

## LOAN AGREEMENT

### (ROSEVILLE ECONOMIC DEVELOPMENT AUTHORITY FIRST-GENERATION DOWN PAYMENT ASSISTANCE LOAN PROGRAM)

THIS LOAN AGREEMENT (this "Agreement") is made and entered into this \_\_\_ day of \_\_\_\_\_, 20\_\_, between the ROSEVILLE ECONOMIC DEVELOPMENT AUTHORITY, a public body corporate and politic under the laws of Minnesota (the "Authority"), and [INSERT NAME AND MARITAL STATUS OF EACH BORROWER] (the "Borrower"):

### RECITALS

- A. The Authority has established its First-Generation Down Payment Assistance Loan Program (the "Loan Program") to encourage and assist in financing the acquisition, preservation and stabilization of affordable and mixed-income housing in the City of Roseville (the "City").
- B. The Loan Program is a local incentive program designed to provide persons who desire to own residential property within the City, and who are first-generation home buyers, with financial support to acquire a home. In connection with the Loan Program, the Authority has approved the First-Generation Down Payment Assistance Loan Guidelines (the "Program Guidelines"), which are fully incorporated by reference into this Agreement and contain, in part, a summary and background of the Loan Program, eligibility requirements, terms, occupancy requirements, and other Loan Program-specific policies and procedures.
- C. The Borrower desires to acquire certain real property located at \_\_\_\_\_ in the City and legally described in Exhibit A attached hereto (the "Property"). The Borrower wishes to make a down payment on the Property with Loan Program assistance.
- D. Pursuant to the Loan Program Guidelines, the Borrower has provided an application to the Center for Energy and Environment ("CEE"), as administrator of the Loan Program, to participate in the Loan Program, and CEE has determined that the Borrower is eligible to participate.
- E. The Authority has agreed to lend to the Borrower, upon execution of this Agreement and certain additional loan documents described herein, a deferred loan of [\$INSERT LOAN AMOUNT] to make a down payment on the Property.
- F. The Authority has reviewed this Agreement and finds that execution of this Agreement by the Authority and performance of the Authority's obligations hereunder are in the best interests of the Authority, the City, and its residents.
- G. The parties are authorized and empowered to enter into this Agreement under the laws of the State of Minnesota.

NOW, THEREFORE, in consideration of the mutual covenants and promises hereinafter set forth, the Authority and the Borrower agree as follows:

1. The recitals set forth in the preamble to this Agreement and the exhibits attached to this Agreement are incorporated into this Agreement as if fully set forth herein.
2. The Borrower agrees to make a down payment to be applied to acquisition of the Property in accordance with its application. Upon receipt of a draft settlement statement evidencing the purchase price of the Property, verification that all compliance requirements have been met to the satisfaction of the Authority, and in accordance with the Program Guidelines, the Authority agrees to provide funds in an amount not to exceed [INSERT LOAN AMOUNT] (the "Loan") to the Borrower to be applied to the purchase price of the Property. Such Loan shall be provided consistent with the Program Guidelines and this Agreement as a deferred loan, pursuant to the Promissory Note (the "Note") of even date herewith, the terms of which are incorporated herein by reference, and the Note will be subject to all terms of the Program Guidelines.
3. The Borrower agrees to apply the proceeds of the Loan to the purchase price of the Property and fully comply in all respects with the Program Guidelines, and acknowledges that all terms, conditions, and requirements contained in the Program Guidelines, as attached hereto, are made part of this Agreement.
4. In accordance with the Program Guidelines, the Borrower agrees to execute the Note and a separate mortgage (the "Mortgage"), the terms of which are incorporated herein by reference. All documents executed shall, as deemed necessary by the Authority, be filed with the Ramsey County Recorder/Registrar of Titles. The Authority shall maintain the Mortgage as a lien on the Property.
5. The following shall be Events of Default under this Agreement:
  - (a) failure to pay the principal of the Loan when due;
  - (b) any representation or warranty made by the Borrower herein or in any document, instrument, or certificate given in connection with this Agreement, the Mortgage, or the Note is false when made;
  - (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 thirty (30) days after its commencement or convert the case from one chapter of the Federal Bankruptcy Code to another chapter, or be the subject of an order for relief in such bankruptcy case, or be adjudged as bankrupt or insolvent, or has a custodian, trustee, or receiver appointed for, or has any court take jurisdiction of its property, or any part thereof, in any proceeding for the purpose of reorganization, arrangement, dissolution, or liquidation, and such custodian, trustee, or receiver is not discharged, or such jurisdiction is not relinquished, vacated, or stayed within thirty (30) days of the appointment;
  - (d) a garnishment summons or writ of attachment is issued against or served upon the Authority for the attachment of any property of the Borrower in the Authority's possession or any indebtedness owing to the Borrower, unless appropriate papers are filed by the

