

EDA Members:
Dan Roe,
President
Lisa
Laliberte,
Vice
President
Wayne
Groff,
Treasurer
Robert
Willmus
Jason
Etten



**Economic Development Authority
Meeting Agenda
Monday, June 8, 2020
6:00pm**

Address:
2660 Civic Center Dr.
Roseville, MN 55113

Phone:
651-792-7000

Website:
www.growroseville.com

Following guidance from state health officials, EDA Members will participate in upcoming meetings electronically pursuant to Minn. Stat. § 13D.021.

Members of the public who wish speak during public comment or an agenda item during this meeting can do so virtually by registering at www.cityofroseville.com/attendmeeting

1. 6:00 P.M. Roll Call
Voting & Seating Order: Laliberte, Etten, Willmus, 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 Adopt A Resolution Approving Subordination Of The Development Contract Between The Roseville EDA And Great Southern Bank For 2720 Fairview Group, LLC.

Documents:

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

6. 6:13 P.M. Adjourn To City Council



REQUEST FOR ECONOMIC DEVELOPMENT AUTHORITY ACTION

Date: June 8, 2020

Item No.: 5.a

Department Approval

Executive Director Approval

Janice Gundlach

Samuel Truog

Item Description: Adopt a resolution approving subordination of the Development Contract between the Roseville EDA and Great Southern Bank for 2720 Fairview Group, LLC.

1 **BACKGROUND**

2 The Roseville Economic Development Authority (REDA) entered into a Private Redevelopment
3 Agreement on September 16, 2019 with Walton Holdings, LLC which has since been assigned to 2720
4 Fairview Group, LLC. Section 7.3 of the Redevelopment Agreement allows for the REDA to subordinate
5 the Contract for Redevelopment and the assignment of TIF note, but requires authorization of the REDA.

6 Martha Ingram from Kennedy and Graven has reviewed the enclosed documents.

7
8 **STAFF RECOMMENDATION**

9 By resolution, authorize the subordination and assignment Contract for Private Redevelopment for 2720
10 Fairview Group, LLC

11
12 **REQUESTED EDA ACTION**

13 Adopt the Resolution provided, authorizing the subordinate and assignment Contract for Private
14 Redevelopment 2720 Fairview Group, LLC.

- 15 Prepared by: Jeanne Kelsey, Housing and Economic Development Program Manager, 651-792-7086
- 16 Attachments: A: Contract for Private Redevelopment
- 17 B: Subordination Development Contract
- 18 C: Assignment, Security, and Pledge Agreement
- 19 D: Resolution Authorizing Assignment and Subordination of Contract for Redevelopment
- 20

EXECUTION COPY

**CONTRACT
FOR
PRIVATE REDEVELOPMENT**

By and Between

ROSEVILLE ECONOMIC DEVELOPMENT AUTHORITY

and

2720 FAIRVIEW GROUP, LLC

Dated as of: September 16, 2019

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 A	Redevelopment Property
SCHEDULE B	Form of Authorizing Resolution

SCHEDULE C	Form of Draw Request
SCHEDULE D	Lookback
SCHEDULE E	Certificate of Completion
SCHEDULE F	Assessment Agreement

CONTRACT FOR PRIVATE REDEVELOPMENT

THIS AGREEMENT, made as of the 16th day of September, 2019, by and between the Roseville Economic Development Authority, a public body corporate and politic under the laws of Minnesota (the "Authority"), and 2720 Fairview Group, LLC, a Delaware limited liability company (the "Redeveloper").

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 is under contract to acquire certain property (the "Redevelopment Property") within the Project to redevelop as a multifamily housing facility (the "Minimum Improvements"), as further described herein; and

WHEREAS, the Authority has established Tax Increment Financing District No. 22 (the "TIF District") pursuant to Minnesota Statutes, Sections 469.174 to 469.1794, as amended (the "TIF Act"), consisting, in part, 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.

“Authorizing Resolution” means the resolution of the Authority authorizing issuance of the TIF Note, in substantially the form attached to this Agreement as Schedule B.

“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.

“Consultant” means the Authority’s municipal advisor. As of the date of this Agreement, the Consultant is Ehlers and Associates, Inc.

“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.

“MOU” means the Memorandum of Understanding between the City and the Redeveloper, to be executed in connection with multifamily management and public safety services for the Minimum Improvements, which MOU is incorporated herein by reference.

“Minimum Improvements” means the construction on the Redevelopment Property of a multifamily housing facility containing approximately 127 units of housing, and associated parking.

“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.

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

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

“Redeveloper” means 2720 Fairview Group, 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 B.

“TIF District” means Tax Increment Financing District No. 22, created by the City and Authority on August 12, 2019.

“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 August 12, 2019, 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 Delaware, is not in violation of any provisions of its articles of organization or bylaws, is duly qualified as a foreign 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, labor, 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. As of the date of this Agreement, the Redeveloper is under contract to acquire the Redevelopment Property. The Redeveloper acknowledges that the Authority has no obligation to acquire any of the Redevelopment Property.

Section 3.2. Environmental Undertakings. (a) The Redeveloper has submitted a response action plan to the MPCA, providing for remediation of hazardous wastes and contaminants on the Redevelopment Property (the "RAP"). Upon approval of the RAP by the MPCA, Redeveloper shall promptly undertake remediation and any other actions required under the RAP, 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. 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 soil remediation (to the extent not reimbursed as an Environmental Cost pursuant to Section 3.4 hereof) and structured parking incurred by the Redeveloper on the Redevelopment Property (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 \$2,900,000. 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 B, 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 of 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 3.4. Environmental Costs.

- (a) The Authority will apply a portion of tax increment generated from its Tax Increment Hazardous Substance Subdistrict No. 17A to reimburse the Redeveloper for a portion of the extraordinary costs of environmental remediation required to redevelop the Redevelopment Property pursuant to the Response Action Plan in effect for the Redevelopment Property (the "Environmental Costs"), in an amount not to exceed \$550,000 (the "HSS Grant").

(b) The Authority has agreed to apply for environmental remediation grants (the “Third-Party Grants”) to finance a portion of the Environmental Costs upon the Redeveloper’s request. The Authority will pay or reimburse the Redeveloper for Environmental Costs from and to the extent of any grant proceeds received in accordance with the terms of the respective grant agreements and the terms of this Section. **Notwithstanding anything to the contrary herein, if Environmental Costs exceed the amount to be reimbursed under this Section under either the HSS Grant or the Third-Party Grants, such excess shall be the sole responsibility of the Redeveloper (except to the extent reimbursable under the Note).**

(c) 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 an Environmental Cost, including a statement specifying which grant is the eligible funding source; and (c) the Redeveloper reasonably anticipates completion of the Environmental 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 Environmental 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.

(4) The Redeveloper has submitted, and the Authority has approved, Construction Plans for the Minimum Improvements in accordance with Article IV hereof.

(d) Whenever the Redeveloper desires a disbursement to be made hereunder, which shall be no more often than biweekly, 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.

(e) 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 (20) Business Days after the date of the Authority’s receipt of

the draw request, or, if later, upon receipt of grant proceeds from the respective agency, as the case may be. Each disbursement shall be paid from the grant designated by the Authority at its discretion, subject to the Authority's determination that the relevant Environmental Cost is payable from the designated source under the respective grant agreement.

(f) 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 following conditions shall have been satisfied:

(1) The Redeveloper shall have received a certificate of completion from the MPCA pursuant to Minnesota Statutes, Section 115B.175, subdivision 5, clause (b); and

(2) The Authority shall have received a lien waiver from each contractor for all work done and for all materials furnished by it for the Environmental Costs.

(g) 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 3.5. TIF Lookback.

(a) *Generally.* 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. The Authority and the Redeveloper agree that those assumptions will be reviewed at the times described in this Section, and that the amount of Tax Increment assistance provided under Section 3.3 will be adjusted accordingly.

(b) *Definitions.* For the purposes of this Section, the following terms have the following meanings:

“Calculation Date” means 60 days after the earliest of (i) the date of Stabilization of the Minimum Improvements; (ii) the date of any Transfer of the Minimum Improvements (provided that the Redeveloper and the Authority agree that the Calculation Date will occur prior to the actual Transfer); or (iii) three years after the date of completion of the Minimum Improvements, as evidenced by the Authority's issuance of a Certificate of Completion.

“Cash Flow” means Net Operating Income less debt service with respect to the first mortgage loan.

“Cash on Cost Return” means Net Operating Income divided by the total development costs, which excludes any grants or City, Authority, Federal or State funds received by the Redeveloper.

“Net Operating Income” means total annual income and other project-derived annual revenue, including payments under the Note (but excluding proceeds, or the financial effect of

the proceeds, from a sale or refinancing), less Operating Expenses in accordance with the pro forma for the Minimum Improvements.

“Operating Expenses” means reasonable and customary expenses incurred in operating the Minimum Improvements in accordance with the Pro Forma, including deposits to capital replacement reserves.

“Stabilization” is defined as the date on which the Minimum Improvements have achieved 95% occupancy.

(c) *Lookback Calculations.*

(i) At the time of completion of construction of the Minimum Improvements, if the amount of the Public Redevelopment Costs actually incurred is less than the amount of Estimated Public Redevelopment Costs projected in Schedule D, the financial assistance for the Public Redevelopment Costs will be reduced on a dollar for dollar basis in the amount of such deficiency and the principal amount of the Note will be adjusted accordingly.

(ii) On the Calculation Date, the amount of the Note provided pursuant to this Agreement will be subject to adjustment based on a targeted annual Cash-On-Cost Return in excess of 7%. By the Calculation Date, the Redeveloper must deliver to the Authority’s Consultant evidence of its Cash-On-Cost Return. The Cash-On-Cost Return shall be calculated by the Authority’s Consultant based on the Redeveloper’s financial statement, prepared pursuant to generally accepted industry standards and submitted to the Authority’s Consultant (to be calculated in the same manner as the sample attached as Schedule D-2). If the Minimum Improvements have not reached Stabilization as of the Calculation Date, the calculation shall assume Stabilization has occurred.

