



NORTH BRANCH

—Minnesota—

Sara Paul
Chair

Dennis Johnson
Vice Chair

Jessica Thelander
Commissioner

Nyle LaGrange
Commissioner

Marshall Saunders
Commissioner

Peter Schaps
Councilmember

Kevin Schieber
Mayor

**ECONOMIC DEVELOPMENT AUTHORITY
REGULAR AGENDA
TUESDAY, FEBRUARY 18, 2025 @ 3:30 PM
CITY HALL, 6408 ELM STREET, NORTH
BRANCH, MN 55056**

1. CALL TO ORDER
2. PLEDGE OF ALLEGIANCE
3. ROLL CALL

4. AGENDA APPROVAL
 - a. Approve Agenda

ACTION

5. PUBLIC COMMENT
6. CONSENT AGENDA

7. REPORTS
 - a. Chisago County HRA-EDA Update
 - b. North Branch Area Chamber of Commerce Update
 - c. North Branch Area Schools Update
 - d. EDA Executive Director Update

VERBAL
UPDATE

VERBAL
UPDATE

VERBAL
UPDATE

VERBAL
UPDATE

- e. Resolution R-151-2025 Approving a Downtown Storefront forgivable loan to Minnesota Home Guys at 6434 Main Street ACTION
 - f. Resolution R-150-2025 Approving a Downtown Storefront forgivable loan to Merchants Cafe at 6338 Main Street ACTION
 - g. Interstate Business Park Design Standards VERBAL UPDATE
 - h. Downtown Improvements Subcommittee VERBAL UPDATE
8. CLOSED SESSION
- a. Closed meeting pursuant to Minn. Stat. 13D.05, sub. 3 (c) to consider the sale of real property identified as Lot 2-4, Block 2, Essby Business Park 4th Addition, North Branch, Minnesota ACTION
9. NEXT MEETING - March 18, 2025 - 3:30 PM

10. ADJOURNMENT

EDA Mission Statement.

To be proactive in maintaining and enhancing the economic viability of North Branch through partnerships, innovation, and strategic action.

EDA Goals:

- Successfully become one of the first communities in the region mentioned as a choice for business location.
- Attract new industries that bring an enhanced tax base, quality jobs, and new capital into the community.
- Support existing businesses and encourage their continued prosperity and growth.
- Address critical systems that influence site location decisions.



Prepared By: Nathan Sondrol, Community Development Director

Presenter: Nathan Sondrol, Community Development Director

Date: 02/12/2025

Board & Commission:

Subject: Chisago County HRA-EDA Update

Chisago County HRA-EDA Update

Voting Requirements:



Prepared By: Nathan Sondrol, Community Development Director

Presenter:

Date: 02/12/2025

Board & Commission:

Subject: North Branch Area Chamber of Commerce Update

North Branch Area Chamber of Commerce Update

Voting Requirements:



Prepared By: Nathan Sondrol, Community Development Director

Presenter: Nathan Sondrol, Community Development Director

Date: 02/12/2025

Board & Commission:

Subject: North Branch Area Schools Update

North Branch School Update

Voting Requirements:



Prepared By: Nathan Sondrol, Community Development Director

Presenter: Nathan Sondrol, Community Development Director

Date: 02/12/2025

Board & Commission:

Subject: EDA Executive Director Update

The EDA Executive Director will provide an update at the meeting

Voting Requirements:



Prepared By: Nathan Sondrol, Community Development Director

Presenter: Nathan Sondrol, Community Development Director

Date: 02/12/2025

Board & Commission: Economic Development Authority

Subject: Resolution R-151-2025 Approving a Downtown Storefront forgivable loan to Minnesota Home Guys at 6434 Main Street

Overview / Background

The Economic Development Authority (EDA) budget for Fiscal Year 2024 included \$75,000, allowing the EDA to establish a Storefront Rehabilitation Grant Program. The funding is intended to help incentivize façade restoration and enhancements by businesses and/or property owners that restore the “historic” existing buildings within the old downtown area. The program funding is set up as technically a 0% forgivable loan over a five (5) year term, with repayment waived 20% each year through the end of the term. At that time, the funding becomes a “grant.” Should the property change hands at any time during the five (5) year timeline, the remaining balance would be due at the time of said transaction. The property owners would be required to agree to either a mortgage or some type of loan security.

The attached policy funds covering 50% of the improvement cost up to \$25,000. This would allow for up to three (3) “grants”. The EDA has discretion to approve a larger funding award to a business, if the project meets the program intent and also meets the program goals with the district, and also supports the vision and goals for the Central Business District / Downtown area. The program establishes guidelines and defines eligible and ineligible improvements for the funding, as well as maintenance requirements.

Funding is intended to restore the storefronts of the existing buildings to their original appearances as they existed at the time of their construction. Given the age of many of the buildings, and historic photos, those storefronts included large floor-to-ceiling windows with recessed doors. Most of the buildings were brick facades.

Although the focus is on restoration of existing buildings, the guidelines can serve as guidance to new buildings and/or restoration of newer buildings. Thus, the EDA has discretion to award funding to update and upgrade non-historic buildings within the district, but are still important to fund such improvements.

There has been interest expressed in the program and an application has been submitted by James Kolde from Minnesota Home Guys for improvements to their building located at 6434 Main Street. The proposed improvements are attached.

The EDA discussed the application at the January 21, 2025 meeting and recommend approval of moving forward with drafting the agreement with Mr. Kolde for the proposed improvements at 6434 Main St.

Recommended Economic Development Authority Action

To approve Resolution R-150-2025 approving a downtown storefront forgivable loan to Merchants Cafe at 6338 Main Street.

Voting Requirements:

Voting Options Simple Majority

STATE OF MINNESOTA

COUNTY OF CHISAGO

CITY OF NORTH BRANCH

ECONOMIC DEVELOPMENT AUTHORITY RESOLUTION NO. R-151-2025

A RESOLUTION APPROVING TERMS OF A LOAN TO MINNESOTA HOME GUYS LLC, FROM THE EDA'S FAÇADE IMPROVEMENT FORGIVABLE LOAN PROGRAM

WHEREAS, the EDA was created by the City of North Branch under the authority of Minnesota Statutes, Chapter 469 to promote economic development and to coordinate and administer related plans and programs in the City of North Branch; and

WHEREAS, the EDA has established a revolving loan fund to carry out its economic development mission, and has created a Facade Improvement Forgivable Loan Program (the "Loan Program"), which administers certain funds as a matching grant to qualified projects for the purpose of encouraging building owners to invest in the exterior fronts of their buildings to extend the life of the buildings, and to foster business and economic growth within the City; and

WHEREAS, Recipient has applied through the Facade Improvement Program to the EDA for a forgivable loan in the amount of Twenty-five Thousand and 00/100ths Dollars (\$25,000.00) (the "Request") to assist with the rehabilitation of its building facade in accordance with the, Loan Program(the "Project"); and

WHEREAS, Recipient is the owner of the above-mentioned subject Project property, which is located at 6434 Main Street, North Branch, MN 55056 (PID No.16.00305.00) (the "Property") and desires to make capital improvements, rehabilitate the building, and complete the Project upon the Property pursuant to the Recipient's Loan Program application dated December 18, 2024 and

WHEREAS, the parties anticipate that the total cost of the Project will total approximately \$54,855, of which 50% of those costs up to a maximum of \$25,000, would be eligible for reimbursement through the Loan Program; and

WHEREAS, the EDA has determined that the Recipient's above-referenced Loan Program application Request is consistent with the intent and purposes of the Loan Program, satisfies the Loan Program requirements, and has agreed to make the requested loan in the principal amount of Twenty-five Thousand and 00/100ths Dollars (\$25,000.00) to Recipient in accordance with the terms and conditions provided herein; and

WHEREAS, granting the Request for the Project is not a business subsidy for the purposes of Minn. Stat. §§ 116J.993 and 116J.994; and

WHEREAS, pursuant to a duly adopted Resolution, dated February 18, 2025 the EDA has approved the Request and the execution of this Loan Agreement for the Project.

NOW THEREFORE, BE IT RESOLVED BY THE NORTH BRANCH ECONOMIC DEVELOPMENT AUTHORITY APPROVAL OF THE TERMS OF A LOAN TO MINNESOTA HOME GUYS LLC, FROM THE EDA'S FAÇADE IMPROVEMENT FORGIVABLE LOAN PROGRAM SUBJECT TO APPROVAL TO THE ATTACHED DOCUMENTS:

1. LOAN AGREEMENT
2. PROMISSORY NOTE
3. PERSONAL GUARANTY
4. BORROWERS AFFIDAVIT

**NORTH BRANCH ECONOMIC DEVELOPMENT AUTHORITY
FACADE IMPROVEMENT FORGIVEABLE LOAN**

LOAN AGREEMENT

THIS LOAN AGREEMENT (this “Agreement”) is made and entered into as of this _____ day of _____, 20____ (the “Effective Date”), by and between Minnesota Home Guys a Limited Liability Company, under the laws of the State of Minnesota, 10800 Lyndale Ave S, Ste 275, Bloomington, MN 55420 (the “Recipient”), and the North Branch Economic Development Authority, a body politic and corporate under the laws of the State of Minnesota, 6408 Elm Street, North Branch, Minnesota 55056 (the “EDA”); (collectively the “parties”).

WHEREAS, the EDA was created by the City of North Branch under the authority of Minnesota Statutes, Chapter 469 to promote economic development and to coordinate and administer related plans and programs in the City of North Branch; and

WHEREAS, the EDA has established a revolving loan fund to carry out its economic development mission, and has created a Facade Improvement Forgivable Loan Program (the “Loan Program”), which administers certain funds as a matching grant to qualified projects for the purpose of encouraging building owners to invest in the exterior fronts of their buildings to extend the life of the buildings, and to foster business and economic growth within the City; and

WHEREAS, Recipient has applied through the Facade Improvement Program to the EDA for a forgivable loan in the amount of **Twenty-five Thousand and 00/100ths Dollars (\$25,000.00)** (the “Request”) to assist with the rehabilitation of its building facade in accordance with the, Loan Program(the “Project”); and

WHEREAS, Recipient is the owner of the above-mentioned subject Project property, which is located at 6434 Main Street, North Branch, MN 55056 (PID No.16.00305.00) (the “Property”) and desires to make capital improvements, rehabilitate the building, and complete the Project upon the Property pursuant to the Recipient’s Loan Program application dated December 18, 2024 and

WHEREAS, the parties anticipate that the total cost of the Project will total approximately \$54,855, of which 50% of those costs up to a maximum of \$25,000, would be eligible for reimbursement through the Loan Program; and

WHEREAS, the EDA has determined that the Recipient’s above-referenced Loan Program application Request is consistent with the intent and purposes of the Loan Program, satisfies the Loan Program requirements, and has agreed to make the requested loan in the principal amount of **Twenty-five Thousand and 00/100ths Dollars (\$25,000.00)** to Recipient in accordance with the terms and conditions provided herein; and

WHEREAS, granting the Request for the Project is not a business subsidy for the purposes of Minn. Stat. §§ 116J.993 and 116J.994; and

WHEREAS, pursuant to a duly adopted Resolution, dated February 18, 2025 the EDA has approved the Request and the execution of this Loan Agreement for the Project.

NOW THEREFORE, for good and valuable consideration, the parties agree as follows:

1. AMOUNT AND TERMS OF THE LOAN.

- a. Loan. Subject to, and upon the terms and conditions herein set forth, the EDA agrees to make the Loan to Recipient in the principal amount of **Twenty-Five Thousand and 00/100ths Dollars (\$25,000.00)** (the “Loan”).
- b. Term and Forgiveness. The term of the Loan shall be five (5) years from the Effective Date of this Agreement, with 20% of the Loan balance being forgiven each year until the term has expired, unless a default event occurs making the entire balance due and payable in full as provided in Section 8 of this Agreement.
- c. Interest. No interest shall accrue on the Loan Funds, except following default as provided in Section 8 of this Agreement.
- d. Promissory Note. Recipient shall execute a Promissory Note in the amount of the Loan.
- e. Disbursement Upon Completion of Project. The Loan shall be disbursed to Recipient upon the completion of the Project. Recipient shall make a formal request to the EDA for disbursement upon completion of the work, by submitting a final invoice to the EDA, as provided herein below.

2. REPRESENTATIONS OF RECIPIENT. Recipient warrants that the following statements are true:

- a. The statements and representations made in Recipient’s Request/application for the Loan were at the time of the request and as of the date hereof true and correct.
- b. Recipient is in good standing with all public entities having any authority or jurisdiction over Recipient.
- c. Recipient is currently in compliance with and shall at all times remain in compliance with all federal, state and local laws, rules and regulations, which apply to Recipient.
- d. Recipient is current on local property tax and special assessment payments owing on Recipient’s Property, which is the subject of this Agreement.
- e. Recipient shall use the Loan proceeds for, and only for, the Project on the Property and purposes stated in Recipient’s Request or as otherwise approved by the EDA in the award of the Loan.

3. **LOAN PROGRAM REQUIREMENTS.** Recipient acknowledges and agrees to abide by the following requirements of the Façade Improvement Forgivable Loan Program:
- a. All work must be done in accordance with all local, state, and federal building codes, the City of North Branch Zoning Code, Downtown Design Guidelines, other applicable Downtown standards, and the rules and regulations for the Façade Improvement Matching Grant Program.
 - b. Labor costs are only eligible to be covered by the grant if the labor is done by a third party who has no financial interest in the building (i.e. building owners may not receive funds for labor that they completed on the project).
 - c. All construction must be completed in strict compliance with any approved plans and applicable local, state and federal rules and regulations.
 - d. All work must be completed within 6 months from the date the grant is approved by the City and any applicable agreements, as required by the City, are executed.
 - e. The Applicant may not assign the program obligations and/or payment of the Matching Grant to any other party or person.
4. **DISTRIBUTION OF LOAN FUNDS.** The EDA will pay the sum of **Twenty-five Thousand and 00/100ths Dollars (\$25,000.00)** (the “Loan Funds”) to the Recipient in a lump sum as provided in this Agreement, and upon the following:
- a. Execution of this Agreement;
 - b. Execution of a Borrower’s Affidavit;
 - c. Execution of the Personal Guaranty of James Kolde in favor of the EDA; and
 - d. Execution of a Promissory Note in favor of the EDA.

The Loan Funds awarded under this Agreement shall only be paid to Recipient upon completion of the Project under the following procedures: Upon completion of the Project, Recipient is to notify the EDA of the completion and schedule an inspection. A duly authorized representative of the EDA shall complete an inspection of the Property to determine if the Project has been completed in a manner consistent with its description in the Request/Loan Application and this Agreement. If the EDA authorized representative, in their sole judgement and discretion, determines that the completed Project has timely satisfied all conditions of this Agreement, the authorized representative shall issue a written statement of competition to the Recipient. If the EDA determines the conditions of this Agreement have not been satisfied, the EDA authorized representative shall issue a written statement of deficiencies, and give the Recipient an opportunity to correct such

deficiencies. Upon receipt of a written statement of competition, Recipient shall submit a written request for payment and a final invoice to the EDA, which shall include documented evidence of all costs paid by the Recipient on the Project. Upon receipt of the request for payment that satisfies the requirements of this Agreement, the EDA shall disburse all funds due to Recipient in one lump sum. Any determination of the EDA authorized representative provided in this Section may be appealed by the Recipient to the EDA Board of Commissioners provided such appeal is made in writing to the EDA within 10 days of the date of the written notice issued by the EDA authorized representative that is in dispute. Failure by Recipient to timely and properly appeal shall constitute waiver of the right to appeal.

