

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



**Economic Development Authority
Special Meeting Agenda
Monday, June 7, 2021
7:15pm**

Address:
2660 Civic Center Dr.
Roseville, MN 55113

Phone:
651 - 792 - 7000

Website:
www.growroseville.com

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

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

1. 7:15 P.M. Roll Call
Voting & Seating Order: Willmus, Etten, Groff, Strahan, and Roe

2. 7:16 P.M. Approve Agenda

3. Business Items (Action Items)
 - 3.A. 7:17 PM Consider Additional Financing Assistance And Enter Into A Private Redevelopment Contract And Awarding The Sale Of, And Providing The Form, Terms, Covenants And Directions For Issuance Of Its Tax Increment Revenue Note To Roseville Leased Housing Associates II, LLLP, And Approve Subordinations Of Contract For Private Redevelopment And Consents To Collateral Assignment Of Contract And TIF Note

Documents:

[3A REPORT AND ATTACHMENTS.PDF](#)

 - 3.B. 7:27 PM Continue Discussion Regarding A Choose Local Campaign Promoting Small Businesses Post-COVID

Documents:

[3B REPORT AND ATTACHMENTS.PDF](#)

4. 7:45 P.M. Adjourn To City Council



REQUEST FOR ECONOMIC DEVELOPMENT AUTHORITY ACTION

Date: 06/07/2021

Item No.: 3.a

Department Approval

Executive Director Approval

Janice Gundlach

Randy Trueman

Item Description: Consider additional financing assistance and enter into a Private Redevelopment Contract and Awarding the Sale of, and Providing the Form, Terms, Covenants and Directions for Issuance of its Tax Increment Revenue Note to Roseville Leased Housing Associates II, LLLP, and Approve Subordinations of Contract for Private Redevelopment and Consents to Collateral Assignment of Contract and TIF Note

BACKGROUND

On July 15, 2019 the Roseville Economic Development Authority authorized providing financial assistance for the redevelopment of properties addressed 1705, 1717, 1743, and 1755 County Road C located in the Twin Lakes Redevelopment Area (Attachment A). Dominion is finishing construction on the Oasis at Twin Lakes, which consists of 228 units of affordable family housing at 60% area median income (AMI). Originally, the Harbor (the senior affordable building) was on a waitlist for bonds, also targeting 60% AMI. In order to be more competitive, and to address housing needs in Roseville, Dominion increased the affordability threshold, targeting 50% AMI in the January 2021 housing bond application. The development was awarded the bonds and the City authorized the issuance of the bonds on May 17, 2021. The property can “average income” the units at 50% AMI overall, allowing for income ranges affordable at 30% AMI, up to 60% AMI. The following is Ramsey County’s 2021 30%-60% income ranges:

Household size	1	2	3	4
30% AMI	\$21,700	\$24,800	\$27,900	\$31,000
50% AMI	\$36,200	\$41,400	\$46,550	\$51,700
60% AMI	\$43,410	\$49,620	\$55,830	\$62,040

The result of increasing affordability to 50% AMI equates to a reduction in the amount of the first mortgage the development can generate. However, changes to the 4% Low Income Housing Tax Credit equity guidelines in late 2020 allow for some additional equity to be recovered to help fill some of the gap newly created since the EDA’s original authorization in June of 2019. From these rent changes and cost of construction increases that have recently occurred, the gap in financing has grown by an estimated \$2.7 million. The City’s public finance consultant, Ehler’s, has underwritten these new financials and substantiated this additional gap amount. In order to fill some of that gap, an application for HOME funds was made to Ramsey County. The development was only able to be awarded \$340,949. Some of the \$2.7 million gap could be closed by securing environmental grants to cover eligible costs, with the developer applying for \$708,000 to Metropolitan Council’s Tax Base Revitalization Account (TBRA), Department of Employment and Economic Development (DEED) Environmental Funds, as well as Ramsey County’s Environmental Response Funds (EFR). It is unknown at the writing of this report if those grants will be awarded.

26 The original underwriting from Ehlers supported the request of \$3.7 million for 15 years of Tax Increment
 27 Financing (TIF). Dominion is now requesting additional TIF to fill some of the newly created gap. Ehlers’
 28 underwriting process can support \$5.1 million total over 18 years of TIF. This would give the developer
 29 additional assistance of \$1.3 million, which the REDA is being asked to consider. If the REDA considers the
 30 addition \$1.3 million of assistance, and the development receives environmental funds totaling \$708,000, the
 31 remaining gap of \$361,603 can be accomplished through additional deferred developer fees.

Lowering rents to 50% AMI gap	\$2,759,202
HOME Funds award	\$340,949
Additional TIF Assistance for 3 years	\$1,348,650
Environmental Remediation Grants	\$708,000
Deferred Developer Fees	\$361,603

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 40 The environmental remediation funds will not be awarded prior to the closing requirement of July 8th, so
 41 Dominion is assuming the risk of filling that \$708,000. The Contract for Private Redevelopment does have a
 42 look-back provision in section 3.5, which allows for the REDA to reduce the amount of TIF assistance based
 43 upon final underwriting and completion of construction if the development does not warrant the additional 3
 44 years of TIF. The REDA should note that 18 years of TIF was provided to the Oasis.

45
 46 The Harbor at Twin Lakes will be 277 senior affordable housing units.

47 **Harbor Development**

<u>Units</u>	<u>Number of Units</u>
1 BR /1 BA	131
2 BR /2 BA	116
3 BR / 2 BA	30

48 The Harbor development amenities include in-unit laundry, Harbor at Twin Lakes clubroom, card/craft
 49 room, outdoor patio, theater, salon, fitness center, a green courtyard space the size of a football field, and
 50 Green Communities construction standards (Attachment B). In addition, the development of the Oasis and
 51 Harbor have provided the upfront funds of \$1.8 million for completion of the trails and connection to Oasis
 52 Park over the piping of the ditch (Attachment C).

53
 54 Normally, developments appear before the REDA two to three separate times for the approval of various
 55 documents as closing nears on the financing for the project. In this particular situation, the REDA is being
 56 asked to authorize the following documents now in order to meet the MMB required closing date on the bonds
 57 of July 8th, 2021:

- 58
- 59 1) The Contract for Private Redevelopment and award the sale of, and provide the form, terms,
 60 covenants and directions for the issuance of its Tax Increment Revenue Note (Attachment E);
- 61 2) Subordination, and Collateral Assignment of the Contract for Private Redevelopment and TIF Note
 62 (Attachment G and H).
- 63

64 Martha Ingram from Kennedy Graven will address any questions the REDA may have as it relates to these
 65 actions and documents. This type of financing for affordable housing developments is very complicated, so
 66 there is language within the resolutions that provides for minor revisions to these documents, at the discretion of

67 the REDA attorney, so long as those revisions do not alter the substance of the transaction or offer substantive
68 changes to the overall project.

69

70 **STAFF RECOMMENDATION**

71 By two separate actions staff recommends adoption of the following two resolutions, requiring two separate
72 motions:

- 73 1. Approve Contract for Private Redevelopment with and Awarding the Sale of, and Providing the Form, Terms,
74 Covenants and Directions for the Issuance of its Tax Increment Revenue Note to Roseville Leased Housing
75 Associates II, LLLP.
- 76 2. Approve Subordinations of Contract for Private Redevelopment between the REDA, and Roseville
77 Leased Housing Associate II, LLLP for the benefit of U.S. Bank National Association and Consent to
78 Collateral Assignment of Contract and TIF Note.

79

80 **REQUESTED REDA ACTION**

81 Motion to adopt the following resolutions:

- 82 1. Approve Contract for Private Redevelopment with and Awarding the Sale of, and Providing the Form, Terms,
83 Covenants and Directions for the Issuance of its Tax Increment Revenue Note to Roseville Leased Housing
84 Associates II, LLLP.
- 85 2. Approve Subordinations of Contract for Private Redevelopment between the REDA, and Roseville
86 Leased Housing Associate II, LLLP for the benefit of U.S. Bank National Association and Consent to
87 Collateral Assignment of Contract and TIF Note.

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

- Attachment A: Resolution #47 Financial Support for TIF
B: Site Plan
C: Trail Improvement Plan
D: Resolution authorizing entering into the Contract for Redevelopment and Issuance of Note
E: Contract for Private Redevelopment
F: Resolution authorizing Subordination and Collateral Assignment of Contract and TIF Note
G: Subordination Agreement Regulator Agreement Only Governmental Entity
H: Collateral Assignment of Tax Increment Financing Note and Tax Increments – Tax-Exempt Loan

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

* * * * *

Pursuant to due call and notice thereof, a regular meeting of the Roseville Economic Development Authority, County of Ramsey, Minnesota was duly held on the 15th day of July, 2019, at 6:00 p.m.

The following members were present: Willmus, Laliberte, Groff, Etten, and Roe

and the following were absent: none.

Member Willmus introduced the following resolution and moved its adoption:

RESOLUTION No. 47

**RESOLUTION EXPRESSING SUPPORT FOR REDEVELOPMENT TAX
INCREMENT FINANCING ASSISTANCE REQUESTED IN CONNECTION
WITH A PROPOSED MULTIFAMILY HOUSING DEVELOPMENT ON ALL
OR A PORTION OF PARCEL ID NOS. 042923430005, 042923430013, AND
042923430014 AT COUNTY ROAD C**

WHEREAS, pursuant to Minnesota Statutes, Sections 469.174 to 469.1794 (the “TIF Act”) and Sections 469.090 to 469.1081 (the “EDA Act”), the Roseville Economic Development Authority (“EDA”) is authorized to create and administer tax increment financing districts within the City of Roseville (the “City”); and

WHEREAS, the EDA is further authorized to identify and utilize other funds for the purpose of assisting redevelopment; and

WHEREAS, Dominion or an affiliate thereof (the “Redeveloper”) has requested tax increment financing assistance in connection with Redeveloper’s proposed redevelopment of certain property located on all or a portion of Parcel ID Nos. 042923430005, 042923430013, and 042923430014 at County Road C in the City (the “Property”), in order to construct approximately 224 units of affordable rental housing and 252 units of senior affordable rental housing on the Property, as well as approximately 56,200 square feet of commercial/retail space for which the Redeveloper is not requesting assistance (the “Improvements”); and

WHEREAS, the EDA has previously expressed support for the creation of a redevelopment tax increment financing district in connection with both the

proposed redevelopment of 2720 Fairview Avenue and the Improvements, and is willing to explore tax increment and other financial assistance at a level to be determined, subject to a pro forma analysis by the EDA's municipal advisor, to finance a portion of the extraordinary redevelopment costs of the Improvements.

NOW, THEREFORE, BE IT RESOLVED, that subject to (i) further verification of Redeveloper's need for financial assistance and (ii) negotiation and approval of a Contract for Private Redevelopment that addresses (among other things) the terms under which the Redeveloper will construct the Improvements on the Property, the terms and conditions under which the EDA will provide financial assistance, and the sources of such financial assistance, the EDA agrees to create a redevelopment tax increment financing district for the purpose of financing a portion of the extraordinary costs of the Improvements in compliance with the TIF Act and the EDA Act.

The motion for the adoption of the foregoing resolution was duly seconded by Member Groff, and upon a vote being taken thereon, the following voted in favor thereof:

Willmus, Laliberte, Groff, Etten, and Roe

and the following voted against the same: None.

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 regular meeting thereof on July 15, 2019.

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

Willmus, Laliberte, Groff, Etten, and Roe

and the following voted against the same: None.

whereupon said resolution was declared duly passed and adopted.

Witness my hand as the Executive Director of the Authority this 15th day of July, 2019.



