damage to the Facilities, eviction by paramount title, commercial frustration of purpose, bankruptcy or insolvency of the Issuer or the Lender, change in the tax or other laws or administrative rulings or actions of the United States of America or of the State or any political subdivision thereof or failure of the Issuer or the Lender to perform and observe any agreement, whether express or implied, or any duty, liability or obligation arising out of or in connection with the Documents or the Note.

(2) The Borrower waives demand, presentment, protest and notice of dishonor and agrees that without any notice, the Lender and any present or future owner or owners of any property and interests covered by the Mortgage or any other document given to secure the Loan, or executed by the Borrower in connection with this Loan Agreement, may from time to time extend, renew or otherwise modify to the benefit of the Borrower the date or dates or amount or amounts of payment above recited. To the extent permitted by law, the Lender may from time to time release any part or parts of the property and interests subject to the Mortgage or to any such other document from the same, with or without consideration. In any case, the Borrower, subject to limitation of the Issuer's liability, continues to be liable to pay the unpaid balance of the Loan as so extended, renewed or modified and notwithstanding any such release, and has agreed, subject to limitation of the Issuer's liability, to pay all costs of collection, including a reasonable amount for attorneys' fees, in case any payment is not made at maturity, and all costs and expenses, including attorneys' fees, incurred in protecting the security for this Loan Agreement or in preserving the properties or interests or any part hereof described in the Mortgage and in any such other document, whether suit be brought or not or whether or not as a result thereof the interest on the Note is no longer exempt from the federal or state income tax.

Section 3.08. Delivery of the Note. The Issuer authorizes delivery of the Note to the Lender upon the execution and delivery of this Loan Agreement and all other documents and

instruments necessary to the transactions contemplated hereby and thereby to the satisfaction of the Lender, the Issuer, and Bond Counsel.

Section 3.09. Closing. The Issuer's obligation to make the Loan under this Loan Agreement, and the obligation of the Borrower to repay the Loan under this Loan Agreement, shall become effective only upon delivery of the following to the Lender, in form and substance satisfactory to the Lender and the Issuer:

A. the Note, the Documents, the Resolution and an approving opinion of Bond Counsel, each executed or certified, in the case of the Resolution, by or on behalf of each party thereto;

B. one or more appraisals for the Project, as completed, as required by and acceptable to the Lender;

C. a commitment for a mortgagee's policy of title insurance in an amount equal to the amount of the Note insuring the Mortgage as a valid first lien; in form satisfactory to Lender; showing good and marketable title to all the Mortgaged Property in the Borrower; free and clear of all defects, encumbrances, security interest restrictions and easements, other than Permitted Encumbrances; specifically insuring against mechanic's liens, rights of parties in possession and boundary line matters and including such additional endorsements as the Lender may require (including, without limitation, zoning, survey, access, and subdivision endorsements) subject only to: (i) customary ALTA exceptions other than those for mechanic's lien, survey and parties in possession set forth above in this Subsection C, (ii) taxes not yet due and payable, and (iii) other exceptions acceptable to Lender, along with evidence that the Title Company is prepared to issue an ALTA mortgagee's title insurance policy subject only to Permitted Encumbrances;

D. [Reserved];

E. copies of filed UCC financing statements (whether one or more) evidencing a perfected lien on the Mortgaged Property for which a lien may be perfected in such manner, of the priority required by the Lender;

F. reimbursement of the Lender and the Issuer of all of their fees and out-of-pocket expenses, including (without limitation) all legal costs associated with issuance of the Note, the preparation and review of Documents and the cost of any appraisal;

G. as applicable, evidence that the Facilities are not located in a federally designated flood hazard area or, in the alternative, evidence of adequate flood insurance coverage acceptable to the Lender;

H. a certificate or certificates of insurance coverage, demonstrating coverage required by the Lender, and otherwise complying with the requirements of this Loan Agreement;

I. an opinion of counsel to the Borrower addressed to the Issuer and the Lender dated the Closing Date regarding, among other things, Borrower's due incorporation; status as a Tax-exempt Organization; power and authority to enter into the

Documents to which Borrower is a party; enforceability of the Documents to which Borrower is a party; and such other matters as Lender or Bond Counsel requests;

J. Lender's Loan origination fee in an amount equal to 0.50% of the Loan amount;

K. a certificate of good standing issued by the Minnesota Secretary of State with respect to the Borrower;

L. a certificate signed by at least one officer of the Borrower attesting to among other matters, Borrower's authority to enter into the transactions contemplated hereunder, with an attached approving resolution of Borrower's governing body and the Borrower's Organizational Documents;

M. a true and correct copy of a determination letter from the IRS or other evidence as to Borrower's status as a Tax-exempt Organization; and

N. such other documents as the Lender or its counsel or Bond Counsel may reasonably require.

Notwithstanding any provision in this Loan Agreement to the contrary, the Lender in its sole discretion may waive compliance with or extend the time for submission of any one or more of the foregoing requirements of this Section.

Section 3.10. Disbursing Procedure.

(1) Not more than 2% of the Proceeds will be disbursed on the Closing Date or thereafter for payment of Issuance Costs.

(2) The balance of the Proceeds will be disbursed for the other Financing Purposes pursuant to the terms and conditions of this Loan Agreement, the other Documents, and a settlement statement or closing letter prepared for the closing of the Loan. Such disbursements of Proceeds will include, but will not be limited to, one or more disbursements in amounts necessary to pay certain Issuance Costs on the Closing Date. The disbursements authorized in this paragraph may occur on or after the Closing Date.

Notwithstanding the foregoing, the Lender, in its sole discretion, may require disbursement of the Proceeds through the Title Company. The Borrower agrees to comply with any reasonable additional requirements of the Lender or the Title Company set forth in any disbursing agreement therefor.

Section 3.11. Administrative Fee. On the Closing Date, and as a condition to issuance thereof, the Borrower must pay the Issuer the Administrative Fee, and said payment shall be in addition to all other amounts that are or may become payable to the Issuer pursuant to the terms of this Loan Agreement.

Section 3.12. Notice to Issuer. Not later than March 31 of each year commencing March 31, 2027, the Borrower shall provide a statement, in substantially the form set forth in Exhibit A

attached hereto, to the Issuer of the principal amount of the Note outstanding on December 31 of the preceding calendar year.

