

EDA Members:
Dan Roe,
President
Wayne Groff,
Vice President
Robert
Willmus,
Treasurer
Jason Etten
Julie Strahan



**Economic Development Authority
Meeting Agenda
Monday, January 24, 2022
6:00pm**

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

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

Address:
2660 Civic Center Dr.
Roseville, MN 55113

Phone:
651 - 792 - 7000

Website:
www.growroseville.com

1. 6:00 P.M. Roll Call
Voting & Seating Order: Strahan, Groff, Willmus, Etten, and Roe
2. 6:02 P.M. Pledge Of Allegiance
3. 6:03 P.M. Approve Agenda
4. 6:04 P.M. Public Comment
5. Recognitions
 - 5.A. Farewell To Martha Ingram And Introduction Of Gina Fiorini From Kenney & Graven
6. Business Items (Action Items)
 - 6.A. 6:10 PM Election Of Officers
Documents:
[6A REPORT AND ATTACHMENTS.PDF](#)
 - 6.B. 6:15 PM Receive Update On Choose Roseville Campaign
Documents:
[6B REPORT AND ATTACHMENTS.PDF](#)

- 6.C. 6:40 PM Consider Amendments To The Land Trust Program Guidelines & Adopt A Resolution Of Support To Apply For Ramsey County Funding

Documents:

[6C REPORT AND ATTACHMENTS.PDF](#)

- 6.D. 6:50 PM Authorize Resolution To Acquire 939 County Road B2 West As A Ramsey County Tax Forfeiture Property

Documents:

[6D REPORT AND ATTACHMENTS.PDF](#)

- 6.E. 6:55 PM Adopt A Resolution Ratifying Approval Of Loan Programs Administered By CEE And Authorizing Execution Of Loan Documents In Connect With Said Programs

Documents:

[6E REPORT AND ATTACHMENTS.PDF](#)

7. 7:00 P.M. Adjourn To City Council



REQUEST FOR ECONOMIC DEVELOPMENT AUTHORITY ACTION

Date: 1/24/2022
Item No.: 6.a

Department Approval

Janice Gundlach

Executive Director Approval

Patrick Trudgeon

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

1 **BACKGROUND**

2 Minnesota State Statute 469.096, Subdivision 2 requires an Economic Development
3 Authority to elect a President, a Vice President, a Treasurer, Secretary and an Assistant
4 Treasurer at an annual meeting. The Roseville Economic Development Authority bylaws
5 designate that the office of Secretary be held by the Executive Director, who may delegate
6 duties to other City staff as needed, and the Assistant Treasurer be held by the City's
7 Finance Director. A Commissioner may not serve as President and Vice President at the
8 same time, but the other offices may be held by the same Commissioner. The offices of
9 President, Vice President and Treasurer must be held by a Commissioner. The officers
10 elected in 2021 were:

- 11
- 12 President – Member Dan Roe
- 13 Vice President – Member Wayne Groff
- 14 Treasurer – Member Bob Willmus
- 15 Secretary – Patrick Trudgeon
- 16 Assistant Treasurer – City Finance Director, Michelle Pietrick

17

18 **POLICY OBJECTIVE**

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

20

21 **STAFF RECOMMENDATION**

22 Commissioners should elect the following officer positions per Minnesota State Statute
23 469.096, Subdivision 2:

- 24 President -
- 25 Vice President -
- 26 Treasurer –

27 The following positions are dictated by the REDA bylaws and are as follows:

- 28 Secretary – Executive Director, Patrick Trudgeon
- 29 Assistant Treasurer – City Finance Director, Michelle Pietrick

30 **REQUESTED REDA BOARD ACTION**

31 Motion to elect a President, Vice President, Treasurer, of the Roseville Economic
32 Development Authority.

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

Attachment A: REDA By-laws

BYLAWS OF THE
ECONOMIC DEVELOPMENT AUTHORITY

ARTICLE I - THE AUTHORITY

Section 1. Name of Authority. The name of the Authority shall be the “Roseville Economic Development Authority.”

Section 2. Office of Authority. The office of the Authority shall be at the City Hall in the City of Roseville, State of Minnesota, but the Authority may hold its meetings at such other place or places as it may designate by resolution.

Section 3. Seal of Authority. The seal of the Authority shall be in the form of a circle and shall bear the name of the Authority and the year of its organization.

Section 4. Establishment. The Roseville Economic Development Authority is established pursuant to Minnesota Statutes, Section 469.090 to 469.1081, as amended (the “Act”), as memorialized in the City of Roseville Resolution Enabling the Creation of the Roseville Economic Development Authority dated November 30, 2015 and as it may be amended (the “Enabling Resolution”). The provisions of these Bylaws are intended to be consistent with the terms of the Act and Enabling Resolution, and in the case of any actual or apparent conflict, the terms of the Act and Enabling Resolution shall control.

ARTICLE II - THE COMMISSIONERS

Section 1. Appointment, Terms, Vacancies, Pay, and Removal. Shall be in accordance with the Enabling Resolution.

ARTICLE III - THE OFFICERS

Section 1. Officers. The Authority shall elect a president, a vice president, a treasurer, a secretary, and an assistant treasurer at the annual meeting. A commissioner must not serve as president and vice president at the same time. The other offices may be held by the same commissioner. The offices of secretary and assistant treasurer need not be held by a commissioner.

Section 2. President. The President shall preside at all meetings of the Authority. Except as otherwise authorized by resolution of the Board of Commissioners, the President and the Executive Director (the Assistant Treasurer, in the Executive Director’s absence or incapacity) shall sign all contracts, deeds, and other instruments made or executed by the Authority, except that all checks of the Authority shall be signed by the President and Assistant Treasurer. At each meeting the President shall submit such recommendations and information as he or she may consider proper concerning the business, affairs, and policies of the Authority.

Section 3. Vice President. The Vice President shall perform the duties of the

President in the absence or incapacity of the President, including signing all contracts, deeds, and other instruments executed by the Authority; and in the case of the resignation or death of the President, the Vice President shall perform such duties as are imposed on the President until such time as the Board shall select a new President.

Section 4. Secretary. The Secretary shall keep minutes of all meetings of the Board and shall maintain all records of the Authority. The office of Secretary shall be held by the Executive Director, who may delegate duties to other City staff as required.

Section 5. Treasurer's Duties. The Treasurer:

- (1) shall receive and is responsible for Authority money;
- (2) is responsible for the acts of the Assistant Treasurer;
- (3) shall disburse Authority money by any Authority-approved method, including without limitation check, wire transfer, or credit card;
- (4) shall keep an account of the source of all receipts and the nature, purpose, and authority of all disbursements;
- (5) shall file the Authority's detailed financial statement with its Secretary at least once a year at times set by the Authority; and
- (6) shall prepare and submit an annual report describing the Authority's activities and providing an accurate statement of its financial condition to the City of Roseville.

All duties of the Treasurer shall be performed in accordance with the Enabling Resolution and the provisions of Section 469.100 of the Act.

Section 6. Assistant Treasurer. The Assistant Treasurer has the powers and duties of the treasurer if the treasurer is absent or incapacitated. The City Finance Director shall be designated as Assistant Treasurer of the Authority.

Section 7. Public Money. Authority money is public money.

ARTICLE IV - EXECUTIVE DIRECTOR

As provided in the Enabling Resolution, the City Manager shall be designated as Executive Director of the Authority.

Section 1. Duties. The Executive Director shall have general supervision over the administration of the Authority's business and affairs subject to the direction of the Authority. The Executive Director in his or her own name and title shall keep the records of the Authority, shall act as recorder of the meetings of the Authority and record all votes, and shall keep record

of the proceedings of the Authority in a journal of proceedings to be kept for such purpose, and shall perform all duties incident to the office. Except as otherwise authorized by resolution of the Board of Commissioners, the Executive Director shall, with the President, sign all contracts, deeds, and other instruments executed by the Authority. The Executive Director shall keep in sole custody the seal of the Authority and shall have power to affix such seal to all contracts and instruments authorized to be executed by the Authority.

Any person appointed to fill the office of Executive Director, or any vacancy herein, shall have such terms as the Authority fixes, but no commissioner of the Authority shall be eligible to serve as the Executive Director.

ARTICLE V - MEETINGS

Section 1. Regular Meetings. Regular meetings shall be held pursuant to the calendar of meetings set by the Authority at its final meeting of the year preceding each such calendar.

Section 2. Annual Meeting. The annual meeting of the Authority shall be held at the regular meeting place of the Authority on the date of the first regular meeting of the Authority, pursuant to the calendar established as described in Section 1.

Section 3. Special Meetings. Special meetings of the Authority may be called by the President, two members of the Authority, or the Executive Director for the purpose of transacting any business designated in the call. All commissioners of the Authority shall be notified.

Section 4. Quorum. At any meeting of the Authority, the presence of three commissioners shall constitute a quorum. If a quorum is not present at any meeting, those present shall have power to adjourn the meeting from time to time without notice other than announcement at such meeting until the requisite number of votes shall be present to constitute a quorum. At any such adjourned meeting at which a quorum is present, any business may be transacted which might have been transacted at the meeting as originally called. Any resolution, election, or other formal action of the Authority shall be adopted upon the affirmative vote of a majority of the Authority membership.

Section 5. Rules of Procedure. Unless otherwise specified in the Enabling Resolution or in these bylaws, all meetings of the Authority shall be conducted in accordance with Rosenberg's Rules of Order.

Section 6. Manner of Voting. The voting on all questions coming before the Authority shall be voice unless the President calls for a roll call vote. The yeas and nays shall be entered upon the minutes of such meetings.

ARTICLE VI - EMPLOYEES; SERVICES; SUPPLIES

Section 1. Employees. Subject to limits set by the appropriations or other funds made available, the Authority may employ such staff, technicians, and experts as may be deemed proper and may incur such other expenses as may be necessary and proper for the conduct of its

affairs.

Section 2. Contract for Services. The Authority may contract for services of consultants, agents, public accountants, and other persons needed to perform its duties and exercise its powers.

Section 3. Legal Services. The Authority may use the services of the city attorney or hire a general counsel for its legal needs. The city attorney or general counsel, as determined by the Authority, is its chief legal advisor.

Section 4. Supplies. The Authority may purchase the supplies and materials it needs to carry out its function pursuant to Minnesota Statutes, Sections 469.090 to 469.1081.

Section 5. City Purchasing. The Authority may use the facilities of its city's purchasing department in connection with construction work and to purchase equipment, supplies, or materials.

Section 6. City Facilities, Services. The City may furnish offices, structures and space, and stenographic, clerical, engineering, or other assistance to the Authority.

Section 7. Delegation Power. The Authority may delegate to one or more of its agents or employees powers or duties as it may deem proper.

ARTICLE VII - POWERS

Section 1. Functions, Powers, and Duties. Shall be in accordance with the Enabling Resolution.

Section 2. Limitations of Power. Shall be in accordance with the Enabling Resolution.

ARTICLE VIII - AMENDMENTS

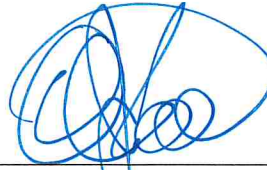
Section 1. Amendment to Bylaws. The bylaws of the Authority shall be amended by a majority vote of the Authority membership at a regular or special meeting. The amendments must be in written form.

Section 2. Conflicts. In any instance where these bylaws are in conflict with the Enabling Resolution, the Enabling Resolution shall control.

Section 3. Effective Date. These bylaws are effective upon their adoption by the Authority.


Dated: January 9, 2017.

Signed:

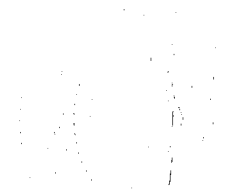


President

(Seal)



Executive Director





REQUEST FOR ECONOMIC DEVELOPMENT AUTHORITY ACTION

Date: 1/24/2022
Item No.: 6.b

Department Approval

Executive Director Approval

Janice Gundlach

Patricia Trueman

Item Description: Receive update on Choose Roseville campaign

BACKGROUND

On June 7, 2021 the Roseville Economic Development Authority (REDA) authorized working with Golden Shovel to provide small business support through a Choose Roseville marketing campaign. An update on the marketing campaign is provided as Attachment A. Golden Shovel representatives Darren Varley and Bethany Quinn, as well as REDA intern Ruben Dominguez, will provide an overview of the report and outcomes to date, which include:

- Brand creation and recognition
- 19 small businesses received social media coaching and digital support
- 10 of 19 business assisted are minority owned
- 4 businesses have utilized job posting support
- 16 weeks of e-newsletter promotion of small businesses
- 5 small business promotional videos
- Publication of 2 small business success stories
- 1,435 google ad clicks and 137,741 impressions
- 166 Twitter views
- 659 TikTok views
- 34,000 views on NextDoor
- 2,500 visits to the Choose Roseville microsite

BUDGET IMPLICATIONS

The Choose Roseville campaign consists of a not-to-exceed budget of \$150,000, with all costs being paid for with American Rescue Plan (ARP) funds.

STAFF RECOMMENDATION

Receive report on the Choose Roseville campaign.

REQUESTED REDA BOARD ACTION

Receive report on the Choose Roseville campaign.

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

Attachments: A: Local Roseville Campaign Report

ROSEVILLE, MN **CHOOSE** **LOCAL** CAMPAIGN

CITY OF ROSEVILLE, MN ECONOMIC DEVELOPMENT AUTHORITY



CAMPAIGN UPDATE • JANUARY 2022



A Shop Small/Choose Local campaign can spur economic activity and support jobs. Every ten jobs at a small business supports an additional seven jobs within the community. According to the *Small Business Economic Impact Study* from American Express, each dollar spent at a small business creates an additional 50 cents in local business activity - making a Shop Small/Choose Local campaign a valuable use of federal funding and other grants designed to support local businesses and grow the economy.

EXECUTIVE SUMMARY

Roseville's City Council has made a commitment to support local small businesses, and in particular, BIPOC (Black, Indigenous, and People of Color) business owners, through the launch of the **Choose Roseville** campaign. The **Choose Roseville** campaign kicked into high gear in September of 2021 with the completion of campaign branding and the development of a campaign website (microsite). Branding activities included the creation of a brand logo, business cards, and promotional materials that could be left with local business owners. Ruben Dominguez and Gogee Yang have left these materials with small business owners and managers when making in-person business visits. With the branding, website and marketing materials complete, the Golden Shovel (GSA) team was able to direct efforts towards education, engagement and promotion.

September and October were heavily focused on educating the public about the campaign, what it entails and the services that are available to small businesses. The GSA team prepared presentation materials and a slide deck that was used during a live webinar on September 20, that was also recorded, and at an in-person presentation to the Roseville Business Council on September 22. To promote these education events we reached out to local chambers and business leaders, invited them to attend the webinar and followed up with a recorded copy afterwards. We also heavily promoted the webinar through social media by making regular posts in LinkedIn groups and on Facebook, along with sending direct messages to community and business leaders.

In addition, Dominguez and Yang continued to make in-person business visits, with a particular focus on minority owned businesses. These visits informed business owners of the services and support available through the **Choose Roseville** campaign and opened the door to discussing if businesses needed any additional support from the city or local partners. During site visits it became clear that businesses had questions regarding COVID-19 related assistance and various support programs. A connection was made between Noah Her from *Open to Business* and Yang which has resulted in an ongoing relationship and her referring businesses for additional support.



EXECUTIVE SUMMARY

The **Choose Roseville** campaign was taken to the next level in October and November with the creation of video features by Nine North. Ruben Dominguez with the city, and Gogee Yang - Social Media Coach, worked to identify Roseville small businesses who would make for ideal participants. A pre-production survey was created by GSA and Darren Varley, VP of Client Services for Golden Shovel, coordinated the video shoots with Nine North. He was also on site for filming and participating in the editing and branding of the videos. **The featured businesses are Designing Smiles, Adam's Soul To-Go, HiddenMN, Illuminate, and Mr. Zero's.** These small businesses showcase the diversity of Roseville's industries, representing the medical field, restaurant, retail, professional services and entertainment industries respectively. They are also representative of the diversity of Roseville's business owners with Designing Smiles and HiddenMN being owned by BIPOC members of the community. Since production, the videos have been promoted on the campaign websites and through social media channels.

By the end of October all of Roseville's qualifying minority owned businesses had been reached through in person visits and social media. By the end of the month HiddenMN, Hollywood Nails, URBAN Traveler, Chuchao Liquor, Windtinder, Adam's Soul To-Go, Designing Smiles, Isight Eye Care, Northeast Contemporary Services and Frontier Living were receiving social media support from Yang. To further the campaign outreach, a digital ad campaign was launched. This included the creation of a campaign landing page. Google ads with local targeting directed small business owners in need of marketing or hiring support to the landing page where they could fill out a form and then be contacted by Yang.



EXECUTIVE SUMMARY

Since the campaign launch in September, GSA has run a progressive social media campaign to reach as many small businesses and Roseville residents as possible. This includes creating **Choose Roseville** profiles on LinkedIn, NextDoor, TikTok, Twitter, YouTube, Instagram, and posting on the EDA's Facebook page. Social media graphics, videos, and posts have been created and shared on a consistent basis. In addition, these platforms have been used by GSA's team for direct outreach to community stakeholders and influencers, in addition to reaching out to small business owners through their social media profiles.

The result of these combined efforts include 19 Roseville small businesses signing up for social media coaching and job posting support. These activities include featuring them in the City's newsletter, posting their open jobs on the County's website, setting up and refining their social media profiles, creating and publishing social media posts on their behalf, creating strategic marketing plans for the businesses at their request, and running ads at no cost to the business.

An ancillary benefit of the campaign is that over 155 Roseville small business owners have received multiple touches from GSA and the City, demonstrating the Council's commitment to the community and willingness to support small business owners. For many of the minority owned businesses, this was the first substantial contact they had ever had with the City. One unforeseen challenge was conveying that the City's support was genuinely free, and without a 'catch'. Knowing this, it is likely that repeat outreach to minority owned businesses during 2022 will produce increased engagement through the cultivation of relationships.

In December, we closed the year by doubling down on our efforts to remind residents to "**Choose Roseville**" and shop small for the holidays by featuring all of the social media coaching clients and making daily social media posts.

We look forward to continuing to help small businesses grow in Roseville by reminding residents to Choose Roseville for all of their needs. Thank you for the opportunity to do so.



**OVER
143
HAVE RECEIVED
MULTIPLE TOUCHES**

“WHAT WE DIDN'T KNOW” (UNFORESEEN OBSTACLES)



Ruben Dominguez

**Economic Development Intern
Roseville EDA**

I came into this role with a very optimistic outlook, excited to be part of a campaign to support small businesses and BIPOC business owners. When the Roseville Economic Development Team explained to me the premise of what the campaign was and how it would benefit them, I was sure that people would be ecstatic to take advantage of the free services being offered.

Who wouldn't appreciate free help posting open jobs and marketing their business? Especially online since this is a skill that is hard to learn and fully comprehend how robust it can be. With this perception, I began reaching out and connecting with the local business owners, with a focus on BIPOC community members. To my surprise, there was a lot of hesitancy. Community members' initial interest in the program would slowly dwindle down to the eventual "thank you, I'll think about it". What I came to understand later on, particularly thanks to China Restaurant, was that the BIPOC community has a massive distrust in government. People expected there to be some kind of catch and were worried that we would request some form of compensation at the end of the campaign.

“People expected there to be some kind of catch and were worried that we would request some form of compensation at the end of the campaign.”

“WHAT WE DIDN'T KNOW” (UNFORESEEN OBSTACLES)

This new understanding changed how I conduct outreach. I realized it would take more time to earn the trust of the BIPOC and small business community. Now, I first work to ease their worries by overemphasizing that it won't cost them anything to participate in the **Choose Roseville** campaign. I then explain to them how the program will benefit them. After the initial point of contact, what would follow would be a series of follow-ups to demonstrate that they matter to us (the City). These follow-ups create an opportunity to build a personal connection with business owners. During these additional meetings, I was able to show the webpage for the Choose Roseville campaign and videos that were created for other businesses. This helped to support what the Roseville Economic Development Authority was doing to help local businesses grow and recover from setbacks caused by the pandemic. Then, they were more likely to sign up to participate in the program.

In summary, this campaign was not merely centered around offering the program but rather proving a genuine interest and care for every owner in Roseville which only comes as a result of constant conversations.





“In early November 2021 Gogee, contacted me (RL Schwinden) about filming a video for my business Mr. Zer0’s. I have participated in three such things in the past, so I was all for it, especially since covid had such a devastating effect on my local business. A week or two later the film crew showed up, we did a quick run through and we began filming...the whole crew was great. Having done this before, it is a great vehicle for local business.

I am excited, I can tell you we have gotten some new customers in, from your postings !”

RL Schwinden

Owner of Mr. Zer0’s

Roseville, MN ▪ Since 2009



**"Everyone was great to work with and
made the process seamless for us!"**

Trish • Hidden MN



“Northeast Contemporary Services, Inc. (NCSI) is very grateful to the City of Roseville Economic Development Authority for starting the Choose Roseville campaign. NCSI decided to participate in the campaign in order to support, and become a stronger member of our community. As an organization that has suffered financial impact from the pandemic, we welcomed the marketing support. The disability field is facing an unprecedented workforce crisis; thanks to the campaign, NCSI is able to promote our job openings to residents free of charge. As a very small nonprofit, NCSI doesn’t have the resources or expertise to develop a social media presence; in working with Gogee Yang from Golden Shovel Agency, we have been able to resurrect our GoogleMyBusiness page, start building a collection of stock photos, and are currently creating a new Facebook page. In addition, we will have the opportunity to be featured in the city’s newsletter, which will help us spread awareness of our services to individuals with disabilities and their families.”

“As a small business, we would like to express how delighted we are with the “choose Roseville Campaign.” We are grateful for the experienced marketing help that we have received. It has really helped us with our social media and benefited our business. Our desire to keep our dental office doors open during these difficult times has been a struggle, but we feel with the continued efforts of this great campaign, we will continue to be successful.

The quality of service, professionalism, and expertise of “Golden Shovel” has been priceless. We are committed to continue our outreach to the good people of the Roseville area and we thank you for your encouragement in doing so.”





“My experience with Choose Roseville has been quite pleasant, very much informational and helpful with the guidance on what to post and the ideas of when and how to post on our social media platforms. Given that the agency’s main focus is to help build relationships with clients and provide resources as well as inform more individuals and families of our services to assist them. We have been able to begin posting a few of them and prior to that just being able to set up our social media platform as well as our Yelp page has been very much helpful.

Thank you so much for the guidance that you have provided me to continue carrying out marketing ideas for our agency as well as the benefits of being given the ads for social media.”

SEPTEMBER–DECEMBER CAMPAIGN ACTIVITIES

BRANDING

When creating the **Choose Roseville** brand, GSA was cognizant of the strong brand recognition that the City already has. Our goal was to build upon this by creating an expanded, but unifying image that the community would recognize and relate to.

The Branding Package for the **Choose Roseville** campaign included:

- Development of a campaign name, logo and style guide
- Marketing materials (sell sheets) were created and delivered. These are being used to promote the campaign and as promotional materials to be left by Dominguez and Yang when visiting businesses.
- Business card designs were completed.

CHOOSE ROSEVILLE

Small Businesses Benefit from the Choose Roseville Campaign

FREE!

The City of Roseville has launched Choose Roseville, a campaign to help increase local business recovery in the wake of COVID-19. This campaign can help to get your business online, market your products and services, increase your social media presence and post your job openings at **no cost to you**.

Contact Our Social Media Coach Today!

Gogee Yang
Social Media Coach
(612) 787-2097
SMCoach@GoldenShovelAgency.com

Scan and Learn More!

ChooseRosevilleMN.com

CHOOSE ROSEVILLE

Gogee Yang
Social Media Coach
(612) 787-2097 • SMCoach@GoldenShovelAgency.com
www.chooserosevillemn.com

CHOOSE ROSEVILLE

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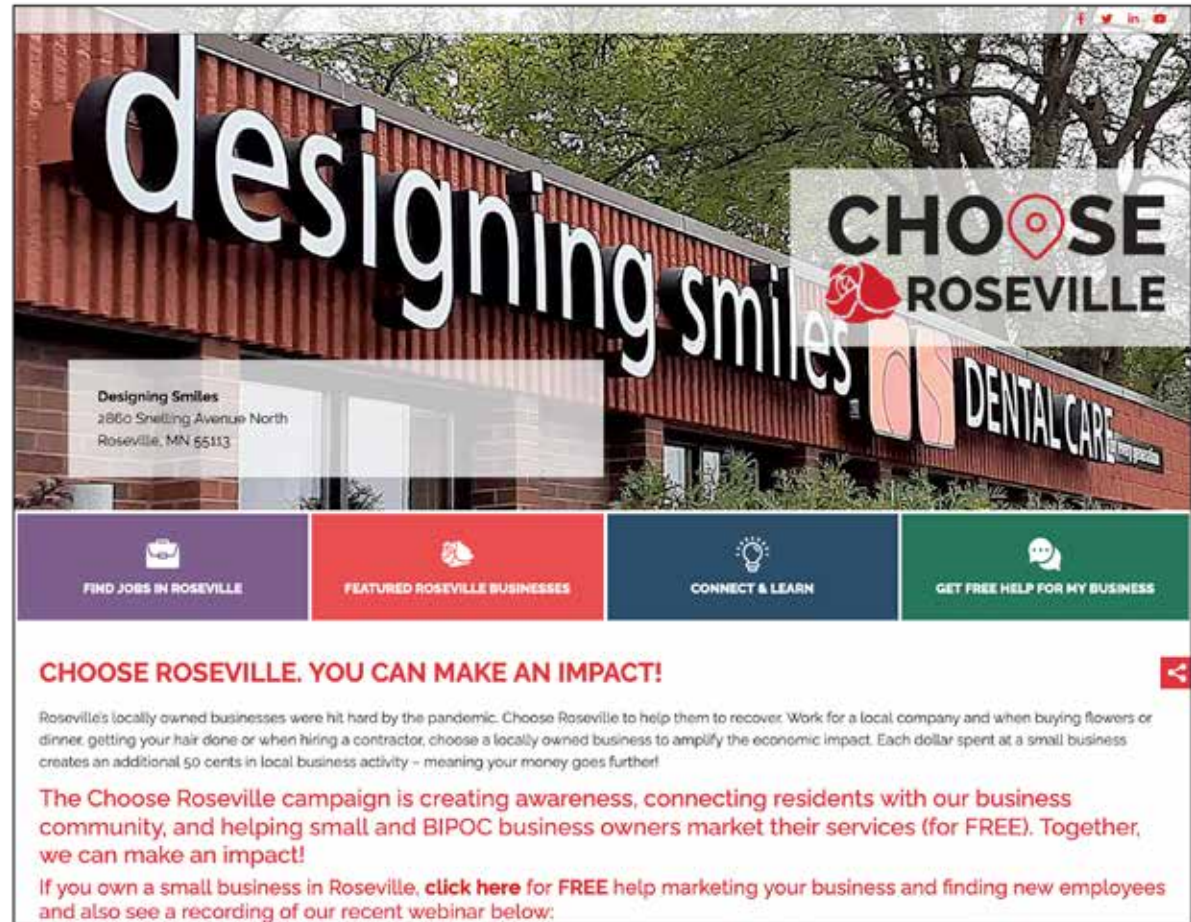
ChooseRosevilleMN.com

SEPTEMBER–DECEMBER CAMPAIGN ACTIVITIES

MICROSITE

GSA created website content and graphics to develop a microsite dedicated to the **Choose Roseville** campaign. The site was built by GSA through the existing Gatekeeper service. Pages on the site include:

- Homepage
- Content Designed to Engage Residents and Businesses
- Videos
- Success Stories
- Buttons to Make Learning More and Signing Up as Easy as Possible
- Subpages
- Find Jobs in Roseville
- Featured Roseville Businesses
- Connect & Learn
- Get Free Help for My Business
- Sign Up
- Landing Page for Advertising Campaign



SEPTEMBER–DECEMBER CAMPAIGN ACTIVITIES

SMALL BUSINESS PROMOTIONAL VIDEOS

Nine North, a local provider of video solutions, has worked with GSA to provide Roseville with five small business promotional videos. Designing Smiles, Adam's Soul To-Go, HiddenMN, Illuminate, and Mr. Zero's have all been featured in these videos, which are now being promoted on the campaign website and through social media. These videos are also showing up in Google searches through their promotion on YouTube. This is creating additional exposure for Roseville businesses and the campaign as a whole.

<https://www.youtube.com> › watch

Choose Roseville: Mr. Zero's - YouTube



Choose Roseville: Mr. Zero's ... Meet Mr. Zero's, your one-stop shop for all things vintage! Retro records ...

YouTube · Roseville EDA · 1 month ago

<https://www.youtube.com> › watch

Choose Roseville: Get FREE Marketing Help for Your Business!



Choose Roseville is a city-sponsored campaign designed to strengthen and support our small business ...

YouTube · Roseville EDA · Sep 21, 2021

<https://www.youtube.com> › watch

Choose Roseville: HiddenMN - YouTube



Choose Roseville: HiddenMN · HiddenMN HiddenMN is one of few escape rooms with a large event space ...

YouTube · Roseville EDA · Oct 29, 2021

SEPTEMBER–DECEMBER CAMPAIGN ACTIVITIES



SEPTEMBER–DECEMBER CAMPAIGN ACTIVITIES

SMALL BUSINESS SOCIAL MEDIA COACH AND DIGITAL SUPPORT

The **Choose Roseville** Social Media Coach (Yang) has helped 19+ Roseville businesses to either get online or to increase their online presence. 10 of these small businesses are owned by members of the BIPOC community. Registered businesses receive a consultation with the Social Media Coach where they can discuss their goals and receive recommendations for how to best market themselves. In addition, the Social Media Coach offers businesses the following services:

- **No-Cost Digital Ads** on Social Media and/or Google
- **Social Media Posts** Created and Published on their Behalf
- **Social Media Graphics** Created and Published on their Behalf
- **Google My Business** (set up or optimize)
- **Facebook** Business Page (set up or optimize)
- **Instagram** Business Page (set up or optimize)
- **LinkedIn** Business Page (set up or optimize)
- **Twitter** Business Profile (set up or optimize)
- **NextDoor** Business Profile (set up or optimize)
- **TikTok** Business Profile (set up or optimize)

Businesses who register for assistance will also receive a report with strategic guidance and recommended action items.

19
SMALL BUSINESSES
SIGN-UPS

10 OF
19
MINORITY
OWNED

SEPTEMBER–DECEMBER CAMPAIGN ACTIVITIES

The Roseville Small Businesses who have signed up to receive support from the Social Media Coach are:

- Adam’s Soul To-Go
- Isight Eye Care
- Northeast Contemporary Services
- Illuminate
- Mr Zeros
- ABC Logistics LLC
- The Grateful Table
- HiddenMN
- Urban Traveler
- Windtinder
- China Restaurant
- Timberwolf Fitness
- Safeway Home Healthcare
- Chuchao Liquor
- Designing Smiles
- Frontier Living
- Grace Healed Me
- Maya’s Salon
- Lumin Advantage

These businesses are appreciative of the support and have been utilizing the videos and social media graphics created for them to promote their businesses.



SEPTEMBER–DECEMBER CAMPAIGN ACTIVITIES

JOB POSTINGS

During calls and in-person visits, Dominguez and Yang are asking business owners if they are hiring and would like support in posting their open positions. This service is also being advertised on social media and through the ad campaign. Thus far, the following businesses have chosen to utilize this service.

