

**This is a SAMPLE agreement for your review. You do not need to complete or sign the loan agreement at this time. Once a completed application is received, city staff will complete this agreement and send to you for signature.**

**FORGIVABLE LOAN AGREEMENT FOR  
CITY OF PRIOR LAKE ECONOMIC DEVELOPMENT AUTHORITY  
COVID-19 RESTAURANT ASSISTANCE PROGRAM**

This Forgivable Loan Agreement ("Agreement") is between the City of Prior Lake Economic Development Authority ("EDA"), a Minnesota municipal corporation, 4646 Dakota Street SE, Prior Lake, MN 55372 and \_\_\_\_\_, a \_\_\_\_\_, operating at \_\_\_\_\_ ("Recipient").

WHEREAS, the EDA finds financial assistance is needed as the COVID-19 pandemic has had a significant impact on many businesses within the City of Prior Lake resulting in a negative effect on the City's tax base and reduction of employment opportunities within the City; and

WHEREAS, the EDA has approved the disbursement of funds to assist full-service restaurants who have been negatively affected by the COVID-19 pandemic; and

WHEREAS, the EDA finds the COVID-19 Restaurant Assistance Program helps support several public purpose objectives, including retention of local jobs that offer stable employment and/or attractive wages and benefits, preservation of the City's tax base, and improvement of the general economy; and

WHEREAS, Recipient has made an application for a forgivable loan and has been selected for funding in accordance with the terms of this Agreement.

NOW, THEREFORE, EDA and Recipient agree as follows:

**1. AMOUNT OF LOAN**

The total amount of this Loan is \$10,000 ("Loan Funds").

**2. LOAN REQUIREMENTS**

Recipient hereby represents and warrants to EDA that it is a locally owned and operated for-profit restaurant with a commercial (non-home-based) establishment in the City of Prior Lake which has been operating since March 13, 2020 and that one of the following is true and correct:

- a) Recipient is a full-service restaurant which relies primarily on the service of lunch and/or dinner to customers in its interior dining room without access to a drive-thru or take-out window and held on March 13, 2020 and continues to hold an on-sale intoxicating liquor license; or,
- b) Recipient is a full-service restaurant serving breakfast, lunch and dinner where the majority of customers are served and consume food in its interior dining room without access to a drive-thru or take-out window.

**3. ELIGIBLE COSTS OF BUSINESS INTERRUPTION**

Recipient hereby represents and warrants to EDA that Recipient has incurred expenses in excess of the Loan Funds as a result of the COVID-19 pandemic and the related State ordered restaurant closures.

**4. LOAN DISBURSEMENT**

EDA shall pay Loan Funds directly to Recipient within ten (10) business days of receipt of a signed Agreement.

5. LOAN FORGIVENESS

The Loan shall be automatically forgiven on June 30, 2021 if the Recipient continues to meet the criteria in Paragraph 2 above. If Recipient fails to meet the criteria above as of June 30, 2021, the entire loan shall be due and payable to the EDA immediately.

6. INDEMNIFICATION

Recipient shall defend, indemnify, and hold harmless EDA, their present and former officials, officers, agents, volunteers and employees from any liability, claims, causes of action, judgments, damages, losses, costs, demands for repayment or expenses, including attorney's fees, resulting directly or indirectly from any breach of representation or warranty in this Agreement.

7. DATA

EDA is required to abide by the provisions of the Minnesota Government Data Practices Act, Minnesota Statutes, Chapter 13 (MGDPA) and all other applicable state and federal laws, rules, regulations and orders relating to data or the privacy, confidentiality or security of data. Data submitted by Recipient may become public if it is classified as public data under the MGDPA.

8. AUDIT DISCLOSURE.

Pursuant to Minn. Stat. 16C.05, Subd. 5, the books, records, documents and accounting procedures and practices of the Recipient are subject to examination by the City and either the Legislative Auditor or the State Auditor for a period of six years after the effective date of this Agreement.

9. MERGER, MODIFICATION AND SEVERABILITY

- A. The entire Agreement between the parties is contained herein and supersedes all oral agreements and negotiations between the parties relating to the subject matter. All items that are referenced or that are attached are incorporated and made a part of this Agreement. If there is any conflict between the terms of this Agreement and referenced or attached items, the terms of this Agreement shall prevail.
- B. Any alterations, variations or modifications of the provisions of this Agreement shall only be valid when they have been reduced to writing as an amendment to this Agreement signed by the parties.
- C. If any provision of this Agreement is held invalid, illegal or unenforceable, the remaining provisions will not be affected.

10. NOTICES

Unless the parties otherwise agree in writing, any notice or demand which must be given or made by a party under this Agreement or any statute, rule or regulation, shall be in writing, and shall be sent registered or certified mail. Notices to EDA or Recipient shall be sent to the address stated in the opening paragraph of this Agreement.

11. MINNESOTA LAWS GOVERN

The laws of the state of Minnesota shall govern all questions and interpretations concerning the validity and construction of this Agreement and the legal relations between the parties and their performance.

12. ELECTRONIC SIGNATURES.

This Agreement may be executed by way of electronic signatures.

*(Signatures appear on next page)*

By signing below, Recipient states that that all the foregoing information is true and accurate to the best of their knowledge, the business meets the criteria set forth above and Recipient accepts and agrees to the terms and covenants contained in this Agreement.

Recipient:

By: \_\_\_\_\_

Print: \_\_\_\_\_

Its: \_\_\_\_\_

Date: \_\_\_\_\_

By signing below, the City of Prior Lake Economic Development Authority accepts and agrees to the terms and covenants contained in this Agreement.

City of Prior Lake  
Economic Development Authority:

By: \_\_\_\_\_

Jason Wedel

Its: Executive Director \_\_\_\_\_

Date: \_\_\_\_\_