

**LOAN AGREEMENT  
(SAC/WAC LOAN FUND)**

THIS LOAN AGREEMENT (the "Agreement"), effective **XXXXXX, 202X**, is between the City of Ramsey, Minnesota, a municipal corporation under the laws of the State of Minnesota (the "City"), and Stories Foundation, a Minnesota non-profit corporation (the "Borrower").

**RECITALS**

A. The City has established its SAC/WAC Loan Fund (the "Fund") as a means to assist specific businesses within the City of Ramsey, Minnesota (the "City"), which incur SAC/WAC charges.

B. The Borrower has applied for, and the City agrees to make, a loan from the Fund to the Borrower pursuant to the terms and conditions of this Agreement, and the policy of the City which governs the Fund.

THEREFORE, to induce the City to make the Loan (as defined herein) to the Borrower, and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. The Loan Amount. Subject to and upon the terms and conditions of this Agreement, the City agrees to loan to the Borrower the sum of \$40,068.00, or so much thereof as is disbursed to the Borrower in accordance with this Agreement (the "Loan"). Proceeds of the Loan shall be disbursed in accordance with Section 3 hereof.

2. Repayment of Loan. The Loan shall be repaid without interest as follows:

(a) Interest at the rate of zero percent (0.00%) per annum shall accrue from the Loan Closing Date (as hereinafter defined) until the Loan is repaid in full.

(b) Monthly payments of principal and interest shall be deferred for the first three hundred sixty-five (365) days immediately following the Loan Closing Date. Commencing three hundred sixty-five (365) days after the Loan Closing Date (the "Initial Payment Date") and continuing the same day of every year thereafter for four more years, the Borrower shall make annual payments of principal and interest in the amount of \$8,904 subject to Section 9.

3. Disbursement of Loan Proceeds.

(a) The Loan proceeds shall be paid by the City on the closing date or such other date as the parties hereto agree (the "Loan Closing Date"). The loan proceeds will be distributed to governing authorities who provide sewer and water access to the borrower's place of business.

(b) Before any Loan proceeds are disbursed, the Governor of the State of Minnesota shall have permitted, by Executive Order, the Borrower to reopen and operate its business, and the Borrower shall have delivered to the City:

- (i) this Agreement, signed by the Borrower;
- (ii) a completed application for the Fund;
- (iii) the Borrower's two most recent business tax returns;
- (iv) signed credit check authorization form, and personal financial statement form;
- (v) itemized operating expenses for the years 2020 and 2019.
  
- (vi) articles of incorporation or organization, or other document(s) of similar import;
- (vii) CMDC debt schedule form;
  
- (viii) A signed copy of the Note.

4. Representations and Warranties. The Borrower represents and warrants to the City.

(a) The Borrower is a Minnesota non-profit corporation and is duly authorized and empowered to execute and deliver this Agreement, perform all obligations hereunder, and to borrow money from the City.

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

(c) This Agreement has in fact been duly executed and delivered by the Borrower, and constitutes a lawful and binding obligation, legally enforceable against the Borrower.

(d) The Borrower warrants that it shall keep and maintain books, records, and other documents relating directly to the receipt and disbursements of Loan proceeds and that any duly authorized representative of the City shall, at all reasonable times, have access to and the right to inspect, copy, audit, and examine all such books, records, and other documents of the Borrower pertaining to the Loan until the completion of all closeout procedures and the final settlement and conclusion of all issues arising out of this Loan.

(e) The Borrower warrants that it has fully complied with all applicable state and federal laws pertaining to its business and will continue to comply throughout the terms of this Agreement. If at any time Borrower receives notice of noncompliance from any governmental entity, the Borrower agrees to take any necessary action to comply with the state or federal law in question.

(f) The Borrower warrants that it will not create, permit to be created, or allow to exist any liens, charges, or encumbrances prior to the obligation created by this Loan Agreement, except as otherwise authorized in writing by the City.

(g) The Borrower has read and understands the SAC-WAC Loan Fund Policy (the "Policy"), including but not limited to all eligibility requirements of receiving a loan from the Fund, and represents and warrants that it is an Eligible Business, and not engaged in Ineligible Activities, and is seeking the Loan and shall use the proceeds thereof for Eligible Expenditures, all as defined and in accordance with the Policy, which is fully incorporated herein by reference.