- Northeast Contemporary Services
- Frontier Living
- China Restaurant
- Safeway Home Healthcare

The image is a composite graphic. At the top left is the Ramsey County logo, consisting of a red stylized 'R' followed by the text 'RAMSEY COUNTY'. To the right is a 'MENU' button with a grid icon. The central part of the image shows a worker in profile, wearing a blue short-sleeved shirt and yellow safety glasses, looking down. Overlaid on this is a large white text 'JOB CONNECT' with two red buttons below it: 'ARE YOU A JOBSEEKER?' and 'ARE YOU AN EMPLOYER?'. At the bottom is a screenshot of the Indeed job search website. The search bar contains 'What' and 'Where Roseville, MN'. Below the search bar are various filters like 'Full Time', 'Remote', 'Salary Estimate', etc. The background of the entire graphic is a dark, industrial setting with sparks flying.

SEPTEMBER–DECEMBER CAMPAIGN ACTIVITIES

NEWSLETTER CONTENT CREATION AND MANAGEMENT

To launch the campaign, GSA wrote campaign promotional content that was featured in the City's printed business newsletter that was distributed via mail.

GSA has also created weekly e-newsletter content that can be distributed through the city's current Civic Plus newsletter tool. The following are advantages of distributing content through the City's newsletter:

- Increased engagement between the city and residents
- Residents will recognize that **Choose Roseville** is a City-led initiative endorsed by the city council
- Enhanced brand recognition for the city and the **Choose Roseville** campaign
- Opportunity to leverage the strong collaboration between the city, economic development and business community
- City benefits from having additional content provided for their weekly newsletter
- E-newsletters are delivered weekly for 16 months with content generated to promote the local businesses and the campaign itself. Businesses who have been featured in the e-newsletter include:
 - Safeway Home Healthcare
 - Designing Smiles
 - Windtinder
 - Illuminate
 - Grace Healed Me
 - Timberwolf Fitness
 - Adam's Soul To-Go
 - Chuchao Liquor
 - Urban Traveler
 - Northeast Contemporary Services
 - Frontier Living
 - China Restaurant
 - Mr Zeros
 - Lumin Advantage
 - HiddenMN



SEPTEMBER–DECEMBER CAMPAIGN ACTIVITIES

SUCCESS STORIES

GSA is developing success stories that inspire and promote personal connections between the subject (small business owner) and the audience (community members). Making these personal connections is vital to cultivating long-term relationships and resident support of local businesses.

GSA has interviewed local businesses who are participating in the campaign to create the type of personal interest stories that will make residents want to visit them and spend their dollars at that restaurant, store or service business. The benefit of creating stories is that it builds a connection that's far deeper than a traditional shopping experience. Plus, business owners will share the story on their own social media which expands the campaign outreach.

GSA is prioritizing BIPOC businesses in Roseville who are participating in the **Choose Roseville** campaign. By interviewing BIPOC business owners we will tell their story in an authentic way, celebrate their history, uniqueness and valuable position within the community.

Businesses whose success stories have been published include Hidden Minnesota and Designing Smiles:

MORE THAN A SMILE IN ROSEVILLE!

2 DEC 2021

News, Choose



ESCAPE TO ROSEVILLE!

10 NOV 2021

News, Choose

Determining the path out of an Escape Room is supposed to be difficult. Conversely, working with a municipality to start a business should not be. For Trish Waldoch, owner of **HiddenMN** in Roseville, that has been exactly her experience in both cases.

"When we decided to open our first Escape Room in 2017, choosing Roseville was an easy decision," she said. "There is excellent consumer traffic there, with locations within our budget and the city has a reputation for being easy to work with to start a business."

HiddenMN is a 12,000 square-foot entertainment center in Roseville with multiple activity spaces, including four Escape Rooms, four Axe-Throwing Lanes and an event space suitable for arts, crafts and other classes. Escape Rooms have been increasing in popularity over the last few years. Participants are locked in a room which has a series of clues and puzzles to solve in order to gain their way out. The rooms at HiddenMN are unique stories designed and built by Waldoch and her staff. The COVID-19 pandemic made Waldoch dig deeper into her creative side. As a result, HiddenMN now also offers puzzle boxes for rent and 'mobile rooms'.



2 years as a dental officer with the
ville Professional Center before
tral Twin Cities location and the

SEPTEMBER–DECEMBER CAMPAIGN ACTIVITIES


DIGITAL AD CAMPAIGN

GSA has developed a digital ad campaign on Google and Facebook to promote the campaign and to encourage people to **Choose Roseville**. The paid campaign has run on Google, Facebook and Instagram and NextDoor. We plan on extending the ad portion of the campaign to TikTok in 2022.

Ads have focused on promoting the campaign itself and the services offered to Roseville's small businesses.

The ads were targeted to people located in Roseville, MN or Ramsey County, MN - this means that everyone who sees the ad is local. We use keywords such as "marketing strategy, marketing my business, social media services, COVID support for small businesses," and more. Whenever someone searches for the keywords, the ads appear. Some of the most popular keywords in the campaign have been:

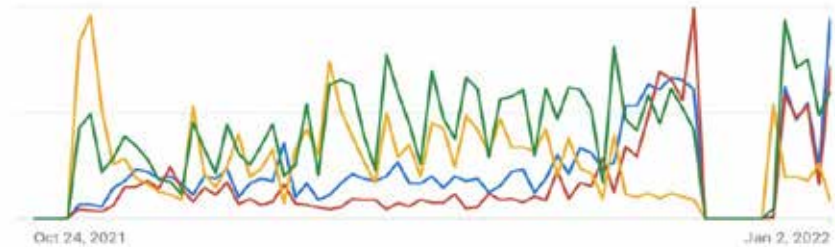
1. Marketing local businesses
2. Market my business
3. Marketing strategy

<p>Free Marketing Assistance Roseville Local Business Help Market Your Roseville Business... growroseville.com/local-business/marketing City of Roseville is providing Free marketing services for Your business! Free help marketing... View assets details</p>	Responsive search ad	203	7,811	2.60%	\$3.52	\$714.03
<p>Call (612) 787-2097 Free Job Postings - Free Social Media Help... www.growroseville.com Free Social Media, Marketing, & Digital Ad Assistance for Your Roseville Business. Get Help Marketing Your Small Business in Roseville, Completely Free of Charge!</p>	Call ad	0	91	0.00%	—	\$0.00
 <p>We O... +4 more Get Free Mark... Free ... +2 more View asset details</p>	Responsive display ad	978	122,545	0.80%	\$0.37	\$359.72
<p>Roseville Marketing Assistance Choose Roseville Business Help Choose Roseville... growroseville.com/chooserooseville Choose Roseville. You can Make an Impact! Free help marketing your business & find new... View assets details</p>	Responsive search ad	44	2,425	1.81%	\$3.26	\$143.57
Total: All but removed ads ⓘ		1,435	137,741	1.04%	\$1.34	\$1,927.38

SEPTEMBER–DECEMBER CAMPAIGN ACTIVITIES

When looking at the Google Ads analytics, we like the performance to be under \$1 per click for a generic or large audience. The **Choose Roseville** ads are targeted to a small local audience so we were predicting a higher cost, however, the ads are only costing \$1.34 per click. Overall, the ads have received 1,435 clicks (people have seen the ad and clicked on it, landing on the **Choose Roseville** campaign website) and 137,741 impressions (how many people have seen the ad, raising awareness for your brand).

In December, we shifted the focus to promote shopping small for the holidays. One business that received holiday advertising was Mr. Zeros - a unique Roseville location for finding fun holiday gifts. Their video ad alone was watched by 522 people. Between their responsive and video ad, Mr. Zeros was exposed to 62,900 people (their total number of ad impressions).



Ad	Ad type	↓ Impr.	Views	View rate	Cost
Video Ad from Choose Roseville Campaign	Responsive video ad	17,021	522	3.07%	\$75.87
Total: All but removed ads		17,021	522	3.07%	\$75.87

Ad	Ad type	Clicks	Impr.	CTR	Avg. CPC	Cost
Last Minute Christmas Shopping Action Figure Gifts Vintage Toys Christmas Gifts +... www.mrzeros.com Video Games, CDs, Action Figures, Vinyl LPs & 45 Singles, Books, Toys. Get Vintage Music... View assets details	Responsive search ad	295	42,507	0.69%	\$0.99	\$292.07
Mr. Z... +4 more Finish your hol... Clas... +1 more View asset details	Responsive display ad	44	3,409	1.29%	\$0.23	\$9.97
Total: All but removed ads		339	45,916	0.74%	\$0.89	\$302.03
Total: Campaign		339	45,916	0.74%	\$0.89	\$302.03

**1,435
CLICKS**
**137,741
IMPRESSIONS**

**62,900!
EXPOSED TO
MR. ZEROS**

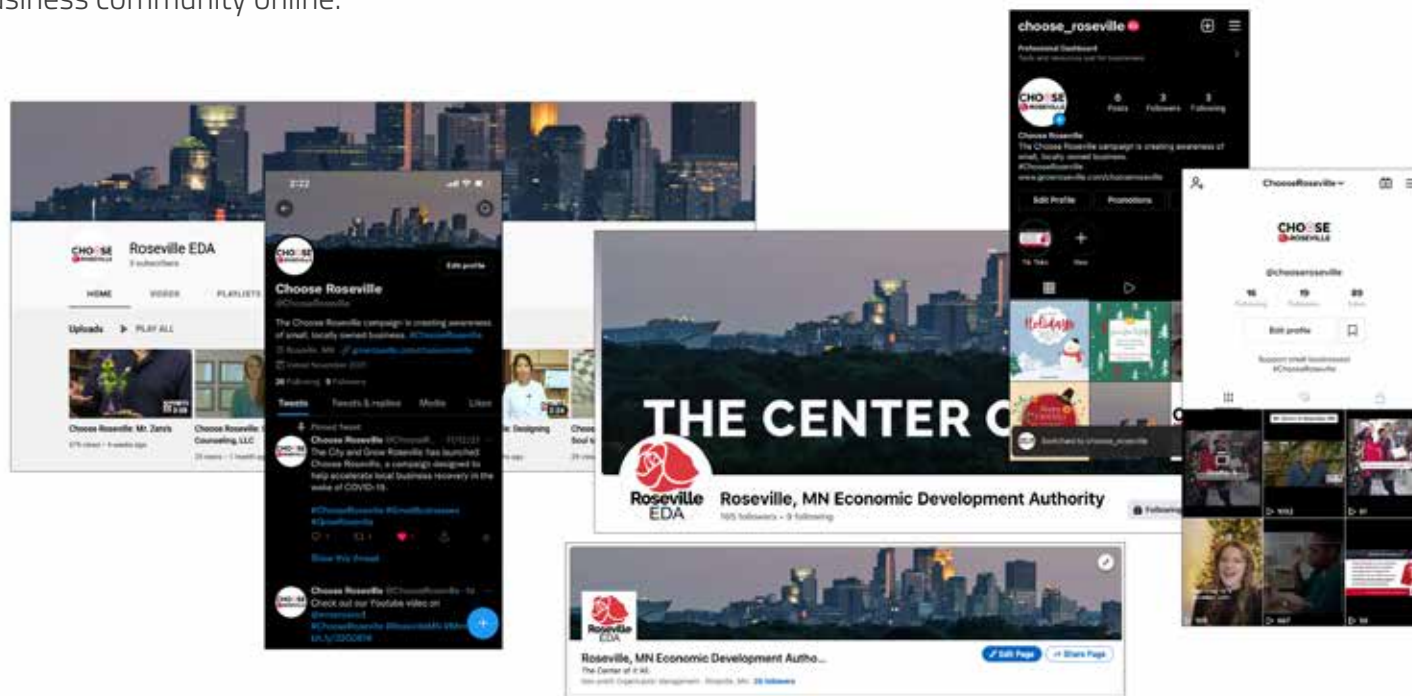
SEPTEMBER–DECEMBER CAMPAIGN ACTIVITIES

SOCIAL MEDIA CAMPAIGN TO PROMOTE CHOOSE ROSEVILLE

A key element of the *Choose Roseville* campaign has been the ongoing social media activity and direct outreach through social media.

Since the campaign launch in September, GSA has run a progressive social media campaign to reach as many small businesses and Roseville residents as possible. This includes creating *Choose Roseville* profiles on LinkedIn, NextDoor, TikTok, Twitter, YouTube, Instagram, and posting on the EDA's Facebook page. Social media graphics, videos, and posts have been created and shared on a consistent basis. In addition, these platforms have been used by GSA's team for direct outreach to community stakeholders and influencers, in addition to reaching out to small business owners through their social media profiles.

Posts are made on each platform multiple times per week, directly on the *Choose Roseville* profiles and in groups. In addition, the GSA team is commenting on posts made by small businesses and community leaders to show support and increase engagement. The act of searching for relevant businesses and interacting with them is time consuming, but important for demonstrating the City's support of the small business community online.



SEPTEMBER–DECEMBER CAMPAIGN ACTIVITIES

BELOW ARE EXAMPLES OF SOME OF OUR SOCIAL MEDIA ACTIVITY:

GSA created this short promotional video to drive online engagement and campaign awareness. **It was viewed by 166 people on Twitter and 659 on TikTok.** On Instagram, this same video led to comments and questions from the community.

SMALL BUSINESSES

GET FREE MARKETING HELP!

Available to Roseville, MN Businesses
(already paid for by the city)

www.GrowRoseville.com/ChooseRoseville

choose_roseville • Follow

choose_roseville Calling all small businesses in #RosevilleMN!
#ChooseRoseville #free #marketing #covid19 #smallbusiness #shops small

5w

luna.nelson54 Hey can you please dm me i have a question 🤔❤️

5w Reply

gymlegend_igg Love ❤️ DM 🙌 @united_dreams(4M)

5w Reply

saransubhas697 Promote it on @supportwomenbusiness_

5w Reply

9 views

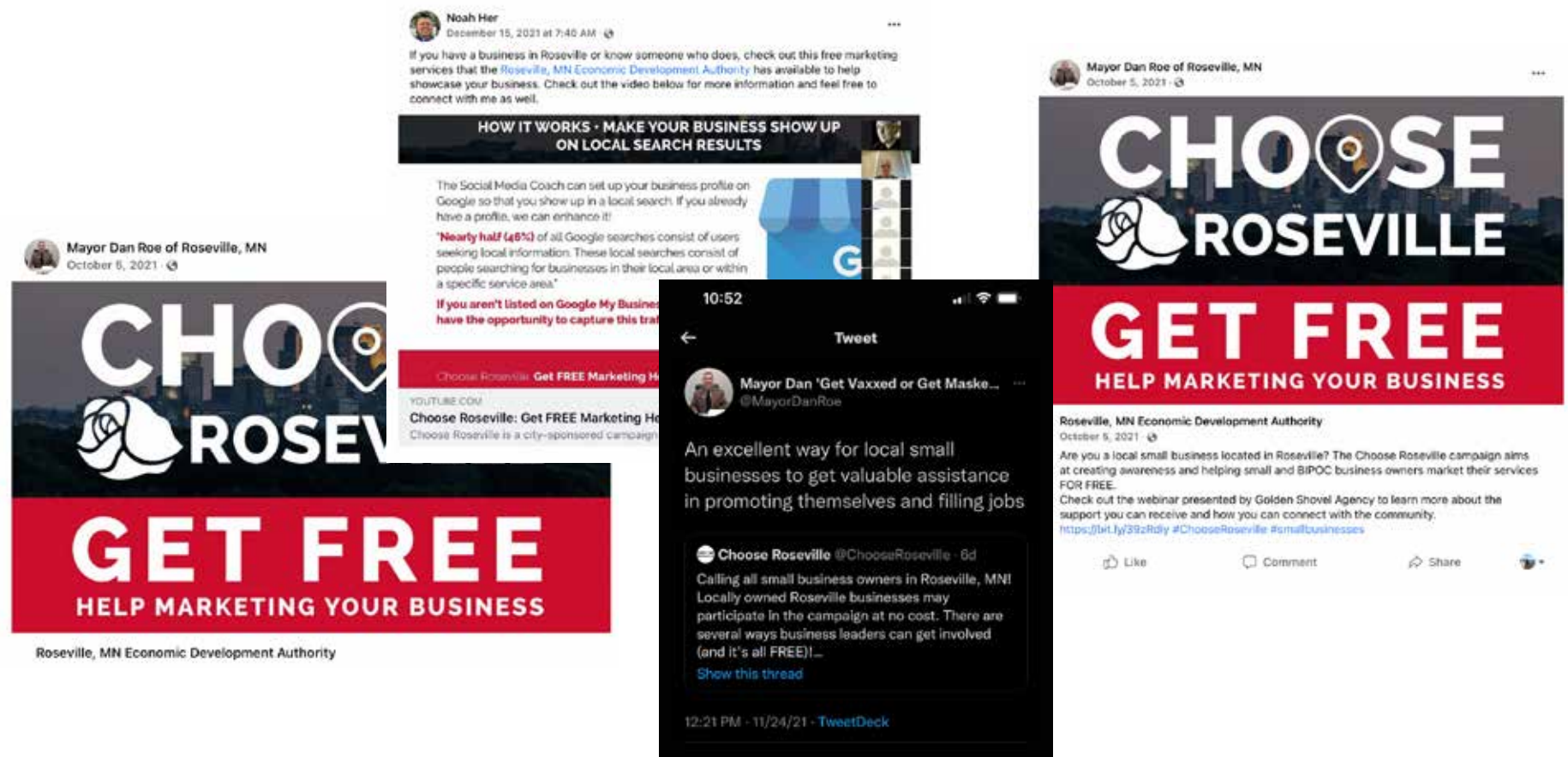
NOVEMBER 29, 2021

Log in to like or comment.

SEPTEMBER–DECEMBER CAMPAIGN ACTIVITIES

GSA also created a NextDoor account for **Choose Roseville** and ran the first paid promotion that was viewed over 34,000 times.

We appreciate the support of Mayor Dan, Visit Roseville, Noah Her, and others in retweeting and sharing **Choose Roseville** social media posts. The more people we can have sharing all of the posts, the greater the campaign’s exposure will be.

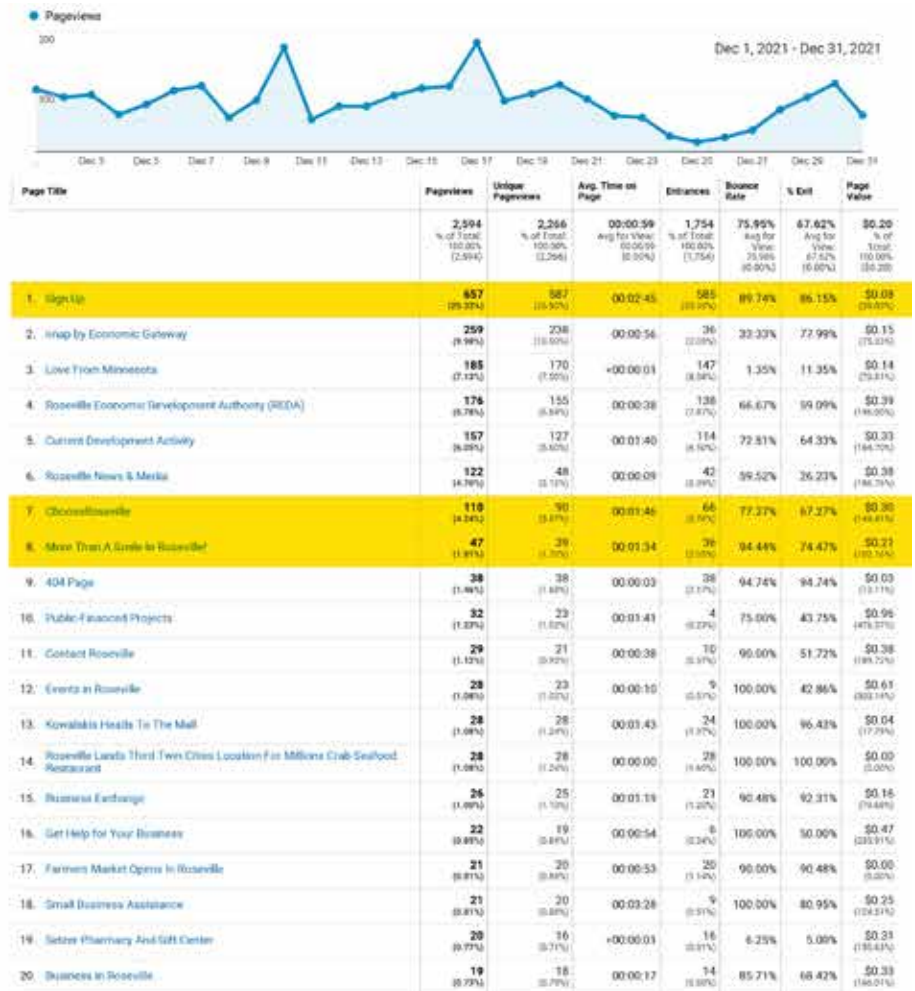
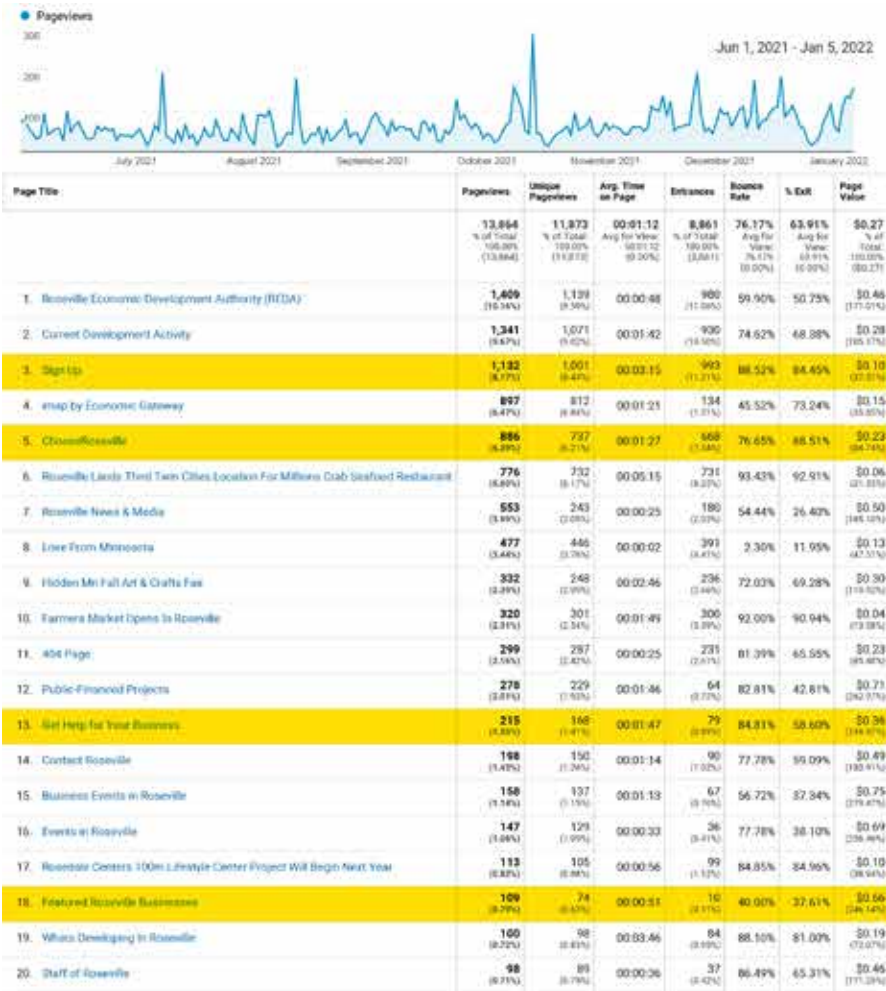


SEPTEMBER-DECEMBER CAMPAIGN ACTIVITIES

The pages and videos featured on the **Choose Roseville** microsite have received over 2,500+ (January 11, 2022) visits since the campaign began. In December alone, the campaign sign-up page was the most frequented page on Roseville EDA's website with over 650 page visits.

BELOW JUNE 1, 2021-JANUARY 5, 2022

DECEMBER 2021



SEPTEMBER–DECEMBER CAMPAIGN ACTIVITIES

<https://www.growroseville.com/chooserooseville/connect-and-learn>

Visitor	Location	Website	Telephone	Assigned To
Northeast Contemporary Services, Inc	Roseville United States	www.northeastcontemporaryservices.org	(651) 636 3343	

<https://www.growroseville.com/chooserooseville>

Visitor	Location	Website	Telephone	Assigned To
Archbold Area Schools	Archbold (OH) United States	www.archbold.k12.oh.us	+1 (419) 446 2728	
Area Development	Westbury (NY) United States	www.areadevelopment.com	(800) 735 2732	
Boston Scientific	Marlborough (MA) United States	www.bostonscientific.com	+1 (800) 876 9960	
Dynamic Air Inc	St Paul (MN) United States	www.dynamicair.com	(651) 484 2900	
Dynamic Air Inc	St Paul (MN) United States	www.dynamicair.com	(651) 484 2900	
Dynamic Air Inc	St Paul (MN) United States	www.dynamicair.com	(651) 484 2900	
Erado	Renton (WA) United States	www.erado.com	(866) 673 7236	
Erado	Renton (WA) United States	www.erado.com	(866) 673 7236	
Hennepin County	Minneapolis (MN) United States	www.hennepin.us	(612) 348 3000	
Hilton Worldwide Holdings Inc.	McLean (VA) United States	www.hiltonworldwide.com	+1 (703) 883 1000	
Northeast Contemporary Services, Inc	Roseville United States	www.northeastcontemporaryservices.org	(651) 636 3343	
State of Minnesota	Saint Paul (MN) United States	www.mn.gov	(651) 201-3400	
The Food Group	Minneapolis (MN) United States	www.thefoodgroupmn.org	+1 (763) 450 3860	

SEPTEMBER–DECEMBER CAMPAIGN ACTIVITIES

<https://www.growroseville.com/chooseroseville/featured-roseville-businesses>

Visitor	Location	Website	Telephone	Assigned To
Northeast Contemporary Services, Inc	Roseville United States	www.northeastcontemporaryservices.org	(651) 636 3343	
State of Minnesota	Saint Paul (MN) United States	www.mn.gov	(651) 201-3400	

<https://www.growroseville.com/chooseroseville/get-help-for-your-business>

Visitor	Location	Website	Telephone	Assigned To
Dynamic Air Inc	St Paul (MN) United States	www.dynamicair.com	(651) 484 2900	
Dynamic Air Inc	St Paul (MN) United States	www.dynamicair.com	(651) 484 2900	
Hilton Worldwide Holdings Inc.	McLean (VA) United States	www.hiltonworldwide.com	+1 (703) 883 1000	
The Food Group	Minneapolis (MN) United States	www.thefoodgroupmn.org	+1 (763) 450 3860	
United Marketing Services of Mn	Saint Paul (MN) United States		+1 (651) 348 7584	
University of Nairobi	Nairobi Kenya	www.uonbi.ac.ke	+254 204 910 000	



43 EAST BROADWAY • LITTLE FALLS, MINNESOTA 56345
WWW.GOLDENSHOVELAGENCY.COM



REQUEST FOR ECONOMIC DEVELOPMENT AUTHORITY ACTION

Date: 1/24/2022

Item No.: 6.c

Department Approval

Executive Director Approval

Item Description: Consider amendments to the Land Trust Partnership Program and adopt a resolution authorizing application for Ramsey County funding

BACKGROUND

On November 8, 2021, the Roseville Economic Development Authority (REDA) authorized a Master Grant Agreement for Community Land Trust Program with Twin Cities Habitat for Humanity (TCHFH) (Attachment A). Since that time, the partnership has looked at 16 homes and made 2 offers, neither of which were accepted. Based upon the limited availability of homes, as well as creation of other funding sources, staff is recommending to seek financial assistance from Ramsey County and the Metropolitan Council for matching funds to be used towards the land write down.

For the REDA’s consideration, staff is recommending to modify the language as follows to the guidelines (Attachment B) when receiving matching funds from Ramsey County and Metropolitan Council:

Under *Uses of Funds*:

If the REDA receives matching funds from such other agencies, then such funds will be used as a dollar-for-dollar match of the REDA’s contribution toward the purchase price of the property, for an aggregate maximum contribution of up to \$160,000.

Under *General Conditions of Purchase*:

- If the REDA utilizes matching funds from Ramsey County, the maximum purchase price of a home may be increased above \$300,000 to the maximum program limit under Minnesota Housing’s First Time Home Buyer Mortgage and Downpayment Loan Programs.
- If the REDA uses matching funds from Metropolitan Council, the maximum purchase price of a home may be increased above \$300,000 to the home price considered affordable up to 80% of the regional AMI limit established by HUD.

Minnesota Housing’s First Time Home Buyer Mortgage and Downpayment Loan Programs have a current maximum home purchase price for the 11 County Metro area of \$352,300. The Metropolitan Council’s maximum amount is \$316,000 for 2021. TCHFH believes these increases would provide enough additional financial assistance to better position the Partnership for successful acquisition of homes in Roseville. If the REDA is supportive of modifying the above Guidelines for the Allocation of REDA Funds for Community Land Trust Properties, then the REDA must take action by adopting a resolution (Attachment C).

Additionally, Ramsey County will be accepting applications for a first round of funding for 2022 in mid-February. In order for the REDA to apply for funding in connection with acquisition of Community Land

34 Trust Properties, a resolution authorizing application to Ramsey County is required (Attachment D).

35 **BUDGET IMPLICATIONS**

36 The additional funding from Ramsey County and Metropolitan Council would be a revenue on the REDA
37 budget for 2022 if awarded. **STAFF RECOMMENDATION**

38 Adopt the following resolutions:

- 39 1. Approve amendments to the Guidelines for Allocation of REDA Funds for Community Land Trust
40 Properties (Attachment C), and
41 2. Authorize application to Ramsey County for funds in connection with acquisition of land trust
42 properties (Attachment D).

43 **REQUESTED EDA ACTION**

44 By motion, adopt the Resolutions provided as Attachments B and C, which:

- 45 1. Approve amendments to the Guidelines for Allocation of REDA Funds for Community Land Trust
46 Properties, and
47 2. Authorize application to Ramsey County for funds in connection with acquisition of land trust
48 properties.
49

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

Attachments: A: Master Grant Agreement adopted November 8, 2021

B: Updated Guidelines for Allocation of REDA Funds for Community Land Trust Properties

C: Resolution approving amendments to the Guidelines for Allocation of REDA Funds for Community
Land Trust Properties

D: Resolution authorizing application to Ramsey County for funds in connection with acquisition of land
trust properties.