If the actual Cash-On-Cost Return exceeds 7%, then the principal amount of the Note issued to the Redeveloper will be reduced by 50% of the amount that results in a Cash-On-Cost Return equal to 7% over the term of the Note, and the Redeveloper shall deliver the Note to the Authority in exchange for a new Note in the adjusted principal amount upon the Authority’s written request.

(d) *Property Sale or Refinance.* If the Redeveloper sells the Minimum Improvements to an unrelated third party or refinances the Minimum Improvements (provided, however, the placement of permanent debt on the Minimum Improvements will not constitute a refinancing giving rise to the review as described in this Section) during the first eight (8) years after issuance of a Certificate of Completion for the Minimum Improvements, the Redeveloper agrees to provide to the Consultant reasonable background documentation of actual project costs, project sources, and financing terms to construct the Minimum Improvements as well as the actual income and operating expenses for the period from the date of this Agreement through the date of such anticipated sale or refinance (provided that the Redeveloper and the Authority agree that the Calculation Date will occur prior to the actual sale or refinancing). Based on such review, if the Consultant determines that the Minimum Improvements exceed an actual annual 7% Cash-On-Cost Return (to be calculated in the same manner as the sample attached as

Schedule D-2), then 50% of the amount that exceeds the annual 7% Cash-On-Cost Return will be applied to reduce the principal amount payable under the Note.

Such reduction will be effective upon written notice by the Authority to Redeveloper, stating the amount of such excess profit as determined by the Authority in accordance with this Section, accompanied by the Consultant's report.

Section 3.6. Business Subsidy. 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, because the assistance is for housing, an enumerated exception under Section 116J.993, subd. 3(7) 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 3.7. 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 \$11,250 which was deposited by the Redeveloper upon filling 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.

(a) Before commencing construction of the Minimum Improvements, the Redeveloper shall submit to the Authority Construction Plans. The Construction Plans shall provide for the construction of the Minimum Improvements 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 Minimum Improvements; (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 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 December 31, 2019. Subject to Unavoidable Delays, the Redeveloper shall complete the construction of the Minimum Improvements by June 30, 2021. 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 E, 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 (i) issuance of a final certificate of occupancy for the Minimum Improvements, (ii) 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, and (iii) upon certification by the Redeveloper to the Authority that all costs related to the Minimum Improvements and the development of the Redevelopment Property, including without limitation payments to all contractors, subcontractors, and project laborers, have been paid prior to the date of the Redeveloper's request for the Certificate of Completion.

Section 4.5. Public Improvements.

(a) 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.

(b) The City intends to construct a recreational trail over a portion of the Redevelopment Property in conjunction with a watershed management project (the "Trail Improvements"). The Redeveloper agrees and acknowledges that the Trail Improvements will benefit the Minimum Improvements and Redevelopment Property, and agrees to pay a pro rata portion of the cost of the Trail Improvements in an amount not to exceed \$100,000 (the "Redeveloper Contribution"), which amount shall be payable to the Authority prior to the issuance of any City permits for the construction of the Minimum Improvements. Upon a final accounting, if the Redeveloper's actual pro rata share of the costs of the Trail Improvements is less than the Redeveloper Contribution, the Authority shall refund to the Redeveloper any excess Redeveloper Contribution over such actual pro rata share.

(c) As provided in City Resolution No. 11630, adopted by the City Council on August 26, 2019, the Redeveloper agrees and acknowledges that a payment in lieu of park dedication fees in the amount of \$508,000 shall be due and payable to the City prior to the issuance of any City permits for construction of the Minimum Improvements.

Section 4.6. Management. The Redeveloper shall at all times engage a property management company with substantial experience in operating multifamily housing developments, subject to approval by the Authority, which approval will not be unreasonably withheld. The Redeveloper will submit evidence of such management upon request by the Authority. The Redeveloper shall further enter into a Memorandum of Understanding (the "Memorandum") with the City in connection with public safety services to be provided by the City to the Minimum Improvements, which Memorandum is incorporated into this Agreement by reference.

Section 4.7. 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 \$250,000 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 of 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 (the "Market Value") for the Redevelopment Property and Minimum Improvements constructed thereon. The amount of the minimum Market Value shall be \$5,397,500 as of January 2, 2020, and shall be \$21,590,000 as of January 2, 2021 and each January 2 thereafter, notwithstanding the status of construction by such dates.

(b) The Assessment Agreement shall be substantially in the form attached hereto as Schedule F. 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 of 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 of 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 Note, the Redeveloper shall submit to the Authority or provide access thereto for review by Authority staff, consultants and agents, evidence reasonably satisfactory to the Authority that Redeveloper has available funds, or commitments to obtain funds, whether in the nature of mortgage financing, equity, grants, loans, or other sources sufficient for paying the cost of the developing the Minimum Improvements, provided that any lender or grantor commitments 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.

Section 8.4. Tax Deferred Exchange. Notwithstanding Section 8.2 hereof, if the Redeveloper desires to purchase the Redevelopment Property in connection with a tax-deferred exchange under Section 1031 of the Internal Revenue Code of 1986, as amended (the "Code"), Redeveloper shall have the right to temporarily assign its rights under this Agreement to a "qualified exchange intermediary" (a "1031 Agent") within the meaning of Section 1031 of the Code. During any period when this Agreement is temporarily assigned to a 1031 Agent, the Redeveloper shall remain fully responsible and liable for its obligations under this Agreement. It is expressly understood by the parties that the Authority assumes no liability or responsibility in connection with the Redeveloper's tax-deferred exchange and the Redeveloper shall hold the Authority harmless from any claims, actions or liabilities that may result from the agreements, transactions or assignments necessary to complete said tax deferred exchange.

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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; or any certification, representation, or warranty by the Redeveloper to the City or the Authority that is substantiated by evidence to be untrue or misrepresented.

(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, 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: 2720 Fairview Group, LLC
Attn: Nicholas Walton
1710 West Lake Street, Suite 200
Minneapolis, MN 55409

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.

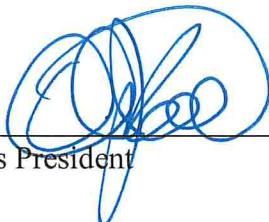
Section 10.9 Amendment. This Agreement may be amended only by written agreement approved by the Authority and the Redeveloper.

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, a public body corporate and politic
and political subdivision of the State of Minnesota

By  _____
Its President

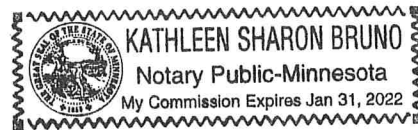
By  _____
Its Executive Director

STATE OF MINNESOTA)
) SS.
COUNTY OF RAMSEY)

The foregoing instrument was acknowledged before me this 27 day of September, 2019 by Dan Roe and Patrick Trudgeon, the President and Executive Director 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



2720 FAIRVIEW GROUP, LLC, a Delaware limited liability company

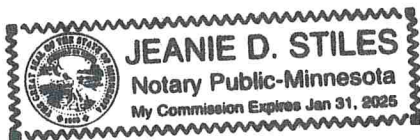
By: 2720 FAIRVIEW PARTNERS, LLC, a Minnesota limited liability company, its Manager

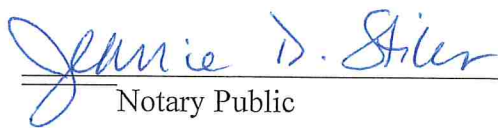
By: 

Nicholas Walton, its Manager

STATE OF MINNESOTA)
) SS.
COUNTY OF Hennepin)

The foregoing instrument was acknowledged before me this 5 day of December, 2019, by Nicholas Walton, the Manager of 2720 Fairview Partners, LLC, a Minnesota limited liability company, as Manager of 2720 Fairview Group, LLC, a Delaware limited liability company, on behalf of the company.





Notary Public

SCHEDULE A

REDEVELOPMENT PROPERTY

Lot 1, Block 1, FAIRVIEW AVENUE ADDITION, according to the recorded plat thereof,
Ramsey County, Minnesota.

SCHEDULE B

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 2720 FAIRVIEW GROUP, 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. 22 (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 (Fairview Multifamily 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 2720 Fairview Group, 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 \$2,900,000 to 2720 Fairview Group, 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 at the rate that is the lesser of 5.0% or the Owner's actual mortgage financing rate. 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 and interest rate 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. 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, interest rate, 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, interest rate, 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 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 and interest on the Note in accordance with the terms of the form of Note set forth in Exhibit A of this resolution.

4.02. Bond Fund. Until the date the Note is no longer outstanding and no principal or interest thereof (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 _____, 2019.

President

ATTEST:

Secretary

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

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

No. R-1

\$ _____

TAX INCREMENT REVENUE NOTE
 SERIES 20__ (FAIRVIEW MULTIFAMILY 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 2720 Fairview Group, 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 _____, 2019 (the “Agreement”).

1. Payments. Principal and interest (“Payments”) shall be paid on August 1, 2021 and each February 1 and August 1 thereafter to and including February 1, 2036 (“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 consisting of twelve months of thirty 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 Minimum Improvements and Redevelopment Property

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 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 February 1, 2036.

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 _____, 2019, 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 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 date.

