

**EDA Members:**

Dan Roe,  
President  
Lisa Laliberte,  
Vice President  
Robert Willmus  
Jason Etten  
Wayne Groff



**Economic Development  
Authority  
Meeting Agenda  
Monday, January 14, 2019  
City Council Chambers**

**Address:**  
2660 Civic Center Dr.  
Roseville, MN 55113

**Phone:**  
651-792-7000

**Website:**  
[www.growroseville.com](http://www.growroseville.com)

1. 6:00 P.M. Roll Call  
Voting & Seating Order: Etten, Willmus, Laliberte, Groff and Roe

2. Pledge Of Allegiance

3. Approve Agenda

4. 6:01 P.M. Public Comment

5. Business Items (Action Items)

- 5.A. 6:03 PM Election Of Officers

Documents:

[5A REPORT AND ATTACHMENTS.PDF](#)

- 5.B. 6:06 PM Consider Adopting A Resolution Authorizing Sale Of 1125 Sandhurst Drive West To Twin Cities Habitat For Humanity
  - i. Hold Public Hearing for Sale of Property
  - ii. Consider Approval of Development Agreement with Twin Cities Habitat for Humanity

Documents:

[5B REPORT AND ATTACHMENTS.PDF](#)

- 5.C. 6:21 PM Review Previous Business Loan Program And Discuss Possible Future Business Loan Program

Documents:

[5C REPORT AND ATTACHMENTS.PDF](#)

- 5.D. 6:35 PM Discuss Interest In Acquiring 825 County Road B2 Under The Roseville Housing Replacement Program

Documents:

[5D REPORT AND ATTACHMENTS.PDF](#)

- 5.E. 6:55 PM Review Participation Of Partnership With The St. Paul Area Chamber Of Commerce With The Small Business Series For 2019

Documents:

[5E REPORT AND ATTACHMENTS.PDF](#)

- 5.F. 7:10 PM Consider Adoption Of A Resolution Authorizing An Interfund Loan For An Advance Of Certain Costs In Connection With Proposed Tax Increment Financing District No. 17a – Twin Lakes Hazardous Substance Sub-District (HSS)

Documents:

[5F REPORT AND ATTACHMENTS.PDF](#)

6. 7:15 P.M. Adjourn To City Council Meeting



**REQUEST FOR ECONOMIC DEVELOPMENT AUTHORITY  
ACTION**

Date: 1/14/2019  
Item No.: 5.a

Department Approval

Executive Director Approval

Item Description: Annual Election of Officers of the Roseville Economic  
Development Authority

**BACKGROUND**

Minnesota State Statute 469.096, Subdivision 2 requires an Economic Development Authority to elect a President, a Vice President, a Treasurer, Secretary and an Assistant Treasurer at an annual meeting. The Roseville Economic Development Bylaws designate that the office of Secretary be held by the Executive Director and the Assistant Treasurer be held by the City’s Finance Director. A Commissioner may not serve as President and Vice President at the same time, but the other offices may be held by the same Commissioner. The offices of President, Vice President and Treasurer must be held by a Commissioner. The Bylaws provide for the office of Secretary to be held by the Executive Director, who may delegate duties to other City staff as needed. The officers elected in 2018 are:

- President – Member Dan Roe
- Vice President – Member Lisa Laliberte
- Treasurer – Member Tammy McGehee
- Secretary – Patrick Trudgeon
- Assistant Treasurer – Chris Miller

**POLICY OBJECTIVE**

The annual election of officers per Minnesota State Statute 469.096 Subdivision 2.

**STAFF RECOMMENDATION**

Commissioners should elect the following officer positions per Minnesota State Statute 469.096, Subdivision 2:

- President
- Vice President
- Treasurer
- Secretary
- Assistant Treasurer

29 **REQUESTED REDA BOARD ACTION**

30 Motion to elect a President, Vice President, Treasurer, Secretary and Assistant Treasurer  
31 of the Roseville Economic Development Authority.

Prepared by: Jeanne Kelsey, Housing and Economic Development Program Manager, 651-792-7086

Attachment A: Minnesota State Statue 469.096

**469.096 OFFICERS; DUTIES; ORGANIZATIONAL MATTERS.**

Subdivision 1. **Bylaws, rules, seal.** An authority may adopt bylaws and rules of procedure and shall adopt an official seal.

Subd. 2. **Officers.** An authority shall elect a president, a vice-president, a treasurer, a secretary, and an assistant treasurer. The authority shall elect the president, treasurer, and secretary annually. A commissioner must not serve as president and vice-president at the same time. The other offices may be held by the same commissioner. The offices of secretary and assistant treasurer need not be held by a commissioner.

Subd. 3. **Duties and powers.** The officers have the usual duties and powers of their offices. They may be given other duties and powers by the authority.

Subd. 4. **Treasurer's duties.** The treasurer:

(1) shall receive and is responsible for authority money;

(2) is responsible for the acts of the assistant treasurer;

(3) shall disburse authority money by check only;

(4) shall keep an account of the source of all receipts, and the nature, purpose, and authority of all disbursements; and

(5) shall file the authority's detailed financial statement with its secretary at least once a year at times set by the authority.

Subd. 5. **Assistant treasurer.** The assistant treasurer has the powers and duties of the treasurer if the treasurer is absent or disabled.

Subd. 6. **Treasurer's bond.** The treasurer shall give bond to the state conditioned for the faithful discharge of official duties. The bond must be approved as to form and surety by the authority and filed with the secretary. The bond must be for twice the amount of money likely to be on hand at any one time, as determined at least annually by the authority provided that the bond must not exceed \$300,000.

Subd. 7. **Public money.** Authority money is public money.

Subd. 8. **Checks.** An authority check must be signed by the treasurer and one other officer named by the authority in a resolution. The check must state the name of the payee and the nature of the claim that the check is issued for.

Subd. 9. **Financial statement.** The authority's detailed financial statement must show all receipts and disbursements, their nature, the money on hand, the purposes to which the money on hand is to be applied, the authority's credits and assets, and its outstanding liabilities in a form required for the city's financial statements. The authority shall examine the statement together with the treasurer's vouchers. If the authority finds that the statement and vouchers are correct, it shall approve them by resolution and enter the resolution in its records.

**History:** 1987 c 291 s 97



# REQUEST FOR ECONOMIC DEVELOPMENT AUTHORITY ACTION

Date: 1/14/2019

Item No.: 5.b

Department Approval

Executive Director Approval

Item Description: Consider Adopting a Resolution Authorizing Sale of 1125 Sandhurst Drive West to Twin Cities Habitat for Humanity

**BACKGROUND**

On April 17, 2018 the Roseville Economic Development Authority (REDA) adopted a Resolution approving the purchase of 1125 Sandhurst Drive West and expressing a desire to work in partnership with Twin Cities Habitat for Humanity (TCHH) for the purpose of rehabilitating the home so it may be used as affordable housing. If the REDA is still in agreement to sell the property to TCHH then the REDA will hold a public hearing (Attachment A), at the meeting.

The terms of the Development Agreement (Attachment D) are based on the presentation previously made by TCCH to the REDA as well as past practices by the REDA. The Development Agreement provides for a second mortgage on the property in the amount of \$49,404 (purchase price) to guarantee the affordability of the house for 30 years as required by the Community Development Block Grant (CDBG). The second mortgage will be forgiven once the affordability requirement is satisfied. The property will also have a deed restriction requiring the home to maintain its affordability status, but ultimately the second mortgage is what guarantees the affordability status on the property. Without the second mortgage, a search by a title company may not discover the affordability requirement. Nor would a deed restriction alone prevent TCHH from profiting from the sale of the property if it is sold before the 30 year affordability requirement is satisfied. Attachment B details the list of second mortgages of CDBG funds (and other funds) the REDA currently maintains on other properties.

The REDA currently has a balance of CDBG funds because the City and the Roseville Housing Redevelopment Authority previously used CDBG funds as second mortgages and those mortgages were eventually paid in full.

If the REDA prefers not to have a second mortgage on the property, then the property will be conveyed for \$1.00 and then the deed restriction would be used to enforce the affordability requirement. However, as previously stated, a deed restriction alone does not guarantee the affordability requirement for 30 years nor does it prevent TCHH profiting from the sale of the property if sold before the 30 year affordability requirement is satisfied.

Based upon direction from the REDA, staff will modify the Purchase and Development Agreements and then close as soon as possible thereafter.

33 **BUDGET IMPLICATIONS**

34 To date, the REDA used CDBG account balance funds of \$49,404 to pay for the property, maintenance  
35 and third party fees.

36 **STAFF RECOMMENDATION**

37 Hold a Public Hearing and adopt a Resolution approving the sale of 1125 Sandhurst Drive West to  
38 Twin Cities Habitat for Humanity.

39 **REQUESTED BOARD ACTION**

40 Motion to hold Public Hearing and adopt a Resolution approving the sale of 1125 Sandhurst Drive W to  
41 Twin Cities Habitat for Humanity.

Prepared by: Jeanne Kelsey, Housing and Economic Development Program Manager, 651-792-7086

Attachments: A: Affidavit of Publication of Notice for Sale of 1125 Sandhurst Drive West  
B: EDA Fund Balance Statement  
C: Resolution Sale of 1125 Sandhurst Drive West  
D: Purchase and Development Agreement with Twin Cities Habitat for Humanity

# Affidavit of Publication

State of Minnesota }  
County of Ramsey } SS

ROBIN NISSWANDT, being duly sworn, on oath, says that he/she is the publisher or authorized agent and employee of the publisher of the newspaper known as ROSEVILLE REVIEW, and has full knowledge of the facts which are stated below:

(A) The newspaper has complied with all of the requirements constituting qualification as a qualified newspaper, as provided by Minnesota Statute 331A.02, 331A.07, and other applicable laws, as amended.

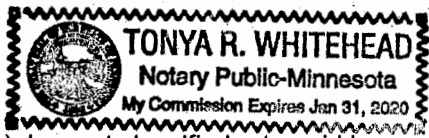
(B) The printed NOTICE OF PUBLIC HEARING which is attached was cut from the columns of said newspaper, and was printed and published once each week, for 1 successive weeks; it was first published on TUESDAY, the 25<sup>TH</sup> day of DECEMBER, 2018, and was thereafter printed and published on every \_\_\_\_\_ to and including \_\_\_\_\_, the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_; and printed below is a copy of the lower case alphabet from A to Z, both inclusive, which is hereby acknowledged as being the size and kind of type used in the composition and publication of the notice:

\*ABCDEFGHIJKLMN OPQRSTUVWXYZ  
\*ABCDEFGHIJKLMN OPQRSTUVWXYZ  
\*abcdefghijklmno pqrstuvwxyz

BY: Robin Nisswandt  
TITLE LEGAL COORDINATOR

Subscribed and sworn to before me on this 26<sup>TH</sup> day of DECEMBER, 2018.  
Tonya R. Whitehead  
Notary Public

\*Alphabet should be in the same size and kind of type as the notice.



### RATE INFORMATION

- (1) Lowest classified rate paid by commercial users for comparable space.....\$25.00 per col. inch
- (2) Maximum rate allowed by law for the above matter.....\$25.00 per col. inch
- (3) Rate actually charged for the above matter.....\$        per col. inch



**NOTICE OF PUBLIC  
HEARING  
ROSEVILLE ECONOMIC**

**DEVELOPMENT AUTHORITY**

A public hearing will be held January 14, 2019 at 6:00 p.m. (or as soon thereafter as possible) by the Roseville Economic Development Authority (the "REDA") in the Council Chambers at City Hall at 2660 Civic Center Drive, Roseville, Minnesota, regarding sale of property owned by the REDA that is described as the West 11.7 feet of Lot 2 and all of Lot 3, Broadview Addition, Block 1, according to the recorded plat

thereof, and situate in Ramsey County, Minnesota, and having a street address of:

1125 Sandhurst Drive West,  
Roseville, MN 55113

The REDA will consider the conveyance of the specified property to Twin Cities Habitat for Humanity, Inc., to rehabilitate a single-family house on that site. At the hearing, the REDA board will meet to decide if the sale is advisable.

Any person desiring to speak on this item may appear at the public hearing and present their views orally or in writing. More information concerning the conveyance of this property, including the proposed terms of sale, is available by contacting Jeanne Kelsey at City Hall, 651-792-7086 during regular business hours.

**BY ORDER OF THE BOARD  
OF COMMISSIONERS OF  
THE ROSEVILLE ECONOMIC  
DEVELOPMENT AUTHORITY**

**/s/ Patrick Trudgeon  
Executive Director**

(Roseville Review, Dec. 25, 2018)



## Memo

**To:** Pat Trudgeon, EDA Executive Director  
 Thomas Paschke, Interim Community Development Director  
 Jeanne Kelsey, Housing & Economic Development Manager

**From:** Chris Miller, Finance Director

**Date:** January 8, 2019

**Re:** Summary of Available Funds for the Roseville EDA

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Pat, Thomas, and Jeanne,

The information below contains a brief overview of the funds available to the Roseville Economic Development Authority for the period ending 12/31/18 (preliminary). As you know, for legal and management purposes these monies are segregated into six separate funds that carry varying restrictions. They include:

- Community Development Block Grant (CDBG) Program (*Fund 721*)
- General Housing & Redevelopment Programs (*Fund 723*)
- Housing Replacement / Single Family Construction Program (*Fund 720*)
- Property Abatement Program (*Fund 722*)
- Multi-Family & Housing Program (*Fund 724*)
- General EDA Operating Program Fund (*Fund 725*)

The Community Development Block Grant (CDBG) Fund is governed by an agreement with Ramsey County in accordance with federally-established CDBG requirements.

The General Housing & Redevelopment, Housing Replacement, Property Abatement, and Multi-Family Programs were previously managed by the City's Housing & Redevelopment Authority (HRA). The Roseville EDA/HRA Attorney has opined that these monies can only be spent for activities permitted under the statutory HRA laws.

Finally, the General EDA Program Fund can only be used for any activities permitted under the statutory EDA laws. Similar to the City's General Fund, this fund serves as the EDA's *primary* operating fund and includes on-going staffing & legal representation, studies & analyses, marketing efforts, and other costs.

Because the only on-going funding source for General EDA Programs is the property tax levy, this fund should maintain a minimum 35% cash reserve level, as measured at year-end, to provide for operational needs in between tax levy collection periods.

The available funds as of 12/31/18 (preliminary) is shown in the chart below:

	PRELIMINARY
	12/31/2018
	Funds
<u>Program</u>	<u>Available</u>
CDBG Program	\$ 295,492
SF Revolving Loans Held by CRF	576,339
Housing Replacement / SF Construction	406,769
Property Abatement	128,023
Multi-Family & Housing Program	1,670,341
General EDA Programs *	235,808
Total Available Funds	\$ 3,312,772
* A <u>minimum</u> of 35% of next year's operating budget will be needed at year-end to meet cash-flow needs in-between tax levy collection periods.	
Recommended Cash Reserve Amount based on 2019 Budget is \$148,280	

The year-end cash available in the General EDA Programs Fund is higher than expected due to lower 2018 spending in the Ownership Rehab, Marketing Studies, and Economic Development programs. As a result, the reserve level stands at 56% going into 2019. Had the EDA/City Council not removed \$200K in proposed funding for new initiatives when setting the final 2019 Budget, the reserve level would have been at 38%.

In addition to these amounts, the EDA also has a number of outstanding loans and mortgages that will provide varying levels of income in future years. They are summarized in the table below.

	PRELIMINARY
	12/31/2018
	Loan/Mortgage
<u>Program **</u>	<u>Value</u>
CDBG: 960 Lovell	\$ 14,022
CDBG: Sienna Green	383,881
CDBG: 1125 Sandhurst	52,789
CDBG: 1491 Applewood Court	59,000
CDBG: 1497 Applewood Court	59,000
General Housing Programs: CRF	344,386
Housing Replacement / SF Construction: 1481 Applewood Ct.	55,000
Housing Replacement / SF Construction: 1491 Applewood Ct.	36,000
Housing Replacement / SF Construction: 1497 Applewood Ct.	28,000
Multi-Family & Housing Program: Sienna Green	18,301
Total Loan/Mortgage Value	\$ 1,050,378

\*\* The City has a 2nd or 3rd mortgage position on all Program loans

Finally, I will note that the City also holds approximately \$781,000 in the SE Roseville Redevelopment Fund (*Fund 428*). You will recall that the source of these funds was the City's former TIF District #12: Arona Site which was decertified in 2016.

**EXTRACT OF MINUTES OF MEETING  
OF THE  
ROSEVILLE ECONOMIC DEVELOPMENT AUTHORITY**

\* \* \* \* \*

Pursuant to due call and notice thereof, a special meeting of the Board of Commissioners (the “Board”) of the Roseville Economic Development Authority (the “Authority”) was duly held on the 14<sup>th</sup> day of January, 2019, at 6:00 p.m.

The following members were present:

and the following were absent:

Member introduced the following resolution and moved its adoption:

**RESOLUTION No.**

**RESOLUTION APPROVING A PURCHASE AND DEVELOPMENT  
CONTRACT BETWEEN THE ROSEVILLE ECONOMIC DEVELOPMENT  
AUTHORITY AND TWIN CITIES HABITAT FOR HUMANITY, INC.**

WHEREAS, the Authority currently administers its Redevelopment Project No. 1 (the “Project”), pursuant to Minnesota Statutes, Sections 469.001 to 469.047 and Sections 469.090 to 469.1081, as amended (the “Act”); and

WHEREAS, the Authority previously approved the acquisition of certain tax-forfeited property within the Project for the purposes of rehabilitation as affordable housing, such property being located at 1125 Sandhurst Drive West and described as follows (the “Development Property”):

The West 11.7 feet of Lot 2 and all of Lot 3, Broadview Addition, Block 1, according to the recorded plat thereof, and situate in Ramsey County, Minnesota; and

WHEREAS, in connection with acquisition of the Development Property, the Authority entered into a Memorandum of Understanding with Ramsey County pursuant to which the Authority agreed to work with Twin Cities Habitat for Humanity, Inc. (the “Developer”) to rehabilitate the existing home on the Development Property and maintain certain affordability covenants for a minimum of seven years; and

WHEREAS, the Authority has negotiated the terms of a Purchase and Development Contract (the “Contract”) between the Authority and the Developer,

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46 memorializing the terms of the rehabilitation and affordability of the  
47 Development Property; and  
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49 WHEREAS, on the date hereof, the Authority conducted a duly noticed public hearing  
50 regarding the sale of the Development Property to Developer, at which all  
51 interested persons were given an opportunity to be heard; and  
52

53 WHEREAS, the Authority finds that conveyance by the Authority of the Development  
54 Property to the Developer pursuant to the Contract is for a public purpose  
55 and is in the public interest because it will revitalize and diversify housing  
56 stock, provide housing opportunities for low- to moderate-income  
57 residents, and eliminate potential blighting factors in the City of Roseville.  
58

59 NOW, THEREFORE, BE IT RESOLVED as follows:  
60

61 1. The Contract as presented to the Board is hereby in all respects approved,  
62 subject to modifications that do not alter the substance of the transaction and that are  
63 approved by the President and Executive Director, provided that execution of the  
64 Contract by such officials shall be conclusive evidence of approval.  
65

66 2. Authority staff and officials are authorized to take all actions necessary to  
67 perform the Authority's obligations under the Contract as a whole, including without  
68 limitation execution of any documents to which the Authority is a party referenced  
69 in or attached to the Contract, and any deed or other documents necessary to convey  
70 the Development Property to Developer, all as described in the Contract.  
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72  
73 The motion for the adoption of the foregoing resolution was duly seconded by Member  
74

75 , and upon a vote being taken thereon, the following voted in favor thereof:  
76

77 and the following voted against the same: none.  
78

79 WHEREUPON said resolution was declared duly passed and adopted.  
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Certificate

I, the undersigned, being duly appointed Executive Director of the Roseville Economic Development Authority, Minnesota, hereby certify that I have carefully compared the attached and foregoing resolution with the original thereof on file in my office and further certify that the same is a full, true, and complete copy of a resolution which was duly adopted by the Board of Commissioners of said Authority at a duly called and regularly held meeting thereof on January 14, 2019.

I further certify that Commissioner \_\_\_\_\_ introduced said resolution and moved its adoption, which motion was duly seconded by Commissioner \_\_\_\_\_, and that upon roll call vote being taken thereon, the following Commissioners voted in favor thereof:

and the following voted against the same:

whereupon said resolution was declared duly passed and adopted.

Witness my hand as the Executive Director of the Authority this \_\_\_ day of January, 2019.

\_\_\_\_\_  
Executive Director  
Roseville Economic Development  
Authority

**PURCHASE AND DEVELOPMENT CONTRACT**

**Between**

**ROSEVILLE ECONOMIC DEVELOPMENT AUTHORITY**

**and**

**TWIN CITIES HABITAT FOR HUMANITY, INC.**

**for property located at**

**1125 Sandhurst Drive West, Roseville MN 55113**

**This Instrument Drafted by:**

KENNEDY & GRAVEN, Chartered (MNI)  
470 US Bank Plaza  
Minneapolis, Minnesota 55402  
Telephone: 612-337-9300

**PURCHASE AND DEVELOPMENT CONTRACT**

**THIS AGREEMENT**, made and entered into as of this \_\_\_ day of \_\_\_\_\_, 2018, by and between the Roseville Economic Development Authority, a public body corporate and politic under the laws of the State of Minnesota (“Authority”) and Twin Cities Habitat for Humanity, Inc., a Minnesota nonprofit corporation (“Developer”).

**WITNESSETH:**

**WHEREAS**, the City of Roseville (“City”) and the Housing and Redevelopment Authority in and for the City of Roseville (the “HRA”) previously created and established a Redevelopment Project (“Project”) pursuant to the authority granted in Minnesota Statutes, Sections 469.001 through 469.047 (the “HRA Act”); and

**WHEREAS**, pursuant to the HRA Act, the City and the HRA previously adopted a redevelopment plan for the Project (“Redevelopment Plan”), and received Community Development Block Grant funding to further the housing and redevelopment goals of the Redevelopment Plan; and

**WHEREAS**, the HRA has transferred the control and administration of the Project to the Authority, which is authorized to exercise the powers of a housing and redevelopment authority under Minnesota Statutes, Sections 469.090 through 469.1081, as amended (the “Act”); and

**WHEREAS**, in order to achieve the objectives of the Redevelopment Plan and particularly to make specified land in the Project available for redevelopment by private enterprise for and in accordance with the Redevelopment Plan, the Authority has determined to provide substantial aid and assistance to finance redevelopment costs within the Project; and

**WHEREAS**, the Developer has proposed a Development (as hereinafter defined) on certain tax-forfeit property within the Project acquired by the Authority from Ramsey County (the “County”) pursuant to a Memorandum of Understanding for the development of affordable housing between the Authority and County dated as of August 28, 2018 (the “MOU”), which the Authority has determined will promote and carry out the objectives for which the Project and Redevelopment Plan have been undertaken, will be in the vital best interests of the City and the health, safety and welfare of its residents and will be in accord with the public purposes and provisions of the applicable state and local laws and requirements under which development in the Project has been undertaken and is being assisted; and

**WHEREAS**, the Authority intends to utilize Community Development Block Grant funding to provide the assistance contemplated under this Agreement, and the parties agree that such funding requires the Developer to comply with certain income restrictions as set forth herein.



**NOW, THEREFORE**, in consideration of the mutual covenants and obligations of the Authority and the Developer, each party does hereby represent, covenant and agree with the other as follows:

**ARTICLE I.**

**DEFINITIONS, EXHIBITS, RULES OF INTERPRETATION**

**Section 1.1. Definitions.** In this Agreement, the following terms have the meaning given below unless the context clearly requires otherwise:

**Authority.** The Roseville Economic Development Authority, a public body corporate and politic and a political subdivision of the State of Minnesota.

**Building Plans.** Plans for the Improvements to be constructed on the Property, in such detail as required by the local building official for issuance of a building permit.

**City.** The City of Roseville, a Minnesota municipal corporation.

**CDBG Fund Requirements.** The federal income restrictions governing the use by the Authority of its Community Development Block Grant funds for affordable housing purposes, and specifically the requirement that the Improvements be owned and occupied by a Qualified Homebuyer.

**Construction Plans.** The construction plans approved by the Authority pursuant to Section 4.1 of this Agreement. The Construction Plans include a schedule for construction and/or rehabilitation of the Improvements, preliminary plans and schematics of the Improvements to be constructed and/or rehabilitated, and a landscaping plan.

**Developer.** Twin Cities Habitat for Humanity, Inc., a Minnesota nonprofit corporation.

**Development.** The Property and the Improvements to be constructed and/or rehabilitated thereon according to the Construction Plans approved by the Authority.

**Event of Default.** Any of the events listed in Section 8.1.

**Habitat Guidelines.** The TCHFH Lending, Inc. Home Mortgage Program guidelines, attached as Exhibit F to this Agreement.

**Holding Costs.** Documented costs of maintaining the Property paid or incurred by the Authority from September 5, 2018 through the Closing Date, including costs of lawn maintenance, plowing, and gas and electric utility charges.

**Improvements.** Each and all of the structures and site improvements constructed and/or rehabilitated on the Property by the Developer, as specified in the Construction Plans to be approved by the Authority.

**MOU.** The Memorandum of Understanding concerning the Property between the County and Authority, dated August 28, 2018.

**Minimum Market Value.** \$275,000, which is the minimum market value for the land and Improvements as confirmed by the Ramsey County Assessor.

**Mortgage.** A mortgage granted by a third party lender, or by the Authority, to the Developer in accordance with Sections 3.1 and 7.2 of this Agreement.

**Property.** The real property legally described as:

**The West 11.7 feet of Lot 2 and all of Lot 3, Broadview Addition, Block 1, according to the recorded plat thereof, and situate in Ramsey County, Minnesota**

Located on land having a street address of:

**1125 Sandhurst Drive West, Roseville, MN 55113-4327**

**Qualified Homebuyer.** The individual person or persons purchasing the Property from Developer and who will be living continuously in the home following purchase, whose household income does not exceed 80% of area median income as adjusted for family size pursuant to the CDBG Fund Requirements, and further meeting the requirements of the Habitat Guidelines.

**Unavoidable Delays.** Delays which are the direct result of strikes, labor troubles, fire or other casualty to the Improvements, litigation commenced by third parties which results in delays or acts of any federal, state or local government, except those contemplated by this Agreement, which are beyond the control of the Developer.