ARTICLE 4 – THE BORROWER’S COVENANTS

Section 4.01. Assignment. All right, title and interest of the Issuer in and to this Loan Agreement (other than the Unassigned Rights) and all payments hereunder (other than the Make Whole Payments) are to be pledged and assigned by the Issuer to the Lender pursuant to the Assignment Agreement as security for the payment of the principal of and interest on the Note and the payment of all fees and expenses of the Lender and others as provided herein and in the Documents. The Borrower consents to such assignment. The Issuer directs the Borrower, and the Borrower agrees, to pay all such payments pursuant to this Loan Agreement (other than the Make Whole Payments) to the Lender at its office identified in Section 7.01 for the account of the Issuer. The interests and obligations of the Borrower under this Loan Agreement are non-assignable and shall not be assigned except to a trustee in bankruptcy or similar officer pursuant to the Bankruptcy Code or similar law.

Section 4.02. General Covenants of the Borrower. The Borrower covenants and agrees with the Issuer and the Lender that throughout the term of this Loan Agreement:

A. It will conduct the same general type of business as it presently conducts, maintain its existence as a Minnesota nonprofit corporation and Tax-exempt Organization, remain qualified to do business in the State, not change its name or do business under any name other than the name used by it in executing this Loan Agreement, other than an assumed name acquired by it in accordance with applicable law.

B. The Borrower is and throughout the term of this Loan Agreement will remain duly qualified to do business as a Minnesota limited liability company, a disregarded entity for federal income tax purposes, and, thereby, with the Guarantor, an organization described in Section 501(c)(3) of the Code, whose income is exempt from taxation under Section 501(a) of the Code, and will not take any action or omit to take any action that would reasonably be expected to result in revocation or loss of such tax-exempt status. The Borrower shall comply in all respects with all laws applicable to nonprofit entities, including restrictions on use of assets, distributions, and activities outside of its charitable purposes. The Borrower shall promptly notify the Lender of any event or circumstance that materially affects (i) its nonprofit or tax-exempt status or (ii) its ability to perform its obligations under this Loan Agreement and the other Documents.

C. It will not dissolve or otherwise dispose of all or substantially all of its assets or consolidate with or merge into another entity or permit any other entity to consolidate with or merge into it unless (i) the resulting, surviving or transferee entity has tangible net worth at least equal to that of the Borrower as it existed as of the date of the merger, is qualified to do business in the State, is qualified as a Tax-exempt Organization and, if other than the Borrower, assumes in writing all of the obligations of the Borrower under the Documents to which the Borrower is a party; (ii) it provides the Issuer and the Lender with an opinion of Bond Counsel to the effect that such transaction will not adversely affect the tax-exempt status of the Note; and (iii) it receives the prior written consent of the Lender, as provided hereinafter. At least 60 days before any proposed merger, transfer or consolidation would become effective, it shall deliver to the Lender a written request

seeking the Lender's approval of such merger, transfer or consolidation, and shall thereafter promptly furnish to the Lender such information pertaining to the proposed merger, transfer, or consolidation as the Lender shall request. The Lender's approval under this Section shall not be unreasonably withheld, delayed or conditioned. No disposition of assets, consolidation or merger may be undertaken by the Borrower if the effect thereof would be to cause the interest payable on the Note to become subject to federal income taxation. Every surviving, resulting or transferee corporation must be bound by all of the covenants and agreements of the Borrower herein with respect to any further sale or transfer. Consent as to any one transaction may not be deemed to be a waiver of the right to require consent to future or successive transactions.

D. it will repay the Loan by making the Loan Repayments required to be made hereunder, that will be at all times sufficient to provide for the prompt payment of the principal of, interest on and any other sums and amounts due under the Note.

E. It will pay or cause to be paid all expenses of the operation and maintenance of the Facilities, including property and liability insurance on the Facilities in the amounts and with the coverage determined by the Borrower or required by Lender and the Documents, as the case may be, and pay or cause to be paid all taxes and special assessments levied upon or with respect to the Facilities, subject to permitted contests as provided in the Mortgage. To this end, it agrees to perform all of the terms and covenants of the Documents to which it is a party as fully as if the terms and covenants were set forth in full herein.

F. It will use, maintain and keep the Facilities or cause the Facilities to be used, maintained and kept, in substantially the same condition after completion at its own cost, making such repairs and replacements as are necessary in the judgment of the Borrower to assure that the Facilities will remain a "project" under the Act and that the interest on the Note will be exempt from federal income taxation.

G. Except for Permitted Encumbrances, it shall not sell, transfer, assign, mortgage, pledge, hypothecate, encumber, license or lease the Facilities, or any part thereof or interest therein, or enter into an operating contract or management contract for the Facilities, without the consent of the Lender, which consent may be withheld in the Lender's sole and absolute discretion, provided that in no event shall such sale, transfer, assignment, mortgage, pledge, hypothecation, encumbrance, license or lease be permitted if the effect thereof would otherwise be to impair the validity or the tax exempt status of the Note, nor shall any such transaction release the Borrower of any of its obligations under this Loan Agreement, unless the Facilities are conveyed in whole and such conveyance has been approved by the Lender.

H. It will pay all Issuance Costs not paid from Proceeds from its own funds on or within 5 business days of the Closing Date upon receipt of invoices therefor.

I. Its true and correct name, state of incorporation and chief place of business are listed in the Mortgage, and it must promptly notify the Lender and the Issuer of any change in such location or state of incorporation.

J. It will pay or discharge, when due, (i) all taxes, assessments and governmental charges levied or imposed upon it or upon its income or profits, upon any properties belonging to it prior to the date on which penalties attach thereto, (ii) all federal, state and local taxes required to be withheld by it, and (iii) all lawful claims for labor, materials and supplies that, if unpaid, would by law become a lien or charge upon any properties of the Borrower; provided, however, that the Borrower shall not be required to pay any such tax, assessment, charge or claim whose amount, applicability or validity is being contested in good faith by appropriate proceedings.

K. (i) To its knowledge, the Mortgaged Property complies and will at all times comply with the federal law, including the Americans with Disabilities Act ("ADA"), to the extent the ADA applies thereto; and (ii) it will maintain the Mortgaged Property and perform all alterations, modifications and additions to the Mortgaged Property in compliance with the ADA.

L. Not to undertake or permit without prior written approval of the Lender any other or additional construction on the Mortgaged Property, other than minor projects which will not materially alter the Mortgaged Property.

M. [Reserved].

N. The Borrower grants to the Lender and to the Lender's agents access to the Facilities at any reasonable time during normal business hours and after reasonable advance notice in order to inspect the Facilities. Lender will conduct any such inspections in a manner that does not disrupt Borrower's school operations.