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

2720 Fairview Group, LLC
Federal Tax I.D. No. _____

SCHEDULE C
FORM OF DRAW REQUEST

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

DISBURSEMENT DIRECTION

The undersigned authorized representative (the "Authorized representative") of 2720 Fairview Group LLC, a Minnesota limited liability company (the "Redeveloper"), hereby authorizes and requests you to disburse from proceeds of the HSS Grant in accordance with the terms of the Contract for Private Redevelopment, dated September 16, 2019 (the "Agreement"), between the Roseville Economic Development Authority ("Authority") and the Redeveloper, the following amount to the following person and for the following proper Environmental Costs:

- 1. Amount: _____
- 2. Payee: _____
- 3. Purpose: _____
- 4. Grant Source: _____

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 3.4 of the Agreement (or before the date of the Agreement); (b) that each item for which the payment is proposed is an Environmental Cost, eligible for funding from the grant source(s) identified above; and (c) the Redeveloper reasonably anticipates completion of the Environmental Costs and the Minimum Improvements in accordance with the terms of the Agreement.

Dated: _____

Redeveloper's Authorized Representative

SCHEDULE D

Public Redevelopment Costs

Schedule D - Public Redevelopment Costs	
Use	Amount
Soil Remediation (non HSS Funded)	\$100,000
Underground Parking	\$2,800,000
TOTAL	\$2,900,000

SCHEDULE D-2

Lookback Proforma



2720 Fairview Redevelopment
City of Roseville
127 Market Rate Apartments
Multi-Year Operating Proforma

	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16
Income																
Rental Income																
Gross Potential Rent	2,331,892	2,378,530	2,428,100	2,474,622	2,524,115	2,574,597	2,626,089	2,678,611	2,732,183	2,786,827	2,842,563	2,899,415	2,957,403	3,016,551	3,076,882	3,138,420
Less: 5.0% Stabilized Vacancy	(116,895)	(116,928)	(121,305)	(123,731)	(126,206)	(128,730)	(131,304)	(133,931)	(136,609)	(139,341)	(142,128)	(144,971)	(147,870)	(150,828)	(153,844)	(156,921)
Less: Additional Pre-stabilization Vacancy	(583,000)															
Total Rental Income	1,632,297	2,259,603	2,304,795	2,350,891	2,397,909	2,445,867	2,494,785	2,544,680	2,595,574	2,647,485	2,700,438	2,754,444	2,809,533	2,865,723	2,923,038	2,981,499
Other Residential Income																
Underground Parking	135,000	137,700	140,454	143,263	146,128	149,051	152,032	155,073	158,174	161,337	164,564	167,856	171,213	174,637	178,130	181,692
Late fees	38,100	38,962	39,839	40,732	41,641	42,565	43,507	44,464	45,436	46,424	47,428	48,448	49,484	50,536	51,605	52,691
Less: Vacancy	(8,655)	(8,828)	(9,005)	(9,185)	(9,368)	(9,556)	(9,747)	(9,942)	(10,141)	(10,344)	(10,550)	(10,761)	(10,977)	(11,196)	(11,420)	(11,649)
Less: Additional Pre-stabilization Vacancy	(81,619)															
Total Other Residential Income	82,926	167,734	171,689	174,510	178,901	184,561	188,192	188,896	192,674	196,627	200,456	204,467	208,556	212,727	216,942	221,321
Effective Gross Income (EGI)	1,715,123	2,427,337	2,476,484	2,525,402	2,576,810	2,627,428	2,679,978	2,733,576	2,788,248	2,844,012	2,900,893	2,958,911	3,018,089	3,078,451	3,140,020	3,202,820
Expenses																
Rental Unit Expenses																
Operating Expenses	345,449	351,642	358,675	365,848	373,165	380,629	388,241	396,006	403,928	412,005	420,245	428,650	437,223	445,967	454,886	463,984
Management Fee: 5.0% of EGI	139,700	142,494	145,344	148,251	151,216	154,240	157,325	160,471	163,681	166,954	170,294	173,699	177,173	180,717	184,331	188,018
Property Taxes	25,000	380,978	380,978	380,978	380,978	380,978	380,978	380,978	380,978	380,978	380,978	380,978	380,978	380,978	380,978	380,978
Reserves: \$250 PUPY	31,750	32,365	33,033	33,753	34,527	35,355	36,236	37,171	37,200	37,944	38,703	39,477	40,267	41,072	41,893	42,731
Modified Rental Expense During Stabilization	(29,190)															
Total Rental Unit Expenses	512,709	907,499	918,029	928,770	938,726	950,901	962,299	973,926	985,785	997,881	1,010,219	1,022,804	1,035,640	1,048,734	1,062,089	1,075,711
Total Expenses	512,709	907,499	918,029	928,770	938,726	950,901	962,299	973,926	985,785	997,881	1,010,219	1,022,804	1,035,640	1,048,734	1,062,089	1,075,711
NET OPERATING INCOME	1,202,414	1,519,839	1,557,855	1,596,632	1,636,184	1,676,527	1,717,677	1,759,650	1,802,463	1,846,132	1,890,674	1,936,107	1,982,448	2,029,717	2,077,931	2,127,109
Tax Increment Financing Revenue	0	306,928	306,928	306,928	306,928	306,928	306,928	306,928	306,928	306,928	306,928	306,928	306,928	306,928	306,928	306,928
ADJUSTED NET OPERATING INCOME	1,202,414	1,826,766	1,864,783	1,903,560	1,943,111	1,983,455	2,024,605	2,066,578	2,109,390	2,153,060	2,197,601	2,243,034	2,289,376	2,336,645	2,384,859	2,433,037
Debt Service																
Total Debt Service	1,130,478	1,470,782	1,470,782	1,470,782	1,470,782	1,470,782	1,470,782	1,470,782	1,470,782	1,470,782	1,470,782	1,470,782	1,470,782	1,470,782	1,470,782	1,470,782
NET CASH FLOW	71,939	355,984	394,001	432,777	472,330	512,673	553,823	595,796	638,609	682,277	726,820	772,253	818,594	865,863	914,077	962,327
Returns Analysis																
Cash on Cost Annual Return	3.7%	5.7%	5.8%	5.9%	6.0%	6.1%	6.3%	6.4%	6.5%	6.7%	6.8%	6.8%	7.1%	7.2%	7.4%	6.6%
Cash on Cost Annual Return (w/o TIF assistance)	3.7%	4.7%	4.8%	4.9%	5.1%	5.2%	5.3%	5.5%	5.6%	5.7%	5.9%	6.0%	6.1%	6.3%	6.4%	6.6%

SCHEDULE E
CERTIFICATE OF COMPLETION

(See following page.)

CERTIFICATE OF COMPLETION

WHEREAS, the Roseville Economic Development Authority (the "Authority") and 2720 Fairview Group, LLC (the "Redeveloper") entered into a certain Contract for Private Redevelopment dated as of September 16, 2019 (the "Agreement"), filed of record as Document No. _____ on _____, 2019; 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 F

ASSESSMENT AGREEMENT

and

ASSESSOR'S CERTIFICATION

By and Between

ROSEVILLE ECONOMIC DEVELOPMENT AUTHORITY

and

2720 FAIRVIEW GROUP, 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 16h day of September, 2019 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 2720 Fairview Group, LLC, a Delaware 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 September 16, 2019 (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 \$5,397,500 as of January 2, 2020, and shall be \$21,590,000 as of January 2, 2021 and each January 2 thereafter, regardless of the status of construction on such dates, 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. 22; 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 _____, 2019 by Dan Roe and Patrick Trudgeon, the President and Executive Director 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

2720 FAIRVIEW GROUP, LLC,
a Delaware limited liability company

By: 2720 FAIRVIEW PARTNERS, LLC,
a Minnesota limited liability company, its Manager

By: _____
Nicholas Walton, its Manager

STATE OF MINNESOTA)
) SS.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 2019, by Nicholas Walton, the Manager of 2720 Fairview Partners, LLC, a Minnesota limited liability company, as Manager of 2720 Fairview Group, LLC, a Delaware 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 _____, 2019 by _____, the Ramsey County Assessor.

Notary Public

EXHIBIT A of ASSESSMENT AGREEMENT

Legal Description of Property

Lot 1, Block 1, FAIRVIEW AVENUE ADDITION, according to the recorded plat thereof, Ramsey County, Minnesota.

SUBORDINATION OF DEVELOPMENT CONTRACT

THIS SUBORDINATION OF DEVELOPMENT CONTRACT (the "Agreement") is made and entered into as of _____, 2020, by and between the ROSEVILLE ECONOMIC DEVELOPMENT AUTHORITY, a public body corporate and politic under the laws of Minnesota (the "Authority"), and GREAT SOUTHERN BANK, a Missouri State Chartered Trust Company, and its successors and assigns (the "Lender").