MASTER LONG-TERM AFFORDABILITY GAP ASSISTANCE GRANT AGREEMENT

Community Land Trust Project

THIS MASTER GRANT AGREEMENT (the "Grant Agreement" or "Agreement"), is made and entered into this 8th day of November, 2021, by and between Roseville Economic Development Authority, a public body corporate and politic and political subdivision of the State of Minnesota (the "Grantor" or "Authority") and Twin Cities Habitat for Humanity, Inc., a Minnesota non-profit corporation (the "Grantee"),

WITNESSETH:

WHEREAS, the Authority has established Community Land Trust Guidelines (the "Guidelines") setting baseline considerations and guidance for community land trust implementation, and has allocated funds from several sources including without limitation Community Development Block Grant funds, pooled tax increment, and Housing Replacement Program funds, for support of community land trusts in a manner consistent with the Guidelines (the "Authority Funds"); and

WHEREAS, on September 20, 2021, the Board of Commissioners of the Authority selected the Grantee as its partner in the acquisition and development of community land trust properties (the "Properties"), which will provide new opportunities for homeownership for low- and moderate-income households through the community land trust model in accordance with the Guidelines; and

WHEREAS, the Grantor and the Grantee desire to enter into this Grant Agreement, whereby the Grantor will initially reserve for the Grantee Authority Funds as described in the Guidelines, for the purposes of providing Long-Term Affordability Gap Assistance in the acquisition of Properties from time to time and the sale and resale of Improvements to Qualified Homebuyers, each as defined herein;

NOW, THEREFORE, in consideration of the mutual obligations described herein, the parties hereto agree as follows:

I. DEFINITIONS

As used in this Grant Agreement, the following terms have the following meaning:

Authority Funds: Those funds provided by the Authority that comprise the Grant.

Closing Date: A date agreed to by the Authority and Grantee, at which time either (a) the Authority will provide Authority Funds to the Grantee and the Grantee will purchase a Property, and will record a Declaration against such Property; or (b) the Authority will convey a Property to the Grantee and the Grantee will record a Declaration against such Property.

Declaration: The Declaration of Covenants, Conditions, and Restrictions Running with the Land, in substantially the form attached hereto as Exhibit D.

Disbursement Request Form: The form to be provided by the Authority and to be submitted by the Grantee to the Authority when a disbursement is requested and which is described in Article VI hereof.

Grantee Documents: Any and all documents and instruments in connection with this Agreement as reasonably requested by the Grantor.

Ground Lease: A Ground Lease for the Land portion of any Property in substantially the form attached hereto as Exhibit C.

Guidelines: The Community Land Trust Guidelines, incorporated herein by reference.

Household Housing Ratio: The ratio of the following combined monthly housing expenses associated with the Land to the household's projected annual family income divided by 12; (a) principal and interest on first and subordinate mortgages; (b) property taxes; (c) homeowners' and mortgage insurance; (d) homeowners' association dues, and (e) ground lease fees.

Improvements: All buildings, structures, fixtures and other improvements on any Property but excluding the Land.

Land: The real estate portion of any Property, excluding any Improvements.

Long-Term Affordability Gap Assistance: As to each Property, the amount of the Grant reserved to bridge all or a portion of the gap between the amount of first- and subordinate mortgage financing the Qualified Homebuyer can afford and the fee simple market value of the Property.

Period of Affordability: For each Property, the period, more fully described in Article II hereof, commencing with the Closing Date, during which the Improvements must be conveyed to and occupied by a Qualified Homebuyer.

Pro Forma: The Pro Forma as described in Article IV and attached hereto as Exhibit A-2.

Property or Properties: any Land and Improvements subject to Grant assistance under this Grant Agreement, pursuant to the Guidelines.

Qualified Homebuyer: A household which, at the time of its initial occupancy of a Property, occupies the Improvements as its principal residence and: (a) whose projected, annual family income is 80 percent or less of the area median income as determined by the U.S. Department of Housing and Urban Development (AMI).

Sale Price of the Property: The after-improved fee simple market value of the Land and Improvements combined.

Statement of Work: The Statement of Work as described in Article IV and attached hereto as Exhibit A-1.

II. TERM OF GRANT AGREEMENT AND PERIOD OF AFFORDABILITY

This Grant Agreement will take effect after its complete execution and will remain in effect through the Period of Affordability for the final Property subject to Grant assistance under this Grant Agreement. Upon termination or expiration of this Agreement, Grantee will transfer to the Grantor any Grant funds on hand at the time of expiration and accounts receivable attributable to the use of Grant funds.

The Period of Affordability for each Property will be at least 99 years and will be evidenced by a Ground Lease between the Grantee and Qualified Homebuyer in substantially the form attached hereto as Exhibit B. Further security will be in the form of a Declaration of Covenants, Conditions, and Restrictions Running with the Land ("Declaration"), the form of which is attached hereto as Exhibit C. This Declaration will make the Authority a third-party beneficiary of and successor to the long-term affordability remedies in the

Ground Lease in the event of a failure of inability of the Grantee to enforce the long-term affordability remedies in the Ground Lease.

At the time of resale of any Improvements, Grantee will convey, or allow the homeowner to convey, such Improvements to a Qualified Homebuyer subject to the terms and conditions of the Ground Lease. The Ground Lease provides for the long-term affordability (at least 99 years, renewable for an additional 99 years) of the Improvements and provides remedies to insure the long-term affordability of the Improvements.

Grantee hereby declares and covenants, on behalf of itself and all future owners of any of the Properties, that, during the term of the Declaration, the Authority is a third-party beneficiary of and successor to each and every remedy intended to insure the long term affordability of the housing that is provided for in any Ground Lease pursuant to this Agreement and may, in the event of the failure or default of the Landlord in the Ground Lease to insure the long term affordability of the Properties as provided for in any Ground Lease, exercise all rights and remedies available to the Landlord in the Ground Lease for that purpose.

III. THE GRANT

Subject to the terms and conditions of this Grant Agreement, the Grantor agrees to award the Grant to the Grantee to be used for the purposes described in this Agreement and which will be disbursed from time to time pursuant to this Agreement. In consideration for the Grant, the Grantee agrees to perform all of its obligations under this Agreement.

IV. STATEMENT OF WORK/PRO FORMA

Prior to the acquisition of any Property acquired for land trust purposes under this Agreement, the Grantee will provide to the Grantor a Statement of Work and Pro Forma in substantially the form attached as Exhibits A-1 and A-2. The Statement of Work shall consist of a description of Grantee's ongoing obligations with regard to each Property and a progress and completions schedule for any rehabilitation work required, and the Pro Forma shall set forth the price of the Property, the assessed value of the Land, and the level of repairs or rehabilitation required and their estimated cost. The Grantee will perform all activities set forth in the Statement of Work.

V. CONDITIONS OF DISBURSEMENTS

1. Conditions Precedent to Disbursement. The obligation of the Grantor to make or cause to be made any disbursements pursuant to Article VI hereof is subject to the condition that it receive, on or before the date of such disbursement, the following:

- a. the Grantee Documents, duly executed and delivered by the Grantee;
- b. a certified statement of the Grantee reflecting the uses to which the proceeds of the Grant have been applied;
- c. if required by the Grantor, evidence satisfactory to the Grantor that the construction or rehabilitation and contemplated use of the Property are permitted by and comply in all material respects with all applicable restrictions and requirements in prior conveyances, zoning ordinances, subdivision and platting requirements and other laws and regulations; and
- d. if required by the Grantor, project design approval by the Grantor.

e. a statement of the Grantee that no Event of Default, and no event which with the giving of notice or the lapse of time or both would constitute an Event of Default, has occurred and is continuing and all representations and warranties made by the Grantee in Article VIII hereof continue to be true and correct as of the date of such disbursement;

f. if required by the Grantor, a statement of the Grantee and of any contractor, in form and substance acceptable to the Grantor, setting forth the names, addresses and amounts due or to become due as well as the amounts previously paid to every contractor, subcontractor, person, firm or corporation furnishing materials or performing labor in connection with the construction of any part of the Improvements; and

g. such evidence of compliance with all of the provisions of this Grant Agreement as the Grantor may reasonably request.

VI. REQUESTS FOR DISBURSEMENTS AND TERM OF RESERVATION

1. Disbursements. The Grantor and the Grantee agree that, on the terms and subject to the conditions hereinafter set forth, the Grant will be reserved by the Grantor for disbursement from the Grantor to the Grantee from time to time from and after the date hereof until, and for reasonable and necessary costs incurred prior to, December 31, 2025, subject to extension of such period of disbursements of Grant funds mutually agreed by the Grantor and Grantee. Notwithstanding anything to the contrary contained herein, the Grantor is only obligated to make disbursements hereunder to pay reasonable and necessary costs in an amount up to or equal to the total aggregate amount of the Grant approved from time to time by the Grantor, only during the term of the reservation noted in this Article, and such obligation is further subject to the conditions of Article V hereof. Grant funds not disbursed during the term of reservation noted in this Article will no longer be available for disbursement under this Agreement.

2. Disbursement Requests.

a. Whenever the Grantee desires to obtain a disbursement of Authority Funds for acquisition of a Property, the Grantee must submit to the Grantor the Grantor's Disbursement Request Form in substantially the form attached as Exhibit B, together with all required compliance documents, duly signed by the Grantee.

Each such Disbursement Request constitutes a representation and warranty by the Grantee to the Grantor that all representations and warranties of the Grantee set forth in the Grantee Documents are true and correct as of the date of such Disbursement Request, except for such representations and warranties which, by their nature, would not be applicable as of the date of such Disbursement Request.

b. At the time of submission of each Disbursement Request, the Grantee must also submit the following to the Grantor:

- i. an executed Developer Agreement for the applicable Property;
- ii. if available, the Qualified Homebuyer's application to Grantee;
- iii. if available, the agreement to purchase the Improvements, in a form reasonably acceptable to the Grantor, executed by the Grantee and Qualified Homebuyer;

iv. if available, the Qualified Homebuyer's application to mortgage lenders for mortgage financing, in customary form (such as the Fannie Mae form 1003), intended to support the real estate transaction;

v. if available, preliminary settlement statement(s) or closing disclosure(s), in customary or required form, such as under the TILA-RESPA Integrated Disclosure Rule;

vi. if available, Grantee's computation of the necessary and eligible amount of Long-Term Affordability Gap Assistance, in a form acceptable to the Authority, and including Grantee's computation of the Qualified Homebuyer's household housing ratio and household income;

vii. the Declaration, completed to the greatest feasible extent; and

viii. other Grantee Documents as reasonably requested by the Grantor.

Grantee agrees to immediately notify Grantor in writing of any material change affecting the information contained in this Section VI.2.b., including changes in the purchase price, purchase agreement addenda, amount of mortgage financing, or the Qualified Homebuyer's eligibility.

c. Within 60 days following conveyance of the Improvements on a Property to a Qualified Homebuyer, the Grantee must also submit the following to the Grantor:

i. name(s) of Qualified Homebuyer(s); number of household members; previous address of household; ethnic and demographic data; and, household type data, including but not limited to single head of household and disability status;

ii. if Grantee used funds from Minnesota Housing Finance Agency's Community Homeownership Impact Fund ("Impact Fund"): the Minnesota Housing Impact Fund Household Demographic/Project Information form completed for the project(s);

iii. all documents described in Section VI.2.b. hereof, if not earlier submitted;

iv. the final settlement statement(s) or closing disclosure(s), in customary or required form, such as under the TILA-RESPA Integrated Disclosure Rule; and

v. deed(s), as recorded with Ramsey County, conveying the Improvements to the Qualified Homebuyer; and

vi. Declaration and Ground Lease, as recorded with Ramsey County; and

vii. other Grantee Documents as reasonably requested by the Grantor.

3. Disbursements. If on the date a disbursement is desired the Grantee has performed all of its agreements and complied with all requirements to be performed or complied with hereunder, the Grantor will, subject to the conditions set forth herein, disburse the amount of the requested disbursement to Grantee.

VII. GRANTEE'S COVENANTS, REPRESENTATIONS, WARRANTIES AND AGREEMENTS

Grantee covenants, represents, warrants and agrees that:

1. Grantee is a Minnesota non-profit corporation duly organized under the laws of the State of Minnesota, is duly authorized to operate in the State, has the power to enter into and execute this Grant Agreement and by appropriate corporate action has authorized the execution and delivery of this Grant Agreement. A copy of organization documents has been provided to the Grantor.
2. This Grant Agreement will not result in any breach of or constitute a default under any other mortgage, lease, loan, grant or credit agreement, corporate charter, by-law or other instrument to which Grantee is a party or by which it may be bound or affected.
3. This Grant Agreement will constitute a legal and binding obligation enforceable against the Grantee as its interest appears.
4. Grantee has obtained or will obtain all necessary licenses and permits required for performance of its obligations under this Agreement.
5. Grantee must permit the Grantor, upon reasonable notice, to examine all books, records, contracts, plans, permits, bills and statements of account pertaining to any Property subject to this Agreement and to make copies as the Grantor may require.
6. Grantee agrees to and must obey and comply with all applicable federal, state and local laws, rules and regulations in connection with its performance of its obligations under this Agreement.

VIII. DEFAULT

Any one or more of the following constitutes an Event of Default under this Grant Agreement:

1. Grantee defaults in the performance or observance of any agreement, covenant or condition required to be performed or observed by Grantee under the terms of this Agreement which is not cured within thirty (30) days after written notice to do so. Notwithstanding the foregoing, if the default reasonably requires more than thirty (30) days to cure, such default shall not constitute an Event of Default, provided that the curing of the default is promptly commenced upon receipt by the Grantee of the notice of the default, and with due diligence is thereafter continuously prosecuted to completion and is completed within a reasonable period of time, and provided that Grantee keeps the Authority well informed at all times of its progress in curing the default; provided in no event shall such additional cure period extend beyond 180 days.
2. Grantee defaults in any term of any other agreement relating to any Property subject to this Agreement which is not cured within thirty (30) days after written notice to do so. Notwithstanding the foregoing, if the default reasonably requires more than thirty (30) days to cure, such default shall not constitute an Event of Default, provided that the curing of the default is promptly commenced upon receipt by the Developer of the notice of the default, and with due diligence is thereafter continuously prosecuted to completion and is completed within a reasonable period of time, and provided that Developer keeps the Authority well informed at all times of its progress in curing the default; provided in no event shall such additional cure period extend beyond 180 days.
3. Any representation or warranty made by Grantee herein or any document or certificate furnished to the Grantor proves at any time to be incorrect or misleading as of the date made.
4. Grantee engages in any illegal activities.

5. Grantee uses any of the grant funds contrary to this Grant Agreement, and such use is not cured within thirty (30) days of notice from Grantor.
6. Grantee employs or becomes an individual, company, or other entity either on the debarment list or with unresolved compliance issues.
7. Grantee does not use funds in a timely manner as stated in Article IV of this Grant Agreement, "Pro Forma."
8. Grantee fails to obtain and/or keep in force insurance of the types and in the amounts as specified within this Grant Agreement, or fails to indemnify and hold harmless the Grantor as set forth herein; in such event, Grantee will be liable for all costs and fees, including reasonable attorney fees, that may be incurred by the Grantor in enforcement of Grantee's agreements to indemnify and/or to obtain and keep in force the agreed-upon insurance coverage.

IX. REMEDIES

Whenever any Event of Default has happened and is subsisting, any one or more of the following remedial steps may to the extent permitted by law is taken by the Grantor:

1. The Grantor may terminate this Grant Agreement;
2. The Grantor may suspend or terminate any further disbursements under this Grant Agreement or under any Developer Agreement pursuant to this Grant Agreement;
3. The Grantor may suspend its performance under this Grant Agreement during the continuance of the Event of Default;
4. The Grantor may take whatever action at law or in equity may appear necessary or appropriate to enforce performance and observance of any obligation, agreement, covenant, representation or warranty of the Grantee under this Grant Agreement, or any related instrument; or to otherwise compensate the Grantor for any damages on account of such Event of Default, including but not limited to a demand that the Grantee return or repay to the Grantor all dollar amounts received pursuant to the Grant;
5. No remedy conferred upon or reserved to the Grantor is intended to be exclusive of any other available remedy or remedies, but each and every such remedy is cumulative and in addition to every other remedy given under this Grant Agreement or now or hereafter existing at law, in equity, or by statute. No delay or omission to exercise any right or power accruing upon any Event of Default impairs any such right or power, nor constitutes a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Grantor to exercise any remedy reserved to it in this Article, it is not necessary to give any notice, other than such notice as may be herein expressly required or be required by law.

X. ADDITIONAL PROVISIONS

1. Indemnity, Hold Harmless. The Grantee must bear all loss, expense (including attorney fees) and damage in connection with, and agree to indemnify, defend, and hold harmless the Grantor, its agents, servants and employees from all claims demands and judgments made or recovered against the Grantor, its agents, servants and employees, because of bodily injuries, including death at any time resulting therefrom, and/or because of damages to property of the Grantor or others (including loss of use) from any third party claims, arising out of, incidental to, or in connection with any Property acquired pursuant to this Agreement,

whether or not due to any act of omission or commission, including negligence of the Grantee, or any contractor or its or their employees, servants or agents. The Grantee's liability hereunder is not limited to the extent of insurance carried by or provided by the Grantee or subject to any exclusion from coverage in any insurance policy.

2. Grantee Not Grantor's Employee or Agent. For the purpose of this Grant Agreement, Grantee is not an employee(s) or agent(s) of the Grantor or the City of Roseville ("City"). Any and all employees or agents of the Grantee are not employees or agents of the Grantor or City. Any and all claims by any third party as a consequence of any act or omission on the part of the Grantee, its employees or other persons are the obligation of the Grantee. The Grantee is responsible for all contractual obligations entered into pursuant to and in the performance of this Grant Agreement. If required by statute, the Grantee must procure and maintain in force at its expense worker's compensation insurance and shall provide the Grantor with proof of such coverage. Withholding and payment of federal and state income taxes and FICA for its employees is the responsibility of the Grantee. The Grantee will comply with all unemployment compensation employer contributions payments and other employer requirements of the unemployment compensation laws, Minnesota Statutes chapter 268.

3. Termination of Agreement. The full benefit of the purposes for which the Grant is intended will be realized only after the completion of the Period of Affordability. In the event that the Grantee, prior to the expiration date of this Agreement, is unable to continue to function due to, but not limited to, dissolution or insolvency of the organization, its filing a petition for bankruptcy or similar proceedings, or is adjudged bankrupt or fails to comply or perform with provisions of this Agreement, then Grantee will, upon the Authority's request, convey to the Authority its interest in and title to the Properties acquired pursuant to this Agreement. Conveyance will be at the sole discretion of the Authority and on the terms set forth herein:

- a. Conveyance shall occur within thirty (30) days of the Authority and Grantee's agreement of Grantee's inability to continue as a viable organization.
- b. Grantee shall convey its title to and interest in the Properties free and clear of all liens and encumbrances of record, except those which create a beneficial interest in the Authority (Declaration of Restrictive Covenants), the Ground Lease, and any liens a Qualified Homebuyer has placed on such Property.

XI. INSURANCE

1. The Grantee agrees that in order to protect itself as well as the Grantor and City under the indemnity provision contained in this Grant Agreement, it will obtain and keep in force, at its expense, during the term of this Grant Agreement:

- a. commercial general liability of not less than \$1,500,000 per occurrence and \$2,000,000 aggregate. The general liability coverage shall contain an endorsement naming the Grantor and the City of Roseville, Minnesota, as additional insureds as to acts committed by the Grantee for which the Grantor or the City of Roseville, Minnesota, could be held responsible.

Grantee in addition warrants compliance with the following property insurance requirements, as applicable:

- b. builder's risk insurance in the amount of the construction contract for the entire construction contract period;
- c. hazard insurance coverage with policy limits in an amount not less than full insurable of the Property, provided that in no event shall said insurance be less than the amount secured by any mortgage

to the Grantor. Hazard insurance shall be used firstly to pay any of the Grantor loans and secondly to rebuild, at the Grantor's option.

2. Verifiable Insurance; Notice of Cancellation. The Grantee shall furnish Certificates of Insurance evidencing compliance with this article at the closing in this matter. Grantor is not obligated to honor payment requests at any time when the coverage required by this Grant Agreement is not in force.

XII. RECORDS AND REPORTS

The Grantee shall submit to the Grantor's project manager on an annual basis a full account of the status of the activities undertaken as part of this Grant Agreement. The following records shall be maintained by the Grantee, copies of which shall be submitted in such form as the Grantor's staff may prescribe:

1. All receipts and invoices relating to expenditure of Grantor funds.
2. Accounting records that are supported by source documentation. Grantee will establish a separate, identifiable accounting record for each Grant received pursuant to this Agreement. Records shall be sufficient to reflect all costs incurred in performance of each Grant. The books, records, documents, and accounting procedures, relevant to each Grant shall be subject to examination by the Grantor and state agencies and the legislative auditor.
3. Records of Liability Insurance, including proof of insurance in effect, and proof of payment of insurance premiums.
4. Records of Board or Committee meetings relating to decisions governing the use of Grant funds.
5. If the Grantee is providing grants it shall keep records documenting the use of such funds, including: records documenting capital expenses, payments made, and documentation of completion of work for which the grant was initiated.
6. Grantee shall also submit to Grantor annually during the life of this Grant Agreement financial statements prepared in accordance with generally accepted accounting principles. Fiscal year end statements shall be compiled/reviewed/audited statements. All such statements shall include, but not be limited to, a listing of all assets and liabilities of the Grantee, income and expense statements and income tax returns.

XIII. NON-DISCRIMINATION

The Grantee is a contractor for the purpose of application of all provisions, ordinances and other laws against discrimination, including:

1. Title VI of the Civil Rights Act of 1964 (Public Law 88-352);
2. Executive Order No. 11246 entitled "Equal Employment Opportunity" as supplemented in the Department of Labor Regulations (4 CFR, Part 60); and
3. Minnesota Statutes, Chapter 363A.

XIV. EXHIBITS

The Grantee agrees to comply with the terms, conditions, requirements contained in the following identified exhibits, which are incorporated into and made part of this Grant Agreement:

- Exhibit A – Statement of Work and Pro Forma
- Exhibit B – Disbursement Request
- Exhibit C – Ground Lease
- Exhibit D – Declaration of Covenants, Conditions and Restrictions Running with the Land

XV. AMENDMENT

This Grant Agreement may not be amended or modified except in writing properly subscribed by the Grantor and Grantee.

XVI. MISCELLANEOUS

1. Notices. All notices provided for herein shall be in writing and shall be deemed to have been given when delivered personally or when deposited in the United States mail, registered or certified, postage prepaid, addressed as follows:

If to Grantee:	Twin Cities Habitat for Humanity, Inc. 1954 University Avenue West Saint Paul, Minnesota 55104 Attn: Chief Real Estate Officer
If to Grantor:	Roseville Economic Development Authority 2660 Civic Center Drive Roseville, Minnesota 55113 Attention: Executive Director

or addressed to any such party at such other address as such party shall hereafter furnish by notice to the other parties as above provided.

2. Binding Effect; Waiver. The provisions of this Grant Agreement shall inure to the benefit of and be binding upon Grantee and Grantor and their respective successors and assigns. No delay on the part of Grantor in exercising any right, power or privilege shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or privilege constitute such waiver nor exhaust the same, which shall be continuing. The rights and remedies of Grantor specified in this Grant Agreement shall be in addition to and not exclusive of any other right and remedies which Grantor, by operation of law, would otherwise have.

3. Survival of Warranties. All agreements, representations and warranties made in this Grant Agreement by Grantee shall survive its termination.

4. Data Practices Act. Grantee acknowledges that all of the data created, collected, received, stored, used, maintained or disseminated by Grantee or Grantor with regard to this Grant Agreement are subject to the requirements of Chapter 13, Minnesota Statutes, commonly known as the Minnesota Governmental Data Practices Act.

5. Counterparts: This Grant Agreement may be executed in any number of counterparts, all of which shall constitute a single agreement, any one of which bearing signatures of all parties shall be deemed an original.

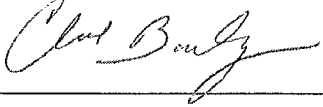
6. Electronic Signature: An electronic signature is as effective as an original signature.
7. Time. Time is of the essence in the performance of this Grant Agreement.
8. Entire Agreement. This Grant Agreement contains the entire agreement of the parties hereto on the matters covered herein. No other agreement, statement or promise made by any party or by any employee, officer or agent of any party hereto that is not in writing and signed by all the parties to this Grant Agreement shall be binding.
9. No Joint Venture. The relationship between Grantor and Grantee is solely that of Grantor and Grantee, and the relationship by and between Grantor and Grantee is not a partnership or joint venture in the Project.
10. Controlling Law, Venue. All matters whether sounding in tort or in contract, relating to the validity, construction, performance, or enforcement of this Grant Agreement shall be controlled by and determined in accordance with the laws of the State of Minnesota.
11. Assignment. This Grant Agreement may not be assigned by Grantee without the prior written consent of Grantor.
12. Attorney Fees and Expenses. In the event the Grantee should default under any of the provisions of this Grant Agreement and the Grantor should employ attorneys or incur other expenses for the collection of amounts due hereunder or the enforcement of performance of any obligation or agreement on the part of the Grantee, the Grantee will on demand pay to the Grantor the reasonable fee of such attorneys and such other expenses so incurred.
13. Grantee's Limited Remedy. If Grantee claims that Grantor has failed to perform any of its obligations under this Grant Agreement, the Grantee agrees to provide thirty (30) days written notice of such default and allow Grantor to cure any such default. The Grantee's sole legal and equitable remedy for any unremedied Grantor default is an action to compel performance by Grantor. The Grantee is not entitled to recover damages of any kind, including without limitation consequential or incidental damages, for any Grantor default.

(Signature pages follow.)

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

GRANTEE:

Twin Cities Habitat for Humanity, Inc., a Minnesota non-profit corporation

By: 

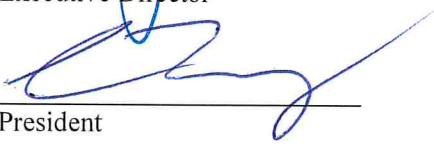
Its: Chief Real Estate Officer

Type text

GRANTOR:

Roseville Economic Development Authority

By: 
Its: Executive Director

By: 
Its: President

[Signature page of Grantor to Grant Agreement]

Exhibit A-1

STATEMENT OF WORK

During the term of the Grant Agreement, Grantee will:

1. Solicit Qualified Homebuyers for each identified Property;
2. Request disbursement of Grant funds for eligible costs;
3. Enter a Ground Lease with a Qualified Homebuyer; and,
4. Record the Declaration and Ground Lease with Ramsey County and provide copies of the same recorded documents to the Authority.

And, for the duration of the Agreement, Grantee will, as to each Property subject to the Agreement:

1. Solicit new Qualified Homebuyers for the Property when notified of a current Qualified Homebuyer's intent to sell. Grantee and/or the Qualified Homebuyer is/are responsible for securing permanent mortgage financing.
2. Sell the Improvements and lease the Land only to Qualified Homebuyers, and allow resale of the Improvements only to Qualified Homebuyers pursuant to a Ground Lease, or to Grantee with the Authority's written consent for such brief periods as may be necessary. If Grantee purchases the Improvements from a Qualified Homebuyer for the purpose of reselling to a new Qualified Homebuyer, Grantee shall notify the Authority prior to acquisition.
3. Verify the eligibility of the Qualified Homebuyers, explain the land trust program and the Ground Lease to such Qualified Homebuyers, and certify by written documentation signed by the Qualified Homebuyers that the program requirements have been fully explained.
4. Maintain files of all Qualified Homebuyers purchasing assisted units. Documentation shall verify eligibility at the time of initial occupancy by the initial purchaser and at the time of initial occupancy by subsequent purchasers and shall include:
 - a. The purchaser's application to Grantee;
 - b. Purchaser's household income;
 - c. Purchaser's household housing ratio (as defined in the Guidelines);
 - d. Name(s) of purchaser(s); number of household members; previous address of household; ethnic and demographic data; and, household type data, including but not limited to single head of household and disability status.
5. Maintain records verifying the affordability of the dwelling units, including but not limited to the Ground Lease, purchase agreement, closing or settlement statements and appraisals.
6. Monitor the housing units for compliance with the Ground Lease for the Period of Affordability.
7. Upon resale, assure compliance with long term affordability of the Premises as provided for in the Ground Lease, which Ground Lease shall, as to resale provisions, remain in substantially the form of the current version of the Ground Lease, for at least 99 years.
8. Upon resale, provide a summary of information in 4.b-4.d. and complete records listed in 5. above to the Authority.
9. Re-record the Declaration no later than one day before the expiration of 30 years of the date of its lease of the Land in the event the Qualified Homebuyer leasing the Land from Grantee is still the owner of the Improvements at the time of the rerecording. Authority retains the right periodically and every 30 years after the first recording of the Declaration to register a notice of preservation.

Exhibit A-2

FORM OF PRO FORMA

Sources & Uses - Preliminary				
Name of Property:				
Date:				
Sources:				Comments
Homebuyer Mortgage			\$	
20 AHIF			\$	Project Costs
20 REDA Funds			\$	Land & Project Costs
20 HOME			\$	Land
20 MH Impact			\$	Project Costs
20 Bond Proceeds			\$	Land
20 Met Council			\$	Rehab
		Total	\$	
Uses:				
Acquisition Costs			\$	
Closing Costs			\$	
Inspection/other			\$	
		Acquisition costs	\$	
Adm Fee			\$	Project Fee
Holding/Closing Costs/ LC/ Taxes			\$	Special Assessments of \$
Rehab Costs			\$	
		Total	\$	

Exhibit B

FORM OF DISBURSEMENT REQUEST

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

DISBURSEMENT DIRECTION

The undersigned authorized representative (the "Authorized representative") of Twin Cities Habitat for Humanity, Inc., a Minnesota nonprofit corporation ("TCHH"), hereby authorizes and requests you to disburse from Authority Funds in accordance with the terms of the Master Long-Term Affordability Gap Assistance Grant Agreement, dated as of November 8, 2021 (the "Agreement"), between the Roseville Economic Development Authority (the "REDA") and TCHH, the following amount to TCHH in connection with the acquisition by TCHH of the following Property:

[Insert address of Property]

all as defined and provided in the Agreement. The undersigned further certifies to the REDA that (a) all preconditions to disbursement under the Agreement have been satisfied; (b) the Property for the acquisition of which the payment is proposed is to be included in the Community Land Trust established by the REDA and will be subject to the Program and Guidelines (as defined in the Agreement); and (c) TCHH reasonably anticipates completion of the Improvements described in the Statement of Work and Pro Forma provided to the REDA in accordance with the terms of the Agreement.

Dated: _____

Redeveloper's Authorized Representative

Exhibit C

This Ground Lease, dated _____ (this "Lease"), is made and entered into by and between Twin Cities Habitat for Humanity, Inc., as landlord ("Habitat"), and _____, as tenant ("Tenant").

RECITALS

WHEREAS, Minnesota Statutes, Sections 462A.30-.31 authorizes a city or a nonprofit corporation to function as a community land trust in order to hold land and lease land for the purpose of preserving the affordability of housing on that land for persons and families of low and moderate income; and

WHEREAS, Habitat is a Minnesota nonprofit corporation organized exclusively for charitable purposes, including, without limitation, the development and preservation of decent, affordable housing and the creation of homeownership opportunities for low and moderate income people who otherwise would be denied housing opportunities because of limited financial resources; and

WHEREAS, a goal of Habitat is to stimulate the conveyance of decent, affordable housing among low and moderate income people by providing access to housing for low and moderate income people at affordable prices through the long-term leasing of land under the housing; and

WHEREAS, the Land (as defined below) has been acquired and is being leased to Tenant by Habitat in furtherance of these community land trust purposes; and

WHEREAS, Tenant has agreed to enter into this Lease not only to obtain those benefits to which Tenant is entitled under this Lease, but also to further the charitable purposes of Habitat; and

WHEREAS, Habitat and Tenant recognize the special nature of the terms and conditions of this Lease, and each of them accepts these terms and conditions, including those terms and conditions that may affect the marketing and resale price of any Improvements on the Land; and

WHEREAS, it is mutually understood and accepted by Habitat and Tenant that the terms and conditions of this Lease further the goal of affordable housing over an extended period of time and through a succession of owners; and

WHEREAS, this Lease has been entered into in conformity to and as authorized under Minnesota Statutes, Sections 462A.30-.31; and

WHEREAS, Minnesota Statutes, Section 462A.31, subd. 3 requires that the Ground Lease for a community land trust must (1) reserve to the community land trust the first option to purchase any building or improvements on the land at a limited equity price specified in the Ground Lease, (2) reserve to the Minnesota Housing Finance Agency the right to exercise that first option to purchase any building if the community land trust does not, for any reason, exercise, the first option, and (3) exempt sales to person and families of low and moderate income from the provisions granting the first option to purchase to the community land trust and to the Minnesota Housing Finance Agency; provided that sales to persons and families of low and moderate income are not exempt from the limited equity price.