O. The Borrower shall keep proper books of record and accounts with respect to the use and operation of the Facilities, and, subject to any privacy laws applicable to the Borrower, upon request of the Lender, provide the Lender or any duly authorized representative of the Lender, access during normal business hours and after reasonable advance notice to, and permit such party to examine, copy or make extracts from, or audit any and all books, records, contracts, plans, drawings, permits, bills, statements of account, and documents relating to the use and operation of the Facilities, the Borrower's affairs and to inspect the Facilities and/or pertaining to the Project. Lender will conduct any such inspections in a manner that does not disrupt Borrower's school operations. (The Lender shall only be permitted to disclose the information contained therein to its legal counsel, its independent public accountants, its regulators, any participating lenders, or in connection with any action to collect any indebtedness of the Borrower or to enforce this Loan Agreement and the documents related hereto, or as otherwise permitted or required by law).

P. [Reserved].

Q. It will promptly notify the Lender of:

(i) any and all litigation involving the Borrower which might materially and adversely affect the Borrower or any of its properties where the amount in dispute exceeds \$20,000.00 and is not covered by insurance, and of any and all litigation if the aggregate amount in dispute in connection with such litigation exceeds

\$20,000.00 and is not covered by insurance, and of any and all material proceedings commenced against the Borrower by or before any court or governmental or regulatory agency;

(ii) the occurrence of any Event of Default under this Loan Agreement, the other Documents or under any other loan agreement, debenture, note, purchase agreement or any other agreement providing for the borrowing of money by the Borrower or any event of which the Borrower has knowledge and which, with the passage of time or giving of notice, or both, would constitute an Event of Default under this Loan Agreement or under such other agreements, such notice to be furnished to the Lender as soon as possible and in any event within ten (10) days after the Borrower has obtained knowledge of the occurrence of such Event of Default, or an event which with the giving of notice or lapse of time or both would constitute an Event of Default, and which notice shall include a statement signed by the Borrower setting forth details of such Event of Default or event and the action which the Borrower has taken, is taking or proposes to take to correct the same;

(iii) any future event that would cause the representations and warranties contained in this Loan Agreement to be untrue when applied to the Borrower's circumstances as of the date of such event; and

(iv) any material adverse change in the operations, business, properties, assets or conditions, financial or otherwise, of the Borrower.

Section 4.03. Indemnity.

(1) The Borrower will pay all Issuance Costs, and will pay all costs, protect, indemnify and defend the Issuer, Host City, and the Lender, their assignees, participants, officers, employees and agents from and against all liabilities, losses, damages (including consequential damages), costs, expenses (including reasonable attorneys' fees), causes of action, suits, claims, demands and judgments of any nature arising from:

A. any injury to or death of any Person or damage to property in or upon the Facilities or growing out of or connected with the construction of the Project, or the ownership use, non-use, condition, leasing or occupancy of the Facilities or any part thereof by or claimed against Borrower;

B. any violation of any agreement or covenant of the Documents by Borrower;

C. any violation of any contract, agreement or restriction by the Borrower relating to the construction of the Project;

D. any violation by Borrower of any law, ordinance or regulation affecting the Project, Facilities, or any part thereof or the ownership, occupancy or use thereof by Borrower, or arising out of this Loan Agreement, the Note or the transactions contemplated thereby, including any requirements imposed on the Lender as a financial institution or any disclosure or registration requirements imposed by any federal or State securities law;

E. any statement of the Borrower or information provided or approved by the Borrower relating to the expenditure of the Proceeds contained in the Tax Certificate that, at the time made, is misleading, untrue or incorrect in any material respect; and any other information furnished by the Borrower to the Lender or the Issuer in connection with the transactions hereunder contemplated that is misleading, untrue or incorrect in any material respect;

F. any investigation, inquiry, or audit (whether random or targeted) commenced by the IRS, the Department of Revenue of the State, or any other State or federal government agency, relating to the Project, the Facilities, the Borrower, or the Note, any request for a closing agreement under the IRS' Tax Exempt Bonds Voluntary Closing Agreement Program (VCAP) relating to the Note, or any obligations refunded by the Note or the income tax exemption of interest payable on the Note or any obligations refunded by the Note or any other action, ruling or decision that may give rise to a Determination of Taxability; and

G. any other cause whatsoever pertaining to the issuance, sale and delivery of the Note, the acquisition and construction of the Project and the operation of the Facilities, or any action taken in good faith by the Issuer or the Lender, their officers and employees, to carry out the transaction contemplated by this Loan Agreement.

(2) The provisions of this Section will survive payment or defeasance of the Note and termination or expiration of any other provisions of this Loan Agreement. The provisions of this Section shall not be construed to limit the indemnifications and other rights of the Issuer provided in Section 7.06 or any of the other Unassigned Rights.

(3) In the event of the settlement of any litigation commenced or threatened, such indemnity shall be limited to the aggregate amount paid under a settlement effected with the written consent of the Issuer.

(4) The Issuer and the Lender shall promptly notify the Borrower in writing of any claim or action brought against the Issuer, the Lender or any controlling person, as the case may be, in respect of which indemnity may be sought against the Borrower, setting forth the particulars of such claim or action; provided, that the failure to give such notice will not relieve the Borrower of its obligations and liability under this Section.

(5) If, notwithstanding the provisions of this Section, the Issuer incurs any expense, or suffers any losses, claims or damages or incurs any liabilities, the Borrower agrees to indemnify, defend and hold the Issuer harmless from the same and will reimburse the Issuer for any legal or other expenses incurred by the Issuer in relation thereto.

(6) This Section shall survive the termination or discharge of this Loan Agreement and payment in full of the Note.

Section 4.04. Reports to Governmental Agencies and Issuer.

(1) The Borrower will furnish to agencies of the State such periodic reports or statements as they may reasonably require throughout the term of this Loan Agreement, or, to the extent the Issuer is required to furnish such reports, will cooperate with the Issuer in

furnishing all information reasonably necessary and will indemnify and reimburse the Issuer for any reasonable costs incurred.

(2) At the request of the Issuer, which request need not be written, the Borrower will provide the Issuer with the amount of the then-outstanding principal balance of the Note.

Section 4.05. Execution of Security Documents.