**Section 1.2. Exhibits.** The following Exhibits are attached to and by reference made a part of this Agreement:

- A. Form of Certificate of Completion
- B. Form of Quit Claim Deed
- C. Well Disclosure
- D. Form of Authority Mortgage
- E. Form of Subordination of Authority Mortgage
- F. Habitat Guidelines

**Section 1.3. Rules of Interpretation.**

(a) This Agreement shall be interpreted in accordance with and governed by the laws of the State of Minnesota.

(b) References herein to any particular section or subdivision hereof are to the section or subdivision of this Agreement as originally executed.

(c) Any titles of the several parts, articles and sections of this Agreement are inserted for convenience and reference only and shall be disregarded in construing or interpreting any of its provisions.

## ARTICLE II.

### REPRESENTATIONS AND UNDERTAKINGS

**Section 2.1. By the Developer.** The Developer makes the following representations and undertakings:

(a) The Developer has the legal authority and power to enter into this Agreement and has duly authorized the execution, delivery and performance of this Agreement by action of its board of directors;

(b) The Developer has the necessary equity capital or has obtained commitments for financing necessary for construction of the Improvements;

(c) The Developer will construct the Improvements in accordance with the terms of this Agreement, the Habitat Guidelines, and all local, state and federal laws and regulations;

(d) The Developer will obtain, in a timely manner, all required permits, licenses and approvals, and will meet, in a timely manner, the requirements of all local, state and federal laws and regulations which must be obtained or met before the Improvements may be constructed;

(e) The plans for the Improvements have been or will be prepared by a qualified draftsman or architect; and

(f) The Developer has read and understands the income restrictions imposed by the CDBG Fund Requirements, and agrees to sell the Property only to Qualified Homebuyers meeting the restrictions imposed.

**Section 2.2. By the Authority.** The Authority makes the following representations as the basis for the undertaking on its part herein contained:

(a) The Authority is authorized by law to enter into this Agreement and to carry out its obligations hereunder; and

(b) The Authority will, in a timely manner, subject to all notification requirements, review and act upon all submittals and applications of the Developer and will cooperate with the efforts of the Developer to secure the granting of any permit, license, or other approval required to allow the construction of the Improvements.

### ARTICLE III.

#### ACQUISITION OF PROPERTY; CONVEYANCE TO DEVELOPER

**Section 3.1. Purchase of Property by Developer.** The Authority agrees to sell the Property to Developer and the Developer agrees to purchase the Property from the Authority in an “as-is” condition. The Authority agrees to convey the Property to the Developer by Quit Claim Deed in the general form of Exhibit B (the “Deed”). The Deed will contain the right of reverter required in Section 8.3, as well as the income restrictions for Qualified Homebuyers. The purchase price for the Property will be \$49,404 (“Purchase Price”). There will be no payment of earnest money. The Developer will provide the Authority with a promissory note (the “Note”) secured by a Mortgage, both in substantially the form attached hereto as Exhibit D, for the Purchase Price (\$49,404) at Closing. Upon request, the Authority’s Mortgage may be assigned to a Qualified Homebuyer and subordinated to any Mortgage held by a third party lender upon the conveyance of the Property by the Developer to such Qualified Homebuyer, pursuant to a subordination agreement in substantially the form attached as Exhibit E.

**Section 3.2. Title and Examination.** As soon as reasonably possible after execution of this Agreement by both parties,

(a) Authority shall surrender any abstract of title and a copy of any owner’s title insurance policy for the property, if in Authority’s possession or control, to Developer or to Developer’s designated title service provider; and

(b) Developer shall obtain the title evidence determined necessary or desirable by Developer or Developer’s construction lender, including but not limited to title searches, title examinations, abstracting, a title insurance commitment or an attorney’s title opinion, at Developer’s selection and cost, and provide a copy to the Authority.

The Developer shall have 20 days from the date it receives such title evidence to raise any objections to title it may have. Objections not made within such time will be deemed waived. The Authority shall have 90 days from the date of such objection to effect a cure; provided, however, that the Authority shall have no obligation to cure any objections, and may inform Developer of such. The Developer may then elect to close notwithstanding the uncured objections or declare this Agreement null and void, and the parties will thereby be released from any further obligation hereunder.

**Section 3.3. Taxes and Special Assessments.** Real estate taxes, if any, will be prorated between the Authority and Developer as of the date of closing. The parties agree that there are no special assessments levied against the Property as of the date of this Agreement, and that it is

expected that no special assessments will be levied or pending against the Property on the Closing Date. Special assessments pending against the Property on or prior to the Closing Date, if any, will be paid by the Authority.

**Section 3.4. Soil Conditions and Hazardous Wastes.** The Developer acknowledges that the Authority makes no representations or warranties as to the conditions of the soils on the Property, its fitness for the construction of the Improvements or any other purpose for which the Developer may use the Property, or regarding the presence of hazardous wastes on the Property. The Authority will allow reasonable access to the Property for the Developer to conduct such tests regarding soils conditions and hazardous wastes as the Buyer may desire. Permission to enter the Property to conduct such tests must be given in writing under reasonable terms and conditions established by the Authority.

**Section 3.5. Site Preparation.** Any necessary site preparation is the responsibility of Developer.

**Section 3.6. Other Preconditions to Closing.** [Intentionally omitted.]

**Section 3.7. Closing.** Closing on the Property shall take place on or before December 6, 2018 (“Closing Date”), or such later date as may be agreed to by the Developer and Authority in writing. At Closing, the Developer must provide the Authority with the Note and Mortgage for the Purchase Price.

**Section 3.8. Closing Costs.** The Developer will pay: (a) any transfer taxes; (b) the closing fees charged by its title insurance company or other closing agent, if any, utilized to close the transaction for Developer; (c) fees for title services chosen by Developer pursuant to Section 3.2 above, including the premium for title insurance policy, if any, (d) one-half of the Holding Costs incurred by the Authority, and (e) the recording fees for this Agreement and the Deed transferring title to the Developer. Authority will pay (a) fees and charges related to the filing of any instrument required to make title marketable, and (b) one-half of the Holding Costs incurred by the Authority. Each party shall pay its own attorney’s fees.

**Section 3.9. Sewer and Water.** Authority warrants that city water is available at the lot line and city sewer is available at the curb.

**Section 3.10. ISTS Disclosure.** Authority **(is) (is not)** aware of any individual sewage treatment system on the property. The Developer is responsible for all costs of removing any individual sewage treatment system that may be discovered on the Property.

**Section 3.11. Well Disclosure.** Authority’s knowledge of wells on the Property is disclosed in Exhibit C.

## ARTICLE IV.

### CONSTRUCTION OF IMPROVEMENTS

**Section 4.1. Construction of Improvements.** The Developer shall construct the Improvements on the Property in accordance with the Construction Plans, shall cause the Improvements to meet or exceed the Minimum Market Value specified in Section 1.1, and shall maintain, preserve and keep the Improvements in good repair and condition. Developer expressly agrees that it will rehabilitate the existing single-family dwelling on the property, intended for sale to a Qualified Homebuyer. **This covenant shall survive the delivery of the Deed.** The Developer shall provide proposed construction plans to the Authority for review; if the proposed construction plans are in conformity with this Agreement, the Authority will approve the Construction Plans following review and comment by the Qualified Homebuyer, if identified.

**Section 4.2. Construction Plans.** No building permit will be issued by the City unless the Building Plans are in conformity with the Construction Plans, the Developer's Minimum Market Value, any other requirements contained in this Agreement, and all local, state and federal regulations. The Developer shall provide the Authority with a set of Building Plans to be used in connection with any application for a building permit. The Authority shall, within 25 days of receipt of the Building Plans, review the same to determine whether the foregoing requirements have been met. If the Authority determines such Building Plans to be deficient, it shall notify the Developer in writing stating the deficiencies and the steps necessary for correction. Issuance of the building permit by the City shall be a conclusive determination that the Building Plans have been approved and shall satisfy the provisions of this Section 4.2.

**Section 4.3. Schedule of Construction.** Subject to Unavoidable Delays, construction of the Improvements shall commence no later than six months after the Closing Date, and shall be completed no later than one year after the Closing Date ("Construction Completion Date"). All construction shall be in conformity with the approved Construction Plans. Periodically during construction the Developer shall make reports in such detail as may reasonably be requested by the Authority concerning the actual progress of construction. If at any time prior to completion of construction the Authority has cause to believe that the Developer will be unable to complete construction of the Improvements in the time permitted by this Section 4.3, it may notify the Developer and demand assurances from the Developer regarding the Developer's construction schedule. If such assurances are not forthcoming or are deemed by the Authority at its sole discretion to be inadequate, the Authority may declare an Event of Default and may avail itself of any of the remedies specified in Section 8.2 of this Agreement.

**Section 4.4. Certificate of Completion.** After notification by the Developer of completion of construction of the Improvements, the Authority shall inspect the construction to determine whether the Improvements have been completed in accordance with the Construction Plans and the terms of this Agreement, including the date of the completion thereof. Promptly after substantial completion of the Improvements in accordance with those provisions of this Agreement relating solely to the obligations of the Developer to construct such Improvements (including the date for completion thereof), and on or before the date of closing on the sale of the Property to a Qualified Homebuyer, the Authority will furnish the Developer with a Certificate of Completion, in substantially the form attached hereto as Exhibit A, for such improvements. Such

certification by the Authority shall be (and it shall be so provided in the Deed and in the certification itself) a conclusive determination of satisfaction and termination of the agreements and covenants in this Agreement and in the Deed with respect to the obligations of the Developer and its successors and assigns, to construct the Improvements and the dates for completion thereof. Delivery of the Certificate of Completion shall not terminate the income covenants in the Deed or in the Authority's Note and Mortgage, which will be assigned by the Developer to the Qualified Homebuyer as provided in Section 6.4.

If the Authority shall refuse or fail to provide certification in accordance with the provisions of this Section 4.4, the Authority shall within 15 days of such notification provide the Developer with a written statement, indicating in adequate detail in what respects the Developer has failed to complete the Improvements in accordance with the provisions of this Agreement necessary, in the opinion of the Authority, for the Developer to take or perform in order to obtain such certification.

**Section 4.5. Failure to Construct.** In the event that construction of the Improvements is not completed as provided in Section 4.3 of this Agreement, an Event of Default shall be deemed to have occurred, and the Authority may proceed with its remedies under Section 8.2.

## ARTICLE V.

[Intentionally omitted]

## ARTICLE VI.

### FINANCING

**Section 6.1. Financing.** Closing shall not take place until Developer has provided Authority with acceptable evidence of financing for construction of the Improvements. Developer must notify Authority immediately of any changes to or withdrawal of the approved financing. Authority shall have 10 days after receipt of such notice to approve or disapprove changes in financing. If the Authority rejects a change in the approved financing or if the approved financing is withdrawn, the Developer shall have 30 days or such additional period of time as the Developer may reasonably require from the date of the Authority's notification to submit evidence of financing satisfactory to the Authority. If the Developer fails to submit such evidence or fails to use due diligence in pursuing financing, the Authority may terminate this Agreement and both parties shall be released from any further obligation or liability hereunder.

**Section 6.2. Copy of Notice of Default to Lender.** Whenever the Authority shall deliver any notice or demand to the Developer with respect to any Event of Default by the Developer in its obligations or covenants under this Agreement, the Authority shall at the same time forward a copy of such notice or demand to each holder of any Mortgage authorized by the Agreement at the last address of such holder shown in the records of the Authority.

**Section 6.3. Subordination.** In order to facilitate obtaining financing for the construction of the Improvements by the Developer, the Authority may, in its sole and exclusive discretion, agree to modify this Agreement in the manner and to the extent the Authority deems reasonable, upon request by the financial institution and the Developer, including subordination of the Authority's Note and Mortgage and/or the Authority's right of reverter.

**Section 6.4. Assignment of Authority Mortgage to Qualified Homebuyer.** Upon conveyance of the Property and completed Improvements by the Developer to the Qualified Homebuyer, the Developer shall assign, and the Qualified Homebuyer shall assume, the Note and Mortgage for the Purchase Price of the Property. Pursuant to the terms of the Note and Mortgage, no payments of principal or interest shall be payable by the Qualified Homebuyer to the Authority unless, within thirty (30) years after the Closing Date, the Property is sold by the Qualified Homebuyer to a third party not meeting the qualifications for home ownership under the CDBG Fund Requirements.

## ARTICLE VII.

### PROHIBITIONS AGAINST ASSIGNMENT AND TRANSFER

**Section 7.1. Representation as to Redevelopment.** The Developer represents and agrees that its undertakings pursuant to the Agreement are for the purpose of development of the Property and not for speculation in land holding. The Developer further recognizes that, in view of the importance of the Development to the general welfare of the City and the substantial financing and other public aids that have been made available by the Authority for the purpose of making the Development possible, the qualification and identity of the Developer are of particular concern to the Authority. The Developer further recognizes that it is because of such qualifications and identity that the Authority is entering into this Agreement, and, in so doing, is further willing to rely on the representations and undertakings of the Developer for the faithful performance of all undertakings and covenants agreed by the Developer to be performed.

**Section 7.2. Prohibition Against Transfer of Property and Assignment of Agreement.** For the reasons set out in Section 7.1 of this Agreement, the Developer represents and agrees as follows:

(a) Except as specifically allowed by this section, Developer has not made or created, and, prior to the issuance of the Certificate of Completion, Developer will not make or create, or suffer to be made or created, any total or partial sale, assignment, conveyance, or any trust in respect to this Agreement or the Property or any part thereof or any interest therein, or any contract or agreement to do any of the same, without the prior written approval of the Authority.

(b) This provision shall not be deemed as preventing the Developer from entering into a Purchase Agreement for the sale of the Property to a Qualified Homebuyer.

(c) This provision does not prohibit conveyances that are only by way of security for, and only for the purpose of obtaining financing necessary to enable the Developer or any



successor in interest to the Property, or any part thereof, to perform its obligations with respect to the Development under this Agreement, and any other purpose authorized by this Agreement. Any Mortgage provided to the Developer by a third-party lender must be disclosed to the Authority, and must be subordinate to this Agreement unless the Authority agrees, in Authority's sole discretion, to subordinate its rights under this Agreement to the holder of the Mortgage. The Developer must provide the Authority with an address for the holder of the Mortgage for purposes of providing notices as may be required by this Agreement.

(d) The Developer, and its successors and assigns, agree that: (a) they will use the Improvements only as a single-family dwelling owned and occupied by a Qualified Homebuyer; (b) they will not seek exemption from real estate taxes on the Property under state law; and (c) they will not transfer or permit transfer of the Property to any entity whose ownership or operation of the property would result in the Property being exempt from real estate taxes under State law (other than any portion thereof dedicated or conveyed to the City in accordance with this Agreement). **The covenants in this paragraph run with the land, survive both delivery of the Deed and issuance of the Certificate of Completion for the Improvements, and shall remain in effect for 30 years after the Date of the Deed.**

## ARTICLE VIII.

### EVENTS OF DEFAULT

**Section 8.1. Events of Default Defined.** The following shall be deemed Events of Default under this Agreement and the term shall mean, whenever it is used in this Agreement, unless the context otherwise provides, any one or more of the following events:

(a) Failure by the Developer to pay when due the payments required to be paid or secured under any provision of this Agreement;

(b) Failure by the Developer to observe and substantially perform any covenant, condition, obligation or agreement on its part to be observed or performed hereunder, including the time for such performance;

(c) If the Developer shall admit in writing its inability to pay its debts generally as they become due, or shall file a petition in bankruptcy, or shall make an assignment for the benefit of its creditors, or shall consent to the appointment of a receiver of itself or of the whole or any substantial part of the Property;

(d) If the Developer, on a petition in bankruptcy filed against it, be adjudicated as bankrupt, or a court of competent jurisdiction shall enter an order or decree appointing, without the consent of the Developer, a receiver of the Developer or of the whole or substantially all of its property, or approve a petition filed against the Developer seeking reorganization or arrangement of the Developer under the federal bankruptcy laws, and such adjudication, order or decree shall not be vacated or set aside or stayed within 60 days from the date of entry thereof; or

(e) If the Development is in default under any Mortgage and has not entered into a work-out agreement with the holder of the Mortgage.

**Section 8.2. Remedies on Default.** Whenever any Event of Default occurs, the Authority may, in addition to any other remedies or rights given the Authority under this Agreement, take any one or more of the following actions following written notice by the Authority to the Developer as provided in Section 9.3 of this Agreement:

(a) Suspend its performance under this Agreement until it receives assurances from the Developer, deemed reasonably adequate by the Authority, that the Developer will cure its default and continue its performance under this Agreement;

(b) Cancel or rescind this Agreement;

(c) Exercise its right under Section 8.3;

(d) Withhold the Certificate of Completion; or

(e) Take whatever action at law or in equity may appear necessary or desirable to the Authority to enforce performance and observance of any obligation, agreement, or covenant of the Developer under this Agreement; provided, however, that any exercise by the Authority of its rights or remedies hereunder shall always be subject to and limited by, and shall not defeat, render invalid or limit in any way the lien of any Mortgage authorized by this Agreement to which the Authority has subordinated its rights under this Agreement; and provided further that should any holder of a Mortgage succeed by foreclosure of the Mortgage or deed in lieu thereof to the Developer's interest in the Property, it shall, notwithstanding the foregoing, be obligated to perform the obligations of the Developer under this Agreement to the extent that the same have not therefore been performed by the Developer.

**Section 8.3. Revesting Interest in Authority Upon Happening of Event of Default Subsequent to Conveyance of Property to Developer.** In the event that subsequent to the closing or the sale of the Property to the Developer and prior to the issuance of the Certificate of Completion:

(a) The Developer fails to begin construction of the Improvements in conformity with this Agreement, and such failure is not due to Unavoidable Delays;

(b) The Developer, after commencement of the construction of the Improvements, defaults in or violates obligations with respect to the construction of the Improvements, including the nature and the date for the completion thereof, or abandons or substantially suspends construction work, and such act or actions is not due to Unavoidable Delays;

(c) The Developer or successor in interest fails to pay real estate taxes or assessments on the Property or any part thereof when due, or places thereon any encumbrance or lien

unauthorized by this Agreement, or suffers any levy or attachment to be made, or any supplier's or mechanic's lien, or any other unauthorized encumbrance or lien to attach;

(d) There is, in violation of Article VII of this Agreement, any transfer of the Property or any part thereof; or

(e) The Developer fails to comply with any of its covenants under this Agreement,

then the Authority shall have the right upon 30 days' written notice to Developer and the Developer's failure to cure within such 30 days period, to re-enter and take possession of the Property and to terminate and re-vest in the Authority the interest of the Developer in the Property. The Developer shall, if requested by the Authority, promptly deliver to the Authority a quit claim deed in recordable form for the Property. Notwithstanding the foregoing, the Authority shall have no right to re-enter or retake title to and possession of the Property after issuance of the Certificate of Completion.

**Section 8.4. No Remedy Exclusive.** No remedy herein conferred upon or reserved to the Authority is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Authority or the Developer to exercise any remedy reserved to it, it shall not be necessary to give notice, other than such notice as may be required in this Article VIII.

**Section 8.5. No Additional Waiver Implied by One Waiver.** In the event of the occurrence of any Event of Default by either party, which Event of Default is thereafter waived by the other party, such waiver shall be limited to the particular Event of Default so waived and shall not be deemed to waive any other concurrent, previous or subsequent Event of Default.

## ARTICLE IX.

### ADDITIONAL PROVISIONS

**Section 9.1. Conflict of Interests; Representatives Not Individually Liable.** No Authority officer who is authorized to take part in any manner in making this Agreement in his or her official capacity shall voluntarily have a personal financial interest in this Agreement or benefit financially there from. No member, official, or employee of the Authority shall be personally liable to the Developer, or any successor in interest, for any Event of Default by the Authority or for any amount which may become due to the Developer or successor or on any obligations under the terms of this Agreement.

**Section 9.2. Non-Discrimination.** The provisions of Minnesota Statutes Section 181.59, which relate to civil rights and non-discrimination, and any affirmative action program of

the City shall be considered a part of this Agreement and binding on the Developer as though fully set forth herein.

**Section 9.3. Notices and Demands.** Except as otherwise expressly provided in this Agreement, a notice, demand or other communication under this Agreement by either party to the other shall be sufficiently given or delivered if it is sent by mail, postage prepared, return receipt requested or delivered personally:

(a) As to the Authority:

Roseville Economic Development Authority  
Attn: Housing and Economic Development Program Manager  
2660 Civic Center Drive  
Roseville, MN 55113

(b) As to the Developer:

Twin Cities Habitat for Humanity, Inc.  
Attn: Vice President of Home Building  
1954 University Avenue West  
St. Paul, MN 55104

or at such other address with respect to either such party as that party may, from time to time, designate in writing and forward to the other as provided in this Section 9.3.

**Section 9.4. Counterparts.** This Agreement may be simultaneously executed in any number of counterparts, all of which shall constitute one and the same instrument.

**Section 9.5. Extensions.** Any extension to the Closing Date and/or extension to Construction Completion Date that exceeds 6 months after the date agreed to in Section 3.7 and 4.3, respectively, must be approved by the Authority Board. Authority staff is authorized to extend the Closing Date to a date less than 6 months after the Closing Date agreed to in Section 3.7 and extend the Construction Completion Date to a date less than 6 months after the Construction Completion Date agreed to in Section 4.3.

**Section 9.6. Provisions Not Merged With Deed.** None of the provisions of this Agreement are intended to or shall be merged by reason of any deed transferring any interest in the Property and any such deed shall not be deemed to affect or impair the provisions and covenants of this Agreement.

**Section 9.7. Amendment.** This Agreement may be amended only by written agreement approved by the Authority and the Developer.

**IN WITNESS WHEREOF**, the parties have caused this Agreement to be duly executed as of the day and year first above written.

**Authority Signature Page to Purchase and Development Contract**

**ROSEVILLE ECONOMIC DEVELOPMENT  
AUTHORITY**

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

By \_\_\_\_\_  
Its Executive Director

\_\_\_\_\_

STATE OF MINNESOTA    )  
  )   SS  
COUNTY OF RAMSEY    )

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 2018, by \_\_\_\_\_, the President of the Roseville Economic Development Authority, a public body corporate and politic under the laws of Minnesota, on behalf of the authority.

\_\_\_\_\_  
Notary Public

STATE OF MINNESOTA    )  
  )   SS  
COUNTY OF RAMSEY    )

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 2018, by \_\_\_\_\_, the Executive Director of the Roseville Economic Development Authority, a public body corporate and politic under the laws of Minnesota, on behalf of the authority.

\_\_\_\_\_  
Notary Public

**Developer Signature Page to Purchase and Development Contract**

**TWIN CITIES HABITAT FOR HUMANITY, INC.**

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

STATE OF MINNESOTA        )  
  )   SS  
COUNTY OF \_\_\_\_\_)

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 2018, by \_\_\_\_\_, the \_\_\_\_\_ of Twin Cities Habitat for Humanity, Inc., a nonprofit corporation under the laws of Minnesota, on behalf of the corporation.

\_\_\_\_\_  
Notary Public

**EXHIBIT A**

**FORM OF CERTIFICATE OF COMPLETION**

WHEREAS, the Roseville Economic Development Authority, a public body corporate and politic under the laws of Minnesota (the "Grantor"), conveyed land in Ramsey County, Minnesota to Twin Cities Habitat for Humanity, Inc., a Minnesota non-profit corporation (the "Grantee"), by a Deed recorded in the Office of the County Recorder [and/or in the Office of the Registrar of Titles] in and for the County of Ramsey and State of Minnesota, as Document Number \_\_\_\_\_;

and

WHEREAS, said Deed is subject to a Purchase and Development Agreement recorded in the Office of the County Recorder [and/or in the Office of the Registrar of Titles] in and for the County of Ramsey and State of Minnesota, as Document Number \_\_\_\_\_; which contained certain covenants and restrictions set forth in Sections 4.1 through 4.3 thereof; and

WHEREAS, said Grantee has performed said covenants and conditions insofar as it is able in a manner deemed sufficient by the Grantor to permit the execution and recording of this certification;

NOW, THEREFORE, this is to certify that all building construction and other physical improvements specified to be done and made by the Grantee have been completed and the above covenants and conditions in said Deed and the agreements and covenants in Sections 4.1 through 4.3 of the Agreement have been performed by the Grantee therein, and the County Recorder [and/or the Registrar of Titles] in and for the County of Ramsey and State of Minnesota are hereby authorized to accept for recording and to record, the filing of this instrument, to be a conclusive determination of the satisfactory termination of the covenants and conditions of Sections 4.1 through 4.3 of the Agreement and the covenants and restrictions set forth in Section 1 of said Deed; provided that the covenants set forth in Section 7.2(d) of the Agreement, and in Section 2 of the Deed, remain in full force and effect through the period stated thereon.

Dated: \_\_\_\_\_, 20\_\_.

ROSEVILLE ECONOMIC  
DEVELOPMENT AUTHORITY

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

STATE OF MINNESOTA    )  
  )    SS  
COUNTY OF RAMSEY    )

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 20\_\_, by \_\_\_\_\_ the Executive Director of the Roseville Economic Development Authority, a public body corporate and politic under the laws of the State of Minnesota, on behalf of the authority.

\_\_\_\_\_  
Notary Public

This instrument was drafted by:

Kennedy & Graven, Chartered  
470 U.S. Bank Plaza  
200 South Sixth Street  
Minneapolis, MN 55402



**EXHIBIT B**

**QUIT CLAIM DEED**

STATE DEED TAX DUE HEREON: \$ \_\_\_\_\_

ECRV: \_\_\_\_\_

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

FOR VALUABLE CONSIDERATION, Roseville Economic Development Authority, a public body corporate and politic under the laws of the State of Minnesota, Grantor, hereby conveys and quit claims to Twin Cities Habitat for Humanity, Inc., a nonprofit corporation under the laws of the State of Minnesota, Grantee, real property in Ramsey County, Minnesota, described as follows:

[insert legal description], according to the map or plat thereof on file or of record in the office of the Ramsey County Recorder

*Check here if part or all of the land is Registered (Torrens)*

together with all hereditaments and appurtenances, and subject to easements of record.