WITNESSETH:

WHEREAS, 2720 FAIRVIEW GROUP, LLC, a Delaware limited liability company (the "Borrower") is the owner of certain real property located in Ramsey County, Minnesota, legally described on Exhibit A attached hereto (the "Land"); and

WHEREAS, the Borrower and the Authority entered into that certain Contract for Private Redevelopment dated as of September 16, 2019 (together with any amendment thereto approved by Lender, the "Development Contract"), filed of record in the office of the Ramsey County Recorder on _____, 2020, as Document No. _____; and

WHEREAS, pursuant to the Development Contract, the Authority is to execute that certain Tax Increment Revenue Note in the maximum principal amount of \$2,900,000.00 (the "TIF Note") upon the terms and conditions set forth in the Development Contract; and

WHEREAS, pursuant to a certain Construction Loan Agreement dated as of May 27, 2020 by and between Borrower and Lender (together with any amendment or modification thereto, the "Loan Agreement"), the Lender has agreed to make a construction loan available to Borrower in the principal amount of up to \$23,500,000.00 (the "Loan") to finance a portion of the costs of acquiring the Land and constructing certain improvements thereon in accordance with the terms of the Loan Agreement (the Land and the improvements to be constructed thereon are hereinafter at times collectively referred to as the "Project"). The Loan is evidenced by that certain Promissory Note dated as of May 27, 2020, executed and delivered by Borrower and payable to the order of the Lender in the original principal face amount of \$23,500,000.00 (together with all renewals, amendments, modifications, increases and extensions thereof, the "Construction Note") and is secured, inter alia, by (i) a certain Mortgage and Security Agreement and Fixture Financing Statement dated as of May 27, 2020 from Borrower in favor of Lender encumbering the Project

(together with all renewals, amendments, modifications, increases and extensions thereof, the "Mortgage"), filed of record in the office of the Ramsey County Recorder on _____, 2020, as Document No. _____; (ii) a certain Assignment of Rents and Leases dated as of May 27, 2020 from Borrower in favor of Lender encumbering the Project (together with all renewals, amendments, modifications, increases and extensions thereof, the "Assignment of Rents"), filed of record in the office of the Ramsey County Recorder on _____, 2020, as Document No. _____; and (iii) certain other instruments (such other documents evidencing or securing the Loan, together with the Construction Note, the Loan Agreement, the Mortgage and the Assignment of Rents, as the same may be amended, modified, replaced or restated from time to time, are hereinafter collectively referred to as the "Loan Documents"). Unless the context otherwise indicates, capitalized terms used but not otherwise defined herein shall have the meanings given such terms in the Loan Agreement; and

WHEREAS, the Lender has required, as a condition to making the Loan, that (a) the Borrower assign all of its rights under the Development Contract to the Lender to secure the obligations of the Borrower to the Lender under the Loan Documents pursuant to that certain Assignment, Security and Pledge Agreement dated as of May 27, 2020 between Borrower and Lender (the "TIF Assignment"), (b) the rights of the Authority under the Development Contract be subordinated to the Mortgage and the Assignment of Rents, and (c) the Authority agrees to certain other matters, all as more fully contained herein.

NOW THEREFORE, in consideration of the foregoing recitals and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. TIF Assignment. The TIF Assignment constitutes a perfected, present and absolute assignment to Lender of Borrower's rights under the Development Contract and of the TIF Note; provided, however, Lender confers on Borrower the right to enforce the terms of the Development Contract so long as no Event of Default (as defined in any of the Loan Documents) has occurred and is continuing under any of the Loan Documents. Upon the occurrence of an Event of Default under any of the Loan Documents, Lender may, in Lender's sole discretion and in addition to any other rights or remedies available to Lender under this Agreement, the TIF Assignment of the other Loan Documents, give notice to the Authority of its intent to enforce the rights of Borrower under the Development Contract and may initiate or participate in any legal proceedings respecting the enforcement of said rights. Nothing in this Agreement or in the TIF Assignment shall give Lender a greater right than Borrower to enforce the Development Contract. Nothing in this Agreement or the TIF Assignment shall be deemed an assignment by Borrower or an assumption by Lender of Borrower's obligations, duties, covenants or representations under the Development Contract.

2. Authorization to the Authority. The Authority agrees and acknowledges that the TIF Assignment constitutes a perfected, absolute and present assignment, provided that the Lender shall have no right under the TIF Assignment or this Agreement to enforce the provisions of the Development Contract or the TIF Note or exercise any of its rights or remedies under this Agreement until an Event of Default (as that term is defined in any of the Loan Documents) shall occur and be continuing. The payments under the TIF Note may be paid directly to the Borrower; provided, however, upon the written request of Lender or upon occurrence of an Event of Default (as that term is defined in any of the Loan Documents), Lender may, in addition to any other rights

or remedies available to it hereunder or under the other Loan Documents, direct the Authority to make all payments under the TIF Note directly to Lender. The Lender and the Authority acknowledge that in the TIF Assignment, the Borrower irrevocably authorized and directed the Authority to make payments under the TIF Note directly to the Lender and to recognize the claims of the Lender or its assigns without investigating the reason for any action taken or the validity of or the amount of indebtedness owing to the Lender or its assigns or the existence of any Event of Default (as defined in the Loan Agreement), and that the Borrower irrevocably directed and authorized the Authority to pay exclusively to the Lender or its assigns all sums due under the TIF Note. The Lender and the Authority acknowledge that in the TIF Assignment, the Borrower agreed that to the extent such sums are paid to the Lender or its assigns, the Authority shall have no further liability to the Borrower for the same and that the sole receipt by the Lender or its assigns of any sum paid by the Authority shall be in discharge and release of that portion of any amount owed by the Authority.

4. Event of Default; Remedies. Subject to the provisions set forth in this Paragraph 4, upon the occurrence of an Event of Default (as that term is defined in any of the Loan Documents), the Lender may, without affecting any of its rights or remedies against the Borrower under any other instrument, document or agreement, exercise its rights under this Agreement as the Borrower's attorney-in-fact in any manner permitted by law and, in addition, the Lender shall have the right to exercise and enforce any and all rights and remedies available after a default to a secured party under the Uniform Commercial Code as adopted in the State of Minnesota. If notice to the Borrower of any intended disposition of collateral or of any intended action is required by law in any particular instance, such notice shall be deemed commercially reasonable if given at least ten (10) calendar days prior to the intended disposition or other action. Furthermore, upon the occurrence and during the continuance of an Event of Default (as that term is defined in any of the Loan Documents), Lender shall have the right (but not the obligation), upon written notice to the Authority, to assume all obligations of Borrower under the Development Contract. Nothing herein contained shall be deemed to affect or impair any rights which Lender may have under the Loan Documents.

5. Consent; Representations and Warranties of the Authority. The Authority acknowledges that the Lender is making the Loan to the Borrower and consents to the same. The Authority also consents to and approves the assignment of the Development Contract and TIF Note (when and if issued) by the Borrower to the Lender as collateral for the Loan; provided, however, that this consent shall not deprive the Authority of or otherwise limit any of the Authority's rights or remedies under the Development Contract and TIF Note and shall not relieve the Borrower of any of its obligations under the Development Contract and TIF Note.

The Authority further represents and warrants to the Lender that (a) the Authority has the corporate power and authority to perform its obligations under the Development Contract (and under the TIF Note once issued), (b) the Development Contract (and the TIF Note once issued) are valid agreements enforceable in accordance with their terms, are in full force and effect and have not been amended, modified, altered, cancelled or surrendered, (c) the Authority is not in default under the Development Contract and that all covenants, conditions, agreements and payments have been performed as required therein, except those not to be performed until after the date hereof, and (d) except for this Agreement, the Authority has not received any notice of a sale, transfer, assignment, hypothecation, encumbrance or pledge of the Development Contract or the

TIF Note. To the actual knowledge of the Authority, the Borrower is not in default under the Development Contract.

6. Subordination. The Authority hereby agrees that the rights and remedies of the Authority under the Development Contract hereby are and shall remain at all times completely and unconditionally subject and subordinate to the liens, rights and security interest created by the Mortgage, the Assignment of Rents and the other Loan Documents and to any and all amendments, modifications, extensions, replacements or renewals of the Mortgage, the Assignment of Rents and the other Loan Documents; provided, however, that nothing herein shall be construed as subordinating the requirements contained in the Development Contract that the Project be used in accordance with the provisions of Section 10.3 of the Development Contract, or as subordinating the Authority's rights under the Assessment Agreement (as defined in the Development Contract). Notwithstanding anything herein to the contrary, the Authority shall continue to have the ability to suspend, adjust, or terminate payments on the TIF Note in accordance with its terms if an Event of Default (as defined in the Development Contract) occurs as provided in Section 9.2 of the Development Contract.

7. Approval of Financing. Pursuant to Section 7.1 of the Development Contract, the Authority hereby approves the financing of the Project as contemplated by the Loan Documents.

8. Notice to the Authority. The Lender agrees to use commercially reasonable efforts to provide the Authority with all default notices sent to the Borrower pursuant to the Loan Documents. Failure of the Lender to provide the Authority with a default notice shall not prevent the exercise of the Lender's rights and remedies under the Loan Documents.

9. No Assumption. The Authority acknowledges that the Lender is not a party to the Development Contract, and by executing this Agreement does not become a party to the Development Contract, and specifically does not assume and shall not be bound by any obligations of the Borrower to the Authority under the Development Contract and that the Lender shall incur no obligations whatsoever to the Authority except as expressly provided herein. The TIF Assignment is given only as collateral security, and the Lender shall not be obligated to perform or discharge any obligation or liability of the Borrower under the Development Contract or the TIF Note.

10. Notice from the Authority; Lender Right to Cure and Perform. So long as the Development Contract remains in effect, the Authority agrees to give to the Lender copies of notices of any default or event of default given to the Borrower under the Development Contract. Prior to any termination of the Development Contract and/or the TIF Note, Lender shall have an opportunity to cure such default within a reasonable time. Furthermore, regardless of whether a default or event of default has occurred under the Development Contract, the Authority agrees to accept from Lender any performance tendered under the Development Contract by Lender as if the same were tendered by Borrower; provided however that it is understood and agreed (a) that by tendering performance under any of said agreements, Lender does not assume any of the obligations or duties of Borrower under or with respect to the Development Contract unless Lender expressly assumes the Development Contract in writing as provided in Paragraph 4 above, and (b) Lender shall not be obligated to cure any defaults of Borrower under the Development Contract.

11. Amendments. The Authority hereby represents and warrants to Lender for the purpose of inducing Lender to make advances to Borrower under the Loan Documents that it will not agree to any amendment or modification to the Development Contract or to the TIF Note issued under the Development Contract that materially affects the amount or the collection of Available Tax Increment (as defined in the Development Contract) or that in any way affects the Project without the Lender's written consent.