(1) As additional security for the Lender, and to induce the Issuer to issue and deliver the Note the Borrower agrees: (a) to execute and deliver the Mortgage to the Lender, or cause the Mortgage to be so executed and delivered, along with such other documents as are specified therein; and (b) to execute and deliver (or cause to be executed and delivered) all other Collateral Documents or other documents required by Lender, and agrees to meet all its obligations under such documents, which documents shall remain in effect until all payments required hereunder have been made.

(2) The Borrower directs the Lender to deliver the Mortgage for recording and filing, or cause the Mortgage to be so delivered, along with such other documents required by Bond Counsel or the Lender, in such places and in such manner as Bond Counsel or the Lender deems necessary or desirable to perfect or protect the security interest of the Lender in and to the Mortgaged Property and any other collateral referred to in the Collateral Documents. The Title Company is authorized to record and file the Mortgage and such other documents requested by the Lender or its counsel, in such places and in such manner the Lender or its counsel deems necessary or desirable to perfect or protect the security interest of the Lender in and to the Mortgaged Property.

Section 4.06. [Reserved].

Section 4.07. [Reserved].

Section 4.08. [Reserved].

Section 4.09. Additional Assurances. Borrower agrees, while any portion of the Note remains unpaid, that it will make, execute and deliver to Lender such promissory notes, mortgages, deeds of trust, financing statements, control agreements, instruments, documents and other agreements as Lender or its counsel may reasonably request to evidence, secure and perfect all security interests contemplated by the Documents. So long as no Event of Default has occurred and is continuing, and so long as the further assurances are not made necessary or desirable by any action or inaction of the Borrower, the Borrower shall not be responsible for the cost of preparing or recording such further assurances. Upon any failure by the Borrower so to do after 10-days' written notice from the Lender, the Lender may make, execute and record any and all such instruments, certificates and documents for and in the name of the Borrower and the Borrower hereby irrevocably appoints the Lender its agent and attorney-in-fact of the Borrower so to do. The Borrower hereby understands, acknowledges and agrees that the Lender may prepare and file such UCC financing statements or similar instruments as may be necessary to perfect the Lender's security interest in the Mortgaged Property.

Section 4.10. Issuer's Fees and Costs.

(1) If, notwithstanding any other provisions of hereof, the Issuer incurs any expense, or suffers any losses, claims or damages, or incurs any liabilities in connection with the transaction contemplated by this Agreement, the Borrower will indemnify and hold harmless the Issuer from the same and will reimburse the Issuer for any legal or other expenses incurred by the Issuer in relation thereto, except for those expenses, losses, claims, damages, and liabilities that exist as a result of the gross negligence or willful misconduct of the Issuer. The Borrower shall also reimburse the Issuer for all other costs and expenses, including without limitation reasonable attorneys' fees, paid or incurred by the Issuer in connection with (i) the discussion, negotiation, preparation, approval, execution and delivery of this Agreement, the Note, and any other documents and instruments related hereto or thereto; (ii) any amendments or modifications hereto or to the Note, and any document, instrument or agreement related hereto or thereto, and the discussion, negotiation, preparation, approval, execution and delivery of any and all documents necessary or desirable to effect such amendments or modifications; and (iii) the enforcement by the Issuer during the term hereof or thereafter of any of the rights or remedies of the Issuer hereunder or under the Note, or any document, instrument or agreement related hereto or thereto, including, without limitation, costs and expenses of collection upon the occurrence of an Event of Default, whether or not suit is filed with respect thereto.

(2) The Borrower hereby acknowledges and agrees that the Issuer shall not be liable to the Borrower, and hereby releases and discharges the Issuer from any liability, for any and all losses, costs, expenses (including reasonable attorneys' fees), damages, judgments, claims and causes of action, paid, incurred or sustained by the Borrower as a result of or relating to any action, or failure or refusal to act, on the part of the Lender with respect to this Agreement or the documents and transactions related hereto or contemplated hereby, including, without limitation, the exercise by the Lender of any of its rights or remedies pursuant to this Agreement, the Note or any collateral security documents. The Borrower's release of the Issuer pursuant to the preceding sentence does not extend to the Lender following the assignment of the Issuer's rights to the Lender pursuant to the Assignment Agreement.

ARTICLE 5 – THE BORROWER'S OPTIONS

Section 5.01. Prepayment of the Loan Repayments and the Note.

(1) The Borrower has, and is granted, the option to prepay the Loan, in whole or in part, on 30-days' notice to Lender (or such shorter notice period as the Lender approves) as described in this Loan Agreement and in the Note, together with the prepayment penalty as provided in the Note, if applicable.

(2) Partial prepayments of principal will be applied against remaining principal installments of the Loan Repayments due under this Loan Agreement, in inverse order of their due date and in a manner consistent with the terms of the Note. Prepayment of Loan Repayments shall extend equally and ratably to prepayments of payments due on the Note.

(3) In the event the Borrower elects to prepay the Loan in full, the Borrower is authorized and directed to give, in the name of the Issuer, due notice of prepayment of the Note as required by the Note, in accordance with the terms of this section and Section 7.01, and, if required by law, to give published notice of prepayment of the Note.

(4) The Borrower agrees to give the Issuer notice of any prepayment of the Note, and upon prepayment of any portion of the Note, inform the Issuer of the remaining outstanding balance or its satisfaction in full.

Section 5.02. Termination Upon Retirement of the Note. At such time as no principal balance on the Note remains unpaid, and arrangements satisfactory to the Lender and the Issuer have been made for the discharge of all other accrued liabilities, if any, under the Documents, this Loan Agreement will terminate, other than those provisions survival of which is specifically provided for herein.

Section 5.03. Notice of Prepayment. The Issuer authorizes the Borrower to give notice of prepayment on behalf of the Issuer as required by Section 5.01. Borrower shall promptly provide a copy of each such notice to each of the Issuer and the Lender.