5. **SECURITY.** As security for the payment of the Loan Funds as the same may be required pursuant to the terms of this Agreement, Recipient hereby grants the following to the EDA:

- a. **Insurance.** The Recipient shall obtain and maintain at all times during the term of this Agreement, at Recipient's cost and expense, commercial general liability and other policies of insurance for liability, wind, fire and other casualty purposes on the Property identified in this Agreement.
- b. **Personal Guaranty.** The personal guaranty of James Kolde, in the event of Recipient's default with respect to this Loan, that one or more of them jointly or severally shall repay any overdue installment or installments that are due and payable, or the entire amount of principal and interest remaining owing on the Loan.

6. **DISCLOSURE BY RECIPIENT.** Recipient shall provide to the EDA, upon request, any and all business and financial records as may be necessary to confirm to the EDA that Recipient continues to be in good standing and operating successfully at its location on the Property in the City and that the Loan Funds have been used and/or continue to be used in compliance with the approved purposes of the Loan.

7. **FORGIVENESS/REPAYMENT OF LOAN FUNDS.** The Loan amount shall be forgiven, without interest, according to the following schedule: 20% of the total Loan balance is forgiven annually, starting one year from the issuance of a written statement of Project competition by the authorized EDA representative, for a period of five years total, provided that:

- a. Recipient completes the Project on the Property on or before _____, 20__ to the satisfaction of the EDA and the City of North Branch Building Official, and in compliance with applicable laws, rules, and regulations, North Branch City Code, under the process required in Section 4 of this Agreement
- b. Recipient does not sell, or transfer title to the Property within 5 years from the Effective Date of this Agreement without the written consent of the EDA. Should the Property be sold or transferred prior to said date and without the written consent

of the EDA, the full outstanding balance on the Loan shall become due and payable in full under the provisions of section 8 of this Agreement and the Promissory Note.

- c. From the date of completion of the Project and for the term of this Agreement, the Property and the Project are operated and used continuously and exclusively for the purposes authorized herein.
 - d. Recipient does not default or breach any of the promises, terms and conditions stated in this Agreement or the Promissory Note of even date herewith, including the Loan Program requirements of Section 3 above.
8. DEFAULT. If Recipient defaults on any material provision of this Agreement, including but not limited to the occurrence of any Event of Default hereafter defined in this Section 8, Recipient's failure to abide by the Loan Program requirements as set forth in Section 3 above, or to ensure the satisfaction of any one or more of the conditions of forgiveness of the Loan set forth in Section 7, then the sum total of the Loan Funds disbursed to Recipient as of the date of the default shall be immediately due and payable in full, and interest shall accrue on such amount until paid, as follows: interest shall accrue from and after the date of default, at the rate of three percent (3%) simple interest per annum. Payment by Recipient shall be applied first to interest and then to principal. In addition, Recipient shall also pay any costs of collection, including but not limited to reasonable attorneys' fees and expenses, incurred by the EDA in enforcing this obligation. In addition to the foregoing, each of the following shall constitute an event of default ("Event of Default") under this Agreement:
- a. Any representation or warranty made by or on behalf of Recipient in this Agreement, in any other Loan Document, including but not limited to this Agreement, or in any statement or certificate given in writing pursuant thereto or in connection therewith is false, misleading or incomplete in any material respect when made (or deemed to have been made);
 - b. As applicable, Recipient shall fail to pay when due (whether by acceleration or otherwise) principal or interest under this Agreement, and any such default continues for a period of thirty calendar days after Recipient receives notice thereof from the EDA;
 - c. Recipient fails or neglects to perform, keep or observe any covenant set forth in this Agreement and the same has not been cured within thirty calendar days after Recipient receives notice thereof from the EDA;
 - d. Recipient shall commence a voluntary case or other proceeding seeking liquidation, reorganization or other relief with respect to itself or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property, or shall consent to any such relief or to the appointment of or taking possession by any such official in an

involuntary case or other proceeding commenced against it, or shall make a general assignment for the benefit of creditors, or shall fail to generally pay its debts as they become due, or shall take any corporate action to authorize any of the foregoing;

- e. An involuntary case or other proceeding shall be commenced against Recipient seeking liquidation, reorganization or other relief with respect to it or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property, and such involuntary case or other proceeding shall remain undismissed and unstayed for a period of 60 days; or an order for relief shall be entered against Recipient under the federal bankruptcy laws as now or hereafter in effect; or
 - f. This Agreement for any reason (other than the satisfaction in full of all amounts owing in connection with the Loan) ceases to be, or is asserted by Recipient not to be, a legal, valid and binding obligation of Recipient, enforceable in accordance with its terms, and such occurrence has not been cured to the EDA's satisfaction within five (5) calendar days after Recipient receives notice thereof from the EDA.
9. EDA REMEDIES IN EVENT OF DEFAULT. If an Event of Default shall occur and be continuing or shall exist, the outstanding principal amount of the Loan and interest accrued thereon shall be immediately due and payable without presentment demand, protest or further notice of any kind, all of which are hereby expressly waived, except as provided in this Section, interest thereon shall accrue on the total amount of the Loan (principal and interest) outstanding from and after the date of default, and an action therefore shall immediately accrue. In the Event of Default, the EDA shall give written notice thereof to the Recipient at the address provided herein, or to such other address as the Recipient may inform the EDA in writing. In the event that any such default is not cured within Ten (10) days of the receipt of such notice or such other time period as provided in the Agreement, the EDA may, at its option, declare the entire balance due hereunder immediately due and payable without further notice. Failure to exercise this option shall not constitute a waiver of the right to exercise this option at a later date. After the date of default, payment by Recipient shall be applied first to interest and then to principal. If payments are in default more than 60 days, interest on the unpaid principal balance shall accrue at Ten percent (10%) per annum. Said increased interest shall be as and for liquidated damages to EDA and shall not be considered a penalty. Recipient shall also pay any costs of collection, including but not limited to reasonable attorneys' fees and expenses, incurred by the EDA in enforcing this obligation.

10. GENERAL TERMS.

- a. Voluntary and Knowing Action. The parties, by executing this Agreement, state that they have carefully read this Agreement and understand fully the contents

thereof; that in executing this Agreement they voluntarily accept all terms described in this Agreement without duress, coercion, undue influence, or otherwise, and that they intend to be legally bound thereby.

- b. Authorized Signatories. The parties each represent and warrant to the other that (1) the persons signing this Agreement are authorized signatories for the entities represented and (2) no further approvals, actions or ratifications are needed for the full enforceability of this Agreement against it; each party indemnifies and holds the other harmless against any breach of the foregoing representation and warranty.
- c. Recitals. The recitals to this Agreement are made a part hereof and incorporated herein by reference.
- d. Assignment. This Agreement may not be assigned by either party without the written consent of the other party.
- e. Modifications/Amendment. Any alterations, variations, modifications, amendments or waivers of the provisions of this Agreement shall be only valid when they have been reduced to writing, and signed by an authorized representative of the EDA and Recipient.
- f. Records-Availability and Retention. Pursuant to Minn. Stat. § 16C.05, subd. 5, Recipient agrees that the EDA or the City of North Branch, the State Auditor, or any of their duly authorized representatives at any time during normal business hours and as often as they may reasonably deem necessary, shall have access to and the right to examine, audit, excerpt, and transcribe any book, documents, papers, records, etc., which are pertinent to the accounting practices and procedures of Recipient and involve transactions relating to this Agreement. Recipient agrees to maintain these records for a period of six years from the date of termination of this Agreement.
- g. Compliance with Laws. Recipient shall abide by all Federal, State and local laws, statutes, ordinances, rules and regulations now in effect or hereinafter adopted pertaining to this Agreement or to the facilities, programs and staff for which Recipient is responsible.
- h. Interest by EDA or City Officials. No elected official, officer, or employee of the EDA or the City shall, during his or her tenure of employment and for one year thereafter, have any interest, direct or indirect, in this Agreement or the proceeds thereof.
- i. Cumulative Rights. Except as otherwise expressly stated herein, no right or remedy herein conferred on or reserved to the EDA is intended to be exclusive of any other right or remedy hereby provided by law, but each shall be cumulative

in, and in addition to, every other right or remedy given herein or hereafter existing at law, in equity, or by statute.

- j. Indemnification. The Recipient expressly releases from and covenants and agrees to indemnify and hold the EDA and the City and its officers, agents, servants, employees harmless from and against all claims, costs and liability of every kind and nature, for injury or damage received or sustained by any person or entity in connection with, or on account of this Agreement or the Project and further releases such officers, employees, agents and members from any personal liability in connection with handling funds pursuant to the terms of this Agreement. The indemnification provided hereunder shall not apply to intentional acts or the negligence of the individual or entity so indemnified. Recipient further agrees to pay, indemnify and hold the EDA and the City harmless from any and all costs, expenses and fees, including reasonable attorney's fees that may be incurred by the EDA or the City in enforcing this Agreement.
- k. Governing Law. This Agreement shall be deemed to have been made and accepted in Chisago County, Minnesota, and the laws of the State of Minnesota shall govern any interpretations or constructions of the Agreement without regard to its choice of law or conflict of laws principles.
- l. Data Practices. The parties acknowledge that this Agreement is subject to the requirements of Minnesota's Government Data Practices Act, Minnesota Statutes Section 13.01 *et seq.*
- m. No Waiver. Any party's failure in any one or more instances to insist upon strict performance of any of the terms and conditions of this Agreement or to exercise any right herein conferred shall not be construed as a waiver or relinquishment of that right or of that party's right to assert or rely upon the terms and conditions of this Agreement. Any express waiver of a term of this Agreement shall not be binding and effective unless made in writing and properly executed by the waiving party.
- n. Severability. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision. Any invalid or unenforceable provision shall be deemed severed from this Agreement to the extent of its invalidity or unenforceability, and this Agreement shall be construed and enforced as if the Agreement did not contain that particular provision to the extent of its invalidity or unenforceability.
- o. Entire Agreement. These terms and conditions constitute the entire Agreement between the parties regarding the subject matter hereof. All discussions and negotiations are deemed merged in this Agreement.
- p. Headings and Captions. Headings and captions contained in this Agreement are for convenience only and are not intended to alter any of the provisions of this

Agreement and shall not be used for the interpretation of the validity of the Agreement or any provision hereof.

- q. **Survivability.** All covenants, indemnities, guarantees, releases, representations and warranties by any party, and any discharged obligations of the EDA and Recipient arising prior to the expiration of this Agreement (whether by completion or earlier termination), shall survive such expiration.
- r. **Execution.** This Agreement may be executed simultaneously in two or more counterparts that, when taken together, shall be deemed an original and constitute one and the same document. The signature of any party to the counterpart shall be deemed a signature to the Agreement, and may be appended to, any other counterpart. Facsimile and email transmissions of executed signature pages shall be deemed as originals and sufficient to bind the executing party.

[Remainder of page left intentionally blank]

[Signature page follows]

IN WITNESS WHEREOF the parties have caused these presents to be signed as of the date and year first above written.

RECIPIENT:

Minnesota Home Guys, LLC

By: _____
James Kolde, Its President

STATE OF MINNESOTA)
) ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____ day of _____, 20____, by James Kolde as President of Minnesota Home Guys, LLC, a Limited Liability Company organized under the laws of the State of Minnesota

Notary Public

**NORTH BRANCH ECONOMIC
DEVELOPMENT AUTHORITY**

By: _____
Sara Paul, Its Board Chair

By: _____
Nathan Sondrol, Its Executive Director

STATE OF MINNESOTA)
) ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____ day of _____,
20____, by _____ as _____, and by _____, as
_____, of the North Branch Economic Development Authority, a body politic and
corporate under the laws of the State of Minnesota.

(Notary Seal)

Notary Public

**NORTH BRANCH ECONOMIC DEVELOPMENT AUTHORITY
FACADE IMPROVEMENT FORGIVEABLE LOAN**

GUARANTY OF PAYMENT

Note. The word “Note” means the Promissory Note of even date to which this Guaranty is attached in the original amount of \$25,000.00 from Maker to Lender, together with all renewals, extensions, modifications, refinancings, consolidations and/or substitutions thereof, or of the Loan Agreement executed contemporaneously with the Note.

Indebtedness. The word “Indebtedness” means the Note, including: (a) all principal, (b) all interest, (c) all late charges, (d) all loan fees and loan charges, and (e) all collection costs and expenses relating to the Note or to any collateral for the Note. Collection costs and expenses include without limitation all of Lender’s attorney’s fees and legal expenses, whether or not suit is instituted, and all attorney’s fees and legal expenses for all bankruptcy proceedings, appeals, and any post-judgment collection services.

For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and to induce the North Branch Economic Development Authority, a body politic and corporate under the laws of the State of Minnesota, (hereinafter referred to as “Lender”) to make a loan to Minnesota Home Guys, LLC, a Minnesota limited liability company, (hereinafter referred to as “Maker”) in the amount of \$25,000, the undersigned Guarantor hereby absolutely and unconditionally guarantees and promises to pay to Lender or its order, on demand, in legal tender of the United States of America, the Indebtedness of Maker to Lender on the terms and conditions set forth herein. The liability of Guarantor hereunder includes the Indebtedness, together with all of Lender’s costs, expenses, and attorney’s fees incurred in connection with the enforcement of this Guaranty and/or the collection and/or sale of any collateral or other security for this Guaranty. Attorney’s fees include, without limitation, attorney’s fees whether or not there is a lawsuit, and if there is a lawsuit, any fees and costs for trial and appeals. If Lender presently holds one or more guarantees, or hereafter receives additional guarantees from Guarantor, the rights of Lender under all guarantees shall be cumulative. This Guaranty shall not affect or invalidate any such other guarantees.

Guarantor intends to guaranty at all times the performance and prompt payment when due, whether at maturity or earlier by reason of acceleration or otherwise, of all the Indebtedness. This Guaranty shall continue in full force until the entirety of the Indebtedness shall have been fully and finally paid and satisfied and all other obligations of Guarantor under this Guaranty shall have been performed in full. Release of any other guarantor or termination of any other guaranty of the indebtedness shall not affect the liability of Guarantor hereunder.

Guarantor authorizes Lender, without notice or demand and without lessening Guarantor’s liability under this Guaranty, from time to time: (a) to extend additional credit to Maker; (b) to

alter, compromise, renew, extend, accelerate, or otherwise change any of the terms of the Indebtedness (including, but not limited to, increases or decreases in the rate of interest of the Note); extensions may be repeated and may be for longer than the original loan term; (c) to exchange, enforce, waive, or release any security for the Note; (d) to release, substitute, agree not to sue, or deal with any of Maker's sureties, endorsers, or other guarantors on any terms or in any manner Lender may choose; (e) to determine how, when and what application of payments and credits shall be made on the Indebtedness; (f) to sell, transfer, assign, or grant participation in all or any part of the Indebtedness; and (g) to assign or transfer this Guaranty in whole or in part.

Guarantor represents and warrants to Lender that: (a) no representations or agreements of any kind have been made to Guarantor which would limit or qualify in any way the terms of this Guaranty; (b) this Guaranty is executed at Maker's request and not at the request of Lender; (c) Lender has made no representation to Guarantor as to the credit worthiness of Maker; (d) upon Lender's request, Guarantor will provide to Lender complete and accurate financial and credit information on Guarantor in a form acceptable to Lender; and (e) Guarantor have established adequate means of obtaining from Maker on a continuing basis information regarding Maker's financial condition.