12. Waiver. This Agreement can be waived, modified, amended, terminated or discharged only explicitly in writing signed by the parties hereto. A waiver by the Lender shall be effective only in a specific instance and for the specific purpose given. Mere delay or failure to act shall not preclude the exercise or enforcement of any of the Lender's rights or remedies hereunder. All rights and remedies of the Lender shall be cumulative and may be exercised singularly or concurrently at the Lender's option, and any and exercise or enforcement of any one such right or remedy shall neither be a condition to nor bar the exercise or enforcement of any other.

13. Headings. The descriptive headings for the several sections of this Agreement are inserted for convenience only and not to confine or limit any of the terms or provisions hereof.

14. Addresses for Notice. Any notice from, request, demand or communication hereunder shall be deemed fully given if delivered or served by depositing the same with the United States Postal Service, postage prepaid, certified or registered, addressed to the parties as set forth below:

If to the Authority: Roseville Economic Development Authority
 Attn: Executive Director
 2660 Civic Center Drive
 Roseville, MN 55113

with a copy to:

Kennedy & Graven
470 U.S. Bank Plaza
200 South 6th Street
Minneapolis, MN 55402
Attn: Martha Ingram, Esq.

If to the Lender: Great Southern Bank
 7685 Zachary Lane
 P.O. Box 2548
 Maple Grove, MN 55369
 Attn: Jeffrey A. Haug

with a copy to:

Leonard, O'Brien, Spencer, Gale & Sayre, Ltd.
100 South Fifth Street, Suite 2400
Minneapolis, MN 55402

Attn: Peter J. Sajevic, III, Esq.

15. Transfer of Title to the Lender. The Authority agrees that in the event the Lender, a transferee of Lender, or a purchaser at foreclosure sale, acquires title to the Project pursuant to a foreclosure, or a deed in lieu thereof, the Lender, transferee, or purchaser shall not be bound by the terms and conditions of the Development Contract except as expressly provided in this Agreement. Further the Authority agrees that in the event the Lender, a transferee of Lender, or a purchaser at foreclosure sale acquires title to the Project pursuant to a foreclosure sale or a deed in lieu thereof, then the Lender, transferee, or purchaser (provided such party has elected to assume the Development Contract pursuant to Paragraph 4 hereof) shall be entitled to all rights conferred upon the Borrower under the Development Contract, provided that no condition of default exists and remains uncured beyond applicable cure periods in the obligations of the Borrower under the Contract. Further, Lender, or a transferee of Lender, shall have the right to treat the Development Contract as prior to the lien of the Loan Documents and may further assign Borrower's rights under the Development Contract to a purchaser of the Project at the foreclosure or to any purchaser from Lender (or its affiliate) following the acquisition of the Project at the foreclosure or to any purchaser from Lender (or its affiliate) following the acquisition of the Project by a deed in lieu of foreclosure, provided that no condition of default exists and remains uncured beyond applicable cure periods in the obligations of the Borrower under the Development Contract.

16. Successors. This Agreement and each and every covenant, agreement and other provision hereof shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns, including any person who acquires title to the Project through the Lender of a foreclosure of either Mortgage.

17. Severability. The enforceability or invalidity of any provision hereof shall not render any other provision or provisions herein contained unenforceable or invalid.

18. Governing Law. This Agreement is made in and shall be construed in accordance with the laws of the State of Minnesota.

19. Counterparts. This Agreement may be executed in any number of counterparts, each of which, when so executed and delivered, shall be an original, but such counterparts shall together constitute one and the same instrument.

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IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

ROSEVILLE ECONOMIC DEVELOPMENT
AUTHORITY

By _____
Dan Roe
Its President

By _____
Patrick Trudgeon
Its Executive Director

STATE OF MINNESOTA)
) ss.
COUNTY OF RAMSEY)

The foregoing instrument was acknowledged before me this ____ day of _____, 2020 by Dan Roe and Patrick Trudgeon, the President and Executive Director, respectively, of the Roseville Economic Development Authority, a public body corporate and politic under the laws of the State of Minnesota, on behalf of such public body.

Notary Public

GREAT SOUTHERN BANK

By: _____
Jeffrey A. Haug
Its: Vice President

STATE OF MINNESOTA)
) ss.
COUNTY OF HENNEPIN)

The foregoing instrument was acknowledged before me this ____ day of _____, 2020, by Jeffrey A. Haug, the vice president of Great Southern Bank, a Missouri State Chartered Trust Company, for and on behalf of the state chartered trust company.

Notary Public

THIS INSTRUMENT DRAFTED BY:
Kennedy & Graven, Chartered (MNI)
200 South Sixth Street, Suite 470
Minneapolis, MN 55402
612-337-9300

EXHIBIT A

Legal Description

Lot 1, Block 1, FAIRVIEW AVENUE ADDITION, according to the recorded plat thereof,
Ramsey County, Minnesota.

ASSIGNMENT, SECURITY AND PLEDGE AGREEMENT

THIS ASSIGNMENT, SECURITY AND PLEDGE AGREEMENT (this "**Agreement**") is made as of this May 27, 2020 by and between **2720 Fairview Group, LLC**, a Delaware limited liability company (referred to herein as "**Debtor**") and **Great Southern Bank**, a Missouri State Chartered Trust Company, its successors and assigns (referred to herein as "**Secured Party**").

RECITALS:

- A. Debtor and Secured Party have agreed that Secured Party shall make a loan (the "**Loan**") to Debtor in the amount of Twenty-Three Million Five Hundred Thousand Dollars (\$23,500,000.00) pursuant to the terms and conditions set forth in a Construction Loan Agreement of even date herewith between Debtor and Secured Party (together with any amendment or modification thereto, the "**Loan Agreement**"), which Loan is evidenced by a Promissory Note of even date herewith in the principal amount of Twenty-Three Million Five Hundred Thousand Dollars (\$23,500,000.00), executed by Debtor and payable to the order of Secured Party (together with any amendment, modification, extension, renewal or replacement thereof, the "**Note**"); and
- B. Pursuant to a Contract for Private Redevelopment dated as of September 16, 2019 between Debtor and the Roseville Economic Development Authority (the "**Authority**"), as amended by First Amendment to Contract for Private Redevelopment dated March 9, 2020 between Debtor and the Authority (together with any amendment or modification thereto, the "**TIF Development Agreement**"), Debtor will receive from the Authority payments of principal and interest (collectively, the "**TIF Payments**") on the Authority's Tax Increment Revenue Note Series 20__ (Fairview Multifamily Project) in the maximum principal amount of \$2,900,000.00, including any replacement notes (the "**TIF Note**") and payments for certain environmental remediation pursuant to one or more grants (collectively, the "**Grant Payments**"), subject to the terms and conditions of the TIF Development Agreement; and
- C. To induce Secured Party to make the Loan, and to secure the payment of the Loan, Secured Party has required an assignment of the TIF Development Agreement and Debtor's right to receive the TIF Payments and Grant Payments and all of its right, title and interest in and to the TIF Development Agreement and the TIF Note.

NOW THEREFORE, for and in consideration of the foregoing premises, and in order to induce Secured Party to extend the Loan to Debtor, and for other good and valuable consideration, the receipt and sufficiency whereof is hereby acknowledged and agreed, the parties hereto agree as follows:

1. **PRESENT PLEDGE AND ASSIGNMENT.** Pursuant to the provisions of the Uniform Commercial Code in effect within the State of Minnesota (the "**UCC**"), as security for the Loan, and to secure payment and performance of Debtor's obligations under the Loan, the Note, the Loan Agreement and the other Loan Documents (as defined in the Loan Agreement), Debtor hereby transfers, assigns and grants to Secured Party a security interest in, pledges and conveys, to Secured Party: (i) all right, title and interest of Debtor in the TIF Note; (ii) all deposits, deposit accounts and the right to receive funds from said deposits and deposit accounts delivered to or held by or on behalf of the Authority in connection with and/or pursuant to the TIF Note, the TIF Development Agreement and/or any other document entered into in connection with the TIF Note or the TIF Development Agreement; (iii) all right, title and interest of Debtor in the TIF Development Agreement; (iv) all right, title and interest of Debtor to receive the TIF Payments and Grant Payments under and/or pursuant to the TIF Development Agreement and/or the TIF Note; and (v) all replacements, substitutions, repairs, and proceeds (the "**Proceeds**") relating to the items set forth in clauses (i)-(iv) (hereinafter referred to as the "**Collateral**"),

and all documents, ledger sheets, and files of Debtor relating to the Collateral. Proceeds include whatever is received by Debtor upon the sale, exchange, or other disposition of any item of Collateral. This Agreement shall constitute a perfected, absolute and present pledge and assignment in connection with which Debtor shall have delivered to Secured Party the Collateral documents endorsed and assigned to Secured Party; provided, however, Secured Party confers on Debtor the right to enforce the terms of the TIF Development Agreement so long as no Event of Default (as defined below) has occurred and is continuing. Upon the occurrence of an Event of Default, Secured Party may, in Secured Party's sole discretion and in addition to any other rights or remedies available to it hereunder or under the other Loan Documents, give notice to the Authority of its intent to enforce the rights of Debtor under the TIF Development Agreement and may initiate or participate in any legal proceedings respecting the enforcement of said rights. Nothing in this Agreement shall give Secured Party a greater right than Debtor to enforce the TIF Development Agreement. Nothing in this Agreement shall be deemed an assignment by Debtor or an assumption by Secured Party of Debtor's obligations, duties, covenants or representations under the TIF Development Agreement. The payments under the TIF Development Agreement and under any TIF Note may be paid directly to Debtor; provided, however, upon the written request of Secured Party or upon occurrence of an Event of Default, Secured Party may, in addition to any other rights or remedies available to it hereunder or under the other Loan Documents, direct the Authority to make all payments under the TIF Development Agreement and any TIF Note directly to Secured Party. If Debtor receives any payments under the TIF Development Agreement or on any TIF Note, Debtor shall immediately remit them to Secured Party. Notwithstanding the foregoing, Secured Party does not assume any obligations under the TIF Development Agreement unless and until Secured Party assumes such obligations in writing signed on behalf of Secured Party.