NOW, THEREFORE, In consideration of the mutual promises of Habitat and Tenant, and of other good and valuable consideration, which has been received and is sufficient, Habitat and Tenant agree as follows:

ARTICLE 1: Definitions

The following terms have the meanings set forth below when used in this Lease. Other terms are defined within this Lease.

- 1.1 “Habitat” means Twin Cities Habit for Humanity, Inc., a Minnesota non-profit corporation, and its successors and assigns.
- 1.2 “Improvements” means all improvements purchased, constructed or placed by or for Tenant or on any part of the Land at any time during the Term of this Lease, including, without limitation, any/all buildings, structures, fixtures, equipment and other improvements.
- 1.3 “Tenant” means _____ as joint tenants tenants-in-common an individual (*Check one*)
- 1.4 “Commencement Date” (Section 4.1). The Commencement Date is _____.
- 1.5 “Expiration Date” (Section 4.1). The Expiration Date is _____.
- 1.6 “Purchase Price” for the Improvements (Section 11.9 (a)) is \$ _____.
- 1.7 “Initial Appraised Value” (Section 11.9 (b)) is \$ _____.
- 1.8 The “Appraiser’s Report” is the report attached hereto as **Exhibit F**.
- 1.9 Notice Address for Tenant: The Premises.
- 1.10 The “Term” is the Principal Term as the same may be extended.
- 1.11 The “Premises” are, collectively, the Land and the Improvements and having an address of _____.

ARTICLE 2: Letters of Stipulation and Acknowledgment

Attached as Exhibit B-1 are (a) a Letter of Stipulation of Tenant, and (b) a Letter of respective review and understanding of this Lease (in particular, Article 11, regarding the transfer, sale or disposition of the Improvements) and related documents for this transaction. Habitat strongly recommends that Tenant review this Lease with legal counsel and request that legal counsel execute the legal counsel letter attached hereto as Exhibit B-1. In the event Tenant elects not to have legal counsel review the Lease and other transaction documents, Habitat requests Tenant execute the Waiver of Counsel Review attached hereto as Exhibit B-2.

ARTICLE 3: Demise of Land

PREMISES: Habitat, in consideration of the rents to be paid and the terms and conditions of this Lease, leases to Tenant, and Tenant does hereby lease from Habitat, the property described in the attached Exhibit A (the “Land”). Habitat has furnished to Tenant a copy of the most current, if any, title report obtained by Habitat for the Premises, and Tenant accepts title to the Land in its condition “as is” as of the execution of this Lease. Notwithstanding any contrary provision contained in this Lease, Habitat hereby retains fee title ownership of the Land, the Leased Premises consist solely of the Land and not any of the Improvements, Habitat does not lease to Tenant the Improvements, and Habitat shall have no obligations with respect to the Improvements; provided, however, that nothing in this sentence shall limit or modify Habitat’s rights or Tenant’s obligations under this Lease with respect to the Improvements.

ARTICLE 4: Duration of Lease

4.1 **PRINCIPAL TERM:** The initial term (the “Principal Term”) of this lease shall be ninety-nine (99) years, commencing on the Commencement Date and terminating on the Expiration Date, unless terminated sooner or extended as provided below.

4.2 **TENANT’S OPTION TO EXTEND:** Tenant has the option (an “Extension Option”) to extend the Principal Term for ninety-nine (99) years, which extension will subject to all of the provisions of the Lease; provided by the Habitat may make changes to the terms of the Lease for the Extension Term prior to the beginning of the Extension Term but only if those changes do not materially and adversely impair Tenant’s rights under the lease. To exercise the Extension Option, Tenant must give Habitat written notice (the “Extension Notice”) thereof at least one (1) year, but not more than two (2) years, prior to the expiration of the Principal Term. Within thirty (30) days after receipt of the Extension Notice, Habitat shall inform Tenant in writing (the “Response Notice”) of Habitat’s proposed changes, if any, to the Lease. Within thirty (30) days after receipt of the Response Notice, Tenant shall inform Habitat in writing (the “Election Notice”) if it elects to rescind its Extension Notice and, if Tenant rescinds its Extension Notice, this Lease will expire at the end of the Principal Term. If Tenant does not so rescind its Extension Notice, Habitat shall prepare the appropriate Lease amendment. Tenant is deemed to have rescinded its Extension Notice if Tenant does not deliver an Election Notice to Habitat.

Tenant’s right to exercise the Extension Option is subject to the following conditions: (a) Tenant delivers an Extension Notice as required by this Lease; (b) this Lease shall be in effect at the time the Extension Notice is given and on the last day of the Term, and (c) Tenant shall not be in default beyond applicable cure periods under this Lease or under any loan documents between Tenant and any Permitted Mortgagee at the time the Extension Notice is given and on the last day of the Principal Term.

4.3. **CHANGE OF OWNERSHIP OF LAND; TENANT’S RIGHT TO PURCHASE:** In the event that ownership of the Land is conveyed or transferred (whether voluntarily or involuntarily) by Habitat to any other person or entity, this Lease shall not cease, but shall remain binding and unaffected. However, in the event Habitat desires or attempts to convey the Land to any person or entity other than a non-profit corporation, charitable trust, governmental agency or other similar entity (or as security for a mortgage loan), Tenant shall have the right of first refusal to purchase the Land. This right shall be as specified in the attached Exhibit D, FIRST REFUSAL.

ARTICLE 5: Use of the Land

5.1 **RESIDENTIAL USE ONLY:** Tenant shall use, and shall cause all occupants to use, the Land and Improvements only for single-family, owner-occupied, residential purposes and any incidental activities related to that residential use that are currently permitted by applicable zoning law.

5.2 **RESPONSIBLE USE AND COMPLIANCE WITH LAW:** Tenant shall use the Land and Improvements in a manner so as not to cause actual harm to others or create any nuisances, public or private; and shall dispose of any and all waste in a safe and sanitary manner. Tenant shall maintain the Land and Improvements in good, safe, and habitable condition in all respects, except for normal wear and tear, in full compliance with all applicable laws and regulations, and in the condition as is required to maintain the insurance coverage required by Article 10 of this Lease.

5.3 RESPONSIBLE FOR OTHERS: Tenant shall be responsible for the use of the Land consistent with the terms of this Lease by all residents and their families, friends and visitors and anyone else using the Land with their consent.

5.4 OCCUPANCY: Tenant shall occupy the Land and the Improvements for at least nine months of each year of this Lease, unless otherwise agreed by Habitat. Occupancy by children or other immediate family members or dependents of Tenant shall be considered occupancy by Tenant.

5.5 INSPECTION: Habitat may inspect any portion of the Land and Improvements at any reasonable time and in any reasonable manner upon at least 72 hours' oral or written notice to Tenant. In the event of emergency or a perceived danger to someone's health or safety, Habitat may inspect any portion of the Land and Improvements without notice, provided that Habitat shall have made reasonable efforts to give advance oral notice to Tenant.

5.6. TENANT'S RIGHT TO PEACEFUL ENJOYMENT: Tenant has the right to undisturbed enjoyment of the Land, subject to the provisions of this Lease.

ARTICLE 6: Ground Lease Fee

6.1 GROUND LEASE FEE: In consideration of the possession, continued use and occupancy of the Land, Tenant shall pay to Habitat on the first of each month a monthly Ground Lease Fee (the "Ground Lease Fee") of one dollar (\$1.00).

6.2 PAYMENT OF GROUND LEASE FEE: (a) The Ground Lease Fee shall be payable to Habitat, on the first day of each month for as long as this Lease remains in effect, unless, with Habitat's consent, the Ground Lease Fee is to be escrowed by a Permitted Mortgagee, in which case payment shall be made as specified by that Permitted Mortgagee.

(b) In the event that any amount of payable Ground Lease Fee remains unpaid when the Improvements are sold and the Lease is terminated or assigned to another party, the amount of payable Ground Lease Fee shall be paid to Habitat out of any proceeds from the sale of the Improvements otherwise due to Tenant at the time of the sale.

6.3 CALCULATION OF GROUND LEASE FEE: The Ground Lease Fee specified in Section 6.1 above has been calculated as follows. First, an amount approximating the monthly fair rental value of the Land has been established, current as of the Commencement Date, recognizing that use of the Land is restricted by some of the provisions of the Lease. Then, the affordability of this monthly amount for Tenant has been analyzed and, if necessary, the amount has been reduced to yield the amount stated in Section 6.1 above, which has been determined to be affordable for Tenant.

6.4 REDUCTION, DELAY OR WAIVER OF GROUND LEASE FEE: Habitat may reduce, delay or waive entirely the Ground Lease Fee at any time and from time to time for the purpose of assuring affordable monthly housing costs for Tenant. Any reduction, delay or waiver must be in writing and signed by Habitat before being effective.

6.5 ADJUSTMENT OF GROUND LEASE FEE: (a) The Ground Lease Fee stated in Section 6.1 above, as adjusted in the way provided below, shall be applicable during the Term of this Lease. However, in the event that, for any reason, the provisions of Article 11 or Article 12 regarding transfers of the Improvements or Land are suspended or invalidated for any period of time, then during that time, the Ground Lease Fee shall be increased to an amount calculated by Habitat to equal the fair rental value of the

Land for use not restricted by the provisions of the suspended portions of the Lease, but not to exceed one percent (1%) of the appraised value of the Land and Improvements per month. In such event, Habitat shall notify Tenant of the amount calculated in this way, and the Ground Lease Fee shall then be this amount.

(b) In order to keep the Ground Lease Fee reasonably current, the amount specified in Section 6.1 (and the maximum amount specified in the preceding paragraph) may be recalculated every fifth year during the Term of the Lease. The Ground Lease Fee may increase \$1.00 per month on the fifth anniversary of this Lease and each anniversary thereafter. If Habitat determines at any time after the fifth year that the annual \$1.00 per month increase is not sufficient to keep the Ground Lease Fee reasonably current effective any five-year anniversary (years 5, 10, 15, 20, etc.) the amount may be recalculated through a reasonable process chosen by Habitat, based upon the standards set forth in Section 6.3 above. Habitat shall notify Tenant promptly upon recalculation of the new Ground Lease Fee amount, and if Tenant does not state objections to the recalculated amount within thirty (30) days after receipt of this notice, the Ground Lease Fee shall then be as stated by Habitat in the notice. If Tenant does state objections to the recalculated Ground Lease Fee, and Habitat and Tenant are then unable to agree on a recalculated Ground Lease Fee within fifteen (15) days of Habitat's receipt of Tenant's objection, the dispute shall be resolved according to the arbitration process set forth in Article 14 below, except that the arbitrators chosen by each party shall be ones with experience in the valuation of real estate. Upon the final determination of the recalculated Ground Lease Fee in accordance with the terms of this section, Habitat shall maintain in its file a notarized certification of the amount of the recalculated Ground Lease Fee and the process by which it was determined. In no event may the annual Ground Lease Fee exceed one percent (1%) of the appraised value of the Land and Improvements.

ARTICLE 7: Taxes and Assessments

7.1 TAXES AND ASSESSMENTS Tenant shall be responsible for payment of all taxes and governmental assessments that relate to the Improvements and the Land. Tenant shall also pay directly, when due, all other service bills, utilities charges, or other governmental assessments charged against the Land and Improvements.

7.2 TAXES ON LAND: In the event that the local taxing authority bills Habitat for the taxes on the Land, Habitat shall pass the responsibility for this expense to Tenant and Tenant shall promptly pay this bill.

7.3 TENANT'S RIGHT TO CONTEST: Tenant shall have a right to contest the amount or validity of any taxes relating to the Improvements and Land. Habitat shall, upon written request by Tenant, join in any proceedings if Tenant reasonably determines that it is necessary or convenient for Habitat to do so. All costs and expenses of the proceedings shall be paid by Tenant.

7.4 PAYMENTS IN EVENT OF DELINQUENCY: In the event that Tenant fails to pay the taxes or other charges specified in Section 7.1 above, Habitat may increase, but shall not be obligated to increase, Tenant's Ground Lease Fee in an amount that will offset the cost of any delinquent and current taxes or other charges relating to the Improvements and Land. Upon collecting any amount, Habitat shall pay the amount collected to the taxing authority in a timely manner.

7.5 PROOF OF COMPLIANCE: Concurrently with the payment of any taxes, assessments, and charges required or permitted by the provisions of this Lease, each party shall furnish evidence satisfactory to the other documenting the payment. A photocopy of a receipt for the charges showing payment prior to the due date shall be the usual method of furnishing evidence.

ARTICLE 8: Improvements

8.1 **OWNERSHIP:** It is agreed that all Improvements purchased (if any) by Tenant or constructed or placed by Tenant on any part of the Land at any time during the Term of this Lease shall be property of Tenant. Title to the Improvements shall be and remain vested in Tenant. However, Tenant's exercise of the rights of ownership is subject to the provisions of this Lease, including, but not limited to, provisions regarding the disposition of Improvements by Tenant and Habitat's option to purchase the Improvements. In addition, Tenant shall not sever or move the Improvements from the Land.

8.2 **PURCHASE OF IMPROVEMENTS BY TENANT:** Tenant is simultaneously purchasing the Improvements (if any) now located on the Land and described in the Bill of Sale attached hereto as Exhibit G.

8.3 **CONSTRUCTION AND ALTERATION:** Any construction in connection with an existing or new Improvement is subject to the following conditions: (a) all costs shall be borne and paid for by Tenant; (b) all construction shall be performed in a worker-like manner and shall comply with all applicable laws and regulations; (c) all construction shall be consistent with the permitted uses set forth in Article 5; (d) the exterior (including height) of the Improvements shall not be increased or expanded and new Improvements shall not be constructed without the prior written consent of Habitat, which shall not unreasonably be withheld; (e) Tenant shall furnish to Habitat a copy of any plans and all building permits for the construction prior to commencing construction; and (f) and construction will not significantly affect the affordability of the Land and Improvements.

8.4 **PROHIBITION OF LIENS:** No lien of any type shall attach to Habitat's title to the Land or to Habitat's interest in the Land or to any other property owned by Habitat. Tenant shall not permit any statutory or similar lien to be filed against the Premises, the Improvements, or any interest of Habitat or Tenant which remains more than sixty (60) days after it has been filed. Tenant shall cause any lien to be discharged of record by payment, deposit, bond, order of a court of competent jurisdiction or as otherwise permitted by law. If Tenant fails to cause the lien to be discharged within the sixty (60) day period, then, in addition to any other right or remedy, Habitat may, but shall not be obligated to, discharge the lien by paying the amount in question. Tenant may, at Tenant's expense, contest the validity of any asserted lien, provided Tenant has furnished a bond in an amount sufficient to release the Land and Improvement from the lien. Any amounts paid by Habitat to discharge liens shall be deemed to be an additional Ground Lease Fee payable by Tenant immediately upon demand.

8.5 **MAINTENANCE AND SERVICES.:** Tenant shall, at Tenant's sole expense, maintain the Land and all Improvements as required by Section 5.2 above. Habitat shall not be required to furnish any services or facilities, including but not limited to heat, electricity, air conditioning or water, or to make any repairs to the Land or Improvements, and Tenant hereby assumes the sole responsibility for furnishing all services or facilities.

8.6 **DISPOSITION OF IMPROVEMENTS UPON EXPIRATION OF LEASE TERM:** Upon the expiration of the Term of this Lease as the Term may be extended or sooner terminated in accordance with this Lease, Tenant shall surrender the Improvements together with the Land to Habitat. Ownership of (and title to) the Improvements shall thereupon be automatically conveyed to and vested in Habitat, provided, however, that Habitat shall promptly pay to Tenant as consideration for the Improvements an amount equal to Habitat's Purchase Price calculated in accordance with Article 11 below, as of the time of reversion of ownership, less the total amount of any unpaid Ground Lease Fee including any charges that may have been added to the Ground Lease Fee in accordance with this Lease, and any amounts required to release any other liens or encumbrances on the Improvements. Upon the expiration or earlier termination of this Lease, Tenant

agrees to execute such commercially reasonable documents as Habitat may request to evidence the conveyances required by this section, including, without limitation, quit claim deeds and quit claim bills of sale.

ARTICLE 9: Financing

9.1 PERMITTED MORTGAGE: Tenant may mortgage the Land only with the prior written consent of Habitat. Not less than thirty (30) days prior to the date on which Tenant (or a prospective land tenant who has contracted to purchase the Improvements) requests Habitat's consent to a mortgage to be effective, Tenant (or prospective Tenant) shall furnish to Habitat copies of every document to be executed in connection with the transaction represented by the proposed mortgage. Habitat may choose to consent to any mortgage and in so doing shall designate such mortgage as a "Permitted Mortgage." However, Habitat shall be required to consent to a mortgage only if (a) at the time the copies of documents are submitted and at the time proposed by Tenant (or prospective Tenant) for the execution of the documents, no default is then outstanding; and (b) the mortgage so submitted is a Permitted Mortgage as defined in the attached Exhibit C, PERMITTED MORTGAGES. Tenant shall pay to Habitat, at Habitat's option and as additional Ground Lease Fee, all fees, costs and expenses, including, without limitation, reasonable attorneys' fees, incurred by Habitat in connection with any Permitted Mortgage.

9.2 RIGHTS AND OBLIGATIONS OF PERMITTED MORTGAGEE AND THE RIGHTS OF HABITAT: Any holder of a Permitted Mortgage ("Permitted Mortgagee") shall without requirement of consent by Habitat have the rights and obligations (and Habitat shall be deemed to have the rights and obligations) identified and defined in the attached Exhibit C, PERMITTED MORTGAGES, which provisions shall be binding on such Permitted Mortgagee and shall be deemed for the benefit of and enforceable by Habitat as a third party beneficiary under such Permitted Mortgage, all notwithstanding any contrary provision otherwise contained in such Permitted Mortgage.

9.3 REMOVAL OF CERTAIN PROVISIONS PURSUANT TO FORECLOSURE: In the event of foreclosure sale by a Permitted Mortgagee and the running of the applicable statutory period of redemption from such sale or the execution and delivery of a deed to a Permitted Mortgagee in lieu of foreclosure, at the election of the Permitted Mortgagee, unless Habitat purchases the Mortgagee's interest in the Permitted Mortgage), the provisions of Article 11, Sections 11.1 through 11.11 shall be deemed deleted from this Lease and thereupon shall be of no further force or effect, but only as to so much of the Security so foreclosed upon or transferred; provided, however, that all other provisions of this Lease shall remain in full force and effect.

9.4. HABITAT'S RIGHT TO PROCEEDS IN EXCESS OF PURCHASE PRICE: The parties recognize that it would be contrary to the fundamental concept of this Lease and an incentive to abuse Tenant's authorization to encumber its leasehold interest with a Permitted Mortgage if Tenant could realize more than the Purchase Price as the result of any foreclosure of any mortgage. Accordingly Tenant hereby irrevocably assigns to Habitat any and all net proceeds of sale of the Improvements remaining after payment of costs of foreclosure and satisfaction of the lien of any Permitted Mortgagee which would otherwise have been payable to Tenant, to the extent the net proceeds exceed the net proceeds that Tenant would have received had the property been sold for the Purchase Price established in Article 11 of this Lease, and authorizes and instructs the Permitted Mortgagee or any party conducting any sale to pay the amount of said excess proceeds directly to Habitat. In the event that, for any reason, the excess proceeds are paid to Tenant, Tenant hereby agrees to promptly pay the amount of the excess proceeds to Habitat.

9.5 AMENDMENTS SUBJECT TO APPROVAL BY PERMITTED MORTGAGEE: Any amendments to this Lease shall be subject to the written approval of Permitted Mortgagee, which approval shall not be

unreasonably withheld or delayed. The passage of thirty (30) days after submittal to Permitted Mortgagee of a proposed amendment without approval or disapproval by Permitted Mortgagee shall be deemed approval thereof.

ARTICLE 10: Liability, Insurance, Damage and Destruction, Eminent Domain

10.1. TENANT'S LIABILITY: Tenant assumes sole responsibility and liability to all persons and authorities related to its possession, occupancy and use of the Land and Improvements.

10.2 INDEMNIFICATION OF HABITAT: Tenant shall defend, indemnify and hold Habitat harmless against all liability and claims of liability for injury or damage to person or property from any cause on or about the Land or Improvements. Tenant waives all claims against Habitat for that injury or damage. However, Habitat shall remain liable (and Tenant shall not indemnify and defend Habitat against any liability or waive any claims of liability) for injury or damage due to the grossly negligent or intentional acts or omissions of Habitat or Habitat's agents or employees.

10.3 PAYMENT BY Habitat: In the event Habitat shall be required to pay any sum that is Tenant's responsibility or liability, Tenant shall reimburse Habitat for the payment and for reasonable expenses caused thereby.

10.4 INSURANCE: (a) Tenant shall, at Tenant's sole expense, keep all Improvements continuously insured against loss or damage by fire and the extended coverage hazards for the full replacement value of the Improvements.

(b) Tenant shall, at Tenant's sole expense, maintain continuously in effect liability insurance covering the Land and Improvements in the amounts of not less than Three Hundred Thousand dollars (\$300,000.00) for injury to or death of any one person; Three Hundred Thousand dollars (\$300,000.00) for injury to or death of any number of persons in the aggregate; and the full-replacement value of the Improvements. This adjustment shall be equal to the percentage of change (positive or negative), over the period in question, of the Consumer Price Index for urban wage earners and clerical workers for the Twin Cities Metropolitan Area or another index selected by Habitat that reasonably measures adjustments in coverage amounts for the applicable type of insurance. The insurance shall specifically insure Tenant against all liability assumed under this Lease, as well as all liability imposed by law, and shall also insure Habitat as an additional insured on liability policies, and as a loss payee on property policies, so as to create the same liability on the part of insurer as though separate policies had been written for Habitat and Tenant.

(c) Tenant shall provide Habitat with copies of all policies and renewals of policies. All policies shall also contain endorsements providing that they shall not be cancelled, reduced in amount or coverage or otherwise modified by the insurance carrier involved without at least thirty (30) days prior written notice to Habitat. Habitat shall be entitled to participate in the settlement or adjustment of any losses covered by the policies of insurance.

(d) TENANT IS SOLELY RESPONSIBLE FOR OBTAINING AND MAINTAINING PROPERTY INSURANCE FOR BOTH THE IMPROVEMENTS AND ALL OF TENANT'S PERSONAL PROPERTY. HABITAT WILL NOT INSURE EITHER OR BOTH OF THE IMPROVEMENTS OR TENANT'S PROPERTY.

10.5 DAMAGE OR DESTRUCTION: (a) Except as provided below, in the event of fire or other damage to the Improvements, Tenant shall take all steps necessary to assure the repair of the damage and the restoration of the Improvements to their condition immediately prior to the damage. All repairs and

restoration shall be completed as promptly as possible. Tenant shall also promptly take all steps necessary to assure that the Land and Improvements are safe and that the damaged Improvements do not constitute a danger to persons or property.

(b) If Tenant, using reasonable judgment and relying on professional estimates, determines either (a) that full repair and restoration is physically impossible, or (b) that the available insurance proceeds will pay for less than eighty percent (80%) of the cost of repair and restoration, (provided Tenant has fulfilled all of the hazard insurance requirements set forth in Section 10.4 above), then Tenant may terminate this Lease by written notice to Habitat given not later than sixty (60) days after the event that caused the damage. However, the termination shall not be effective until forty-five (45) days after the date upon which the notice is received by Habitat. During this forty-five-day period Habitat may seek an adjustment from the insurer so as to increase the available insurance proceeds to an amount covering at least eighty percent (80%) of the cost of repair and restoration. If successful in securing the adjustment, Habitat may render Tenant's termination notice null and void by written notice to Tenant within the forty-five-day day period. If Habitat fails to nullify the termination notice in this way, then this Lease shall terminate at the expiration of the forty-five-day period, and any insurance proceeds payable to Tenant on account of the damage shall be paid as provided below.

(c) The insurance proceeds shall be paid first to cover any expenses of collecting the insurance proceeds. Up until the expiration, termination or satisfaction of the mortgage executed by Tenant in favor of Habitat, remaining proceeds shall be paid to Tenant (or its Permitted Mortgagee to the extent required by the Permitted Mortgage) up to the then applicable Habitat's Purchase Price (as of immediately prior to the damage) calculated according to the provisions of Article 11 below, and the balance of any proceeds shall be paid to Habitat. On and after the expiration, termination or satisfaction of the mortgage executed by Tenant in favor of Habitat, remaining proceeds shall be paid to Tenant (or its Permitted Mortgagee to the extent required by the Permitted Mortgage).

10.6 EMINENT DOMAIN AND PUBLIC DEDICATION: (a) In the event of a taking of the Land, either in its entirety or to the extent that the Improvements are lost or damaged beyond repair, by reason of eminent domain or other action of public authority prior to the expiration of this Lease, the Lease shall terminate as of the date Tenant is required to give up possession of the Land or Improvements, and the entire amount of any award(s) paid shall be allocated in the way described in Section 10.5 above for insurance proceeds.

(b) In the event of a taking of a portion of the Land that does not result in damage to the Improvements or substantial reduction in the usefulness or desirability of the Improvements for residential purposes, then any monetary compensation for the taking shall be allocated entirely to Tenant.

(c) In the event of a taking of a portion of the Land that results in damage to the Improvements only to the extent that the Improvements can reasonably be restored to a residential use consistent with this Lease, Habitat may in its discretion allocate some or all of the monetary compensation to enable Tenant to accomplish the restoration. Any balance remaining after or in the absence of the allocation shall be allocated as provided above for a taking of the entire Land.

(d) Any and all proceedings brought by a party in connection with any damages as a result of any taking referred to in this section shall be conducted at the sole expense of that party. If any provision of law requires that proceedings be brought by or in the name of any owner or Tenant of the Premises, that party shall join in any proceedings or permit the same to be brought in its name. Each party agrees to do all acts and to execute all documents that may be required to enable the other to maintain the proceedings. If

the party required to join in the proceedings incurs any cost or expense in doing so, such party shall be entitled to reasonable reimbursement and this entitlement shall constitute a first charge against any award.

10.7 REASSESSMENT OF RENTAL VALUE: In the event of any taking that reduces the size of the Land but does not result in the termination of the Lease, Habitat shall reassess the fair rental value of the remaining Premises and shall adjust the Ground Lease Fee if necessary to assure that the monthly fee does not exceed the monthly fair rental value of the Premises for use as restricted by the Lease.

ARTICLE 11: Transfer, Sale or Disposition of Improvements

11.1 INTENT: It is the understanding of the parties that the terms of this Lease, and in particular of this Article 11, are intended to preserve the affordability of the Improvements for low-and moderate-income households and expand access to homeownership opportunities for low-and moderate-income households.

11.2 TRANSFERS: Tenant may transfer its interest in the Land or the Improvements only to Habitat or otherwise only as explicitly permitted by the provisions of this Article 11. All transfers shall be subject to Habitat's review and purchase option rights set forth in this Article 11. Any purported transfer done without following the procedures in this Article 11, except in the case of a transfer to a Permitted Mortgagee in lieu of foreclosure, shall be null and void.

11.3 TRANSFER TO TENANT'S HEIRS: Upon receipt from Tenant, Habitat shall, unless for good cause shown, consent to a transfer of the Improvements and an assumption of this Lease to and by one more of the possible heirs of Tenant listed below as "a," or "b", provided that a Letter of Stipulation (similar to the one described in Article 1 of this Lease), setting forth the heirs' review, understanding and acceptance of the terms of the Lease, are submitted to Habitat to be attached to the Lease with it s transferred to the heirs.

- a. the spouse of Tenant;
- b. domestic partner (also to be listed on ground lease); or
- c. Tenant's heir designated in the will.

11.4 HABITAT'S PURCHASE OPTION, MHFA'S PURCHASE OPTION: During the Term hereunder, Habitat shall have the right to purchase the Improvements in accordance with the terms and conditions of this Section (the "Purchase Option").

- a. Tenant shall notify Habitat of Tenant's desire to sell, convey, mortgage, pledge, grant a security interest in, or otherwise transfer the Improvements or any portion thereof ("Sale Notice") at least sixty (30) days before: (i) listing the Improvements for sale; (ii) making a formal offer to sell the Improvements to a third party; (iii) accepting an offer from a third party seeking to purchase the Improvements; or (iv) applying for a loan in which any portion of the proceeds would be used to pay off any note secured by a mortgage against the Premises. The Sale Notice shall describe the portion of the Improvements being sold, the desired closing date and any other relevant terms (as reasonably determined by Habitat). Within thirty (30) days after receiving the Sale Notice from Tenant, Habitat may elect (by giving Tenant written notice of Habitat's intent to exercise its Purchase Option) to purchase all of the Improvements at the Purchase Price, as determined pursuant to the formula set forth in Section 11(d) below (the "Election"). If Habitat makes the Election, Tenant shall sell the Improvements to Habitat for the Purchase Price on reasonably agreeable closing terms. If Habitat does not make the Election, the Minnesota Housing and Finance Agency ("MHFA") shall have the right to so exercise such Purchase Option by sending a Notice of Exercise of Option to Tenant and in such event, the MHFA shall be deemed to have exercised the Purchase Option and shall be entitled to all rights under this Article 11 in the same manner and to the same extent as if Habitat had exercised such Purchase Option, the MHFA being deemed a third-party

beneficiary hereunder. Tenant may sell the Improvements to a third party and, upon any such sale of the Improvements to a third party, Tenant shall repay all sums due under the note secured by a mortgage against the Premises, including any Equity Sharing Fee (as defined in the mortgage) set forth in the note secured by a mortgage against the Premises. Notwithstanding the foregoing, Habitat's failure to make the Election shall not constitute a consent to assignment, transfer or sale of any mortgage in favor of Habitat to any third party.

- b. If Tenant pays in full all amounts owed to Habitat and fully satisfies all of Tenant's obligations under the note secured by a mortgage against the Premises and the related mortgage, or if Habitat fails to exercise its Purchase Option within the time period specified in the preceding paragraph, then the Purchase Option shall automatically become null and void, with regard to the portion of the Improvements identified in the Sale Notice.
- c. If Habitat exercises its Purchase Option: (i) Habitat shall be responsible for, and pay the cost of, having a purchase agreement drafted for the Improvements; and (ii) any mortgage on the Premises shall continue in full force and effect pursuant to the terms and conditions therein contained until the closing of Habitat's purchase of the Improvements
- d. The purchase price (the "Purchase Price") payable by Habitat, upon its exercise of Purchase Option, shall be an amount equal to the greater of (1) the Fair Market Value (as hereinafter defined) of the Improvements or (2) the aggregate amounts due and owing, as of the Closing (as hereinafter defined), on any note(s) secured by a mortgage against the Premises and the related mortgage(s).