Patrick Trudgeon, Executive Director
Roseville Economic Development
Authority

CONSULTANTS

PROJECT TITLE

**THE HARBOR AT
TWIN LAKES**

ISSUE # DATE DESCRIPTION

ISSUE #	DATE	DESCRIPTION

CERTIFICATION

DRAWN BY	Author
CHECKED BY	Checker
COMMISSION NUMBER	1393.164

SHEET TITLE

SITE RENDERING

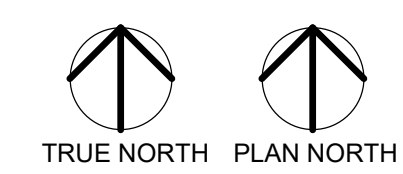
SHEET NUMBER

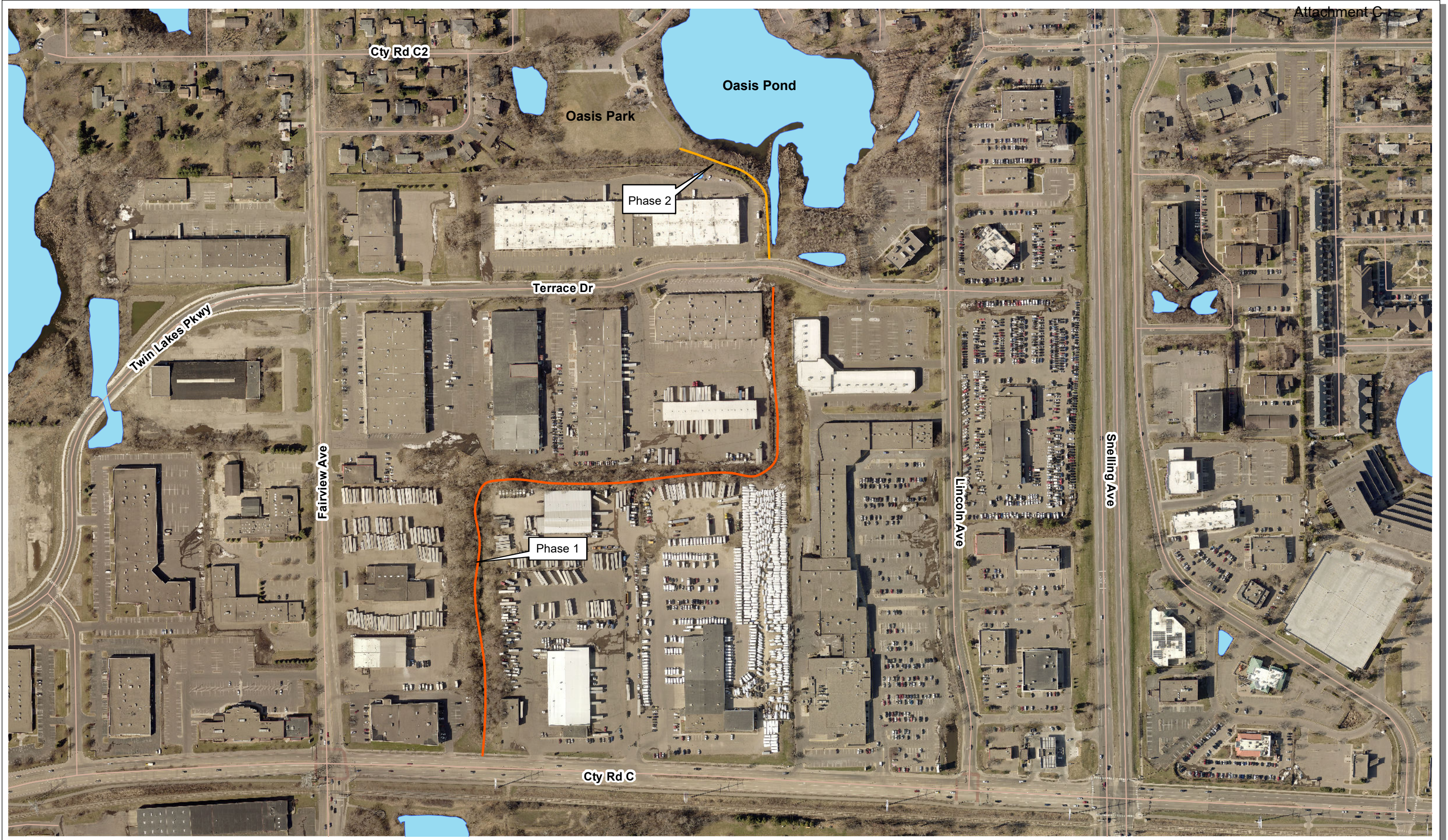
G999



1 SITE RENDERING
G999 1" = 40'-0"

BIM: 360/1393 Roseville/1393-164_Roseville Senior_AI_2019.rvt
5/31/2021 4:39:22 PM





ROSEVILLE Twin Lakes Trail

Prepared by:
Engineering Department
September 03, 2020

Data Sources and Contacts:
 * Ramsey County GIS Base Map (11/2/15)
 * City of Roseville Engineering Department
 For further information regarding the contents of this map contact
 City of Roseville, Engineering Department,
 2660 Civic Center Drive, Roseville MN

DISCLAIMER:
 This map is neither a legally recorded map nor a survey and is not intended to be used as one. This map is a compilation of records, information and data located in various city, county, state and federal offices and other sources regarding the area shown, and is to be used for reference purposes only. The City does not warrant that the Geographic Information System (GIS) Data used to prepare this map are error free, and the City does not represent that the GIS Data can be used for navigational, tracking or any other purpose requiring exacting measurement of distance or direction or precision in the depiction of geographic features. If errors or discrepancies are found, please contact 651-792-7070. The preceding disclaimer is provided pursuant to Minnesota Statutes § 460.03, Subd. 21 (2000), and the user of this map acknowledges that the City shall not be liable for any damages, and expressly waives all claims, and agrees to defend, indemnify, and hold harmless the City from any and all claims brought by User, its employees or agents, or third parties which arise out of the user's access or use of data provided.



mapdoc: Twin Lakes Trail.mxd
 map: Twin Lakes Trail.pdf



ROSEVILLE ECONOMIC DEVELOPMENT AUTHORITY

RESOLUTION NO. _____

RESOLUTION APPROVING CONTRACT FOR PRIVATE REDEVELOPMENT WITH AND AWARDING THE SALE OF, AND PROVIDING THE FORM, TERMS, COVENANTS AND DIRECTIONS FOR THE ISSUANCE OF ITS TAX INCREMENT REVENUE NOTE TO ROSEVILLE LEASED HOUSING ASSOCIATES II, LLLP

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

Section 1. Background; Authorization; Award of Sale.

1.01. Background; Authorization. (a) The Authority and the City of Roseville, Minnesota (the “City”) have heretofore approved the establishment of Tax Increment Financing District No. 22 (the “TIF District”) within Development District No. 1 (“Project”), and have adopted a tax increment financing plan for the purpose of financing certain improvements within the Project.

(b) Pursuant to Minnesota Statutes, Section 469.178, the Authority is authorized to issue and sell its bonds for the purpose of financing a portion of the public redevelopment costs of the Project. The Authority hereby finds and determines that it is in the best interests of the Authority that it issue and sell its Tax Increment Revenue Note (Harbor at Twin Lakes Project) (the “Note”) for the purpose of financing certain public redevelopment costs of the Project, pursuant to the terms of this resolution.

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

(b) The Authority hereby authorizes the President and Executive Director of the Board to issue the Note in accordance with the Agreement.

(c) The Note shall be issued in the maximum principal amount of \$5,136,000 to the Owner (subject to adjustment as provided in the Agreement), in consideration of certain eligible costs incurred by the Owner under the Agreement, shall be dated the date of delivery thereof, and shall bear interest at the rate that is the lesser of 4.28% or the Owner’s actual financing rate. The Note will be issued in the principal amount of the Public Redevelopment Costs submitted and approved in

accordance with Section 3.3 of the Agreement. The Note is secured by Available Tax Increment, as further described in the form of the Note set forth in Exhibit A attached hereto. The Authority hereby delegates to the Executive Director the determination of the date on which the Note is to be delivered, in accordance with the Agreement.

Section 2. Form of Note. The Notes shall be in substantially the form set forth in Exhibit A attached hereto, with the principal amount and interest rate adjusted as of the date of delivery.

Section 3. Terms, Execution and Delivery.

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

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

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

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

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

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

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

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

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

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

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

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

Section 4. Security Provisions.

4.01. Pledge. The Authority hereby pledges to the payment of the principal and interest on the Note all Available Tax Increment, as defined in, and subject to the terms described in, the Note. Available Tax Increment shall be applied to payment of the principal and interest on the Note in accordance with the terms of the form of Note set forth in Exhibit A attached hereto.

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

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

Section 5. Certification of Proceedings.

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

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

Adopted this _____ day of _____, 2021.

President

ATTEST:

Secretary

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

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

No. R-1

\$ _____

TAX INCREMENT REVENUE NOTE
 (OASIS AT TWIN LAKES PROJECT)

Rate
 ____%

Date
of Original Issue

The Roseville Economic Development Authority (“Authority”) for value received, certifies that it is indebted and hereby promises to pay to Roseville Leased Housing Associates II, LLLP or its registered assigns (the "Owner"), the principal sum of _____ and no/100 Dollars (\$ _____) and to pay interest thereon at the rate of ____% per annum, but solely from the sources and to the extent set forth herein. Unless the context clearly requires otherwise, capitalized terms in this Note have the meaning provided in the Contract for Private Redevelopment between the Authority and Owner dated as of _____, 2021 (the “Agreement”).

1. Payments. Principal and interest (“Payments”) shall be paid on August 1, 2023 and each February 1 and August 1 thereafter to and including February 1, 2041 (“Payment Dates”) in the amounts set forth herein, payable solely from and to the extent of the sources set forth in Section 3 hereof. Payments shall be applied first to accrued interest, and then to unpaid principal.

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

2. Interest. Simple interest at the rate stated herein shall accrue on the unpaid principal, commencing on the deemed date of original issue as described in Section 3.3 of the Agreement. Interest shall be computed on the basis of a year of 360 days consisting of twelve months of thirty days, and charged for actual days principal is unpaid.

3. Available Tax Increment. (a) Payments on this Note are payable on each Payment Date solely from and in the amount of “Available Tax Increment,” which shall mean ninety-five

percent (95%) of the total Tax Increment attributable to the Minimum Improvements and Redevelopment Property that has been paid to the Authority by Ramsey County in the six (6) months prior to the subject Payment Date.

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

4. Default. If on any Payment Date there has occurred and is continuing any Event of Default by the Owner under the Agreement, the Authority may withhold payments of all Available Tax Increment hereunder as provided in Section 9.2 of the Agreement. If the Event of Default is thereafter cured in accordance with the Agreement, the Available Tax Increment withheld under this Section shall be deferred and paid, without interest thereon, within thirty (30) days after the Event of Default is cured. Subject to Section 9.3 of the Agreement, if the Event of Default is not cured within three hundred sixty-five (365) days following the Authority's written notice to the Owner of such default, the Authority may terminate this Note by written notice to the Owner in accordance with the Agreement.

5. Prepayment.

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

(b) Upon completion of the lookback calculations as described in Section 3.5(b)(1) or (2) of the Agreement, any amounts resulting from such calculations will be deemed to constitute, and will be applied to, prepayment of the principal amount of this Note. Such deemed prepayment is effective as of the date of delivery of such statement to the Owner, and will be recorded by the Registrar in its records for the Note. Upon request of the Owner, the Authority will deliver to the Owner a statement of the outstanding principal balance of the Note after application of the deemed prepayment under this paragraph.

6. Nature of Obligation. This Note is one of an issue in the total principal amount of \$5,136,000 (subject to adjustment as described in Section 3.5 of the Agreement) issued to aid in financing certain public redevelopment costs of a Project undertaken by the Authority pursuant to Minnesota Statutes, Sections 469.001 through 469.047, and is issued pursuant to an authorizing resolution (the "Resolution") duly adopted by the Authority on _____, 2021, and pursuant to and in full conformity with the Constitution and laws of the State of Minnesota, including Minnesota Statutes, Sections 469.174 to 469.1794. This Note is a limited obligation of the Authority which is payable solely from Available Tax Increment pledged to the payment hereof under the Resolution. This Note shall not be deemed to constitute a general obligation of the State of Minnesota or any political subdivision thereof, including, without limitation, the Authority or the City. Neither

_____ Federal Tax I.D. No. _____

Third draft, May 28, 2021

CONTRACT
FOR
PRIVATE REDEVELOPMENT

By and Between

ROSEVILLE ECONOMIC DEVELOPMENT AUTHORITY

and

ROSEVILLE LEASED HOUSING ASSOCIATES II, LLLP

Dated as of _____, 2021

This document was drafted by:

KENNEDY & GRAVEN, Chartered (MNI)
150 South 5th Street, Suite 700
Minneapolis, Minnesota 55402
(612) 337-9300
<http://www.kennedy-graven.com>

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CONTRACT FOR PRIVATE REDEVELOPMENT

THIS AGREEMENT, made as of the __ day of _____, 2021, by and between the Roseville Economic Development Authority, a public body corporate and politic and a political subdivision under the laws of Minnesota (the “Authority”), and Roseville Leased Housing Associates II, LLLP, a Minnesota limited liability limited partnership (the “Redeveloper”).