2. REPRESENTATIONS AND WARRANTIES OF DEBTOR. Debtor represents and warrants that:
- a. Debtor is a Delaware limited liability company and the address of Debtor's office is 1710 West Lake Street, Suite 100, Minneapolis, Minnesota 55408. Debtor has not used any trade name, assumed name, or other name except Debtor's name stated above.
 - b. Debtor is the true and lawful, absolute owner of the Collateral and, except for this security interest, the Collateral is free and clear of any lien, security interest, or encumbrance.
 - c. Debtor has the full right and title to assign and pledge the Collateral; there are no outstanding claims, assignments or pledges thereof; and there are no existing defaults under the Collateral documents on the part of makers thereof.
 - d. Debtor is in compliance with the terms of the TIF Development Agreement.
 - e. As of the date hereof, the Authority has not issued a TIF Note under and pursuant to the TIF Development Agreement or otherwise in favor of Debtor.
 - f. There are no defenses, setoffs or counterclaims against or with regard to any amounts owing to Debtor pursuant to any TIF Note or the TIF Development Agreement or the indebtedness evidenced thereby.
 - g. The TIF Development Agreement has not been amended or modified in any respect and represents the entire agreement of the parties thereto as to all of the subject matters dealt with therein.
 - h. The TIF Development Agreement remains in full force and effect.

- i. Except for the financing statement filed in connection with this security interest, no financing statement covering the Collateral is on file in any public office.
 - j. The funds received by Debtor from the Loan evidenced by the Note will be used to complete the Minimum Improvements (as defined in the TIF Development Agreement).
3. COVENANTS OF DEBTOR. Debtor covenants and agrees that so long as any of the indebtedness evidenced by the Note shall be outstanding and unsatisfied:
- a. Without providing at least thirty (30) days prior written notice to Secured Party, Debtor will not change its name, its place of business or, if more than one, chief executive office, or its mailing address or organizational identification number. Debtor will not change its type of organization, jurisdiction of organization or other legal structure.
 - b. Debtor shall keep the Collateral: (i) free and clear of any lien, security interest or encumbrance, except for this security interest; and (ii) free from all tax liens.
 - c. Debtor shall not amend, alter, cancel, modify or surrender the TIF Note or the TIF Development Agreement without the prior written consent of Secured Party.
 - d. Debtor shall enforce or secure the performance of each and every obligation of the Authority in the TIF Development Agreement and the TIF Note; not borrow against, further pledge or assign any payments due under the TIF Development Agreement or the TIF Note; nor waive, excuse, condone or in any manner release or discharge the Authority from its obligations under the TIF Development Agreement or the TIF Note. Debtor shall provide Secured Party with copies of all notices or certificates sent or received by Debtor under the TIF Development Agreement or the TIF Note.
 - e. Debtor shall maintain and keep accurate records, books and accounts with respect to the Collateral and any money, accounts receivable, and other proceeds of any sale or other disposition, and give to Secured Party upon request, a full and complete accounting with respect to the Collateral and the money, accounts receivable, proceeds and business.
 - f. Debtor shall permit Secured Party, through any representatives it may designate, at all reasonable times upon reasonable advance notice, to enter upon and inspect the Minimum Improvements to be constructed under the TIF Development Agreement.
 - g. Debtor shall join with Secured Party in preparing and filing at the appropriate offices one or more financing statements with regard to the Collateral complying with the UCC, in form satisfactory to Secured Party.
 - h. Debtor shall do any additional acts as Secured Party may reasonably require for the purpose of more completely assuring to Secured Party its rights to the Collateral.
 - i. At any time Debtor receives a notice of default under the TIF Development Agreement or the TIF Note, Debtor shall promptly report such notice of default to Secured Party.
 - j. At any time Debtor receives an updated payment schedule, Debtor shall promptly provide a copy of such schedule to Secured Party.

- k. Debtor shall perform all of its obligations under the TIF Development Agreement with respect to the Minimum Improvements within the timeframes set forth in the TIF Development Agreement, shall fully comply with its obligations under the TIF Development Agreement, shall take any and all such action as is required or needed to cause the Authority to issue the TIF Note and to make the TIF Payments and the Grant Payments, and shall not waive, excuse, condone or in any matter release or discharge the Authority of its obligations under the TIF Development Agreement or any TIF Note.
 - l. At the time the TIF Note is issued, Debtor will execute an updated Allonge Endorsement, in the form attached to this Agreement as Exhibit A, and deliver the original TIF Note and an original executed Allonge Endorsement to Secured Party.
 - m. If Debtor shall at any time hold or acquire any replacement notes (a "New Note") that comprise part of the Collateral, Debtor shall forthwith endorse, assign and deliver the same to Secured Party, accompanied by such instruments of transfer or assignment duly executed in blank as Secured Party may from time to time specify, including an Allonge Endorsement in the form attached to this Agreement as Exhibit A for such New Note.
 - n. Debtor shall procure from the Authority and deliver to Secured Party an updated Consent and Estoppel Certificate in the form attached to this Agreement as Exhibit B at the time the TIF Note is issued.
 - o. Debtor shall take no action to have the assessed market value of the Redevelopment Property together with the improvements constructed thereon reduced in any manner that would result in reduction or suspension of payments on the TIF Note.
 - p. Debtor shall not take any action to terminate the TIF Development Agreement or the TIF Note for any reason whatsoever without first obtaining the express written consent of Secured Party.
4. SECURITY AGREEMENT. This Agreement constitutes a Security Agreement under the UCC and shall be governed by the UCC.
5. PAYMENTS OF THE TIF NOTE. To the extent not directly paid to Secured Party, Debtor agrees that should the Authority at any time pay any amounts due under the TIF Development Agreement or any TIF Note, Debtor will deposit or cause to be deposited with Secured Party the entire amount of such payment to be applied by Secured Party to pay amounts owed on the Note.
6. AUTHORIZATION TO THE AUTHORITY. The Authority is hereby irrevocably authorized and directed to make payments under the TIF Development Agreement and under any TIF Note directly to Secured Party upon the request of Secured Party, to register the TIF Note in the name of Secured Party and to recognize the claims of Secured Party or its assigns without investigating the reason for any action taken or the validity of or the amount of indebtedness owing to Secured Party or its assigns or the existence of any Event of Default and Debtor hereby irrevocably directs and authorizes the Authority to pay exclusively to Secured Party or its assigns from and after the date hereof, all sums due under the TIF Development Agreement and any TIF Note. To the extent such sums are paid to Secured Party or its assigns, Debtor agrees that the Authority shall have no further liability to Debtor for the same. The sole receipt by Secured Party or its assigns of any sum paid by the Authority shall be in discharge and release of that portion of any amount owed by the Authority. The Authority is intended to and shall be a third party beneficiary to the foregoing.

7. EVENTS OF DEFAULT. The occurrence of any of the following events shall constitute an event of default under this Agreement (individually, and, collectively, an "**Event of Default**"):
- a. Any failure by Debtor to fully and completely perform any of the duties or obligations of Debtor under this Agreement or any failure by Debtor to fully and completely observe, satisfy and comply with all terms, covenants and conditions of this Agreement and continuance of such default or breach for a period of fifteen (15) days after written notice thereof to Debtor by Secured Party.
 - b. Any representation or warranty of Debtor contained in this Agreement shall be untrue or misleading in any material respect.
 - c. Failure to pay when due any and all amounts due and owing under the Note beyond any cure period, if any, permitted under the terms of the Loan Agreement.
 - d. Any Event of Default under the TIF Development Agreement or the TIF Note and expiration of any applicable cure period, if any, permitted under the terms of such TIF Development Agreement or TIF Note.
 - e. Any Event of Default under the Loan Agreement, as such term is used therein and expiration of any applicable cure period, if any, permitted under the terms of such Loan Agreement.
8. REMEDIES. Upon the occurrence of an Event of Default under this Agreement:
- a. Secured Party may: (i) at its option, cure the Event of Default if it involves the payment of money (A) for insurance or taxes, assessments or other charges which Debtor has not paid in accordance with this Agreement; or (B) for the satisfaction or discharge of any lien, security interest or encumbrance upon the Collateral, in which event the amount of any payments shall be added to the indebtedness secured by this Agreement, shall be secured, and shall be payable by Debtor to Secured Party on demand; and (ii) at its option, declare the indebtedness secured by this Agreement and evidenced by the Note to be immediately due and payable; and (iii) take possession of the Collateral without judicial process; and (iv) exercise any and all other rights and remedies accorded to it by the UCC. In the event that any notice is required to be given under the UCC, such requirements for reasonable notice shall be satisfied by giving at least ten (10) calendar days' notice prior to the event or thing giving rise to the notice requirement.
 - b. Debtor shall: (i) upon demand by Secured Party, assemble the Collateral and make it available to Secured Party, to which Secured Party shall have exclusive and unlimited access during the period it is exercising its rights and remedies under this Section 8; and (ii) pay to Secured Party on demand the reasonable expenses of Secured Party in retaking the Collateral, holding it, and, where it is to be disposed of, preparing it for sale and selling it, including Secured Party's attorneys' fees and legal expenses incurred in connection with any retaking or sale; and (iii) upon demand by Secured Party (A) assign or endorse to Secured Party all Proceeds and accounts receivable resulting from the sale of any of the Collateral; and (B) deliver to Secured Party all Proceeds received from the sale of any of the Collateral.
 - c. Secured Party may, after providing notice to the Authority if such notice has not already been provided to the Authority, instruct the Authority to make all payments under the TIF Development Agreement and/or the TIF Note to Secured Party and Secured Party shall have the right to apply all such payments under the TIF Development Agreement and/or the TIF Note to the indebtedness evidenced by the Note.