For Purposes of this Lease, the term "Fair Market Value" shall mean the appraised value of the Improvements as determined by an appraiser selected by Habitat within thirty (30) days after Habitat receives the Sale Notice. The cost of such appraisal shall be split equally between Habitat and Tenant. The Appraisal shall be conducted by analysis and comparison of comparable properties as though title to Land and Improvements were held in fee simple absolute, disregarding the restrictions of this Lease on the use of the Land and the transfer of the Improvements. The Appraisal shall state the values contributed by the Land and by the Improvements as separate amounts.

Normal prorations and closing costs shall be divided between Habitat and Tenant at Closing in the customary manner.

- e. The closing of Habitat's purchase of the Improvements as contemplated by this Section (the "Closing") shall occur within one hundred eighty (180) days after the Sale Notice is given to Habitat, unless postponed or extended in writing by Habitat and Tenant. The Closing shall take place at a mutually acceptable time and location.
- f. If Habitat does not exercise its Purchase Option, any mortgage in favor of Habitat shall continue in full force and effect pursuant to the terms and conditions herein contained until any note(s) secured by a mortgage against the Premises and the related mortgage(s) are paid in full and Tenant's obligations are satisfied pursuant to the terms and conditions contained in any note(s) secured by a mortgage against the Premises and the related mortgage(s).
- g. Notwithstanding anything herein to the contrary, the Tenant's satisfaction of the process set forth in Section 11 of the existing Second Mortgage and Purchase Option executed by Tenant in favor of Habitat and recorded against the Premises, entitled "Lender's Purchase Option," shall satisfy Tenant's obligations and Habitat's Purchase Option rights under this Section 11.4 of this Lease. Tenant does not have to give a second notice under this Section 11.4 and follow the entire option

process so long as it has properly fulfilled its obligations under Section 11 of the existing Second Mortgage and Purchase Option executed by Tenant in favor of Habitat and recorded against the Premises.

11.5 IF PURCHASE OPTION EXPIRES: If the Purchase Option has expired or if Habitat or MHFA has failed to complete the purchase pursuant to the terms above, Tenant may sell the Improvements and assign the Lease for not more than the amount set forth in Section 11.8 below. If Tenant fails to close and assign the Lease within twelve (12) months of the Sale Notice, the Purchase Option shall remain in full force and effect.

11.6 TENANT'S OPTION TO PURCHASE LAND: Habitat hereby grants Tenant the option (the "Land Purchase Option") to purchase the Land on the terms set forth in the attached **Exhibit I**.

11.7 HABITAT'S POWER OF ATTORNEY TO CONDUCT SALE: In the event Habitat or the MHFA does not exercise its option and complete the purchase of the Improvements as set forth above, and Tenant (a) is not then residing in the Improvements and (b) continues to hold the Improvements out for sale but is unable to locate a buyer and execute a binding purchase and sale agreement within one (1) year of the giving of the Sale Notice, Tenant does hereby appoint Habitat its attorney in fact to seek a buyer, negotiate a reasonable price that furthers the goals set forth in this Lease, sell the property, and distribute proceeds of the sale, minus Habitat's costs of sale and reletting and any other sums owed Habitat by Tenant.

11.8 PURCHASE PRICE: Up until the expiration, termination or satisfaction of the mortgage executed by Tenant in favor of Habitat, in no event may the Improvements be sold for a price that exceeds the Purchase Price. The Purchase Price shall be the lesser of (a) the value of the Improvements as determined by the Appraisal commissioned and conducted as provided in 11.5 above or (b) the price calculated in accordance with the formula described below (the "Formula Price").

11.9 CALCULATION OF THE FORMULA PRICE: The Formula Price shall be equal to Tenant's Purchase Price, as stated below, plus Tenant's Share of Market Value Appreciation in the market value of the Land and Improvements existing thereon, if any, calculated as follows:

- (a) *Tenant's Purchase Price*: The parties agree that Tenant's Purchase Price for the Improvements existing on the Land as of the commencement of the Term of this Lease is set forth in Section 1.6 above.
- (b) *Initial Appraised Value*: The Parties agree that the appraised value of the land and Improvements at the time of Tenant's purchase (the "Initial Appraised Value") is set forth in Section 1.7 above, as documented by the Appraiser's Report.
- (c) *Current Appraised Value*: The parties agree that the market value of the Land and the Improvements existing thereon conducted on or about the date of Tenant's Sale Notice, in accordance with Section 11.4 above, shall be the Current Appraised Value.
- (d) *Market Value Appreciation*: For the purpose of determining the Purchase Price, the Market Value Appreciation of the Land and Improvements shall be determined by subtracting the Initial Appraised Value above from the Current Appraised Value.
- (e) *Tenant seller's income*: This amount establishes the estimated amount that Tenant seller will receive upon sale. This figure includes Tenant's Share of Market Value Appreciation, applicable down payment costs, and earned principal paid on the Improvements.
- (f) *Formula Price*: This amount will establish the new improvement price for future Tenants. The Formula Price shall be determined by adding Tenant's Share of Market Value Appreciation (which is twenty-five percent (25%) of Market Value Appreciation) to Tenant's Purchase Price. A table for calculating the Formula Price is attached as Exhibit E.

11.10 **QUALIFIED PURCHASER'S NEW LEASE:** A Person who purchases improvements in accordance with the provisions of this Article 11 shall receive a new Lease from Habitat, which new Lease shall be substantially the same as this Lease in the rights, benefits and obligations assigned to Tenant and Habitat.

ARTICLE 12: ASSIGNMENT AND SUBLEASE

Except as otherwise provided in Article 9 (including Exhibit C PERMITTED MORTGAGES) and Article 11, Tenant shall not assign, sublease, sell or otherwise convey any of Tenant's rights under this Lease without the prior written consent of Habitat. Tenant agrees that Habitat shall have broad and full discretion to withhold consent in order to further the mutual purposes and goals set forth in this Lease. If permission is granted, any assignment or sublease shall be subject to the following conditions.

- a) Any assignment or sublease shall be subject to all of the terms of this Lease.
- b) In the case of a sublease, the rental or occupancy fee charged the subtenant shall not be more than that amount charged Tenant by Habitat, plus an amount approved by Habitat to cover costs to Tenant for the Improvements.
- c) Up until the expiration, termination or satisfaction of the mortgage executed by Tenant in favor of Habitat, in the case of an assignment, the total consideration for the assignment and the related sale or transfer of the Improvements shall not exceed the Purchase Price as calculated in accordance with Article 11 above.

ARTICLE 13: DEFAULT

13.1 **MONETARY DEFAULT BY TENANT:** It shall be an event of default if Tenant fails to pay the Ground Lease Fee or other charges required by the terms of this Lease and the failure is not cured by Tenant or a Permitted Mortgagee within thirty (30) days after notice of the failure is given by Habitat to Tenant and Permitted Mortgagee. However, if Tenant makes a good faith partial payment of at least two-thirds (2/3) of the amount owed during the initial 30-day period, then the period shall be extended one additional 30-day period.

13.2 **NON-MONETARY DEFAULT BY TENANT:** It shall be an event of default if Tenant fails to abide by any other material term or condition in this Lease, and the failure is not cured by Tenant or a Permitted Mortgagee within sixty (60) days after notice of such failure is given by Habitat to Tenant and Permitted Mortgagee. However, in the case where Tenant or Permitted Mortgagee has commenced to cure such default within the 60-day period and is continuing the cure with all due diligence but cannot by the exercise of due diligence cure the default within the period, the period shall be extended for the additional period reasonably required under the circumstances to complete the cure.

13.3 **DEFAULT BY TENANT RESULTING FROM JUDICIAL PROCESS:** It shall be an event of default if the estate hereby created is taken on execution or by other process of law, or if Tenant is judicially declared bankrupt or insolvent according to law, or if any assignment is made of the property of Tenant for the benefit of creditors, or if a receiver, trustee in involuntary bankruptcy or other similar officer is appointed to take charge of any substantial part of Tenant's property by a court of competent jurisdiction, or if a petition is filed for the reorganization of Tenant under any provisions of the Bankruptcy Act now or hereafter enacted, or if Tenant files a petition for such reorganization, or for arrangements under any provision of the Bankruptcy Act now or hereafter enacted and providing a plan for a debtor to settle, satisfy or extend the time for payment of debts.

13.4 **TERMINATION:** (a) In the case of any of the events of default described above, Habitat may terminate this Lease and initiate summary proceedings against Tenant. Pursuant to the proceedings, without demand or notice, Habitat may enter any part of the Land and repossess the entire Land, and expel Tenant

and those claiming rights through Tenant and remove their effects without being guilty of any manner of trespass, and without prejudice to any remedies which might otherwise be used for arrears of rent or preceding breach of covenant. If this Lease is terminated by Habitat, or if Habitat re-enters the Land pursuant to an Event of Default, Tenant agrees to pay and be liable for any unpaid Ground Lease Fee, damages which may be due or sustained prior to or in connection with the termination or re-entry, and all reasonable costs, fees and expenses (including, without limitation, reasonable attorneys' fees) incurred by Habitat in pursuit of its remedies under this Lease.

(b) If Habitat elects to terminate the Lease, then the Permitted Mortgagee shall have the right (subject to the terms of this Lease) to postpone and extend the specified date for the termination of the Lease for a period sufficient to enable the Permitted Mortgagee or its designee to acquire Tenant's interest in the Land by foreclosure of its mortgage or otherwise.

12.5 LEASE GREATER THAN 20 YEARS Habitat and Tenant agree and acknowledge that since the term of this Lease is greater than 20 years, the Tenant and any Permitted Mortgagee have certain redemption rights as provided in Minnesota Statutes, Section 504B.291, subd. 2 (as such statute may be amended or modified and as may be in effect from time to time).

12.6 DEFAULT BY HABITAT Habitat shall in no event be in default in the performance of any of its obligations under the Lease unless and until Habitat has failed to perform such obligations within sixty (60) days, or such additional time as is reasonably required to correct any default, after notice by Tenant to Habitat properly specifying Habitat's failure to perform any such obligation.

ARTICLE 14: ARBITRATION

14.1 ARBITRATION PROCESS: (a) If any grievance or dispute arises between Habitat and Tenant concerning the terms of this Lease which cannot be resolved by normal interaction, the following arbitration procedure shall be used.

(b) Habitat or Tenant shall give written notice to the other party of its selection of a disinterested arbitrator. Within fifteen (15) days of the receipt of this written notice, the other party may give written notice to the first party appointing a disinterested arbitrator of its own choice. These two arbitrators shall select a third arbitrator. If the other party fails to name an arbitrator within fifteen days of receiving the notice from the first party, the arbitrator selected by the first party shall be the sole arbitrator.

(c) The arbitrator or arbitrators shall hold a hearing within 30 days after the initial written notice by the initiator of the arbitration process. At the hearing Habitat and Tenant shall have an opportunity to present evidence and question witnesses in the presence of each other. As soon as reasonably possible, and in no event later than 15 days after the hearing, the arbitration panel shall make a written report to Habitat and Tenant of its findings and decisions, including a personal statement by each arbitrator of his/her decision and the reasons for it. The arbitrators shall decide the dispute or claim in accordance with the substantive law of the jurisdiction and what is just and equitable under the circumstances. The decisions and awards of the majority of the arbitration panel shall be binding and final.

(d) To the extent that a party hereto desires to join another party to the arbitration, but such party refuses to join, then the parties hereto will remove the dispute to a forum in which such party can be joined.

ARTICLE 15: GENERAL PROVISIONS

15.1 NOTICES: Whenever this Lease requires either party to give notice to the other, the notice shall be given in writing and delivered in person or mailed, by certified or registered mail, return receipt requested, to the party at the address set forth below, or another address designated by like written notice:

If to the Habitat:	Twin Cities Habitat for Humanity 1954 University Ave W St. Paul, MN 55104
If to the Tenant:	at the Premises

All notices, demands and requests shall be effective upon being deposited in the United States Mail or, in the case of personal delivery, upon actual receipt.

15.2 NO BROKERAGE: Tenant warrants that it has not dealt with any broker in connection with the consummation of this Lease, and in the event any claim is made against Habitat relative to dealings with brokers, Tenant shall defend the claim against Habitat with counsel of Habitat's selection and save harmless and indemnify Habitat on account of loss, cost or damage which may arise by reason of any claim.

15.3 SEVERABILITY AND DURATION OF LEASE: If any part of this Lease is unenforceable or invalid, the unenforceable material shall be read out of this Lease and shall not affect the validity of any other part of this Lease or give rise to any cause of action of Tenant or Habitat against the other, and the remainder of this Lease shall be valid and enforced to the fullest extent permitted by law. It is the intention of the parties that their respective options to purchase and all other rights under this Lease shall continue in effect for the full Term of this Lease and any renewal thereof, and the options and other rights shall be considered to be coupled with an interest. In the event any option or right shall be construed to be subject to any rule of law limiting the duration of the option or right, the time period for the exercising of the option or right shall be construed to expire twenty (20) years after the death of the last survivor of the following persons: The children of the Board of Directors of Habitat.

15.4 RIGHT OF FIRST REFUSAL IN LIEU OF OPTION: If the provisions of the purchase option set forth in Article 11 of this Lease shall, for any reason, become unenforceable, in addition to any other rights Habitat may have pursuant to any mortgage recorded against the Improvements, Habitat shall nevertheless have a right of first refusal to purchase the Improvements at the highest documented bona fide purchase price offer made to Tenant. Such right shall be as specified in Exhibit D, FIRST REFUSAL. Any sale or transfer contrary to this Section, when applicable, shall be null and void.

15.5 WAIVER: The waiver by Habitat at any given time of any term or condition of this Lease, or the failure of Habitat to take action with respect to any breach of any term or condition, shall not be deemed to be a waiver of the term or condition with regard to any subsequent breach of the term or condition, or of any other term or condition of the Lease. Habitat may grant waivers in the terms of this Lease, but waivers must be in writing and signed by Habitat before being effective. The subsequent acceptance of Ground Lease Fee payments by Habitat shall not be deemed to be a waiver of any preceding breach by Tenant of any term or condition of this Lease, other than the failure of Tenant to pay the particular Ground Lease Fee so accepted, regardless of Habitat's knowledge of the preceding breach at the time of acceptance of the Ground Lease Fee payment.

15.6 HABITAT'S RIGHT TO PROSECUTE OR DEFEND: Habitat shall have the right, but shall be under no obligation, to prosecute or defend, in its own or Tenant's name, any actions or proceedings appropriate to the protection of its title to, and Tenant's interest in the Land and Improvements. Whenever requested by Habitat, Tenant shall give Habitat all reasonable aid in any action or proceeding.

15.7 CONSTRUCTION: Whenever in this Lease a pronoun is used it shall be construed to represent either the singular or the plural, masculine or feminine, as the case shall demand.

15.8 CAPTIONS AND TABLE OF CONTENTS: The captions and table of contents appearing in this Lease are for convenience only, and are not a part of this Lease and do not in any way limit or amplify the terms or conditions of this Lease.

15.9 PARTIES BOUND: This Lease sets forth the entire agreement between Habitat and Tenant with respect to the leasing of the Land; it is binding upon and inures to the benefit of these parties and, in accordance with the provisions of this Lease, their respective successors in interest. This Lease may be altered or amended only by written notice executed by Habitat and Tenant or their legal representatives or, in accordance with the provisions of this Lease, their successors in interest.

15.10 GOVERNING LAW: This Lease shall be interpreted in accordance with and governed by the laws of Minnesota. The language in all parts of this Lease shall be, in all cases, construed according to its fair meaning and not strictly for or against Habitat or Tenant.

15.11 RECORDING: The parties agree that they may, as an alternative to the recordation of this Lease, execute a Notice of Lease or Short Form Lease in form recordable and complying with applicable law and reasonably satisfactory to Habitat's attorneys. It shall expressly state that it is executed pursuant to the provisions contained in this Lease, and is not intended to vary the terms and conditions of this Lease.

15.12 LIMITATION OF LIABILITY The liability of Habitat to Tenant (or any person or entity claiming by, through or under Tenant) under the terms of this Lease or any matter relating to or arising out of the occupancy or use of the Land or the Improvements shall be limited to Tenant's actual direct, but not consequential, damages therefor and shall be recoverable only from the interest of Habitat in the Land and Improvements. Tenant agrees to look solely to Habitat's interest in the Land and Improvements for the recovery of any judgment against Habitat. The limitations of liability contained in this section shall apply equally and inure to the benefit of Habitat, present and future advisors, beneficiaries, participants, representatives and their respective constituent partners, members, shareholders, trustees, heirs, successors and assigns. Under no circumstances shall any present or future general or limited partner of Habitat (if Habitat is a partnership), member of Habitat (if Habitat is a limited liability company) or trustee or beneficiary (if Habitat or any partner or member of Habitat is a trust) have any liability for the performance of Habitat's obligations under this Lease.

15.13 ESTOPPELS: From time to time, Tenant shall furnish to any person designated by Habitat, within ten (10) days after Habitat's request therefor, an estoppel certificate signed by Tenant in favor of such party, confirming and containing such factual certifications and representations as to this Lease as may be reasonably requested.

15.14 HABITAT TRANSFER: Habitat may transfer any portion of either or both the Land or Improvements and any of its rights under this Lease. To the extent that Habitat assigns its rights under this Lease, then Habitat shall thereby be released from any further obligations hereunder arising after the date of transfer.

15.15 JOINT AND SEVERAL LIABILITY: If Tenant is comprised of more than one party, each such party shall be jointly and severally liable for Tenant's obligations under this Lease. All unperformed obligations of Tenant hereunder not fully performed at the end of the Term shall survive the end of the Term.

15.16 MEMORANDUM OF GROUND LEASE: Simultaneously with the execution of this Lease, each party hereto shall execute, and Habitat shall record against the Land, a memorandum in the form attached hereto as **Exhibit H**.

15.17 NOT A LEASE OF RESIDENTIAL PREMISES Habitat and Tenant acknowledge and agree that, as this Lease is a Ground Lease and is not a lease of residential premises, the provisions of Minnesota Statutes, Chapter 504B (as such chapter may be amended or modified and as such chapter is in effect from time to time) applicable to a lease of residential premises shall not be applicable to this Lease or to Habitat and Tenant. Without limiting the foregoing, Habitat and Tenant acknowledge and agree that the covenants of a landlord in a lease of residential premises under Minnesota Statutes, Section 504B.161, subd. 1 (as such provision may be amended or modified and as such provision shall be in effect from time to time) shall not apply to Habitat or Tenant.

15.18 INAPPLICABILITY OF MINN. STAT. SECTION 500.20 As this Lease is a Ground Lease, pursuant to Minnesota Statutes, Section 500.21, the provisions of Minnesota Statutes, Section 500.20 (30-year law) are not applicable to this Lease.

(Signature pages follow.)

IN WITNESS WHEREOF, the parties have executed this Lease on the day and year first above written.

<p>LANDLORD</p> <p>Twin Cities Habitat for Humanity, Inc.</p>	<p>TENANT</p> <p>By: _____</p> <p>Name: _____</p>
<p>By: _____</p> <p>Name: _____</p> <p>Title: _____</p>	<p>By: _____</p> <p>Name: _____</p>

**EXHIBIT A TO GROUND LEASE
LEGAL DESCRIPTION**

**EXHIBIT B-1 TO GROUND LEASE
LETTERS OF STIPULATION AND ACKNOWLEDGEMENT**

See attached

**EXHIBIT B-2 TO GROUND LEASE
WAIVER OF COUNSEL REVIEW**

See attached

**EXHIBIT C TO GROUND LEASE
PERMITTED MORTGAGES**

The provisions set forth in this Exhibit shall be understood to be provisions of Article 9 of the Lease to which the Exhibit is attached and in which the Exhibit is referenced. All terminology used in this Exhibit shall have the meaning assigned to it in the Lease.

- A) STANDARD PERMITTED MORTGAGE: A “Permitted Mortgage,” as identified in Section 8.1 of the Lease to which this Exhibit is attached shall be a mortgage that meets the following requirements:
- 1) The Mortgage shall run in favor of an affiliate of Habitat.
 - 2) The Mortgage shall be a first lien on all or any of the Improvements and Tenant’s Interest in the Land (the “Security”).
 - 3) The Mortgage and related documentation shall provide, among other things, that in the event of a default in any of the mortgagor’s obligations thereunder, the holder of such Mortgage shall notify Habitat of such fact and Habitat shall have the right (but shall not have the obligation) within 120 days after its receipt of the notice, to cure the default in the mortgagor’s name and on mortgagor’s behalf, provided the current payments due the holder during such 120-day period (or such lesser time period as may have been required to cure the default) are made to the holder, and shall further provide that said holder shall not have the right, unless such default shall not have been cured within such time, to accelerate the note secured by the Mortgage or to commence to foreclose under the Mortgage on account of such default.
 - 4) The Mortgage and related documentation shall provide, among other things, that if after the cure period the holder intends to accelerate the note secured by such Mortgage or initiate foreclosure proceedings under the Mortgage, in accordance with the provisions of this Lease, the holder shall first notify Habitat of its intention to do so and Habitat shall have the right, but not the obligation, upon notifying the holder within thirty (30) days of receipt of the notice from the holder, to pay off the indebtedness secured by such Mortgage and to acquire the Mortgage.
 - 5) The Mortgage and related documentation shall provide, among other things, that, in the event of foreclosure sale by a Permitted Mortgagee or the delivery of a deed to a Permitted Mortgagee in lieu of foreclosure, upon acquisition of title to the Improvements and Tenant’s interest in the Land by the Permitted Mortgagee, the Permitted Mortgagee shall give Habitat written notice of the acquisition and Habitat shall have an option to purchase the Improvements and acquire Tenant’s interest in the Land from the Permitted Mortgagee for the full amount owing to the Permitted Mortgagee under the Permitted Mortgage; provided, however, that (a) Habitat gives written notice to the Permitted Mortgagee of Habitat’s intent to purchase the Improvements and acquire Tenant’s interest in the Land within (30) days following Habitat’s receipt of the Permitted Mortgagee’s notice of acquisition of the Improvements and Tenant’s interest; and (b) Habitat shall complete the purchase of the Improvements and acquisition of Tenant’s interest in the Land within sixty (60) days of having given written notice of its intent to purchase; and (c) if Habitat does not complete the purchase within such period, the Permitted Mortgagee shall be free to sell the Improvements and transfer Tenant’s interest in the Land to another person;
 - 6) The Mortgage and related documentation shall not contain any provisions other than provisions generally contained in mortgages used for similar transactions in the Twin Cities area by institutional mortgagees.
 - 7) The Mortgage and related documentation shall not contain any provisions which could be construed as rendering Habitat or any subsequent holder of Habitat’s interest in and to this Lease, or their respective heirs, executors, successors or assigns, personally liable for the payment of the debt evidenced by such note and such Mortgage or any part thereof.

- 8) The Mortgage and related documentation shall contain provisions to the effect that the holder of the Mortgage shall not look to Habitat or Habitat's interest in the Land, but will look solely to Tenant's interest in the Land, the Improvements, or such other buildings and improvements which may from time to time exist on the Land, for the payment of the debt secured thereby or any part thereof (It is the intention of the parties hereto such Mortgage shall be without any liability on the part of Habitat for any deficiency judgment).
 - 9) The Mortgage and related documentation shall provide that in the event any part of the Security is taken in condemnation or by right of eminent domain, the proceeds of the award shall be paid over to the holder of the Mortgage in accordance with the provisions of ARTICLE 9 hereof.
 - 10) The Mortgage and related documentation shall contain nothing that obligates Habitat to execute an assignment of the Ground Lease Fee or other rent payable by Tenant under the terms of this Lease.
- B) RIGHTS OF PERMITTED MORTGAGEE: The rights of a holder of a Permitted Mortgage (Permitted Mortgagee) as referenced under Section 9.2 of this Lease to which this Exhibit is attached shall be as set forth below.
- 1) A Permitted Mortgagee shall with without requirement of consent by Habitat have the right, but not the obligation, to:
 - a) cure any default under this Lease, and perform any obligation required under this Lease, such cure or performance by a Permitted Mortgagee being effective as if it had been undertaken and performed by Tenant;
 - b) acquire and convey, assign, transfer and exercise any right, remedy or privilege granted to Tenant by this Lease or otherwise by law, subject to the provisions, if any, in said Permitted Mortgage, which may limit any exercise of any such right, remedy or privilege; and
 - c) rely upon and enforce any provisions of the Lease to the extent that such provisions are for the benefit of a Permitted Mortgagee.
 - 2) Permitted Mortgagee shall not, as a condition to the exercise of its rights under the Lease, be required to assume personal liability for the payment and performance of the obligations of Tenant under the Lease. Any such payment or performance or other act by Permitted Mortgagee under the Lease shall not be construed as an agreement by Permitted Mortgagee to assume such personal liability except to the extent Permitted Mortgagee actually takes possession of the Security and the Premises. In the event Permitted Mortgagee does take possession of the Security and thereupon transfers the Security, any such transferee shall be required to enter into a written agreement assuming such personal liability and upon any such assumption the Permitted Mortgagee shall automatically be released from personal liability under the Lease.
 - 3) In the event that title to the estates of both Habitat and Tenant shall be acquired at any time by the same person or persons, no merger of these estates shall occur without the prior written declaration of merger by Permitted Mortgagee, so long as Permitted Mortgagee owns any interest in the Security or in a Permitted Mortgage. In the event that the estate of Habitat is owned at any time by Tenant (regardless of a merger), or by any person in which Tenant has a direct or indirect interest, Permitted Mortgagee shall not be obligated to cure any default of Tenant under the Lease as condition to the forbearance by Habitat in the exercise of Habitat's remedies as provided in the Lease.
 - 4) If the Lease is terminated for any reason, or in the event of the rejection or disaffirmance of the Lease pursuant to bankruptcy law or other law affecting creditors' rights, Habitat shall enter into a new lease of the Land with the Permitted Mortgagee (or with any party designated by the Permitted Mortgagee, subject to Habitat's approval, which approval shall not be unreasonably withheld), not more than thirty (30) days after the request of the Permitted Mortgagee. Such lease shall be for the remainder of the Term of the Lease, effective as of the

date of such termination, rejection or disaffirmance, and upon all the terms and provisions contained in the Lease. However, the Permitted Mortgagee shall make a written request to Habitat for such new lease within sixty (60) days after the effective date of such termination, rejection or disaffirmance, as the case may be. Such written request shall be accompanied by a copy of such new lease, duly executed and acknowledged by the Permitted Mortgagee or the party designated by the Permitted Mortgagee to be Tenant thereunder, and the Permitted Mortgagee shall have cured all defaults under the Lease which can be cured by the payment of money. Any new lease made pursuant to this Section shall have the same priority with respect to other interests in the Premises as the Lease. The provisions of this Section shall survive the termination, rejection or disaffirmance of the Lease and shall continue in full effect thereafter to the same extent as if this Section were independent and an independent contract made by Habitat, Tenant and the Permitted Mortgagee.

5) Habitat shall have no right to terminate the Lease during such time as the Permitted Mortgagee has commenced foreclosure in accordance with the provisions of the Lease and is diligently pursuing the same.

6) In the event that Habitat sends a notice of default under the Lease to Tenant, Habitat shall also send a notice of Tenant's default to Be Permitted Mortgagee. The notice shall be given in the manner set forth in Section 15.1 of the Lease to Permitted Mortgagee as the address which has been given by the Permitted Mortgagee to Habitat by a written notice to Habitat sent in the manner set forth in said Section 15.1 of the Lease.

EXHIBIT D to GROUND LEASE
First Refusal

Whenever any party under the Ground Lease shall have a right of first refusal as to certain property, the following procedures shall apply. If the owner of the property offering it for sale ("Offering Party") of the Ground Lease receive a bona fide third party offer to purchase the property which such Offering Party is willing to accept, the holder of the right of first refusal (the "Holder") shall have the following rights:

- a) Offering Party shall give written Notice of Offer (the "Notice of Offer") to holder setting forth (a) the name and address of the prospective purchaser of the property, (b) the purchase price offered by the prospective purchaser and (c) all other terms and conditions of the sale. Holder shall have a period of forty-five (45) days after the receipt of the Notice of Offer (the "Election Period") within which to exercise the right of first refusal by giving notice of intent to purchase the property (the "Notice of Intent to Purchase") or the same price and on the same terms and conditions set forth in the Notice of Offer. The Notice of Intent to Purchase shall be given in writing to the Offering Party within the Election Period.
- b) If Holder exercises the right to purchase the property, the purchase shall be completed within sixty (60) days after the Notice of Intent to Purchase is given by Holder (or if the Notice of Offer shall specify a later date for closing, such date) by performance of the terms and conditions of the Notice of Offer, including payment of the purchase price provided therein.
- c) Should Holder fail to exercise the right of first refusal within the Election Period, then the Offering Party shall have the right (subject to any other applicable restrictions in the Ground Lease) to go forward with the sale which the Offering Party desires to accept, and to sell the property within one (1) year following the expiration of the Election Period on terms and conditions which are not materially more favorable to the purchaser than those set forth in the Notice. If the sale is not consummated within such one-year period, the Offering Party's right to sell shall end, and all of the foregoing provisions of this section shall be applied again to any future offer, all as aforesaid. If a sale is consummated within such one-year period, the purchaser shall purchase subject to a renewed right of first refusal in said property.

**EXHIBIT E TO GROUND LEASE
SAMPLE CALCULATION OF FORMULA PRICE
UNDER THE GROUND LEASE**

The "Initial Appraised Value" is \$ _____.

"Tenant's Purchase Price" is \$ _____.

Based on the above information the following table can be used to calculate the Formula Price.