WITNESSETH:

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

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

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

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

WHEREAS, the Redeveloper intends to acquire certain property (the “Redevelopment Property”) within the Project, and intends to redevelop the Redevelopment Property as a multifamily rental housing facility intended for seniors (the “Minimum Improvements”), as further described herein; and

WHEREAS, the Authority has established Tax Increment Financing District No. 22: Twin Lakes II (the “TIF District”), a redevelopment district, pursuant to Minnesota Statutes, Sections 469.174 to 469.1794, as amended (the “TIF Act”), consisting, in part, of the Redevelopment Property located within the Project; and

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

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

ARTICLE I

Definitions

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

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

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

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

“Assessment Agreement” has the meaning provided in Section 6.3 hereof and shall be substantially in the form attached hereto as Schedule F.

“Authority” means the Roseville Economic Development Authority.

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

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

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

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

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

“City” means the City of Roseville, Minnesota.

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

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

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

“County” means the County of Ramsey, Minnesota.

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

“Environmental Costs” has the meaning provided in Section 3.4 hereof.

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

“Holder” means the owner of a Mortgage.

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

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

“Minimum Improvements” means the construction of a multifamily rental housing facility on the Redevelopment Property consisting of approximately 277 units of housing intended for occupancy by seniors, along with community rooms, theater, and fitness center amenities.

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

“MPCA” means the Minnesota Pollution Control Agency.

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

“Public Redevelopment Costs” has the meaning provided in Section 3.3(a) hereof.

“RAP” has the meaning provided in Section 3.2 hereof.

“Redeveloper” means Roseville Leased Housing Associates II, LLLP, a Minnesota limited liability limited partnership, or its permitted successors and assigns.

“Redevelopment Property” means the real property described in Schedule A of this Agreement.

“State” means the state of Minnesota.

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

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

“Termination Date” means the earlier of (a) the date the final payment of principal and interest on the TIF Note has been paid in full or defeased or the TIF Note has been earlier terminated in accordance with its terms, or (b) the date the TIF District has been decertified.

“TIF District” means Tax Increment Financing District No. 22: Twin Lakes II, a redevelopment district, created by the City and Authority on August 12, 2019.

“TIF Note” means the Tax Increment Revenue Note (Harbor at Twin Lakes Project), as shown in Exhibit A of the Authorizing Resolution set forth in Schedule B attached hereto.

“Tax Increment Plan” or “TIF Plan” means the Tax Increment Financing Plan for the TIF District approved by the City Council on August 12, 2019, and as it may be amended.

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

“Unavoidable Delays” means delays beyond the reasonable control of the party seeking to be excused as a result thereof which are the direct result of strikes, other labor troubles, prolonged adverse weather, public health emergencies (including without limitation the COVID-19 pandemic), acts of God, fire or other casualty to the Minimum Improvements, litigation commenced by third parties which, by injunction or other similar judicial action, directly results in delays, or acts of any federal, state or local governmental unit (other than the Authority or City in exercising their rights under this Agreement), including without limitation condemnation or threat of condemnation of any portion of the Redevelopment Property, which directly result in delays. Unavoidable Delays shall not include delays experienced by the Redeveloper in obtaining permits or governmental approvals necessary to enable construction of the Minimum Improvements by the dates such construction is required under Section 4.3 of this Agreement, unless (a) Redeveloper has timely filed any application and materials required by the Authority

or City for such permit or approvals, and (b) the delay is beyond the reasonable control of the Redeveloper.

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ARTICLE II

Representations and Warranties

Section 2.1. Representations and Covenants by the Authority.

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

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

(c) The activities of the Authority (including without limitation those undertaken pursuant to the TIF Act) are undertaken for the purpose of fostering the development and redevelopment of certain real property that is occupied by a substandard and obsolete building, which will increase diverse housing opportunities, revitalize this portion of the Project, and increase the tax base.

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

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

(f) The Authority will take no action, nor omit to take any action, regarding the TIF District that materially impairs the collection or payment of Available Tax Increment.

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

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

(a) The Redeveloper is a limited liability limited partnership, duly organized and in good standing under the laws of the State of Minnesota, is not in violation of any provisions of its organizational documents, is duly qualified and authorized to transact business within the State, has power to enter into this Agreement and has duly authorized the execution, delivery, and performance of this Agreement by proper action of its partners.

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

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

(d) The Redeveloper has received no written notice or other written communication from any local, state or federal official that the activities of the Redeveloper or the Authority on the Redevelopment Property may be or will be in violation of any environmental law or regulation (other than those notices or communications which have been disclosed to the Authority). Assuming that the Minimum Improvements are constructed in accordance with the Construction Plans and implementation of the RAP, the Redeveloper is aware of no facts the existence of which would cause it to be in violation of or give any person a valid claim under any local, state, or federal environmental law, regulation or review procedure.

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

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

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

ARTICLE III

Property Acquisition; Public Redevelopment Costs

Section 3.1. Status of Redevelopment Property. The Redevelopment Property consists of the parcel legally described in Schedule A hereof. As of the date of this Agreement, the Redeveloper has entered into a purchase agreement to acquire the Redevelopment Property. The Redeveloper acknowledges that the Authority has no obligation to acquire any of the Redevelopment Property.

Section 3.2. Environmental Undertakings.

(a) The Redeveloper submitted a response action plan (the “RAP”) to the MPCA on March 1, 2021, providing for remediation of hazardous wastes and contaminants on the Redevelopment Property and certain property adjacent thereto, and the MPCA conditionally approved the RAP on April 28, 2021. Upon commencement of construction of the Minimum Improvements, Redeveloper shall promptly undertake remediation and any other actions required under the RAP (as it may be amended from time to time), subject to the conditions described therein, and subject to reimbursement as further described in this Agreement.

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

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

Section 3.3. Issuance of TIF Note.

(a) *Public Redevelopment Costs.* In order to make construction of the Minimum Improvements financially feasible, the Authority will reimburse the Redeveloper for a portion of the costs of soil remediation (to the extent not reimbursed as an Environmental Cost pursuant to Section 3.4 hereof), land acquisition, and site improvements, including without limitation parking, utilities, sidewalks, curb and gutter, landscaping, and irrigation, incurred by the Redeveloper on the

Redevelopment Property (the “Public Redevelopment Costs”), through issuance of the TIF Note in accordance with this Section.

(b) *Terms.* The Authority shall issue and the Redeveloper shall purchase the TIF Note in the maximum principal amount of \$5,136,000. The TIF Note will be issued as reimbursement of Public Redevelopment Costs and will be secured solely by Available Tax Increment. The terms of the TIF Note, including maturity and payment dates, will be substantially those set forth in the form of the TIF Note shown in Exhibit A of the Authorizing Resolution set forth in Schedule B attached hereto, and the TIF Note will be subject to all terms of the Authorizing Resolution, which is incorporated herein by reference. The Authority shall issue and deliver the TIF Note upon the Redeveloper having:

(i) delivered to the Authority one or more certificates signed by the Redeveloper’s duly authorized representative, containing the following: (i) a statement that each cost identified in the certificate is a Public Redevelopment Cost as defined in this Agreement and that no part of such cost has been included in any previous certification; (ii) evidence that each identified Public Redevelopment Cost has been paid or incurred by or on behalf of the Redeveloper; and (iii) a statement that no uncured Event of Default by the Redeveloper has occurred and is continuing under the Agreement; the Authority may, if not satisfied that the conditions described herein have been met, return any certificate with a statement of the reasons why it is not acceptable and requesting such further documentation or clarification as the Authority may reasonably require;

(ii) delivered to the Authority a signed statement that no uncured Event of Default by the Redeveloper has occurred and is continuing pursuant to Section 9.1 hereof;

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

(iv) delivered to the Authority a fully executed copy of the Minimum Assessment Agreement; and

(v) executed and delivered to the Authority an investment letter in a form reasonably satisfactory to the Authority.

(c) *Termination of right to TIF Note.* All conditions for delivery of the TIF Note must be met by no later than the date which is five (5) years after the date of certification of the TIF District by the County and complies with the so-called five-year rule under Section 469.1763, subdivision 3(c) of the TIF Act. If the conditions for delivery of the TIF Note are not satisfied by the date described in this paragraph, the Authority has no further obligations under this Section.

(d) *Assignment of TIF Note.* The Authority acknowledges that the Redeveloper may assign the TIF Note to a third party. The Authority consents to such an assignment, conditioned

upon receipt of an investment letter from such third party in a form reasonably acceptable to the Authority.

(e) *Qualifications.* The Redeveloper understands and acknowledges that all Public Redevelopment Costs must first be paid by or on behalf of the Redeveloper and will be reimbursed from Available Tax Increment pursuant to the terms of the TIF Note. The Authority makes no representations or warranties regarding the amount of Tax Increment, or that revenues pledged to the TIF Note will be sufficient to pay the principal of the TIF Note. Any estimates of Tax Increment prepared by the Authority or its financial advisors in connection with the TIF District or this Agreement are for the benefit of the Authority, and are not intended as representations on which the Redeveloper may rely. In the event of legislative changes reducing the tax rate classification of certain qualified low-income rental housing under Minnesota Statutes, Section 273.13, subd. 25(e), the Redeveloper expressly agrees and acknowledges that the Authority may adjust the principal amount of the TIF Note to reflect such reduction. The parties agree that they will work in good faith to determine the appropriate amount of such reduction, it being the intent that the aggregate effect of such changes (i.e., the projected expense savings to the Redeveloper attributable to the reduction to the annual tax liability with regard to the Project and the projected income reduction to the Redeveloper attributable to the reduction in the amount of payments under the TIF Note) will be revenue-neutral to the Redeveloper. If the principal amount of the TIF Note is reduced pursuant to this Section 3.3(e), and there is subsequently a legislative change which increases the tax rate classification (i.e., the legislation giving rise to the reduction is repealed), the Authority shall adjust the principal amount of the TIF Note to reflect such increased tax burden in the same manner as the reduction aforesaid; provided, however, that any such increase shall be limited to the aggregate amount by which the principal balance of the TIF Note was previously reduced pursuant to this Section 3.3(e). Public Redevelopment Costs exceeding the principal amount of the TIF Note are the sole responsibility of Redeveloper, subject to Section 3.4 of this Agreement.

Section 3.4. Environmental Costs.

(a) Upon the Redeveloper's request, the Authority has applied for two environmental remediation grants (the "Third-Party Grants") to finance a portion of the extraordinary costs of environmental remediation required to redevelop the Redevelopment Property and certain real property adjacent thereto pursuant to the RAP in effect for the Redevelopment Property and such real property adjacent thereto (the "Environmental Costs"). The Third-Party Grants consist of a grant from the Minnesota Department of Employment and Economic Development (the "DEED Grant"), and a grant from the Metropolitan Council (the "TBRA Grant"). If one or both of the Third-Party Grants are awarded, the Authority will pay or reimburse the Redeveloper for Environmental Costs from and to the extent of the grant proceeds received in accordance with the terms of the DEED Grant agreement and/or the TBRA Grant agreement, as applicable, and the terms of this Section. Any reimbursement pursuant to the TBRA Grant by the Authority under this Section will be in the form of a deferred loan to the Redeveloper, as provided in the forms of TBRA loan agreement, mortgage and promissory note attached hereto as Schedule G. **Notwithstanding anything to the contrary herein, if Environmental Costs exceed the amount to be reimbursed under this Section under the Third-Party Grants, such excess shall be the sole responsibility of the Redeveloper (except to the extent reimbursable under the TIF Note).**

(b) All disbursements will be made subject to the conditions precedent that on the date of such disbursement:

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

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

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

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

(c) Whenever the Redeveloper desires a disbursement to be made hereunder, which shall be no more often than biweekly, the Redeveloper shall submit to the Authority a draw request in the form attached as Schedule C duly executed on behalf of the Redeveloper accompanied by paid invoices or other comparable evidence that the cost has been incurred and paid or is payable by Redeveloper. Each draw request shall constitute a representation and warranty by the Redeveloper

that all representations and warranties set forth in this Agreement are true and correct as of the date of such draw request.

(d) If the Redeveloper has performed all of its agreements and complied with all requirements theretofore to be performed or complied with hereunder, including satisfaction of all applicable conditions precedent contained in Section 3.4(b) hereof, the Authority shall make a disbursement to Commercial Partners Title, LLC (the “Disbursement Agent”), which shall be disbursed in accordance with a disbursement agreement between the Disbursement Agent, the Redeveloper, and certain other financing parties for the Minimum Improvements in the amount of the requested disbursement or such lesser amount as shall be approved, within twenty (20) Business Days after the date of the Authority’s receipt of the draw request, or, if later, upon receipt of Third-Party Grant proceeds from the respective agency, as the case may be. Each disbursement shall be paid from the grant designated by the Authority at its discretion, subject to the Authority’s determination that the relevant Environmental Cost is payable from the designated source under the respective grant agreement.