- d. Secured Party may elect to exercise any and all of Debtor's rights and remedies under the TIF Note or the TIF Development Agreement, without any interference or objection from Debtor, and Debtor shall cooperate in causing the Authority to comply with all of the terms and conditions of the TIF Note and the TIF Development Agreement.
 - e. Secured Party may exercise Debtor's rights under the TIF Note, and perform all acts in the same manner and to the same extent as Debtor might do. In connection with any and all of the foregoing powers, and without limiting the same, Secured Party may amend the TIF Note or the TIF Development Agreement (with the consent of the Authority) and make concessions to the Authority.
 - f. Secured Party may exercise Debtor's rights under the provisions of the TIF Development Agreement and perform all acts in the same manner and to the same extent as Debtor might do, solely as they relate to the Land and the Project (as defined in the Loan Agreement).
 - g. Except as evidenced in a written notice signed by Secured Party, no course of dealing between the parties or any delay on the part of Secured Party in exercising any rights shall operate as a waiver of any rights or remedies of Secured Party.
 - h. No remedy conferred upon Secured Party is intended to be exclusive of any other remedy.
9. AUTHORIZATION TO FILE FINANCING STATEMENTS. Debtor hereby irrevocably authorizes Secured Party at any time and from time to time to file in any filing office in any Uniform Commercial Code jurisdiction any initial financing statements and amendments thereto that (a) indicate the Collateral (i) as assets of Debtor or words of similar effect, regardless of whether any particular asset comprised in the Collateral falls within the scope of Article 9 of the UCC, or (ii) as being of an equal or lesser scope or with greater detail, and (b) provide any other information required by part 5 of Article 9 of the UCC, for the sufficiency or filing office acceptance of any financing statement or amendment, including whether Debtor is an organization, the type of organization and any organizational identification number issued to Debtor and. Debtor agrees to furnish any such information to Secured Party promptly upon Secured Party's request.
10. MISCELLANEOUS PROVISIONS.
- a. Notices. Any notices and other communications permitted or required by the provisions of this Agreement (except for telephonic notices expressly permitted) shall be in writing and shall be given in accordance with the terms of the Loan Agreement.
 - b. Additional Instruments. Debtor upon the request of Secured Party shall, at Debtor's expense, execute and deliver all assignments, certificates, financing statements or other documents and give further assurances and do all other acts and things as Secured Party may request to perfect or to realize upon Secured Party's interest in the Collateral or to protect, enforce, or otherwise effect Secured Party's rights and remedies. If Debtor is unable or unwilling to execute any such other assignments, certificates, financing statements or other documents and to file financing statements or other public notices or recordings with the appropriate authorities, as and when reasonably requested by Secured Party, and Debtor authorizes Secured Party to sign and deliver as its true and lawful agent and attorney-in-fact, coupled with an interest, any such assignment, certificate, financing statement or other document and to make any such filing.

- c. Successors and Assigns. All rights of Secured Party shall inure to the benefit of its successors and assigns, and all representations, warranties, covenants and obligations of Debtor shall bind its successors and assigns.
- d. Severability. It is the intent of this Agreement to confer to Secured Party the rights and benefits hereunder to the full extent allowable by law. The unenforceability or invalidity of any provisions hereof shall not render any other provision or provisions herein contained unenforceable or invalid. Any provisions found to be unenforceable shall be severable from this Agreement.
- e. Governing Law and Construction. THIS AGREEMENT, AND ALL MATTERS ARISING FROM THIS AGREEMENT INCLUDING, BUT NOT LIMITED TO, PROVISIONS RELATED TO LOAN CHARGES, ARE GOVERNED BY FEDERAL LAW, AND, TO THE EXTENT NOT PREEMPTED BY FEDERAL LAW, BY THE SUBSTANTIVE LAW OF THE STATE OF MINNESOTA. Whenever possible, each provision of this Agreement and any other statement, instrument or transaction contemplated hereby or relating hereto shall be interpreted in such manner as to be effective and valid under such applicable law, but, if any provision of this Agreement or any other statement, instrument or transaction contemplated hereby or relating hereto shall be held to be prohibited or invalid under such applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement or any other statement, instrument or transaction contemplated hereby or relating hereto.
- f. Consent to Jurisdiction. Debtor submits and consents to personal jurisdiction of the court of the county in which the Minimum Improvements are located, the courts of Ramsey County, Minnesota and the courts of the United States of America sitting in such state or states for the enforcement of this instrument and waive any and all personal rights under the laws of any state or the United States of America to object to jurisdiction or venue in such courts. Litigation may be commenced in such counties or in the United States District Court located in that state or states, at the election of Secured Party. Nothing contained herein shall prevent Secured Party from bringing any action in any other state or jurisdiction against any other person or exercising any rights against any security given to Secured Party or against Debtor personally, or against any property of Debtor, within any other state or jurisdiction. Commencement of any such action or proceeding in any other state or jurisdiction shall not constitute a waiver of consent to jurisdiction of or the submission made by Debtor to personal jurisdiction in any of such courts. In the event an action is commenced in another jurisdiction or venue under any tort or contract theory arising directly or indirectly from the relationship created by this Agreement, Secured Party, at its option, shall be entitled to have the case transferred to one of the jurisdictions and venues above described or any other jurisdiction, or if such transfer cannot be accomplished under applicable law, to have such case dismissed without prejudice.
- g. WAIVER OF JURY TRIAL. DEBTOR HEREBY ACKNOWLEDGES THAT THE TIME AND EXPENSE REQUIRED FOR TRIAL BY JURY OF ANY CONTROVERSY RELATED IN ANY WAY TO THIS AGREEMENT WOULD EXCEED THE TIME AND EXPENSE REQUIRED FOR A BENCH TRIAL, THEREFORE, EACH OF DEBTOR AND SECURED PARTY HEREBY WAIVE, TO THE FULLEST EXTENT PERMITTED BY LAW, TRIAL BY JURY AND WAIVE ANY BOND OR SURETY OR SECURITY UPON SUCH BOND WHICH MIGHT, BUT FOR THIS WAIVER, BE REQUIRED OF EITHER PARTY.
- h. TERMINATION. If not sooner terminated by the written agreement of Debtor and Secured Party, this Agreement shall terminate upon the indefeasible payment in full of the Loan and all

indebtedness incurred in connection therewith and Secured Party shall immediately deliver the TIF Note and an allonge endorsement of the TIF Note to, or at the direction of, Debtor and simultaneously provide a copy thereof to the Authority. The Authority is intended to be and shall be a third party beneficiary of this Section 10.h.

[Remainder of this page intentionally left blank]

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed on the date first above written.

Debtor:

2720 Fairview Group, LLC
(A Delaware limited liability company)

By: 2720 Fairview Partners, LLC
(A Minnesota limited liability company)

Its: Manager

By: _____

Nicholas J. Walton

Its: Manager

STATE OF MINNESOTA)
) ss.
COUNTY OF HENNEPIN)

The foregoing instrument was acknowledged before me this May ___, 2020, by Nicholas J. Walton, the manager of 2720 Fairview Partners, LLC, a Minnesota limited liability company, the manager of **2720 Fairview Group, LLC**, a Delaware limited liability company, on behalf of the limited liability companies.

Notary Public

[Signature page 1 of 2 to Assignment, Security and Pledge Agreement]

Secured Party:

Great Southern Bank
(A Missouri State Chartered Trust Company)

By: _____
Jeffrey A. Haug
Its: Vice President

STATE OF MINNESOTA)
) ss.
COUNTY OF HENNEPIN)

The foregoing instrument was acknowledged before me this May ___, 2020 by **Jeffrey A. Haug**, the Vice President of **Great Southern Bank**, a Missouri State Chartered Trust Company, on behalf of the trust company.

Notary Public

[Signature page 2 of 2 to Assignment, Security and Pledge Agreement]

EXHIBIT A

**ALLONGE ENDORSEMENT TO
UNITED STATES OF AMERICA
STATE OF MINNESOTA
COUNTY OF RAMSEY
ROSEVILLE ECONOMIC DEVELOPMENT AUTHORITY**

**TAX INCREMENT REVENUE NOTE
SERIES 20__ (FAIRVIEW MULTIFAMILY PROJECT)**

FOR VALUE RECEIVED, 2720 FAIRVIEW GROUP, LLC, a Delaware limited liability company, endorses, assigns and transfers with recourse to GREAT SOUTHERN BANK, a Missouri State Chartered Trust Company, its successors and assigns, all right, title and interest in and to the following described TIF Note to be issued by the Roseville Economic Development Authority:

Roseville Economic Development Authority, Tax Increment Revenue Note Series 20__ (Fairview Multifamily Project), in the original principal amount of \$_____ executed by the Roseville Economic Development Authority, as maker, to 2720 FAIRVIEW GROUP, LLC, a Delaware limited liability company, as holder.

Dated this ____ day of _____, 2020.