If now or hereafter: (a) Maker shall be or become insolvent, and (b) the Indebtedness shall not at all times until paid be fully secured by collateral pledged by Maker, Guarantor hereby forever waives and relinquishes in favor of Lender and Maker, and their respective successors, any claim or right to payment Guarantor may now have or hereafter have or acquire against Maker, by subrogation or otherwise, so that at no time shall Guarantor be or become a "creditor" of Maker within the meaning of 11 USC § 547(b), or any successor provision of the Federal Bankruptcy Laws.

IN WITNESS WHEREOF, I have executed this guaranty at North Branch, Minnesota, as of the Note Date first mentioned above.

[Signature page follows]

GUARANTOR

Date: _____

By: _____
[name of recipient]

STATE OF _____)
) ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me on this ____ day of _____,
20__ by [redacted], Guarantor.

Notary Public

**NORTH BRANCH ECONOMIC DEVELOPMENT AUTHORITY
FACADE IMPROVEMENT FORGIVEABLE LOAN**

**PROMISSORY NOTE
MINNESOTA HOME GUYS, LLC**

\$25,000

North Branch, MN
_____, 20__

FOR VALUE RECEIVED, the undersigned loan recipient(s), hereinafter referred to as the “MAKER,” promises to repay to the North Branch Economic Development Authority, hereinafter referred to as the “LENDER,” at its offices located at 6408 Elm Street, North Branch, Minnesota 55056, or such other place as the holder hereof shall designate in writing, the Loan proceeds it received under the LENDER’s Facade Improvement Forgivable Loan Program in the principal amount of **Twenty-five Thousand and 00/100 Dollars (\$25,000.00)** (the “Loan”) lawful money of the United States.

The Loan shall be repaid / forgiven in accordance with and pursuant to the terms and conditions contained in that certain North Branch Economic Development Authority Facade Improvement Forgivable Loan Agreement of even date herewith by and between MAKER and LENDER (the “Loan Agreement”). The Loan shall be forgiven by LENDER upon satisfaction by MAKER of the terms and conditions for Loan forgiveness contained in the Loan Agreement. In the event the Loan is not forgiven as provided in the Loan Agreement, the Loan shall be repaid as set forth in the Loan Agreement in the principal amount of the Loan plus interest accrued from the date of this Note, at the rate of **Three Percent (3%)** per annum.

This Note is secured by the Personal Guaranty of James Kolde of even date herewith granted by MAKER in favor of LENDER that in the event of MAKER’s default with respect to the Loan Agreement and this Note, MAKER shall repay the entire amount of principal and interest that is due and payable as provided in the Loan Agreement.

The MAKER shall maintain insurance for liability, wind, fire and other casualty purposes on the subject Property located at 6434 Main Street, North Branch, MN 55056 (the “Property”) for the term of the Loan Agreement of even date herewith.

This Note may be prepaid at any time without notice, in whole or in part, and without incurring any penalty or bonus.

Any change of the MAKER's name or address must be promptly disclosed to the LENDER.

All of the agreements, conditions, covenants, provisions, and stipulations contained in the Loan Agreement, or any instrument securing this Note are hereby made a part of this Note to the same extent and with the same force and effect as if they were fully set forth herein. It is agreed that time is of the essence of this Note. If a default occurs under the Loan Agreement, or any instrument securing this Note, then the LENDER of this Note may at its right and option, without notice, declare immediately due and payable the principal balance of this Note, together with any costs of collection including attorney fees incurred by the LENDER of this Note in collecting or enforcing payment hereof, whether suit be brought or not, and all other sums due hereunder, or under any instrument securing this Note. The MAKER agrees that the LENDER may, without notice to the MAKER and without affecting the liability of the MAKER, accept additional or substitute security for this Note, or release any security or any party liable for this Note or extend or renew this Note.

MAKER's failure to pay any amount when due as evidenced hereby, or perform any covenant or agreement hereunder, shall constitute a default under this instrument and any other instrument securing or otherwise relating to such grant transaction, and a default under any other instrument shall constitute a default hereunder.

In the Event of Default, the LENDER shall give written notice thereof to the Maker at 6434 Main Street, North Branch, MN 55056, or to such other address as the MAKER may inform the LENDER in writing. In the event that any such default is not cured within Ten (10) days of the receipt of such notice, the LENDER may, at its option, declare the entire balance due hereunder immediately due and payable without further notice. Failure to exercise this option shall not constitute a waiver of the right to exercise this option at a later date. After the date of default, payment by MAKER shall be applied first to interest and then to principal.

If payments are in default more than 60 days, interest on the unpaid principal balance shall accrue at Ten percent (10.00%) per annum. Said increased interest shall be as and for liquidated damages to LENDER and shall not be considered a penalty.

The remedies of the LENDER as provided herein, and in the Loan Agreement, or any other instrument securing this Note, shall be cumulative and concurrent and may be pursued singly, successively, or together, and, at the sole discretion of the LENDER, may be exercised as often as occasion therefore shall occur; and the failure to exercise any such right or remedy shall in no event be construed as a waiver or release thereof.

The LENDER shall not be deemed, by any act of omission or commission, to have waived any of its rights or remedies hereunder unless such waiver is in writing and signed by the LENDER

and then only to the extent specifically set forth in the writing. A waiver with reference to one event shall not be construed as continuing or as a bar to or waiver of any right or remedy as to a subsequent event. This Note may not be amended, modified, or changed except only by an instrument in writing signed by the party against whom enforcement of any such amendment, modifications, or change is sought.

The undersigned, in the case of suit on this Note, agrees to pay the LENDER's attorney fees and costs incurred therein. The MAKER and any endorsers and sureties waive demand of payment, notice of nonpayment, protest and notice. Sureties, endorsers and guarantors agree to all of the provisions of this Note, and consent that the time of payment of all or any part hereof may be extended at the discretion of the LENDER from time to time, without notice.

The undersigned agrees to pay this Note and waive demand, presentment, protest, and notice of dishonor, and exonerate the LENDER hereof from any duty and obligation to make demand on anyone for payment or, except as otherwise provided herein, to give notice to anyone of nonpayment hereof and further consent to the extension, renewal, exchange, surrender or release of this Note or any person bound hereunder by the holder hereof.

MAKER agrees to provide periodic information regarding the status of relevant matters described in this Note and the accompanying exhibits hereto.

This Note shall be governed by, and construed in accordance with, the laws of the state of Minnesota without regard to its conflict of laws provisions. Any disputes, controversies, or claims arising out of this Note shall be heard in the state or federal courts of Minnesota, and all parties to this Note waive any objection to the jurisdiction of these courts, whether based on convenience or otherwise. The headings used in this Note are solely for convenience of reference, are no part of this Note, and are not to be considered in construing or interpreting this Note.

This Note, with the other Loan Documents, constitutes the entire Note between the parties pertaining to its subject matter and it supersedes all prior contemporaneous Notes, representations, and understandings of the parties pertaining to the subject matter of this Note.

Wherever possible, each provision of this Note and each related document shall be interpreted so that it is valid under applicable law. If any provision of this Note 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 Note or any other related document.

IT IS HEREBY CERTIFIED AND RECITED that all conditions, acts, and things required to exist, happen, and be performed precedent to or in the issuance of this Note do exist, have happened, and have been performed in regular and due form as required by law.

[Signature page follows]

IN WITNESS WHEREOF, the MAKER has caused this Note to be duly executed as of the date first above written.

MAKER:

Minnesota Home Guys, LLC

By: _____
James Kolde, Its President

STATE OF _____)
) ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____ day of _____, 20____, by James Kolde as President of Minnesota Home Guys, LLC, a limited liability company organized under the laws of the State of Minnesota Maker.

Notary Public

(Attached exhibits include: North Branch Economic Development Authority Facade Improvement Forgivable Loan Agreement; Borrower's Affidavit(s); and Personal Guarantee(s))

**NORTH BRANCH ECONOMIC DEVELOPMENT AUTHORITY
FACADE IMPROVEMENT FORGIVEABLE LOAN**

BORROWER'S AFFIDAVIT

The undersigned hereby certifies that:

1. Purpose of Loan. I/We understand that the purpose of the North Branch Economic Development Authority Facade Improvement Forgivable Loan Program (the "Loan Program") is to assist building owners in making improvements to the fronts of their buildings to extend the life of the buildings, and represent that I/we, in receiving the Facade Improvement Forgivable Loan, will only use the Loan proceeds for the purposes set forth in my/our application, dated _____, 20____, for participation in the Loan Program. I/We, in receiving the Forgivable Loan, verify that the repayment terms for the purposes set forth in the Loan Agreement and Promissory Note of even date herewith shall be upheld.

2. Consequences of False Statements. I/We acknowledge and understand that a material misstatement made in this affidavit or in any other statement made by me/us in connection with my/our application for participation in the Loan Program may constitute a violation of the law and affect my/our eligibility to receive grant funds or trigger a repayment of grant funds, if the same have already been received.

3. No Substantial Change. I/We certify that the facts and information stated in my/our application for participation in the Loan Program have not substantially changed as of the date of the loan closing.

[Remainder of page left intentionally blank]

[Signature page follows]

BORROWER:
Minnesota Home Guy, LLC

Date: _____

By: _____
James Kolde, Its President

STATE OF _____)
) ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____ day of _____, 20____, by James Kolde as President of Minnesota Home Guys, LLC, a limited liability company organized under the laws of the State of Minnesota, Borrower.

Notary Public

FAÇADE IMPROVEMENT FORGIVABLE LOAN PROGRAM

APPLICANT / OWNER INFORMATION

Full Name:	James Kolde
Address:	1650 Goose Lake LN Stanchfield MN 55080
Phone:	612-363-1521
Email:	James@homeguysmn.com

BUSINESS INFORMATION

Name of Business Owner:	☒ Same As Applicant
Name of Business:	Minnesota Home Guys
Name of DBA:	Minnesota Home Guys

PROPERTY INFORMATION

Site Address:	6434 Main St	PID	
Building Status:	Owner Occupied ☒	Tenant Lease	
Use Type:	Office space		
Current Land Use:			
Current Zoning:	Office retail		

FAÇADE IMPROVEMENTS

☒ Full Restoration	Masonry Repairs	General Maintenance	Windows & Doors
Canopy & Awnings	Signage & Lighting	Other:	

PROJECT COST & TIMELINES

PROJECT ESTIMATES (Detailed opinion of probable cost required.)					
Total Project	Eligible Costs	Private Match	Request	Start Date	Completion Date
\$	\$	\$	\$	/ /	/ /
CITY REVIEW					
Total Project	Eligible Costs	Private Match	Public Match	Grant Maximum	Review Date
\$	\$	\$	\$	\$20,000.00	/ /

ARCHITECT/ CONTRACTOR INFORMATION

Company Name:	INSPIRE
Company Contact:	Aaron Adkins
Address:	
Phone:	612-203-0814
Email:	aaron@inspirerenovation.com

PROJECT SUMMARY

In the space below provide a brief description of the proposed project (attach an additional sheet if necessary).



NORTH BRANCH FAÇADE IMPROVEMENT FORGIVABLE LOAN PROGRAM

PROGRAM TERMS & CONDITIONS

PROGRAM FUNDING

Matching Grants range from a minimum of \$5,000 to a maximum of \$20,000 per storefront or building. All grants must be matched by the property owner. The Matching Grant will pay for only 50% of the total eligible project costs, up to the \$20,000 grant limit. The approved Matching Grant amount will only be paid by the City upon completion of the work, and a formal written request for payment and final invoice is provided by the Applicant to the City.

TERMS & CONDITIONS

The Matching Grant is structured as a 5-year loan with no payments, with 20% of the loan being forgiven each year for 5 years. If the building is sold before 5 years, the balance of the loan must be repaid by the Applicant.

The City of North Branch has the right to terminate any agreement under the Façade Improvement Matching Grant Program, if an Applicant is found to be in violation of any conditions set forth in these guidelines, or if work is not completed within required timelines. If terminated by the City, the City shall not be obligated to make any payment to the Applicant. If at any point after the project is completed, the Applicant is found to have violated the terms and conditions of the Program or Grant Agreement with the City, the Applicant shall be responsible for repaying 100% of the Matching Grant to the City.

PROGRAM REQUIREMENTS

1. A signed and approved Grant Agreement is required for the applicant to be eligible to receive any funding from the Façade Improvement Matching Grant Program.
2. All work must be done in accordance with all local, state, and federal building codes, the City of North Branch Zoning Code, Downtown Design Guidelines, other applicable Downtown standards, and the rules and regulations for the Façade Improvement Matching Grant Program.
3. Labor costs are only eligible to be covered by the grant if the labor is done by a third party who has no financial interest in the building (i.e. building owners may not receive funds for labor that they completed on the project).
4. All construction must be completed in strict compliance with any approved plans and applicable local, state and federal rules and regulations.
5. All work must be completed within 6 months from the date the grant is approved by the City and any applicable agreements, as required by the City, are executed.
6. The Applicant may not assign the program obligations and/or payment of the Matching Grant to any other party or person.



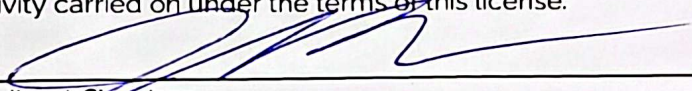
NORTH BRANCH

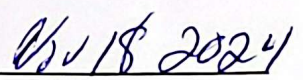
FAÇADE IMPROVEMENT FORGIVABLE LOAN PROGRAM

ACKNOWLEDGEMENT

APPLICANT STATEMENT

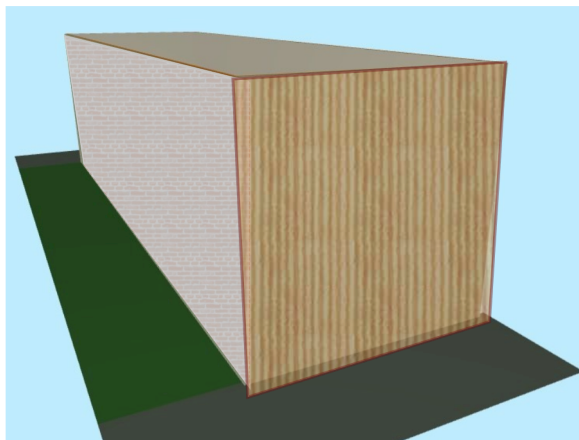
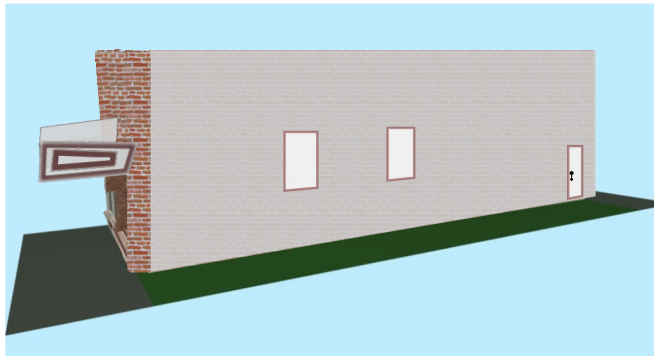
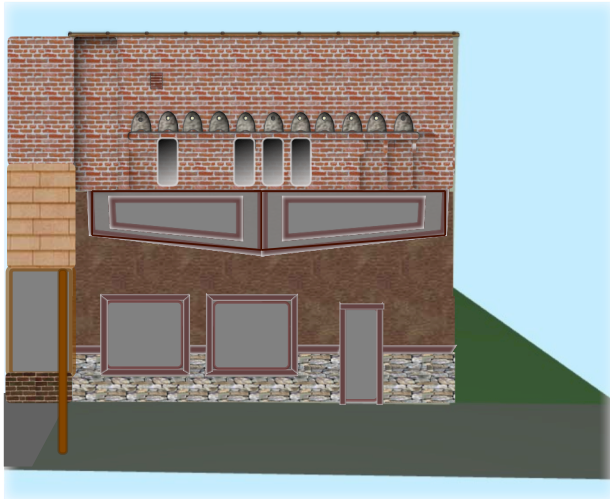
I acknowledge the Program Terms and Conditions, as stated herein, and to the best of my knowledge, all of the applicable materials and documents and information I have submitted are true and correct. I have read the Façade Improvement Matching Grant Program and Terms and Conditions, and understand the rules and regulations as set therein. I agree to hold harmless and indemnify the City, and its officers and employees, for any claims for damage to property or injury to persons which may be occasioned by any activity carried on under the terms of this license.