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

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

(g) The Redeveloper agrees to enter into any subrecipient agreements or loan agreements in connection with the Third-Party Grants deemed necessary by the Authority, and to pay or reimburse the Authority for all reasonable Authority costs incurred in connection with the Third-Party Grants, including without limitation any required Authority match.

Section 3.5. TIF Lookback.

(a) *Generally.* The financial assistance to the Redeveloper under this Agreement is based on certain assumptions regarding likely costs and expenses associated with constructing the Minimum Improvements. The Authority and the Redeveloper agree that those assumptions will be reviewed at the times described in this Section, and that the amount of Tax Increment assistance provided under Section 3.3 will be adjusted accordingly.

(b) *Lookback Calculations.* Within six (6) months after completion of construction of the Minimum Improvements, as evidenced by the delivery by the Authority of a Certificate of Completion pursuant to Section 4.4 hereof, the Redeveloper shall deliver an accounting of total overall development costs, including Public Redevelopment Costs, actually incurred in the construction of the Minimum Improvements.

(1) If the amount of the Public Redevelopment Costs actually incurred by the Redeveloper is less than the amount of Public Redevelopment Costs subject to reimbursement pursuant to Section 3.3 hereof, the financial assistance for the Public Redevelopment Costs will be reduced on a dollar for dollar basis in the amount of such deficiency and the principal amount of the TIF Note will be adjusted accordingly, and the Redeveloper shall deliver or cause to be delivered the TIF Note to the Authority in exchange for a new TIF Note in the adjusted principal amount upon the Authority's written request.

(2) If the amount of the total overall development costs actually incurred by the Redeveloper is less than the amount of estimated total development costs projected in Schedule D attached hereto, the financial assistance for the Public Redevelopment Costs will be reduced by fifty percent (50%) of such deficiency and the principal amount of the TIF Note will be adjusted accordingly, and the Redeveloper shall deliver the TIF Note to the Authority in exchange for a new TIF Note in the adjusted principal amount upon the Authority's written request.

(3) The Authority shall, within ninety (90) days of its receipt of the accounting of total overall development costs provided to the Authority by the Redeveloper pursuant to this Section 3.5(b), provide to Redeveloper a written response which states one of the following: (i) that the Authority has performed the calculations under Sections 3.5(b)(1) and 3.5(b)(2) hereof and determined that the principal amount of the TIF Note is not required to be reduced, (ii) that the Authority has performed the calculations under Sections 3.5(b)(1) and 3.5(b)(2) hereof and determined that the principal amount of TIF Note is required to be reduced, and the amount by which the TIF Note principal balance is required to be reduced, or (iii) that the Authority is unable to perform the calculations under Sections 3.5(b)(1) and 3.5(b)(2) hereof and includes a list of additional information required of Redeveloper in order for the Authority to perform such calculations. If the Authority delivers a written notice pursuant to clause (i) of this Section 3.5(b)(3), such written notice shall constitute conclusive evidence that Redeveloper has satisfied all lookback obligations under this Agreement. If the Authority delivers a written notice pursuant to clause (ii) of this Section 3.5(b)(3), and the TIF Note is exchanged for a new TIF Note in accordance with Section 3.5(b)(2), such exchange shall constitute conclusive evidence that Redeveloper has satisfied all lookback obligations under this Agreement. If the Authority's written notice indicates that the Authority requires additional information pursuant to clause (iii) in the preceding sentence, Redeveloper shall submit such information within thirty (30) days of receiving the Authority's written notice (or such longer period as may be required if such information is not reasonably obtainable by Redeveloper within such time period), and the process outlined in the first sentence of this Section 3.5(b)(3) shall commence upon the Authority's receipt of such additional information.

Section 3.6. Business Subsidy. The parties agree and understand that the financial assistance described in this Agreement does not constitute a business subsidy within the meaning of the Business Subsidy Act, because the assistance is for housing, an enumerated exception under Section 116J.993, subdivision 3(7) of the Business Subsidy Act. The Redeveloper releases

and waives any claim against the Authority and its governing body members, officers, agents, servants and employees thereof arising from application of the Business Subsidy Act to this Agreement, including without limitation any claim that the Authority failed to comply with the Business Subsidy Act with respect to this Agreement.

Section 3.7. Payment of Authority Costs. The Redeveloper agrees that it will pay, within thirty (30) days after written notice from the Authority, the reasonable costs of consultants and attorneys retained by the Authority in connection with the creation of the TIF District and the negotiation in preparation of this Agreement and other incidental agreements and documents related to the development contemplated hereunder (the "Authority Costs"). The Authority will provide written reports describing the costs accrued under this Section upon request from the Redeveloper, but not more often than intervals of forty-five (45) days. Notwithstanding the foregoing, any Authority Costs incurred by the Authority after the receipt by the Authority of the first payment of Tax Increment by the County will be paid by the Authority, and the Redeveloper will have no obligation to pay any Authority Costs incurred after such date. The sum of \$17,500, which was deposited by the Redeveloper upon filling its application for tax increment financing with the Authority, will be credited to the Redeveloper's obligation under this Section. Upon termination of this Agreement in accordance with its terms, the Redeveloper remains obligated under this Section for costs incurred through the effective date of termination. Authority Costs do not include any payments for City and Authority staff costs and expenses.

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ARTICLE IV

Construction of Minimum Improvements

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

Section 4.2. Construction Plans.

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

Construction Plans and the Minimum Improvements if constructed pursuant thereto comply to the Authority's satisfaction with the provisions of this Agreement relating thereto.

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

(b) If the Redeveloper desires to make any material change in the Construction Plans or any component thereof after their approval by the Authority, the Redeveloper shall submit the proposed change to the Authority for its approval. For the purpose of this Section 4.2, the term "material" means changes that increase or decrease construction costs by 10% or more of the total construction costs. If the Construction Plans, as modified by the proposed material change, conform to the requirements of this Section with respect to such previously approved Construction Plans, the Authority shall approve the proposed material change and notify the Redeveloper in writing of its approval. Such material change in the Construction Plans shall, in any event, be deemed approved by the Authority unless rejected, in whole or in part, by written notice by the Authority to the Redeveloper, setting forth in detail the reasons therefor. Such rejection shall be made within ten (10) days after receipt of the notice of such material change. The Authority's approval of any such material change in the Construction Plans will not be unreasonably withheld. No Authority approval is required for any change to the Construction Plans that is not material as defined herein.

Section 4.3. Commencement and Completion of Construction. Subject to Unavoidable Delays, the Redeveloper shall commence construction of the Minimum Improvements by December 31, 2021. Subject to Unavoidable Delays, the Redeveloper shall substantially complete the construction of the Minimum Improvements by December 31, 2023. All work with respect to the Minimum Improvements to be constructed or provided by the Redeveloper on the Redevelopment Property shall be in conformity with the Construction Plans as submitted by the Redeveloper and approved by the Authority. For purposes of this Agreement, construction shall be deemed to commence upon the commencement of environmental remediation activities necessary to carry out the construction of the Minimum Improvements.

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

Section 4.4. Certificate of Completion.

(a) Within fifteen (15) days after substantial completion of the Minimum Improvements in accordance with those provisions of this Agreement relating solely to the obligations of the Redeveloper to construct the Minimum Improvements (including the dates for beginning and completion thereof), the Authority Representative shall deliver to the Redeveloper a Certificate of Completion in substantially the form shown as Schedule E, in recordable form and executed by the Authority. Such certification by the Authority shall be a conclusive determination of satisfaction and termination of the agreements and covenants in the Agreement with respect to the obligations of the Redeveloper, and its successors and assigns, to construct the Minimum Improvements and the date for the completion thereof. Such certification and such determination shall not constitute evidence of compliance with or satisfaction of any obligation of the Redeveloper to any Holder of a Mortgage, or any insurer of a Mortgage, securing money loaned to finance the Minimum Improvements, or any part thereof.

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

(c) The construction of the Minimum Improvements shall be deemed to be complete upon (i) issuance of a certificate of occupancy for the Minimum Improvements, (ii) determination by the Authority Representative that all related site improvements on the Redevelopment Property have been substantially completed in accordance with the approved Construction Plans, and (iii) certification by the Redeveloper to the Authority that to the extent due and payable for work performed to the date of such certification, all costs related to the Minimum Improvements and the development of the Redevelopment Property, including without limitation payments to all contractors, subcontractors, and project laborers, have been paid prior to the date of the Redeveloper's request for the Certificate of Completion.

Section 4.5. Affordable Housing Covenant. The Redeveloper represents, warrants, and covenants that for a period of 20 years from the date of the Certificate of Completion, 100% of the residential units of the Minimum Improvements shall be occupied or held vacant and available for occupancy by individuals whose income does not exceed an imputed income limitation of 20 percent, 30 percent, 40 percent, 50 percent, or 60 percent of area median gross income (including adjustments for family size), such income limitations as calculated in accordance with Section 42 of the Internal Revenue Code of 1986, as amended (the "Code"), as designated by the Owner. The average of the imputed income limitations designated by the Owner with respect to the low-income units shall not exceed 60 percent of area median gross income. The Owner shall designate the number of low-income units with an imputed income limitation at or below 60 percent of area median gross income. The imputed income limitation of any unit designated shall be 20 percent, 30 percent, 40 percent, 50 percent, or 60 percent of area median gross income (including adjustments

for family size), such income limitations as calculated in accordance with Section 42 of the Code. The Owner may change from time to time the Owner's designations. The determination of whether an individual or family is of low or moderate income will be made at the time the tenancy commences and on an ongoing basis thereafter in a manner consistent with Section 42 of the Code.

Section 4.6. Public Improvements. The City intends, but is not obligated, to construct a recreational trail over a portion of the Redevelopment Property in conjunction with a watershed management project (the "Trail Improvements"). The Authority and Redeveloper agree that the Redeveloper will pay an infrastructure improvement fee in connection with such watershed management project in an amount equal to \$423,000 (the "Infrastructure Improvement Fee"). The Redeveloper agrees and acknowledges that the Infrastructure Improvement Fee and, if constructed, the Trail Improvements, will benefit the Minimum Improvements and the Redevelopment Property, and agrees to pay the Infrastructure Improvement Fee to the City prior to the issuance of any City permits for the construction of the Minimum Improvements. The Redeveloper and Authority agree that (i) by accepting the Infrastructure Improvement Fee, neither the Authority nor the City is obligating itself to build the Trail Improvements and (ii) Redeveloper will not be obligated to contribute additional money other than the Infrastructure Improvement Fee to the City or EDA for the construction of the Trail Improvements (provided that the Redeveloper agrees and acknowledges that the Redevelopment Property may be subject to a special assessment by the watershed district related to certain piping activities).

Section 4.7. Management. The Redeveloper shall at all times engage a property management company with substantial experience in operating multifamily housing developments, subject to approval by the Authority, which approval will not be unreasonably withheld. The Redeveloper will submit evidence of such management upon request by the Authority. The Authority approves Dominion Management Services, LLC as the initial property manager of the Minimum Improvements. If the Redeveloper intends to retain a different property management company the Redeveloper must do so in compliance with this Section.

The Redeveloper shall further enter into a Memorandum of Understanding (the "Memorandum") with the City in connection with public safety services to be provided by the City to the Minimum Improvements, which Memorandum is incorporated into this Agreement by reference.

Section 4.8. Records. The Authority, through any authorized representatives, shall have the right at all reasonable times after reasonable notice to inspect, examine and copy all books and records of the Redeveloper relating to the Minimum Improvements. Such records shall be kept and maintained by the Redeveloper through the Termination Date.

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ARTICLE V

Insurance

Section 5.1. Insurance.

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

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

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

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

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

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

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

(iii) Such other insurance, including workers' compensation insurance respecting all employees of the Redeveloper, in such amount as is customarily carried by

like organizations engaged in like activities of comparable size and liability exposure; provided that the Redeveloper may be self-insured with respect to all or any part of its liability for workers' compensation.

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

(d) The Redeveloper agrees to notify the Authority immediately in the case of damage exceeding \$250,000 in amount to, or destruction of, the Minimum Improvements or any portion thereof resulting from fire or other casualty. Subject to the terms of Redeveloper's financing documents, including without limitation any Mortgage, in such event the Redeveloper will forthwith repair, reconstruct, and restore the Minimum Improvements to substantially the same or an improved condition or value as it existed prior to the event causing such damage and, to the extent necessary to accomplish such repair, reconstruction, and restoration, the Redeveloper will apply the net proceeds of any insurance relating to such damage received by the Redeveloper to the payment or reimbursement of the costs thereof. Any net proceeds remaining after completion of such repairs, construction, and restoration shall be the property of the Redeveloper.