Section 1. This deed is subject to that certain Purchase and Development Contract between Grantor and Grantee, dated \_\_\_, 2018 (the "Contract"), recorded contemporaneously herewith in the office of the Ramsey County **Recorder/Registrar of Titles**. The Contract provides that the Grantee's rights and interest in the real property described above are subject to the Grantor's right to re-enter and revest in Grantor title to the Property under conditions specified therein, including but not limited to termination of the Grantor's right to re-enter and revest upon issuance of a Certificate of Completion as defined in the Agreement.

**Section 2. Grantor's rights under paragraph 7.2(d) of the Agreement remain until \_\_\_\_\_, 20\_\_, unless earlier released by Grantor.**

- The Seller certifies that the seller does not know of any wells on the described real property.
- A well disclosure certificate accompanies this document.
- I am familiar with the property described in this instrument and I certify that the status and number of wells on the described real property have not changed since the last previously filed well disclosure certificate.

ROSEVILLE ECONOMIC DEVELOPMENT  
AUTHORITY

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

By \_\_\_\_\_  
Its Executive Director

STATE OF MINNESOTA

} ss.

COUNTY OF RAMSEY

The foregoing was acknowledged before me this \_\_\_ day of \_\_\_\_\_, 2018, by \_\_\_\_\_, the President and Executive Director, respectively, of Roseville Economic Development Authority, a public body corporate and politic under the laws of Minnesota, on behalf of the Authority, Grantor.

NOTARIAL STAMP OR SEAL (OR OTHER TITLE OR RAK)

\_\_\_\_\_  
SIGNATURE OF PERSON TAKING ACKNOWLEDGMENT

Tax Statements for the real property described in this instrument should be sent to (include name and address of Grantee):

This instrument drafted by:

Kennedy & Graven, Chartered  
470 U.S. Bank Plaza  
200 South Sixth Street  
Minneapolis, MN 55402

**EXHIBIT C**

**WELL DISCLOSURE**

- The Seller certifies that the seller does not know of any wells on the described real property.
- A well disclosure certificate accompanies this document.
- The status and number of wells on the described real property have not changed since the last previously filed well disclosure certificate.

**EXHIBIT D****Form of Promissory Note and Mortgage****PROMISSORY NOTE**

\$49,404.00

\_\_\_\_\_, 2018

Twin Cities Habitat for Humanity, Inc. (“Maker”), for value received, hereby promises to pay to the Roseville Economic Development Authority, a public body corporate and politic under the laws of Minnesota, or its assigns (collectively referred to herein as “Holder”), at its designated principal office or such other place as the Holder may designate in writing, the principal sum of Forty-Nine Thousand Four Hundred Four and no/100<sup>ths</sup> Dollars (\$49,404.00), without interest thereon, in any coin or currency that at the time or times of payment is legal tender for the payment of private debts in the United States of America. The principal of this Note is payable as follows:

1. The entire unpaid balance of principal shall be due and payable upon the earlier of the following: (i) thirty (30) days after written notification by Holder to Maker of the occurrence of an Event of Default as defined in the Purchase and Development Agreement between the Maker and the Holder, dated \_\_\_\_\_, 2018 (the “Agreement”), or as defined in the Mortgage given by the Maker to the Holder of even date herewith (the “Mortgage”) and demand of payment according to Section 15 of the Mortgage; or (ii) ten (10) days after the Maker makes or allows to be made any total or partial transfer, sale, assignment, conveyance, lease, or transfer in any other mode, of the Property (as defined hereafter), if such transfer is made to any person not meeting the requirements set forth in the Agreement. Notwithstanding the foregoing, in the absence of either of the above occurrences, the entire unpaid balance of principal shall be forgiven on the date thirty (30) years after the making of this Note.

2. This Note is given pursuant to the Agreement. If any information in the Agreement is found to be invalid for whatever reason, such invalidity shall constitute an Event of Default hereunder.

3. This Note is secured by the Mortgage regarding the property described in the Agreement (the “Property”). All of the agreements, conditions, covenants, provisions, and stipulations contained in the Agreement and the Mortgage 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 an Event of Default occurs under the Agreement, the Mortgage, or any other instrument securing this Note, then the Holder of this Note may at its right and option, without notice, declare immediately due and payable the principal balance of this Note, together with reasonable attorneys fees and expenses incurred by the Holder of this Note in collecting or enforcing payment hereof, whether by lawsuit or

otherwise, and all other sums due hereunder or any instrument securing this Note. The Maker of this Note agrees that the Holder of this Note may, without notice to 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.

4. This Note may only be assigned pursuant to the terms of the Agreement, and only with the written consent of the Holder.

5. The remedies of the Holder of this Note as provided herein, and in the Agreement, the Mortgage, 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 Holder of this Note, may be exercised as often as occasion therefor 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 Holder of this Note 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 Holder 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.

6. If any term of this Note, or the application thereof to any person or circumstances shall, to any extent, be invalid or unenforceable, the remainder of this Note, or the application of such term to persons or circumstances other than those to which it is invalid or unenforceable shall not be affected thereby, and each term of this Note shall be valid and enforceable to the fullest extent permitted by law.

7. If any Event of Default occurs, and if Holder engages legal counsel or others in connection with advice to Holder or Holder's rights and remedies under the Agreement, the Mortgage, or this Note, Maker shall pay all reasonable expenses incurred by Holder for such persons, irrespective of whether any suite or other proceeding has been or is filed or commenced. Any such expenses, costs and charges shall constitute additional principal, payable upon demand, and subject to this Note and the Mortgage.

8. It is intended that this Note is made with reference to and shall be construed as a Minnesota contract and is governed by the laws thereof. 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 Agreement waive any objection to the jurisdiction of these courts, whether based on convenience or otherwise.

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

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.

IN WITNESS WHEREOF, the Maker has caused this Note to be duly executed as of the \_\_\_\_\_ day of \_\_\_\_\_, 2018.

\_\_\_\_\_  
TWIN CITIES HABITAT FOR HUMANITY, INC.

**Mortgage Registration Tax: \$ \_\_\_\_\_**

**The maximum principal indebtedness secured by this mortgage is \$49,404.**

## MORTGAGE

THIS MORTGAGE is given on \_\_\_\_\_, 2018. Borrower is Twin Cities Habitat for Humanity, Inc., a Minnesota nonprofit corporation (“Borrower”). This Mortgage is given to the Roseville Economic Development Authority, a public body corporate and politic (the “Authority”). Borrower owes the Authority the principal sum of \$49,404.00. This debt is evidenced by a promissory note of even date herewith (the “Note”). This Mortgage secures to Authority: (a) the repayment of the debt evidenced by the Note, and all renewals, extensions and modifications of the Note; (b) the payment of all other sums, advanced to protect the security of this Mortgage; (c) the performance of Borrower’s covenants and agreements under this Mortgage and the Note; and (d) is subject to the terms and conditions of that certain Purchase and Development Agreement between Borrower and Authority, dated as of \_\_\_\_\_, 2018. For this purpose, Borrower does hereby mortgage, grant and convey to the Authority, with power of sale, the property located in Ramsey County, Minnesota and fully described in the attached Exhibit A, together with all the improvements now or hereafter erected on the property, and all easements, appurtenances, and fixtures now or hereafter a part of the property. All replacements and additions shall also be covered by this Mortgage. All of the foregoing is referred to in this Mortgage as the “Property.”

BORROWER COVENANTS that Borrower is lawfully seized of the estate hereby conveyed and has the right to mortgage, grant, and convey the Property and that the Property is unencumbered, except for encumbrances of record and as set forth in paragraph 17. Borrower warrants and will defend generally the title to the Property against all claims and demands, subject to any encumbrances of record.

Borrower and the Authority agree as follows:

1. PAYMENT OF PRINCIPAL; LATE CHARGES. Borrower shall promptly pay when due the principal on the debt evidenced by the Note and any late charges due under the Note.
2. CHARGES; LIENS. Borrower shall pay all taxes, assessments, charges, fines, and impositions attributable to the Property which may attain priority over this Mortgage, and leasehold payments or ground rents, if any. Borrower shall pay these obligations on time directly to the person owed payment.

Borrower shall promptly discharge any lien which has priority over this Mortgage and is not listed in paragraph 17, unless Borrower: (a) agrees in writing to the payment of the obligation secured by the lien in a manner reasonably acceptable to the Authority; (b) contests in good faith the lien by, or defends against enforcement of the lien in, legal proceedings which in the Authority's opinion operate to prevent the enforcement of the lien; or (c) secures from the holder of the lien an agreement satisfactory to the Authority subordinating the lien to this Mortgage. If the Authority determines that any part of the Property is subject to a lien which may attain priority over this Mortgage, the Authority may give Borrower a notice identifying the lien. Borrower shall satisfy the lien or take one or more of the actions set forth above within thirty (30) days of the giving of notice.

3. HAZARD OR PROPERTY INSURANCE. Borrower shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire and any other hazards for which the Authority requires insurance. This insurance shall be maintained in the amounts and for the periods that the Authority reasonably requires. The insurance carrier providing the insurance shall be chosen by Borrower subject to the Authority's approval, which shall not be unreasonably withheld or delayed. If Borrower fails to maintain coverage described above, the Authority may, at the Authority's option, obtain coverage to protect the Authority's rights in the Property in accordance with paragraph 5.

All insurance policies and renewals shall be reasonably acceptable to the Authority and shall include a standard mortgage clause. If the Authority requires, Borrower shall promptly give to the Authority all receipts of paid premiums and renewal notices. In the event of loss, Borrower shall give prompt notice to the insurance carrier and the Authority. The Authority may make proof of loss if not made promptly by Borrower.

If under paragraph 15 the Property is acquired by the Authority, Borrower's right to any insurance policies and proceeds resulting from damage to the Property prior to the acquisition shall pass to the Authority to the extent of the sums secured by this Mortgage immediately prior to the acquisition.

4. PROTECTION OF THE PROPERTY. Borrower shall not destroy or damage the Property or commit waste on the Property. Borrower shall be in default if any forfeiture action or proceeding, whether civil or criminal, is begun that in the Authority's good faith judgment could result in forfeiture of the Property or otherwise materially impair the lien created by this Mortgage or the Authority's security interest. Borrower may cure such a default and reinstate, as provided in paragraph 13, by causing the action or proceeding to be dismissed with a ruling that, in the Authority's good faith determination, precludes forfeiture of Borrower's interest in the Property or other material impairment of the lien created by this Mortgage or the Authority's security interest. Borrower shall also be in default if Borrower gave materially false or inaccurate information or statements to the Authority in connection with the loan evidenced by the Note.

5. PROTECTION OF AUTHORITY'S RIGHTS IN THE PROPERTY. If Borrower fails to perform the covenants and agreements contained in this Mortgage, or there is a legal



proceeding that may significantly affect the Authority's rights in the Property (such as a proceeding in bankruptcy, condemnation or forfeiture), the Authority may do and pay for whatever is necessary to protect the value of the Property and the Authority's rights in the Property. The Authority's actions may include paying any sums secured by a lien which has priority over this Mortgage, appearing in court, paying reasonable attorneys fees and entering on the Property to make repairs. Although the Authority may take action under this paragraph 5, the Authority is not required to do so.

Any amounts disbursed by the Authority under this paragraph 5 shall become additional debt of Borrower secured by this Mortgage. Unless Borrower and the Authority agree to other terms of payment, these amounts shall bear interest from the date of disbursement at a rate equal to the interest rate on the Note and shall be payable, with interest, upon notice from the Authority to Borrower requesting payment.

6. INSPECTION. The Authority or its agent may make reasonable entries upon and inspections of the Property.

7. CONDEMNATION. The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of any part of the Property, or for conveyance in lieu of condemnation, are hereby assigned and shall be paid to the Authority.

In the event of a total taking of the Property, the proceeds shall be applied to the sums secured by this Mortgage, whether or not then due, with any excess paid to Borrower. In the event of a partial taking of the Property in which the fair market value of the Property immediately before the taking is equal to or greater than the amount of the sums secured by this Mortgage immediately before the taking, unless Borrower and the Authority otherwise agree in writing, if any, the sums secured by this Mortgage shall be reduced by the amount of the proceeds multiplied by the following fraction: (a) the total amount of the sums secured immediately before the taking, divided by (b) the fair market value of the Property immediately before the taking. Any balance shall be paid to Borrower. In the event of a partial taking of the Property in which the fair market value of the Property immediately before the taking is less than the amount of the sums secured immediately before the taking, unless Borrower and the Authority otherwise agree in writing or unless applicable law otherwise provides, the proceeds shall be applied to the sums secured by this Mortgage whether or not the sums are then due.

The Authority acknowledges this Mortgage is subordinate to the liens specifically referred to in Section 17 hereof.

8. FORBEARANCE BY AUTHORITY NOT A WAIVER. Any forbearance by the Authority in exercising any right or remedy shall not be a waiver of or preclude the exercise of any right or remedy.

9. SUCCESSORS AND ASSIGNS BOUND. The covenants and agreements of this Mortgage shall bind and benefit the successors and assigns of the Authority and Borrower.

10. LOAN CHARGES. If the loan secured by this Mortgage is or becomes subject to a law which sets maximum loan charges, and that law is finally interpreted so that the interest or other loan charges collected or to be collected in connection with the loan exceed the permitted limits, then: (a) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (b) any sums already collected from Borrower which exceeded permitted limits will be refunded to Borrower. The Authority may choose to make this refund by reducing the principal owed under the Note or by making a direct payment to Borrower. If a refund reduces principal, the reduction will be treated as a partial prepayment under the Note.

11. NOTICES. Any notice to Borrower provided for in this Mortgage shall be given by delivering it personally or by mailing it by first class United States mail, postage prepaid, return receipt requested. The notice shall be directed to Borrower at 1954 University Avenue West, St. Paul, Minnesota 55104, Attn. \_\_\_\_\_, or any other address Borrower designates by notice to the Authority. Any notice to the Authority shall be given or mailed to City Hall, 2660 Civic Center Drive, Roseville, Minnesota 55113, Attention: Executive Director, or any other address the Authority designates by notice to Borrower. Any notice provided for in this Mortgage shall be deemed to have been given to Borrower or the Authority when given as provided in this paragraph.

12. GOVERNING LAW; SEVERABILITY. This Mortgage shall be governed by the law of the state of Minnesota. In the event that any provision or clause of this Mortgage or the Note conflicts with applicable law, such conflict shall not affect other provisions of this Mortgage or the Note which can be given effect without the conflicting provision. To this end, the provisions of this Mortgage and the Note are declared to be severable.

13. BORROWER'S RIGHT TO REINSTATE. If Borrower meets certain conditions, Borrower shall have the right to have enforcement of this Mortgage discontinued at any time prior to the earlier of: (a) five (5) days before sale of the Property pursuant to any power of sale contained in this Mortgage; or (b) entry of a judgment enforcing this Mortgage. Those conditions are that Borrower: (a) pays the Authority all sums which then would be due under this Mortgage and the Note as if no acceleration had occurred; (b) cures any default of any other covenants or agreements; (c) pays all expenses incurred in enforcing this Mortgage, including, but not limited to, reasonable attorneys fees; and (d) takes such action as the Authority may reasonably require to assure that the lien of this Mortgage, the Authority's rights in the Property and Borrower's obligation to pay the sums secured by this Mortgage shall continue unchanged. Upon reinstatement by Borrower, this Mortgage and the obligations secured hereby shall remain fully effective as if no acceleration had occurred.

14. HAZARDOUS SUBSTANCES. Borrower shall not cause or permit the presence, use, disposal, storage, or release of any hazardous substances on or in the Property, except those solvents, oils, cleaning materials, and other substances as are used in the ordinary course of Borrower's business. Borrower shall not do, and will use its best efforts not to allow anyone else to do, anything affecting the Property that is in violation of any environmental law.

Borrower shall promptly give the Authority written notice of any investigation, claim, demand, lawsuit or other action by any governmental or regulatory agency or private party involving the Property and any hazardous substance or environmental law of which Borrower has actual knowledge. If Borrower learns, or is notified by any governmental or regulatory EDA, that any removal or other remediation of any hazardous substance affecting the Property is necessary, Borrower shall promptly take all necessary remedial actions in accordance with that environmental law.

As used in this paragraph 14, “hazardous substances” are those substances defined as toxic or hazardous substances by environmental law and the following substances: gasoline, kerosene, other flammable or toxic petroleum products, volatile solvents, materials containing asbestos or formaldehyde, and radioactive materials. As used in this paragraph 14, “environmental law” means federal or state laws that relate to environmental protection.

15. ACCELERATION; REMEDIES. The Authority shall give notice to Borrower prior to acceleration following Borrower’s breach of any covenant or agreement in this Mortgage (“Event of Default”). The notice shall specify: (a) the default; (b) the action required to cure the default; (c) a date, not less than thirty (30) days from the date the notice is given to Borrower by which the default must be cured, provided, however, if Borrower is diligently pursuing a cure, Borrower shall have such additional time as is reasonably necessary to complete the cure; and (d) that failure to cure the default on or before the date specified in the notice may result in acceleration of the sums secured by this Mortgage and sale of the Property. The notice shall further inform Borrower of the right to reinstate after acceleration and sale. If the default is not cured on or before the date specified in the notice, the Authority at its option may require immediate payment in full of any sums secured by this Mortgage without further demand and may invoke the power of sale and any other remedies permitted by law. The Authority shall be entitled to collect all expenses incurred in pursuing the remedies provided in this paragraph 15, including, but not limited to, reasonable attorneys fees.

If the Authority invokes the power of sale, the Authority shall cause a copy of a notice of sale to be served upon any person in possession of the Property. The Authority shall publish a notice of sale, and the Property shall be sold at public auction in the manner prescribed by law. The Authority or its designee may purchase the Property at any sale. The proceeds of the sale shall be applied in the following order: (a) to all expenses of the sale, including, but not limited to, reasonable attorneys fees; (b) to all sums secured by this Mortgage; and (c) any excess to the person or persons legally entitled to it.

16. RELEASE OF MORTGAGE. Upon payment or forgiveness of all sums secured by this Mortgage, the Authority shall discharge this Mortgage without charge to Borrower. Authority shall pay any recordation costs.

TWIN CITIES HABITAT FOR HUMANITY, INC.

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

STATE OF MINNESOTA )  
  ) SS.  
COUNTY OF RAMSEY )

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 2018 by \_\_\_\_\_, the \_\_\_\_\_ of Twin Cities Habitat for Humanity, Inc., a Minnesota nonprofit corporation, on behalf of the corporation.

\_\_\_\_\_  
Notary Public

This document drafted by:

KENNEDY & GRAVEN, CHARTERED (MNI)  
200 South Sixth Street  
470 U.S. Bank Plaza  
Minneapolis, MN 55402  
(612) 337-9300

**EXHIBIT A  
TO MORTGAGE**

**PROPERTY**

The West 11.7 feet of Lot 2 and all of Lot 3, Broadview Addition, Block 1, according to the recorded plat thereof, and situate in Ramsey County, Minnesota

Abstract property.

Located on land having a street address of:

**1125 Sandhurst Drive West, Roseville, MN 55113-4327**

**EXHIBIT E**

**FORM OF SUBORDINATION OF MORTGAGE**

**SUBORDINATION OF MORTGAGE**

THIS SUBORDINATION made and entered into this \_\_ day of \_\_\_\_\_, 20\_\_, by the Roseville Economic Development Authority, a public body corporate and politic and political subdivision of the State of Minnesota (the "Mortgagee").

**RECITALS**

A. The Mortgagee is the holder of a Mortgage by Twin Cities Habitat for Humanity, Inc., a Minnesota nonprofit corporation, dated \_\_\_\_\_, 2018 and recorded in the Office of the Recorder of Deeds, Ramsey County, Minnesota on \_\_\_\_\_, 20\_\_, as Document No. \_\_\_\_\_ (the "Mortgage"), assigned on the date hereof to \_\_\_\_\_, [status] ("Mortgagor"), relating to certain real property situated in the County of Ramsey, State of Minnesota, legally described in Exhibit A attached hereto (the "Property").

C. The Mortgagor has applied for a mortgage loan from \_\_\_\_\_, its successors and/or assigns (the "Lender"), in a principal amount not to exceed \$\_\_\_\_\_ (the "Loan"), and the Lender has indicated that it is unwilling to accept a mortgage on the Property as security for said Loan unless the Mortgagee shall subordinate its Mortgage to the lien to be created by the Lender's mortgage (the "Lender's Mortgage").

NOW, THEREFORE, in consideration of the premises contained herein, the Mortgagee subordinates in all respects to the Lender, and to the lien of the Lender's Mortgage, any and all right, title or interest the Mortgagee has, may have or may hereafter acquire in the Property, and agrees that the Mortgage and Amendment are in all respects subordinate to the Lender's Mortgage and the lien created thereby notwithstanding the order of recording or any other priority requirements which may otherwise exist.

(Signature page follows)

ROSEVILLE ECONOMIC DEVELOPMENT  
AUTHORITY

By: \_\_\_\_\_  
Its President

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

STATE OF MINNESOTA    )  
  )SS.  
COUNTY OF RAMSEY    )

The foregoing instrument was acknowledged before me this \_\_\_ day of \_\_\_\_\_, 20\_\_, by \_\_\_\_\_ and \_\_\_\_\_, the President and Executive Director, respectively, of the Roseville Economic Development Authority, a public body corporate and politic and political subdivision of the State of Minnesota, on behalf of the Authority.

\_\_\_\_\_  
Notary Public

This document drafted by:

KENNEDY & GRAVEN, CHARTERED (MNI)  
470 US Bank Plaza  
200 South 6<sup>th</sup> Street  
Minneapolis, MN 55402  
(612) 337-9300

**EXHIBIT A TO SUBORDINATION OF MORTGAGE**

**Property**

The West 11.7 feet of Lot 2 and all of Lot 3, Broadview Addition, Block 1, according to the recorded plat thereof, and situate in Ramsey County, Minnesota

Abstract property.

Located on land having a street address of:

1125 Sandhurst Drive West, Roseville, MN 55113-4327



**EXHIBIT F****HABITAT GUIDELINES**

<b>TCHFH Lending, Inc. Home Mortgage Program</b>	
Loan Product	Habitat Home Loan Impact Fund First Mortgage Up to 96.5%, no mortgage insurance
<b>HABITAT PROGRAM REQUIREMENTS</b> for increased homebuyer success	
Homebuyer Program Requirements	1:1 Financial Coaching until homebuyer ready Mandatory homebuyer education Borrower savings \$6,300 Mandatory monthly maintenance account Sweat Equity of 20 to 250 hours
Habitat Contributions	Affordable first mortgage capped at 28-30% of borrower income Affordability gap mortgage, 0% interest, deferred or forgiven over term Post-purchase education & foreclosure prevention counseling Long-term relationship with homeowners post-purchase through neighborhood engagement, volunteerism, annual homeowner events
<b>LOAN USE</b>	
Eligible loan use	First time Home Purchase
Dwelling Type	Single Family, Duplexes, Townhomes, Condominiums, and Habitat Land Trust Properties
Habitat Housing Stock	Category 1: Habitat built (new construction) Category 2: Habitat re-purchase/resale Category 3: Habitat acquire/rehab/resale Category 4: Open Market Direct purchase by homebuyer with limited rehab Category 5: Open Market Direct purchase by homebuyer with no rehab needed
Maximum Purchase Price	\$328,200
<b>LOAN TERMS</b>	
Term	30 years
Interest Rates	3.00%, fixed for life of loan
Max LTV	96.5% LTV 110% CLTV with Habitat-funded silent subordinate
Mortgage Insurance Premium	Not required
Affordability (debt-to-income) Ratios	Target: 28% Housing Obligation / 43% Backend for households at 30%-59.9% AMI Program Maximum: 30% Housing Obligation / 43% Backend for all households Note: Housing obligation includes principal and interest, PT&I escrow, Habitat-required maintenance fund, and if applicable homeowner's association or ground lease fees.
Minimum Borrower Contribution	\$3,000 closing costs (gift funds allowed), plus owner's title insurance policy Borrower-paid 1 year homeowner's insurance premium Plus Sweat Equity of 20 to 250 hours
Minimum Reserves	\$1,800 liquid or accessible at time of closing \$50 monthly maintenance fund contribution requirement (reduced to \$25 for families in homeowner's association)

<b>BORROWER REQUIREMENTS</b>	
Income Eligibility	30-80% Area Median Income adjusted for family size
Minimum Credit Score	FICO minimum 580 (see non-traditional below) 580-589 must have 3 strong additional sources of payment history or an extenuating circumstance present 590-599 must have 2 strong additional sources of payment history 600-619 must have 1 strong additional source of payment history FICO soft score preferred: 620
Non-Traditional Credit & Credit Invisible	At least 3 sources of payment history (rental required) with each one demonstrating: -No 30 day late payments in most recent 12 month history, or -If one 30 day late payment exists within most recent 12 months, 24 months of history must be provided and demonstrate no more than two 30 day late payments in the 24 months.
Income not considered	Income that cannot be verified, is not stable, or will not continue. Self-employed < 2 years Commission income < 2years
Student Loans	-IBRs are allowed, approved plan must be current. If loan is in deferred status 1% of aggregate is used to estimate future monthly payment.
Work History	Minimum of 1 year at current position, no gaps in employment
BNK- CH7, CH13	2 years since discharge Must have 24 months of re-established credit; no major default: 60 days Bankruptcy due to medical bills is allowed but documented
Foreclosure	3 years since sheriff sale or short sale date
Liens, Judgements, Collections	No delinquency on federal debt No collections totaling over \$1,000 -Up to \$3,000 if Medical Collections All judgements must be paid for applicant to be homebuyer ready/prior to closing



# REQUEST FOR ECONOMIC DEVELOPMENT AUTHORITY ACTION

Date: 1/14/2019  
Item No.: 5.c

Department Approval

City Manager Approval

Item Description: Review Previous Business Loan Program and Discuss Possible Future Business Loan Program

**BACKGROUND**

Economic Development staff was approached by a business that would like to do a substantial facade improvement on the Jiffy Lube building located at County Road D and Fairview. The business would plan to use the building for office use. Currently, the costs for such facade improvements are more than a first mortgage can support.