Applicant Signature


Date

REQUIRED ATTACHMENTS

Financial	Project budget with Opinion of Probable Cost and/or detailed, line-item estimate.
Architectural Drawings	Scaled drawings of proposed façade improvements with color renderings.
Photos	Pictures of current storefront.
Other	Other information as may be required by the City.



Proposal for Exterior Work

- Remove & dispose of existing (lower) facade cladding and sheathing, signage, doors, and window --> \$2,675
- Remediate rust & repair marquee structure, install new fascia & trimwork --> \$1,850
- Replace exterior lighting, including electrical work to lighting & new power to digital marquee signs --> \$3,840
- Install 2x flat-panel digital marquee signage w/interior control --> \$4,850
- Remove and replace 2x 4x6' concrete slab w/same, slope for accessible entrance --> \$5,280
- Rebuild front facade, to include 3.5'H x building-width stone w/cap rail & coffered panel siding --> \$8,975
- Install 2x 5'x6' prehung picture window w/temper & e-rated glazing --> \$7,780
- Install new 36"W x 84"T glass entry door w/dual mortise lock & pull --> \$2,400
- Scrape and paint brick on E side of building w/customer choice color --> \$2,625
- Replace soffitwork at rear exterior wall, install metal cladding to match existing on remainder of wall --> \$6,180
- Designs, plans, permits, inspections --> \$8,400

Sum total of repairs = \$54,855



Prepared By: Nathan Sondrol, Community Development Director

Presenter: Nathan Sondrol, Community Development Director

Date: 02/12/2025

Board & Commission: Economic Development Authority

Subject: Resolution R-150-2025 Approving a Downtown Storefront forgivable loan to Merchants Cafe at 6338 Main Street

Overview / Background

The Economic Development Authority (EDA) budget for Fiscal Year 2024 included \$75,000, allowing the EDA to establish a Storefront Rehabilitation Grant Program. The funding is intended to help incentivize façade restoration and enhancements by businesses and/or property owners that restore the “historic” existing buildings within the old downtown area. The program funding is set up as technically a 0% forgivable loan over a five (5) year term, with repayment waived 20% each year through the end of the term. At that time, the funding becomes a “grant.” Should the property change hands at any time during the five (5) year timeline, the remaining balance would be due at the time of said transaction. The property owners would be required to agree to either a mortgage or some type of loan security.

The attached policy funds covering 50% of the improvement cost up to \$25,000. This would allow for up to three (3) “grants”. The EDA has discretion to approve a larger funding award to a business, if the project meets the program intent and also meets the program goals with the district, and also supports the vision and goals for the Central Business District / Downtown area. The program establishes guidelines and defines eligible and ineligible improvements for the funding, as well as maintenance requirements.

Funding is intended to restore the storefronts of the existing buildings to their original appearances as they existed at the time of their construction. Given the age of many of the buildings, and historic photos, those storefronts included large floor-to-ceiling windows with recessed doors. Most of the buildings were brick facades.

Although the focus is on restoration of existing buildings, the guidelines can serve as guidance to new buildings and/or restoration of newer buildings. Thus, the EDA has discretion to award funding to update and upgrade non-historic buildings within the district, but are still important to fund such improvements.

There has been interest expressed in the program and an application has been submitted by Emily Essling from Merchants Cafe for improvements to their building located at 6338 Main Street. The proposed improvements are attached.

Recommended Economic Development Authority Action

To approve Resolution R-150-2025 approving a downtown storefront forgivable loan to Merchants Cafe at 6338 Main Street.

Voting Requirements:

Voting Options **Simple Majority**

STATE OF MINNESOTA

COUNTY OF CHISAGO

CITY OF NORTH BRANCH

ECONOMIC DEVELOPMENT AUTHORITY RESOLUTION NO. R-150-2025

**A RESOLUTION APPROVING TERMS OF A LOAN TO MERCHANTS CAFE LLC,
FROM THE EDA’S FAÇADE IMPROVEMENT FORGIVABLE LOAN PROGRAM**

WHEREAS, the EDA was created by the City of North Branch under the authority of Minnesota Statutes, Chapter 469 to promote economic development and to coordinate and administer related plans and programs in the City of North Branch; and

WHEREAS, the EDA has established a revolving loan fund to carry out its economic development mission, and has created a Facade Improvement Forgivable Loan Program (the “Loan Program”), which administers certain funds as a matching grant to qualified projects for the purpose of encouraging building owners to invest in the exterior fronts of their buildings to extend the life of the buildings, and to foster business and economic growth within the City; and

WHEREAS, Recipient has applied through the Facade Improvement Program to the EDA for a forgivable loan in the amount of Nineteen Thousand Two-Hundred Sixty-Nine and 19/100ths Dollars (\$19,269.19) (the “Request”) to assist with the rehabilitation of its building facade in accordance with the Loan Program(the “Project”); and

WHEREAS, Recipient is the owner of the above-mentioned subject Project property, which is located at 6338 Main Street, North Branch, MN 55056, (PID No. 16.00290.00) (the “Property”) and desires to make capital improvements, rehabilitate the building, and complete the Project upon the Property pursuant to the Recipient’s Loan Program application dated December 17, 2024; and

WHEREAS, the parties anticipate that the total cost of the Project will total approximately \$38,438.38 of which 50% of those costs would be eligible for reimbursement through the Loan Program; and

WHEREAS, the EDA has determined that the Recipient’s above-referenced Loan Program application Request is consistent with the intent and purposes of the Loan Program, satisfies the Loan Program requirements, and has agreed to make the requested loan in the principal amount of Nineteen Thousand Two-Hundred Sixty-Nine and 19/100ths Dollars (\$19,269.19) to Recipient in accordance with the terms and conditions provided herein; and

WHEREAS, granting the Request for the Project is not a business subsidy for the purposes of Minn. Stat. §§ 116J.993 and 116J.994; and

WHEREAS, pursuant to a duly adopted Resolution, dated February 18, 2025 the EDA has

approved the Request and the execution of this Loan Agreement for the Project.

NOW THEREFORE, BE IT RESOLVED BY THE NORTH BRANCH ECONOMIC DEVELOPMENT AUTHORITY APPROVAL OF THE TERMS OF A LOAN TO MERCHANTS CAFE LLC, FROM THE EDA'S FAÇADE IMPROVEMENT FORGIVABLE LOAN PROGRAM SUBJECT TO APPROVAL TO THE ATTACHED DOCUMENTS:

1. LOAN AGREEMENT
2. PROMISSORY NOTE
3. PERSONAL GUARANTY
4. BORROWERS AFFIDAVIT

**NORTH BRANCH ECONOMIC DEVELOPMENT AUTHORITY
FACADE IMPROVEMENT FORGIVEABLE LOAN**

LOAN AGREEMENT

THIS LOAN AGREEMENT (this “Agreement”) is made and entered into as of this ____ day of _____, 20__ (the “Effective Date”), by and between Merchants Café LLC, a limited liability company under the laws of the State of Minnesota, 6338 Main Street (the “Recipient”), and the North Branch Economic Development Authority, a body politic and corporate under the laws of the State of Minnesota, 6408 Elm Street, North Branch, Minnesota 55056 (the “EDA”); (collectively the “parties”).

WHEREAS, the EDA was created by the City of North Branch under the authority of Minnesota Statutes, Chapter 469 to promote economic development and to coordinate and administer related plans and programs in the City of North Branch; and

WHEREAS, the EDA has established a revolving loan fund to carry out its economic development mission, and has created a Facade Improvement Forgivable Loan Program (the “Loan Program”), which administers certain funds as a matching grant to qualified projects for the purpose of encouraging building owners to invest in the exterior fronts of their buildings to extend the life of the buildings, and to foster business and economic growth within the City; and

WHEREAS, Recipient has applied through the Facade Improvement Program to the EDA for a forgivable loan in the amount of **Nineteen Thousand Two-Hundred Sixty-Nine and 19/100ths Dollars (\$19,269.19)** (the “Request”) to assist with the rehabilitation of its building facade in accordance with the Loan Program(the “Project”); and

WHEREAS, Recipient is the owner of the above-mentioned subject Project property, which is located at 6338 Main Street, North Branch, MN 55056, (PID No. 16.00290.00) (the “Property”) and desires to make capital improvements, rehabilitate the building, and complete the Project upon the Property pursuant to the Recipient’s Loan Program application dated December 17, 2024; and

WHEREAS, the parties anticipate that the total cost of the Project will total approximately \$38,438.38 of which 50% of those costs would be eligible for reimbursement through the Loan Program; and

WHEREAS, the EDA has determined that the Recipient’s above-referenced Loan Program application Request is consistent with the intent and purposes of the Loan Program, satisfies the Loan Program requirements, and has agreed to make the requested loan in the principal amount of **Nineteen Thousand Two-Hundred Sixty-Nine and 19/100ths Dollars (\$19,269.19)** to Recipient in accordance with the terms and conditions provided herein; and

WHEREAS, granting the Request for the Project is not a business subsidy for the purposes of Minn. Stat. §§ 116J.993 and 116J.994; and

WHEREAS, pursuant to a duly adopted Resolution, dated February 18, 2025 the EDA has approved the Request and the execution of this Loan Agreement for the Project.

NOW THEREFORE, for good and valuable consideration, the parties agree as follows:

1. AMOUNT AND TERMS OF THE LOAN.

- a. Loan. Subject to, and upon the terms and conditions herein set forth, the EDA agrees to make the Loan to Recipient in the principal amount of **Nineteen Thousand Two-Hundred Sixty-Nine and 19/100ths Dollars (\$19,269.19)** (the “Loan”).
- b. Term and Forgiveness. The term of the Loan shall be five (5) years from the Effective Date of this Agreement, with 20% of the Loan balance being forgiven each year until the term has expired, unless a default event occurs making the entire balance due and payable in full as provided in Section 8 of this Agreement.
- c. Interest. No interest shall accrue on the Loan Funds, except following default as provided in Section 8 of this Agreement.
- d. Promissory Note. Recipient shall execute a Promissory Note in the amount of the Loan.
- e. Disbursement Upon Completion of Project. The Loan shall be disbursed to Recipient upon the completion of the Project. Recipient shall make a formal request to the EDA for disbursement upon completion of the work, by submitting a final invoice to the EDA, as provided herein below.

2. REPRESENTATIONS OF RECIPIENT. Recipient warrants that the following statements are true:

- a. The statements and representations made in Recipient’s Request/application for the Loan were at the time of the request and as of the date hereof true and correct.
- b. Recipient is in good standing with all public entities having any authority or jurisdiction over Recipient.
- c. Recipient is currently in compliance with and shall at all times remain in compliance with all federal, state and local laws, rules and regulations, which apply to Recipient.

- d. Recipient is current on local property tax and special assessment payments owing on Recipient's Property, which is the subject of this Agreement.
 - e. Recipient shall use the Loan proceeds for, and only for, the Project on the Property and purposes stated in Recipient's Request or as otherwise approved by the EDA in the award of the Loan.
3. **LOAN PROGRAM REQUIREMENTS.** Recipient acknowledges and agrees to abide by the following requirements of the Façade Improvement Forgivable Loan Program:
- a. All work must be done in accordance with all local, state, and federal building codes, the City of North Branch Zoning Code, Downtown Design Guidelines, other applicable Downtown standards, and the rules and regulations for the Façade Improvement Matching Grant Program.
 - b. Labor costs are only eligible to be covered by the grant if the labor is done by a third party who has no financial interest in the building (i.e. building owners may not receive funds for labor that they completed on the project).
 - c. All construction must be completed in strict compliance with any approved plans and applicable local, state and federal rules and regulations.
 - d. All work must be completed within 6 months from the date the grant is approved by the City and any applicable agreements, as required by the City, are executed.
 - e. The Applicant may not assign the program obligations and/or payment of the Matching Grant to any other party or person.
4. **DISTRIBUTION OF LOAN FUNDS.** The EDA will pay the sum of **Nineteen Thousand Two-Hundred Sixty-Nine and 19/100ths Dollars (\$19,269.19)** (the "Loan Funds") to the Recipient in a lump sum as provided in this Agreement, and upon the following:
- a. Execution of this Agreement;
 - b. Execution of a Borrower's Affidavit;
 - c. Execution of the Personal Guaranty of Emily Essling in favor of the EDA; and
 - d. Execution of a Promissory Note in favor of the EDA.

The Loan Funds awarded under this Agreement shall only be paid to Recipient upon completion of the Project under the following procedures: Upon completion of the Project, Recipient is to notify the EDA of the completion and schedule an inspection. A duly authorized representative of the EDA shall complete an inspection of the Property to determine if the Project has been completed in a manner consistent with its description in

the Request/Loan Application and this Agreement. If the EDA authorized representative, in their sole judgement and discretion, determines that the completed Project has timely satisfied all conditions of this Agreement, the authorized representative shall issue a written statement of competition to the Recipient. If the EDA determines the conditions of this Agreement have not been satisfied, the EDA authorized representative shall issue a written statement of deficiencies, and give the Recipient an opportunity to correct such deficiencies. Upon receipt of a written statement of competition, Recipient shall submit a written request for payment and a final invoice to the EDA, which shall include documented evidence of all costs paid by the Recipient on the Project. Upon receipt of the request for payment that satisfies the requirements of this Agreement, the EDA shall disburse all funds due to Recipient in one lump sum. Any determination of the EDA authorized representative provided in this Section may be appealed by the Recipient to the EDA Board of Commissioners provided such appeal is made in writing to the EDA within 10 days of the date of the written notice issued by the EDA authorized representative that is in dispute. Failure by Recipient to timely and properly appeal shall constitute waiver of the right to appeal.

5. SECURITY. As security for the payment of the Loan Funds as the same may be required pursuant to the terms of this Agreement, Recipient hereby grants the following to the EDA:

- a. Insurance. The Recipient shall obtain and maintain at all times during the term of this Agreement, at Recipient's cost and expense, commercial general liability and other policies of insurance for liability, wind, fire and other casualty purposes on the Property identified in this Agreement.
- b. Personal Guaranty. The personal guaranty Emily Essling, in the event of Recipient's default with respect to this Loan, that one or more of them jointly or severally shall repay any overdue installment or installments that are due and payable, or the entire amount of principal and interest remaining owing on the Loan.

6. DISCLOSURE BY RECIPIENT. Recipient shall provide to the EDA, upon request, any and all business and financial records as may be necessary to confirm to the EDA that Recipient continues to be in good standing and operating successfully at its location on the Property in the City and that the Loan Funds have been used and/or continue to be used in compliance with the approved purposes of the Loan.