THIS ALLONGE IS TO BE AFFIXED
TO THE NOTE DESCRIBED ABOVE

2720 Fairview Group, LLC
(A Delaware limited liability company)

By: 2720 Fairview Partners, LLC
(A Minnesota limited liability company)
Its: Manager

By: _____
Nicholas J. Walton
Its: Manager

EXHIBIT B**CONSENT AND ESTOPPEL CERTIFICATE**

THIS CONSENT AND ESTOPPEL CERTIFICATE (this "**Estoppel Certificate**"), is dated as of _____, 2020, and is from the ROSEVILLE ECONOMIC DEVELOPMENT AUTHORITY, a body corporate and politic organized and existing under the laws of the State of Minnesota (the "**Authority**"), to GREAT SOUTHERN BANK, a Missouri State Chartered Trust Company, its successors and assigns (the "**Secured Party**"). The Authority hereby agrees with Secured Party as follows:

1. Unless the context otherwise indicates, capitalized terms not otherwise defined herein shall have the definitions given such terms in that certain Contract for Private Redevelopment dated as of September 16, 2019 between 2720 FAIRVIEW GROUP, LLC, a Delaware limited liability company (the "**Debtor**") and the Authority, as amended by First Amendment to Contract for Private Redevelopment dated March 9, 2020 between Debtor and the Authority (as so amended, the "**TIF Development Agreement**"). The Authority acknowledges that, in exchange for developing the Project, Debtor will receive from the Authority, among other things, payments for certain environmental remediation pursuant to one or more grants under and pursuant to the TIF Development Agreement (the "Grant Payments") and that certain Tax Increment Revenue Note Series 20__ (Fairview Multifamily Project) in the maximum principal amount of up to \$2,900,000.00 (the "**TIF Note**"), to be dated when the requirements for issuance of the TIF Note in the TIF Development Agreement have been satisfied.

2. The Authority understands that Secured Party is making a construction loan to Debtor in the principal amount of \$23,500,000.00 (the "**Loan**"), which Loan is to be secured by, among other things, an Assignment, Security and Pledge Agreement, dated May 27, 2020 between Debtor and Secured Party (the "**TIF Assignment**"). Pursuant to the TIF Assignment, Debtor granted to Secured Party a security interest in, among other things: (i) all right, title and interest of Debtor in the TIF Note; (ii) all right, title and interest of Debtor in the TIF Development Agreement; and (iii) all right, title, and interest of Debtor to receive payments of principal and interest under the TIF Note and Grant Payments under and/or pursuant to the TIF Development Agreement and/or the TIF Note. Debtor has also, under the TIF Assignment, assigned to Secured Party its right to receive payments under the TIF Note and its right to receive Grant Payments.

3. The Authority understands that Secured Party has required this Consent and Estoppel Certificate as a condition of making the Loan and that Secured Party will rely on this Consent and Estoppel Certificate in connection therewith.

4. The Authority covenants, represents, and warrants to and agrees with Secured Party as follows:

a. That Debtor is in compliance with all of the terms of the TIF Development Agreement.

b. That there are no defenses, setoffs or counterclaims against or with regard to amounts owing to Debtor pursuant to the TIF Note or the TIF Development Agreement or the indebtedness evidenced thereby. The TIF Note has not been amended, and the TIF Development Agreement has not been amended or modified in any respect and represents the entire agreement of the parties as to all of the subject matters dealt with therein.

c. That the TIF Note and rights to receive Grant Payments and any other payments under the TIF Development Agreement have been assigned by Debtor to Secured Party.

d. That, upon notice from Secured Party, the Authority will tender all payments due under the TIF Note and the TIF Development Agreement (including, without limitation, Grant Payments), and

any optional prepayments, either in whole or in part, to Secured Party at the address set forth in Section 5 below or to such other address as may be designated by Secured Party in writing to the Authority.

e. That the Authority hereby consents to the execution by Debtor and delivery to Secured Party of the TIF Assignment, and to the liens and security interests created therein, as security for the Loan.

f. That a transfer of the Redevelopment Property or the Minimum Improvements by foreclosure or deed in lieu of foreclosure will not require prior Authority approval under the TIF Development Agreement and that any such foreclosure or deed in lieu of foreclosure will not terminate or suspend the Authority's obligations under the TIF Note; provided that any transfer from Secured Party or Secured Party's nominee to a third party purchaser will be subject to the Authority's approval as set forth in Section 8.2 of the TIF Development Agreement.

g. The Authority approves the Loan in accordance with Section 7.1 of the TIF Development Agreement.

h. The Authority has approved the Construction Plans for the Minimum Improvements in accordance with Article IV of the TIF Development Agreement.

i. The Authority approves Greco Properties, LLC, a Minnesota limited liability company, as the property management company for the Redevelopment Property and the Minimum Improvements.

j. Walton Holdings has entered into a Memorandum of Understanding with the City of Roseville, Minnesota (which Memorandum has been assigned by Walton Holdings to Debtor) in satisfaction of the requirements set forth in Section 4.6 of the TIF Development Agreement.

k. Secured Party is a Holder of a Mortgage as such terms are used in the TIF Development Agreement.

l. In the event that Secured Party exercises its remedies under the TIF Assignment, upon request by Secured Party, the Authority will either (i) issue a new fully registered note to Secured Party or its nominee or (ii) evidence the transfer of the TIF Note to Secured Party or its nominee on the registration records for the TIF Note maintained by the Authority.

5. Until the termination of the TIF Assignment, the Authority agrees to give Secured Party a copy of (i) each notice or demand given to Debtor with respect to any breach or default by Debtor in its obligations under the TIF Development Agreement at the same time such notice, demand or other communication is given to Debtor under the TIF Development Agreement, addressed to Secured Party and (ii) upon request by Secured Party, a copy of the current TIF Note payment computations, in each case, as follows:

Great Southern Bank
7685 Zachary Lane
PO Box 2548
Maple Grove, Minnesota 55369
Attention: Jeffrey A. Haug

6. The Authority agrees to accept the cure by Secured Party of any default by Debtor under the TIF Development Agreement within the cure periods provided in the TIF Development Agreement, but acknowledges that Secured Party shall be under no obligation to cure any such default. No commencement of

any performance by Secured Party or any obligation of Debtor required under the TIF Development Agreement shall obligate Secured Party to continue or complete such performance or otherwise perform any of Debtor's obligations under the TIF Development Agreement.

7. The Authority agrees to provide Secured Party with notice of any modifications or amendments to be made to the TIF Development Agreement that materially affect the amount or the collection of Available Tax Increment (as defined in the TIF Development Agreement) and the right to consent to such modifications or amendments.

[Remainder of this page intentionally left blank.]

IN WITNESS WHEREOF, the undersigned officers of the Authority have executed this Consent and Estoppel Certificate as of the date and year first written above.

ROSEVILLE ECONOMIC DEVELOPMENT AUTHORITY, a public body corporate and politic and political subdivision of the State of Minnesota

By: _____
Dan Roe
Its President

By: _____
Patrick Trudgeon
Its Executive Director

STATE OF MINNESOTA)
) ss.
COUNTY OF RAMSEY)

The foregoing instrument was acknowledged before me this ____ day of _____, 2020 by Dan Roe and Patrick Trudgeon, 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 Roseville Economic Development Authority.

(Notarial Seal)

Notary Public

**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 (the "Board") of the Roseville Economic Development Authority ("REDA") was duly held on the 8th day of June, 2020, immediately preceding the meeting of the City Council of the City of Roseville.

The following members were present:

and the following were absent: .

Member introduced the following resolution and moved its adoption:

RESOLUTION No. __

**RESOLUTION APPROVING SUBORDINATION OF
DEVELOPMENT CONTRACT BETWEEN THE
ROSEVILLE ECONOMIC DEVELOPMENT
AUTHORITY AND GREAT SOUTHERN BANK**

WHEREAS, the Roseville Economic Development Authority ("REDA") is currently administering its Development District No. 1 ("Project") pursuant to Minnesota Statutes, Sections 469.090 to 469.1081 and 469.001 to 469.047, and within the Project has established Tax Increment Financing District No. 22 (the "TIF District"); and

WHEREAS, REDA and 2720 Fairview Group, LLC (the "Redeveloper") entered into a Contract for Private Redevelopment dated as of September 16, 2019 (the "Contract"), regarding redevelopment of the property within the TIF District by means of the construction of a multifamily rental housing facility, along with associated parking facilities (the "Minimum Improvements"); and

WHEREAS, in order to receive construction financing for the Minimum Improvements, the Redeveloper's mortgage lender, Great Southern Bank (the "Lender") requires a collateral assignment of the Contract and TIF Note (when and if issued pursuant to the Contract) by the Redeveloper to the Lender (the "Assignment") and a subordination of REDA's rights under the Contract to the Lender with respect to the Minimum Improvements, as set forth in the subordination agreement presented to REDA for review and approval (the "Subordination"); and

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WHEREAS, Section 7.3 of the Contract provides for subordination of REDA’s rights under the Contract, so long as such subordination contains such reasonable terms and conditions as are mutually agreed by REDA and Lender in writing; and

WHEREAS, REDA’s Board of Commissioners and legal counsel have reviewed the Assignment and the Subordination and find that the approval and execution of the Subordination and of the consent and estoppel attached to the Assignment (the “Consent”) are in the best interest of the City and its residents.

NOW, THEREFORE, BE IT RESOLVED, that the Subordination as presented to the Board is hereby in all respects approved, subject to modifications that do not alter the substance of the transaction and that are approved by the President and Executive Director, provided that execution of the Subordination by such officials shall be conclusive evidence of approval.

BE IT FURTHER RESOLVED that the President and Executive Director are hereby authorized to execute on behalf of REDA the Subordination and any other documents requiring execution by REDA, including without limitation the Consent, in order to carry out the transaction described in the Subordination.

BE IT FURTHER RESOLVED that REDA staff and consultants are authorized to take any actions necessary to carry out the intent of this resolution.

The motion for the adoption of the foregoing resolution was duly seconded by Member

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

and the following voted against the same:

WHEREUPON said resolution was declared duly passed and adopted.

Certificate

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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 regular meeting thereof on June 8, 2020.

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 June, 2020.

Patrick Trudgeon, Executive Director
Roseville Economic Development
Authority