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

(a) the Borrower fails to pay any principal or interest on the Loan when due;

(b) any false representation or warranty made by the Borrower herein or in any document, instrument, or certificate given in connection with this Agreement or the Loan;

(c) the Borrower fails to pay its debts as they become due, makes an assignment for the benefit of its creditors, admits in writing its inability to pay its debts as they become due, files a petition under any chapter of the Federal Bankruptcy Code or any similar law, state or federal, now or hereafter existing, becomes "insolvent" as that term is generally defined under the Federal Bankruptcy Code, files an answer admitting insolvency or inability to pay its debts as they become due in any involuntary bankruptcy case commenced against it, or fails to obtain a dismissal of such case within sixty (60) days after its commencement or convert the case from one chapter of the Federal Bankruptcy Code to another chapter, or be the subject of an order for relief in such bankruptcy case, or be adjudged a bankrupt or insolvent, or has a custodian, trustee, or receiver appointed for, or has any court take jurisdiction of its property, or any part thereof, in any proceeding for the purpose of reorganization, arrangement, dissolution, or liquidation, and such custodian, trustee, or receiver is not discharged, or such jurisdiction is not relinquished, vacated, or stayed within sixty (60) days of the appointment;

(d) any breach or failure of the Borrower to perform any other term or condition of this Agreement not specifically described as an Event of Default in this Agreement and such breach or failure continues for a period of thirty (30) days after the City has given written notice to the Borrower specifying such default or breach, unless the City agrees in writing to an extension of such time prior to its expiration; provided, however, if the failure stated in the notice cannot be corrected within the applicable period, the City will not unreasonably withhold its consent to an extension of such time if corrective action is

instituted by the Borrower within the applicable period and is being diligently pursued until the Default is corrected, but no such extension shall be given for an Event of Default that can be cured by the payment of money (i.e., payment of taxes, insurance premiums, or other amounts required to be paid hereunder).

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

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

7. The City's Costs of Enforcement of Agreement. If an Event of Default has occurred as provided herein, then upon demand by the City, the Borrower shall pay or reimburse the City for all expenses, including all attorneys' fees and expenses incurred by the City in connection with the enforcement of this Agreement.

8. Indemnification

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

(b) Should the City, or its officers, agents, or employees, incur any such liability or be required to defend against any claims or demands, or should a judgment be entered against the City, the amount thereof, including costs, expenses, and attorney's fees, shall be secured hereby, shall be added to the Loan, and the Borrower shall reimburse the City for the same immediately upon demand, and upon the failure of the Borrower to do so, the City may declare the Loan immediately due and payable.

(c) This indemnification and hold harmless provision shall survive the execution, delivery, and performance of this Agreement and the creation and payment of any indebtedness to the City. The Borrower waives notice of the acceptance of this Agreement by the City.

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

9. Loan Forgiveness. The Loan shall be forgiven by the City as follows:

(a) The annual payment of 20% of the principal amount of the Loan shall be forgiven each year if (i) the Borrower maintains its business operations as a full-service restaurant within the City from the Loan Closing Date through the Initial Payment Date, and each annual payment date thereafter and (ii) the Borrower submits evidence satisfactory to the City that the Borrower used the proceeds of the Loan solely for eligible working capital expenditures, as listed in Section 4(f) of this agreement.

10. Miscellaneous.

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

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

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

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

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

To the City:           City of Ramsey  
7550 Sunwood Dr. N.W.  
Ramsey, MN 55303  
Attn: Economic Development Manager

To the Borrower:       Stories Foundation  
PO BOX 431022  
Brooklyn Park, MN 55443  
Attn: Mark Thurston,  
Vice Chair, Board of  
Directors

(f) Termination. This Agreement shall terminate at the earlier of (i) repayment of the Loan in full by the Borrower, or (ii) forgiveness of the Loan by the City.

(g) Entire Agreement. This Agreement constitutes the complete and exclusive statement of all mutual understandings between the parties with respect to this Agreement, superseding all prior or contemporaneous proposals, communications, and understandings, whether oral or written, concerning the Loan.

(h) Headings. The headings appearing at the beginning of the several sections contained in this Agreement have been inserted for identification and reference purposes only and shall not be used in the construction and interpretation of this Agreement.

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

THE CITY OF RAMSEY

By \_\_\_\_\_  
Its \_\_\_\_\_

By \_\_\_\_\_  
Its \_\_\_\_\_

This Loan Agreement has been duly executed and delivered by the Borrower on the day and year first written above.

Stories Foundation

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By: Mark Thurston  
Its Vice Chair, Board of Directors