7. FORGIVENESS/REPAYMENT OF LOAN FUNDS. The Loan amount shall be forgiven, without interest, according to the following schedule: 20% of the total Loan balance is forgiven annually, starting one year from the issuance of a written statement of Project competition by the authorized EDA representative, for a period of five years total, provided that:

- a. Recipient completes the Project on the Property on or before _____, 20__ to the satisfaction of the EDA and the City of North Branch Building

Official, and in compliance with applicable laws, rules, and regulations, North Branch City Code, under the process required in Section 4 of this Agreement

- b. Recipient does not sell, or transfer title to the Property within 5 years from the Effective Date of this Agreement without the written consent of the EDA. Should the Property be sold or transferred prior to said date and without the written consent of the EDA, the full outstanding balance on the Loan shall become due and payable in full under the provisions of section 8 of this Agreement and the Promissory Note.
 - c. From the date of completion of the Project and for the term of this Agreement, the Property and the Project are operated and used continuously and exclusively for the purposes authorized herein.
 - d. Recipient does not default or breach any of the promises, terms and conditions stated in this Agreement or the Promissory Note of even date herewith, including the Loan Program requirements of Section 3 above.
8. DEFAULT. If Recipient defaults on any material provision of this Agreement, including but not limited to the occurrence of any Event of Default hereafter defined in this Section 8, Recipient's failure to abide by the Loan Program requirements as set forth in Section 3 above, or to ensure the satisfaction of any one or more of the conditions of forgiveness of the Loan set forth in Section 7, then the sum total of the Loan Funds disbursed to Recipient as of the date of the default shall be immediately due and payable in full, and interest shall accrue on such amount until paid, as follows: interest shall accrue from and after the date of default, at the rate of three percent (3%) simple interest per annum. Payment by Recipient shall be applied first to interest and then to principal. In addition, Recipient shall also pay any costs of collection, including but not limited to reasonable attorneys' fees and expenses, incurred by the EDA in enforcing this obligation. In addition to the foregoing, each of the following shall constitute an event of default ("Event of Default") under this Agreement:
- a. Any representation or warranty made by or on behalf of Recipient in this Agreement, in any other Loan Document, including but not limited to this Agreement, or in any statement or certificate given in writing pursuant thereto or in connection therewith is false, misleading or incomplete in any material respect when made (or deemed to have been made);
 - b. As applicable, Recipient shall fail to pay when due (whether by acceleration or otherwise) principal or interest under this Agreement, and any such default continues for a period of thirty calendar days after Recipient receives notice thereof from the EDA;
 - c. Recipient fails or neglects to perform, keep or observe any covenant set forth in this Agreement and the same has not been cured within thirty calendar days after Recipient receives notice thereof from the EDA;

- d. Recipient shall commence a voluntary case or other proceeding seeking liquidation, reorganization or other relief with respect to itself or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property, or shall consent to any such relief or to the appointment of or taking possession by any such official in an involuntary case or other proceeding commenced against it, or shall make a general assignment for the benefit of creditors, or shall fail to generally pay its debts as they become due, or shall take any corporate action to authorize any of the foregoing;
 - e. An involuntary case or other proceeding shall be commenced against Recipient seeking liquidation, reorganization or other relief with respect to it or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property, and such involuntary case or other proceeding shall remain undismissed and unstayed for a period of 60 days; or an order for relief shall be entered against Recipient under the federal bankruptcy laws as now or hereafter in effect; or
 - f. This Agreement for any reason (other than the satisfaction in full of all amounts owing in connection with the Loan) ceases to be, or is asserted by Recipient not to be, a legal, valid and binding obligation of Recipient, enforceable in accordance with its terms, and such occurrence has not been cured to the EDA's satisfaction within five (5) calendar days after Recipient receives notice thereof from the EDA.
9. EDA REMEDIES IN EVENT OF DEFAULT. If an Event of Default shall occur and be continuing or shall exist, the outstanding principal amount of the Loan and interest accrued thereon shall be immediately due and payable without presentment demand, protest or further notice of any kind, all of which are hereby expressly waived, except as provided in this Section, interest thereon shall accrue on the total amount of the Loan (principal and interest) outstanding from and after the date of default, and an action therefore shall immediately accrue. In the Event of Default, the EDA shall give written notice thereof to the Recipient at the address provided herein, or to such other address as the Recipient may inform the EDA in writing. In the event that any such default is not cured within Ten (10) days of the receipt of such notice or such other time period as provided in the Agreement, the EDA may, at its option, declare the entire balance due hereunder immediately due and payable without further notice. Failure to exercise this option shall not constitute a waiver of the right to exercise this option at a later date. After the date of default, payment by Recipient shall be applied first to interest and then to principal. If payments are in default more than 60 days, interest on the unpaid principal balance shall accrue at Ten percent (10%) per annum. Said increased interest shall be as and for liquidated damages to EDA and shall not be considered a penalty. Recipient shall also pay any costs of collection, including but

not limited to reasonable attorneys' fees and expenses, incurred by the EDA in enforcing this obligation.

10. GENERAL TERMS.

- a. Voluntary and Knowing Action. The parties, by executing this Agreement, state that they have carefully read this Agreement and understand fully the contents thereof; that in executing this Agreement they voluntarily accept all terms described in this Agreement without duress, coercion, undue influence, or otherwise, and that they intend to be legally bound thereby.
- b. Authorized Signatories. The parties each represent and warrant to the other that (1) the persons signing this Agreement are authorized signatories for the entities represented and (2) no further approvals, actions or ratifications are needed for the full enforceability of this Agreement against it; each party indemnifies and holds the other harmless against any breach of the foregoing representation and warranty.
- c. Recitals. The recitals to this Agreement are made a part hereof and incorporated herein by reference.
- d. Assignment. This Agreement may not be assigned by either party without the written consent of the other party.
- e. Modifications/Amendment. Any alterations, variations, modifications, amendments or waivers of the provisions of this Agreement shall be only valid when they have been reduced to writing, and signed by an authorized representative of the EDA and Recipient.
- f. Records-Availability and Retention. Pursuant to Minn. Stat. § 16C.05, subd. 5, Recipient agrees that the EDA or the City of North Branch, the State Auditor, or any of their duly authorized representatives at any time during normal business hours and as often as they may reasonably deem necessary, shall have access to and the right to examine, audit, excerpt, and transcribe any book, documents, papers, records, etc., which are pertinent to the accounting practices and procedures of Recipient and involve transactions relating to this Agreement. Recipient agrees to maintain these records for a period of six years from the date of termination of this Agreement.
- g. Compliance with Laws. Recipient shall abide by all Federal, State and local laws, statutes, ordinances, rules and regulations now in effect or hereinafter adopted pertaining to this Agreement or to the facilities, programs and staff for which Recipient is responsible.
- h. Interest by EDA or City Officials. No elected official, officer, or employee of the EDA or the City shall, during his or her tenure of employment and for one year

thereafter, have any interest, direct or indirect, in this Agreement or the proceeds thereof.

- i. Cumulative Rights. Except as otherwise expressly stated herein, no right or remedy herein conferred on or reserved to the EDA is intended to be exclusive of any other right or remedy hereby provided by law, but each shall be cumulative in, and in addition to, every other right or remedy given herein or hereafter existing at law, in equity, or by statute.
- j. Indemnification. The Recipient expressly releases from and covenants and agrees to indemnify and hold the EDA and the City and its officers, agents, servants, employees harmless from and against all claims, costs and liability of every kind and nature, for injury or damage received or sustained by any person or entity in connection with, or on account of this Agreement or the Project and further releases such officers, employees, agents and members from any personal liability in connection with handling funds pursuant to the terms of this Agreement. The indemnification provided hereunder shall not apply to intentional acts or the negligence of the individual or entity so indemnified. Recipient further agrees to pay, indemnify and hold the EDA and the City harmless from any and all costs, expenses and fees, including reasonable attorney's fees that may be incurred by the EDA or the City in enforcing this Agreement.
- k. Governing Law. This Agreement shall be deemed to have been made and accepted in Chisago County, Minnesota, and the laws of the State of Minnesota shall govern any interpretations or constructions of the Agreement without regard to its choice of law or conflict of laws principles.
- l. Data Practices. The parties acknowledge that this Agreement is subject to the requirements of Minnesota's Government Data Practices Act, Minnesota Statutes Section 13.01 *et seq.*
- m. No Waiver. Any party's failure in any one or more instances to insist upon strict performance of any of the terms and conditions of this Agreement or to exercise any right herein conferred shall not be construed as a waiver or relinquishment of that right or of that party's right to assert or rely upon the terms and conditions of this Agreement. Any express waiver of a term of this Agreement shall not be binding and effective unless made in writing and properly executed by the waiving party.
- n. Severability. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision. Any invalid or unenforceable provision shall be deemed severed from this Agreement to the extent of its invalidity or unenforceability, and this Agreement shall be construed and enforced as if the Agreement did not contain that particular provision to the extent of its invalidity or unenforceability.

- o. Entire Agreement. These terms and conditions constitute the entire Agreement between the parties regarding the subject matter hereof. All discussions and negotiations are deemed merged in this Agreement.
- p. Headings and Captions. Headings and captions contained in this Agreement are for convenience only and are not intended to alter any of the provisions of this Agreement and shall not be used for the interpretation of the validity of the Agreement or any provision hereof.
- q. Survivability. All covenants, indemnities, guarantees, releases, representations and warranties by any party, and any discharged obligations of the EDA and Recipient arising prior to the expiration of this Agreement (whether by completion or earlier termination), shall survive such expiration.
- r. Execution. This Agreement may be executed simultaneously in two or more counterparts that, when taken together, shall be deemed an original and constitute one and the same document. The signature of any party to the counterpart shall be deemed a signature to the Agreement, and may be appended to, any other counterpart. Facsimile and email transmissions of executed signature pages shall be deemed as originals and sufficient to bind the executing party.

[Remainder of page left intentionally blank]

[Signature page follows]

**NORTH BRANCH ECONOMIC
DEVELOPMENT AUTHORITY**

By: _____
Sara Paul, Its Board Chair

By: _____
Nathan Sondrol, Its Executive Director

STATE OF MINNESOTA)
) ss.
COUNTY OF CHISAGO)

The foregoing instrument was acknowledged before me this ____ day of _____,
20____, by _____ as _____, and by _____, as
_____, of the North Branch Economic Development Authority, a body politic and
corporate under the laws of the State of Minnesota.

(Notary Seal)

Notary Public

**NORTH BRANCH ECONOMIC DEVELOPMENT AUTHORITY
FACADE IMPROVEMENT FORGIVEABLE LOAN**

GUARANTY OF PAYMENT

Note. The word “Note” means the Promissory Note of even date to which this Guaranty is attached in the original amount of \$19,269.19 from Maker to Lender, together with all renewals, extensions, modifications, refinancings, consolidations and/or substitutions thereof, or of the Loan Agreement executed contemporaneously with the Note.

Indebtedness. The word “Indebtedness” means the Note, including: (a) all principal, (b) all interest, (c) all late charges, (d) all loan fees and loan charges, and (e) all collection costs and expenses relating to the Note or to any collateral for the Note. Collection costs and expenses include without limitation all of Lender’s attorney’s fees and legal expenses, whether or not suit is instituted, and all attorney’s fees and legal expenses for all bankruptcy proceedings, appeals, and any post-judgment collection services.

For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and to induce the North Branch Economic Development Authority, a body politic and corporate under the laws of the State of Minnesota, (hereinafter referred to as “Lender”) to make a loan to Merchants Café, LLC a Minnesota limited liability company, (hereinafter referred to as “Maker”) in the amount of \$19,269.19, the undersigned Guarantor hereby absolutely and unconditionally guarantees and promises to pay to Lender or its order, on demand, in legal tender of the United States of America, the Indebtedness of Maker to Lender on the terms and conditions set forth herein. The liability of Guarantor hereunder includes the Indebtedness, together with all of Lender’s costs, expenses, and attorney’s fees incurred in connection with the enforcement of this Guaranty and/or the collection and/or sale of any collateral or other security for this Guaranty. Attorney’s fees include, without limitation, attorney’s fees whether or not there is a lawsuit, and if there is a lawsuit, any fees and costs for trial and appeals. If Lender presently holds one or more guarantees, or hereafter receives additional guarantees from Guarantor, the rights of Lender under all guarantees shall be cumulative. This Guaranty shall not affect or invalidate any such other guarantees.

Guarantor intends to guaranty at all times the performance and prompt payment when due, whether at maturity or earlier by reason of acceleration or otherwise, of all the Indebtedness. This Guaranty shall continue in full force until the entirety of the Indebtedness shall have been fully and finally paid and satisfied and all other obligations of Guarantor under this Guaranty shall have been performed in full. Release of any other guarantor or termination of any other guaranty of the indebtedness shall not affect the liability of Guarantor hereunder.

Guarantor authorizes Lender, without notice or demand and without lessening Guarantor's liability under this Guaranty, from time to time: (a) to extend additional credit to Maker; (b) to alter, compromise, renew, extend, accelerate, or otherwise change any of the terms of the Indebtedness (including, but not limited to, increases or decreases in the rate of interest of the Note); extensions may be repeated and may be for longer than the original loan term; (c) to exchange, enforce, waive, or release any security for the Note; (d) to release, substitute, agree not to sue, or deal with any of Maker's sureties, endorsers, or other guarantors on any terms or in any manner Lender may choose; (e) to determine how, when and what application of payments and credits shall be made on the Indebtedness; (f) to sell, transfer, assign, or grant participation in all or any part of the Indebtedness; and (g) to assign or transfer this Guaranty in whole or in part.

Guarantor represents and warrants to Lender that: (a) no representations or agreements of any kind have been made to Guarantor which would limit or qualify in any way the terms of this Guaranty; (b) this Guaranty is executed at Maker's request and not at the request of Lender; (c) Lender has made no representation to Guarantor as to the credit worthiness of Maker; (d) upon Lender's request, Guarantor will provide to Lender complete and accurate financial and credit information on Guarantor in a form acceptable to Lender; and (e) Guarantor have established adequate means of obtaining from Maker on a continuing basis information regarding Maker's financial condition.

If now or hereafter: (a) Maker shall be or become insolvent, and (b) the Indebtedness shall not at all times until paid be fully secured by collateral pledged by Maker, Guarantor hereby forever waives and relinquishes in favor of Lender and Maker, and their respective successors, any claim or right to payment Guarantor may now have or hereafter have or acquire against Maker, by subrogation or otherwise, so that at no time shall Guarantor be or become a "creditor" of Maker within the meaning of 11 USC § 547(b), or any successor provision of the Federal Bankruptcy Laws.

IN WITNESS WHEREOF, I have executed this guaranty at North Branch, Minnesota, as of the Note Date first mentioned above.

[Signature page follows]

GUARANTOR

Date: _____

By: _____
Emily Essling

STATE OF _____)
) ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me on this ____ day of _____,
20____ by Emily Essling, Guarantor.

Notary Public

**NORTH BRANCH ECONOMIC DEVELOPMENT AUTHORITY
FACADE IMPROVEMENT FORGIVEABLE LOAN**

BORROWER'S AFFIDAVIT

The undersigned hereby certifies that:

1. Purpose of Loan. I/We understand that the purpose of the North Branch Economic Development Authority Facade Improvement Forgivable Loan Program (the "Loan Program") is to assist building owners in making improvements to the fronts of their buildings to extend the life of the buildings, and represent that I/we, in receiving the Facade Improvement Forgivable Loan, will only use the Loan proceeds for the purposes set forth in my/our application, dated _____, 20____, for participation in the Loan Program. I/We, in receiving the Forgivable Loan, verify that the repayment terms for the purposes set forth in the Loan Agreement and Promissory Note of even date herewith shall be upheld.

2. Consequences of False Statements. I/We acknowledge and understand that a material misstatement made in this affidavit or in any other statement made by me/us in connection with my/our application for participation in the Loan Program may constitute a violation of the law and affect my/our eligibility to receive grant funds or trigger a repayment of grant funds, if the same have already been received.