ARTICLE 6 – EVENTS OF DEFAULT AND REMEDIES

Section 6.01. Events of Default. Any one or more of the following events is an Event of Default under this Loan Agreement:

A. if the Borrower fails to pay any Loan Repayment required under this Loan Agreement (including, without limitation, under Section 3.02 of this Loan Agreement) on or before the date that the payment is due and such payment continues unpaid for three business days after written notice from Lender (except on the maturity date of the Note or upon acceleration of the Note, when all such payments shall be due on such date without any grace period); or

B. if the Borrower fails to observe and perform any other covenant, condition or agreement on its part to be observed or performed under this Loan Agreement or any other Document to which it is a party for a period of 30 days after written notice is given to Borrower by the Lender, specifying such Default and requesting that it be remedied, (or in the case of the Unassigned Rights only, by the Issuer) unless the Lender (or in the case of the Unassigned Rights only, the Issuer) agrees in writing to an extension of such time prior to its expiration; provided, however, that if such failure cannot be cured by the payment of money and Borrower commences to cure such non-monetary failure during such thirty (30) day period and is diligently and in good faith attempting to effect such cure, Borrower shall have such additional time to cure the Event of Default (not to exceed sixty (60) days in the aggregate) if such Event of Default is a Default that reasonably requires more than 30 days to cure so long as Borrower is diligently proceeding to cure such Event of Default and further provided that no notice is required in conjunction with Borrower's Default in its obligation to maintain insurance on the Mortgaged Property; or

C. if the Borrower becomes insolvent or generally does not pay its debts as they mature or files a petition in bankruptcy or for reorganization or for an arrangement pursuant to any present or future federal bankruptcy act or under any similar federal or State law, or consents to the entry of an order for relief pursuant to any present or future federal bankruptcy act or under any similar federal or State law, or makes an assignment for the benefit of its creditors or admits in writing its inability to pay its debts generally as they become due, or if a petition or answer proposing the entry of an order for relief of the Borrower under any present or future federal bankruptcy act or any similar federal or

State law shall be filed in any court and such petition or answer shall not be filed in any court, or if a petition or answer seeking a liquidation, reorganization, arrangement with creditors or similar relief under any present or future federal bankruptcy act or any similar federal or state law is filed in any court, or a receiver, custodian, trustee or liquidator of the Borrower, or of all or substantially all of the assets of the Borrower, or of the Facilities, is appointed in any proceeding brought by or against the Borrower or if the Borrower consents to or acquiesces in such appointment, or if the estate or interest of the Borrower in the Facilities or a part thereof shall be levied upon or attached in any proceeding; or

D. if any "Event of Default" as described in the Mortgage or in any other Document has occurred and is continuing, notwithstanding any other provisions of this Loan Agreement; or

E. if any representation or warranty made by the Borrower in this Loan Agreement, any other Document to which the Borrower is a party or by the Borrower in any certificate, document or instrument furnished in connection with the issuance and sale of the Note or under the terms of this Loan Agreement shall prove at any time to be, in any material respect, incorrect or misleading as of the date made; or

F. if the Organizational Documents of the Borrower shall expire or be annulled; or if the Borrower shall be dissolved or liquidated (other than when a new entity assumes the obligations of the Borrower under the conditions permitting such action contained in Section 4.02); or

G. if the Borrower shall take any act to be dissolved or liquidated or shall be merged with or is acquired by another business entity in violation of Section 4.02; or

H. if the Borrower shall default or fail to perform any covenant, condition or agreement on its part under the Mortgage or any other Collateral Document securing the Note; and such failure continues beyond the period set forth in such Collateral Document during which the Borrower may cure the default; or

I. Any State or federal tax lien shall be filed against the Borrower or Guarantor and shall remain undischarged for a period of sixty (60) days; or

J. Except as provided in the Mortgage, all or any portion of the Facilities, or the legal, equitable or any other interest therein, shall be sold, transferred, assigned, leased, further encumbered (except as permitted herein) or otherwise disposed of, unless the prior written consent of the Lender is first obtained; provided that nothing in this Loan Agreement prohibits the Borrower from entering into an agreement for sale of the Facilities where the Loan and all other amounts due under this Loan Agreement and the other documents evidencing the Loan will be paid in full at the closing of the sale; or

K. If the Borrower fails to pay real estate taxes or any assessments payable with respect to the Mortgaged Property as and when due; provided that this shall not prevent Borrower from contesting real estate tax assessments in accordance with applicable law; or

L. Except if allowed by easement, if a survey shows that any improvements on the Mortgaged Property encroach upon any unvacated street or upon any adjoining property to an extent deemed material by the Lender; or

M. If the Borrower shall be in default with respect to any other indebtedness or liability of the Borrower to the Lender whether now existing or hereafter existing; or

N. If the conditions precedent to the initial advance on the Note as set forth in this Loan Agreement shall not have been satisfied on or before thirty (30) days from the date of this Loan Agreement and Lender has provided five (5) days written notice to Borrower of the conditions precedent that remain outstanding; or

O. If any document securing the Note ceases to be in full force and effect or shall be judicially declared null and void, or the validity or enforceability thereof shall be contested by Borrower.

Section 6.02. Remedies. Subject to Section 6.08, whenever any Event of Default referred to in Section 6.01 has happened and is continuing, Lender shall have all rights and remedies available under the Documents or under law, including, but not limited to, any one or more of the following:

A. declare the entire principal amount of all Loan Repayments payable under this Loan Agreement for the remainder of the term of this Loan Agreement with interest accrued thereon (being an amount equal to that necessary to pay the Note in full, assuming acceleration of the Note, and pay all other Indebtedness thereunder, including any prepayment fee) to be immediately due and payable, whereupon, without further notice, the same is immediately due and payable by the Borrower; or

B. require the Borrower to furnish copies of all books and records of the Borrower pertaining to the Facilities; or

C. take whatever action at law or in equity as may appear necessary or appropriate to collect the payments then due and thereafter to become due, or to enforce performance and observance of any obligation, agreement or covenant of the Borrower under the Documents; or

D. enforce any right or remedy of the Mortgagee under the Mortgage, including, without limitation, foreclose the Mortgage and proceed against the collateral described therein; or

E. enforce any other remedy contained or permitted in any of the other Documents, or any other instrument evidencing or securing the Loan; or

F. increase the interest rate payable on the Note to the Default Rate;

G. [Reserved]; or

H. any combination or all of the above.

Notwithstanding the foregoing, the Issuer may, without the consent of the Lender, but with prior written notice to Lender and subject to the limitation contained in Section 6.08D, exercise the remedies set forth in paragraph C above (and any other remedies available hereunder, at law or in equity, other than the remedies in paragraphs A and D above) with respect to the Unassigned Rights.

Section 6.03. Manner of Exercise. No remedy herein conferred upon or reserved to the Lender or the Issuer is intended to be exclusive of any other available remedy or remedies, but each and every such remedy is cumulative and in addition to every other remedy given under the Documents now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power may be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Lender or the Issuer to exercise any right reserved to it in this Article, it is necessary to give only such notice as may be herein or therein expressly required, but no remedy may be exercised by the Issuer without the prior written consent of the Lender (except as otherwise expressly provided for herein and in the Assignment Agreement and except that the Issuer may exercise any remedy deemed appropriate by the Issuer to enforce any Unassigned Rights under this Loan Agreement upon prior written notice to Lender and subject to the limitation contained in Section 6.08D).