- a) Calculation of Market Value Appreciation: For the purpose of determining the Formula Price, Market Value Appreciation shall be determined by subtracting from the Current Appraised Value the Initial Appraised Value. Following is a table for calculating Market Value Appreciation:

Current Appraised Value (at time of sale)	\$ _____
Minus Initial Appraised Value (at date of Ground Lease)	\$ _____
Equals Increase in Market Value Appreciation	=\$ _____

- b) Calculation of Tenant's Share of Increases in Market Value: For the purpose of determining the Purchase Price, Tenant's Share of Market Value Appreciation shall be determined by multiplying the Market Value Appreciation by twenty-five (25%). Following is a table for calculating Tenant's Share of Increase in Market Value of the Improvements:

Market Value Appreciation \$ _____

- c) Tenant seller's income: This amount establishes the estimated amount that Tenant seller will receive upon sale. This figure includes Tenant's Share of Market Value Appreciation, *applicable down payment costs, and earned principal paid on the Improvements.*

Tenant's Share of Market Value Appreciation	\$ _____
plus, applicable down payment costs	+ _____
plus, principal paid on Improvements	+ _____
equals approximate Tenants seller's income	=\$ _____

- d) Calculation of Formula price.
The Purchase Price shall be determined by adding Tenant's Share of Market Value Appreciation to Tenant's Purchase Price. Following is a table for calculating the Purchase Price:

Tenant's Purchase Price	\$ _____
plus, Tenant's Share of Market Value Appreciation	+\$ _____
equals Formula Price	=\$ _____

**EXHIBIT F TO GROUND LEASE
INITIAL APPRAISAL**

See attached

**EXHIBIT G TO GROUND LEASE
NON-RECOURSE BILL OF SALE**

See attached

**EXHIBIT H TO GROUND LEASE
MEMORANDUM OF LEASE AGREEMENT**

See attached

**EXHIBIT I TO GROUND LEASE
OPTION TERMS**

1. Grant of Option. As a part of the consideration of the Lease, Habitat hereby grants to Tenant the Option to purchase the Land (the "Option"), at any time during the term of the Lease, on the terms and conditions set forth in this Agreement.
2. Exercise of Option. The Option shall be exercised by Tenant by service upon Habitat of a notice of exercise specifying the Closing Date, which Closing Date shall be no fewer than 60 days and no more than 90 days from the date of Tenant's exercise of the Option (the "Exercise Notice").
3. Purchase Price. The purchase price shall be the "Market Value" as defined herein (the "Purchase Price"). The Purchase Price shall be payable by wire transfer of immediately available funds at Closing.
4. Determination of Market Value. For purposes of this Exhibit I, Market Value shall be determined as of the date of Tenant's exercise (the "Valuation Date") as follows:
 - (a) "Market Value" shall mean the amount that a willing buyer would pay, and a willing seller would accept, in arm's length bona fide negotiations, assuming such buyer to be a prudent person willing to buy but being under no compulsion to do so and assuming the seller to be a prudent person willing to sell but being under no compulsion to do so, and assuming the Property is unencumbered by this Lease.
 - (b) Tenant shall specify in the Exercise Notice Tenant's opinion as to Market Value. If Tenant does not in the Exercise Notice indicate its opinion regarding Market Value, then Tenant shall be deemed to have elected to have the Property appraised as provided in subparagraph (c) below. Habitat shall be deemed to have disagreed with Tenant's opinion of Market Value unless within fifteen (15) Business Days after Tenant has delivered the Exercise Notice, Habitat shall have notified Tenant of its agreement
 - (c) If Habitat is deemed to have disagreed or notifies Tenant of its disagreement with Tenant's opinion as to Market Value, then within ten (10) Business Days after Habitat's notice, unless in the interim Habitat and Tenant have reached agreement as to the Market Value or Purchase Price, Habitat and Tenant shall each appoint a Qualified Appraiser to determine the Market Value, by written notice to the other party given within such period. If only one party appoints a Qualified Appraiser within such time period, then the lone Qualified Appraiser shall within twenty (20) Business Days render his or her opinion as to Market Value and notify both parties of such opinion. If two Qualified Appraisers are appointed, they shall meet and attempt to agree upon the Market Value within twenty (20) Business Days. If the two Qualified Appraisers cannot reach agreement as to Market Value, then the two Qualified Appraisers shall jointly appoint a third Qualified Appraiser. If the two Qualified Appraisers cannot agree upon a third Qualified Appraiser, then either party may apply to the court of general jurisdiction in Anoka County, Minnesota, for the appointment of the third Qualified Appraiser. The decision of any two Qualified Appraisers shall constitute the Market Value. If no two Qualified Appraisers agree as to Market Value, then the average of the two Qualified Appraisers closest to each other shall constitute the Market Value. Habitat and Tenant shall be conclusively bound by the determination of Market Value. The closing of the purchase and sale transaction shall be postponed if and to the extent necessary to accommodate the above appraisal procedures.
 - (d) A "Qualified Appraiser" is an MAI appraiser having at least five (5) years of commercial/industrial real estate appraisal experience including the Anoka County , Minnesota market area. Each party shall pay the cost of the Qualified Appraiser appointed by it, and the parties shall share equally the cost of the third Qualified Appraiser, if any.
5. Title. Marketable title to the Property in fee simple shall be conveyed by Habitat to Tenant or assigns by limited warranty deed, subject only to the mortgage in favor of Habitat, the Permitted

Mortgage, if applicable, and encumbrances reasonably acceptable to Tenant. Habitat shall within ten (10) business days from the date of exercise of the Option, order and have delivered to Tenant a commitment for title insurance from a title company acceptable to Tenant to issue an ALTA 2006 Owner's Policy of Title Insurance, in the amount of the Purchase Price, insuring Tenant's title to the property ("Title Evidence"). Upon receipt of the Title Evidence, Tenant shall have ten (10) business days to examine such documents and deliver written objections to Habitat concerning title to the Property based thereon. If objections are so made, Habitat shall, at its sole election (a) be allowed twenty (20) business days in which to use due diligence to cure the objection and the Closing Date shall be postponed accordingly; or (b) refuse to cure such objections. If Habitat elects not to cure or such title objection(s) is not cured within twenty (20) business days from the date of such written objections, the Tenant's exercise of its Option shall become null and void at the Option of Tenants. If Tenant elects to proceed to closing despite Habitat's refusal to cure such defect of Habitat's inability to cure such defect, Tenant shall be deemed to have waived such defect.

6. Closing. On the Closing Date, Habitat and Tenant shall deliver the applicable documents and items necessary to close or reasonably requested by Tenant's title company. Habitat shall pay any transfer tax required for the recordation of the deed to be delivered hereunder, and any recording fees for any necessary affidavits, deeds, releases, etc., required to deliver clear title to the Property. Tenant shall pay the recording fees for recording of the deed.
7. Default. In the event that the transactions contemplated by this Agreement are not consummated on the Closing Date by reason of default on the part of the Habitat, the Tenant may enforce specific performance of this Agreement. In the event that the transactions contemplated by this Agreement are not consummated on the Closing Date by reason of default on the part of the Tenant, the Habitat may enforce specific performance of this Agreement.
8. Further Assurances. Habitat and Tenant agree to execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, any and all conveyances, documents and instruments as may be reasonably necessary in order to carry out the intent and purpose of this Agreement, whether or not the same are specifically set forth herein.

Exhibit D

DECLARATION

THIS INSTRUMENT IS EXEMPT FROM REGISTRATION TAX UNDER MINN.STAT. §287.04(f)
Roseville Economic Development Authority

**DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS
RUNNING WITH THE LAND**

**THIS DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS
RUNNING WITH THE LAND** (the "Declaration") is made and entered into on the ____ day of _____, 202__ by **Twin Cities Habitat for Humanity, Inc.**, a Minnesota nonprofit corporation (the "Declarant").

Recitals:

A. Declarant is the owner of certain real property located at _____, Ramsey County, Minnesota, legally described in Exhibit A, and inclusive of all buildings structures, fixtures, and other improvements thereon (the "Improvements") and other real property (the "Land").

B. Declarant received financing from the Roseville Economic Development Authority (the "Authority") pursuant to a grant from Authority funds legally available for such purpose (the "Grant"), to ensure that the Land is leased and conveyed to Qualified Homebuyers, as defined in the Long-Term Affordability Gap Assistance Grant Agreement between the Declarant and the Authority, which is incorporated herein by reference.

NOW, THEREFORE, Declarant makes the following declaration of covenants, conditions, and restrictions relating to the Property, intending the same to be binding upon Declarant, its successors, heirs, and assigns, and all subsequent owners of all or any part of the Property, until this Declaration expires by its terms:

1. The Land shall be maintained as owner-occupied, affordable housing for Qualified Homebuyers according to the terms and conditions of the Guidelines for Allocation of REDA Funds for Community Land Trust Properties, as implemented by the Authority.

2. The Land will be bound by the terms of a 99-year ground lease. The ground lease will provide for the long-term affordability (at least 99 years) of the Land. Declarant hereby declares and covenants, on behalf of itself and all future owners of the Land, that, during the term of this Declaration, the Authority is a third-party beneficiary of and successor to each and every remedy provided in the ground lease intended to insure the long-term affordability of the property. The Authority may, in the event of the failure or default of the landlord in each such ground lease to insure the long-term affordability of the property as provided for in the ground lease, exercise all rights and remedies available to the landlord in the ground lease for that purpose.

3. This Declaration expires, and is of no further force and effect, on the date that is thirty (30) years after the date of recordation of this Declaration; provided, however, that this Declaration may be renewed by Declarant from time to time.

4. Declarant covenants that it will not knowingly take or permit any action that would result in a violation of the requirements of the Long-Term Affordability Gap Assistance Grant Agreement.

5. This Declaration may be enforced by the Authority or its designee in the event Declarant fails to satisfy any of the requirements of this Declaration by proceedings at law or in equity against any person or persons violating or attempting to violate any covenant. If legal costs are incurred by the Authority, such legal costs, including attorney fees and court costs (including costs of appeal), are the responsibility of, and may be recovered from the Declarant.

6. Declarant may sell, transfer, or exchange its interest in the Land at any time, but Declarant shall notify in writing and obtain the agreement of any buyer or successor or other person acquiring such interest, that such acquisition is subject to the requirements of this Declaration. Declarant agrees that the Authority may void any sale, transfer, or exchange of the Declarant's interest in the Property if the buyer or successor or other person fails to assume in writing the requirements of this Declaration.

7. The covenants, conditions, and restrictions imposed by this Declaration touch and concern the Property and are intended to run with the land.

8. Upon execution of this Declaration by the Declarant, Declarant shall cause this Declaration and all amendments hereto to be recorded and filed in the Ramsey County Recorder and Registrar of Titles Office. Declarant shall pay all fees and charges incurred in connection therewith.

9. This Declaration may be amended only in writing executed by the Authority together with the Declarant and such amendment shall be binding on third parties granted rights under this Declaration.

10. Notices. Any notice shall be in writing and shall be deemed to have been given when delivered personally or when deposited in the United States mail, registered or certified, postage prepaid, addressed as follows:

If to Declarant:

Twin Cities Habitat for Humanity, Inc.
1954 University Avenue West
Saint Paul, Minnesota 55104
Attn: Chief Real Estate Officer

If to the Authority:

Roseville EDA
2660 Civic Center Drive
Roseville, MN 55113
Attention: Executive Director

Exhibit A to Declaration

Legal Description of Property

[To be inserted]

Guidelines for Allocation of REDA Funds For Community Land Trust Properties

The Roseville Economic Development Authority (REDA) supports the building and preservation of family and community wealth through the Community Land Trust (CLT) model in partnership with Twin Cities Habitat for Humanity (TCHH). It proposes financial support for addition of CLT properties on the following terms:

Use of Funds

Funds from the REDA may be used to cover a portion of the purchase price of property for a single-family home or townhome, either through a traditional sale or through tax-forfeiture. Three primary scenarios are anticipated:

- For properties purchased directly by TCHH for inclusion in the land trust, and if using funds other than Community Development Block Grant (CDBG) funds, the REDA will contribute an amount representing the assessed value of the land only, up to a maximum of \$80,000.
- For properties purchased directly by TCHH for inclusion in the land trust, and if using CDBG funds, the REDA will contribute an amount not to exceed 25% of the purchase price of the property, up to a maximum of \$80,000.
- REDA acquisition via tax-forfeited properties for inclusion in the land trust. The REDA will purchase such properties pursuant to Ramsey County's Tax Forfeited Land Policies & Procedures for 25% of market value, plus maintenance costs and recording fees, up to an aggregate maximum amount of \$80,000 per property, regardless of the funding source.

Funding sources for the REDA's contribution may include:

- existing CDBG funds,
- ARPA funds,
- Affordable Housing TIF, and
- Housing Replacement Program funds.

Use of funds are subject to applicable federal, state, and/or local rules governing such funds. Future funding resources may also include Ramsey County, Metropolitan Council and Minnesota Housing depending on the REDA's success in applying for and receiving said funds. If the REDA receives matching funds from such other agencies, then such funds will be used as a dollar-for-dollar match of the REDA's contribution toward the purchase price of the property, for an aggregate maximum contribution of up to \$160,000.

General Conditions of Purchase

- TCHH will inspect potential properties in partnership with the REDA and City staff to determine home eligibility and level of rehabilitation that may be required (if any). Depending on level of rehabilitation, TCHH will be responsible for finding resources to complete the home improvements identified.
- The partnership will actively pursue 1-4 homes per year priced at \$300,000 or below through either private sale or listings on the NorthstarMLS.
- If the REDA utilizes matching funds from Ramsey County, the maximum purchase price of a home may be increased above \$300,000 to the maximum program limit under the Minnesota Housing First Time Home Buyer Mortgage and Downpayment Loan Programs.
- If the REDA uses matching funds from Metropolitan Council, the maximum purchase price of a home may be increased above \$300,000 to the home price considered affordable up to 80% of the regional AMI limit established by HUD.
- Tax-forfeit properties will be made available for consideration by the community's land trust (CLT).

Eligible Households

- Assets not to exceed \$25,000 (subject property and retirement funds excluded).
- Eligible households must be first time homebuyers, unless a previous home was lost due to foreclosure.
- Sale and resale of CLT properties must be limited via a ground lease to low-to-moderate income households, meaning those households with incomes not exceeding 80 percent AMI, as determined by the U.S. Department of Housing and Urban Development (HUD), amounts which are updated annually.
- A member of the homebuyer household must commit to occupy and maintain an ownership interest in the property after acquiring the property, but no member of the homebuyer household may have had an ownership interest in the property at any time prior to acquisition.
- At least one homebuyer must, prior to purchase, complete homebuyer education or counseling, and/or financial education or counseling, from a member of the Minnesota Homeownership Center's Homeownership Advisors Network.
- Potential homeowners can utilize the REDA's down payment assistance funds if they meet the qualifications.

1 **EXTRACT OF MINUTES OF MEETING**
2 **OF THE**
3 **ROSEVILLE ECONOMIC DEVELOPMENT AUTHORITY**

4
5 * * * * *

6
7 Pursuant to due call and notice thereof, a regular meeting of the Board of Commissioners
8 (the “Board”) of the Roseville Economic Development Authority (“REDA”) was duly
9 held on the 24th day of January, 2022, at 6pm.

10
11 The following members were present:

12
13 and the following were absent: .

14
15 Member introduced the following resolution and moved its adoption:

16
17 **RESOLUTION No. __**

18
19 **RESOLUTION APPROVING MODIFIED GUIDELINES**
20 **FOR ALLOCATION OF REDA FUNDS FOR**
21 **COMMUNITY LAND TRUST PROPERTIES**

22 WHEREAS, the Roseville Economic Development Authority (“REDA”) has previously
23 directed REDA staff to explore options to assist affordable home ownership
24 within the City of Roseville (the “City”); and
25

26 WHEREAS, REDA staff gathered information regarding the establishment of a
27 community land trust program within the City, and presented its findings to
28 the REDA Board of Commissioners at a regular meeting of the Board on
29 September 20, 2021; and
30

31 WHEREAS, the REDA Board of Commissioners approved certain Guidelines for the
32 Allocation of REDA Funds for Community Land Trust Properties (the
33 “Guidelines”) on November 8, 2021; and
34

35 WHEREAS, REDA staff has presented certain Guidelines modifications (the
36 “Modifications”) to the REDA Board of Commissioners, allowing for the
37 use of additional governmental funding sources, if received, to finance a
38 portion of the costs of acquiring land trust properties; and
39

40 WHEREAS, REDA finds that approval of the Modifications will allow REDA to consider
41 a wider range of potential properties for inclusion in the community land
42 trust.
43

44 NOW, THEREFORE, BE IT RESOLVED as follows:
45

- 46 1. The REDA Board of Commissioners hereby approves the Modifications to
47 the Guidelines for Allocation of REDA Funds for Community Land Trust
48 Properties (the “Guidelines”) in the form presented to the Board.
49 2. REDA staff and officials are authorized to take all actions necessary to
50 implement the Guidelines as modified by the Modifications.
51

52

53

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

55

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

57

58 and the following voted against the same:

59

60 WHEREUPON said resolution was declared duly passed and adopted.

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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 January 24, 2022.

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

and the following voted against the same:

whereupon said resolution was declared duly passed and adopted.

Witness my hand as the Executive Director of the Authority this __ day of January, 2022.

Patrick Trudgeon, Executive Director
Roseville Economic Development
Authority

**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 (the “Authority”) was duly held on the 24th day of January, 2022, at 6:00 p.m.

The following members were present:

and the following were absent:

Commissioner _____ introduced the following resolution and moved its adoption:

Resolution No.

RESOLUTION AUTHORIZING APPLICATION FOR RAMSEY COUNTY FUNDS IN CONNECTION WITH ACQUISITION OF COMMUNITY LAND TRUST PROPERTIES

WHEREAS, the Roseville Economic Development Authority (the “Authority”) has proposed to apply for funds from Ramsey County (the “County”) to finance a portion of the costs of acquisition (the “Acquisition Costs”) of real property to be included in a community land trust pursuant to the Guidelines for Allocation of REDA Funds for Community Land Trust Properties (the “Guidelines”) adopted by the Authority on November 8, 2021, as revised on the date hereof; and

WHEREAS, the County holds numerous potential sources of funding to finance a portion of the costs of the Acquisition Costs; and

WHEREAS, the Authority desires to authorize Authority staff to apply for Acquisition Costs funding from any County source for which such costs are eligible and legally authorized.

NOW THEREFORE BE IT RESOLVED THAT the Authority shall proceed with one or more applications for funding through Ramsey County to finance a portion of the Acquisition Costs. Authority staff is hereby authorized to proceed with funding application activities on behalf of the Authority and City, subject to approval of any funding agreement by the Board of Commissioners of the Authority if such funding is received.

Adopted by the Board of Commissioners of the Roseville Economic Development Authority this 24th day of January, 2022.

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Certificate

I, the undersigned, being duly appointed Executive Director of the Roseville Economic Development Authority, Minnesota, hereby certify that I have carefully compared the attached and foregoing resolution with the original thereof on file in my office and further certify that the same is a full, true, and complete copy of a resolution which was duly adopted by the Board of Commissioners of said Authority at a duly called and specially held meeting thereof on January 24, 2022.

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

and the following voted against the same:

whereupon said resolution was declared duly passed and adopted.

Witness my hand as the Executive Director of the Authority this ____ day of January, 2022.

Executive Director
Roseville Economic Development Authority



REQUEST FOR ECONOMIC DEVELOPMENT AUTHORITY ACTION

Date: 1/24/2022

Item No.: 6.d

Department Approval

Executive Director Approval

Janice Gundlach

Samuel Truogger

Item Description: Consider Memorandum of Understanding with Ramsey County to purchase a tax-forfeited property at 939 County Road B2 West

1 **BACKGROUND**

2 The Roseville Economic Development Authority (REDA) adopted Guidelines for Allocation of
3 REDA Funds for Community Land Trust properties on November 8, 2021, which provides use of
4 funds to acquire tax forfeiture properties into the Community Land Trust program with Twin Cities
5 Habitat for Humanity (TCHFH). The property located at 939 County Road B2 West is a tax
6 forfeited property and has been made available to the City/REDA to purchase at 25% of the assessed
7 value of \$166,500 (or \$41,625).

8 The property has code violations and was posted for condemnation on November 26, 2018. It is
9 the belief of both the City’s Building Official and TCHFH that the home is not salvageable. If the
10 REDA is able to acquire the property for the Community Land Trust program, then TCHFH would
11 demolish the home and build new. Since Ramsey County notified the City/REDA of the
12 availability to purchase the property, the previous owner has made application to repurchase. The
13 City was offered the opportunity to comment on the repurchase request, and Community
14 Development Director Janice Gundlach sent a letter to Ramsey County advising them of the
15 condition of the home and the concerns of the previous owner’s ability to address the outstanding
16 code violations on the property. The status of when the Ramsey County Board will take action on
17 the application for repurchase is unknown. If the repurchase is not authorized by Ramsey County,
18 the REDA intends to act upon their interest of providing the home to the Community Land Trust
19 Program. In order to do so, the REDA will need to authorize a Memorandum of Understanding
20 (MOU) with Ramsey County (Attachment A) and authorize the purchase of the home by adopting a
21 resolution (Attachment B). Staff is requesting the REDA take these actions now in the event
22 Ramsey County does not authorize the repurchase by the prior owner, or, the prior owner fails to
23 comply with the conditions established for the repurchase. If the repurchase is successful, these
24 actions by the REDA would become null and void.

25 **BUDGET IMPLICATIONS**

26 The REDA adopted Guidelines for Allocation of REDA Funds For Community Land Trust
27 Properties on November 8, 2021. Purchase of the property for \$41,625 falls within the adopted
28 guidelines.

29 **STAFF RECOMMENDATION**

30 If the REDA wishes to preserve the right to purchase 939 County Road B2 West, then the REDA
31 must adopt a resolution authorizing entering into the MOU with Ramsey County.

32 **REQUESTED COUNCIL ACTION**

33 By motion, Adopt the Resolution authorizing entering into the MOU with Ramsey County for the
34 purchase of 939 County Road B2 West.

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

Attachments: A: MOU with Ramsey County and the REDA
B: Resolution authorizing MOU and purchase of 939 County Road B2

Memorandum of Understanding

This Memorandum of Understanding (“Memorandum”) is made and entered by and between the Roseville Economic Development Authority (“EDA”) and the County of Ramsey (“County” or “Ramsey County”).

Recitals

WHEREAS, the EDA wishes to purchase the tax-forfeited property located at 939 County Road B West, PIN: 11-29-23-24-0048 (the “Property”), for less than its market value for the purpose of developing affordable housing through the creation of community land trust properties in partnership with Twin Cities Habitat for Humanity, Inc. (“Developer”), pursuant to the Master Long-Term Affordability Gap Assistance Grant Agreement between the EDA and Developer dated as of November 8, 2021; and

WHEREAS, the EDA can purchase the Property for less than market value only if the Property will be used for the development of affordable housing; and

WHEREAS, the County is willing to accommodate the EDA’s request to purchase the Property on the terms and conditions contained in this Memorandum.

NOW THEREFORE, in consideration of the recitals, and other good and valuable consideration, and intending to be legally bound, the EDA and County agree as follows:

1. The EDA has provided to the County its specific plans for developing affordable housing on the Property and the specific law or laws that empower it to acquire the Property in furtherance of those plans.
2. **Identity of the Developer.** The EDA identifies Twin Cities Habitat for Humanity, Inc., as the developer (the “Developer”) of the Property. The EDA agrees that the Developer meets the requirements for developers set forth in Section 4.57.60.b.1. of the Ramsey County Administrative Code.
3. The County Assessor has determined that the Property has a current market value of \$166,500. In consideration of the Property’s use for affordable housing, the County will sell the Property to the EDA for 25% of its market value, which is \$41,625 plus maintenance costs and recording fees.
4. The EDA agrees to sell the Property for affordable housing to only a “qualified homebuyer”, which is defined as a buyer agreeing to continuously occupy and homestead the Property and whose household income does not exceed 80% of area median income as adjusted for family size. Income qualification must only be satisfied at time of the written application by the qualified homebuyer. If the EDA will first convey the Property to the Developer before construction commences, this requirement will not apply to the initial sale of the Property to the Developer.

5. Any resale of the Property by the initial qualified homebuyer during the seven (7) years after the purchase of the Property by the initial qualified homebuyer from the Developer must be to another qualified homebuyer.
6. The EDA will place a Declaration of Conditions and Restrictions of record to assure compliance with sections 4 and 5 of this Memorandum. The EDA shall require in its purchase agreement with the qualified homebuyer that if the qualified homebuyer fails to maintain the Property as the homebuyer’s homestead as set forth in Section 4 above, the qualified homebuyer is liable for a pro-rated share of the Property’s discounted market value paid by the qualified homebuyer to be repaid to the County. The EDA will either enforce the Declaration or the terms of its purchase agreement with the qualified homebuyer. Ramsey County has no obligation to enforce the Declaration.
7. The income qualification requirements set forth in Section 4, as well as the Declaration described in Section 6 and accompanying provisions to recapture benefits will terminate upon occurrence of any of the following events: foreclosure, transfer in lieu of foreclosure, or assignment of an FHA insured mortgage to HUD or to a conventional mortgage lender.

IN WITNESS WHEREOF, the EDA and County have executed this Memorandum by its authorized representatives as of the last date written below (“Effective Date”).

ROSEVILLE ECONOMIC DEVELOPMENT AUTHORITY

COUNTY OF RAMSEY

By: _____
Its: President
Date: _____

By: _____
Toni Carter, Chair
Board of County Commissioners

By: _____
Its: _____
Date: _____

By: _____
Mee Cheng, Chief Clerk
Board of County Commissioners

Date: _____

Approval recommended:

By: _____
Its: Director, Office of Financial Services
Date: _____

By: _____
Heather Bestler
Ramsey County Auditor/Treasurer

Date: _____

Approved as to form:

Approved as to form:

EDA Attorney
Date: _____

Assistant County Attorney
Date: _____

This instrument was drafted by:
Ramsey County Property Tax, Records and Election Services Department
Tax Forfeited Land Section
90 Plato Blvd. West
St. Paul, MN 55107

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

* * * * *

Pursuant to due call and notice thereof, a meeting of the Roseville Economic Development Authority, County of Ramsey, Minnesota, was duly called and held at the City Hall on Monday, the 24th day of January 2022, at 6:00 p.m.

The following members were present:

and the following were absent:

Commissioner _____ introduced the following resolution and moved its adoption:

RESOLUTION No. XX

A Resolution Ratifying a Memorandum of Understanding and Authorizing the Purchase of Property Located at 939 County Road B2 West

WHEREAS, Ramsey County (the “County”) has completed the tax forfeiture process as required by law for certain real estate located at 939 County Road B2 West in the City of Roseville (the “City”), legally described as Bradshaw-Edstrom Addition, the Ex West 16 feet; Lot 3, Block 1 (the “Property”), such property now being held in trust by the State of Minnesota (the “State”); and

WHEREAS, the Roseville Economic Development Authority (the “EDA”) desires to purchase the Property pursuant to its authority under Minnesota Statutes, Sections 469.090 to 469.1081 (the “EDA Act”), including without limitation its housing and redevelopment powers pursuant to Section 469.091, subd. 1 of the EDA Act, and specifically its power to acquire property for affordable housing purposes under Minnesota Statutes, Section 469.012, subd. 1g; and

WHEREAS, the EDA finds that the purchase of the Property will fulfill the objectives, goals, and mission of the EDA and meets the policy goals of the County’s Tax Forfeited Land Policies and Procedures: Non-Conservation Land – Sale for Less than Market Value (the “County Policy”) because the EDA is acquiring the Property for affordable housing; and

WHEREAS, the EDA adopted Guidelines for Allocation of REDA funds for Community Land Trust Properties and Authorized a Master Grant Agreement with Twin Cities Habitat for Humanity, Inc. (“TCHH”) to maintain the affordability of designated properties for ninety-nine years from the date of sale to TCHH; and

WHEREAS, the EDA has previously approved the acquisition of the Property for 25% of its assessed market value plus maintenance costs and recording fees pursuant to the County Policy, and the negotiation of a purchase agreement or memorandum of understanding with the County (the “MOU”) memorializing such terms.

NOW, THEREFORE, BE IT RESOLVED, by the Board of Commissioners of the Roseville Economic Development Authority as follows:

1. The recitals set forth in this Resolution are incorporated into and made a part of this Resolution.
2. The EDA hereby ratifies approval of the MOU as presented to the Board.
3. The President and Executive Director, EDA staff and consultants are hereby authorized and directed to take any and all additional steps and actions necessary or convenient in order to accomplish the intent of this Resolution, including, without limitation, execution of the MOU and the execution and/or recording of any documents required to effect the acquisition of the Property and the holding of a public hearing on the conveyance of the Property to TCHH, and to maintain certain affordability covenants as provided in the MOU.

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

I, the undersigned, being duly appointed Executive Director of the Roseville Economic Development Authority, hereby certify that I have carefully compared the attached and foregoing resolution with the original thereof on file in my office and further certify that the same is a full, true, and complete copy of a resolution which was duly adopted by the Board of Commissioners of said Authority at a duly called and regularly held meeting thereof on January 24th, 2022.

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

and the following voted against the same:

whereupon said resolution was declared duly passed and adopted.

Witness my hand as the Executive Director of the Authority this _____ day of January, 2022.

Executive Director
Roseville Economic Development
Authority



REQUEST FOR ECONOMIC DEVELOPMENT AUTHORITY ACTION

Date: 1/24/2022

Item No.: 6.e

Department Approval

Executive Director Approval

Item Description: Adopt a Resolution ratifying approval of loan programs administered by CEE and authorizing execution of loan documents in connect with said programs

1 **BACKGROUND**

2

3 On July 19th, 2021 the Roseville Economic Development Authority (REDA) approved an
4 amended and restated Standard Agreement for Professional Services with Center for
5 Energy and Environment (CEE) to administer the Housing Loan Programs described below
6 (Attachment A). This action was necessary following the REDA’s decision to expand the
7 residential loan program offerings beyond the Revolving Loan already in place.

8

9 *Residential Revolving Loan Program*

10 This program provides up to \$40,000 for home improvements at an interest rate of
11 4% over a 10 year amortization. Currently, the program is not being utilized as the
12 interest rate is not competitive.

13

14 *Last Resort – Emergency Deferred Program*

15 This program is designed to fund an emergency, which is defined as a condition
16 that makes the house uninhabitable, extremely dangerous to the occupants, or is
17 capable of causing severe health problems. The loan is deferred, but not forgiven,
18 at an interest rate of 0%. The maximum loan amount is \$10,000. There is no debt-
19 to-income ratio requirement and the loan is due upon sale of the home, or
20 refinancing when taking cash out.

21

22 *Manufactured Home Improvement Program*

23 This program is designed to fund interior or exterior improvements to manufactured
24 homes. The loan is amortized over a maximum term of 10 years at a 4% interest
25 rate. The maximum loan amount is \$10,000. The loan has debt-to-income and
26 loan-to-value requirements.

27

28 *Senior Deferred Loan Program*

29 This program is designed to fund interior and exterior improvements. Because it is
30 targeted to seniors, the loan is deferred, but not forgiven, at an interest rate of 0%.
31 The maximum loan amount is \$25,000. There is no debt-to-income ratio
32 requirement, but a loan-to-value of 110% applies. The loan is due upon sale of the

33 home. CEE conducts an inspection to prioritize improvements that should be done
34 to the home.

35
36 *Down Payment Assistance Program*

37 The program is designed to help underserved communities who seek to be first
38 generation home owners with a \$25,000 deferred loan. One of two qualifiers is
39 either the parents have never owned a home or if the parent lost a home to
40 foreclosure. In order to meet this criteria, the applicant must sign an affidavit
41 representing their parent's status and if it is found to be a false statement, the
42 charges could result in a felony conviction, imprisonment for up to two years, and
43 a monetary fine of up to \$20,000.

44
45 In order to finalize individual loan approvals, and to close on the loans, the REDA must
46 adopt a resolution ratifying the housing loan programs and authorizing the REDA
47 Executive Director to sign all documents as it relates to the housing improvement loans
48 (Attachment B).

49 **BUDGET IMPLICATIONS**

50 The REDA already approved the use of the existing fund balance from the Revolving Loan
51 Program, which has a current balance of \$784,125.

52 **STAFF RECOMMENDATION**

53 Adopt the resolution ratifying the housing loan programs and authorize the REDA
54 Executive Director to sign all documents as it relates to the housing loans.

55 **REQUESTED EDA ACTION**

56 Adopt the resolution ratifying the housing loan programs and authorize the REDA
57 Executive Director to sign all documents as it relates to the housing loans.

Prepared by: Jeanne Kelsey, Housing and Economic Development Program Manager, 651-792-7086
Attachment A: Amended and Restated Contract for Professional Services with CEE adopted July 19,
2021
B: Resolution ratifying the housing loan programs and authorizing the REDA Executive
Director to sign all documents as it relates to the housing loans

Amended and Restated Standard Agreement for Professional Services

This Agreement ("Agreement") is made on the 19th day of July, 2021, between the Roseville Economic Development Authority, a public body corporate and politic and political subdivision of the state of Minnesota (hereinafter "REDA"), and Center for Energy and Environment, a Minnesota nonprofit corporation (hereinafter "Consultant").