3. No Substantial Change. I/We certify that the facts and information stated in my/our application for participation in the Loan Program have not substantially changed as of the date of the loan closing.

[Remainder of page left intentionally blank]

[Signature page follows]

BORROWER:

[

Merchants Café, LLC

Date: _____

By: _____
Emily Essling, Its President

STATE OF _____)
) ss.
COUNTY OF _____)

[If a business: The foregoing instrument was acknowledged before me this ____ day of _____, 20____, by Emily Essling as President of Merchants Café, LLC, a limited liability corporation organized under the laws of the State of Minnesota, Borrower.

Notary Public

**NORTH BRANCH ECONOMIC DEVELOPMENT AUTHORITY
FACADE IMPROVEMENT FORGIVEABLE LOAN**

**PROMISSORY NOTE
MERCHANTS CAFÉ LLC**

\$19,269.19

North Branch, MN
_____, 20__

FOR VALUE RECEIVED, the undersigned loan recipient(s), hereinafter referred to as the “MAKER,” promises to repay to the North Branch Economic Development Authority, hereinafter referred to as the “LENDER,” at its offices located at 6408 Elm Street, North Branch, Minnesota 55056, or such other place as the holder hereof shall designate in writing, the Loan proceeds it received under the LENDER’s Facade Improvement Forgivable Loan Program in the principal amount of Nineteen thousand Two-Hundred Sixty-Nine dollars and 19/100 (**\$19,269.19**) (the “Loan”) lawful money of the United States.

The Loan shall be repaid / forgiven in accordance with and pursuant to the terms and conditions contained in that certain North Branch Economic Development Authority Facade Improvement Forgivable Loan Agreement of even date herewith by and between MAKER and LENDER (the “Loan Agreement”). The Loan shall be forgiven by LENDER upon satisfaction by MAKER of the terms and conditions for Loan forgiveness contained in the Loan Agreement. In the event the Loan is not forgiven as provided in the Loan Agreement, the Loan shall be repaid as set forth in the Loan Agreement in the principal amount of the Loan plus interest accrued from the date of this Note, at the rate of **Three Percent (3%)** per annum.

This Note is secured by the Personal Guaranty of Emily Essling of even date herewith granted by MAKER in favor of LENDER that in the event of MAKER’s default with respect to the Loan Agreement and this Note, MAKER shall repay the entire amount of principal and interest that is due and payable as provided in the Loan Agreement.

The MAKER shall maintain insurance for liability, wind, fire and other casualty purposes on the subject Property located at 6338 Main Street, North Branch, MN 55056, (the “Property”) for the term of the Loan Agreement of even date herewith.

This Note may be prepaid at any time without notice, in whole or in part, and without

incurring any penalty or bonus.

Any change of the MAKER's name or address must be promptly disclosed to the LENDER.

All of the agreements, conditions, covenants, provisions, and stipulations contained in the Loan Agreement, or any instrument securing this Note are hereby made a part of this Note to the same extent and with the same force and effect as if they were fully set forth herein. It is agreed that time is of the essence of this Note. If a default occurs under the Loan Agreement, or any instrument securing this Note, then the LENDER of this Note may at its right and option, without notice, declare immediately due and payable the principal balance of this Note, together with any costs of collection including attorney fees incurred by the LENDER of this Note in collecting or enforcing payment hereof, whether suit be brought or not, and all other sums due hereunder, or under any instrument securing this Note. The MAKER agrees that the LENDER may, without notice to the MAKER and without affecting the liability of the MAKER, accept additional or substitute security for this Note, or release any security or any party liable for this Note or extend or renew this Note.

MAKER's failure to pay any amount when due as evidenced hereby, or perform any covenant or agreement hereunder, shall constitute a default under this instrument and any other instrument securing or otherwise relating to such grant transaction, and a default under any other instrument shall constitute a default hereunder.

In the Event of Default, the LENDER shall give written notice thereof to the Maker at 6338 Main Street, North Branch, MN 55056, or to such other address as the MAKER may inform the LENDER in writing. In the event that any such default is not cured within Ten (10) days of the receipt of such notice, the LENDER may, at its option, declare the entire balance due hereunder immediately due and payable without further notice. Failure to exercise this option shall not constitute a waiver of the right to exercise this option at a later date. After the date of default, payment by MAKER shall be applied first to interest and then to principal.

If payments are in default more than 60 days, interest on the unpaid principal balance shall accrue at Ten percent (10.00%) per annum. Said increased interest shall be as and for liquidated damages to LENDER and shall not be considered a penalty.

The remedies of the LENDER as provided herein, and in the Loan Agreement, or any other instrument securing this Note, shall be cumulative and concurrent and may be pursued singly, successively, or together, and, at the sole discretion of the LENDER, may be exercised as often as occasion therefore shall occur; and the failure to exercise any such right or remedy shall in no event be construed as a waiver or release thereof.

The LENDER shall not be deemed, by any act of omission or commission, to have waived any of its rights or remedies hereunder unless such waiver is in writing and signed by the LENDER and then only to the extent specifically set forth in the writing. A waiver with reference to one event shall not be construed as continuing or as a bar to or waiver of any right or remedy as to a subsequent event. This Note may not be amended, modified, or changed except only by an instrument in writing signed by the party against whom enforcement of any such amendment, modifications, or change is sought.

The undersigned, in the case of suit on this Note, agrees to pay the LENDER's attorney fees and costs incurred therein. The MAKER and any endorsers and sureties waive demand of payment, notice of nonpayment, protest and notice. Sureties, endorsers and guarantors agree to all of the provisions of this Note, and consent that the time of payment of all or any part hereof may be extended at the discretion of the LENDER from time to time, without notice.

The undersigned agrees to pay this Note and waive demand, presentment, protest, and notice of dishonor, and exonerate the LENDER hereof from any duty and obligation to make demand on anyone for payment or, except as otherwise provided herein, to give notice to anyone of nonpayment hereof and further consent to the extension, renewal, exchange, surrender or release of this Note or any person bound hereunder by the holder hereof.

MAKER agrees to provide periodic information regarding the status of relevant matters described in this Note and the accompanying exhibits hereto.

This Note shall be governed by, and construed in accordance with, the laws of the state of Minnesota without regard to its conflict of laws provisions. Any disputes, controversies, or claims arising out of this Note shall be heard in the state or federal courts of Minnesota, and all parties to this Note waive any objection to the jurisdiction of these courts, whether based on convenience or otherwise. The headings used in this Note are solely for convenience of reference, are no part of this Note, and are not to be considered in construing or interpreting this Note.

This Note, with the other Loan Documents, constitutes the entire Note between the parties pertaining to its subject matter and it supersedes all prior contemporaneous Notes, representations, and understandings of the parties pertaining to the subject matter of this Note.

Wherever possible, each provision of this Note and each related document shall be interpreted so that it is valid under applicable law. If any provision of this Note 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 Note or any other related document.

IT IS HEREBY CERTIFIED AND RECITED that all conditions, acts, and things required to exist, happen, and be performed precedent to or in the issuance of this Note do exist, have

happened, and have been performed in regular and due form as required by law.

[Signature page follows]

IN WITNESS WHEREOF, the MAKER has caused this Note to be duly executed as of the date first above written.

MAKER:

[

MERCHANTS CAFÉ LLC

By: _____
Emily Sampson, Its President

STATE OF _____)
) ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____ day of _____, 20____, by Emily Sampson as President of Merchants Café, LLC, a limited liability organized under the laws of the State of Minnesota, Maker.]

Notary Public

(Attached exhibits include: North Branch Economic Development Authority Facade Improvement Forgivable Loan Agreement; Borrower's Affidavit(s); and Personal Guarantee(s))



NORTH BRANCH FAÇADE IMPROVEMENT FORGIVABLE LOAN PROGRAM

APPLICANT / OWNER INFORMATION	
Full Name:	Emily Sampson
Address:	37101 Kost Trail North Branch, MN 55056
Phone:	651-328-4640
Email:	emilysssing@live.com

BUSINESS INFORMATION	
Name of Business Owner:	Emily Sampson ☒ Same As Applicant
Name of Business:	Merchants Cafe
Name of DBA:	

PROPERTY INFORMATION	
Site Address:	6338 Main Street
Building Status:	☒ Owner Occupied ☐ Tenant Lease
Use Type:	Commercial Restaurant
Current Land Use:	CBD
Current Zoning:	CBD

FAÇADE IMPROVEMENTS	
☐ Full Restoration	☒ Masonry Repairs
☒ Canopy & Awnings	☒ Signage & Lighting
☐ General Maintenance	☒ Windows & Doors
Other: Cleaning and staining brick	

PROJECT COST & TIMELINES					
PROJECT ESTIMATES (Detailed opinion of probable cost required.)					
Total Project	Eligible Costs	Private Match	Request	Start Date	Completion Date
38,439.38	38,439.38			ASAP	
\$ 20,000.00	\$ 20,000.00	\$ 1/2	\$ 25,000	/ /	/ /
CITY REVIEW					
Total Project	Eligible Costs	Private Match	Public Match	Grant Maximum	Review Date
\$	\$	\$	\$	\$20,000.00	/ /

ARCHITECT/ CONTRACTOR INFORMATION	
Company Name:	Emily Sampson Owner
Company Contact:	651-328-4640
Address:	
Phone:	
Email:	

PROJECT SUMMARY	
In the space below provide a brief description of the proposed project (attach an additional sheet if necessary).	
New windows.	Masonry repair:
New awnings.	Masonry improvement.
New lighting.	



NORTH BRANCH FAÇADE IMPROVEMENT FORGIVABLE LOAN PROGRAM

PROGRAM TERMS & CONDITIONS

PROGRAM FUNDING

Matching Grants range from a minimum of \$5,000 to a maximum of \$20,000 per storefront or building. All grants must be matched by the property owner. The Matching Grant will pay for only 50% of the total eligible project costs, up to the \$20,000 grant limit. The approved Matching Grant amount will only be paid by the City upon completion of the work, and a formal written request for payment and final invoice is provided by the Applicant to the City.

TERMS & CONDITIONS

The Matching Grant is structured as a 5-year loan with no payments, with 20% of the loan being forgiven each year for 5 years. If the building is sold before 5 years, the balance of the loan must be repaid by the Applicant.

The City of North Branch has the right to terminate any agreement under the Façade Improvement Matching Grant Program, if an Applicant is found to be in violation of any conditions set forth in these guidelines, or if work is not completed within required timelines. If terminated by the City, the City shall not be obligated to make any payment to the Applicant. If at any point after the project is completed, the Applicant is found to have violated the terms and conditions of the Program or Grant Agreement with the City, the Applicant shall be responsible for repaying 100% of the Matching Grant to the City.

PROGRAM REQUIREMENTS

1. A signed and approved Grant Agreement is required for the applicant to be eligible to receive any funding from the Façade Improvement Matching Grant Program.
2. All work must be done in accordance with all local, state, and federal building codes, the City of North Branch Zoning Code, Downtown Design Guidelines, other applicable Downtown standards, and the rules and regulations for the Façade Improvement Matching Grant Program.
3. Labor costs are only eligible to be covered by the grant if the labor is done by a third party who has no financial interest in the building (i.e. building owners may not receive funds for labor that they completed on the project).
4. All construction must be completed in strict compliance with any approved plans and applicable local, state and federal rules and regulations.
5. All work must be completed within 6 months from the date the grant is approved by the City and any applicable agreements, as required by the City, are executed.
6. The Applicant may not assign the program obligations and/or payment of the Matching Grant to any other party or person.



FAÇADE IMPROVEMENT FORGIVABLE LOAN PROGRAM
ACKNOWLEDGEMENT

APPLICANT STATEMENT

I acknowledge the Program Terms and Conditions, as stated herein, and to the best of my knowledge, all of the applicable materials and documents and information I have submitted are true and correct. I have read the Façade Improvement Matching Grant Program and Terms and Conditions, and understand the rules and regulations as set therein. I agree to hold harmless and indemnify the City, and its officers and employees, for any claims for damage to property or injury to persons which may be occasioned by any activity carried on under the terms of this license.

Amely Sampson
Applicant Signature

12-17-24
Date

REQUIRED ATTACHMENTS

Financial	Project budget with Opinion of Probable Cost and/or detailed, line-item estimate.
Architectural Drawings	Scaled drawings of proposed façade improvements with color renderings.
Photos	Pictures of current storefront.
Other	Other information as may be required by the City.

Automatic Doors

Aluminum Storefront

Acrylic Block



Auto Glass

Shower Doors/Mirrors

Windows & Doors

Date:	November 26, 2024	Job Reference:	Merchants Café Metal Wrap
Company:	Merchants Cafe	Location:	North Branch
Attention:	Emily	Plans Dated:	
Address:	6338 Main St.	Bid Date/Time:	
City/State/Zip:	North Branch MN.	Addendums:	
Phone:		Fax:	

**Furnish and Install New Anodized Aluminum Window Wrap around all 8 Windows and Door Opening.
Includes New Caulking and sealant to Brick and Windows
Metal: .040 Thick Anodized aluminum
Finish: Dark Bronze (Matching New Windows and Existing Door)**

Furnish and install: \$ 10,450.00

Thank You Reed Johnson

This Proposal is valid for 30 days from the above date. After this date passes requoting is required.

Subject to these conditions:

Upon customer's notification, Indianhead Glass, Inc., will begin work as soon as possible subject to any conditions beyond our control as strikes, acts of God, etc. This proposal is based on all work being performed during regular working hours. An extra charge will be made for any overtime work. We do not replace broken or damaged materials unless directly caused by our employees. We reserve the right to correct any clerical errors. Adequate storage space for materials and scaffolding is to be provided by the General Contractor without charge, unless other arrangements are agreed upon. All materials are furnished in accordance with manufacturer's tolerances for color variation, thickness, size, finish, texture and performance standards. We will not accept changes or extras to the contract without prior written authorization in the form of a contract change order. **NOT INCLUDED:** Cleaning and protection of glass and aluminum

Terms:

50% deposit required upon order. Balance to be paid on completion date unless other credit arrangements are made. Service charge of 1 1/2 % per month (18% per annum) will be charged on any account not paid within 30 days of completion date. This is not a consumer credit transaction. Purchaser agrees that this is not intended to be an extension of credit and the provisions of

Wisconsin Consumer Act, or any similar law or any other state, do not apply to this contract.

Accepted By:

Quoted By: Reed Johnson

Signature

Title

141 Washington St. N
St. Croix Falls, WI 54024
(800) 472-6424

Phone: (715) 483-5454
Fax: (715) 483-5455
www.indianheadglass.com

Date:

Automatic Doors

Aluminum Storefront

Acrylic Block



Auto Glass

Shower Doors/Mirrors

Windows & Doors

Date:	November 12, 2024	Job Reference:	Merchants Café Windows
Company:	Merchants Cafe	Location:	North Branch
Attention:	Emily	Plans Dated:	
Address:	6338 Main St.	Bid Date/Time:	
City/State/Zip:	North Branch MN.	Addendums:	
Phone:		Fax:	

Remove Old Aluminum Framing and Glass and Install New Thermally Broken Windows and Glass.

Frames: 2"x4 1/2" Tubular frame Thermally Broken

Finish: Dark Bronze,

Glass: 1 O.A. Insulated Bronze Tinted Low-E Temp.

Window: 5 @ 76" x 78" Approx. (2 With Sliding Windows in Lower)

2 Windows next to door infilled to glass.

Furnish and install: \$ 16,300.00

Thank You Reed Johnson

This Proposal is valid for 30 days from the above date. After this date passes re quoting is required.