The City previously offered a program that helped businesses fund such improvements (Attachment A). Staff has reviewed the terms and mechanics of the previous program and asks the Roseville Economic Development Authority (REDA) to discuss the possibility of reinstating the program. If the members of the REDA are interested in resuming the program, Staff will need to collaborate with the attorney for the REDA to update the terms of the program in order to meet all current State of Minnesota and Department of Employment and Economic Development (DEED) requirements. Details of typical underwriting for a credit worthy business in today's economic climate is provided below per North American Bank:

Interest Rates:	5.5%-6.5%
Fixed Rate:	5 years
Terms:	15-20 years
Loan to Value:	75-80% based upon ownership structure

Previously, the City provided eight such mortgages (by way of a second mortgage) to businesses in Roseville for such improvement purposes and all the loans were repaid in full (Attachment B). All the underwriting and servicing of the loans was provided by the originating bank. The funds used in the previous program were from an existing Tax Increment Financing (TIF) pool which is now depleted.

If the REDA is interested in starting a similar program, the existing fund balances from the former Roseville Housing Redevelopment Authority (RHRA) levy balances can be used (Attachment C).

25 A legal opinion from the attorney for the REDA (Attachment D) identifies the extent to which  
26 funds previously levied under the RHRA may be used.

27

28 **BUDGET IMPLICATIONS**

29 This report is for discussion only at this time.

30

31 **STAFF RECOMMENDATION**

32 Discuss Previous Business Loan Program and Provide Direction to Staff.

33

34 **REQUESTED COUNCIL ACTION**

35 Discuss Previous Business Loan Program and Provide Direction to Staff.

36

Prepared by: Jeanne Kelsey, Housing and Economic Development Program Manager, 651-792-7086

Attachments: A: Roseville Business Loan Program  
B: Business Loans Previously Provided by City of Roseville  
C: Fund Balances as of December 31, 2018  
D: Legal Opinion from Attorney Martha Ingram



## Roseville Business Loan Program

Adopted January 25, 2009

Amended and Approved November 27, 2000, April 8, 2002

### **Preamble:**

The Roseville Business Loan Policy is a document used to guide decisions relating to the use of the revolving funds from Roseville's Small Business Revolving Loan Fund. The Business Loan Policy is reviewed and revised periodically by the City Council to ensure that the funds are being used effectively and efficiently, meet the economic development policies outlined in the comprehensive plan.

### **Section 1. Purpose and Goals.**

The City of Roseville provides low interest loans to businesses using existing Economic Development Funds and its loan proceeds. The purpose of the business loan program is to:

- Create new employment or maintain existing employment; and
- Encourage improvements that provide additional investment into existing business real estate.

The goals of the programs are as follows:

- Create and retain permanent private-sector jobs in order to create economic growth;
- Stimulate and/or leverage private investment to ensure economic renewal and competitiveness;
- Stabilize, diversify and expand the local tax base;
- Improve employment and economic opportunity for citizens in the region to create a positive standard of living;
- Improve the aesthetics of property that will help maintain a positive balance between the living and working environment of the community;
- Provide opportunities to align jobs with local housing to reduce transportation congestion.

- 44 • Eliminate sources of contamination as well as polluted soil areas; and
- 45
- 46 • Stimulate productivity growth through improved technologies.
- 47

## 48 Section 2. Loan Policies Summary.

### 49 1. Loan Structure

- 50 • Each City loan must be matched on at least a 1:1 ratio with a bank loan. The
- 51 City's minimum loan amount is \$2,500 and maximum loan amount is \$25,000.
- 52 • The City's portion of the loan will be at 2% fixed interest rate. The participating
- 53 bank would be required to, at a minimum, match the City loan amount at
- 54 commercial lending rates not to exceed 2.5 percent above prime.
- 55 • The term of the City loan will be at the recommendation of the participating bank
- 56 but will not exceed 10 years.
- 57
- 58
- 59

### 60 2. Eligible Improvements

- 61
- 62 • Repair storefronts, windows, doors, decorative applications, exterior finishes and
- 63 lighting.
- 64 • Interior improvements that would result in the growth and expansion of the
- 65 business (tenant improvement would be evaluated on a case-by-case basis.)
- 66 • New or upgraded landscaping, sidewalks and street trees.
- 67 • Upgrade or replace Business Signage.
- 68 • Parking lot redesign and repair.
- 69 • Stormwater improvements.
- 70 • Upgrade facility to comply with American with Disabilities Act.
- 71

### 72 3. Ineligible Improvements

- 73
- 74 • Refinancing of existing debt
- 75 • Equipment financing
- 76 • Non-fixed improvements
- 77 • Working capital
- 78 • Inventory
- 79 • Sweat equity
- 80

### 81 4. Minimum Requirements

- 82
- 83 • The participating bank must service the City's portion of the loan at no cost to the
- 84 City. A signed Participation Agreement between the bank and the City is required.
- 85
- 86 • Each loan shall only be approved after satisfactory recommendation by the
- 87 participating bank and approval by the Roseville City Council. Loans under

- 88 \$5,000 require a satisfactory recommendation by the participating bank and  
89 approval by the City Manager but do not require City Council action.  
90
- 91 • The City loan requires the personal guarantees of all the individuals who own  
92 more than 20 percent interest in the company. The City will accept a subordinate  
93 position to the participating bank.  
94
  - 95 • The participating bank must use all customary lending practices in determining  
96 eligibility for the loan to ensure repayment of the loan. The participating bank  
97 shall provide the City with a written recommendation on the loan feasibility prior  
98 to City approval.  
99
  - 100 • Loan disbursements shall be the responsibility of the bank. The bank shall make  
101 payments to the City on the City's proportionate share of the loan once a month.  
102 Loan prepayments are accepted without penalty. The City must receive its  
103 proportionate share of any prepayments.  
104
  - 105 • All improvements must conform to current City zoning, building codes and  
106 ordinances. Any outstanding taxes, assessments and fees must be made current  
107 prior to loan approval.  
108
  - 109 • The City portion of the loan is not assumable upon the sale of the business. . The  
110 loan will be due and payable in full if the company no longer resides within the  
111 City limits.  
112
  - 113 • A City application must be completed. In addition, a scope of work with  
114 construction bids must be submitted prior to the issuance of the loan. The City  
115 will conduct final inspections to ensure that the work was completed as noted in  
116 the application and scope of work.  
117
- 118 5. Ineligible Business Activities (per SBA Standards)  
119
- 120 • Nonprofit organizations and institutions  
121
  - 122 • Real estate investment and speculative activities  
123
  - 124 • Home based businesses  
125
  - 126 • Pyramid sales plans  
127
  - 128 • Illegal and gambling activities  
129
  - 130 • Academic schools

## Business\_Loan\_Summary\_05

<b>Company</b>	<b>Loan Amt</b>	<b>Participating Bank</b>	<b>Jobs Created</b>	<b>Private Investment</b>
Charles Cabinets 3090 North Cleveland Ave	\$25,000	North American Banking	3	\$ 425,000
Countryside Restaurant 2851 N. Snelling Ave	\$20,000	Community National Bank	0	\$ 20,800
Cox Insurance 3116 Fairview	\$25,000	St. Anthony Park Bank	12	\$ 750,000
L.J. Olson Heritage LLC (Cryogenic Labs) 1944 N. Lexington Ave	\$25,000	North Star Bank	5	\$ 665,000
Rymer-Hadley Academy of Fine Arts 2256 Lexington Ave	\$6,055	Community National Bank	0	\$ 6,055
Suburban True Value Hardware 1930 Lexington Ave.	\$25,000	Norwest Bank	1	\$ 141,032
Baked Inc (The Press) 2230 Albert Street	\$25,000	North American Banking	4(ft), 6(pt)	\$ 309,000
Ranstran Corporation - Lenfer Transmission 3114 Lexington Ave	\$25,000	North American Banking	4	\$ 461,875
<b>Summary Totals</b>	<b>\$176,055</b>		<b>29(ft), 6(pt)</b>	<b>\$ 2,778,762</b>





## Memo

**To:** Pat Trudgeon, EDA Executive Director  
Thomas Paschke, Interim Community Development Director  
Jeanne Kelsey, Housing & Economic Development Manager

**From:** Chris Miller, Finance Director

**Date:** January 8, 2019

**Re:** Summary of Available Funds for the Roseville EDA

---

Pat, Thomas, and Jeanne,

The information below contains a brief overview of the funds available to the Roseville Economic Development Authority for the period ending 12/31/18 (preliminary). As you know, for legal and management purposes these monies are segregated into six separate funds that carry varying restrictions. They include:

- Community Development Block Grant (CDBG) Program (*Fund 721*)
- General Housing & Redevelopment Programs (*Fund 723*)
- Housing Replacement / Single Family Construction Program (*Fund 720*)
- Property Abatement Program (*Fund 722*)
- Multi-Family & Housing Program (*Fund 724*)
- General EDA Operating Program Fund (*Fund 725*)

The Community Development Block Grant (CDBG) Fund is governed by an agreement with Ramsey County in accordance with federally-established CDBG requirements.

The General Housing & Redevelopment, Housing Replacement, Property Abatement, and Multi-Family Programs were previously managed by the City's Housing & Redevelopment Authority (HRA). The Roseville EDA/HRA Attorney has opined that these monies can only be spent for activities permitted under the statutory HRA laws.

Finally, the General EDA Program Fund can only be used for any activities permitted under the statutory EDA laws. Similar to the City's General Fund, this fund serves as the EDA's *primary* operating fund and includes on-going staffing & legal representation, studies & analyses, marketing efforts, and other costs.

Because the only on-going funding source for General EDA Programs is the property tax levy, this fund should maintain a minimum 35% cash reserve level, as measured at year-end, to provide for operational needs in between tax levy collection periods.

The available funds as of 12/31/18 (preliminary) is shown in the chart below:

	PRELIMINARY
	12/31/2018
	Funds
<u>Program</u>	<u>Available</u>
CDBG Program	\$ 295,492
SF Revolving Loans Held by CRF	576,339
Housing Replacement / SF Construction	406,769
Property Abatement	128,023
Multi-Family & Housing Program	1,670,341
General EDA Programs *	235,808
Total Available Funds	\$ 3,312,772
* A <u>minimum</u> of 35% of next year's operating budget will be needed at year-end to meet cash-flow needs in-between tax levy collection periods.	
Recommended Cash Reserve Amount based on 2019 Budget is \$148,280	

The year-end cash available in the General EDA Programs Fund is higher than expected due to lower 2018 spending in the Ownership Rehab, Marketing Studies, and Economic Development programs. As a result, the reserve level stands at 56% going into 2019. Had the EDA/City Council not removed \$200K in proposed funding for new initiatives when setting the final 2019 Budget, the reserve level would have been at 38%.

In addition to these amounts, the EDA also has a number of outstanding loans and mortgages that will provide varying levels of income in future years. They are summarized in the table below.

	PRELIMINARY
	12/31/2018
	Loan/Mortgage
<u>Program **</u>	<u>Value</u>
CDBG: 960 Lovell	\$ 14,022
CDBG: Sienna Green	383,881
CDBG: 1125 Sandhurst	52,789
CDBG: 1491 Applewood Court	59,000
CDBG: 1497 Applewood Court	59,000
General Housing Programs: CRF	344,386
Housing Replacement / SF Construction: 1481 Applewood Ct.	55,000
Housing Replacement / SF Construction: 1491 Applewood Ct.	36,000
Housing Replacement / SF Construction: 1497 Applewood Ct.	28,000
Multi-Family & Housing Program: Sienna Green	18,301
Total Loan/Mortgage Value	\$ 1,050,378

\*\* The City has a 2nd or 3rd mortgage position on all Program loans

Finally, I will note that the City also holds approximately \$781,000 in the SE Roseville Redevelopment Fund (*Fund 428*). You will recall that the source of these funds was the City's former TIF District #12: Arona Site which was decertified in 2016.



Offices in 470 U.S. Bank Plaza  
 200 South Sixth Street  
 Minneapolis MN 55402  
 Saint Paul (612) 337-9300 telephone  
 (612) 337-9310 fax  
 St. Cloud www.kennedy-graven.com  
 Affirmative Action Equal Opportunity Employer

## MEMORANDUM

TO: Jeanne Kelsey, Housing and Economic Development Program Manager  
 FROM: Martha Ingram, Kennedy & Graven, Chartered  
 DATE: September 20, 2017  
 RE: HRA Tax Levies

You have requested an explanation of the authorized uses for levy dollars generated by the Roseville Housing and Redevelopment Authority (“HRA”) prior to the transfer of its powers to the Roseville Economic Development Authority (“EDA”). This type of levy is sometimes referred to as the “HRA levy” and is described as follows.

The law governing HRAs is codified at Minnesota Statutes, Sections 469.001 to 469.047 (the “HRA Act”). Under Section 469.033 of the HRA Act, an HRA may levy a tax on its area of operation for the purposes authorized under the HRA Act, subject to consent by the city council. The levy may not exceed .0185 percent of the taxable market value in the City. The “area of operation” of the authority is the boundaries of the City. The HRA historically exercised its authority to levy this tax, and allocated the levy dollars to the Roseville Multi-Family Rental Program, which was intended to assist the owners of multi-family rental properties with exterior and interior improvements and rehabilitation of those properties.

Under Minnesota Statutes, Section 469.091, an economic development authority has all the powers of a housing and redevelopment authority under the HRA Act, unless those powers are limited by the City’s enabling resolution that established the authority. The enabling resolution that established Roseville’s EDA contained no such limitations, and in fact transferred the powers of the City’s HRA to the EDA, including the HRA’s existing programs and funds. Therefore, the EDA may essentially act as a housing and redevelopment authority and exercise all powers under the HRA Act, as well as exercising its economic development powers under Minnesota Statutes, Sections 469.090 to 469.1081 (the “EDA Act”).

Since the EDA has all the powers of a housing and redevelopment authority, the EDA may levy an HRA levy under Section 469.033 of the HRA Act, subject to the same limitations and procedures that would apply if it were levied by a housing and redevelopment authority. The EDA has not levied taxes under its HRA levy authority since this authority was transferred to the EDA (instead, it has levied under separate authority expressly granted to economic development authorities under the EDA Act). However, due to underutilization of the Roseville Multi-Family Rental Program, the HRA levy funds allocated to this program are mainly intact, and the program has accumulated a fund balance of around \$1.5 million. You have asked whether the funds allocated to this program may be used for other purposes.

The short answer is yes. HRA levy funds that have been allocated to a particular program, but which have not been contractually committed to a specific use under that program, may be used for any other use authorized under the HRA Act. The HRA levy has only one important limitation that bears directly on the question of authorized use. That is, Minnesota Statutes, Section 469.033, subd. 6 provides that the proceeds must be used only “for the purposes of [the HRA Act].” Those purposes, broadly, include redevelopment to correct or prevent blight, and development of or assistance to housing for low or moderate income persons. HRA levy dollars should not be used for economic development purposes such as assistance to a developer of a new business constructed on previously undeveloped land.

To a large extent, the prohibition against economic development uses of HRA levy dollars is academic in an established first-ring suburb such as Roseville. The city has been almost completely developed, and most (if not all) projects presented to the EDA involve redevelopment in one form or another. Therefore, although the EDA should be aware of the prohibition against “straight economic development” when considering uses for its HRA levy dollars, in practical application there will be very few instances where a proposed economic development use for these funds cannot be reasonably connected to a redevelopment-related purpose. Examples of authorized uses for the HRA levy include (and this is by no means an exclusive list) deposit into an EDA revolving loan fund, grants or loans to developers to assist with the cost of affordable housing, acquisition of blighted property for housing and/or redevelopment, construction or replacement of infrastructure related to housing or redevelopment projects, incentives to homeowners or commercial property owners for rehab, or staff and/or consultant time spent on housing and redevelopment matters.

If you have further questions on this matter or wish to discuss specific proposed uses of the HRA levy, please give me a call.



# REQUEST FOR ECONOMIC DEVELOPMENT AUTHORITY ACTION

Date: 1/14/2019  
Item No.: 5.d

Department Approval

Executive Director Approval

Item Description: Discuss Interest in Acquiring 825 County Road B2 under the Roseville Housing Replacement Program

1 **BACKGROUND**

2 The family of the owner of the property located at 825 County Road B2 contacted City staff in fall  
3 2018 to inquire about available housing or other programs within the City of Roseville that would be  
4 interested in acquiring the property.

5  
6 Assistant Building Official Gerry Proulx, Economic Development Coordinator Joel Koepp, and  
7 Housing and Economic Development Program Manager Jeanne Kelsey toured the property to review  
8 its condition. From the tour, the Assistant Building Official determined the property meets the  
9 Housing Replacement Program requirements and conditions. The home was originally built in 1914  
10 and an addition was added in 1920. It is an original farmstead in the area.

11  
12 Staff requests the Roseville Economic Development Authority (REDA) to determine whether there  
13 is an interest in acquiring the property located at 825 County Road B2 for the Housing Replacement  
14 Program. The current Ramsey County assessed value is \$233,100. Currently, the REDA has an  
15 account balance of \$406,769 available in the Housing Replacement/Single Family Construction  
16 Loan Account if the REDA is interested in acquiring the property.

17  
18 Staff seeks direction from the REDA to determine whether or not to move forward with the process  
19 of acquiring the property. If the REDA is interested, the matter would be presented at a closed door  
20 session at a future meeting to formally discuss the terms of an offer to purchase the property.

21 **BUDGET IMPLICATIONS**

22 The REDA (by way of the Housing Replacement Program / Single Family Loan Program) has  
23 \$406,769 available for acquisition of properties and the costs associated with acquiring, closing,  
24 inspecting, demolishing, and reselling of property.

25 **STAFF RECOMMENDATION**

26 Authorize staff to pursue acquisition of 825 County Road B2 using the Housing Replacement  
27 Program funds.

28 **REQUESTED COUNCIL ACTION**

29 Authorize staff to pursue acquisition of 825 County Road B2 using the Housing Replacement  
30 Program funds.

Prepared by: Jeanne Kelsey, Housing and Economic Development Program Manager, 651-792-7086

Attachments: A: Housing Replacement Program

B: Map and site aerial of 825 County Road B2



## Roseville Lot/Sale Replacement Program

### Program Overview

#### Program Objectives

- To remove substandard, functionally obsolete housing on scattered sites throughout the City and replace with new, higher-valued, sustainable housing.
- To eliminate the influence of blight of substandard housing, thus improving residential neighborhoods.
- To facilitate the construction of larger (3+ bedrooms/2+ bathrooms/2-car garage) owner-occupied homes that complement the neighborhood and are designed to expand family opportunities or serve elderly residents.

These objectives will be achieved by the RHRA purchasing and razing substandard homes and selling the lot to a licensed builder or individual for the construction of a single-family, owner-occupied home. *\*This document is meant to guide program administration and should not be interpreted as constituting any contractual agreement or liability by the Roseville Housing and Redevelopment Authority (RHRA). The RHRA may modify or divert from the guidelines when it deems appropriate.*

#### Program Basics

- RHRA publishes a list of available vacant lots for purchase including sale price and development criteria.
- A builder with an identified buyer, a buyer with an identified builder, or a builder without an identified buyer proposes a plan consistent with development criteria/program requirements and offers to purchase the lot.
- RHRA Board holds a public hearing to collect public comment then approves or rejects lot sale.
- When HRA approves a lot sale, the lot is sold to Potential Homeowner or Builder/Developer.
- Project must be 100% complete within one year after closing.

#### Builder Requirements

- Must be a licensed contractor.
- Must demonstrate financial capabilities by providing:
  - a) A statement from a financial institution of sufficient construction capital to complete the project.
  - b) Proof of Builder's Comprehensive General Liability with Property Damage Protection and proof of sufficient worker's compensation insurance coverage by the Builder.
  - c) Written warranty to be provided to the Buyer, which guarantees at minimum, warranted repairs as required by Minnesota State Statute.
- Must provide references from
  - a) 5 satisfied customers
  - b) Building inspectors from 2 cities where Builder has constructed new housing within the past 3 years
- Provide an inventory of all homes currently under construction.



## Roseville Lot/Sale Replacement Program

### Program Overview

#### Housing Design and Site Criteria

- Home design must comply with all federal, state, and local building codes.
- Construction on the home must commence within six months after closing. The project must be 100% complete one year after closing.
- All building plans must have been prepared in consultation with an architect or qualified draftsman. All requirements by the Building Inspections Division must be met.
- Home shall be single-family and owner-occupied.
- A minimum of three bedrooms is required. A fourth bedroom or a den is preferred; two full bathrooms are preferred. A home design with 1½ baths will be considered.
- A two-car garage with a paved, hard surface driveway is required.
- Exterior materials (siding, soffit, doors and windows) should be low maintenance and durable. Brick, aluminum, vinyl and fiber cement siding are preferred. Natural cedar lap is acceptable if properly stained or painted. Hardboard panels or hardboard lap siding materials are not acceptable. Roof valleys must have metal valleys and not be woven.
- A full basement shall be provided unless the selected design results in a split-level or walkout basement.
- All air conditioning units must be located in the rear yard of the house.
- Utility meters shall be screened from street view, and the meter locations identified on the plans.
- Unit height and mass of new home shall be compatible with the scale of the surrounding neighborhood. The house building lines, variable roof lines, door and window placement used to minimize wall mass, and house orientation to street must present a balanced and pleasing view from all sides.
- The dominance of the garage door must be minimized through placement, architectural detail, door design and/or utilization and design of windows and must adhere to City Code Chapter 1004.05(A). Garage sidewalls facing the street should appear to contain habitable space. This can be accomplished by incorporating windows and other design elements into the garage wall that are in character with the rest of the dwelling.
- The entire grounds shall be landscaped to be aesthetically pleasing in all seasons. Land forms and plant materials shall be used to define the site and blend with adjoining properties. Specific lot line blending requirements may be required, as appropriate, for specific sites.
- A Tree Preservation Plan (City Code Chapter 1011.04) should be completed and existing trees shall be preserved when possible. Care should also be taken to preserve existing root systems. Construction fencing around root system must be provided on trees directly adjacent to active grading and construction areas.
- Site drainage shall be accommodated on the site so that water is directed away from the new home and the neighborhood properties. The builder must comply with any federal, state or local drainage requirements. Construction of the finished structure must not have a detrimental impact on storm water drainage patterns on the adjoining properties. Roof gutters will be required.





## Roseville Lot/Sale Replacement Program

### Program Overview

#### Housing Design and Site Criteria *(continued)*

- Soil condition should be verified to assure that the quality of the soil can handle the new constructed home. If modifications are required, proper documentation must be submitted.
- The neighboring property and adjacent public streets shall be kept free of construction debris at all times. The construction site shall be maintained so it does not become a nuisance. Under no circumstance during the construction period shall construction workers, construction equipment, or construction materials enter, disturb, or damage neighboring properties.
- The property shall have a new sanitary service line installed to the City sanitary sewer main consisting of schedule 40 PVC or equivalent. A new PVC wye must be installed at the main. If there is an existing 4" or 6" sewer stub at the property line, it must be lined with 4" schedule 40 PVC or equivalent to the City's sanitary main including through the existing wye. If the stub was tapped into the City main, a PVC wye must be cut into the main and reconnected to the service line. The lining work must be verified with a follow up televising supplied to the City.
- The new home that is constructed must have Green Communities Concepts. Any concepts that will be included must be explained in a written plan submitted with the application. A \$5,000 rebate will be provided to projects that obtain certification through LEED for Homes, Minnesota GreenStar or Minnesota Green Communities. Priorities for Green Communities Concept include the following:
  - a) Protect and conserve water and soil. To reduce water consumption, consider the use of water conserving appliances, fixtures, and landscaping. Steps should be taken to minimize the loss of soil and sediment during construction and occupancy to reduce storm-water sediment and air pollution.
  - b) Minimize energy consumption. Reduce energy consumption by taking advantage of natural heating, cooling, and day lighting, and by using energy-efficient appliances, equipment, and lighting.
  - c) Enhance indoor environmental quality. Use non-toxic materials, ventilation and exhaust systems, and moisture control products and systems.
  - d) Use environmentally preferable materials and resources. Use locally-produced, salvaged, and/or manufactured materials, products with recycled content or from renewable sources, recyclable or reusable materials, and low-VOC-emitting materials.
  - e) Reduce waste. Reduce and manage wastes generated during the construction process and operation of buildings. Sort and recycle leftover materials and debris.



## Roseville Lot/Sale Replacement Program

### APPLICATION PROCESS

1. **Interested Applicant** (*a builder with an identified buyer OR a buyer with an identified builder OR a builder without an identified buyer*) **contacts HRA Staff to receive information about the process and criteria.**
2. **The Applicant submits a Preliminary Application, which is reviewed by HRA Staff for suitability then forwarded to the HRA Board. The Preliminary Application includes the following:**
  - Application Form & \$500 Fee (*to be returned if application is not approved by HRA Board*)
  - Copy of signed contract or letter of intent between Builder and Homeowner (*if applicable*)
  - Proposed lot
  - Description of Green Community features and certification program (*projects with LEED, MN GreenStar, or MN Green Communities certification may receive a \$5000 rebate from the City*)
  - Name and experience of builder
  - Preliminary house plans including elevations, number of bedrooms, baths, garage stalls; square footage; materials; expected market value, and any unique features of the proposed house
  - Plan for identifying a buyer (applies only to Applicants without an identified buyer)
3. **Preliminary Application is given to HRA Staff in a prearranged meeting to ensure Application is ready for review.**
  - The Preliminary Application will be reviewed within 5 working days by HRA Staff. Concerns that arise during the review will be discussed with the Applicant. HRA Staff has the sole discretion to reject or accept an application. If more than 1 application is submitted for the same lot during the five-working-day review period, both applications will be reviewed and the application that best meets the program guidelines will be selected. The rejected application and fee will be returned.
  - If the Preliminary Application is accepted, it will be placed on the HRA's agenda to be reviewed for approval. A public hearing will also be scheduled regarding the sale of the property.
  - If the Preliminary Application is rejected, the Applicant receives the application and fee back.
4. **Once the HRA Staff accepts a Preliminary Application, the HRA Board will hold a public hearing at its next regular meeting to consider the sale of the property where the house will be built.**
  - If the HRA approves the sale of the property, they will then review and take action on the application. If the proposal is by a builder without an identified buyer, the builder must attend the HRA meeting to present the proposal. If approved, the HRA extends a Contract for Private Development to the Builder/Applicant. The contract is a standard form that includes conditions for acquisition and development of the property. The Contract will also establish a minimum required end-value for the property based on construction estimates provided by the Applicant. The Builder or Buyer is expected to agree to the Contract terms prior to the closing.
  - If the HRA rejects the Preliminary Application, the Applicant receives the application and fee back
5. **Upon HRA approval of a Preliminary Application, Applicant will asked to submit a Final Application.**
  - The lot will be reserved for 30 calendar days; no additional applications will be accepted for the proposed lot while a Final Application is being prepared. Applicants using an architect, HRA may grant additional development time.