(e) In lieu of its obligation to reconstruct the Minimum Improvements as set forth in this Section, the Redeveloper shall have the option of waiving its right to receive subsequent payments under the TIF Note.

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

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

ARTICLE VI

Tax Increment; Taxes

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

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

Section 6.3. Assessment Agreement. (a) Upon execution of this Agreement, the Redeveloper shall, with the Authority, execute an Assessment Agreement pursuant to Minnesota Statutes, Section 469.177, subdivision 8, specifying an assessor's minimum market value (the "Market Value") for the Redevelopment Property and the Minimum Improvements constructed thereon. The amount of the minimum Market Value shall be \$24,930,000 as of January 2, 2022, and shall be \$49,860,000 as of January 2, 2023 and each January 2 thereafter, notwithstanding the status of construction by such dates.

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

(c) Nothing in this Agreement or in the Assessment Agreement shall limit the right of the Redeveloper, or its successors and assigns, to bring a tax petition challenging a Market Value

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

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ARTICLE VII

Other Financing

Section 7.1. Generally. Before delivery of the TIF Note , the Redeveloper shall submit to the Authority or provide access thereto for review by Authority staff, consultants and agents, evidence reasonably satisfactory to the Authority that Redeveloper has available funds, or commitments to obtain funds, whether in the nature of mortgage financing, equity, grants, loans, or other sources sufficient for paying the cost of developing the Minimum Improvements, provided that any lender or grantor commitments shall be subject only to such conditions as are normal and customary in the commercial lending industry. Delivery of the TIF Note constitutes the Authority's determination that the Redeveloper has available funds or other sources sufficient to pay the cost of developing the Minimum Improvements.

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

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

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ARTICLE VIII

Prohibitions Against Assignment and Transfer; Indemnification

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

Section 8.2. Prohibition Against Redeveloper's Transfer of Property and Assignment of Agreement. The Redeveloper represents and agrees that until the Termination Date:

(a) Except only by way of security for, and only for, the purpose of obtaining financing necessary to enable the Redeveloper or any successor in interest to the Redevelopment Property, or any part thereof, to perform its obligations with respect to undertaking the development contemplated under this Agreement, and any other purpose authorized by this Agreement, the Redeveloper has not made or created and will not make or create or suffer to be made or created any total or partial sale, assignment, conveyance, or lease, or any trust or power, or transfer in any other mode or form of or with respect to this Agreement or the Redevelopment Property or any part thereof or any interest therein, or any contract or agreement to do any of the same, to any person or entity whether or not related in any way to the Redeveloper (collectively, a "Transfer"), without the prior written approval of the Authority (whose approval will not be unreasonably withheld, subject to the standards described in paragraph (b) of this Section) unless the Redeveloper remains liable and bound by this Agreement in which event the Authority's approval is not required. Any such Transfer shall be subject to the provisions of this Agreement. For the purposes of this Agreement, the term Transfer does not include (i) acquisition of a controlling interest in the Redeveloper by another person or entity or merger of the Redeveloper with another entity; (ii) any sale, conveyance, or transfer in any form to any Affiliate; (iii) any lease, license, easement or similar arrangement entered into in the ordinary course of business related to operation of the Minimum Improvements; (iv) the admission of limited partners and any subsequent transfer of limited partnership interests in accordance with Redeveloper's agreement of limited liability limited partnership (the "Partnership Agreement"); or (v) the removal and replacement of the Redeveloper's general partner by the investor limited partner for cause in accordance with the terms of the Partnership Agreement.

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

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

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

(iii) Any and all instruments and other legal documents involved in effecting the transfer of any interest in this Agreement or the Redevelopment Property governed by this Article, shall be in a form reasonably satisfactory to the Authority, other than amendments to the Partnership Agreement for the sole purpose of effecting the transfers referenced in Section 8.2(a)(iv) and 8.2(a)(v) hereof.

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

Section 8.3. Release and Indemnification Covenants.

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

(b) Except for any gross negligence or willful or negligent misrepresentation of the Indemnified Parties, and except for any breach by any of the Indemnified Parties of their obligations under this Agreement, the Redeveloper agrees to protect and defend the Indemnified Parties, now and forever, and further agrees to hold the aforesaid harmless from any claim, demand, suit, action, or other proceeding whatsoever by any person or entity whatsoever arising or purportedly arising from this Agreement, or the transactions contemplated hereby or the acquisition, construction, installation, ownership, maintenance, and operation of the Redevelopment Property or the Minimum Improvements.

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

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

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ARTICLE IX

Events of Default

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

(a) Failure by the Redeveloper or the Authority to observe or perform any material covenant, condition, obligation, or agreement on its part to be observed or performed under this Agreement, unless such failure to perform is the result of an Unavoidable Delay; or any certification, representation, or warranty by the Redeveloper to the City or the Authority that is substantiated by evidence to be untrue or misrepresented.

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

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

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

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

or

(iv) be adjudicated as bankrupt or insolvent.

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

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

(b) Upon a default by the Redeveloper under this Agreement, the Authority may withhold payments under the TIF Note or, subject to the provisions of Section 9.3 hereof, terminate the TIF Note and this Agreement.

(c) Take whatever action, including legal, equitable, or administrative action, which may appear necessary or desirable to collect any payments due under this Agreement, or to enforce performance and observance of any obligation, agreement, or covenant under this Agreement, provided that nothing contained herein shall give the Authority the right to seek specific performance by the Redeveloper of the construction of the Minimum Improvements.

Section 9.3. Termination of TIF Note. After the Authority has issued the Certificate of Completion for the Minimum Improvements, the Authority may exercise its rights under Section 9.2(b) hereof or any other right under this Agreement that operates to cancel or terminate payments under the TIF Note only for the following Events of Default:

(a) the Redeveloper fails to pay real estate taxes or assessments on the Redevelopment Property or any part thereof when due, and the taxes or assessments have not been paid, or provision satisfactory to the Authority made for their payment, within thirty (30) days after written demand by the Authority to do so;

(b) the Redeveloper fails to comply with the Redeveloper's obligation to operate and maintain, preserve and keep the Minimum Improvements or cause the improvements to be maintained, preserved and kept with the appurtenances and every part and parcel thereof, in good repair and condition, pursuant to Sections 4.1 and 5.1(d) hereof; provided that, upon the Redeveloper's failure to comply with Redeveloper's obligations under Section 4.1 or 5.1(d) hereof, if uncured after thirty (30) days' written notice to the Redeveloper of the failure, the Authority may only suspend payments under the TIF Note until the Redeveloper complies with said obligations, but if the Redeveloper fails to comply with said obligations for a period of 365 days, the Authority may terminate the TIF Note; or

(c) the Redeveloper fails to comply with the rent and income restrictions as provided in Section 4.5 hereof.

Section 9.4. No Remedy Exclusive. No remedy herein conferred upon or reserved to any party is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. To entitle the Authority to exercise any remedy reserved to it, it shall not be necessary to give notice, other than such notice as may be required in this Article.

Section 9.5. No Additional Waiver Implied by One Waiver. In the event any agreement contained in this Agreement should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other concurrent, previous or subsequent breach hereunder.

Section 9.6. Attorneys' Fees. Whenever any Event of Default occurs and the Authority employs attorneys or incurs other expenses for the collection of payments due or to become due

or for the enforcement of performance or observance of any obligation or agreement on the part of the Redeveloper under this Agreement, the Redeveloper agrees it shall, on demand therefor, pay to the Authority the reasonable fees of such attorneys and such other expenses so incurred by the Authority.

Section 9.7. Rights of Limited Partners. Whenever Authority delivers any notice of default hereunder, Authority shall concurrently deliver a copy of such notice to the limited partner of Redeveloper in accordance with Section 10.6 hereof. The limited partner shall have the same right as Redeveloper to cure or remedy any default hereunder within the cure period provided to Redeveloper.

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ARTICLE X

Additional Provisions

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

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

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

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

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

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

To Redeveloper: Roseville Leased Housing Associates II, LLLP
Attn: Ryan Lunderby and Mark Moorhouse
2905 Northwest Boulevard, Suite 150
Plymouth, Minnesota, 55441

With a copy to: Winthrop & Weinstine, P.A.
Attn: John Stern and Scott Jahnke
225 South Sixth Street, Suite 3500
Minneapolis, Minnesota 55402

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

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

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

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

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

[Signature pages follow.]

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

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

By _____
Its President

By _____
Its Executive Director

STATE OF MINNESOTA)
) SS.
COUNTY OF RAMSEY)

The foregoing instrument was acknowledged before me this ____ day of _____, 2021 by Dan Roe and Patrick Trudgeon, the President and Executive Director of the Roseville Economic Development Authority, a public body corporate and politic and political subdivision of the State of Minnesota, on behalf of the Authority.

Notary Public

ROSEVILLE LEASED HOUSING ASSOCIATES II, LLLP, a Minnesota limited liability limited partnership

By: Roseville Leased Housing Associates II, LLC, a Minnesota limited liability company, its General Partner

By: _____
Ryan Lunderby, its Vice President

STATE OF MINNESOTA)
) SS.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 2021, by Ryan Lunderby, the Vice President of Roseville Leased Housing I, LLC, a Minnesota limited liability company, as General Partner of Roseville Leased Housing Associates II, LLLP, a Minnesota limited liability limited partnership, on behalf of the company.

Notary Public

SCHEDULE A
REDEVELOPMENT PROPERTY

Lot 2, Block 1, Twin Lakes 3rd Addition, Ramsey County, Minnesota.

Abstract Property

SCHEDULE B

FORM OF AUTHORIZING RESOLUTION

ROSEVILLE ECONOMIC DEVELOPMENT AUTHORITY

RESOLUTION NO. _____

RESOLUTION APPROVING CONTRACT FOR PRIVATE REDEVELOPMENT WITH AND AWARDING THE SALE OF, AND PROVIDING THE FORM, TERMS, COVENANTS AND DIRECTIONS FOR THE ISSUANCE OF ITS TAX INCREMENT REVENUE NOTE TO ROSEVILLE LEASED HOUSING ASSOCIATES II, LLLP

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

Section 1. Background; Authorization; Award of Sale.

1.01. Background; Authorization. (a) The Authority and the City of Roseville, Minnesota (the “City”) have heretofore approved the establishment of Tax Increment Financing District No. 22 (the “TIF District”) within Development District No. 1 (“Project”), and have adopted a tax increment financing plan for the purpose of financing certain improvements within the Project.

(b) Pursuant to Minnesota Statutes, Section 469.178, the Authority is authorized to issue and sell its bonds for the purpose of financing a portion of the public redevelopment costs of the Project. The Authority hereby finds and determines that it is in the best interests of the Authority that it issue and sell its Tax Increment Revenue Note (Harbor at Twin Lakes Project) (the “Note”) for the purpose of financing certain public redevelopment costs of the Project, pursuant to the terms of this resolution.

1.02. Agreement Approved; Issuance, Sale, and Terms of the Note. (a) The Authority hereby approves the Contract for Private Redevelopment, dated _____, 2021 (the “Agreement”), between the Authority and Roseville Leased Housing Associates II, LLLP (the “Owner”), and authorizes the President and Executive Director of the Board to execute such Agreement in substantially the form on file with City, subject to modifications that do not alter the substance of the transaction and are approved by such officials, provided that execution of the Agreement by such officials is conclusive evidence of their approval. All capitalized terms in this resolution have the meaning provided in the Agreement or the Note unless the context requires otherwise.

(b) The Authority hereby authorizes the President and Executive Director of the Board to issue the Note in accordance with the Agreement.

(c) The Note shall be issued in the maximum principal amount of \$5,136,000 to the Owner (subject to adjustment as provided in the Agreement), in consideration of certain eligible costs incurred by the Owner under the Agreement, shall be dated the date of delivery thereof, and shall bear interest at the rate that is the lesser of 4.28% or the Owner's actual financing rate. The Note will be issued in the principal amount of the Public Redevelopment Costs submitted and approved in accordance with Section 3.3 of the Agreement. The Note is secured by Available Tax Increment, as further described in the form of the Note set forth in Exhibit A attached hereto. The Authority hereby delegates to the Executive Director the determination of the date on which the Note is to be delivered, in accordance with the Agreement.