Subject to these conditions:

Upon customer's notification, Indianhead Glass, Inc., will begin work as soon as possible subject to any conditions beyond our control as strikes, acts of God, etc. This proposal is based on all work being performed during regular working hours. An extra charge will be made for any overtime work. We do not replace broken or damaged materials unless directly caused by our employees. We reserve the right to correct any clerical errors. Adequate storage space for materials and scaffolding is to be provided by the General Contractor without charge, unless other arrangements are agreed upon. All materials are furnished in accordance with manufacturer's tolerances for color variation, thickness, size, finish, texture and performance standards. We will not accept changes or extras to the contract without prior written authorization in the form of a contract change order. **NOT INCLUDED:** Cleaning and protection of glass and aluminum

Terms:

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Wisconsin Consumer Act, or any similar law or any other state, do not apply to this contract.

Accepted By:

Quoted By: Reed Johnson

Signature

Title

141 Washington St. N
St. Croix Falls, WI 54024
(800) 472-6424

Phone: (715) 483-5454
Fax: (715) 483-5455
www.indianheadglass.com

Date:



DB Signs LLC
30567 Crooked River Rd.
Pine City, MN 55063
Phone: 320-629-8919
Email: dennis@dbsigns.biz

Estimate

Date	Invoice No.
12/11/24	5593

Bill To

Merchants Cafe -Emily
6338 Main Street
North Branch, MN 55056

Description	Quantity	Amount
-Window graphics: Provide and apply vinyl graphics to specific windows. No borders. -windows 2 & 6: remove existing bottom graphics and replace with "Catering". -windows 4, 5 & 8: (new windows) Provide and apply new logo and phone number graphics		1,100.00T
-Borders: Add pinstripe borders to windows 4, 5 and 8.		200.00T
-New Window 6 Sign: Option to replace entire existing 74.25" x 55.5" sign so all colors are uniform - installed =\$950		

Mail - Emily Sampson - Outlook

ATMOMDAAMS1hMjNlTEOMzEiNDACLTAwCgAAQHClqldfydDnxD9Zel1A7l%3D/s

	Subtotal	\$1300.00
	Sales Tax (6.875%)	\$89.38
	Total	\$1389.38

ESTIMATE



Prepared For

Merchant Cafe
6338 Main Street
North Branch, MN 55056
(651) 328-4640

Minnesota Eco Builder, Inc

7727 Sod Road
Brook Park, MN 55007
Phone: (612) 490-4824
Email: mjcummins@usa.net
Web: www.minnesotaecobuilder.com

Estimate # 586
Date 11/11/2024
Business / Tax # BC634530

Description	Total
Fabric Fixed Frame Awning	\$7,500.00
Welded Frame Awning	
40" Height x 40" Projection with a 6" Straight Valance	
(8) Framed Awnings	
Fabric Color	\$0.00
Sunbrella #4608 Black	
Valance - Straight	\$0.00
Address of Project	\$0.00
Merchant Cafe	
6338 Main Street	
North Branch, MN 55056	

Subtotal	\$7,500.00
Total	\$7,500.00

Dusty's Concrete & Landscape LLC

North Branch, MN

763-286-3034

PROPOSAL

Prepared for:

Date _____

Name Merchan +3 Cafe

Address _____

City, State _____

Home Phone _____ Work Phone _____

[illegible]

OPTIONS *(These are not included in base proposal price.)*

Patch and skim coat stone on building to prevent further corrosion of stone.

Base Proposal Price: \$ 2,800 Dollars \$ _____

ACCEPTED BY:

Dusty's Concrete & Landscape LLC	Date
----------------------------------	------

Contract Party	Date
----------------	------

Opt. Selected (List) _____ : \$ _____

Total Contract Amount: \$ _____

% Deposit Required: \$ _____

Balance Due at Completion: \$ _____

Proposal may be withdrawn if not accepted within _____ days. Proposal subject to General Terms & Conditions on back.

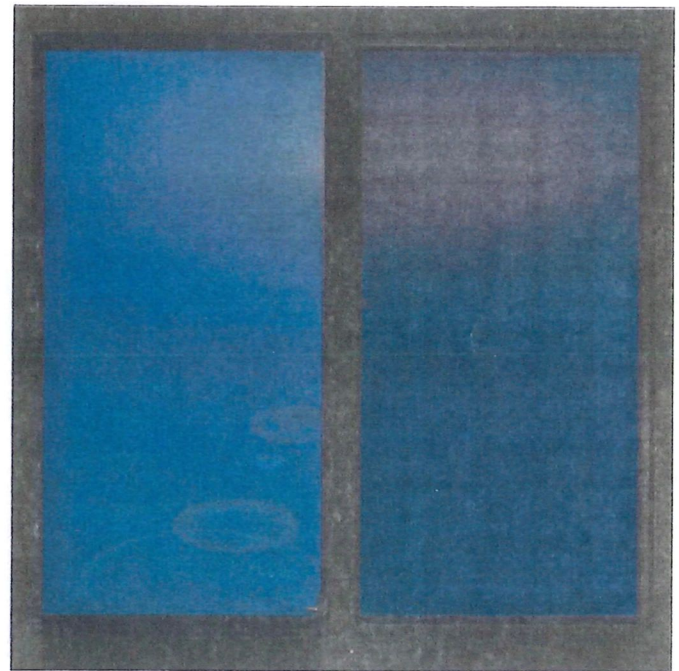
5045

ALUMINUM HORIZONTAL SLIDER WINDOW

DECADES OF PROVEN PERFORMANCE

Gerkin has long been known for making one of the lightest horizontal sliders on the market. While many competitors hide their air infiltration rates, Gerkin touts a rate that is over 400% better than architectural standards. These sliders feature dual interlocks, dual weather strips and tapered sash rails, which allow for uncommonly low air infiltration rates. Our NFRC thermal numbers also boast one of the best found in aluminum windows. The Rhino slider offers a great overall value in cost and performance.

Our fixed and slider windows are so well made, they have been used in "LEED" projects and NetZero buildings.



5045

ALUMINUM HORIZONTAL SLIDER WINDOW

5045 HORIZONTAL SLIDER | DETAILS

**Thermal Breaks:**

2-3/8" thermally broken frame depth: Gerkin offers thermal breaks in the frame and sash for improved thermal efficiency.

**Nail Fins:**

Nail fins are a standard feature for this window. The corners are closed which allows for full perimeter flashing. As an option, Gerkin will remove the nail fin for masonry and subframe installations.

**Interlocks:**

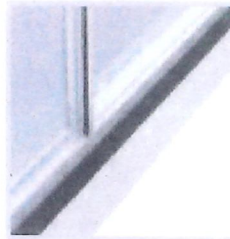
The use of jamb and mullion interlocks helps to reduce deflection and creates a snug fit due to reduced movement away from the weather seals. The structure of the window is enhanced and air infiltration is reduced.

**Dual Weatherstripping:**

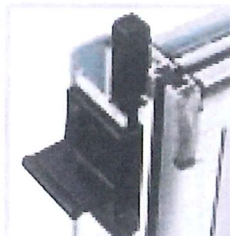
This window features heavy wool pile weatherstripping with a Mylar fin on both sides of the sash. This means that whether there are negative or positive pressures on the window, there will never be a disconnection of weatherstrip, thus giving Gerkin one of the tightest sliders on the market.

**Rollers:**

These rollers are designed to last for years with trouble free operation. Our sliders are among one of the easiest windows to operate with a maximum operating force of 18 pounds on the largest window we make. The rollers also offer a secondary height adjustment to help with sightline adjustments after installation.

**Sill Track:**

With the deeper sill track on this slider, Gerkin has incorporated a secondary sill, which the sash rolls on. This PVC product is quiet, doesn't scratch and has a weep system that removes water from the operating area of the sash.

**Deadbolt Lock:**

Our Self-latching deadbolt lock is a level 10 forced entry rated deadbolt and offers automatic locking when the window is closed. This is a great security feature.

**Anti-lift Stop:**

Gerkin installs a security feature that won't allow the sash to be removed while the deadbolt is in the locked position. The window must be fully open prior to being able to remove the sash.

**Weeps With Baffles:**

Gerkin includes an open cell foam inside each weep hole, which restricts snow, dirt, insects and other debris from entering the window through the weeps.

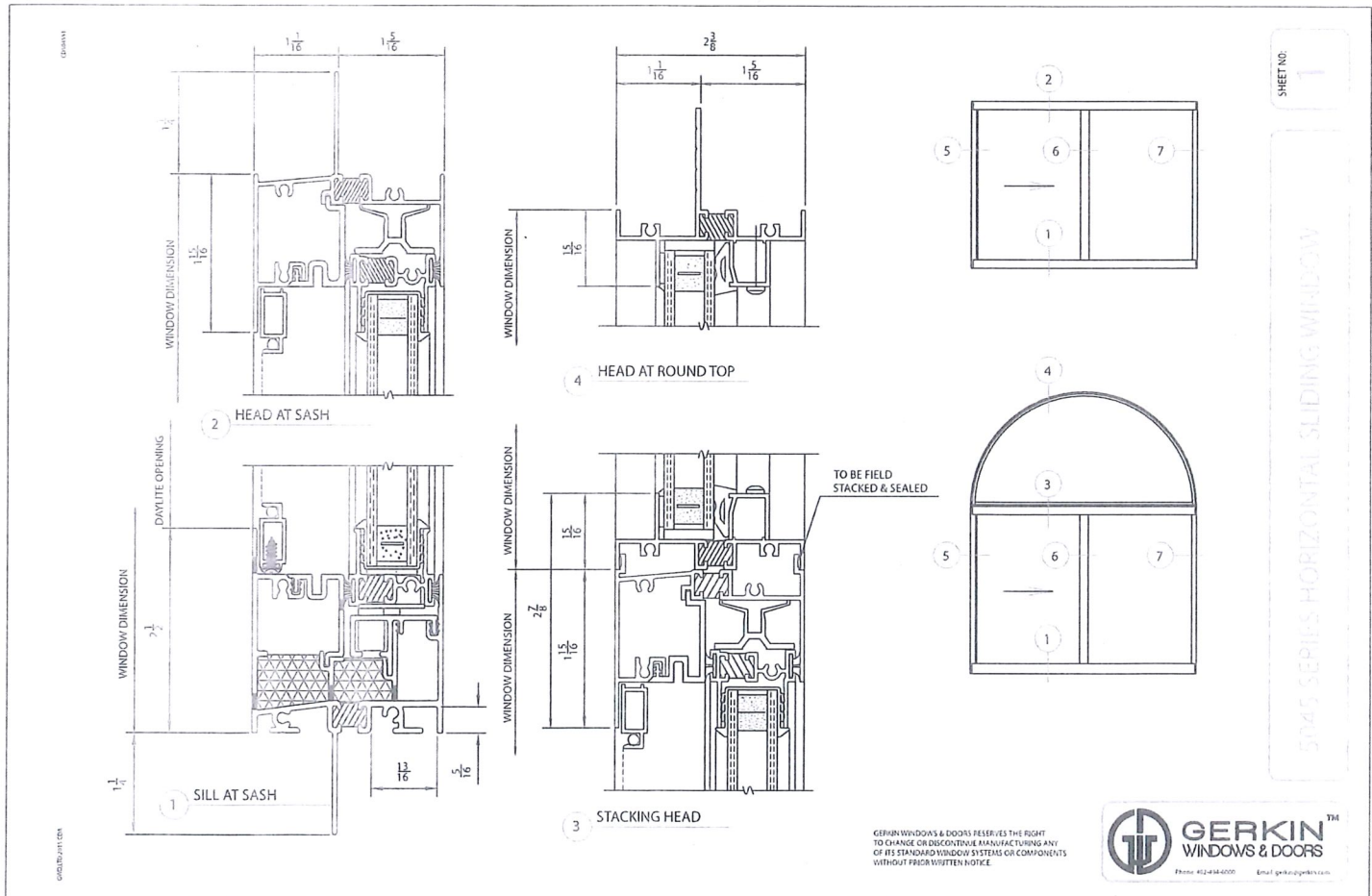
**Extruded Screen Frames:**

The strength of extruded screen frames is a major maintenance cost advantage for Gerkin over easily damaged roll form screens.

5045

ALUMINUM HORIZONTAL SLIDER WINDOW

5045 HORIZONTAL SLIDER | DETAILS



5045

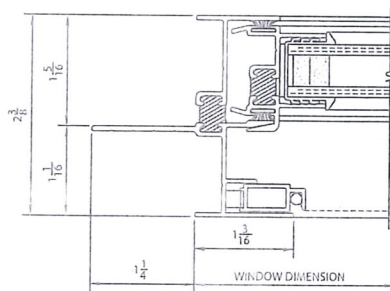
ALUMINUM HORIZONTAL SLIDER WINDOW

5045 HORIZONTAL SLIDER | DETAILS

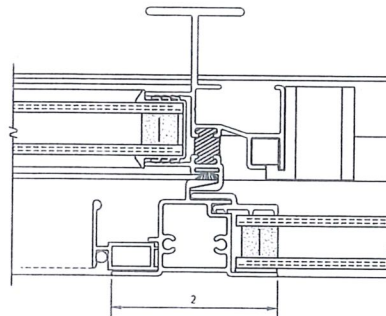
SHEET NO.

2

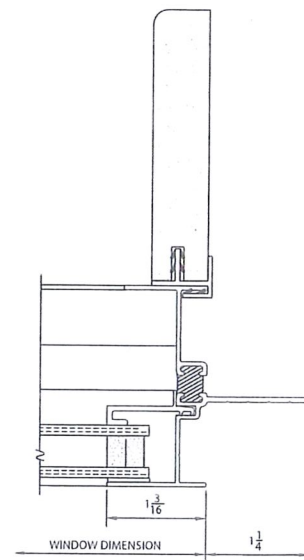
5045 SERIES HORIZONTAL SLIDING WINDOW



5 OPERATOR JAMB



6 MEETING RAIL

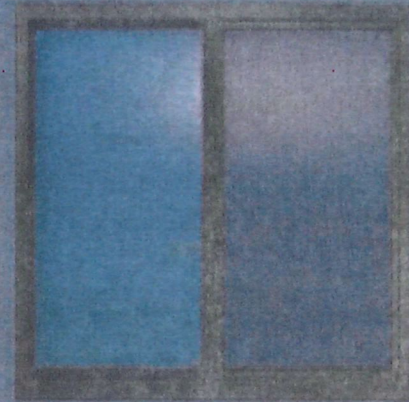


7 FIXED JAMB w/
EXTENSION JAMB



5045

ALUMINUM HORIZONTAL SLIDER WINDOW



5045 HORIZONTAL SLIDER | TEST RESULTS

NFRC | TEST RESULTS

U-Value w/LoE3/Argon	.37
Solar Heat Gain Coefficient ²	.24
Visible Transmittance ³	.54
Condensation Resistance	45
U-Value Air Only ⁴	.42

AAMA | TEST RESULTS

Test Window | 120" x 64"

Class	LC-PG45-HS
Air Infiltration	.04 cfm/sq.ft.
Water	6.90 psf
Structural Wind Load ¹	67.5 psf
Indoor/Outdoor Sound Transmission Class	28
	w/ 1/4 LAM X 1/8 A
Sound Transmission Class	31
	w/ 1/4 LAM X 1/8 A
AAMA Rating	A440-08

Color Options:

White
Bronze
Clear Anodized
Dark Bronze Anodized

AAMA | TEST RESULTS

Test Window | 108" x 60" (X0X)

Class	LC-PG50
Air Infiltration	.06 cfm/sq.ft.
Water	7.50 psf
Structural Wind Load	75.0 psf
Indoor/Outdoor Sound Transmission Class	28
Sound Transmission Class (w/ 1/4 LAM X 1/8 A)	31
AAMA Rating	A440-08

¹U-Values for our windows with 1/8" 366 LoE3 glass, air only, 1/8" clear glass, no muntins or argon in the air space.