Section 6.04. Issuer's and Lender's Fees and Expenses.

(1) In the event Borrower should Default under any of the provisions of the Documents to which it is a party and the Issuer or the Lender should employ attorneys or incur other expenses for the collection of payments or the enforcement of performance of any obligation or agreement on the part of Borrower, and/or in the event that any legal action is taken or commenced concerning the Documents, the Borrower will on demand and receipt of an accounting therefor pay to the Issuer or the Lender, respectively, the reasonable fees of such attorneys and such other reasonable and necessary expenses incurred by the Issuer or the Lender.

(2) The Borrower additionally agrees to pay on demand any costs incurred by the Issuer as a result of the Issuer's compliance with an audit, a request for closing agreement under the IRS' Tax Exempt Bonds Voluntary Closing Agreement Program (VCAP) relating to the Note or any obligations refunded by the Note, or any other type of inquiry, random or otherwise, by the IRS, the State Department of Revenue, the Office of the State Auditor, the Securities and Exchange Commission, or any other State or federal governmental agency with respect to the Note, any obligations refunded by the Note, the Borrower, the Facilities, or the Project.

Section 6.05. Effect of Waiver; No Effect on Liability.

(1) Subject to Section 6.08, the Lender may, in its discretion and without the consent or approval of the Issuer, waive any Event of Default hereunder (except any Event of Default arising from the Unassigned Rights) and its consequences and rescind any declaration of acceleration of principal; provided, however, that no action or inaction by the Lender may be deemed a waiver of any of the Lender's rights or remedies unless the Lender specifically agrees in writing that such action or inaction will constitute a waiver of its rights or remedies. Any waiver only applies to the particular instance for which it was agreed. No delay by either party in exercising and no failure by either party in exercising any right or remedy hereunder, or afforded by law, may be a waiver of or preclude the exercise of any right or remedy hereunder, or provided

by law, whether on such occasion or any future occasion, nor may such delay be construed to be a waiver of any Event of Default or acquiescence therein. The exercise or the beginning of the exercise of one right or remedy may not be deemed a waiver of the right to exercise at the same time or thereafter any other right or remedy. Nothing in this Section permits the Lender to waive an Event of Default respecting any of the Unassigned Rights without the written consent of the Issuer.

(2) Without affecting the liability of any other Person liable with respect to the Obligations and without affecting the lien or charge of the Mortgage or any other Collateral Document upon any portion of the Mortgaged Property not then or theretofore released as security for the Obligations, the Lender may from time to time and without notice (a) release any Person so liable, (b) extend the maturity or alter any of the terms of any of the Obligations, (c) grant other indulgences, (d) release or reconvey, or cause to be released or reconveyed, any parcel, portion or all of the Mortgaged Property, (e) take or release any other or additional security for the Obligations, or (f) make compositions or other arrangement with debtors in relation thereto. No sale of the Mortgaged Property in accordance with the provisions of the Collateral Documents will in any way affect the liability of any party to this Loan Agreement, or any Person liable or to become liable with respect to the Obligations. The defenses of impairment of collateral and impairment of recourse and any requirement of diligence on the Lender's part in collecting the Obligations are waived.

Section 6.06. Exercise of Remedies. Whenever any Event of Default has happened and is subsisting the Lender may, but is not obligated to, exercise any or all of the remedial rights under this Article; provided that nothing herein limits or otherwise qualifies the Issuer's enforcement and other rights under Section 6.08; beyond which the Issuer has no enforcement or remedial rights or obligations under this Article.

Section 6.07. Application of Money.

(1) Except as set forth in paragraph (2) below, any required payments hereunder and the proceeds and avails of any remedy hereunder must be applied as follows:

A. First, to the payment of all costs and proper expenses (including reasonable attorneys' fees as provided herein or as otherwise permitted by law), liabilities incurred or advances made hereunder by the Issuer or the Lender;

B. Second, to the payment to the Lender of any fees due on the Note;

C. Third, to the payment to the Lender, on behalf of the Issuer, of all amounts then owing or unpaid for interest due on the Note;

D. Fourth, to the payment to the Lender, on behalf of the Issuer, of all amounts then owing or unpaid for principal due on the Note;

E. Fifth, to the payment to the Lender on behalf of the Issuer of any amounts to be applied towards prepayment of the principal installments of the Note, in inverse order of their due date, and in a manner consistent with the terms of the Note; and

F. Sixth, provided that all of the foregoing and all other amounts owing under this Loan Agreement have been paid, to the payment of any excess to the Borrower, its successors and assigns, or to whomsoever may be lawfully entitled to receive the same.

(2) Notwithstanding the foregoing, from and after the occurrence of an Event of Default, the Lender may apply Loan Repayments in any order of application as it shall determine in its sole discretion.

Section 6.08. Issuer's Enforcement Rights. Notwithstanding any provision herein to the contrary:

A. only the Issuer has the right to extend the 30-day cure period under Section 6.01B relating to an Event of Default with respect to any of the Unassigned Rights only;

B. only the Issuer has the right to waive an Event of Default with respect to any of the Unassigned Rights only, and for that purpose the provisions of Section 6.05 apply as if the Issuer were the Lender;

C. the Issuer has the right, without the consent of the Lender, to take whatever action at law or in equity as may appear necessary or appropriate to collect Make Whole Payments then due or thereafter due, provided that in no event may the Issuer, without the consent of the Lender, exercise the other remedies in Section 6.02; and

D. no exercise of the Issuer's enforcement rights or remedies hereunder shall interfere with or diminish Lender's enforcement rights or remedies hereunder.

Section 6.09. Right of Offset. In addition to the remedies set forth in Section 6.02 hereof, upon the occurrence of any Event of Default and thereafter while the same be continuing, the Borrower irrevocably authorizes the Lender to set off all sums owing by the Borrower to the Lender against all deposits and credits of the Borrower with, and any and all claims of the Borrower against, the Lender.

ARTICLE 7 – GENERAL

Section 7.01. Notices.

(1) All notices of an Event of Default will be sufficiently given when delivered in person to an officer of the Borrower, one (1) day after deposited with a nationally recognized overnight courier or three (3) days after being when deposited in the United States mail by certified or registered mail, return receipt requested, postage prepaid, with proper address as indicated below.