Section 2. Form of Note. The Notes shall be in substantially the form set forth in Exhibit A attached hereto, with the principal amount and interest rate adjusted as of the date of delivery.

Section 3. Terms, Execution and Delivery.

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

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

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

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

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

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

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

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

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

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

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

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

Section 4. Security Provisions.

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

Note. Available Tax Increment shall be applied to payment of the principal and interest on the Note in accordance with the terms of the form of Note set forth in Exhibit A attached hereto.

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

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

Section 5. Certification of Proceedings.

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

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

Adopted this _____ day of _____, 2021.

President

ATTEST:

Secretary

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

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

No. R-1

\$ _____

TAX INCREMENT REVENUE NOTE
 (HARBOR AT TWIN LAKES PROJECT)

Rate
 ____%

Date
of Original Issue

The Roseville Economic Development Authority (“Authority”) for value received, certifies that it is indebted and hereby promises to pay to Roseville Leased Housing Associates II, LLLP or its registered assigns (the "Owner"), the principal sum of _____ and no/100 Dollars (\$ _____) and to pay interest thereon at the rate of ____% per annum, but solely from the sources and to the extent set forth herein. Unless the context clearly requires otherwise, capitalized terms in this Note have the meaning provided in the Contract for Private Redevelopment between the Authority and Owner dated as of _____, 2021 (the “Agreement”).

1. Payments. Principal and interest (“Payments”) shall be paid on August 1, 2023 and each February 1 and August 1 thereafter to and including February 1, 2041 (“Payment Dates”) in the amounts set forth herein, payable solely from and to the extent of the sources set forth in Section 3 hereof. Payments shall be applied first to accrued interest, and then to unpaid principal.

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

2. Interest. Simple interest at the rate stated herein shall accrue on the unpaid principal, commencing on the deemed date of original issue as described in Section 3.3 of the Agreement. Interest shall be computed on the basis of a year of 360 days consisting of twelve months of thirty days, and charged for actual days principal is unpaid.

3. Available Tax Increment. (a) Payments on this Note are payable on each Payment Date solely from and in the amount of “Available Tax Increment,” which shall mean ninety-five

percent (95%) of the total Tax Increment attributable to the Minimum Improvements and Redevelopment Property that has been paid to the Authority by Ramsey County in the six (6) months prior to the subject Payment Date.

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

4. Default. If on any Payment Date there has occurred and is continuing any Event of Default by the Owner under the Agreement, the Authority may withhold payments of all Available Tax Increment hereunder as provided in Section 9.2 of the Agreement. If the Event of Default is thereafter cured in accordance with the Agreement, the Available Tax Increment withheld under this Section shall be deferred and paid, without interest thereon, within thirty (30) days after the Event of Default is cured. Subject to Section 9.3 of the Agreement, if the Event of Default is not cured within three hundred sixty-five (365) days following the Authority's written notice to the Owner of such default, the Authority may terminate this Note by written notice to the Owner in accordance with the Agreement.

5. Prepayment.

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

(b) Upon completion of the lookback calculations as described in Section 3.5(b)(1) or (2) of the Agreement, any amounts resulting from such calculations will be deemed to constitute, and will be applied to, prepayment of the principal amount of this Note. Such deemed prepayment is effective as of the date of delivery of such statement to the Owner, and will be recorded by the Registrar in its records for the Note. Upon request of the Owner, the Authority will deliver to the Owner a statement of the outstanding principal balance of the Note after application of the deemed prepayment under this paragraph.

6. Nature of Obligation. This Note is one of an issue in the total principal amount of \$5,136,000 (subject to adjustment as described in Section 3.5 of the Agreement) issued to aid in financing certain public redevelopment costs of a Project undertaken by the Authority pursuant to Minnesota Statutes, Sections 469.001 through 469.047, and is issued pursuant to an authorizing resolution (the "Resolution") duly adopted by the Authority on _____, 2021, and pursuant to and in full conformity with the Constitution and laws of the State of Minnesota, including Minnesota Statutes, Sections 469.174 to 469.1794. This Note is a limited obligation of the Authority which is payable solely from Available Tax Increment pledged to the payment hereof under the Resolution. This Note shall not be deemed to constitute a general obligation of the State of Minnesota or any political subdivision thereof, including, without limitation, the Authority or the

Associates II, LLLP
Federal Tax I.D. No.

SCHEDULE C
FORM OF DRAW REQUEST

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

DISBURSEMENT DIRECTION

The undersigned authorized representative (the “Authorized representative”) of Roseville Leased Housing Associates II, LLLP, a Minnesota limited liability limited partnership (the “Redeveloper”), hereby authorizes and requests you to disburse from proceeds of the Third-Party Grants in accordance with the terms of the Contract for Private Redevelopment, dated _____, 2021 (the “Agreement”), between the Roseville Economic Development Authority (“Authority”) and the Redeveloper, the following amount to the following person and for the following proper Environmental Costs:

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

all as defined and provided in the Agreement. The undersigned further certifies to the Authority that (a) none of the items for which the payment is proposed to be made has formed the basis for any payment previously made under Section 3.4 of the Agreement (or before the date of the Agreement); (b) that each item for which the payment is proposed is an Environmental Cost, eligible for funding from the grant source(s) identified above; and (c) the Redeveloper reasonably anticipates completion of the Environmental Costs and the Minimum Improvements in accordance with the terms of the Agreement.

Dated: _____

Redeveloper’s Authorized Representative

SCHEDULE D

REDEVELOPMENT COSTS AND LOOKBACK PROFORMA


Dominium Sr. Apartments
City of Roseville

Exhibit D

277 Affordable Apartments

USES	Amount	% of Cost	Per Unit
ACQUISITION COSTS	3,590,000	5.4%	12,960
Land Cost \$14.11 psf	3,590,000	5.4%	12,960
CONSTRUCTION COSTS	46,854,550	70.9%	169,150
Residential Building	37,665,957	57.0%	135,978
Parking \$4,250 per stall	646,000	1.0%	2,332
Utilities	547,500	0.8%	1,977
Sidewalks	94,200	0.1%	340
Curb and Gutter	47,300	0.1%	171
Landscaping	173,250	0.3%	625
Irrigation	32,460	0.0%	117
General Requirements	1,177,250	1.8%	4,250
Builder's Overhead	784,833	1.2%	2,833
Builder's Profit	1,177,250	1.8%	4,250
Contractor Fee	2,354,500	3.6%	8,500
Construction Contingency	2,119,050	4.7%	7,650
Other	35,000	0.1%	126
ENVIRONMENTAL ABATEMENT/SOIL CORRECTION	708,000	1.1%	2,556
Soil Remediation Work	708,000	1.1%	2,556
PERMITS/FEES	1,391,084	2.1%	5,022
Trail Dedication	634,905	1.0%	2,292
Permits/Inspection	265,993	0.4%	960
Local SAC/WAC Connection Fees	466,186	0.7%	1,683
Other	24,000	0.0%	87
PROFESSIONAL SERVICES	2,278,700	3.4%	8,226
Appraisals	7,500	0.0%	27
Architectural & Engineering Fees	1,440,000	2.2%	5,199
Architectural Reimbursements	25,000	0.0%	90
FF&E	321,200	0.5%	1,160
Legal - Development	250,000	0.4%	903
Market Research	10,000	0.0%	36
Soft Cost Contingency	150,000	0.2%	542
Soils Consultant	25,000	0.0%	90
Survey	25,000	0.0%	90
City TIF Fees	25,000	0.0%	90
FINANCING COSTS	4,212,126	6.4%	15,206
Bond - Counsel	100,000	0.2%	361
Bond - Issuance Fee	298,640	0.5%	1,078
Bond - Other	45,000	0.1%	162
Bond - City Fee	5,973	0.0%	22
Bond - Trustee	7,500	0.0%	27
Bridge Loan Fees	376,578	0.6%	1,359
Construction Period Interest	2,233,856	3.4%	8,064
Inspections - Lenders	30,000	0.0%	108
Insurance - Hazard/Liability	139,885	0.2%	505
Lender Legal	65,000	0.1%	235
Loan Origination Fees	151,400	0.2%	547
Other Fee (e.g. MHFA, HUD, and FHA Fee)	184,818	0.3%	667
TIF Mortgage Fees	179,080	0.3%	646
Title & Recording	169,860	0.3%	613
Due Diligence	149,536	0.2%	540
Syndication Fees	75,000	0.1%	271
DEVELOPER FEE	5,524,382	8.4%	19,944
Developer Fee	5,524,382	8.4%	19,944
CASH ACCOUNTS/ESCROWS/RESERVES	1,521,182	2.3%	5,492
Management Startup/Leasing	269,584	0.4%	973
Operating Reserves	776,020	1.2%	2,802
Property Tax Escrow	475,568	0.7%	1,717
TOTAL USES	66,080,024	100%	238,556

Note: Costs highlighted in gray are qualified public redevelopment costs

5/27/2021

SCHEDULE E
CERTIFICATE OF COMPLETION

(See following page.)

CERTIFICATE OF COMPLETION

WHEREAS, the Roseville Economic Development Authority (the “Authority”) and Roseville Leased Housing Associates II, LLLP (the “Redeveloper”) entered into a certain Contract for Private Redevelopment dated as of _____, 2021 (the “Agreement”), filed of record as Document No. _____ on _____, 2021; and

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

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

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

Dated: _____, 20__.

ROSEVILLE ECONOMIC DEVELOPMENT
AUTHORITY

By _____
Authority Representative

SCHEDULE F

ASSESSMENT AGREEMENT

and

ASSESSOR'S CERTIFICATION

By and Between

ROSEVILLE ECONOMIC DEVELOPMENT AUTHORITY

and

ROSEVILLE LEASED HOUSING ASSOCIATES II, LLLP

This Document was drafted by:

KENNEDY & GRAVEN, Chartered (MNI)
150 South 5th Street, Suite 700
Minneapolis, Minnesota 55402
(612) 337-9300

ASSESSMENT AGREEMENT

THIS AGREEMENT, made on or as of the ___ day of _____, 20__ by and between the Roseville Economic Development Authority, a public body corporate and politic and political subdivision of the State of Minnesota (the “Authority”) and Roseville Leased Housing Associates II, LLLP, a Minnesota limited liability limited partnership (the “Redeveloper”).

WITNESSETH, that

WHEREAS, on or before the date hereof the Authority and Redeveloper have entered into a Contract for Private Redevelopment dated _____, 2021 (the “Redevelopment Agreement”), pursuant to which the Authority is to facilitate the redevelopment of certain property in the City of Roseville, Minnesota (the “City”), hereinafter referred to as the “Property” and legally described in Exhibit A hereto; and

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

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

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

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

1. The minimum market value which shall be assessed for ad valorem tax purposes for the Property described in Exhibit A attached hereto, together with the Minimum Improvements constructed thereon, shall be \$24,930,000 as of January 2, 2022, and shall be \$49,860,000 as of January 2, 2023 and each January 2 thereafter, regardless of the status of construction on such dates, until termination of this Agreement under Section 2 hereof.
2. The minimum market value herein established shall be of no further force and effect and this Agreement shall terminate on the earlier of (a) the date of receipt by the Authority of the final payment from Ramsey County of Tax Increments (as defined in the Redevelopment Agreement) from Tax Increment Financing District No. 22: Twin Lakes II in the City; or (b) termination of the Redevelopment Agreement and/or the TIF Note issued thereunder pursuant to their respective terms.
3. This Agreement shall be promptly recorded by the Authority. The Redeveloper shall pay all costs of recording.

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

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

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

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

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

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

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

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

**ROSEVILLE ECONOMIC DEVELOPMENT
AUTHORITY**

By _____
Its President

By _____
Its Executive Director

STATE OF MINNESOTA)
) SS.
COUNTY OF RAMSEY)

The foregoing instrument was acknowledged before me this ____ day of _____, 20__ by Dan Roe and Patrick Trudgeon, the President and Executive Director of the Roseville Economic Development Authority, a public body corporate and politic and political subdivision of the State of Minnesota, on behalf of the Authority.

Notary Public

EXHIBIT A of ASSESSMENT AGREEMENT

Legal Description of Property

Lot 2, Block 1, Twin Lakes 3rd Addition, Ramsey County, Minnesota

Abstract property.

SCHEDULE G

Form of TBRA Loan Documents

LOAN AGREEMENT

This Loan Agreement (“Agreement”) is made this [____] day of [____], 2021, between Roseville Leased Housing Associates II, LLLP, a Minnesota limited liability limited partnership (“Borrower”) and Roseville Economic Development Authority (“Lender”), a public body corporate and politic under the laws of Minnesota.