Tested and Certified to AAMA/WDMA/CSA 101/I.S.2 A440-08

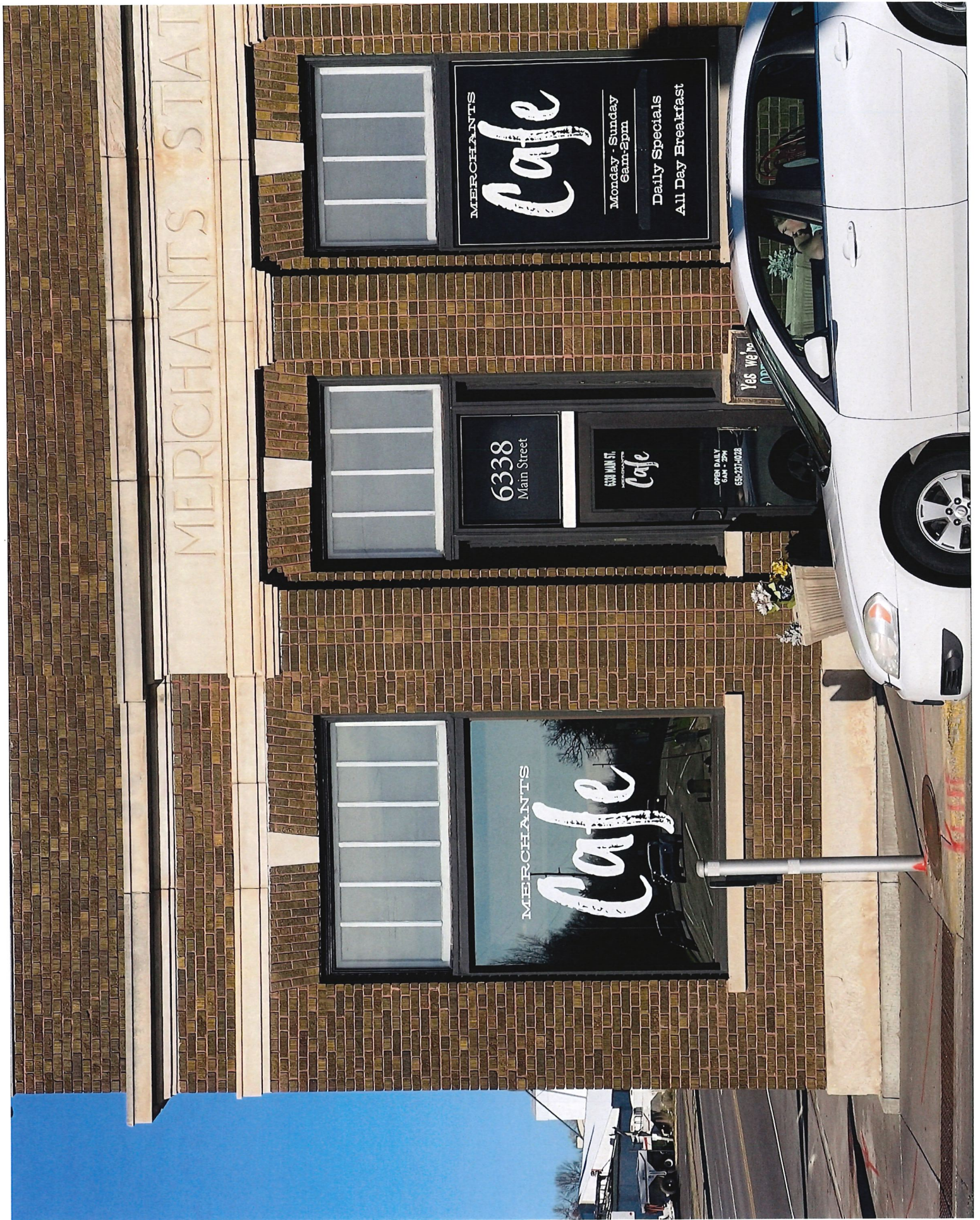
U-Value/SHGC/VT/CRF Tested to NFRC 100/200/500

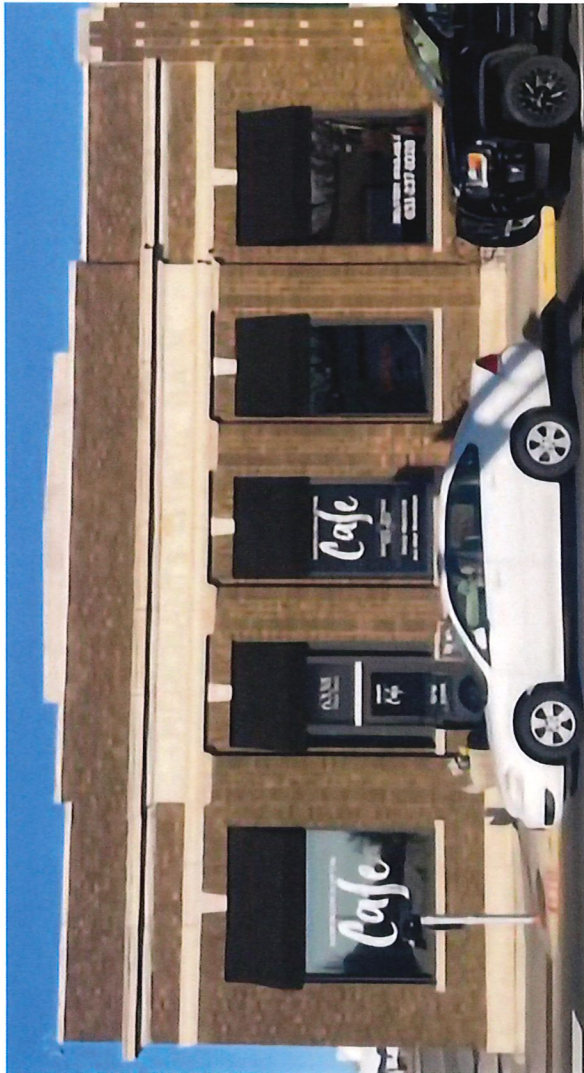
Thermal Values are 5/8" IGU w/ 1/8" 366/Argon/ 1/8" Clear - No Muntins



gerkin.com









Prepared By: Nathan Sondrol, Community Development Director

Presenter: Nathan Sondrol, Community Development Director

Date: 02/13/2025

Board & Commission: Planning Commission

Subject: Interstate Business Park Design Standards

Overview / Background

In July 2024, the City Council with recommendation from the Planning Commission updated the design standards for properties in Zone 3 of Section 66-943 of the City Code. The majority of the properties in Zone 3 have existing buildings that did not meet the previous design standards, and the standards limited the ability of local businesses to expand onto vacant properties. The full text of the new code for Zone 3 can be found in Ordinance 376-24.

The recent updates to the design standards have spurred more conversations among potential businesses, developers and staff about the design standards and the impact on the “new industrial park” with the City-owned land. The park has been vacant for many years, and it could be helpful to consider if the design standards are providing the intended benefit to the City.

Staff briefly discussed this with the Planning Commission on January 7, 2025 and the Commission expressed interest in further discussion on the standards and expressed the idea of holding a shared meeting with the EDA. The Planning Commission next scheduled meeting is Tuesday February 4, 2025.

Requested Action

To provide direction/input on design standards from the Feb 4, 2025 meeting

Attachments

1. City Code Section 66-943 Design Standards
2. Design Standards Overlay District Zone Map

Voting Requirements:

Voting Options Simple Majority

Sec 66-943 Design Standards

a) The zones set forth in this Section are defined in the design overlay [district map](#) on record with the City Clerk.

b) Architectural Standards. The requirements contained within this Division shall not apply to any structure in the Agricultural, Rural Residential or Park/Open Space districts. It shall apply to all structures used for commercial purposes in Single-Family Residential, Medium Density Residential, and High Density Residential, all structures in the Central Business, Commercial, and Industrial Districts.

These standards are intended to ensure coordinated design of new and existing building exteriors, including additions and accessory structures, in order to prevent visual disharmony; minimize adverse impacts on adjacent properties from buildings which detract from the character and appearance of the district; and aid in improving the overall economic viability of the district. These standards are further intended to prevent use of materials that are unsightly, subject to rapid deterioration or which contribute to depreciation of property values or cause urban blight. It is not the intent of this Section to unduly restrict design freedom when reviewing and approving project architecture in relationship to the proposed land use, site characteristics and interior building layout. While the City of North Branch has not established a theme or particular style of architecture that must be adhered to, a general goal of creating a professional appearance with architectural appeal associated with a small city atmosphere is desired within the City of North Branch.

(1) Architectural plans shall be prepared by an architect or other qualified person (as determined by the Zoning Administrator) and shall show the following:

- (a) Elevations of all sides of the building.
- (b) Type and color of exterior building materials.
- (c) Typical floor plans.
- (d) Dimensions of all structures.
- (e) The location of trash containers and of exterior electrical, heating, ventilation, and air conditioning equipment.
- (f) Utility plans including water, sanitary sewer, and storm sewer.
- (g) Additional plans deemed necessary by the Zoning Administrator.

(2) Exterior building materials shall be subject to Zoning Administrator approval and the following:

(a) Zone 1: Structures must provide a cohesive architectural appearance reflecting its functional purpose and must be composed of at least sixty-five percent (65%) Class I materials; not more than thirty-five percent (35%) percent Class II materials.

(b) Zone 2: Structures must provide a cohesive architectural appearance reflecting its functional purpose and must be composed of at least fifty percent (50%) Class I materials; not more than thirty-five percent (50%) percent Class II materials.

(c) Zone 3: Structures must provide a cohesive architectural appearance reflecting its functional purpose. Structures in this zone are not subject to material composition requirements by Class. All other design standards in this Section apply unless otherwise listed.

(d) Classes of materials. For the purposes of this subdivision, exterior materials shall be divided into Class I and Class II categories as follows:

- 1. Class I consisting of:

- i. Brick,
- ii. Natural stone (or similar appearing, high quality manufactured stone),
- iii. Glass curtain wall,
- iv. Copper,
- v. Other comparable or superior materials, or
- vi. New materials that meet the intent of the preamble above.

2. Class II consisting of:

- i. Specialty concrete block such as burnished, textured or rock face,
- ii. Architecturally precast concrete panels having an exposed aggregate, light sandblast, acid etch, form liner, smooth as cast, tooled, natural stone veneer, brick face and/or cast stone type finish,
- iii. Masonry stucco,
- iv. Fiber-cement exterior siding,
- v. Other comparable or superior materials,
- vi. New materials that meet the intent of the preamble above.
- vii. Exterior finish installation system (EFIS),
- viii. Opaque panels,
- ix. Ornamental metal,
- x. Smooth concrete block,
- xi. Scored concrete block,
- xii. Smooth concrete tilt-up panels,
- xiii. Glazed block,
- xiv. Glass block,
- xv. Ceramic,
- xvi. Other comparable or superior materials, or
- xvii. New materials that meet the intent of the preamble above.

(e) A distinctly different color of brick may be considered as a second Class I material, however, minor blended color combinations shall not be considered as a separate material.

(f) Buildings may be constructed primarily of one (1) specific Class I material provided that the design fits the purpose of the building and is obviously superior to the general intent of this Division to provide visual interest, variation in detailing, and eliminate long wall sections without windows.

(g) Buildings constructed in Zone 3 shall have a minimum of two complementary color tones or two materials incorporated on all sides of the building. This can be completed through wainscoting, columns, pilasters, or other ornamentation as determined by the Zoning Administrator.

(h) Garish or bright accent colors for awnings, trim, banding, walls, entries or any portion of the building shall be minimized, but in no case shall such coloring exceed five percent (5%) of each wall area.

(i) In Zones 1 and 2 exposed roof materials shall be similar to, or an architectural equivalent of a high quality asphalt shingle (300# or better), wood shingle, standing seam metal roof, or better.

(j) In Zone 3, roof materials shall be of a finished material and all fasteners and connectors shall be the same color as the roof material.

(3) The overall architectural character shall have a consistent architectural expression on all sides of the building and be compatible with its surroundings.

(4) Windows or simulated windows shall be used on the ground level of any wall parallel to or nearly parallel to a street.

(5) All structures, including parking ramps shall be designed to be architecturally integrated into the overall site and be made of comparable materials and decorative elements.

(6) All façade treatments shall be maintained so as to not be unsightly in appearance or in a state of disrepair, nor shall harmful health or safety conditions be present for the life of the project.

(7) Prohibited Exterior Materials in Zone 1 and 2:

(a) Vinyl Siding.

(b) Metal Siding, except as provided above.

(c) Formed Metal Panels with exposed fasteners.

(d) Pre-engineered post-frame structures with agricultural grade metal wall and roof panels, commonly called “pole barns” are not permitted.

(8) Prohibited Exterior Materials in Zone 3:

(a) Unfinished steel on walls or roofs.

(b) Unfinished aluminum on walls or roofs.

(c) Reflective materials.

(9) Exceptions – The following exceptions to the exterior building material requirements may apply:

(a) The use is an essential service as defined by this Division; or

(b) The applicant shall have the burden of demonstrating that:

1. The proposed building maintains the quality in design and materials intended by this Division,
2. The proposed building design and materials are compatible and in harmony with other structures within the district,
3. The justification for deviation from the requirements of this section shall not be based on economic considerations.

(c) Sides of a building which are not visible from any public road may use any combination of Class I or II materials, if approved by the Planning Commission and City Council. The applicant must be able to demonstrate that said side of building is not visible from any public road.

(d) Garage doors, window trim, flashing, accent items and the like, shall not constitute required materials that make up the exterior finish of a building for the purposes of this section.

(e) Building Additions. Properties zoned I - Industrial and I2 - Heavy Industrial may be excepted from the minimum exterior building material standards for additions onto existing buildings. This exception only applies to additions of not more than 75 percent of the gross floor area of the initial principal building constructed on the property. The type and percent composition of the material(s) on the new additio(s) must be equal to or greater than the material(s) on the existing principal building. Additions exceeding 75 percent are required to meet the minimum exterior material standards for that Zone. In this case, the property owner may opt to satisfy the minimum standards on both the addition(s) and existing building. This exception does not apply to new secondary buildings and accessory structures on the property, if permitted by zoning.

(Code 1996, § 17.44.120)

HISTORY

Amended by Ord. [325-21](#) on 10/26/2021

Amended by Ord. [356-23](#) on 6/27/2023

Amended by Ord. [376-24](#) on 7/30/2024

Amended by Ord. [377-24 \(Summary Ordinance of 376-24\)](#) on 7/30/2024



- 1
- 2
- 3



Prepared By:

Presenter:

Date: 02/13/2025

Board & Commission: Economic Development Authority

Subject: Downtown Improvements Subcommittee

The EDA discussed the idea of starting a downtown improvements subcommittee at the November 2024 meeting.

Staff are looking for additional discussion on this.

Voting Requirements:

Voting Options Simple Majority



Prepared By: Nathan Sondrol, Community Development Director

Presenter: Nathan Sondrol, Community Development Director

Date: 02/13/2025

Board & Commission: Economic Development Authority

Subject: Closed meeting pursuant to Minn. Stat. 13D.05, sub. 3 (c) to consider the sale of real property identified as Lot 2-4, Block 2, Essby Business Park 4th Addition, North Branch, Minnesota

Voting Requirements:

Voting Options Simple Majority