## Roseville Lot/Sale Replacement Program

### APPLICATION PROCESS *(continued)*

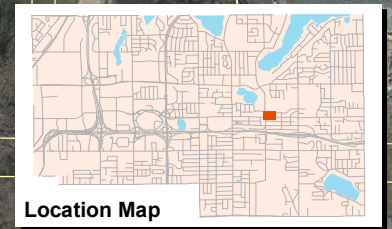
6. **When all Final Application documents have been received, the HRA Staff will do a Final review.**
  - The Final Application review will occur within 5 working days and will ensure that the project conforms to all Housing Design and Site Development Requirements.
7. **Upon approval of the application by the HRA, a closing will be scheduled.**
  - The HRA will prepare all required statements, affidavits, documents, and general release forms.
  - The Builder applies for a building permit prior to closing. The Builder is responsible for acquiring the necessary building permits with the City of Roseville Building Inspections Division. If changes to the plans are required by the Building Inspections Division, the Applicant must notify HRA staff.
  - At closing, Builder provides a Letter of Credit or cash escrow for \$10,000 to the HRA from a financial institution located in the Twin Cities Metro. The cash escrow will be held in a non-interest bearing account. The Letter of Credit or cash escrow will be released once the construction and landscape work are completed and a final Certificate of Occupancy is issued.
  - The Applicant provides evidence to HRA staff that all requirements to proceed with construction as determined in the Contract for Private Development have been met.
  - The HRA conveys the property to the Builder/Homeowner or Builder/Developer by Quit Claim Deed. The site will be sold at the fair market value as it appears on the Lot List.
8. **Project is completed within one year of the closing.**
  - Certificate of Completion must be presented to HRA to release the Contract for Private Development obligations.
  - If the Builder fails to complete construction as approved by the HRA, the Letter of Credit or cash escrow may be drawn upon by the HRA. In addition, the Contract for Private Development will contain a revert provision, which will enable the HRA to reclaim ownership of the property in the event of default in the Contract.



## Roseville Lot/Sale Replacement Program

Preliminary Application			
Complete	Incomplete	N/A	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Application Form
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	\$500 Application fee
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Copy of signed contract or letter of intent between Builder and Homeowner
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Proposed lot
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Preliminary house plans, including elevations
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Description of Green Community features & name of certification program. <i>Projects that obtain LEED, MN GreenStar, or Minnesota Green Communities certification will receive a \$5,000 rebate from the City.</i>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Name and experience of builder
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Number of bedrooms, baths, & garage stalls; square footage; materials; value
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Any unique features of the proposed house
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Plan for identifying a buyer ( <i>applies only to Builders without identified buyer</i> )
Final Application Documents			
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Floor Plans (three 11" x 17" copies to scale)
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Elevations (three 11" x 17" copies to scale)
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Site plan (three 11" x 17" copies to scale)
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Landscaping plan (three 11" x 17" copies to scale)
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	List of materials
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Construction timeline
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Signed contract between Builder and end-buyer
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<u>Financial Capability Statement</u> <i>Homeowners:</i> A statement from a financial institution indicating willingness to provide construction and/or permanent financing. <i>Builders:</i> A statement from a financial institution indicating a willingness to provide sufficient construction capital to complete the project.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<u>Builder References</u> <ul style="list-style-type: none"> <li>o 5 satisfied customers</li> <li>o Building inspectors from two cities where the Builder has constructed new housing within the past 3 years</li> <li>o Previous positive experience working with the Roseville HRA (if applicable)</li> <li>o <b>Builder/Developer Only:</b> Inventory of all homes currently under construction</li> </ul>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Proof of Builder's Comprehensive General Liability with Property Damage Protection and proof of sufficient worker's compensation insurance coverage by Builder
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Proof of sufficient worker's compensation insurance coverage by the Builder
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Written warranty program (to be shared with the Buyer, which guarantees, at a minimum, warranted repairs as required by Minnesota State Statute)

# 825 County Road B2



Location Map



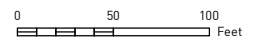
Prepared by:  
Community Development Department  
Printed: January 8, 2019



Site Location

**Data Sources**  
\* Ramsey County GIS Base Map (11/4/2019)  
\* Aerial Data: Sanborn (4/2017)  
For further information regarding the contents of this map contact:  
City of Roseville, Community Development Department,  
2660 Civic Center Drive, Roseville MN

**Disclaimer**  
This map is neither a legally recorded map nor a survey and is not intended to be used as one. This map is a compilation of records, information and data located in various city, county, state and federal offices and other sources regarding the area shown, and is to be used for reference purposes only. The City does not warrant that the Geographic Information System (GIS) Data used to prepare this map are error free, and the City does not represent that the GIS Data can be used for navigational, tracking or any other purposes requiring exacting measurement of distance or direction or precision in the depiction of geographic features. If errors or discrepancies are found please contact 651-792-7085. The preceding disclaimer is provided pursuant to Minnesota Statutes §466.02, Subd. 21 (2000), and the user of this map acknowledges that the City shall not be liable for any damages, and expressly waives all claims, and agrees to defend, indemnify, and hold harmless the City from any and all claims brought by User, its employees or agents, or third parties which arise out of the user's access or use of data provided.



# 825 County Rd B2

Attachment B



© 2018 Pictometry



# REQUEST FOR ECONOMIC DEVELOPMENT AUTHORITY ACTION

Date: 1/14/2019  
Item No.: 5.e

Department Approval

Executive Director Approval

Item Description: Review Participation of Partnership with the St. Paul Area Chamber of Commerce with the Small Business Series for 2019

1  
2 **BACKGROUND**

3 The Roseville Economic Development Authority (REDA) has partnered with the St. Paul Area  
4 Chamber of Commerce (SPACC) for the past few years on the Small Business Series (SBS). The  
5 SBS consists of morning seminars that provides attendees the opportunity to participate in  
6 professional development and educational events focused on small business topics. The seminars  
7 occur quarterly, with panel and keynote topics that include human resources best practices,  
8 networking skills, and other business coaching. The REDA pays for Roseville businesses to attend  
9 these seminars at the SPACC membership rate of \$20.00 per attendee. Average registration  
10 includes approximately 10-12 business people from Roseville, with two or three no-shows (for  
11 which the REDA must still have to pay the registration fee). The REDA budgets annually for this  
12 participation (approximately \$2,000 is budgeted for annually for said registration fees).

13  
14 SPACC is revising the program and combining it with another program Digital Dish, which SPACC  
15 also coordinates. The meetings are held every other month rotating between early morning and  
16 late afternoon times. In addition SPACC wants to add participation and partnership with the cities  
17 of Shoreview and Maplewood. The meeting locations for the newly combined program will be  
18 twice per community each year. The cost for attending is \$30.00 for SPACC members and \$50.00  
19 for non-members.

20  
21 Since the REDA has been financially contributing to the registration fees for the SBS for Roseville  
22 businesses, staff requests direction from the REDA as to how to move forward in this partnership  
23 with SPACC. Specifically, Staff requests direction as to whether the REDA wants to contribute  
24 financially to the registration fees to attend such events on behalf of Roseville business and if so,  
25 what amount?

26  
27 The only financial contribution provided by Shoreview and Maplewood in sponsoring this newly  
28 created/combined event is the use of meeting space at each city's Community Center.

29  
30 **BUDGET IMPLICATIONS**

31 The REDA has budgeted for attendance to the SBS series for 2019 in the amount of \$2,000.

32  
33 **STAFF RECOMMENDATION**

34 Provide direction to staff regarding participation and contribution to the Business Education Series.

35 **REQUESTED EDA ACTION**

36 Provide direction to staff regarding participation and contribution to the Business Education Series.

Prepared by: Jeanne Kelsey, Housing and Economic Development Program Manager, 651-792-7086

Attachments: A: SPACC Event Brief





### EVENT BRIEF

#### 2019 Business Education Series

VENUE: TBD

Roseville / Shoreview / Maplewood

7:30am – 9:00am (3 X year, 4<sup>th</sup> Tuesday, Every other month)

February 12, June 11, October 8

3:00pm – 4:30pm (3 X year, 4<sup>th</sup> Tuesday, Every other month)

April 9, August 13, December 10

#### EVENT PARTNERSHIP AND LOCATIONS

Roseville: Location to be Determined	SPACC – Planner and coordination of speaker, topics and food
Shoreview: Shoreview Community Center	Maplewood: Maplewood Community Center

#### OVERVIEW

**Proposed Business Education Series Description:** will be a program that combines the Small Business Series with the Digital Dish program (see program descriptions below) that SPACC has been the lead planner on. This Educational programming will be geared towards business, large or small, for training and development. Topics include areas such as HR best practices, networking skills, business coaching, social media and digital marketing with time for networking.

*Small Business Series - These morning seminars give attendees the opportunity to participate in a professional development and educational event focused on important small business topics. Held quarterly, panel and keynote topics include HR best practices, networking skills, and other business coaching.*

*Digital Dish - This program gives you the opportunity to participate in professional development and education events focused on social media and digital marketing topics. These events give you actionable ideas to take back and apply to your business. Topics may include: getting started with social media, best practices and trends, and how to best utilize your website.*

#### SPACC Staff:

- Greeter / Name badges / Welcome remarks

#### Partners:

- Host remarks, supply location?

#### Proposed AGENDA

7:30 am / 3:00 pm | Registration and open networking  
 7:45 am / 3:15 pm | Staff to encourage guests to be seated  
 8:00 am / 3:30 pm | Opening Remarks – Welcome – Sponsor Thank you  
 8:03 am / 3:33 pm | Host location messaging  
 8:05 am / 3:35 pm | Presenting Sponsor remarks / Introduce presenter  
 8:10 am / 3:40 pm | Presentation  
 8:55 am / 4:25 pm | Closing Remarks

#### ATTENDEES

- Expected 40 attendees

#### KEY MESSAGES

- Delivered by SPACC: Overview of departments, building connections with new members



# REQUEST FOR ECONOMIC DEVELOPMENT AUTHORITY ACTION

Date: 1/14/2019

Item No.: 5.f

Department Approval

Executive Director Approval

Item Description: Consider Adoption of a Resolution Authorizing an Interfund Loan for an Advance of Certain Costs in Connection with Proposed Tax Increment Financing District No. 17a – Twin Lakes Hazardous Substance Sub-district (HSS)

1 **BACKGROUND**

2 On June 18, 2018 the Roseville Economic Development Authority (REDA) adopted a Contract for Private  
3 Redevelopment for McGough’s new headquarters located at 2785 Fairview Avenue. The Agreement provided  
4 pass through funds for Environmental Remediation Grants which the REDA applied for in May 2018  
5 (Attachment A). The REDA was not awarded those funds and must find other funds in order to assist the  
6 developer with the environmental remediation on the property. Currently the REDA will be using existing  
7 fund balances which were levied under the Roseville Housing and Redevelopment Authority (RHRA).

8 The REDA has made it a legislative priority in 2019 to work on modifying the Tax Increment Finance (TIF)  
9 Language for 17a – Twin Lakes Hazardous Substance Sub-district (HSS) to allow for the existing captured  
10 funds of approximately \$3,000,000 to be utilized on the remaining properties that are needing environmental  
11 remediation in TIF 17a (Attachment B).

12 The Interfund Loan resolution is a protective measure that provides the REDA with the capability to reimburse  
13 costs that the REDA will be absorbing as part of the Redevelopment Contract with McGough. If the REDA is  
14 successful in modifying the language in TIF 17a during the 2019 legislative session, then the REDA will  
15 reimburse the RHRA fund balance. The attorney for the REDA will be in attendance at the meeting to address  
16 any questions about this matter.

17  
18 **STAFF RECOMMENDATION**

19 Adopt a Resolution Authorizing an Interfund Loan for the reimbursement to the REDA for remediation costs in  
20 Connection with Environmental Remediation that is located in TIF HSS #17a.

21  
22 **REQUESTED EDA ACTION**

23 Adopt a Resolution Authorizing an Interfund Loan for the reimbursement to the REDA for remediation costs in  
24 Connection with Environmental Remediation that is located in TIF HSS #17a.

25  
26 Prepared by: Jeanne Kelsey, Housing and Economic Development Program Manager, 651-792-7086

27  
Attachments: A: Contract for Private Redevelopment with 2785 Fairview LLC  
B: Map boundary of TIF 17a HSS  
C: Resolution Authorizing Interfund Loan



Doc No **T02622099**

Certified, filed and/or recorded on  
Aug 24, 2018 12:22 PM

Office of the Registrar of Titles  
Ramsey County, Minnesota  
Susan R Roth, Registrar of Titles  
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Pkg ID 1261657E

Document Recording Fee Torrens	\$46.00
<b><i>Document Total</i></b>	<b>\$46.00</b>

**Existing Certs**

621238

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**CONTRACT  
FOR  
PRIVATE REDEVELOPMENT**

**By and Between**

**ROSEVILLE ECONOMIC DEVELOPMENT AUTHORITY**

**and**

**2785 FAIRVIEW, LLC**

**Dated as of: June 18, 2018**

---

This document was drafted by:

KENNEDY & GRAVEN, Chartered (MNI)  
470 U.S. Bank Plaza  
Minneapolis, Minnesota 55402  
(612) 337-9300  
<http://www.kennedy-graven.com>

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SCHEDULE B	Grant-Eligible Costs
SCHEDULE C	Form of Draw Request
SCHEDULE D	Form of Authorizing Resolution
SCHEDULE E	Public Redevelopment Costs
SCHEDULE F	Certificate of Completion
SCHEDULE G	Assessment Agreement

**CONTRACT FOR PRIVATE REDEVELOPMENT**

THIS AGREEMENT, made as of the 18th day of June, 2018, by and between the Roseville Economic Development Authority (the "Authority"), a public body corporate and politic under the laws of Minnesota, and 2785 Fairview, LLC (the "Redeveloper"), a Minnesota limited liability company.

WITNESSETH:

WHEREAS, the City of Roseville (the "City") has undertaken a program to promote the development and redevelopment of land which is underutilized within the City, and in this connection created its Development District No. 1 (hereinafter referred to as the "Project"), the geographic boundaries of which are coterminous with those of the City, pursuant to Minnesota Statutes, Sections 469.124 to 469.134; and

WHEREAS, the City has created the Authority and authorized the Authority to transact business and exercise its powers by an enabling resolution of the City Council, pursuant to Minnesota Statutes, Sections 469.090 to 469.1081 (the "Act"); and

WHEREAS, the City has transferred the control and administration of the Project and all current and future tax increment financing districts within the Project to the Authority, and the Authority has accepted such transfer; and

WHEREAS, pursuant to the Act and to Minnesota Statutes, Sections 469.001 to 469.047 (the "HRA Act"), the Authority is authorized to undertake certain activities to prepare real property for development and redevelopment by private enterprise; and

WHEREAS, the Redeveloper has acquired certain property (the "Redevelopment Property") within the Project to redevelop an existing warehouse facility into the corporate office headquarters (the "Minimum Improvements") for the Redeveloper's Affiliate, McGough Construction Co., LLC ("McGough"), as further described herein; and

WHEREAS, the Authority has established Tax Increment Financing District No. 20 (the "TIF District") pursuant to Minnesota Statutes, Sections 469.174 to 469.1794, as amended (the "TIF Act"), consisting of the Redevelopment Property located within the Project; and

WHEREAS, the Authority believes that the redevelopment of the Redevelopment Property pursuant to and in general fulfillment of this Agreement is in the vital and best interests of the City, will promote the health, safety, morals, and welfare of its residents, and will be in accord with the public purposes and provisions of the applicable State and local laws and requirements under which the Project has been undertaken and is being assisted.

NOW, THEREFORE, in consideration of the premises and the mutual obligations of the parties hereto, each of them does hereby covenant and agree with the other as follows:



## ARTICLE I

### Definitions

Section 1.1. Definitions. In this Agreement, unless a different meaning clearly appears from the context:

“Act” means Minnesota Statutes Sections 469.090 to 469.1081, as amended.

“Affiliate” means with respect to any entity (a) any corporation, partnership, limited liability company or other business entity or person controlling, controlled by or under common control with the entity, or for which the controlling interest is commonly owned, and (b) any successor to such party by merger, acquisition, reorganization or similar transaction involving all or substantially all of the assets of such party (or such Affiliate). For the purpose hereof the words “controlling”, “controlled by” and “under common control with” shall mean, with respect to any corporation, partnership, limited liability company or other business entity, the ownership of fifty percent or more of the voting interests in such entity or possession, directly or indirectly, of the power to direct or cause the direction of management policies of such entity, whether through ownership of voting securities or by contract or otherwise.

“Agreement” means this Agreement, as the same may be from time to time modified, amended, or supplemented.

“Authority” means the Roseville Economic Development Authority.

“Authority Representative” means the Executive Director of the Authority, or any person designated by the Executive Director to act as the Authority Representative for the purposes of this Agreement.

“Available Tax Increment” has the meaning provided in the Authorizing Resolution.

“Business Day” means any day except a Saturday, Sunday, legal holiday, a day on which the City is closed for business, or a day on which banking institutions in the City are authorized by law or executive order to close.

“Business Subsidy Act” means Minnesota Statutes, Sections 116J.993 to 116J.995, as amended.

“City” means the City of Roseville, Minnesota.

“Certificate of Completion” means the certification provided to the Redeveloper pursuant to Section 4.4 of this Agreement.

“Construction Plans” means the plans, specifications, drawings and related documents on the construction work to be performed by the Redeveloper on the Redevelopment Property

which (a) shall be as detailed as the plans, specifications, drawings and related documents which are submitted to the appropriate building officials of the City, and (b) shall include at least the following: (1) site plan; (2) floor plan; (3) cross sections of each (length and width); (4) elevations (all sides); (5) landscape plan; and (6) such other plans or supplements to the foregoing plans as the Authority may reasonably request to allow it to ascertain the nature and quality of the proposed construction work.

“County” means the County of Ramsey, Minnesota.

“Development Agreement” means the Public Improvement Contract between the City and the Redeveloper, to be executed in connection with Redeveloper’s activities on the Redevelopment Property, which Development Agreement is incorporated herein by reference.

“Development Program” means the Development Program for the Project, as amended.

“Event of Default” means an action by the Redeveloper listed in Article IX of this Agreement.

“Holder” means the owner of a Mortgage.

“HRA Act” means Minnesota Statutes, Sections 469.001 to 469.047, as amended.

“Minimum Improvements” means renovation on the Redevelopment Property of an existing approximately 44,000 square-foot warehouse facility, and construction of an addition to such facility, resulting in an approximately 54,000 square-foot facility to be used for corporate headquarters/office space, along with associated parking lot and landscaping.

“Mortgage” means any mortgage made by the Redeveloper that is secured, in whole or in part, with the Redevelopment Property and that is a permitted encumbrance pursuant to the provisions of Article VIII of this Agreement.

“Preliminary Development Agreement” means the Preliminary Development Agreement between the Authority and the Redeveloper, dated January 16, 2018.

“Project” means the Authority’s Development District No. 1.

“Public Redevelopment Costs” has the meaning provided in Section 3.4(a) hereof.

“Redeveloper” means 2785 Fairview, LLC, a Minnesota limited liability company, or its permitted successors and assigns.

“Redevelopment Property” means the real property described in Schedule A of this Agreement, provided that upon filing of a final plat of such property, the platted legal description will control.

“State” means the state of Minnesota.

“Tax Increment” means that portion of the real property taxes that is paid with respect to the Redevelopment Property and that is remitted to the Authority as tax increment pursuant to the Tax Increment Act.

“Tax Increment Act” or “TIF Act” means the Tax Increment Financing Act, Minnesota Statutes Sections 469.174 to 469.1794, as amended.

“Termination Date” means the earlier of (a) date of the Authority’s last receipt of Tax Increment from the TIF District in accordance with Section 469.176, subd. 1b(3) of the TIF Act; or (b) the date the TIF Note has been paid in full, defeased, or terminated in accordance with the terms of the resolution set forth in Schedule C.

“TIF District” means Tax Increment Financing District No. 20, created by the City and Authority on February 26, 2018.

“TIF Note” has the meaning provided in Section 3.4 hereof.

“Tax Increment Plan” or “TIF Plan” means the Tax Increment Financing Plan for the TIF District approved by the City Council on February 26, 2018, and as it may be amended.

“Tax Official” means any County assessor, County auditor, County or State board of equalization, the commissioner of revenue of the State, or any State or federal district court, the tax court of the State, or the State Supreme Court.

“Transfer” has the meaning set forth in Section 8.2(a) hereof.

“Unavoidable Delays” means delays beyond the reasonable control of the party seeking to be excused as a result thereof which are the direct result of strikes, other labor troubles, prolonged adverse weather or acts of God, fire or other casualty to the Minimum Improvements, litigation commenced by third parties which, by injunction or other similar judicial action, directly results in delays, or acts of any federal, state or local governmental unit (other than the Authority or City in exercising their rights under this Agreement), including without limitation condemnation or threat of condemnation of any portion of the Redevelopment Property, which directly result in delays. Unavoidable Delays shall not include delays experienced by the Redeveloper in obtaining permits or governmental approvals necessary to enable construction of the Minimum Improvements by the dates such construction is required under Section 4.3 of this Agreement, so long as the Construction Plans have been approved in accordance with Section 4.2 hereof.

## ARTICLE II

### Representations and Warranties

Section 2.1. Representations by the Authority. (a) The Authority is an economic development authority duly organized and existing under the laws of the State. Under the provisions of the Act and the HRA Act, the Authority has the power to enter into this Agreement and carry out its obligations hereunder.

(b) The Authority will use its best efforts to facilitate redevelopment of the Minimum Improvements, including but not limited to cooperating with the Redeveloper in obtaining necessary administrative and land use approvals and financing pursuant to Section 7.1 hereof.

(c) The activities of the Authority are undertaken pursuant to the TIF Act for the purpose of fostering the development and redevelopment of certain real property that is occupied by a substandard and obsolete building, which will provide employment opportunities, revitalize this portion of the Project, and increase the tax base.

(d) The Minimum Improvements are allowed uses under the zoning ordinances of the City and are consistent with the Development Program.

(e) The Authority will issue the TIF Note, subject to all the terms and conditions of this Agreement.

Section 2.2. Representations and Warranties by the Redeveloper. The Redeveloper represents and warrants that:

(a) The Redeveloper is a limited liability company, duly established and in good standing under the laws of the State of Minnesota, is not in violation of any provisions of its articles of organization or bylaws, is duly qualified as a domestic limited liability company and authorized to transact business within the State, has power to enter into this Agreement and has duly authorized the execution, delivery, and performance of this Agreement by proper action of its members.

(b) The Redeveloper will construct the Minimum Improvements in accordance with the terms of this Agreement, the Development Program, and all local, state and federal laws and regulations (including, but not limited to, environmental, zoning, building code and public health laws and regulations).

(c) The Redeveloper will use reasonable efforts to secure all permits, licenses and approvals necessary for construction of the Minimum Improvements.

(d) The Redeveloper has received no written notice or other written communication from any local, state or federal official that the activities of the Redeveloper or the Authority on

the Redevelopment Property may be or will be in violation of any environmental law or regulation (other than those notices or communications of which the Authority is aware). The Redeveloper is aware of no facts the existence of which would cause it to be in violation of or give any person a valid claim under any local, state or federal environmental law, regulation or review procedure.

(e) Neither the execution and delivery of this Agreement, the consummation of the transactions contemplated hereby, nor the fulfillment of or compliance with the terms and conditions of this Agreement is prevented, limited by or conflicts with or results in a breach of, the terms, conditions or provisions of any corporate restriction or any evidences of indebtedness, agreement or instrument of whatever nature to which the Redeveloper is now a party or by which it is bound, or constitutes a default under any of the foregoing.

(f) The proposed construction of the Minimum Improvements by the Redeveloper hereunder would not occur but for the assistance being provided by the Authority hereunder.

[The remainder of this page is intentionally left blank.]

### ARTICLE III

#### Property Acquisition; Acquisition Costs

Section 3.1. Status of Redevelopment Property. The Redevelopment Property consists of the parcel legally described in Schedule A hereof. In order to secure timely access to the Redevelopment Property and in reliance on execution of this Agreement pursuant to the terms of the Preliminary Development Agreement, the Redeveloper acquired fee title to the Redevelopment Property prior to the date of this Agreement. The Redeveloper acknowledges that the Authority has no obligation to acquire any of the Redevelopment Property.

Section 3.2. Environmental Undertakings. (a) The parties acknowledge that MPCA has approved a voluntary response action plan providing for remediation of hazardous wastes and contaminants on the Redevelopment Property (the "VRAP"). Redeveloper shall promptly undertake remediation and any other actions required under the VRAP, subject to the reimbursement as further described in this Agreement.

(b) The Redeveloper acknowledges that the Authority makes no representations or warranties as to soil and environmental condition on the Redevelopment Property or the fitness of the Redevelopment Property for construction of the Minimum Improvements or any other purpose for which the Redeveloper may make use of such property, and that the assistance provided to the Redeveloper under this Agreement neither implies any responsibility by the Authority for any contamination of the Redevelopment Property or poor soil conditions nor imposes any obligation on the Authority to participate in any cleanup of the Redevelopment Property and/or correction of any soil problems (other than the financing described in this agreement).

(c) Without limiting its obligations under Section 8.3 of this Agreement the Redeveloper further agrees that it will indemnify, defend, and hold harmless the Authority, the City, and their governing body members, officers, and employees, from any claims or actions arising out of the presence, if any, of hazardous wastes or pollutants existing on or in the Redevelopment Property unless and to the extent that such hazardous wastes or pollutants are present as a result of the actions or omissions of the indemnitees. Nothing in this section will be construed to limit or affect any limitations on liability of the City or Authority under State or federal law, including without limitation Minnesota Statutes Sections 466.04 and 604.02.