Preliminary Statement

REDA and the Consultant entered into a Standard Agreement for Professional Services dated as of January 1, 2020 (the "Prior Agreement"), pursuant to which the Consultant agreed to render certain legal, technical, and/or professional assistance in connection with REDA's undertakings.

The Board of Commissioners of REDA has approved the establishment of certain loan programs within the City of Roseville (the "Loan Programs") and has designated the Consultant to administer the Loan Programs in addition to the services previously designated in the Prior Agreement.

REDA has adopted a policy regarding the selection and retention of consultants to provide a variety of professional services for REDA projects. That policy requires that persons, firms, or corporations providing such services enter into written agreements with REDA. The purpose of this Agreement is to set forth the amended and restated terms and conditions for the performance of professional services by the Consultant, including the administration of the Loan Programs. The Prior Agreement is hereby amended and restated in its entirety as provided in this Agreement.

REDA and Consultant agree as follows:

1. **Scope of Work Proposal.** The Consultant agrees to provide the professional services described in Exhibit A attached hereto ("Work") in consideration for the compensation set forth in Provision 3 below. The terms of this Agreement shall take precedence over and supersede any provisions and/or conditions in any proposal submitted by the Consultant.
2. **Term.** The term of this Agreement shall be effective upon the approval of the REDA Board of Commissioners, the date of signature by the parties notwithstanding, through the earlier of December 31, 2022, or the date of termination by REDA upon written notice thereof as provided in provision 9 hereof.
3. **Compensation for Services.** REDA agrees to pay the Consultant the compensation described in Exhibit B attached hereto for the Work, subject to the following:

- A. Any changes in the Work which may result in an increase to the compensation due the Consultant shall require prior written approval of REDA. REDA will not pay additional compensation for Work that does not have such prior written approval.
 - B. Third-party independent contractors and/or subcontractors may be retained by the Consultant when required by the complex or specialized nature of the Work when authorized in writing by REDA. The Consultant shall be responsible for and shall pay all costs and expenses payable to such third-party contractors unless otherwise agreed to by the parties in writing.
4. ***REDA Representative and Special Requirements:***
- A. Director of Lending Services shall act as REDA's representative with respect to the Work to be performed under this Agreement. Such representative shall have authority to transmit instructions, receive information and interpret and define REDA's policies and decisions with respect to the Work to be performed under this Agreement, but shall not have the right to enter into contracts or make binding agreements on behalf of REDA with respect to the Work or this Agreement. REDA may change REDA's representative at any time by notifying the Consultant of such change in writing.
 - B. In the event that REDA requires any special conditions or requirements relating to the Work and/or this Agreement, such special conditions and requirements are stated in Exhibit C attached hereto. The parties agree that such special conditions and requirements are incorporated into and made a binding part of this Agreement. The Consultant agrees to perform the Work in accordance with, and this Agreement shall be subject to, the conditions and requirements set forth in Exhibit C.
5. ***Method of Payment.*** The Consultant shall submit to REDA, on a monthly basis commencing on July 1st, 2021, an itemized written invoice for Work performed under this Agreement during the previous month. Invoices submitted shall be paid in the same manner as other claims made to REDA. Invoices shall contain the following:
- A. For Work reimbursed on an hourly basis, the Consultant shall indicate for each employee, his or her name, job title, the number of hours worked, rate of pay for each employee, a computation of amounts due for each employee, and the total amount due for each project task. For all other Work, the Consultant shall provide a description of the Work performed and the period to which the invoice applies. For reimbursable expenses, if provided for in Exhibit A, the Consultant shall provide an itemized listing and such documentation of such expenses as is reasonably required by REDA. In addition to the foregoing, all invoices shall contain, if requested by REDA, REDA's project number, a progress summary showing the original (or amended) amount of the Agreement, the current billing, past payments, the unexpended balance due under the Agreement, and such other information as REDA may from time to time reasonably require.

- B. To receive any payment pursuant to this Agreement, the invoice must include the following statement dated and signed by the Consultant: "I declare under penalty of perjury that this account, claim, or demand is just and correct and that no part of it has been paid."
- C. The payment of invoices shall be subject to the following provisions:
- (i) REDA shall have the right to suspend the Work to be performed by the Consultant under this Agreement when it deems necessary to protect REDA, residents of the City or others who are affected by the Work. If any Work to be performed by the Consultant is suspended in whole or in part by REDA, the Consultant shall be paid for any services performed prior to the delivery upon the Consultant of the written notice from REDA of such suspension.
 - (ii) The Consultant shall be reimbursed for services performed by any third-party independent contractors and/or subcontractors only if REDA has authorized the retention of and has agreed to pay such persons or entities pursuant to Section 3B above.
6. ***Project Manager and Staffing.*** The Consultant has designated Director of Lending Services and Lending Center Staff ("Project Contacts") to perform and/or supervise the Work, and as the persons for REDA to contact and communicate with regarding the performance of the Work. The Project Contacts shall be assisted by other employees of the Consultant as necessary to facilitate the completion of the Work in accordance with the terms and conditions of this Agreement. The Consultant may not remove or replace the Project Contacts without the prior approval of REDA.
7. ***Standard of Care.*** All Work performed by the Consultant under this Agreement shall be in accordance with the normal standard of care in Ramsey County, Minnesota, for professional services of like kind to the Work being performed under this Agreement.
8. ***Audit Disclosure.*** Any reports, information, data, and other written documents given to, or prepared or assembled by the Consultant under this Agreement which REDA requests to be kept confidential shall not be made available by the Consultant to any individual or organization without REDA's prior written approval. The books, records, documents and accounting procedures and practices of the Consultant or other parties relevant to this Agreement are subject to examination by REDA and either the Legislative Auditor or the State Auditor for a period of six (6) years after the effective date of this Agreement. The Consultant shall at all times abide by Minn. Stat. § 13.01 et seq. and the Minnesota Government Data Practices Act, to the extent the Act is applicable to data, documents, and other information in the possession of the Consultant.
9. ***Termination.*** This Agreement may be terminated at any time by REDA, with or without cause, by delivering to the Consultant at the address of the Consultant set forth in Provision 26 below, a written notice at least ten (10) days prior to the date of such

termination. The date of termination shall be stated in the notice. Upon termination the Consultant shall be paid for services rendered (and reimbursable expenses incurred if required to be paid by REDA under this Agreement) by the Consultant through and until the date of termination so long as the Consultant is not in default under this Agreement. If REDA terminates the Agreement because the Consultant is in default of its obligations under this Agreement, no further payment shall be payable or due to the Consultant following the delivery of the termination notice, and REDA may, in addition to any other rights or remedies it may have at law or in equity, retain another consultant to undertake or complete the Work to be performed hereunder.

10. **Subcontractor.** The Consultant shall not enter into subcontracts for services provided under this Agreement without the express written consent of REDA. If subcontracts are approved and entered into, the Consultant shall promptly pay any subcontractor involved in the performance of this Agreement as required by, and the Consultant shall otherwise comply with, the State Prompt Payment Act.
11. **Independent Consultant.** At all times and for all purposes herein, the Consultant is an independent contractor and not an employee of REDA. No statement herein shall be construed so as to find the Consultant an employee of REDA.
12. **Non-Discrimination.** During the performance of this Agreement, the Consultant shall not discriminate against any person, contractor, vendor, employee, or applicant for employment because of race, color, creed, religion, national origin, sex, marital status, status with regard to public assistance, disability, sexual orientation, or age. The Consultant shall post in places available to employees and applicants for employment, notices setting forth the provisions of this non-discrimination clause and stating that all qualified applicants will receive consideration for employment. The Consultant shall incorporate the foregoing requirements of this Provision 12 in all of its subcontracts for Work done under this Agreement and will require all of its subcontractors performing such Work to incorporate such requirements in all subcontracts for the performance of the Work. The Consultant further agrees to comply with all aspects of the Minnesota Human Rights Act, Minnesota Statutes 363.01, et. seq., Title VI of the Civil Rights Act of 1964, and the Americans with Disabilities Act.
13. **Assignment.** The Consultant shall not assign this Agreement, nor its rights and/or obligations hereunder, without the prior written consent of REDA.
14. **Services Not Provided For.** REDA shall not be required to pay for any claim for services furnished by the Consultant not specifically provided for herein.
15. **Compliance with Laws and Regulations.** The Consultant shall abide with all federal, state, and local laws, statutes, ordinances, rules, and regulations in the performance of the Work. The Consultant and REDA, together with their respective agents and employees, agree to abide by the provisions of the Minnesota Data Practices Act, Minnesota Statutes Section 13, as amended, and Minnesota Rules promulgated pursuant to Chapter 13. Any violation by the Consultant of statutes, ordinances, rules, and regulations pertaining to the

Work to be performed shall constitute a material breach of this Agreement and entitle REDA to immediately terminate this Agreement.

16. **Waiver.** Any waiver by either party of a breach of any provisions of this Agreement shall not affect, in any respect, the validity of the remainder of this Agreement or either party's ability to enforce a subsequent breach.

17. **Indemnification.** To the fullest extent permitted by law, the Consultant agrees to defend, indemnify and hold REDA, and its president, commissioners, officers, agents, employees and representatives harmless from and against all liability, claims, damages, costs, judgments, losses and expenses, including but not limited to reasonable attorney's fees, arising out of or resulting from any negligent or wrongful act or omission of the Consultant, its officers, agents, employees, contractors and/or subcontractors, pertaining to the performance or failure to perform the Work and against all losses resulting from the failure of the Consultant to fully perform all of the Consultant's obligations under this Agreement.

18. **Insurance.**

A. **General Liability.** Prior to starting the Work and during the full term of this Agreement, the Consultant shall procure, maintain, and pay for such insurance as will protect against claims for bodily injury or death, and for damage to property, including loss of use, which may arise out of operations by the Consultant or by any subcontractor of the Consultant, or by anyone employed by any of them, or by anyone for whose acts any of them may be liable. Such insurance shall include, but not be limited to, minimum coverages and limits of liability specified in this Provision 18 or such greater coverages and amounts as are required by law. Except as otherwise stated below, the policies shall name REDA as an additional insured for the Work provided under this Agreement and shall provide that the Consultant's coverage shall be primary and noncontributory in the event of a loss.

B. The Consultant shall procure and maintain the following minimum insurance coverages and limits of liability with respect to the Work:

Worker's Compensation:	Statutory Limits
Commercial General Liability:	\$1,000,000 per occurrence \$1,500,000 general aggregate \$1,000,000 products – completed operations aggregate \$5,000 medical expense
Comprehensive Automobile Liability:	\$1,000,000 combined single limit (shall include coverage for all owned, hired, and non-owned vehicles)

- C. Commercial General Liability policy(ies) shall be equivalent in coverage to ISO form CG 0001, and shall include the following:
- (i) Personal injury with Employment Exclusion (if any) deleted;
 - (ii) Broad Form Contractual Liability coverage; and
 - (iii) Broad Form Property Damage coverage, including Completed Operations.
- D. During the entire term of this Agreement, and for such period of time thereafter as is necessary to provide coverage until all relevant statutes of limitations pertaining to the Work have expired, the Consultant shall procure, maintain and pay for professional liability insurance, satisfactory to REDA, which insures the payment of damages for liability arising out of the performance of professional services for REDA, in the insured's capacity as the Consultant, if such liability is caused by an error, omission, or negligent act of the insured or any person or organization for whom the insured is liable. Said policy shall provide an aggregate limit of at least \$2,000,000.00. Said policy shall not name REDA as an insured.
- E. The Consultant shall maintain in effect all insurance coverages required under this Provision 18 at Consultant's sole expense and with insurance companies licensed to do business in the state in Minnesota and having a current A.M. Best rating of no less than A-, unless otherwise agreed to by REDA in writing. In addition to the requirements stated above, the following applies to the insurance policies required under this Provision:
- (i) All policies, except the Professional Liability Insurance Policy, shall be written on an "occurrence" form ("claims made" and "modified occurrence" forms are not acceptable);
 - (ii) All policies, except the Professional Liability Insurance Policy and the Worker's Compensation Policy, shall name "Roseville Economic Development Authority" as an additional insured;
 - (iii) All policies, except the Professional Liability Insurance and Worker's Compensation Policies, shall contain a waiver of subrogation naming "Roseville Economic Development Authority."
 - (iv) All policies, except the Professional Liability Insurance Policy and the Worker's Compensation Policy, shall insure the defense and indemnify obligations assumed by Consultant under this Agreement; and
 - (v) All policies shall contain a provision that coverages afforded thereunder shall not be canceled or non-renewed or restrictive modifications added, without thirty (30) days prior written notice to REDA.

A copy of: (i) a certification of insurance satisfactory to REDA, and (ii) if requested, the Consultant's insurance declaration page, riders and/or endorsements, as applicable, which evidences the compliance with this Paragraph 18, must be filed with REDA prior to the start of Consultant's Work. Such documents evidencing insurance shall be in a form acceptable to REDA and shall provide satisfactory evidence that the Consultant has complied with all insurance requirements. Renewal certificates shall be provided to REDA at least 30 days prior to the expiration date of any of the required policies. REDA will not be obligated, however, to review such declaration page, riders, endorsements or certificates or other evidence of insurance, or to advise Consultant of any deficiencies in such documents, and receipt thereof shall not relieve the Consultant from, nor be deemed a waiver of, REDA's right to enforce the terms of the Consultant's obligations hereunder. REDA reserves the right to examine any policy provided for under this Provision 18.

19. **Ownership of Documents.** All plans, diagrams, analysis, reports, and information generated in connection with the performance of this Agreement ("Information") shall become the property of REDA, but the Consultant may retain copies of such documents as records of the services provided. REDA may use the Information for any reasons it deems appropriate without being liable to the Consultant for such use. The Consultant shall not use or disclose the Information for purposes other than performing the Work contemplated by this Agreement without the prior consent of REDA.
20. **Annual Review.** Prior to July 19 of each year of this Agreement, REDA shall have the right to conduct a review of the performance of the Work performed by the Consultant under this Agreement. The Consultant agrees to cooperate in such review and to provide such information as REDA may reasonably request. Following each performance review the parties shall, if requested by REDA, meet, and discuss the performance of the Consultant relative to the remaining Work to be performed by the Consultant under this Agreement.
21. **Conflicts.** (a) No salaried officer or employee of REDA and no member of the Board of REDA shall have a financial interest, direct or indirect, in this Agreement. The violation of this provision shall render this Agreement void.
22. **Governing Law.** This Agreement shall be controlled by the laws of the State of Minnesota.
23. **Counterparts.** This Agreement may be executed manually or electronically in multiple counterparts, each of which shall be considered an original.
24. **Severability.** The provisions of this Agreement are severable. If any portion hereof is, for any reason, held by a court of competent jurisdiction to be contrary to law, such decision shall not affect the remaining provisions of this Agreement.

25. **Notices.** Any notice to be given by either party upon the other under this Agreement shall be properly given: a) if delivered personally to the REDA Executive Director if such notice is to be given to REDA, or if delivered personally to an officer of the Consultant if such notice is to be given to the Consultant, b) if mailed to the other party by United States registered or certified mail, return receipt requested, postage prepaid, addressed in the manner set forth below, or c) if given to a nationally, recognized, reputable overnight courier for overnight delivery to the other party addressed as follows:

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

If to Consultant: Center for Energy and Environment
1754 University Avenue West
Saint Paul, MN 55104

Notices shall be deemed effective on the date of receipt if given personally, on the date of deposit in the U.S. mails if mailed, or on the date of delivery to an overnight courier if so delivered; provided, however, if notice is given by deposit in the U.S. mails or delivery to an overnight courier, the time for response to any notice by the other party shall commence to run one business day after the date of mailing or delivery to the courier. Any party may change its address for the service of notice by giving written notice of such change to the other party, in any manner above specified, 10 days prior to the effective date of such change.


26. **Entire Agreement.** Unless stated otherwise in this Provision, the entire agreement of the parties is contained in this Agreement. This Agreement supersedes all prior oral agreements and negotiations between the parties relating to the subject matter hereof as well as any previous agreements presently in effect between the parties relating to the subject matter hereof. Any alterations, amendments, deletions, or waivers of the provisions of this Agreement shall be valid only when expressed in writing and duly signed by the parties, unless otherwise provided herein. The following agreements supplement and are a part of this Agreement: None.

IN WITNESS WHEREOF, the undersigned parties have entered into this Agreement as of the date set forth above.

ROSEVILLE ECONOMIC
DEVELOPMENT AUTHORITY



President



Executive Director

CENTER FOR ENERGY AND
ENVIRONMENT

By: DocuSigned by:
Meranda Wacek
169E80B4E08F41B... 7/26/2021

Its: Chief Financial Officer

EXHIBIT A

WORK

The Consultant shall perform the following Work at the following locations:

PROGRAM GUIDELINES

This document includes guidelines for the Roseville Economic Development
Authority
ROSEVILLE LOAN PROGRAMS

ROSEVILLE LOAN PROGRAM GUIDELINES

The Roseville Economic Development Authority (REDA) is making funds available for homeowners to make improvements to their properties. The Roseville Revolving Loan Program is designed to supplement existing loan programs available from MHFA, CEE, private lenders, and other housing resources. This program is not intended to be the sole source of improvement funds available to homeowners within the City. Center for Energy and Environment shall serve as the administrator for the Roseville Loan Program and will secure the most beneficial financing based on the borrower's needs independent of the funding source.

Home Improvement Loan

Interest Rate: 4% fixed

Amortization Type: Amortizing (Monthly Payments Required)

Loan Amount: Minimum of \$2,000 and Maximum of \$40,000.

Total Project Cost: The borrower must have sufficient funds necessary to cover the cost of the entire project (as outlined in the bid(s)).

Loan term: Generally, one year per \$1,000 borrowed. This will be somewhat flexible depending on the size of the loan and the borrower's ability to repay the loan. The minimum term is 1 year; the maximum term will be 10 years.

Eligible Properties: 1- to 4-unit owner-occupied properties located within the geographical boundaries of the City of Roseville. Townhomes and condominiums are eligible. Property must have an Estimated Market Value at or below the Roseville median single-family home value x 110%. Value is updated annually. The City of Roseville's median single family home value for 2021 is \$280,600, so the maximum Estimated Market Value for 2021 is \$308,600 (\$280,600 x 110% is \$308,600).

The property must be at least 25 years old.

Ineligible Properties: Dwellings containing more than 4 units, cooperatives, properties held in trust and properties used for commercial purposes.

Eligible Borrowers: All borrowers must be legal residents of the United States, as evidenced by a social security number, including: U.S. Citizens, Permanent Resident Aliens, Non-Permanent Resident Aliens. TAX IDENTIFICATION NUMBERS (ITIN) ARE NOT ACCEPTABLE.

Ineligible Borrowers: Including but not limited to: - Foreign Nationals, Non-Occupant Co-Borrowers, business entities and properties held in trust.

Ownership/Occupancy: Owner-occupied only.

Loan - to - Value Ratio: The ratio of all loans secured by the property, including the new loan, should not exceed 110% of the property value. Half of the improvement value may be added to the initial property value.

Income Limit: No maximum income limit.

Debt - to - Income Ratio: 50%

Credit Requirements: 1) All mortgage payments must be current and reflect no 30-day late payments history in the past 12-month period (without reasonable explanation). 2) All real estate taxes must be current. 3) No outstanding judgments or collections. 4) Any prior bankruptcy must have been discharged for at least 18 months prior to loan closing. 5) The redemption period on prior foreclosures must have occurred at least 18 months prior to the loan application date. 6) Generally, no more than two 60-day late payments on credit report (without reasonable explanation). 7) No defaulted government loans.

Multiple Loans per Property: More than one loan per property is allowed; however, the outstanding balance(s) cannot exceed \$40,000.

Eligible Use of Funds: Loans may be used to finance most interior and exterior improvements that improve the basic livability of the property. Garages, decks, porches, retaining walls, skylights, landscaping, and fences can be repaired, replaced, or built as new construction. Contractors must be properly licensed, and permits must be obtained when required.

Ineligible Use of Funds: Payment for work initiated prior to the loan being approved and closed, unless due to emergency. Recreation or luxury projects (pools, lawn sprinkler systems, playground equipment, saunas, whirlpools, etc.), furniture, non-permanent appliances (unless part of a full kitchen remodel), and funds for working capital, debt service, homeowner labor or refinancing of existing debts are NOT eligible.

Bids: A minimum of 1 bid is required; however, two bids are encouraged. All contractors must be properly licensed.

Sweat Equity / Homeowner Labor: Work may be performed by property owners on a "sweat equity" basis. Loan funds may be used only for the purchase of materials, including rental of tools and equipment. Loan funds cannot be used to compensate for labor.

Home Energy Audits: All homes are required to complete a Home Energy Audit through the Home Energy Squad (HES) prior to loan closing. The energy audit (within the past 3 years) is required for any type of home improvement, interior or exterior. Fees for the HES visit are not part of this program budget.

Remodeling Advisor Visit (RAV): The Remodeling Advisor Visit provides rehabilitation and/or remodeling advice upon request of the resident. The intent is to help residents improve their property by providing technical assistance before and during the bidding and construction process. All residents are eligible for this service regardless of whether they are applying for the Roseville Revolving Loan Program or not. This visit is not required.

Post Installation Inspection: Permits must be obtained and signed off by a City inspector where required; when not required, a post-installation inspection will be performed by CEE to ensure the work has been completed before any funds will be released.

Loan Security: All loans will be secured with a mortgage in favor of REDA. Borrower will pay all applicable title and filing fees, which may be financed in the loan amount.

Borrower Fees: Borrower will be responsible for a 1% origination fee, document preparation fee, mortgage filing and service fees, flood certificate and credit report fees all which may be financed in the loan amount.

Underwriting Decision: Applicants must have acceptable credit history. CEE will approve or deny loans based on a credit report, income verification and other criteria as deemed necessary through CEE's underwriting guidelines. CEE's decision shall be final. Appeals can be made to the Roseville Economic Development Authority.

Work Completion: All work must be completed within 120 days of the loan closing. However, when warranted, CEE may authorize exceptions on a case-by-case basis.

Senior Deferred Loan

Interest Rate: 0%

Loan Amount: Minimum loan is \$5,000. Maximum loan is \$25,000 within any time period.

Loan term: The loan is 100% due upon sale, transfer of ownership, cash-out refinance, or cessation of occupancy of the property as the borrower's primary residence.

Eligible Properties: Owner-occupied properties with up to 4 dwelling units located within the boundaries of the City of Roseville. Condominiums, manufactured homes, and townhomes are eligible.

Ineligible Properties: Dwellings that contain more than 4 units, cooperatives, properties held in trust and properties used for commercial purposes.

Eligible Borrowers: At least one borrower must be at least 62 years of age. All borrowers must be legal residents of the United States, as evidenced by a social security number, including: U.S. Citizens, Permanent Resident Aliens, Non-Permanent Resident Aliens. TAX IDENTIFICATION NUMBERS (ITIN) ARE NOT ACCEPTABLE

Ineligible Borrowers: Include, but are not limited to: nonresident owners, non-occupant co-borrowers, business entities and properties held in trust.

Ownership / Occupancy: Owner-occupied. Contracts for deed are eligible.

Loan-to-Value Ratio: 110%

Income Limit: No income limits.

Debt-to-Income Ratio: Not applicable

Multiple Loans per Property/Borrower: Multiple Senior Deferred Loans are allowed if the outstanding balance is within the maximum loan limit.

Eligible Improvements: A property inspection is required to determine project eligibility. If there are no outstanding code violations or health and safety concerns, the loan may be used to finance most interior and exterior improvements that improve the basic livability of the property. Garages, decks, porches, retaining walls, skylights, landscaping, and fences can be repaired, replaced, or built as new construction. Contractors must be properly licensed, and permits must be obtained when required.

Ineligible Improvements: Work initiated prior to the loan being approved and closed. Personal property items, including appliances, furniture, hot tubs, swimming pools, and other luxury items, exterior plumbing (e.g., sprinkler systems), non-permanent landscaping fixtures (e.g., potted plants, furniture, bird feeders), repairs to property used for business or trade purposes, refinancing of existing indebtedness, and labor costs of borrowers and/or residents are ineligible. CEE will refer the borrower to REDA whenever eligibility of an improvement project is in question.

Bidding: 1 bid is required. Bids must detail the scope of the work to be completed, the associated cost(s) and any rebates. All contractors must be properly licensed.

Sweat Equity: Not permitted

Property Inspection: Required. Eligible improvements will be determined through an analysis of the inspection of the property. A CEE representative will perform the analysis to prioritize the project eligibility.

Post-Installation Inspection: Properties are subject to a post-installation inspection by a CEE representative when a permit is not required. Where a permit is required, the work must be signed off by a City inspector prior to release of funds.

Work Completion: All work must be completed within 120 days of loan closing. Extensions may be granted by CEE.

Borrower Fees: Borrower will be responsible for a 1% origination fee, document preparation fee, title work, mortgage filing and service fees, flood certificate, credit report fees and any other applicable fees. All may be financed in the loan amount.

Underwriting Decision: Borrowers must be current on all mortgage payments and property taxes.

Loan Security: All loans will be secured with a mortgage (lien for manufactured homes) in favor of REDA.

Down-payment Assistance Deferred Loan

Interest Rate: 0%

Loan Amount: Maximum of \$25,000.

Total Project Cost: It is the borrower's responsibility to obtain the amount of funds necessary to purchase the property in accordance with the primary lender's mortgage guidelines.

Loan term: The Deferred Loan is 100% due when the borrower sells, transfers ownership or no longer occupies the property as the borrower's primary residence.

Eligible Properties: Owner-occupied properties with up to 4 dwelling units located within the boundaries of the City of Roseville. Condominiums and townhomes are eligible. Property must have an Estimated Market Value at or below the Roseville median value x 110%. Value is updated annually. The current Roseville median value is \$280,600, for a maximum value of \$308,600 (\$280,600 x 110% is \$308,600).

Ineligible Properties: Dwellings that contain more than 4 units, cooperatives, properties held in trust and properties used for commercial purposes.

Eligible Borrowers: Borrower(s) must be a **First-Generation Homebuyer** and must sign the First-Generation Homebuyer Affidavit. The homebuyer(s) **MUST** attend a Home Stretch workshop or other valid homebuyer's course offered through a HUD approved counseling agency. All borrowers must be legal residents of the United States, as evidenced by a social security number, including: U.S. Citizens, Permanent Resident Aliens, and Non-Permanent Resident Aliens. TAX IDENTIFICATION NUMBERS (ITIN) ARE NOT ACCEPTABLE.

Ineligible Borrowers: Include but are not limited to: Foreign Nationals, Non-Occupant Co-Borrowers, business entities, and Properties held in trust.

Ownership/Occupancy: Owner- occupied only.

Loan to Value Ratio N/A

Income Limit: 100% AMI based on household size and adjusted gross income from the most recent tax return. If a tax return is not required to be filed by the borrower(s) then income will be determined by projected household income over the next 12 months.

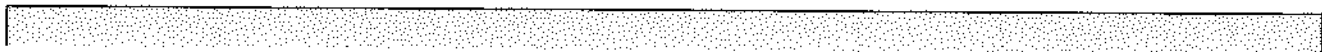
Documentation Requirements:

- Copy of purchase agreement
- Commitment letter/approval for first mortgage
- Copy of Title Commitment
- Copy of Initial Loan Estimate for first mortgage
- Value of home (property tax or appraisal)
- Certification of Home Stretch Homebuyers (or another valid course) course completed

Loan Security: All loans will be secured with a mortgage in favor of REDA.

Borrower Fees: Borrower will be responsible for mortgage filing and service fees, flood certificate, credit report fees and any other applicable closing fees.

Disbursement Process: Loan funds will be made payable and delivered to the title/closing agent. The down payment and closing cost assistance deferred loan will be signed at closing of the purchase mortgage.



Manufactured Home Loan

Interest Rate: 4% fixed

Amortization Type: Amortizing (Monthly Payments Required)

Loan Amount: Minimum of \$500 and Maximum of \$10,000.

Total Project Cost: It is the borrower's responsibility to obtain the amount of funds necessary to finance the entire cost of the work. In the event the final cost exceeds the requested loan amount, the borrower must obtain the additional funds and show verification of the additional funds to be approved for the loan.

Loan term: Generally, one year per \$1,000 borrowed. This will be somewhat flexible depending on the size of the loan and the borrower's ability to repay the loan. The minimum term is 1 year; the maximum term will be 10 years.

Eligible Properties: Residential manufactured homes located with the geographical boundaries of the City of Roseville.

Ineligible Properties:

- Non-owner-occupied
- Properties used for commercial purposes
- Properties held in trust

Eligible Borrowers: All borrowers must be legal residents of the United States, as evidenced by a social security number, including: U.S. Citizens, Permanent Resident Aliens, Non-Permanent Resident Aliens. TAX IDENTIFICATION NUMBERS (ITIN) ARE NOT ACCEPTABLE.

Ineligible Borrowers: Include but are not limited to: Foreign Nationals, Non-Occupant Co-Borrowers, business entities, and Properties held in trust.

Ownership/Occupancy: Owner-occupied only.

Loan - to - Value Ratio: N/A

Income Limit: No maximum income limit.

Debt - to - Income Ratio: 50%.

Credit Requirements: 1) All mortgage or lien payments must be current and reflect no 30-day late payment history in the past 12-month period (without reasonable explanation). 2) All lot rent payments must be current. 3) No outstanding judgments or collections. 4) Bankruptcy must have been discharged for at least 18 months prior to loan closing. 5) The redemption period on prior foreclosures must have occurred at least 18 months prior to the loan application date. 6) Generally, no more than two 60-day late payments on credit report (without reasonable explanation). 7) No defaulted government loans.

Multiple Loans per Property: More than one loan per property is allowed; however, the outstanding balance(s) cannot exceed \$10,000.

Eligible Use of Funds: Loans may be used to finance most interior and exterior improvements that improve the basic livability of the property. Garages, decks, porches, retaining walls, skylights, landscaping, and fences can be repaired, replaced, or built as new construction. Contractors must be properly licensed, and permits must be obtained when required.

Ineligible Use of Funds: Payment for work initiated prior to the loan being approved and closed, unless due to emergency. Recreation or luxury projects (pools, lawn sprinkler systems, playground equipment, saunas, whirlpools, etc.), furniture, non-permanent appliances (unless part of a full kitchen remodel), and funds for working capital, debt service, homeowner labor, or the refinancing of existing debts are NOT eligible.

Bids: 1 bid is required. Bids must detail the scope of the work to be completed, the associated cost(s) and any rebates. All contractors must be properly licensed.

Sweat Equity / Homeowner Labor: Work may be performed by property owners on a "sweat equity" basis. Loan funds may be used only for the purchase of materials, including rental of tools and equipment. Loan funds cannot be used to compensate for labor.

Remodeling Advisor Visit (RAV): The Remodeling Advisor Visit provides rehabilitation and/or remodeling advice upon request of the resident. The intent is to help residents improve their property by providing technical assistance before and during the bidding and construction process. All residents are eligible for this service regardless of whether they are applying for the Roseville Revolving Loan Program. This visit is not required.

Post-Installation Inspection: Permits must be obtained and signed off by a City inspector where required; when not required, a post-installation inspection will be performed by CEE to ensure the work has been completed before any funds will be released.

Loan Security: All loans will be secured with a lien in favor of REDA.

Borrower Fees: Borrower will be responsible for a 1% origination fee, document preparation fee, lien filing and, flood certificate and credit report fees all which may be financed in the loan amount.