RECITALS

A. The Lender and the Metropolitan Council (the “Council”) have entered into a Metropolitan Livable Communities Act Grant Agreement approved by the Council on [_____] (the “Grant Agreement”), committing grant funds from the Council’s Tax Base Revitalization Account (the “Grant”) to the Lender, to be used by the Lender to assist the Borrower with the costs of asbestos abatement, soil and vapor sampling, soil remediation and soil vapor mitigation, and related environmental oversight (the “Project Costs”) on certain property located in the City of Roseville described in Exhibit A (the “Property”).

B. In order to facilitate the use of low-income tax credits for affordable senior multifamily rental housing on the Property (the “Affordable Housing”), the Borrower has requested that the Grant by the Lender to the Borrower be structured as a loan.

C. Lender agrees to loan to Borrower the proceeds of the Grant to finance a portion of the Project Costs on the Property, pursuant to the terms and conditions of this Agreement.

D. In consideration for the loan contemplated by this Agreement, Borrower is executing and delivering to Lender this Agreement.

ACCORDINGLY, to induce Lender to make the Loan (as defined hereinafter) to Borrower, and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. The Loan Amount. Subject to and upon the terms and conditions of this Agreement and the Grant Agreement, Lender agrees to loan to Borrower the sum of [_____] and no/100 Dollars (\$[____]), or so much thereof as may have been advanced to Borrower (the “Loan”). The Loan shall be evidenced by a promissory note (“Note”) payable by Borrower to Lender and substantially in the form of Exhibit B attached to this Agreement, which shall be dated as of the date of closing on the Loan (the “Loan Closing Date”). Proceeds of the Loan shall be disbursed in accordance with Section 3 hereof.

2. Repayment of Loan. The Loan shall be repaid with interest as follows:

(a) No interest shall accrue on the Note.

(b) The entire amount of principal and accrued interest on the Loan shall be due and payable on [_____], 2061. The Borrower may prepay the Loan, in whole or in part, on any date, subject to the terms provided in the Note.

3. Disbursement of Loan Proceeds.

(a) The proceeds of the Loan shall be disbursed by the Lender to the Borrower in accordance with the terms and conditions of the Grant Agreement and with Section 3.4 of the Contract for Private Redevelopment between the Lender and the Borrower dated as of [_____], 2021 (the "Contract"). Notwithstanding anything to the contrary herein, any excess of the Project Costs over the principal amount of the Loan shall be the sole responsibility of the Borrower.

(b) Disbursement of the proceeds of the Loan will be made subject to the conditions precedent that on or prior to the Loan Closing Date:

(i) The Lender has received from Borrower, without expense to Lender, executed copies of this Agreement and the Note, and Borrower further having caused to be executed and delivered to Lender a mortgage in substantially the form set forth hereto at Exhibit C (the "Mortgage");

(ii) The Borrower has presented the Lender with evidence that the Loan funds are being allocated solely to the Affordable Housing on the Property; and

(iii) No Event of Default under this Agreement or the Contract as to the Grant Agreement shall have occurred and be continuing.

4. No Business Subsidy. The parties agree and acknowledge that the Loan is not a business subsidy as defined in Minnesota Statutes, Section 116J.993 to 116J.995, because the assistance is for housing.

5. Representations and Warranties. Borrower represents and warrants to Lender that:

(a) Borrower is duly authorized and empowered to execute, deliver, and perform this Agreement and to borrow money from Lender.

(b) The execution and delivery of this Agreement, and the performance by Borrower of its obligations hereunder, do not and will not violate or conflict with any provision of law and do not and will not violate or conflict with, or cause any default or event of default to occur under, any agreement binding upon Borrower.

(c) The execution and delivery of this Agreement has been duly approved by all necessary action of Borrower, and this Agreement has in fact been duly executed and delivered by Borrower and constitutes its lawful and binding obligation, legally enforceable against it.

(d) Borrower warrants that it shall keep and maintain books, records, and other documents relating directly to the receipt and disbursements of Loan proceeds and that any duly authorized representative of Lender shall, at all reasonable times, have access to and the right to inspect, copy, audit, and examine all such books, records, and other documents of Borrower pertaining to the Loan disbursements until the completion of all closeout procedures and the final settlement and conclusion of all issues arising out of this Loan.

(e) Borrower warrants that it has fully complied with all applicable state and federal laws pertaining to its business and will continue to comply throughout the terms of this Agreement. If at any time Borrower receives notice of noncompliance from any governmental entity, Borrower agrees to take any necessary action to comply with the state or federal law in question.

(f) Borrower warrants that it will use the proceeds of the Loan made by Lender solely for the Project Costs.

(g) Borrower warrants that it will not create, permit to be created, or allow to exist any liens, charges, or encumbrances prior to the obligation created by this Loan Agreement, except as otherwise authorized in writing by Lender and except as may be allowed pursuant to the Mortgage.

6. Event of Default by Borrower. The following shall be Events of Default under this Agreement, subject to any cure or grace periods contained in the Loan Documents:

(a) failure to pay any principal or interest on the Loan when due;

(b) any material representation or warranty made by Borrower herein or in any document, instrument, or certificate given in connection with this Agreement, the Note, or the Mortgage (the "Loan Documents") which is materially false when made;

(c) Borrower fails to pay its debts as they become due, makes an assignment for the benefit of its creditors, admits in writing its inability to pay its debts as they become due, files a petition under any chapter of the Federal Bankruptcy Code or any similar law, state or federal, now or hereafter existing, becomes "insolvent" as that term is generally defined under the Federal Bankruptcy Code, files an answer admitting insolvency or inability to pay its debts as they become due in any involuntary bankruptcy case commenced against it, or fails to obtain a dismissal of such case within thirty (30) days after its commencement or convert the case from one chapter of the Federal Bankruptcy Code to another chapter, or be the subject of an order for relief in such bankruptcy case, or be adjudged a bankrupt or insolvent, or has a custodian, trustee, or receiver appointed for, or has any court take jurisdiction of its property, or any part thereof, in any proceeding for the purpose of

reorganization, arrangement, dissolution, or liquidation, and such custodian, trustee, or receiver is not discharged, or such jurisdiction is not relinquished, vacated, or stayed within thirty (30) days of the appointment;

(d) a garnishment summons or writ of attachment is issued against or served upon Lender for the attachment of any property of Borrower in Lender's possession or any indebtedness owing to Borrower, unless appropriate papers are filed by Borrower contesting the same within thirty (30) days after the date of such service or such shorter period of time as may be reasonable in the circumstances;

(e) Borrower breaches or fails to perform any other term or condition of this Agreement not specifically described as an Event of Default in this Agreement and such breach or failure continues for a period of thirty (30) days after Lender has given written notice to Borrower specifying such default or breach, unless Lender agrees in writing to an extension of such time prior to its expiration; provided, however, if the failure stated in the notice cannot be corrected within the applicable period, Lender will not unreasonably withhold its consent to an extension of such time if corrective action is instituted by Borrower within the applicable period and is being diligently pursued until the Default is corrected, but no such extension shall be given for an Event of Default that can be cured by the payment of money (i.e., payment of taxes, insurance premiums, or other amounts required to be paid hereunder);

(f) Borrower fails to perform any requirement under the Grant Agreement; or

(g) any breach by Borrower of any other agreement between Borrower and Lender and/or the City of Roseville.

Notwithstanding anything to the contrary in the Loan Documents, the limited partner of the Borrower ("Investor") shall have the right, but not the obligation, to cure any default of Borrower, and Lender agrees to accept cures tendered by Investor as follows: (i) with respect to any monetary default, Lender shall notify Investor in writing of such monetary default, and Investor shall have ten (10) days after the receipt of such notice of such monetary default to cure such monetary default; and (ii) with respect to any non-monetary default, Lender shall notify Investor in writing of such non-monetary default, and Investor shall have thirty (30) days after the receipt of such notice of such non-monetary default to cure such non-monetary default; provided, however, that if such non-monetary default cannot be cured within such thirty- (30-) day cure period, then Lender shall permit additional time to cure such non-monetary default as long as Investor is diligently pursuing such cure.

Notwithstanding anything to the contrary contained in the Loan Documents, the following transfers of interests in Borrower (or in the interests of the members of Borrower) shall be expressly permitted under the Loan Documents, and shall not be deemed an Event of Default or trigger any due on sale or other similar provisions in the Loan Documents: (a) the sale, transfer, conveyance or pledge of the Investor's or of any limited partner of the Borrower's ("Special Limited Partner") interest in Borrower; (b) the sale, transfer,

conveyance or pledge of any interests within the Investor or Special Limited Partner; (c) the removal of the general partner of Borrower for cause under the terms of the Borrower's then current partnership agreement and the admission of a new or additional substitute general partner; and (d) any amendment to the operating agreement evidencing the transfers described above.

7. Lender's Remedies upon Borrower's Default. Upon an Event of Default by Borrower and after provision by Lender of written notice, and subject to any cure or grace periods contained in the Loan Documents, Lender shall have the right to exercise any or all of the following remedies (and any other rights and remedies available to it):

- (a) declare the principal amount of the Loan and any accrued interest thereon to be immediately due and payable upon providing written notice to Borrower;
- (b) suspend its performance under this Loan Agreement;
- (c) take any action provided for at law to enforce compliance by Borrower with the terms of this Agreement and the Note;
- (d) exercise its rights under the Mortgage.

In addition to any other amounts due on the Loan, and without waiving any other right of Lender under any this Agreement or any other instrument securing the Loan applicable documents, Borrower shall pay to Lender a late fee of \$250 for any payment not received in full by Lender within 30 calendar days of the date on which it is due. Furthermore, interest will continue to accrue on any amount due until the date on which it is paid to Lender, and all such interest will be due and payable at the same time as the amount on which it has accrued.

8. Lender's Costs of Enforcement of Agreement. If an Event of Default has occurred as provided herein, then upon demand by Lender, Borrower shall pay or reimburse Lender for all expenses, including all reasonable attorneys' fees and expenses incurred by Lender in connection with the enforcement of this Agreement and the Note, or in connection with the protection or enforcement of the interests and collateral security of Lender in any litigation or bankruptcy or insolvency proceeding or in any action or proceeding relating in any way to the transactions contemplated by this Agreement.

9. Indemnification.

(a) Except for any claims, lawsuits, or damages arising or related to the gross negligence or willful misconduct of the Lender, Borrower shall and does hereby agree to indemnify against and to hold Lender, and its officers, agents, and employees, harmless of and from any and all liability, loss, or damage that it may incur under or by reason of this Agreement, and of and from any and all claims and demands whatsoever that may be asserted against Lender by reason of any alleged obligations or undertakings on its part to perform or discharge any of the terms, covenants, or agreements contained herein.

Roseville, MN 55113
Attn: Executive Director

To Redeveloper: Roseville Leased Housing Associates II, LLLP
Attn: Ryan J. Lunderby
2905 Northwest Boulevard, Suite 150
Plymouth, Minnesota, 55441

With a copy to: Winthrop & Weinstine, P.A.
Attn: Scott Jahnke
225 South Sixth Street, Suite 3500
Minneapolis, Minnesota 55402

With a copy to: [Polaris Capital Investments, LLC]
2905 Northwest Boulevard, Suite 150
Plymouth, Minnesota 55441
Attention: [Chief Financial Officer]

With a copy to: Winthrop & Weinstine, P.A.
Attn: Todd Urness
225 South Sixth Street, Suite 3500
Minneapolis, Minnesota 55402

(f) Termination. Subject to extensions agreed to by the Lender and Borrower and approved by the Council, if the Loan is not disbursed pursuant to this Agreement and the Grant Agreement by [December 31, 2023], this Agreement shall terminate and neither party shall have any further obligation to the other, except that if the Loan is not disbursed because Borrower has failed to use its best efforts to comply with the conditions set forth in Section 3 of this Agreement then Borrower shall pay to Lender all reasonable attorneys' fees, costs, and expenses incurred by Lender in connection with this Agreement and the Note.

(g) Entire Agreement. This Agreement, together with the Exhibits hereto, which are incorporated by reference, constitutes the complete and exclusive statement of all mutual understandings between the parties with respect to this Agreement, superseding all prior or contemporaneous proposals, communications, and understandings, whether oral or written, concerning the Loan.

(h) Headings. The headings appearing at the beginning of the several sections contained in this Agreement have been inserted for identification and reference purposes only and shall not be used in the construction and interpretation of this Agreement.