Section 3.3. Grants; Disbursement. (a) To finance a portion of the environmental abatement, remediation, and investigation costs on the Redevelopment Property described in Schedule B (the "Grant-Eligible Costs"), the Authority has applied for a grant from the Met Council in the amount of \$157,230 (the "Grant").

(b) If all or a portion of the Grant is approved, the Authority will pay or reimburse the Redeveloper for Grant-Eligible Costs from and to the extent of the grant proceeds from the Grant, in accordance with the terms of the Grant Agreement and the terms of this Section. Notwithstanding anything to the contrary herein, if Grant-Eligible Costs exceed the amount to be reimbursed under

this Section, such excess shall be the sole responsibility of the Redeveloper, subject to Section 3.3(c) hereof.

(c) If, upon commencing environmental remediation activities on the Redevelopment Property, the Redeveloper discovers the existence of contaminated or poor soils to any extent requiring remediation, the Authority agrees to apply for an Environmental Response Fund grant from the County ("County Grant") on Redeveloper's behalf. If the Authority receives a County Grant, the proceeds of such County Grant will be subject to the provisions of this Section to the same extent as the proceeds of the Grant.

(d) The Redeveloper expressly agrees and acknowledges that no construction may commence on the Redevelopment Property while the Grant application is pending, and that commencement of construction prior to the award of the Grant and consent of the Met Council may terminate the award of the Grant. All disbursements will be made subject to the conditions precedent that on the date of such disbursement:

(1) The Authority has received a written statement from the Redeveloper's authorized representative certifying with respect to each payment: (a) that none of the items for which the payment is proposed to be made has formed the basis for any payment previously made under this Section (or before the date of this Agreement); (b) that each item for which the payment is proposed is a Grant-Eligible Cost; and (c) the Redeveloper reasonably anticipates completion of the Grant-Eligible Costs and the Minimum Improvements in accordance with the terms of this Agreement.

(2) No Event of Default under this Agreement or event which would constitute such an Event of Default but for the requirement that notice be given or that a period of grace or time elapse, shall have occurred and be continuing.

(3) No license or permit necessary for undertaking the Grant-Eligible Costs or constructing the Minimum Improvements shall have been revoked or the issuance thereof subjected to challenge before any court or other governmental authority having or asserting jurisdiction thereover.

(e) Whenever the Redeveloper desires a disbursement to be made hereunder, which shall be no more often than bi-weekly, the Redeveloper shall submit to the Authority a draw request in the form attached as Schedule C duly executed on behalf of the Redeveloper accompanied by paid invoices or other comparable evidence that the cost has been incurred and paid or is payable by Redeveloper. Each draw request shall constitute a representation and warranty by the Redeveloper that all representations and warranties set forth in this Agreement are true and correct as of the date of such draw request.

(f) If the Redeveloper has performed all of its agreements and complied with all requirements theretofore to be performed or complied with hereunder, including satisfaction of all applicable conditions precedent contained in Article III hereof, the Authority shall make a disbursement to the Redeveloper in the amount of the requested disbursement or such lesser amount as shall be approved, within twenty Business Days after the date of the Authority's receipt of the draw request, or, if later, upon receipt of Grant proceeds from the Met Council (or the County, if

applicable). Each disbursement shall be paid from the Grant or the County Grant, subject to the Authority's determination that the relevant Grant-Eligible Cost is payable under the Grant Agreement or the County Grant Agreement.

(g) The making of the final disbursement by the Authority under this Section shall be subject to the condition precedent that the Redeveloper shall be in compliance with all conditions set forth in this Section and further, that the Authority shall have received a lien waiver from each contractor for all work done and for all materials furnished by it for the Grant-Eligible Costs.

(h) The Authority may, in its sole discretion, without notice to or consent from any other party, waive any or all conditions for disbursement set forth in this Article. However, the making of any disbursement prior to fulfillment of any condition therefor shall not be construed as a waiver of such condition, and the Authority shall have the right to require fulfillment of any and all such conditions prior to authorizing any subsequent disbursement.

Section 3.4. Issuance of TIF Note. (a) *Public Redevelopment Costs.* In order to make construction of the Minimum Improvements financially feasible, the Authority will reimburse the Redeveloper for a portion of the costs of site preparation, utilities, soil correction, demolition, and environmental abatement, remediation, and investigation (to the extent not reimbursed as Grant-Eligible Costs) on the Redevelopment Property incurred by the Redeveloper (the "Public Redevelopment Costs"), through issuance of the TIF Note in accordance with this Section.

(b) *Terms.* The Authority shall issue and the Redeveloper shall purchase the TIF Note in the maximum principal amount of \$1,316,000. The TIF Note will be issued as reimbursement of Public Redevelopment Costs, and secured solely from Available Tax Increment. The terms of the TIF Note, including maturity and payment dates, will be substantially those set forth in the form of the TIF Note shown in Schedule D, and the TIF Note will be subject to all terms of the Authorizing Resolution, which is incorporated herein by reference. The Authority shall issue and deliver the TIF Note upon Redeveloper having:

(i) delivered to the Authority written evidence satisfactory to the Authority that Redeveloper has incurred Public Redevelopment Costs in an amount least equal to the principal amount of the TIF Note, which evidence must include copies of the paid invoices or other comparable evidence for costs of allowable Public Redevelopment Costs;

(ii) submitted and obtained Authority approval of financing in accordance with Section 7.1; and

(iii) delivered to the Authority an investment letter in a form reasonably satisfactory to the Authority.

(c) *Termination of right to TIF Note.* All conditions for delivery of the TIF Note must be met by no later than the date which is less than five (5) years after the date of certification of the TIF District by the County and complies with the so-called five-year rule under Section 469.1763, subd. 3(c) of the TIF Act. If the conditions for delivery of the TIF Note



are not satisfied by the date described in this paragraph, the Authority has no further obligations under this Section 3.4.

(d) *Assignment of TIF Note.* The Authority acknowledges that the Redeveloper may assign the TIF Note to a third party. The Authority consents to such an assignment, conditioned upon receipt of an investment letter from such third party in a form reasonably acceptable to the Authority.

(e) *Qualifications.* The Redeveloper understands and acknowledges that all Public Redevelopment Costs must first be paid by the Redeveloper and will be reimbursed from Available Tax Increment pursuant to the terms of the TIF Note. The Authority makes no representations or warranties regarding the amount of Tax Increment, or that revenues pledged to the TIF Note will be sufficient to pay the principal and interest on the TIF Note. Any estimates of Tax Increment prepared by the Authority or its financial advisors in connection with the TIF District or this Agreement are for the benefit of the Authority, and are not intended as representations on which the Redeveloper may rely. Public Redevelopment Costs exceeding the principal amount of the TIF Note are the sole responsibility of Redeveloper, subject to Section 3.5 of this Agreement.

Section 3.5. Other Assistance. (a) In addition to the Grant and issuance of the TIF Note, the Authority shall provide additional assistance to the Redeveloper from available funds in the Authority's development account (the "Authority Funds") for the following purposes: first, to pay a portion of Redeveloper's sewer access connection ("SAC") charges, and second, to fund other Public Redevelopment Costs (to the extent not reimbursed under the Grant or allocated to be reimbursed under the TIF Note). The amount of Authority Funds payable by the Authority shall be determined following the final reimbursement by the Authority to the Redeveloper of Grant-Eligible Costs submitted pursuant to Section 3.3 hereof. Authority Funds shall be disbursed in an amount equal to \$1,500,000 less the sum of the maximum principal amount of the TIF Note and the actual amount of Grant proceeds, if any, disbursed to the Redeveloper. Notwithstanding anything to the contrary herein, if actual SAC charges exceed the amount to be reimbursed under this Section, such excess shall be the sole responsibility of the Redeveloper.

(b) The disbursement of Authority Funds will be made subject to the conditions precedent that on the date of such disbursement:

(1) If the disbursement relates to SAC charges, the Authority has received from the Redeveloper's authorized representative evidence of SAC charges actually assessed against the Redevelopment Property, and that the Authority Funds do not exceed such actual SAC charges.

(2) If the disbursement relates to Public Redevelopment Costs, the Authority has received from the Redeveloper's authorized representative evidence of Public Redevelopment Costs in excess of the amount authorized to be reimbursed by issuance of the TIF Note.

(3) No Event of Default under this Agreement or event which would constitute such an Event of Default but for the requirement that notice be given or that a period of grace or time elapse, shall have occurred and be continuing.

(c) If the Redeveloper has performed all of its agreements and complied with all requirements theretofore to be performed or complied with hereunder, including satisfaction of all applicable conditions precedent contained in Article III hereof, the Authority shall make a disbursement of Authority Funds to the Redeveloper in the amount of the requested disbursement or such lesser amount as shall be approved, within twenty Business Days after the date of the Authority's receipt of the evidence of actual SAC charges and after completion of the disbursement of Grant proceeds, if any.

(d) The Authority may, in its sole discretion, without notice to or consent from any other party, waive any or all conditions for disbursement set forth in this Article. However, the making of any disbursement prior to fulfillment of any condition therefor shall not be construed as a waiver of such condition, and the Authority shall have the right to require fulfillment of any and all such conditions prior to authorizing any subsequent disbursement.

Section 3.6. TIF Lookback. The financial assistance to the Redeveloper under this Agreement is based on certain assumptions regarding likely costs and expenses associated with constructing the Minimum Improvements. These assumptions will be tested through a lookback analysis as follows: At the time of completion of construction of the Minimum Improvements, if the amount of actual Public Redevelopment Costs incurred is less than the amount of Public Redevelopment Costs projected in Exhibit E (less any Grant-Eligible Costs reimbursed by Grants or Authority Funds), the assistance for Public Redevelopment Costs will be reduced on a dollar for dollar basis in the amount of such deficiency and the principal amount of the TIF Note will be adjusted accordingly.

Section 3.7. Business Subsidy. The Redeveloper warrants and represents that the Redeveloper's investment in the purchase of the Redevelopment Property and in site preparation equals at least 70% of the County assessor's finalized market value of the Redevelopment Property for the 2017 assessment year (the most recent year for which finalized values are available), calculated as follows:

Aggregate cost of acquisition of Redevelopment Property.....	\$1,650,000
<i>Plus</i> Estimated cost of site preparation.....	\$1,508,563
<i>Less</i> site preparation costs reimbursed by the Authority.....	(\$1,316,000)
<i>Equals</i> net land and site preparation cost.....	\$1,842,563
Assessor's finalized market value of Redevelopment Property (2017).....	\$1,967,600
 \$1,842,563 (net acquisition and site preparation cost) is 93.65% of \$1,967,600 (assessor's finalized fair market value of the Redevelopment Property for 2017).	

Accordingly, the parties agree and understand that the financial assistance described in this Agreement does not constitute a business subsidy within the meaning of the Business Subsidy Act. The Redeveloper releases and waives any claim against the Authority and its governing body members, officers, agents, servants and employees thereof arising from application of the Business Subsidy Act to this Agreement, including without limitation any claim that the Authority failed to comply with the Business Subsidy Act with respect to this Agreement.

Section 3.8. Payment of Authority Costs. The Redeveloper agrees that it will pay, within thirty (30) days after written notice from the Authority, the reasonable costs of consultants and attorneys retained by the Authority in connection with the creation of the TIF District and the negotiation in preparation of this Agreement and other incidental agreements and documents related to the development contemplated hereunder (the "Authority Costs"). The Authority will provide written reports describing the costs accrued under this Section upon request from the Redeveloper, but not more often than intervals of forty-five (45) days. Notwithstanding the foregoing, any Authority Costs incurred by the Authority after the receipt by the Authority of the first payment of Tax Increment by the County will be paid by the Authority, and the Redeveloper will have no obligation to pay any Authority Costs incurred after such date. The sum of \$32,500, which was deposited by the Redeveloper upon filing its application for tax increment financing with the Authority, will be credited to the Redeveloper's obligation under this Section. Upon termination of this Agreement in accordance with its terms, the Redeveloper remains obligated under this section for costs incurred through the date of first receipt by the Authority of Tax Increment.

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## ARTICLE IV

### Construction of Minimum Improvements

Section 4.1. Construction of Improvements. The Redeveloper agrees that it will construct or cause construction of the Minimum Improvements on the Redevelopment Property in accordance with the approved Construction Plans and that it will, during any period while the Redeveloper retains ownership of any portion of the Minimum Improvements, operate and maintain, preserve and keep the Minimum Improvements or cause the Minimum Improvements to be maintained, preserved and kept with the appurtenances and every part and parcel thereof, in good repair and condition.

Section 4.2. Construction Plans. The Redeveloper shall follow a separate permitting process for each of three phases of construction of the Minimum Improvements, consisting of demolition, construction of footings, and construction of the facility (each a "Construction Phase"), as follows:

(a) Before commencing construction of any Construction Phase of the Minimum Improvements, the Redeveloper shall submit to the Authority Construction Plans for the applicable Construction Phase. The Construction Plans shall provide for the construction of such Construction Phase and shall be in conformity with this Agreement, the Development Program and all applicable State and local laws and regulations. The Authority will approve the Construction Plans in writing if (i) the Construction Plans conform to all terms and conditions of this Agreement; (ii) the Construction Plans conform to the goals and objectives of the Development Program; (iii) the Construction Plans conform to all applicable federal, state and local laws, ordinances, rules and regulations; (iv) Construction Plans are adequate to provide for construction of the applicable Construction Phase; (v) the Redeveloper certifies that Redeveloper reasonably anticipates that the Construction Plans do not provide for expenditures in excess of the funds available to the Redeveloper for construction of the Minimum Improvements; and (vi) no Event of Default has occurred and remains outstanding. No approval by the Authority shall relieve the Redeveloper of the obligation to comply with the terms of this Agreement, applicable federal, state and local laws, ordinances, rules and regulations, or to construct the Minimum Improvements in accordance therewith. No approval by the Authority shall constitute a waiver of an Event of Default. If approval of the Construction Plans is requested by the Redeveloper in writing at the time of submission, such Construction Plans shall be deemed approved unless rejected in writing by the Authority, in whole or in part. Such rejections shall set forth in detail the reasons therefor based upon the criteria set forth in (i) through (vi) above, and shall be made within twenty (20) days after the date of receipt of final plans from the Redeveloper. If the Authority fails to reject any Construction Plans submitted to the Authority within said twenty (20) day period, the Authority shall be deemed to have approved such plans. If the Authority rejects any Construction Plans in whole or in part, the Redeveloper shall submit new or corrected Construction Plans within twenty (20) days after written notification to the Redeveloper of the rejection. The provisions of this Section relating to approval, rejection and resubmission of corrected Construction Plans shall continue to apply until the Construction Plans have been approved by the Authority. The Authority's approval shall not be unreasonably

withheld. Said approval shall constitute a conclusive determination that the approved Construction Plans (and the Construction Phase of the Minimum Improvements constructed in accordance with said plans) comply to the Authority's satisfaction with the provisions of this Agreement relating thereto.

The Redeveloper hereby waives any and all claims and causes of action whatsoever resulting from the review of the Construction Plans by the Authority and/or any changes in the Construction Plans requested by the Authority. Neither the Authority nor any employee or official of the Authority shall be responsible in any manner whatsoever for any defect in the Construction Plans or in any work done pursuant to the Construction Plans, including changes requested by the Authority.

(b) If the Redeveloper desires to make any material change in the Construction Plans or any component thereof after their approval by the Authority, the Redeveloper shall submit the proposed change to the Authority for its approval. For the purpose of this section, the term "material" means changes that increase or decrease construction costs by 10% or more. If the Construction Plans, as modified by the proposed change, conform to the requirements of this Section 4.2 of this Agreement with respect to such previously approved Construction Plans, the Authority shall approve the proposed change and notify the Redeveloper in writing of its approval. Such change in the Construction Plans shall, in any event, be deemed approved by the Authority unless rejected, in whole or in part, by written notice by the Authority to the Redeveloper, setting forth in detail the reasons therefor. Such rejection shall be made within ten (10) days after receipt of the notice of such change. The Authority's approval of any such change in the Construction Plans will not be unreasonably withheld.

Section 4.3. Commencement and Completion of Construction. The Redeveloper shall commence construction of the Minimum Improvements by June 30, 2021. Subject to Unavoidable Delays, the Redeveloper shall complete the construction of the Minimum Improvements by June 30, 2023. All work with respect to the Minimum Improvements to be constructed or provided by the Redeveloper on the Redevelopment Property shall be in conformity with the Construction Plans as submitted by the Redeveloper and approved by the Authority. For purposes of this Agreement, construction shall be deemed to commence upon the commencement of environmental remediation activities necessary to carry out the construction of the Minimum Improvements.

The Redeveloper agrees for itself, its successors, and assigns, and every successor in interest to the Redevelopment Property, or any part thereof, that the Redeveloper, and such successors and assigns, shall promptly begin and diligently prosecute to completion the development of the Redevelopment Property through the construction of the Minimum Improvements thereon, and that such construction shall in any event be commenced and completed within the period specified in this Section 4.3 of this Agreement. After the date of this Agreement and until the Minimum Improvements have been fully constructed, the Redeveloper shall make reports, in such detail and at such times as may reasonably be requested by the Authority, but no more than monthly, as to the actual progress of the Redeveloper with respect to such construction.

Section 4.4. Certificate of Completion. (a) Within 15 days after completion of the Minimum Improvements in accordance with those provisions of the Agreement relating solely to the obligations of the Redeveloper to construct the Minimum Improvements (including the dates for beginning and completion thereof), the Authority Representative shall deliver to the Redeveloper a Certificate of Completion in substantially the form shown as Schedule F, in recordable form and executed by the Authority.

(b) If the Authority Representative shall refuse or fail to provide any certification in accordance with the provisions of this Section 4.4 of this Agreement, the Authority Representative shall, within thirty (30) days after written request by the Redeveloper, provide the Redeveloper with a written statement, indicating in adequate detail in what respects the Redeveloper has failed to complete the Minimum Improvements in accordance with the provisions of the Agreement, or is otherwise in default, and what measures or acts it will be necessary, in the opinion of the Authority, for the Redeveloper to take or perform in order for the Authority to issue the Certificate of Completion. Issuance of the Certificate of Completion shall not be unreasonably withheld.

(c) The construction of the Minimum Improvements shall be deemed to be complete upon issuance of a final certificate of occupancy for the Minimum Improvements, and upon determination by the Authority Representative that all related site improvements on the Redevelopment Property have been substantially completed in accordance with approved Construction Plans.

Section 4.5. Public Improvements. In connection with Redeveloper's construction of the Minimum Improvements, the Redeveloper shall construct certain public improvements, including without limitation the construction of sidewalks and related infrastructure, in conformity with the terms and specifications provided in the Development Agreement.

Section 4.6. Lease. Upon completion of the Minimum Improvements, the Redeveloper intends to enter into a lease with McGough Construction to occupy and operate the Minimum Improvements (the "Lease"). The Redeveloper agrees to provide the Authority with a copy of the executed Lease, and acknowledges that the rental rate in effect during the term of the Lease must be at least \$18.72 per square foot triple-net.

Section 4.7. Adjacent Properties. The Redeveloper agrees and acknowledges that the properties located at 2711 and 2737 Fairview Avenue (the "Adjacent Properties"), located adjacent to the Redevelopment Property, are included in a Community Mixed Use district designated as such within the City's zoning code. The Redeveloper agrees to work with the Authority to cause the owner of the Adjacent Properties to explore uses for the Adjacent Properties that are consistent with the Community Mixed Use designation and compatible with the Minimum Improvements to be constructed on the Redevelopment Property; provided, however, that nothing contained in this Section 4.7 will limit or impair the right of the owner of the Adjacent Properties to sell, encumber, redevelop, or otherwise take any action with respect to such properties.

Section 4.8. Records. The Authority, through any authorized representatives, shall have the right at all reasonable times after reasonable notice to inspect, examine and copy all

books and records of Redeveloper relating to the Minimum Improvements. Such records shall be kept and maintained by Redeveloper through the Termination Date.

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## ARTICLE V

### Insurance

Section 5.1. Insurance. (a) The Redeveloper will provide and maintain at all times during the process of constructing the Minimum Improvements an All Risk Broad Form Basis Insurance Policy and, from time to time during that period, at the request of the Authority, furnish the Authority with proof of payment of premiums on policies covering the following:

(i) Builder's risk insurance, written on the so-called "Builder's Risk -- Completed Value Basis," in an amount equal to 100% of the principal amount of the TIF Note, and with coverage available in nonreporting form on the so-called "all risk" form of policy. The interest of the Authority shall be protected in accordance with a clause in form and content satisfactory to the Authority;

(ii) Comprehensive general liability insurance (including operations, contingent liability, operations of subcontractors, completed operations, and contractual liability insurance) together with an Owner's Protective Liability Policy with limits against bodily injury and property damage of not less than \$1,000,000 for each occurrence (to accomplish the above-required limits, an umbrella excess liability policy may be used). The Authority shall be listed as an additional insured on the policy; and

(iii) Workers' compensation insurance, with statutory coverage, provided that the Redeveloper may be self-insured with respect to all or any part of its liability for workers' compensation.

(b) Upon completion of construction of the Minimum Improvements and prior to the Termination Date, the Redeveloper shall maintain, or cause to be maintained, at its cost and expense, and from time to time at the request of the Authority shall furnish proof of the payment of premiums on, insurance as follows:

(i) Insurance against loss and/or damage to the Minimum Improvements under a policy or policies covering such risks as are ordinarily insured against by similar businesses.

(ii) Comprehensive general public liability insurance, including personal injury liability (with employee exclusion deleted), against liability for injuries to persons and/or property, in the minimum amount for each occurrence and for each year of \$1,000,000, and shall be endorsed to show the City and Authority as additional insureds.

(iii) Such other insurance, including workers' compensation insurance respecting all employees of the Redeveloper, in such amount as is customarily carried by like organizations engaged in like activities of comparable size and liability exposure;



provided that the Redeveloper may be self-insured with respect to all or any part of its liability for workers' compensation.

(c) All insurance required in Article V of this Agreement shall be taken out and maintained in responsible insurance companies selected by the Redeveloper that are authorized under the laws of the State to assume the risks covered thereby. Upon request, the Redeveloper will deposit annually with the Authority a certificate or certificates or binders of the respective insurers stating that the insurance required herein is in force and effect. Unless otherwise provided in this Article V of this Agreement each policy shall contain a provision that the insurer shall not cancel the policy without giving written notice to the Redeveloper and the Authority at least thirty (30) days before the cancellation becomes effective. In lieu of separate policies, the Redeveloper may maintain a single policy, blanket or umbrella policies, or a combination thereof, having the coverage required herein, in which event the Redeveloper shall deposit with the Authority a certificate or certificates of the respective insurers as to the amount of coverage in force upon the Minimum Improvements.

(d) The Redeveloper agrees to notify the Authority immediately in the case of damage exceeding \$100,000 in amount to, or destruction of, the Minimum Improvements or any portion thereof resulting from fire or other casualty. In such event the Redeveloper will forthwith repair, reconstruct, and restore the Minimum Improvements to substantially the same or an improved condition or value as it existed prior to the event causing such damage and, to the extent necessary to accomplish such repair, reconstruction, and restoration, the Redeveloper will apply the net proceeds of any insurance relating to such damage received by the Redeveloper to the payment or reimbursement of the costs thereof. Any net proceeds remaining after completion of such repairs, construction, and restoration shall be the property of the Redeveloper.

(e) In lieu of its obligation to reconstruct the Minimum Improvements as set forth in this Section, the Redeveloper shall have the option of: (i) paying to the Authority an amount that, in the opinion of the Authority and its fiscal consultant, is sufficient to pay or redeem the outstanding principal and accrued interest on the TIF Note, or (ii) so long as the Redeveloper is the owner of the TIF Note, waiving its right to receive subsequent payments under the TIF Note.

(f) The Redeveloper and the Authority agree that all of the insurance provisions set forth in this Article V shall terminate upon the termination of this Agreement.

Section 5.2. Subordination. Notwithstanding anything to the contrary herein, the rights of the Authority with respect to the receipt and application of any insurance proceeds shall, in all respects, be subordinate and subject to the rights of any Holder under a Mortgage allowed pursuant to Article VII of this Agreement.

## ARTICLE VI

### Tax Increment; Taxes

Section 6.1. Right to Collect Delinquent Taxes. The Redeveloper acknowledges that the Authority is providing substantial aid and assistance in furtherance of the development through reimbursement of Public Redevelopment Costs. The Redeveloper understands that the Tax Increments pledged to payment on the TIF Note are derived from real estate taxes on the Redevelopment Property, which taxes must be promptly and timely paid. To that end, the Redeveloper agrees for itself, its successors and assigns, that in addition to the obligation pursuant to statute to pay real estate taxes, it is also obligated by reason of this Agreement to pay before delinquency all real estate taxes assessed against the Redevelopment Property and the Minimum Improvements. The Redeveloper acknowledges that this obligation creates a contractual right on behalf of the Authority to sue the Redeveloper or its successors and assigns to collect delinquent real estate taxes and any penalty or interest thereon and to pay over the same as a tax payment to the county auditor. In any such suit, the Authority shall also be entitled to recover its costs, expenses and reasonable attorney fees.

Section 6.2. Review of Taxes. The Redeveloper agrees that prior to the Termination Date, it will not cause a reduction in the real property taxes paid in respect of the Redevelopment Property through: (A) willful destruction of the Redevelopment Property or any part thereof; or (B) willful refusal to reconstruct damaged or destroyed property pursuant to Section 5.1 of this Agreement, except as provided in Section 5.1(e). The Redeveloper also agrees that it will not, prior to the Termination Date, seek exemption from property tax for the Redevelopment Property or any portion thereof or transfer or permit the transfer of the Redevelopment Property to any entity that is exempt from real property taxes and state law (other than any portion thereof dedicated or conveyed to the City in accordance with platting of the Redevelopment Property), or apply for a deferral of property tax on the Redevelopment Property pursuant to any law.

Section 6.3. Assessment Agreement. (a) Upon execution of this Agreement, the Redeveloper shall, with the Authority, execute an Assessment Agreement pursuant to Minnesota Statutes, Section 469.177, subd. 8, specifying an assessor's minimum Market Value for the Redevelopment Property and Minimum Improvements constructed thereon. The amount of the minimum Market Value shall be \$7,246,125 as of the first January 2 following the date on which the Authority issues a Certificate of Completion and each January 2 thereafter.