(2) The Issuer, the Borrower and the Lender, by notice as set forth in the preceding paragraph, by each to the others, may designate any other address or addresses to which notices, certificates or other communications or matters to them must be sent when required as contemplated by this Loan Agreement.

(3) Until otherwise provided by the respective parties, all notices, certificates and communications required to be sent to one or more of them, as may be applicable, must be addressed as follows:

If to the Issuer: Duluth Economic Development Authority
Attention: Executive Director
411 West First Street
Duluth, MN 55802

If to the Borrower: One Roof HQ LLC
Attention: Executive Director
12 E. 4th Street
Duluth, MN 55805

If to the Lender: North Shore Bank of Commerce
Attention: Al Bastien
131 W. Superior Street
Duluth, MN 55802

With a required copy to:

Fryberger, Buchanan, Smith & Frederick, P.A.
Attention: Daniel F. Burns
302 West Superior St.
Suite 700
Duluth, MN 55802

Section 7.02. Binding Effect. This Loan Agreement inures to the benefit of and is binding upon the Issuer and the Borrower and their respective successors and assigns. Nothing contained herein or in any related document may be deemed to render the Lender or the Issuer a partner of the Borrower for any purpose. This Loan Agreement has been executed for the sole benefit of the Borrower, the Issuer, and the Lender, and no third party is authorized to rely upon the Issuer's or the Lender's rights hereunder or to rely upon an assumption that either the Issuer or the Lender has or will exercise its rights under this Loan Agreement or under any document referred to herein.

Section 7.03. Severability. If any term, condition or provision of this Loan Agreement or the application thereof to any Person or circumstance is, to any extent, held to be invalid or unenforceable, the remainder hereof and the application of the term, provision and condition to Persons or circumstances other than those as to whom it is held invalid or unenforceable will not be affected thereby, and this Loan Agreement and all the terms, provisions and conditions hereof will, in all other respects, continue to be effective and be complied with to the full extent permitted by law.

Section 7.04. Entire Agreement; Amendments, Changes and Modifications.

(1) Except as otherwise provided in the Documents, subsequent to the initial issuance of the Note and before the Documents are satisfied and discharged in accordance with their

terms, this Loan Agreement and the other Documents may not be effectively amended, changed, modified, altered or terminated without the written consent of the Lender.

(2) This Loan Agreement may be effectively amended, changed, modified, altered or terminated without the written consent of the Issuer as provided in the Assignment Agreement.

(3) This Loan Agreement and the other Documents represent the entire agreement between the parties concerning the subject matter hereof and thereof, and all oral discussions and prior agreements letters, proposals, contracts and understandings are merged herein and therein. Provided, if there is a conflict among any documents executed contemporaneously herewith with respect to the Obligations, the provision most favorable to the Lender will control.

(4) This Loan Agreement and the other Documents have been negotiated by the parties with full benefit of counsel and should not be construed against any party as author.

Section 7.05. Execution Counterparts. This Loan Agreement may be executed in several counterparts, each of which is an original and all of which constitute but one and the same instrument.

Section 7.06. Limitation on the Issuer's Liability; Payment of All Expenses.

(1) It is understood and agreed by the Borrower (a) that no covenant, provision or agreement contained in the Documents, the Note or in any other agreement, certificate or document executed or delivered in connection with the issuance of the Note, and that no obligation herein or therein imposed upon the Issuer and each of its officers, agents and employees (or any other party) or respecting the breach thereof (collectively, the "Indemnified Matters"), shall give rise to a pecuniary liability of the Issuer or a charge against its general credit or taxing powers; (b) that the Note is a special and limited revenue obligation of the Issuer, payable solely from the revenues pledged to the payment thereof pursuant to the Documents; and (c) that the Note does not now and will never be a general or moral obligation of the Issuer and does not constitute an Indebtedness of the Issuer within the meaning of any constitutional or statutory limitation and does not constitute or give rise to a pecuniary liability of the Issuer or a charge, lien or encumbrance, legal or equitable, against the Issuer's property, general credit or taxing powers. The Borrower indemnifies the Issuer and each of its officers, agents and employees (collectively, the "Indemnified Parties") and the Borrower agrees to defend the Indemnified Parties against all expense, loss, claim, judgment, damage and any other liability respecting or arising out of the Indemnified Matters, and the Borrower will reimburse the Indemnified Parties for all legal and other expenses incurred by the Indemnified Parties in relation thereto, and this covenant to indemnify and reimburse the Indemnified Parties, together with all of the other Unassigned Rights, shall survive delivery of and payment for or defeasance of the Note and the expiration or termination of any other provisions of this Loan Agreement.

(2) The Borrower will pay to the Issuer and agrees to defend the Issuer against all liabilities, costs and other expenses (including attorneys' fees) of the Issuer allowed, incurred or paid at any time in connection with any actions, transactions or other matters contemplated by or taken pursuant (or relating in any manner whatsoever) to the Note, the Documents or any of the other documents executed in connection with the issuance of or otherwise related to the Note, or as may arise in connection with any of the foregoing. The Borrower shall also reimburse the Issuer for all other costs and expenses, including without limitation reasonable attorneys'

fees, paid or incurred by the Issuer in connection with (a) the discussion, negotiation, preparation, approval, execution and delivery of the Note and the Documents and the documents and instruments related thereto; (b) any amendments or modifications to the Note or the Documents and any document, instrument or agreement related thereto, and the discussion, negotiation, preparation, approval, execution and delivery of any and all documents necessary or desirable to effect such amendments or modifications; and (c) the enforcement by the Issuer during the term hereof or thereafter of any of the Unassigned Rights or any document, instrument or agreement related hereto or thereto, including, without limitation, costs and expenses of collection in the Event of Default, whether or not suit is filed with respect thereto. The rights of the Issuer under this Section are supplementary to the Issuer's rights under the other Unassigned Rights and the provisions thereof must not be interpreted as a limitation of the Issuer's rights under this Section.

Section 7.07. [Reserved].

Section 7.08. Consent to Jurisdiction. At the option of the Lender, this Loan Agreement and the Note may be enforced in any federal court or State court sitting in St. Louis County, Minnesota; and the Borrower, Issuer, and Lender consent to the jurisdiction and venue of any such court and waive any argument that venue in such forums is not convenient. In the event the Borrower, Issuer, or the Lender commences any action in another jurisdiction or venue under any tort or contract theory arising directly or indirectly from the relationship created by this Loan Agreement, any of the other parties, at such party's option, shall be entitled to have the case transferred to one of the jurisdictions and venues above described, or if such transfer cannot be accomplished under applicable law, to have such case dismissed without prejudice.