Work Completion: All work must be completed within 120 days of the loan closing. However, when warranted, CEE may authorize exceptions on a case-by-case basis.

Emergency Deferred Loan

Interest Rate: 0%

Loan Amount: Minimum loan is \$500. Maximum loan is \$10,000 within any time period.

Loan term: The loan is 100% due when the borrower sells, transfers ownership or no longer occupies the property as the borrower's primary residence.

Eligible Properties: Owner-occupied properties with up to 4 dwelling units located within the boundaries of the City of Roseville. Condominiums, mobile homes, and townhomes are eligible.

Ineligible Properties: Dwellings containing more than 4 units, cooperatives, properties held in trust and properties used for commercial purposes.

Eligible Borrowers: All borrowers must be legal residents of the United States, as evidenced by a social security number, including: U.S. Citizens, Permanent Resident Aliens, Non-Permanent Resident Aliens. TAX IDENTIFICATION NUMBERS (ITIN) ARE NOT ACCEPTABLE. The borrower must not be eligible for any other financing administered by CEE in order to obtain an Emergency Program loan.

Ineligible Borrowers: Include, but are not limited to: nonresident owners, non-occupant co-borrowers, business entities and properties held in trust.

Ownership / Occupancy: Owner-occupied. Contracts for deed are eligible.

Loan- to-Value Ratio: 110%

Income Limit: Household income must be less than 115% of HUD Area Median Income based on household size and adjusted income from most recent tax return. If a tax return is not filed, the income will be based on projected annual gross income.

Debt- to-Income Ratio: Not applicable

Multiple Loans per Property/Borrower: Multiple Emergency Deferred Loans are allowed if the outstanding balance is within the overall maximum loan limit.

Eligible Improvements: An emergency is defined as an existing condition that makes a house uninhabitable, is dangerous to the occupants, or is capable of causing severe health problems. Repairs that will remedy such emergency repairs are eligible. Examples of eligible repairs include, but are not limited to, water lines, sewer service, fire hazards, repair to exterior steps, railings, retaining walls, water seepage into basement, structural problems, or replacement of a furnace or water heater.

Repairs that remedy code violations, and those needed to address home repairs before they significantly devalue the home and become much more serious problems, are also eligible whether or not the city has issued a code violation. Examples of eligible repairs include, but are not limited to, leakage around windows, rotting fascia, holes in siding, roof leakage, crumbling brick or concrete and deteriorated retaining walls. CEE will determine eligibility of projects.

Ineligible Improvements: Work initiated prior to the loan being approved and closed. Personal property items, including appliances, furniture, hot tubs, swimming pools, and other luxury items, exterior plumbing (e.g., sprinkler systems), non-permanent landscaping fixtures (e.g., potted plants, furniture, bird feeders), repairs to property used for business or trade purposes, refinancing of existing indebtedness, and labor costs of borrowers and/or residents are not eligible. CEE will refer borrower to REDA whenever eligibility of an improvement project is questionable.

Bidding: 1 bid is required. Bids must detail the scope of the work to be completed, the associated cost(s) and any rebates. All contractors must be properly licensed.

Sweat Equity: Not permitted

Property Inspection: Required. Eligible improvements will be determined through an analysis of the emergency condition of the property. A CEE representative will perform the analysis to determine the project eligibility.

Post-Installation Inspection: Properties are subject to a post-installation inspection by a CEE representative when a permit is not required. Where a permit is required, the work must be signed off by a City inspector prior to release of funds.

Work Completion: All work must be completed within 30 days of loan closing. Extensions may be granted by CEE.

Borrower Fees: Borrower will be responsible for a 1% origination fee, document preparation fee, title work, mortgage filing and service fees, flood certificate, credit report fees and any other applicable fees. All may be financed in the loan amount.

Underwriting Decision: Borrowers must be current on all mortgage payments and property taxes. CEE will review the application and submitted documentation for consideration for other home improvement programs prior to considering the application for the Emergency Deferred Loan. CEE will approve or deny loans based on income verification and other criteria. This is a last resort program. The borrower must not be eligible for any other financing administered by CEE to obtain an Emergency Deferred loan. CEE's decision shall be final.

Loan Security: All loans will be secured with a mortgage (lien if a manufactured home) in favor of REDA.

General Program Guidelines

Application Processing: Loans will be distributed on a first-come, first-served basis as borrowers qualify. Applicants must provide a completed application package including the following to be considered for funding.

- Completed and signed application form
- Proof of income
- Bids or estimates for proposed projects
- Other miscellaneous documents loan officers may require.

Contractors/Permits: Contractors must be properly licensed to work in the City of Roseville. Permits must be obtained when required by city ordinance.

Program Costs: Loan origination, post installation inspection and remodeling advisor visit fees will be paid out of the Program Budget. Loan program marketing efforts will be billed directly to REDA and are a separate expense should the REDA choose to commission CEE for marketing support. Borrowers will pay all mortgage filing fees and related closing costs.

Disbursement Process: Payment to the contractor (or owner in sweat equity situations) will be made upon completion of work. An inspection will be performed by a City Inspector and/or CEE to verify the completion of the work. The following items must be received prior to final disbursement of funds:

- Final invoice or proposal from contractor (or materials list from supplier);
- Final inspection verification by a City Inspector (or CEE);
- Completion certificate(s) signed by borrower and contractor;
- Lien waiver for entire cost of work;
- Evidence of City permit (if required)

EXHIBIT B
COMPENSATION

REDA shall pay the Consultant the amount of as identified below per each loan closed or inspection for the Work to be performed, which amount is comprised of the following:

ROSEVILLE LOAN PROGRAM BUDGET

A.	<u>Loan Program Budget Allocation (includes Origination Fees, Annual Administration, Post Installation, and Inspections):</u>	\$778,522
B.	<u>Remodeling Advisor Visit Budget</u>	\$15,000

Budget Notes:

1. Funds to be transferred between Budget Categories in this Exhibit that do not change the Total Contract Amount must be approved in writing by the REDA.
2. Services performed by CEE will initially be funded from the Total Program Budget as stated above and paid in accordance with the following schedule.

(1) Origination Fee	\$750.00 per loan closed (\$500 per Down Payment Assistance Deferred Loan closed)
(2) Down Payment Assistance Deferred Loan Processing Fee	\$250 per application received
(3) Post Installation Inspection	\$100.00 per inspection
(4) Remodeling Advisor Visit	\$250.00 per inspection
(5) Annual Administration Fee	\$2,500 annually

The Annual Administration Fee shall be payable on January 1st of each year the contract is active.

3. **Loan Servicing**
The REDA will contract directly with CEE.
4. **Marketing**
Marketing efforts will be supported by CEE and marketing costs are not included in the administrative budget. Hourly rates are inclusive of all overhead expenses and will be charged only for hours directly related to the labor of all program marketing. CEE will also be reimbursed by the REDA for any non-labor, out-of-pocket expenses relating to these services on a dollar-for-dollar basis.

EXHIBIT A-21

PROGRAM GUIDELINES

This document includes guidelines for the
ROSEVILLE LOAN PROGRAMS

ROSEVILLE LOAN PROGRAM GUIDELINES

The Roseville Economic Development Authority (REDA) is making funds available for homeowners to make improvements to their properties. The Roseville Revolving Loan Program is designed to supplement existing loan programs available from MHFA, CEE, private lenders and other housing resources. This program is not intended to be the sole source of improvement funds available to the City. Center for Energy and Environment shall serve as the administrator for the Roseville Loan Program and will secure the most beneficial financing based on the borrower's needs independent of the funding source.

Home Improvement Loan

Interest Rate: 4% fixed

Amortization Type: Amortizing (Monthly Payments Required)

Loan Amount: Minimum of \$2,000 and Maximum of \$40,000.

Total Project Cost: The borrower must have sufficient funds necessary to cover the cost of the entire project (as outlined in the bid(s)).

Loan term: Generally, one year per \$1,000 borrowed. This will be somewhat flexible depending on the size of the loan and the borrower's ability to repay the loan. The minimum term is 1 year; the maximum term will be 10 years.

Eligible Properties: 1-4 unit owner-occupied properties located within the geographical boundaries of the City of Roseville. Townhomes and Condominiums are eligible Property must have an Estimated Market Value at or below the Roseville Median Value x 110%. Value is updated annually. The current median value is \$280,600 (110% is \$308,600), which is the City of Roseville's median single family home value for 2021 and to be updated annually.

The property must be at least 25 years old.

Ineligible Properties: Dwellings that are more than 4 units, cooperatives, properties held in a Trust and properties used for commercial purposes.

Eligible Borrowers: All borrowers must be legal residents of the United States, as evidenced by a social security number, including: U.S. Citizens, Permanent Resident Aliens, Non-Permanent Resident Aliens. TAX IDENTIFICATION NUMBERS (ITIN) ARE NOT ACCEPTABLE.

Ineligible Borrowers: Including but not limited to: - Foreign Nationals, Non-Occupant Co-Borrowers, business entities and Properties held in the name of a Trust.

Ownership/Occupancy: Owner-occupied only.

Loan - to - Value Ratio: The ratio of all loans secured by the property, including the new loan, should not exceed 110% of the property value. Half of the improvement value may be added to the initial property value.

Income Limit: No maximum income limit.

Debt - to - Income Ratio: 50%

Credit Requirements: 1) All mortgage payments must be current and reflect no 30 day late payments history in the past 12 month period (without reasonable explanation) 2) All real estate taxes must be current. 3) No outstanding judgements or collections. 4) Bankruptcy must have been discharged for at least 18 months prior to loan closing. 5) The redemption period on prior foreclosures must have occurred at least 18 months prior to the loan application date. 6) Generally, no more than two 60-day late payments on credit report (without reasonable explanation) 7) No defaulted government loans.

Multiple Loans per Property: More than one loan per property is allowed, however, the outstanding balance(s) cannot exceed \$40,000.

Eligible Use of Funds: Loans may be used to finance most interior and exterior improvements that improve the basic livability of the property. Garages, decks, porches, retaining walls, skylights, landscaping and fences can be repaired, replaced or built as new construction. Contractors must be properly licensed and permits must be obtained when required.

Ineligible Use of Funds: Payment for work initiated prior to the loan being approved and closed, unless due to emergency. Recreation or luxury projects (pools, lawn sprinkler systems, playground equipment, saunas, whirlpools, etc.), furniture, non-permanent appliances (unless part of a full kitchen remodel), and funds for working capital, debt service, homeowner labor or refinancing existing debts are NOT allowed.

Bids: A minimum of 1 bid is required, however two bids are encouraged. All contractors must be properly licensed.

Sweat Equity / Homeowner Labor: Work may be performed by property owners on a "sweat equity" basis. Loan funds may be used only for the purchase of materials, including rental of tools and equipment. Loan funds cannot be used to compensate for labor.

Home Energy Audits: All homes are required to complete a Home Energy Audit through the Home Energy Squad (HES) prior to loan closing. The energy audit (within the past 3 years) is required for any type of home improvement, interior or exterior. Fees for the HES visit are not part of this program budget.

Remodeling Advisor Visit (RAV): The Remodeling Advisor Visit provides rehabilitation and/or remodeling advice upon request of the resident. The intent is to help residents improve their property by providing technical assistance before and during the bidding and construction process. All residents are eligible for this service regardless if applying for the Roseville Revolving Loan Program or not. This visit is not required.

Post Installation Inspection: Permits must be obtained and signed off by a City inspector where required; when not required, a post installation inspection will be performed by CEE to ensure the work has been completed before any funds will be released.

Loan Security: All loans will be secured with a mortgage in favor of the Roseville Economic Development Authority. Borrower will pay all applicable title and filing fees, which may be financed in the loan amount.

Borrower Fees: Borrower will be responsible for a 1% origination Fee, Document Preparation Fee, mortgage filing and service fees, flood certificate and credit report fees all which may be financed in the loan amount.

Underwriting Decision: Applicants must have acceptable credit history. CEE will approve or deny loans based on a credit report, income verification and other criteria as deemed necessary through CEE's underwriting guidelines. CEE's decision shall be final. Appeals can be made to the Roseville Economic Development Authority.

Work Completion: All work must be completed within 120 days of the loan closing. However, when warranted, CEE may authorize exceptions on a case by case basis.

Senior Deferred Loan

Interest Rate: 0%

Loan Amount: Minimum loan is \$5,000. Maximum loan is \$25,000 within any time period.

Loan term: The loan is 100% due when the borrower sells, transfers ownership, cash-out refinance or no longer occupies the property as the borrower's primary residence.

Eligible Properties: Owner-occupied properties with up to 4 dwelling units located within the boundaries of the City of Roseville. Condominiums, manufactured homes and townhomes are eligible.

Ineligible Properties: Dwellings that are more than 4 units, cooperatives, properties held in a Trust and properties used for commercial purposes.

Eligible Borrowers: At least one borrower must be at least 62 years of age. All borrowers must be legal residents of the United States, as evidenced by a social security number, including: U.S. Citizens,

Permanent Resident Aliens, Non-Permanent Resident Aliens. TAX IDENTIFICATION NUMBERS (ITIN) ARE NOT ACCEPTABLE

Ineligible Borrowers: Include but are not limited too: nonresident owners, non-occupant co-borrowers, business entities and properties held in the name of a Trust.

Ownership / Occupancy: Owner-occupied. Contract for Deeds are eligible.

Loan-to-Value Ratio: 110%

Income Limit: No income limits.

Debt-to-Income Ratio: Not applicable

Multiple Loans per Property/Borrower: Multiple Senior Deferred Loans are allowed if the outstanding balance is within the maximum loan limit.

Eligible Improvements: A property inspection is required to determine project eligibility. If there are no outstanding code violations or health and safety concerns the loan may be used to finance most interior and exterior improvements that improve the basic livability of the property. Garages, decks, porches, retaining walls, skylights, landscaping and fences can be repaired, replaced or built as new construction. Contractors must be properly licensed and permits must be obtained when required.

Ineligible Improvements: Work initiated prior to the loan being approved and closed. Personal property items, including appliances, furniture, hot tubs, swimming pools, and other luxury items, exterior plumbing (e.g. sprinkler systems), non-permanent landscaping fixtures (e.g. potted plants, furniture, bird feeders), repairs to property used for business or trade purposes, refinancing existing indebtedness, and labor costs of borrowers and/or residents. CEE will refer to the City whenever eligibility of an improvement project is questionable.

Bidding: 1 bid is required. Bids must detail the scope of the work to be completed, the associated cost(s) and any rebates. All contractors must be properly licensed.

Sweat Equity: Not permitted

Property Inspection: Required. Eligible improvements will be determined through an analysis of the inspection of the property. A CEE representative will perform the analysis to prioritize the project eligibility.

Post Installation Inspection: Properties are subject to a post installation inspection by a CEE representative when a permit is not required. Where a permit is required, the work must be signed-off by a City inspector prior to release of funds.

Work Completion: All work must be completed within 120 days of loan closing. Extensions may be granted by CEE.

Borrower Fees: Borrower will be responsible for a 1% Origination Fee, Document Preparation Fee, title work, mortgage filing and service fees, flood certificate, credit report fees and any other applicable fees. All may be financed in the loan amount.

Underwriting Decision: Borrowers must be current on all mortgage payments and property taxes.

Loan Security: All loans will be secured with a mortgage (lien for manufactured homes) in favor of the Roseville Economic Development Authority.

Down-payment Assistance Deferred Loan

Interest Rate: 0%

Loan Amount: Maximum of \$25,000.

Total Project Cost: It is the borrower's responsibility to obtain the amount of funds necessary to purchase the property in accordance with the first mortgage guidelines.

Loan term: The Deferred Loan is 100% due when the borrower sells, transfers ownership or no longer occupies the property as the borrower's primary residence.

Eligible Properties: Owner-occupied properties with up to 4 dwelling units located within the boundaries of the City of Roseville. Condominiums and townhomes are eligible. Property must have an Estimated Market Value at or below the Roseville Median Value x 110%. Value is updated annually. The current median value is \$280,600 (110% is \$308,600).

Ineligible Properties: Dwellings that are more than 4 units, cooperatives, properties held in a Trust and properties used for commercial purposes.

Eligible Borrowers: Borrower(s) must be a **First-Generation Homebuyer** and must sign the First-Generation Homebuyer Affidavit. The homebuyer(s) **MUST** attend a Home Stretch workshop or other valid homebuyers course offered through a HUD approved counseling agency. All borrowers must be legal residents of the United States, as evidenced by a social security number, including: U.S. Citizens, Permanent Resident Aliens, and Non-Permanent Resident Aliens. TAX IDENTIFICATION NUMBERS (ITIN) ARE NOT ACCEPTABLE.

Ineligible Borrowers: Including but not limited to: Foreign Nationals, Non-Occupant Co-Borrowers, business entities, and Properties held in the name of a Trust.

Ownership/Occupancy: Owner- occupied only.

Loan to Value Ratio N/A

Income Limit: 100% AMI based on household size and adjusted gross income from the most recent tax return. If a tax return is not required to be filed by the borrower(s) then income will be determined by the projected income over the next 12 months.

Documentation Requirements:

- Copy of purchase agreement
- Commitment letter/approval for first mortgage
- Copy of Title Commitment
- Copy of Initial Loan Estimate for first mortgage
- Value of home (property tax or appraisal)
- Certification of Home Stretch Homebuyers (or other valid course) course completed

Loan Security: All loans will be secured with a mortgage in favor of the Roseville Economic Development Authority.

Borrower Fees: Borrower will be responsible for mortgage filing and service fees, flood certificate, credit report fees and any other applicable closing fees.

Disbursement Process: Loan funds will be made payable and delivered to the title/closing agent. The down-payment and closing cost assistance deferred loan will be signed at closing of the purchase mortgage.

Manufactured Home Loan

Interest Rate: 4% fixed

Amortization Type: Amortizing (Monthly Payments Required)

Loan Amount: Minimum of \$500 and Maximum of \$10,000.

Total Project Cost: It is the borrower's responsibility to obtain the amount of funds necessary to finance the entire cost of the work. In the event the final cost exceeds the requested loan amount, the borrower must obtain the additional funds and show verification of the additional funds to be approved for the loan.

Loan term: Generally, one year per \$1,000 borrowed. This will be somewhat flexible depending on the size of the loan and the borrower's ability to repay the loan. The minimum term is 1 year; the maximum term will be 10 years.

Eligible Properties: Residential manufactured homes located with the geographical boundaries of the City of Roseville.

Ineligible Properties:

- Non-owner occupied
- Properties used for commercial purposes
- Properties held in the name of a Trust

Eligible Borrowers: All borrowers must be legal residents of the United States, as evidenced by a social security number, including: U.S. Citizens, Permanent Resident Aliens, Non-Permanent Resident Aliens. TAX IDENTIFICATION NUMBERS (ITIN) ARE NOT ACCEPTABLE.

Ineligible Borrowers: Including but not limited to: Foreign Nationals, Non-Occupant Co-Borrowers, business entities, and Properties held in the name of a Trust.

Ownership/Occupancy: Owner-occupied only.

Loan - to - Value Ratio: N/A

Income Limit: No maximum income limit.

Debt - to - Income Ratio: 50%.

Credit Requirements: 1) All mortgage or lien payments must be current and reflect no 30 day late payments history in the past 12 month period (without reasonable explanation) 2) All lot rent payments must be current. 3) No outstanding judgements or collections. 4) Bankruptcy must have been discharged for at least 18 months prior to loan closing. 5) The redemption period on prior foreclosures must have occurred at least 18 months prior to the loan application date. 6) Generally, no more than two 60-day late payments on credit report (without reasonable explanation) 7) No defaulted government loans.

Multiple Loans per Property: More than one loan per property is allowed, however, the outstanding balance(s) cannot exceed \$10,000.

Eligible Use of Funds: Loans may be used to finance most interior and exterior improvements that improve the basic livability of the property. Garages, decks, porches, retaining walls, skylights, landscaping and fences can be repaired, replaced or built as new construction. Contractors must be properly licensed and permits must be obtained when required.

Ineligible Use of Funds: Payment for work initiated prior to the loan being approved and closed, unless due to emergency. Recreation or luxury projects (pools, lawn sprinkler systems, playground equipment, saunas, whirlpools, etc.), furniture, non-permanent appliances (unless part of a full kitchen remodel), and funds for working capital, debt service, homeowner labor or refinancing existing debts are NOT allowed.

Bids: 1 bid is required. Bids must detail the scope of the work to be completed, the associated cost(s) and any rebates. All contractors must be properly licensed.

Sweat Equity / Homeowner Labor: Work may be performed by property owners on a "sweat equity" basis. Loan funds may be used only for the purchase of materials, including rental of tools and equipment. Loan funds cannot be used to compensate for labor.

Remodeling Advisor Visit (RAV): The Remodeling Advisor Visit provides rehabilitation and/or remodeling advice upon request of the resident. The intent is to help residents improve their property by providing technical assistance before and during the bidding and construction process. All residents are eligible for this service regardless if applying for the Roseville Revolving Loan Program or not. This visit is not required.

Post Installation Inspection: Permits must be obtained and signed off by a City inspector where required; when not required, a post installation inspection will be performed by CEE to ensure the work has been completed before any funds will be released.

Loan Security: All loans will be secured with a lien in favor of the Roseville Economic Development Authority.

Borrower Fees: Borrower will be responsible for a 1% Origination Fee, Document Preparation Fee, lien filing and, flood certificate and credit report fees all which may be financed in the loan amount.

Work Completion: All work must be completed within 120 days of the loan closing. However, when warranted, CEE may authorize exceptions on a case by case basis.

Emergency Deferred Loan

Interest Rate: 0%

Loan Amount: Minimum loan is \$500. Maximum loan is \$10,000 within any time period.

Loan term: The loan is 100% due when the borrower sells, transfers ownership or no longer occupies the property as the borrower's primary residence.

Eligible Properties: Owner-occupied properties with up to 4 dwelling units located within the boundaries of the City of Roseville. Condominiums, mobile homes and townhomes are eligible.

Ineligible Properties: Dwellings that are more than 4 units, cooperatives, properties held in a Trust and properties used for commercial purposes.

Eligible Borrowers: All borrowers must be legal residents of the United States, as evidenced by a social security number, including: U.S. Citizens, Permanent Resident Aliens, Non-Permanent Resident Aliens. TAX IDENTIFICATION NUMBERS (ITIN) ARE NOT ACCEPTABLE. The borrower must not be eligible for any other financing administered by CEE in order to obtain an Emergency Program loan.

Ineligible Borrowers: Include but are not limited too: nonresident owners, non-occupant co-borrowers, business entities and properties held in the name of a Trust.

Ownership / Occupancy: Owner-occupied. Contract for Deeds are eligible.

Loan-to-Value Ratio: 110%

Income Limit: Household income must be less than 115% of HUD Area Median Income based on household size and adjusted income from most recent tax return. If a tax return is not filed the income will be based on the projected annual gross income.

Debt-to-Income Ratio: Not applicable

Multiple Loans per Property/Borrower: Multiple Emergency Deferred Loans are allowed if the outstanding balance is within the overall maximum loan limit.

Eligible Improvements: An emergency is defined as an imminent condition that makes a house uninhabitable, dangerous to the occupants, or is capable of causing severe health problems. Repairs that will remedy such emergency repairs are eligible. Examples of eligible repairs include, but are not limited to, water lines, sewer service, fire hazards, repair to exterior steps, railings, retaining walls, water seepage into basement, structural problems, or replacement of a furnace or hot water heater.

Repairs that remedy code violations and those needed to address home repairs before they significantly de-value the home and become much more serious problems, are also eligible whether or not the city has issued a code violation. Examples of eligible repairs include, but are not limited to, leakage around windows, rotting fascia, holes in siding, roof leakage, crumbling brick or concrete and deteriorated retaining walls. CEE will determine eligibility of projects.

Ineligible Improvements: Work initiated prior to the loan being approved and closed. Personal property items, including appliances, furniture, hot tubs, swimming pools, and other luxury items, exterior plumbing (e.g. sprinkler systems), non-permanent landscaping fixtures (e.g. potted plants, furniture, bird feeders), repairs to property used for business or trade purposes, refinancing existing indebtedness, and labor costs of borrowers and/or residents. CEE will refer to the City whenever eligibility of an improvement project is questionable.

Bidding: 1 bid is required. Bids must detail the scope of the work to be completed, the associated cost(s) and any rebates. All contractors must be properly licensed.

Sweat Equity: Not permitted

Property Inspection: Required. Eligible improvements will be determined through an analysis of the emergency condition of the property. A CEE representative will perform the analysis to determine the project eligibility.

Post Installation Inspection: Properties are subject to a post installation inspection by a CEE representative when a permit is not required. Where a permit is required, the work must be signed-off by a City inspector prior to release of funds.

Work Completion: All work must be completed within 30 days of loan closing. Extensions may be granted by CEE.

Borrower Fees: Borrower will be responsible for a 1% Origination Fee, Document Preparation Fee, title work, mortgage filing and service fees, flood certificate, credit report fees and any other applicable fees. All may be financed in the loan amount.

Underwriting Decision: Borrowers must be current on all mortgage payments and property taxes. CEE will review the application and submitted documentation for consideration for other home improvement programs prior to considering the application for the Emergency Deferred Loan. CEE will approve or deny loans based on income verification and other criteria. This is a last resort program. The borrower must not be eligible for any other financing administered by CEE to obtain an Emergency Repair Deferred loan. CEE's decision shall be final.

Loan Security: All loans will be secured with a mortgage (lien if a manufactured home) in favor of the Roseville Economic Development Authority.

General Program Conditions

Application Processing: Loans will be distributed on a first come first serve basis as borrowers qualify. Applicants must provide a completed application package including the following in order to be considered for funding.

- Completed and signed application form
- Proof of income
- Bids or estimates for proposed projects
- Other miscellaneous documents loan officers may require.

Contractors/Permits: Contractors must be properly licensed to work in the City of Roseville. Permits must be obtained when required by city ordinance.

Program Costs: Loan origination, post installation inspection and remodeling advisor visit fees will be paid out of the Program Budget. Loan program marketing efforts will be billed directly to the REDA and is a separate expense should the REDA choose to commission CEE for marketing support. Borrowers will pay all mortgage filing fees and related closing costs.

Disbursement Process: Payment to the contractor (or owner in sweat equity situations) will be made upon completion of work. An inspection will be performed by a City Inspector and/or CEE to verify the completion of the work. The following items must be received prior to final disbursement of funds:

- Final invoice or proposal from contractor (or materials list from supplier);
- Final inspection verification by a City Inspector (or CEE);
- Completion certificate(s) signed by borrower and contractor;
- Lien waiver for entire cost of work;
- Evidence of city permit (if required)

EXHIBIT B-21

ROSEVILLE LOAN PROGRAM BUDGET

A. <u>Loan Program Budget Allocation (includes Origination Fees, Processing Fees, Annual Administration, Post Installation and Inspections):</u>	\$778,522
B. <u>Remodeling Advisor Visit Budget</u>	\$15,000

Budget Notes:

1. Funds to be transferred between Budget Categories in this Exhibit that do not change the Total Contract Amount must be approved in writing by the REDA.
2. Services performed by CEE will initially be funded from the Total Program Budget as stated above and paid in accordance with the following schedule.

(1) Origination Fee	\$750.00 per loan closed (\$500 per Down Payment Assistance Deferred Loan closed)
(2) Down Payment Assistance Deferred Loan Processing Fee	\$250 per application received
(3) Post Installation Inspection	\$100.00 per inspection
(4) Remodeling Advisor Visit (includes Emergency and Senior Deferred)	\$250.00 per inspection
(5) Annual Administration Fee	\$2,500 annually

The Annual Administration Fee shall be payable on January 1st of each year the contract is active.

3. **Loan Servicing**
The REDA will contract directly with CEE.
4. **Marketing**
Marketing efforts will be supported by CEE and marketing costs are not included in the administrative budget. Hourly rates are inclusive of all overhead expenses and will be charged only for hours directly related to the labor of all program marketing. CEE will also be reimbursed by the REDA for any non-labor, out-of-pocket expenses relating to these services on a dollar-for-dollar basis.

1 **EXTRACT OF MINUTES OF MEETING**
2 **OF THE**
3 **ROSEVILLE ECONOMIC DEVELOPMENT AUTHORITY**

4
5 * * * * * * * * * * * * * * * * * * *

6
7 Pursuant to due call and notice thereof, a regular meeting of the Board of Commissioners
8 (the "Board") of the Roseville Economic Development Authority ("REDA") was duly
9 held on the 24th day of January, 2022, immediately preceding the meeting of the City
10 Council of the City of Roseville.

11
12 The following members were present:

13
14 and the following were absent: .

15
16 Member introduced the following resolution and moved its adoption:

17
18 **RESOLUTION No. __**

19
20 **RESOLUTION RATIFYING APPROVAL OF LOAN**
21 **PROGRAMS ADMINISTERED BY CENTER FOR**
22 **ENERGY AND ENVIRONMENT, AND AUTHORIZING**
23 **EXECUTION OF DOCUMENTS IN CONNECTION**
24 **THEREWITH**

25 WHEREAS, the Roseville Economic Development Authority ("REDA") has previously
26 directed REDA staff to explore options to assist affordable home ownership
27 within the City of Roseville (the "City") and approved certain housing loan
28 programs (the "Loan Programs") in connection with an Amended and
29 Restated Standard Agreement for Professional Services between REDA and
30 the Center for Energy and Environment ("CEE") on July 19, 2021 (the
31 "Services Agreement"); and
32

33 WHEREAS, as administrator of the Loan Programs pursuant to the Services Agreement,
34 CEE has approved certain initial housing loans in connection with the Loan
35 Programs and has presented certain loan documents to REDA staff for
36 execution; and
37

38 WHEREAS, to expedite administrative processes in connection with the Loan Programs,
39 the REDA Board of Commissioners now wishes to ratify its approval of the
40 Loan Programs and to authorize the REDA Executive Director to
41 administratively execute any documents required to give effect to the Loan
42 Programs; and
43

44 WHEREAS, the REDA Board of Commissioners finds that such ratification and
45 authorization are in the best interest of the City and will allow the
46 expeditious processing and closing of loans under the Loan Programs.
47

48 NOW, THEREFORE, BE IT RESOLVED as follows:
49

- 50 1. The REDA Board of Commissioners hereby ratifies its approval of the
51 Loan Programs as presented to the Board on July 19, 2021, and included
52 in the Services Agreement.
- 53 2. The REDA Executive Director is hereby authorized to take all actions
54 necessary to assist CEE in approving, administering, and processing loans
55 under the Loan Programs, including without limitation the execution of
56 any documents necessary in connection with such loans, without formal
57 action by REDA.
58

59
60
61 The motion for the adoption of the foregoing resolution was duly seconded by Member

62
63 , and upon a vote being taken thereon, the following voted in favor thereof:

64
65 and the following voted against the same:

66
67 WHEREUPON said resolution was declared duly passed and adopted.
68

Certificate

I, the undersigned, being duly appointed Executive Director of the Roseville Economic Development Authority, Minnesota, hereby certify that I have carefully compared the attached and foregoing resolution with the original thereof on file in my office and further certify that the same is a full, true, and complete copy of a resolution which was duly adopted by the Board of Commissioners of said Authority at a duly called and regular meeting thereof on January 24, 2022.

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

and the following voted against the same:

whereupon said resolution was declared duly passed and adopted.

Witness my hand as the Executive Director of the Authority this ___ day of January, 2022.

Patrick Trudgeon, Executive Director
Roseville Economic Development
Authority