(b) The Assessment Agreement shall be substantially in the form attached hereto as Schedule G. Nothing in the Assessment Agreement shall limit the discretion of the County assessor to assign a market value to the Redevelopment Property and Minimum Improvements in excess of such assessor's minimum Market Value. The Assessment Agreement shall remain in force for the period specified in the Assessment Agreement.

(c) Nothing in this Agreement or in the Assessment Agreement shall limit the right of the Redeveloper, or its successors and assigns, to bring a tax petition challenging a Market Value determination that exceeds the established minimum Market Value for the Redevelopment Property

or the Minimum Improvements; provided that if the Redeveloper brings such a challenge, the Redeveloper must inform the Authority of such tax petition in writing. During the pendency of such challenge, the Authority will pay principal and interest on the TIF Note only to the extent of the Available Tax Increment attributable to the minimum Market Value of the Redevelopment Property and the Minimum Improvements; provided that if the Redeveloper fails to notify the Authority of the tax petition, the Authority shall have the right to withhold all payments of principal and interest on the TIF Note until the Redeveloper's challenge is resolved. Upon resolution of Redeveloper's tax petition, any Available Tax Increment deferred and withheld under this Section shall be paid, without interest thereon, to the extent payable under the assessor's final determination of Market Value.

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**ARTICLE VII****Other Financing**

Section 7.1. Generally. Before issuance of the TIF Note, the Redeveloper shall submit to the Authority or provide access thereto for review by Authority staff, consultants and agents, a term sheet from a commercial lender that demonstrates that Redeveloper will have funds sufficient to pay the cost of developing the Minimum Improvements, provided that any lender term sheet shall be subject only to such conditions as are normal and customary in the commercial lending industry.

Section 7.2. Authority's Option to Cure Default on Mortgage. In the event that any portion of the Redeveloper's funds is provided through mortgage financing, and there occurs a default under any Mortgage reviewed by the Authority pursuant to Article VII of this Agreement, the Redeveloper shall cause the Authority to receive copies of any notice of default received by the Redeveloper from the holder of such Mortgage. Thereafter, the Authority shall have the right, but not the obligation, to cure any such default on behalf of the Redeveloper within such cure periods as are available to the Redeveloper under the Mortgage documents.

Section 7.3. Modification; Subordination. The Authority agrees to subordinate its rights under this Agreement to the Holder of any Mortgage securing construction or permanent financing, in accordance with the terms of a subordination agreement in a form reasonably acceptable to the Authority and approved by the Authority by formal action.

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## ARTICLE VIII

**Prohibitions Against Assignment and Transfer; Indemnification**

Section 8.1. Representation as to Development. The Redeveloper represents and agrees that its purchase of the Redevelopment Property, and its other undertakings pursuant to the Agreement, are, and will be used, for the purpose of development of the Redevelopment Property and not for speculation in land holding.

Section 8.2. Prohibition Against Redeveloper's Transfer of Property and Assignment of Agreement. The Redeveloper represents and agrees that during the term of this Agreement:

(a) Except only by way of security for, and only for, the purpose of obtaining financing necessary to enable the Redeveloper or any successor in interest to the Redevelopment Property, or any part thereof, to perform its obligations with respect to undertaking the development contemplated under this Agreement, and any other purpose authorized by this Agreement, the Redeveloper has not made or created and will not make or create or suffer to be made or created any total or partial sale, assignment, conveyance, or lease, or any trust or power, or transfer in any other mode or form of or with respect to this Agreement or the Redevelopment Property or any part thereof or any interest therein, or any contract or agreement to do any of the same, to any person or entity whether or not related in any way to the Redeveloper (collectively, a "Transfer"), without the prior written approval of the Authority (whose approval will not be unreasonably withheld, subject to the standards described in paragraph (b) of this Section) unless the Redeveloper remains liable and bound by this Redevelopment Agreement in which event the Authority's approval is not required. Any such Transfer shall be subject to the provisions of this Agreement. For the purposes of this Agreement, the term Transfer does not include (i) acquisition of a controlling interest in Redeveloper by another person or entity or merger of Redeveloper with another entity; or (ii) any sale, conveyance, or transfer in any form to any Affiliate.

(b) In the event the Redeveloper, upon Transfer of the Redevelopment Property or any portion thereof prior to issuance of the Certificate of Completion, seeks to be released from its obligations under this Redevelopment Agreement as to the portions of the Redevelopment Property that are transferred, the Authority shall be entitled to require, except as otherwise provided in the Agreement, as conditions to any such release that:

(i) Any proposed transferee shall have the qualifications and financial responsibility, in the reasonable judgment of the Authority, necessary and adequate to fulfill the obligations undertaken in this Agreement by the Redeveloper as to the portion of the Redevelopment Property to be transferred.

(ii) Any proposed transferee, by instrument in writing satisfactory to the Authority and in form recordable in the public land records of Ramsey County, Minnesota, shall, for itself and its successors and assigns, and expressly for the benefit of the Authority, have expressly assumed all of the obligations of the Redeveloper under

this Agreement as to the portion of the Redevelopment Property to be transferred and agreed to be subject to all the conditions and restrictions to which the Redeveloper is subject as to such portion; provided, however, that the fact that any transferee of, or any other successor in interest whatsoever to, the Redevelopment Property, or any part thereof, shall not, for whatever reason, have assumed such obligations or so agreed, and shall not (unless and only to the extent otherwise specifically provided in this Agreement or agreed to in writing by the Authority) deprive the Authority of any rights or remedies or controls with respect to the Redevelopment Property, the Minimum Improvements or any part thereof or the construction of the Minimum Improvements; it being the intent of the parties as expressed in this Agreement that (to the fullest extent permitted at law and in equity and excepting only in the manner and to the extent specifically provided otherwise in this Agreement) no transfer of, or change with respect to, ownership in the Redevelopment Property or any part thereof, or any interest therein, however consummated or occurring, and whether voluntary or involuntary, shall operate, legally, or practically, to deprive or limit the Authority of or with respect to any rights or remedies on controls provided in or resulting from this Agreement with respect to the Redevelopment Property that the Authority would have had, had there been no such transfer or change. In the absence of specific written agreement by the Authority to the contrary, no such transfer or approval by the Authority thereof shall be deemed to relieve the Redeveloper, or any other party bound in any way by this Agreement or otherwise with respect to the Redevelopment Property, from any of its obligations with respect thereto.

(iii) Any and all instruments and other legal documents involved in effecting the transfer of any interest in this Agreement or the Redevelopment Property governed by this Article VIII, shall be in a form reasonably satisfactory to the Authority.

In the event the foregoing conditions are satisfied then the Redeveloper shall be released from its obligation under this Agreement, as to the portion of the Redevelopment Property that is transferred, assigned, or otherwise conveyed.

Section 8.3. Release and Indemnification Covenants. (a) Except for any willful misrepresentation or any willful or wanton misconduct or negligence of the Indemnified Parties as hereinafter defined, and except for any breach by any of the Indemnified Parties of their obligations under this Agreement, the Redeveloper releases from and covenants and agrees that the Authority, the City, and the governing body members, officers, agents, servants, and employees thereof (the "Indemnified Parties") shall not be liable for and agrees to indemnify and hold harmless the Indemnified Parties against any loss or damage to property or any injury to or death of any person occurring at or about or resulting from any defect in the Redevelopment Property or the Minimum Improvements.

(b) Except for any willful misrepresentation or any willful or wanton misconduct or negligence of the Indemnified Parties, and except for any breach by any of the Indemnified Parties of their obligations under this Agreement, the Redeveloper agrees to protect and defend the Indemnified Parties, now and forever, and further agrees to hold the aforesaid harmless from any claim, demand, suit, action, or other proceeding whatsoever by any person or entity

whatsoever arising or purportedly arising from this Agreement, or the transactions contemplated hereby or the acquisition, construction, installation, ownership, maintenance, and operation of the Redevelopment Property.

(c) Except for any willful misrepresentation or any willful or wanton misconduct or negligence of the Indemnified Parties, and except for any breach by any of the Indemnified Parties of their obligations under this Agreement, the Indemnified Parties shall not be liable for any damage or injury to the persons or property of the Redeveloper or its officers, agents, servants, or employees or any other person who may be about the Redevelopment Property or Minimum Improvements.

(d) All covenants, stipulations, promises, agreements and obligations of the Authority contained herein shall be deemed to be the covenants, stipulations, promises, agreements, and obligations of such entity and not of any governing body member, officer, agent, servant, or employee of such entities in the individual capacity thereof.

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## ARTICLE IX

### Events of Default

Section 9.1. Events of Default Defined. The following shall be “Events of Default” under this Agreement and the term “Event of Default” shall mean, whenever it is used in this Agreement, any one or more of the following events, after the non-defaulting party provides thirty (30) days written notice to the defaulting party of the event, but only if the event has not been cured within said thirty (30) days or, if the event is by its nature incurable within thirty (30) days, the defaulting party does not, within such thirty-day period, provide assurances reasonably satisfactory to the party providing notice of default that the event will be cured and will be cured as soon as reasonably possible:

(a) Failure by the Redeveloper or Authority to observe or perform any covenant, condition, obligation, or agreement on its part to be observed or performed under this Agreement, unless such failure to perform is the result of an Unavoidable Delay.

(b) If, before issuance of the Certificate of Completion for all the Minimum Improvements, the Redeveloper shall

(i) file any petition in bankruptcy or for any reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief under the United States Bankruptcy Act or under any similar federal or State law, which action is not dismissed within sixty (60) days after filing; or

(ii) make an assignment for benefit of its creditors; or

(iii) admit in writing its inability to pay its debts generally as they become due;  
or

(iv) be adjudicated a bankrupt or insolvent.

Section 9.2. Remedies on Default. Whenever any Event of Default referred to in Section 9.1 of this Agreement occurs, the non-defaulting party may:

(a) Suspend its performance under this Agreement until it receives assurances that the defaulting party will cure its default and continue its performance under the Agreement.

(b) Upon a default by the Redeveloper under this Agreement that remains uncured for more than three hundred sixty-five (365) days following written notice from the Authority, the Authority may terminate the Note and this Agreement.

(c) Take whatever action, including legal, equitable, or administrative action, which may appear necessary or desirable to collect any payments due under this Agreement, or to enforce performance and observance of any obligation, agreement, or covenant under this



Agreement, provided that nothing contained herein shall give the Authority the right to seek specific performance by Redeveloper of the construction of the Minimum Improvements.

Section 9.3. No Remedy Exclusive. No remedy herein conferred upon or reserved to any party is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. To entitle the Authority to exercise any remedy reserved to it, it shall not be necessary to give notice, other than such notice as may be required in this Article IX.

Section 9.4. No Additional Waiver Implied by One Waiver. In the event any agreement contained in this Agreement should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other concurrent, previous or subsequent breach hereunder.

Section 9.5. Attorney Fees. Whenever any Event of Default occurs and if the non-defaulting party employs attorneys or incurs other expenses for the collection of payments due or to become due or for the enforcement of performance or observance of any obligation or agreement on the part of the defaulting party under this Agreement, the defaulting party shall, within ten (10) days of written demand by the non-defaulting party, pay to the non-defaulting party the reasonable fees of such attorneys and such other expenses so incurred by the non-defaulting party.

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## ARTICLE X

### Additional Provisions

Section 10.1. Conflict of Interests; Representatives Not Individually Liable. The Authority and the Redeveloper, to the best of their respective knowledge, represent and agree that no member, official, or employee of the Authority shall have any personal interest, direct or indirect, in the Agreement, nor shall any such member, official, or employee participate in any decision relating to the Agreement that affects his personal interests or the interests of any corporation, partnership, or association in which he, directly or indirectly, is interested. No member, official, or employee of the City or Authority shall be personally liable to the Redeveloper, or any successor in interest, in the event of any default or breach by the Authority or for any amount that may become due to the Redeveloper or successor or on any obligations under the terms of the Agreement.

Section 10.2. Equal Employment Opportunity. The Redeveloper, for itself and its successors and assigns, agrees that during the construction of the Minimum Improvements provided for in the Agreement it will comply with all applicable federal, state, and local equal employment and non-discrimination laws and regulations.

Section 10.3. Restrictions on Use. The Redeveloper agrees that until the Termination Date, the Redeveloper, and such successors and assigns, shall devote the Redevelopment Property to the operation of the Minimum Improvements as defined in Section 1.1 hereof, and shall not discriminate upon the basis of race, color, creed, sex or national origin in the sale, lease, or rental or in the use or occupancy of the Redevelopment Property or any improvements erected or to be erected thereon, or any part thereof.

Section 10.4. Provisions Not Merged With Deed. None of the provisions of this Agreement are intended to or shall be merged by reason of any deed transferring any interest in the Redevelopment Property and any such deed shall not be deemed to affect or impair the provisions and covenants of this Agreement.

Section 10.5. Titles of Articles and Sections. Any titles of the several parts, Articles, and Sections of the Agreement are inserted for convenience of reference only and shall be disregarded in construing or interpreting any of its provisions.

Section 10.6. Notices and Demands. Except as otherwise expressly provided in this Agreement, a notice, demand, or other communication under the Agreement by either party to the other shall be sufficiently given or delivered if it is dispatched by registered or certified mail, postage prepaid, return receipt requested, or delivered personally, to the following addresses (or to such other addresses as either party may notify the other):

To Redeveloper: 2785 Fairview, LLC  
Attn: Andy McIntosh  
2737 Fairview Avenue North  
Roseville, Minnesota 55113

To Authority: Roseville Economic Development Authority  
Attn: Executive Director  
2660 Civic Center Drive  
Roseville, Minnesota 55113

Section 10.7. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall constitute one and the same instrument.

Section 10.8. Recording. The Authority may record this Agreement and any amendments thereto with the Ramsey County recorder. The Redeveloper shall pay all costs for recording. The Redeveloper's obligations under this Agreement are covenants running with the land for the term of this Agreement, enforceable by the Authority against the Redeveloper, its successor and assigns, and every successor in interest to the Redevelopment Property, or any part thereof or any interest therein.

Section 10.9 Amendment. This Agreement may be amended only by written agreement approved by the Authority and the Redeveloper.

Section 10.10. Authority Approvals. Unless otherwise specified, any approval required by the Authority under this Agreement may be given by the Authority Representative, except that final approval of issuance of the TIF Note shall be made by the Authority's board of commissioners.

[The remainder of this page is intentionally left blank.]

IN WITNESS WHEREOF, the Authority and Redeveloper have caused this Agreement to be duly executed by their duly authorized representatives as of the date first above written.

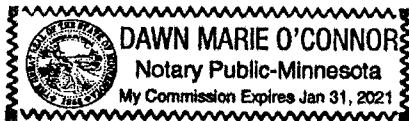
ROSEVILLE ECONOMIC DEVELOPMENT AUTHORITY

By [Signature]  
Its President

By [Signature]  
Its Executive Director

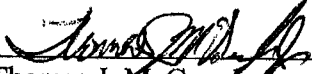
STATE OF MINNESOTA )  
                                  ) SS.  
COUNTY OF RAMSEY )

The foregoing instrument was acknowledged before me this 20<sup>th</sup> day of June, 2018 by Daniel Roe and Robert Trujillo the President and Executive Director of the Roseville Economic Development Authority, on behalf of the Authority.



[Signature]  
Notary Public

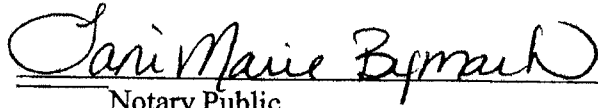
2785 FAIRVIEW, LLC

By   
Thomas J. McGough, Jr.  
Its President

STATE OF MINNESOTA    )  
  ) SS.  
COUNTY OF RAMSEY    )

The foregoing instrument was acknowledged before me this 21 day of June, 2018, by Thomas J. McGough, Jr., the President of 2785 Fairview, LLC, a Minnesota limited liability company, on behalf of the company.



  
Notary Public

**SCHEDULE A**  
**REDEVELOPMENT PROPERTY**

Tract C, Registered Land Survey No. 607, Ramsey County, Minnesota

**SCHEDULE B**

**GRANT ELIGIBLE COSTS**

Abatement and Cleanup	\$134,760
Environmental Investigation	22,470
Soil Correction/Remediation (to the extent reimbursable under Section 3.3(c) herein)	TBD

**SCHEDULE C**

**DRAW REQUEST**

TO: Roseville Economic Development Authority  
2660 Civic Center Drive  
Roseville, MN 55113

DISBURSEMENT DIRECTION

The undersigned Authorized Representative of 2785 Fairview, LLC, a Minnesota limited liability company (the "Redeveloper"), hereby authorizes and requests you to disburse from proceeds of [the County Grant or the Met Council grant, as the case may be,] in accordance with the terms of the Contract for Private Redevelopment by and between the Roseville Economic Development Authority ("Authority") and the Redeveloper, dated as of \_\_\_\_\_, 2018 (the "Agreement"), the following amount to the following person and for the following proper Grant-Eligible Costs:

1. Amount:
2. Payee:
3. Purpose:
4. Source (County or Met Council Grant):

all as defined and provided in the Agreement. The undersigned further certifies to the Authority that (a) none of the items for which the payment is proposed to be made has formed the basis for any payment previously made under Section 3.3 of the Agreement (or before the date of the Agreement); (b) that each item for which the payment is proposed is a Grant-Eligible Cost, eligible for funding from the source(s) identified above; and (c) the Redeveloper reasonably anticipates completion of the Grant-Eligible Costs and the Minimum Improvements in accordance with the terms of the Agreement.

Dated: \_\_\_\_\_

\_\_\_\_\_  
Redeveloper's Authorized Representative



**SCHEDULE D**

**AUTHORIZING RESOLUTION**

**ROSEVILLE ECONOMIC DEVELOPMENT AUTHORITY**

**RESOLUTION NO. \_\_\_\_\_**

**RESOLUTION APPROVING CONTRACT FOR PRIVATE REDEVELOPMENT WITH AND AWARDING THE SALE OF, AND PROVIDING THE FORM, TERMS, COVENANTS AND DIRECTIONS FOR THE ISSUANCE OF ITS TAX INCREMENT REVENUE NOTE TO 2785 FAIRVIEW, LLC**

BE IT RESOLVED BY the Board of Commissioners (“Board”) of the Roseville Economic Development Authority (the “Authority”) as follows:

Section 1. Background; Authorization; Award of Sale.

1.01. Background; Authorization. (a) The Authority and the City of Roseville (“City”) have heretofore approved the establishment of Tax Increment Financing District No. 20 (the “TIF District”) within Development District No. 1 (“Project”), and have adopted a tax increment financing plan for the purpose of financing certain improvements within the Project.

(b) Pursuant to Minnesota Statutes, Section 469.178, the Authority is authorized to issue and sell its bonds for the purpose of financing a portion of the public redevelopment costs of the TIF District. The Authority hereby finds and determines that it is in the best interests of the Authority that it issue and sell its Tax Increment Revenue Note, Series 20\_\_ (McGough Project) (the “Note”) for the purpose of financing certain public redevelopment costs of the Project, pursuant to the terms of this Resolution.

1.02. Agreement Approved; Issuance, Sale, and Terms of the Note. (a) The Authority hereby approves the Contract for Private Redevelopment between the Authority and 2785 Fairview, LLC (the “Agreement”), and authorizes the President and Executive Director to execute such Agreement in substantially the form on file with City, subject to modifications that do not alter the substance of the transaction and are approved by such officials, provided that execution of the Agreement by such officials is conclusive evidence of their approval. All capitalized terms in this resolution have the meaning provided in the Agreement unless the context requires otherwise.

(b) The Authority hereby authorizes the President and Executive Director to issue the Note in accordance with the Agreement. All capitalized terms in this resolution have the meaning provided in the Agreement unless the context requires otherwise.

(c) The Note shall be issued in the maximum principal amount of \$1,316,000 to 2785 Fairview, LLC (the "Owner"), in consideration of certain eligible costs incurred by the Owner under the Agreement, shall be dated the date of delivery thereof, and shall bear interest per annum at the lesser of 5.0% or the actual interest rate of permanent financing obtained by the Owner, from the date of issue to the earlier of maturity or prepayment. The Note will be issued in the principal amount of Public Redevelopment Costs submitted and approved in accordance with Section 3.4 of the Agreement. The Note is secured by Available Tax Increment, as further described in the form of the Note herein. The Authority hereby delegates to the Executive Director the determination of the date on which the Note is to be delivered, in accordance with the Agreement.

Section 2. Form of Note. The Notes shall be in substantially the form attached hereto as Exhibit A, with the blanks to be properly filled in and the principal amount adjusted as of the date of issue.

Section 3. Terms, Execution and Delivery.

3.01. Denomination, Payment. The Note shall be issued as a single typewritten note numbered R-1.

The Note shall be issuable only in fully registered form. Principal of and interest on the Note shall be payable by check or draft issued by the Registrar described herein.

3.02. Dates; Interest Payment Dates. Principal of and interest on the Note shall be payable by mail to the owner of record thereof as of the close of business on the fifteenth day of the month preceding the Payment Date, whether or not such day is a business day.

3.03. Registration. The Authority hereby appoints the City Finance Director to perform the functions of registrar, transfer agent and paying agent (the "Registrar"). The effect of registration and the rights and duties of the Authority and the Registrar with respect thereto shall be as follows:

(a) Register. The Registrar shall keep at its office a bond register in which the Registrar shall provide for the registration of ownership of the Note and the registration of transfers and exchanges of the Note.

(b) Transfer of Note. Upon surrender for transfer of the Note duly endorsed by the registered owner thereof or accompanied by a written instrument of transfer, in form reasonably satisfactory to the Registrar, duly executed by the registered owner thereof or by an attorney duly authorized by the registered owner in writing, the Registrar shall authenticate and deliver, in the name of the designated transferee or transferees, a new Note of a like aggregate principal amount and maturity, as requested by the transferor. The Registrar may close the books for registration of any transfer after the fifteenth day of the month preceding each Payment Date and until such Payment Date.

(c) Cancellation. The Note surrendered upon any transfer shall be promptly cancelled by the Registrar and thereafter disposed of as directed by the Authority.

(d) Improper or Unauthorized Transfer. When the Note is presented to the Registrar for transfer, the Registrar may refuse to transfer the same until it is satisfied that the endorsement on such Note or separate instrument of transfer is legally authorized. The Registrar shall incur no liability for its refusal, in good faith, to make transfers which it, in its judgment, deems improper or unauthorized.

(e) Persons Deemed Owners. The Authority and the Registrar may treat the person in whose name the Note is at any time registered in the bond register as the absolute owner of the Note, whether the Note shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal of and interest on such Note and for all other purposes, and all such payments so made to any such registered owner or upon the owner's order shall be valid and effectual to satisfy and discharge the liability of the Authority upon such Note to the extent of the sum or sums so paid.

(f) Taxes, Fees and Charges. For every transfer or exchange of the Note, the Registrar may impose a charge upon the owner thereof sufficient to reimburse the Registrar for any tax, fee, or other governmental charge required to be paid with respect to such transfer or exchange.

(g) Mutilated, Lost, Stolen or Destroyed Note. In case any Note shall become mutilated or be lost, stolen, or destroyed, the Registrar shall deliver a new Note of like amount, maturity dates and tenor in exchange and substitution for and upon cancellation of such mutilated Note or in lieu of and in substitution for such Note lost, stolen, or destroyed, upon the payment of the reasonable expenses and charges of the Registrar in connection therewith; and, in the case the Note lost, stolen, or destroyed, upon filing with the Registrar of evidence satisfactory to it that such Note was lost, stolen, or destroyed, and of the ownership thereof, and upon furnishing to the Registrar of an appropriate bond or indemnity in form, substance, and amount satisfactory to it, in which both the Authority and the Registrar shall be named as obligees. The Note so surrendered to the Registrar shall be cancelled by it and evidence of such cancellation shall be given to the Authority. If the mutilated, lost, stolen, or destroyed Note has already matured or been called for redemption in accordance with its terms, it shall not be necessary to issue a new Note prior to payment.

3.04. Preparation and Delivery. The Note shall be prepared under the direction of the Executive Director and shall be executed on behalf of the Authority by the signatures of its President and Executive Director. In case any officer whose signature shall appear on the Note shall cease to be such officer before the delivery of the Note, such signature shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until delivery. When the Note has been so executed, it shall be delivered by the Executive Director to the Owner thereof in accordance with the Agreement.

#### Section 4. Security Provisions.

4.01. Pledge. The Authority hereby pledges to the payment of the principal of and interest on the Note all Available Tax Increment, as defined in, and subject to the terms described in, the

Note. Available Tax Increment shall be applied to payment of the principal of and interest on the Note in accordance with the terms of the form of Note set forth in Section 2 of this resolution.

4.02. Bond Fund. Until the date the Note is no longer outstanding and no principal thereof or interest thereon (to the extent required to be paid pursuant to this resolution) remains unpaid, the Authority shall maintain a separate and special "Bond Fund" to be used for no purpose other than the payment of the principal of and interest on the Note. The Authority irrevocably agrees to appropriate to the Bond Fund in each year Available Tax Increment. Any Available Tax Increment remaining in the Bond Fund shall be transferred to the Authority's account for the TIF District upon the termination of the Note in accordance with its terms.

4.03. Additional Obligations. The Authority will issue no obligations secured by Available Tax Increment unless such pledge is on a subordinate basis to the pledge to the Note.

Section 5. Certification of Proceedings.

5.01. Certification of Proceedings. The officers of the Authority are hereby authorized and directed to prepare and furnish to the Owner of the Note certified copies of all proceedings and records of the Authority, and such other affidavits, certificates, and information as may be required to show the facts relating to the legality and marketability of the Note as the same appear from the books and records under their custody and control or as otherwise known to them, and all such certified copies, certificates, and affidavits, including any heretofore furnished, shall be deemed representations of the Authority as to the facts recited therein.

Section 6. Effective Date. This resolution shall be effective upon full execution of the Agreement.

Adopted this \_\_\_\_\_ day of \_\_\_\_\_, 2018.