Section 7.09. Waiver of Jury Trial. The Borrower and the Lender each irrevocably waive any and all right to trial by jury in any legal proceeding arising out of or relating to this Loan Agreement, the Note and any other Documents or the transactions contemplated hereby or thereby.

Section 7.10. USA PATRIOT Act. Federal law requires all financial institutions to obtain, verify and record certain information to verify the identity of each Person or entity that opens an account, including deposit accounts, treasury management accounts, loan account or other extension of credit, or other financial services. The Lender will ask the Borrower for the Borrower's name, address, taxpayer identification number and such other information as will allow the Lender to identify the Borrower. The Lender will verify and record the information and will retain and maintain the record as required by the USA PATRIOT Act and implementing regulations. Borrower warrants and represents that the information it provides to Lender for these purposes is and will be correct and accurate.

Section 7.11. Consent to Loan Participation, Assignment.

(1) Borrower agrees and consents, subject to the requirements of the Assignment Agreement, to Lender's sale or transfer, whether now or later, of one or more participation interests in the Loan to one or more participants, whether related or unrelated to Lender.

(2) Borrower agrees that Lender may provide, without any limitation whatsoever, to any participant or potential participant, any information or knowledge Lender may have about the Borrower or any other matter relating to the Loan, and Borrower waives any rights to privacy it may have with respect to such matters except those matters subject to applicable privacy laws

and confidentiality agreements to which the Borrower is a party; provided, however, that the Lender shall instruct any participant or potential participant that any information given by the Lender to any such participant or potential participant that concerns the financial or other affairs of the Borrower shall be received and kept by the participant or potential participant in full confidence and will not be revealed to any other Person, firm or organization or used for any purpose whatsoever other than determining whether or not to participate in the Loan.

(3) Borrower waives (a) any and all notices of sale of participation interests; (b) all notices of any repurchase of such participation interests; (c) all rights of offset or counterclaim that it may have now or later against Lender or against any participant in the Loan arising out of the participation.

(4) Borrower acknowledges that the participant or participants in the Loan may succeed to the rights of the Lender under the terms and conditions set forth in a participation agreement between the Lender and such participant or participants and that in such circumstances the participant or participants may enforce Borrower's obligation under the Loan, such enforcement to be irrespective of the failure or insolvency of the Registered Owner or any participant in the Loan.

Section 7.12. Expenses of Lender. The Borrower shall pay or reimburse the Lender for any and all costs and expenses, including, without limitation, reasonable attorneys' fees, paid or incurred by the Lender in connection with (i) review, negotiation, preparation, and approval of this Loan Agreement and any other Document or agreement related hereto or thereto or the transactions contemplated hereby; (ii) the review, negotiation, preparation, and approval of any amendments, modifications or extensions to any of the foregoing documents, instruments or agreements, and the preparation and consummation of any and all documents necessary or desirable to effect such amendments, modifications or extensions; (iii) any appraisals, surveys, environmental assessments or other reports relating to the Facility which the Lender is authorized to seek, order or prepare pursuant to this Loan Agreement or any other instrument evidencing or securing the Loan or is required to seek, order or prepare pursuant either to applicable laws or regulations or the Lender's policies or procedures generally applicable to commercial mortgage loans by the Lender; (iv) all title insurance premiums, filing and recording fees and mortgage registration tax paid or payable in connection with the consummation of the transaction contemplated hereby; and (v) the enforcement by the Lender during the term hereof or thereafter of any of the rights or remedies of the Lender under any of the foregoing documents, instruments or agreements or under applicable law, whether or not suit is filed with respect thereto (attorneys' fees and costs are limited to reasonable fees and costs).

Section 7.13. Release. The Borrower hereby acknowledges and agrees that the Issuer shall not be liable to the Borrower, and hereby releases and discharges the Issuer from any liability, for any and all losses, costs, expenses (including attorneys' fees), damages, judgments, claims and causes of action, paid, incurred or sustained by the Borrower as a result of or relating to any action, or failure or refusal to act, on the part of the Lender with respect to this Agreement or the documents and transactions related hereto or contemplated hereby, including, without limitation, the exercise by the Lender of any of its rights or remedies pursuant to the Loan Agreement or other Documents

(remainder of page left blank intentionally)

IN WITNESS WHEREOF, the Issuer and the Borrower have caused this Loan Agreement to be executed in their respective names, all as of the Closing Date.

DULUTH ECONOMIC DEVELOPMENT
AUTHORITY

Board President

Board Secretary

(signature page to Loan Agreement)

THE UNDERSIGNED HAS A THOROUGH UNDERSTANDING OF THE TERMS AND CONDITIONS OF THIS LOAN AGREEMENT AND AGREES TO BE BOUND HEREBY.

ONE ROOF HQ LLC

By: _____
[Name]
Its: [Title]

By: _____
[Name]
Its: [Title]

(signature page to Loan Agreement)

ACKNOWLEDGMENT OF LENDER

The undersigned authorized representative of the Lender described in the attached Loan Agreement dated the Closing Date, between the Duluth Economic Development Authority, and One Roof HQ LLC (the "Loan Agreement") acknowledges that the Loan Agreement is the Loan Agreement being assigned to the Lender pursuant to the Assignment Agreement dated the Closing Date, between the Issuer, the Lender and the Borrower, and on behalf of the Lender, agrees to be bound by provisions relating to the Lender in the Loan Agreement.

NORTH SHORE BANK OF COMMERCE

By: _____
Al Bastien
Its: Vice President

EXHIBIT A

FORM OF ANNUAL REPORT OF OUTSTANDING NOTE AMOUNT

_____, 20__

Duluth Economic Development Authority
Attention: Executive Director
411 West First Street
Duluth, MN 55802

**Re: Duluth Economic Development Authority, 501(c)(3) Facilities Revenue Note
(One Roof Project), Series 2026**

Dear _____:

The following is our report regarding the outstanding Note as of the end of the prior calendar year pursuant to Section 3.12 of the Loan Agreement:

Date of issuance: _____, 2026

Original issue amount: \$_____

Principal balance outstanding on 12/31/____ (end of previous calendar year):
\$_____

Principal payments due in calendar 20____ (current reporting year): \$_____

One Roof HQ LLC

By: _____

Title: _____

Name: _____