Borrower contesting the same within thirty (30) days after the date of such service or such shorter period of time as may be reasonable in the circumstances;

- (e) 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 fifteen (15) days after the Authority has given written notice to the Borrower specifying such default or breach, unless the Authority 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 Authority 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); and
  - (f) any breach by the Borrower of any other agreement between the Borrower and the Authority, or Borrower and the City.
6. The Borrower, for itself and for its successors and/or its assigns, further agrees and consents to the filing of such security instruments and this Agreement with the government officials or entities appropriate to protect the interest of the Authority in the Property.
  7. Without limitation of any provision set forth herein, the Borrower agrees to pay to the Authority any costs or expenses, including without limitation attorneys' fees, incurred by the Authority in enforcing any provision of this Agreement.
  8. Except as expressly set forth herein, nothing in this Agreement shall constitute a limitation or waiver of the Authority's or the City's right to enforce any ordinance, law, rule, or regulation.
  9. The Borrower shall and does hereby agree to protect, defend, indemnify and hold the Authority and the City, including their officers, agents, and employees, harmless of and from any and all liability, loss, or damage that it may incur under or by reason of this Agreement, and of and from any and all claims and demands whatsoever that may be asserted against the Authority or the City by reason of any alleged obligations or undertakings on the part of the Authority to perform or discharge any of the terms, covenants, or agreements contained in this Agreement. This indemnification and hold harmless provision shall survive the execution, delivery, and performance of this Agreement and the payment or repayment of any Loan. The Borrower waives notice of the acceptance of this Agreement by the Authority. Nothing in this Agreement shall constitute a waiver or limitation of the Authority's or the City's immunities or limitations on liability as set forth in Minnesota Statutes, Chapter 466 or otherwise.
  10. A notice, demand, or other communication under this Agreement by either party to the other shall be sufficiently given or delivered if it is dispatched by registered or certified mail, postage prepaid, return receipt requested, or delivered personally; and
    - (c) in the case of the Borrower is addressed to or delivered personally to the Borrower at [INSERT BORROWER ADDRESS];
    - (d) in the case of the Authority, is addressed to or delivered personally to the Authority at 2660 Civic Center Drive, Roseville, MN 55113, Attn: Executive Director.

or at such other address with respect to either such party as that party may, from time to time, designate in writing and forward to the other as provided in this Section.

11. This Agreement may be executed in any number of counterparts, each of which shall constitute one and the same instrument.
12. The Authority and the Borrower acknowledge that nothing contained in this Agreement nor any act by the Authority and the Borrower shall be deemed or construed by the parties or by any third person to create any relationship of third-party beneficiary, principal and agent, limited or general partner, or joint venture between the Authority, the City, and the Borrower.
13. This Agreement shall be governed by and construed in accordance with 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.
14. The performance or observance of any promise or condition set forth in this Agreement may be waived, amended, or modified only by a writing signed by the Borrower and the Lender. No delay in the exercise of any power, right, or remedy operates as a waiver thereof, nor shall any single or partial exercise of any other power, right, or remedy.
15. This Agreement may be modified solely through written amendments hereto executed by both the Borrower and the Authority.
16. The Borrower shall not assign, subcontract, transfer, or pledge this Agreement whether in whole or in part, without the prior written consent of the Authority.
17. Wherever possible, each provision of this Agreement and each related document shall be interpreted so that it is valid under applicable law. If any provision of this Agreement or any related document is to any extent found invalid by a court or other governmental entity of competent jurisdiction, that provision shall be ineffective only to the extent of such invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement or any other related document.
18. This Agreement, together with the exhibits hereto, which are expressly incorporated by reference, constitutes the complete and exclusive statement of all mutual understandings between the parties with respect to this Agreement, superseding all prior or contemporaneous proposals, communications, and understandings, whether oral or written, pertaining to the subject matter of this Agreement or concerning the Loan.
19. This Agreement shall be recorded among the land records of Ramsey County. The provisions of this Agreement shall run with the Property and be binding upon the Borrower and its assigns or successors in interest.
20. Each of the undersigned parties warrants it has the full authority to execute this Agreement.

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

**ROSEVILLE ECONOMIC  
DEVELOPMENT AUTHORITY**

By: \_\_\_\_\_  
Dan Roe, President

By: \_\_\_\_\_  
Patrick Trudgeon, Executive Director

(Authority signature page– First-Generation Down Payment Assistance Loan Agreement)

BORROWER:

\_\_\_\_\_

Printed name: \_\_\_\_\_

[ \_\_\_\_\_

Printed name: \_\_\_\_\_ ]

(Borrower signature page– First-Generation Down Payment Assistance Loan Agreement)

**EXHIBIT A**

**LEGAL DESCRIPTION OF THE PROPERTY**

That property located within Ramsey County, Minnesota and legally described as follows:

[INSERT LEGAL DESCRIPTION OF PROPERTY]