\_\_\_\_\_  
President

ATTEST:

\_\_\_\_\_  
Secretary

**Exhibit A to Authorizing Resolution****FORM OF NOTE**

UNITED STATE OF AMERICA  
 STATE OF MINNESOTA  
 COUNTY OF RAMSEY  
 ROSEVILLE ECONOMIC DEVELOPMENT AUTHORITY

No. R-1

\$ \_\_\_\_\_

TAX INCREMENT REVENUE NOTE  
 SERIES 20\_\_ (MCGOUGH PROJECT)

Rate  
 \_\_\_\_\_%

Date  
of Original Issue

The Roseville Economic Development Authority ("Authority") for value received, certifies that it is indebted and hereby promises to pay to 2785 Fairview, LLC or registered assigns (the "Owner"), the principal sum of \$ \_\_\_\_\_ and to pay interest thereon at the rate of \_\_\_\_\_% per annum, but solely from the sources and to the extent set forth herein. Unless the context clearly requires otherwise, capitalized terms in this Note have the meaning provided in the Contract for Private Redevelopment between the Authority and Owner dated as of \_\_\_\_\_, 2018 (the "Agreement").

1. Payments. Principal and interest ("Payments") shall be paid on August 1, 20\_\_ and each February 1 and August 1 thereafter to and including \_\_\_\_\_ ("Payment Dates") in the amounts set forth herein, payable solely from and to the extent of the sources set forth in Section 3 hereof. Payments shall be applied first to accrued interest, and then to unpaid principal.

Payments are payable by mail to the address of the Owner or such other address as the Owner may designate upon 30 days written notice to the Authority. Payments on this Note are payable in any coin or currency of the United States of America which, on the Payment Date, is legal tender for the payment of public and private debts.

2. Interest. Simple interest at the rate stated herein shall accrue on the unpaid principal, commencing on the date of original issue. Interest shall be computed on the basis of a year of 360 days and charged for actual days principal is unpaid.

3. Available Tax Increment. (a) Payments on this Note are payable on each Payment Date solely from and in the amount of "Available Tax Increment," which shall mean 95 percent of the total Tax Increment attributable to the TIF District that has been paid to the Authority by Ramsey County in the six months prior to the subject Payment Date.

(b) The Authority shall have no obligation to pay principal of and interest on this Note on each Payment Date from any source other than Available Tax Increment, and the failure of the Authority to pay the entire amount of principal or interest on this Note on any Payment Date shall not constitute a default hereunder as long as the Authority pays principal and interest hereon to the extent of Available Tax Increment. The Authority shall have no obligation to pay any unpaid balance of principal or accrued interest that may remain after the final Payment on \_\_\_\_\_.

4. Default. If on any Payment Date there has occurred and is continuing any Event of Default under the Agreement, the Authority may withhold from payments hereunder under all Available Tax Increment. If the Event of Default is thereafter cured in accordance with the Agreement, the Available Tax Increment withheld under this Section shall be deferred and paid, without interest thereon, within thirty (30) days after the Event of Default is cured. If the Event of Default is not cured within three hundred sixty-five (365) days following the Authority's written notice to Owner of such default, the Authority may terminate this Note by written notice to the Owner in accordance with the Agreement.

5. Prepayment. The principal sum and all accrued interest payable under this Note is prepayable in whole or in part at any time by the Authority without premium or penalty. No partial prepayment shall affect the amount or timing of any other regular payment otherwise required to be made under this Note.

6. Nature of Obligation. This Note is one of an issue in the total principal amount of \$ \_\_\_\_\_ issued to aid in financing certain public redevelopment costs of a Project undertaken by the Authority pursuant to Minnesota Statutes, Sections 469.001 through 469.047, and is issued pursuant to an authorizing resolution (the "Resolution") duly adopted by the Authority on \_\_\_\_\_, 2018, and pursuant to and in full conformity with the Constitution and laws of the State of Minnesota, including Minnesota Statutes, Sections 469.174 to 469.1794. This Note is a limited obligation of the Authority which is payable solely from Available Tax Increment pledged to the payment hereof under the Resolution. This Note and the interest hereon shall not be deemed to constitute a general obligation of the State of Minnesota or any political subdivision thereof, including, without limitation, the Authority. Neither the State of Minnesota, nor any political subdivision thereof shall be obligated to pay the principal of or interest on this Note or other costs incident hereto except out of Available Tax Increment, and neither the full faith and credit nor the taxing power of the State of Minnesota or any political subdivision thereof is pledged to the payment of the principal of or interest on this Note or other costs incident hereto.

7. Registration and Transfer. This Note is issuable only as a fully registered note without coupons. As provided in the Resolution, and subject to certain limitations set forth therein, this Note is transferable upon the books of the Authority kept for that purpose at the principal office of the City Finance Director, by the Owner hereof in person or by such Owner's attorney duly authorized in writing, upon surrender of this Note together with a written instrument of transfer satisfactory to the Authority, duly executed by the Owner. Upon such transfer or exchange and the payment by the Owner of any tax, fee, or governmental charge required to be paid by the Authority with respect to such transfer or exchange, there will be issued in the name of the transferee a new

Note of the same aggregate principal amount, bearing interest at the same rate and maturing on the same dates.

IT IS HEREBY CERTIFIED AND RECITED that all acts, conditions, and things required by the Constitution and laws of the State of Minnesota to be done, to exist, to happen, and to be performed in order to make this Note a valid and binding limited obligation of the Authority according to its terms, have been done, do exist, have happened, and have been performed in due form, time and manner as so required.

IN WITNESS WHEREOF, the Board of Commissioners of the Roseville Economic Development Authority has caused this Note to be executed with the manual signatures of its President and Executive Director, all as of the Date of Original Issue specified above.

ROSEVILLE ECONOMIC  
DEVELOPMENT AUTHORITY

\_\_\_\_\_  
Executive Director

\_\_\_\_\_  
President

REGISTRATION PROVISIONS

The ownership of the unpaid balance of the within Note is registered in the bond register of the City Finance Director, in the name of the person last listed below.

Date of  
Registration

Registered Owner

Signature of  
City Finance Director

2785 Fairview, LLC  
Federal Tax I.D. No. \_\_\_\_\_

## SCHEDULE E

## Public Redevelopment Costs



City of Roseville  
McGough Redevelopment  
53,875 Sq/Ft Office

SOURCES		
	Amount	Pct
Developer Financing - First Mortgage	11,120,306	65.00%
Developer Financing - TIF	1,316,000	7.69%
<b>DEVELOPER EQUITY</b>	<b>4,288,654</b>	<b>25.07%</b>
Subtotal	16,724,960	97.76%
Grants TBRA)	157,000	0.92%
Deferred Developer Fee	199,203	1.16%
Fee Waiver	27,000	0.16%
Other - HRA Funds	0	0.00%
Subtotal	383,203	2.24%
<b>TOTAL SOURCES</b>	<b>17,108,163</b>	<b>100.00%</b>

USES				
	Land sq. ft	Amount	% of Cost	Per Sq/Ft
<b>ACQUISITION COSTS</b>		<b>2,147,043</b>	<b>12.56%</b>	<b>9.88</b>
Land/Buildings	221,720	1,650,000	9.64%	7.44
Demo/Asbestos Abatement - Public Redevelopment Costs		278,043	1.63%	1.25
Soils Corrections/Environmental - Public Redevelopment Costs		219,000	1.28%	0.99
<b>CONSTRUCTION COSTS</b>		<b>12,784,346</b>	<b>74.73%</b>	<b>238.18</b>
Building/Office		11,494,783	67.19%	214.16
Site Improvements - Public Redevelopment Costs		1,289,563	7.54%	24.03
Tenant Improvements		0	0.00%	0.00
Contractors Fee		0	0.00%	0.00
General Requirements		0	0.00%	0.00
Permits		0	0.00%	0.00
SAC/WAC/Met C SAC/UAC		0	0.00%	0.00
Contingency		0	0.00%	0.00
<b>SOFT COSTS</b>				
<b>PROFESSIONAL SERVICES</b>		<b>1,366,196</b>	<b>7.93%</b>	<b>25.27</b>
Appraisals		18,000	0.11%	0.34
Architectural, Engineering & Professional Fees		955,696	5.59%	17.81
City Fees		52,500	0.31%	0.98
FF&E		0	0.00%	0.00
Legal - Development		75,000	0.44%	1.40
Survey		15,000	0.09%	0.28
Soft Cost Contingency		240,000	22.56%	4.47
<b>FINANCING COSTS</b>		<b>554,375</b>	<b>3.24%</b>	<b>10.33</b>
Construction Period Interest		294,000	1.72%	5.48
Financing Fee		145,000	0.85%	2.70
construction loan fees		0	0.00%	0.00
Lender Legal		0	0.00%	0.00
Mortgage Registration Tax		31,375	0.18%	0.58
Title Insurance		10,500	0.06%	0.20
Title/Recording/Mortgage Registration Tax		73,500	0.43%	1.37
<b>PERMANENT LOAN</b>		<b>0.00%</b>	<b>0.00%</b>	<b>0.00</b>
<b>ACCRUED EXPENSES</b>		<b>0.00%</b>	<b>0.00%</b>	<b>0.00</b>
<b>REAL ESTATE TAXES</b>		<b>67,000</b>	<b>0.39%</b>	<b>1.25</b>
<b>PROJECT MANAGEMENT</b>		<b>199,203</b>	<b>1.16%</b>	<b>3.71</b>
Developer Fee		199,203	1.16%	
<b>TOTAL USES</b>		<b>17,108,163</b>		<b>318.74</b>

## Note:

1. FF & E costs ARE NOT to be included since financed separately and under shorter term
2. Deferred developer fee required is 100% of developer fee as noted in sources and uses of \$199,203



**SCHEDULE F**  
**CERTIFICATE OF COMPLETION**

(See following page.)

**CERTIFICATE OF COMPLETION**

WHEREAS, the Roseville Economic Development Authority (the "Authority") and 2785 Fairview, LLC (the "Redeveloper") entered into a certain Contract for Private Redevelopment dated as of December 20, 2018 (the "Agreement"), filed of record as Document No. \_\_\_\_\_ on \_\_\_\_\_, 2018; and

WHEREAS, the Agreement contains certain covenants and restrictions set forth in Articles III and IV thereof related to completing certain Minimum Improvements; and

WHEREAS, the Redeveloper has performed said covenants and conditions insofar as it is able in a manner deemed sufficient by the Authority to permit the execution and recording of this certification;

NOW, THEREFORE, this is to certify that all construction and other physical improvements related to the Minimum Improvements specified to be done and made by the Redeveloper have been completed and the agreements and covenants in Articles III and IV of the Agreement have been performed by the Redeveloper, and this Certificate is intended to be a conclusive determination of the satisfactory termination of the covenants and conditions of Articles III and IV of the Agreement related to completion of the Minimum Improvements, but any other covenants in the Agreement shall remain in full force and effect until the Termination Date (as such term is defined in the Agreement).

Dated: \_\_\_\_\_, 20\_\_.

ROSEVILLE ECONOMIC DEVELOPMENT  
AUTHORITY

By \_\_\_\_\_  
Authority Representative

STATE OF MINNESOTA    )  
                                  ) SS.  
COUNTY OF RAMSEY    )

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 20\_\_ by \_\_\_\_\_, the \_\_\_\_\_ of the Roseville Economic Development Authority, a public body corporate and politic and political subdivision of the State of Minnesota, on behalf of the Authority.

---

Notary Public

This document drafted by:

Kennedy & Graven, Chartered (MNI)  
470 U.S. Bank Plaza  
Minneapolis, Minnesota 55402  
Phone: 612-337-9300

**SCHEDULE G**

---

**ASSESSMENT AGREEMENT**

**and**

**ASSESSOR'S CERTIFICATION**

**By and Between**

**ROSEVILLE ECONOMIC DEVELOPMENT AUTHORITY**

**and**

**2785 FAIRVIEW, LLC**

---

This Document was drafted by:

KENNEDY & GRAVEN, Chartered (MNI)  
470 U.S. Bank Plaza  
Minneapolis, Minnesota 55402

**ASSESSMENT AGREEMENT**

THIS AGREEMENT, made on or as of the \_\_\_\_ day of \_\_\_\_\_, 2018 by and between the Roseville Economic Development Authority, a public body corporate and politic and political subdivision of the State of Minnesota (the "Authority") and 2785 Fairview, LLC, a Minnesota limited liability company (the "Redeveloper").

WITNESSETH, that

WHEREAS, on or before the date hereof the Authority and Redeveloper have entered into a Contract for Private Redevelopment dated \_\_\_\_\_, 2018 (the "Redevelopment Agreement"), pursuant to which the Authority is to facilitate the redevelopment of certain property in the Authority of Roseville hereinafter referred to as the "Property" and legally described in Exhibit A hereto; and

WHEREAS, pursuant to the Redevelopment Agreement the Redeveloper is obligated to construct certain improvements (the "Minimum Improvements") upon the Property; and

WHEREAS, the Authority and Redeveloper desire to establish a minimum market value for the Property and the Minimum Improvements to be constructed thereon, pursuant to Minnesota Statutes, Section 469.177, Subdivision 8; and

WHEREAS, the Authority and the Assessor of Ramsey County (the "Assessor") have reviewed the preliminary plans and specifications for the improvements and have inspected such improvements;

NOW, THEREFORE, the parties to this Agreement, in consideration of the promises, covenants and agreements made by each to the other, do hereby agree as follows:

1. The minimum market value which shall be assessed for ad valorem tax purposes for the Property described in Exhibit A, together with the Minimum Improvements constructed thereon, shall be \$7,246,125 as of the first January 2 following the date on which the Authority issues the Certificate of Completion and each January 2 thereafter, until termination of this Agreement under Section 2 hereof.

2. The minimum market value herein established shall be of no further force and effect and this Agreement shall terminate on the earlier of (a) the date of receipt by the Authority of the final payment from Ramsey County of Tax Increments from Tax Increment Financing District No. 20; or (b) termination of the Redevelopment Agreement pursuant to its terms.

3. This Agreement shall be promptly recorded by the Authority. The Redeveloper shall pay all costs of recording.

4. Neither the preambles nor provisions of this Agreement are intended to, nor shall they be construed as, modifying the terms of the Redevelopment Agreement between the Authority and the Redeveloper.

5. This Agreement shall inure to the benefit of and be binding upon the successors and assigns of the parties.

6. Each of the parties has authority to enter into this Agreement and to take all actions required of it, and has taken all actions necessary to authorize the execution and delivery of this Agreement.

7. In the event any provision of this Agreement shall be held invalid and unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

8. The parties hereto agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements, amendments and modifications hereto, and such further instruments as may reasonably be required for correcting any inadequate, or incorrect, or amended description of the Property or the Minimum Improvements or for carrying out the expressed intention of this Agreement, including, without limitation, any further instruments required to delete from the description of the Property such part or parts as may be included within a separate assessment agreement.

9. Except as provided in Section 8 of this Agreement, this Agreement may not be amended nor any of its terms modified except by a writing authorized and executed by all parties hereto.

10. This Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

11. This Agreement shall be governed by and construed in accordance with the laws of the State of Minnesota.

**ROSEVILLE ECONOMIC DEVELOPMENT  
AUTHORITY**

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

By \_\_\_\_\_  
Its Executive Director

STATE OF MINNESOTA    )  
  ) SS.  
COUNTY OF RAMSEY    )

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 2018  
by \_\_\_\_\_ and \_\_\_\_\_, the President and Executive  
Director of the Roseville Economic Development Authority, on behalf of the Authority.

\_\_\_\_\_  
Notary Public

**2785 FAIRVIEW, LLC**

By \_\_\_\_\_  
Thomas J. McGough, Jr.  
Its President

STATE OF MINNESOTA    )  
                                  ) SS.  
COUNTY OF RAMSEY    )

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 2018, by Thomas J. McGough, Jr., the President of 2785 Fairview, LLC, a Minnesota limited liability company, on behalf of the company.

\_\_\_\_\_  
Notary Public



**CERTIFICATION BY COUNTY ASSESSOR**

The undersigned, having reviewed the plans and specifications for the improvements to be constructed and the market value assigned to the land upon which the improvements are to be constructed, hereby certifies as follows: The undersigned Assessor, being legally responsible for the assessment of the above described property, hereby certifies that the values assigned to the land and improvements are reasonable.

\_\_\_\_\_  
Ramsey County Assessor

STATE OF MINNESOTA    )  
  ) ss  
COUNTY OF RAMSEY    )

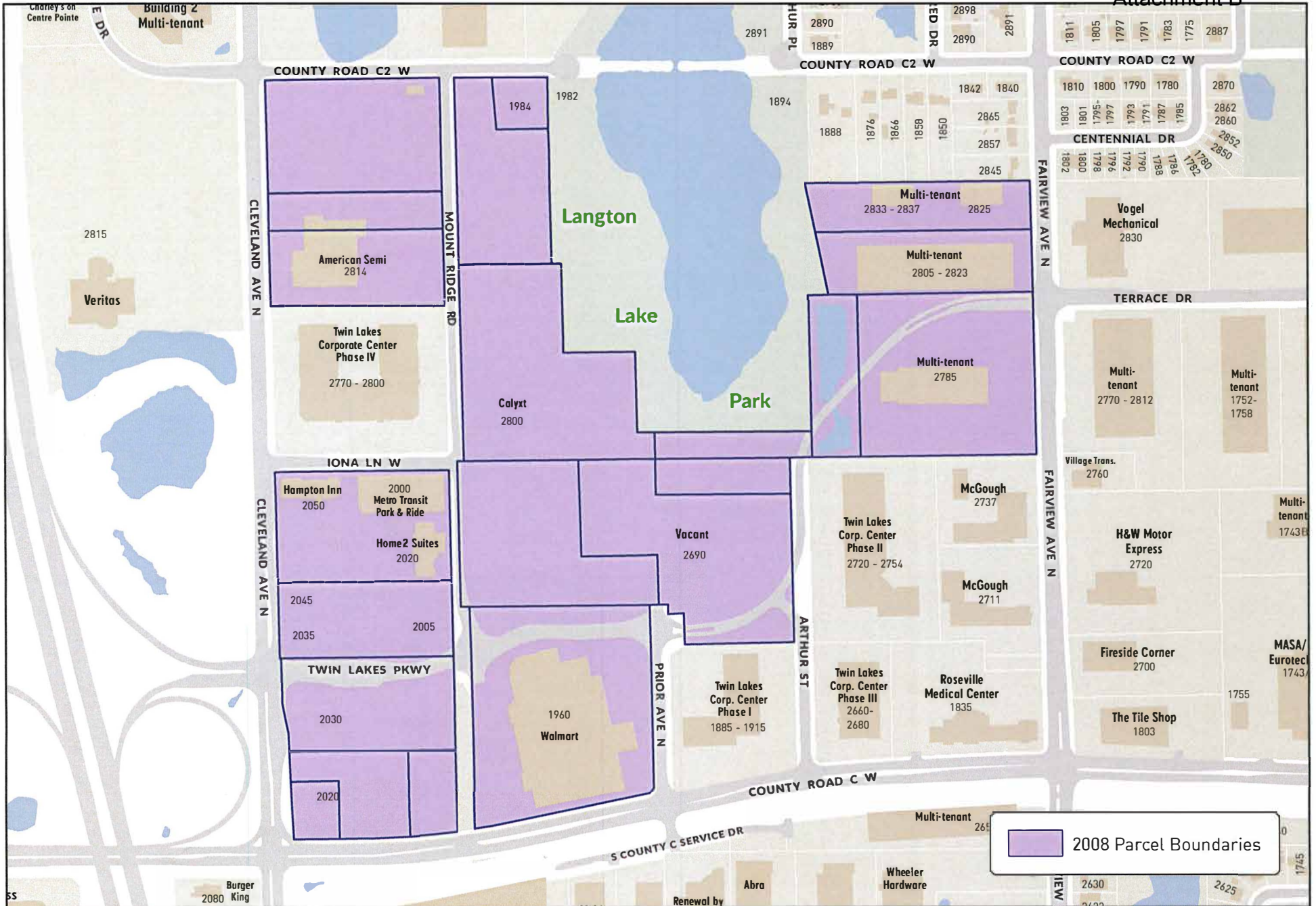
The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 2018 by \_\_\_\_\_, the Ramsey County Assessor.

\_\_\_\_\_  
Notary Public

**EXHIBIT A of ASSESSMENT AGREEMENT**

**Legal Description of Property**

Tract C, Registered Land Survey No. 607, Ramsey County, Minnesota.



Certified Properties in District 17 / Subdistrict 17A

**EXTRACT OF MINUTES OF MEETING  
OF THE  
ROSEVILLE ECONOMIC DEVELOPMENT AUTHORITY**

\* \* \* \* \*

Pursuant to due call and notice thereof, a regular meeting of the Board of Commissioners of the Roseville Economic Development Authority, County of Ramsey, Minnesota was duly held on the 14th day of January, 2019, at 6:00 p.m.

The following members were present:

and the following were absent:

Member introduced the following resolution and moved its adoption:

**RESOLUTION No. XX**

**AUTHORIZING INTERFUND LOAN FOR  
ADVANCE OF CERTAIN ENVIRONMENTAL REMEDIATION COSTS BY THE  
ROSEVILLE ECONOMIC DEVELOPMENT AUTHORITY IN CONNECTION WITH  
CERTAIN PROPERTY WITHIN DEVELOPMENT DISTRICT NO. 1**

WHEREAS, the City of Roseville previously established Tax Increment Financing District No. 17 (the "TIF District") and Hazardous Substance Subdistrict 17A (the "HSS") within Development District No. 1 (the "Project") pursuant to Minnesota Statutes, Sections 469.174 to 469.1794, as amended (the "TIF Act") and Sections 469.124 to 469.134, as amended; and

WHEREAS, the City has transferred the control and administration of the Project and all current and future tax increment financing districts within the Project to the Authority, and the Authority has accepted such transfer; and

WHEREAS, the Authority has removed certain property (the "Property") from the TIF District and HSS, has established Tax Increment Financing District No. 20 consisting of said Property, and has entered into a Contract for Private Redevelopment with 2785 Fairview, LLC (the "Redeveloper") pursuant to which (among other things) the Authority will assist the Redeveloper with certain costs of environmental remediation (the "Environmental Costs") on the Property up to a maximum principal amount of \$200,000, which costs may be financed on a temporary basis from any funds of the Authority legally available for such purposes; and

45 WHEREAS, under Section 469.178, Subdivision 7 of the TIF Act, the Authority is authorized to  
46 advance or loan money from any fund from which such advances may be legally made  
47 in order to finance expenditures that are eligible to be paid with tax increments under  
48 the TIF Act; and  
49

50 WHEREAS, the Authority intends to reimburse itself for the Environmental Costs from tax  
51 increments derived from the HSS in accordance with the terms of this resolution  
52 (which terms are referred to collectively as the "Interfund Loan");  
53

54 NOW, THEREFORE, BE IT RESOLVED, that based on the foregoing:  
55

- 56 1. The Authority hereby authorizes the advance from its general fund of up to \$200,000  
57 or so much thereof as may be paid to the Redeveloper as Environmental Costs. No  
58 interest shall accrue on such advances.  
59
- 60 2. Principal payments ("Payments") on the Interfund Loan shall be paid in semi-annual  
61 installments on each August 1 and February 1 (each a "Payment Date"), commencing  
62 on the first Payment Date on which the Authority has Available HSS Tax Increment  
63 (defined below), through the date of final receipt of tax increment from the HSS,  
64 payment in full of the Interfund Loan, or earlier forgiveness of this Interfund Loan as  
65 described in paragraph 6.  
66
- 67 3. Payments on this Interfund Loan will be made solely from Available HSS Tax  
68 Increment, which shall mean, on each Payment Date, tax increment available within  
69 the HSS fund maintained by the City, as determined by the Executive Director, or  
70 generated in the preceding six months with respect to the property within the HSS and  
71 remitted to the Authority by Ramsey County, all in accordance with the Act. Payments  
72 on this Interfund Loan may be subordinated to any outstanding or future bonds, notes  
73 or contracts secured in whole or in part with Available HSS Tax Increment, and are  
74 on parity with any other outstanding or future interfund loans secured in whole or in  
75 part with Available HSS Tax Increment. Payments on this Interfund Loan are subject  
76 to adoption by the Legislature of the State of Minnesota of special legislation  
77 authorizing such use.  
78
- 79 4. The principal sum payable under this Interfund Loan is pre-payable in whole or in part  
80 at any time by the Authority without premium or penalty. No partial prepayment shall  
81 affect the amount or timing of any other regular payment otherwise required to be  
82 made under this Interfund Loan.  
83
- 84 5. This resolution is evidence of an internal borrowing by the Authority in accordance  
85 with Section 469.178, subdivision 7 of the TIF Act, and is a limited obligation payable  
86 solely from Available HSS Tax Increment pledged to the payment hereof under this  
87 resolution. The Interfund Loan shall not be deemed to constitute a general obligation  
88 of the State of Minnesota or any political subdivision thereof, including, without  
89 limitation, the Authority. Neither the State of Minnesota, nor any political subdivision  
90 thereof shall be obligated to pay the principal of the Interfund Loan or other costs

91 incident hereto except out of Available HSS Tax Increment. The Authority shall have  
92 no obligation to pay any principal amount of the Interfund Loan which may remain  
93 unpaid after the final Payment Date.

94  
95 6. The Authority may at any time make a determination to forgive the outstanding  
96 principal amount on the Interfund Loan to the extent permissible under law.

97  
98 7. The Authority may from time to time amend the terms of this Resolution to the extent  
99 permitted by law, including without limitation amendment to the payment schedule.

100  
101 8. This resolution is effective upon approval.

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105 Adopted by the Board of the Authority this 14<sup>th</sup> day of January, 2019.  
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I, the undersigned, being duly appointed Executive Director of the Roseville Economic Development Authority, hereby certify that I have carefully compared the attached and foregoing resolution with the original thereof on file in my office and further certify that the same is a full, true, and complete copy of a resolution which was duly adopted by the Board of Commissioners of said Authority at a duly called and regularly held meeting thereof on January 14, 2019.

I further certify that Commissioner \_\_\_\_\_ introduced said resolution and moved its adoption, which motion was duly seconded by Commissioner \_\_\_\_\_, and that upon roll call vote being taken thereon, the following Commissioners voted in favor thereof:

and the following voted against the same:

whereupon said resolution was declared duly passed and adopted.

Witness my hand as the Executive Director of the Authority this \_\_ day of January, 2019.

\_\_\_\_\_  
Patrick Trudgeon, Executive Director  
Roseville Economic Development Authority