(i) Land Use Restriction. Notwithstanding any provision to the contrary in the Loan Documents, Lender acknowledges and agrees that (a) the Property is or will be subject to a Land Use Restriction Agreement (as defined below); (b) the recordation of the Land Use Restriction Agreement against the Property is permitted under the terms of the Loan Documents; and (c) the lien of any Loan Documents, and the terms and provision thereof, shall be subordinate to the Land

Use Restriction Agreement, regardless of the order of recording of either document. “Land Use Restriction Agreement” means the extended low-income housing commitment, regulatory agreement or restrictive covenants executed or to be executed by Borrower, as may be amended, setting forth certain terms and conditions under which the Property is to be operated and which shall meet the requirements of Section 42(h)(6)(B) of the Internal Revenue Code of 1986, as amended.

(The remainder of this page is intentionally left blank.)

IN WITNESS WHEREOF, this Agreement has been duly executed and delivered by the proper officers thereunto duly authorized on the day and year first written above.

ROSEVILLE ECONOMIC
DEVELOPMENT AUTHORITY

By: _____

Its President

By: _____

Its Executive Director

[SIGNATURE PAGE TO LOAN AGREEMENT – ROSEVILLE ECONOMIC DEVELOPMENT AUTHORITY]

ROSEVILLE LEASED HOUSING ASSOCIATES
II, LLLP, a Minnesota limited liability limited
partnership

By Roseville Leased Housing Associates II, LLC
Its General Partner

By: _____
Ryan J. Lunderby
Title: Vice President

[SIGNATURE PAGE TO LOAN AGREEMENT – ROSEVILLE LEASED HOUSING ASSOCIATES II, LLLP]

EXHIBIT A TO LOAN AGREEMENT
PROPERTY

Lot 2, Block 1, Twin Lakes 3rd Addition

Ramsey County, Minnesota
Abstract Property

EXHIBIT B TO LOAN AGREEMENT

PROMISSORY NOTE

\$[_____]]
PROMISSORY NOTE
given by

**ROSEVILLE LEASED HOUSING ASSOCIATES II, LLLP,
a Minnesota limited liability limited partnership to**

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

Dated: [_____] , 2021 At: Roseville, Minnesota

FOR VALUE RECEIVED, the undersigned, **ROSEVILLE LEASED HOUSING ASSOCIATES II, LLLP**, a Minnesota limited liability limited partnership (the “Borrower”), hereby promises to pay to the order of **ROSEVILLE ECONOMIC DEVELOPMENT AUTHORITY**, a public body corporate and politic and political subdivision of the State of Minnesota (“Holder”) at the offices of the Holder or such other place as the Holder may, from time to time, designate in writing, the principal sum of [_____] and No/100 Dollars (\$[_____]), or so much thereof as may be advanced to Borrower (the “Loan”). This Note shall not bear interest. The entire principal balance of this Note is due and payable on [_____] , 2061.

This Note is secured by, among other things, a Loan Agreement between Holder and Borrower dated as of the date hereof (the “Loan Agreement”) and a Mortgage dated the date hereof from Borrower, as Borrower, to the Holder, as Holder (the “Mortgage”), on property owned by Borrower (the “Project”). This Note is issued pursuant to that certain TBRA Grant Agreement between the Metropolitan Council and Holder and defined in the Loan Agreement and Mortgage. All of the agreements, conditions, covenants, provisions and stipulations contained in the Loan Agreement and Mortgage are hereby made a part of this Note to the same extent and with the same force and effect as if they were fully set forth herein. Time is of the essence hereof. In the event of any default in the payment of any principal or other indebtedness due hereunder, or if the Borrower defaults on any of its other obligations under this Note, the Loan Agreement, or the Mortgage, the Holder may, at its right and option, declare immediately due and payable the principal balance of this Note, together with any attorneys’ fees incurred by the Holder in collecting or enforcing payment thereof, whether suit be brought or not, and all other sums due hereunder and payment thereof may be enforced and recovered in whole or in part at any time by one or more of the remedies provided in any document securing this Note, including any Mortgage. The Holder may extend the time of payment of principal of this Note without notice to or consent of any party liable hereon and without releasing such party.

The Borrower hereby waives demand, presentment, notice of nonpayment, protest, notice

of protest, notice of dishonor and diligence in collection and agree that without any notice the Holder hereof may take and/or release additional security herefor or the Holder hereof may, from time to time, release any part or parts of security interests from Borrower in favor of Holder with or without consideration and that in any such case the Borrower and any guarantor, surety or endorser shall remain liable to pay the unpaid balance of the indebtedness evidenced hereby as so additionally secured, extended, renewed or modified and notwithstanding any such release.

The remedies of the Holder, as provided herein and in any document securing this Note shall be cumulative and concurrent and may be pursued singly, successively or together, at the sole discretion of the Holder, and may be exercised as often as occasion therefor shall occur. The Holder may, in its discretion, waive any default hereunder and its consequences and rescind any declaration of acceleration of principal; provided, however, that no action or inaction by the Holder shall be deemed a waiver of any of the Holder's rights or remedies unless the Holder specifically agrees in writing that such action or inaction shall constitute a waiver of its rights or remedies. Any waiver shall only apply to the particular instance for which it was agreed. No delay in exercising and no failure in exercising any right or remedy hereunder or afforded by law shall be a waiver of or preclude the exercise of any right or remedy hereunder or provided by law, whether on such occasion or any future occasion, nor shall such delay be construed as a waiver of any default or acquiescence therein. The exercise or the beginning of the exercise of one right or remedy shall not be deemed a waiver of the right to exercise at the same time or thereafter any other right or remedy.

In the event of any default hereunder the Borrower agrees to pay the costs of collection including reasonable attorneys' fees.

This Note may be prepaid in whole or in part without penalty.

The obligations of the Borrower hereunder are unconditional except as otherwise stated herein, irrespective of any defense or any rights of setoff, recoupment or counterclaim it might otherwise have against the Holder or any governmental body or other person.

The indebtedness evidenced by this Note is and shall be subordinate in right of payment to the prior payment in full of the indebtedness evidenced by a Promissory Note ("Promissory Note") of even date herewith in the original aggregate principal amount stated therein issued by Borrower, and payable to the City of Roseville, Minnesota ("Governmental Lender"), and assigned by the Governmental Lender to U.S. Bank National Association, a national banking association, its successors and assigns ("Senior Lender"), or order, to the extent and in the manner provided in that certain Subordination Agreement ("Subordination Agreement") of even date herewith between the payee of this Note, the Senior Lender, and the Holder. The Mortgage securing this Note is and shall be subject and subordinate in all respects to the liens, terms, covenants and conditions of the Senior Lender mortgage securing the Promissory Note as more fully set forth in the Subordination Agreement. The rights and remedies of the payee and each subsequent holder of this Note under the Mortgage securing this Note are subject to the restrictions and limitations set forth in the Subordination Agreement. Each subsequent holder of this Note shall be deemed, by virtue of such holder's acquisition of the Note, to have agreed to perform and observe all of the terms, covenants and conditions to be performed or observed by the Holder under the Subordination Agreement.

The Loan is a non-recourse obligation of the Borrower. Neither the Borrower nor any of its partners or officers, nor any other party, shall have any personal liability for repayment of the

Loan. The sole recourse of Holder for repayment of the Loan shall be the exercise of its rights against the Project and related security thereunder.

This Note may not be sold, transferred, assigned or pledged without the prior written approval of the Senior Lender and of the Investor or Special Limited Partner (as such terms are defined in the Loan Agreement) of the Borrower.

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

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

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

[Signature Page Follows]

IN WITNESS WHEREOF, the Borrower has caused this Note to be duly executed by its authorized representative, all on the date and year first above written.

BORROWER:

ROSEVILLE LEASED HOUSING ASSOCIATES II,
LLLP

By Roseville Leased Housing Associates II, LLC
Its General Partner

By: _____
Ryan J. Lunderby
Its Vice President

EXHIBIT C TO LOAN AGREEMENT**MORTGAGE****MORTGAGE**

(\$[_____] TBRA Loan)

THIS MORTGAGE IS EXEMPT FROM MORTGAGE REGISTRATION TAX PURSUANT TO MINN STAT SECTION 287.04 (f) BECAUSE THIS MORTGAGE WAS MADE UNDER THE MORTGAGEE'S LOW AND MODERATE INCOME OR OTHER AFFORDABLE HOUSING PROGRAM THAT PROVIDES FOR LOANS THAT MEET THE INCOME LIMITS AND SALES PRICE LIMITS AS DETERMINED UNDER FEDERAL AND STATE LAW.

THIS MORTGAGE is made this [_____] day of [_____] , 2021 by and between **ROSEVILLE LEASED HOUSING ASSOCIATES II, LLLP**, a Minnesota limited liability limited partnership (the "Mortgagor") in favor of **ROSEVILLE ECONOMIC DEVELOPMENT AUTHORITY**, a public body corporate and politic and political subdivision of the state of Minnesota (the "Mortgagee").

WHEREAS, pursuant to that Loan Agreement between the Mortgagor and Mortgagee dated as of [_____] , 2021 (the "Loan Agreement"), Mortgagor executed that certain Promissory Note of even date herewith (the "Note") in the amount of [_____] Dollars (\$[_____]) evidencing the loan described in the Loan Agreement (the "Loan"); and

WHEREAS, pursuant to the Loan Agreement and the Note, the entire indebtedness of Mortgagor to Mortgagee of the Loan is due and payable in full on [_____] , 2061; and

WHEREAS, this Mortgage is given to secure repayment of all amounts due by Mortgagor to Mortgagee under the Loan Agreement and the Note, as well as other amounts due by Mortgagor to Mortgagee under the terms of this Mortgage.

NOW, THEREFORE, in consideration of the foregoing, and for other good and valuable consideration, Mortgagor hereby grants, bargains, sells and conveys to Mortgagee the following real property in Ramsey County, Minnesota (the "Premises") legally described on Exhibit A attached hereto and incorporated herein to have and to hold the same, together with all the hereditaments and appurtenances thereto belonging or in anywhere appertaining, forever.

PROVIDED NEVERTHELESS that if Mortgagor, or Mortgagor's successors or permitted assigns, shall (i) pay, or cause to be paid, to Mortgagee the principal amount of the Loan heretofore and hereafter advanced by Mortgagee to Mortgagor under the Note; (ii) pay all taxes and special assessments that are now or may be hereafter levied and assessed on and against the Premises as they shall be due and before they become delinquent; (iii) keep the improvements on the Premises continuously insured as hereinafter provided; (iv) pay the principal and interest installments on any prior mortgage or mortgages as the same or any part thereof become due; and

(v) keep and perform each and every covenant herein, then this Mortgage shall be null and void; otherwise it shall be and remain in full force and effect.

MORTGAGOR WARRANTS AND COVENANTS to and with Mortgagee as follows:

1. Mortgagor is lawfully seized of a fee simple interest in the Premises and has good right to sell and convey the same. The Premises are free from all liens and encumbrances, except any prior mortgage or mortgages of record and other matters listed in the Mortgagor's title policy. Mortgagor shall warrant and defend the title of the Premises against all lawful claims except such prior mortgage or mortgages of record. The foregoing covenants and warranties shall survive foreclosure of this Mortgage and shall run with the land.
2. Mortgagor shall pay the principal and interest (if any) as the same become due on any prior mortgage or mortgages on the Premises.
3. Mortgagor shall procure at Mortgagor's own expense fire and extended coverage insurance on the improvements on the Premises, payable in case of loss to Mortgagee, its successors and assigns, as its interest may appear, such insurance to be written by a reliable insurance company approved by Mortgagee in an amount at least equal to the full insurable value of such improvements.
4. Mortgagor shall pay all taxes and special assessments now and hereafter levied and assessed on the Premises before the same become delinquent, provided, however, that Mortgagor is permitted to contest the same in good faith.
5. Mortgagor shall keep the Premises in good repair, shall not remove the improvements from the Premises, unless promptly replaced with substantially similar improvements, and shall not commit waste or permit impairment or deterioration of the Premises.
6. Mortgagor shall comply with and perform all of the Mortgagor's obligations under the Loan Agreement, this Mortgage and the Note.
7. In the case of failure of Mortgagor to pay such taxes or special assessments or to keep said improvements insured as provided herein, or to pay the principal or interest (if any) on the prior mortgage or mortgages on the Premises, Mortgagee may at its option, after ten (10) days' written notice to Mortgagor, pay and discharge such taxes and assessments, effect such insurance on said improvements and pay the premiums thereon and pay the principal and interest (if any) that become due and remain unpaid on the prior mortgage or mortgages on the Premises, and the sum or sums that may be so paid by Mortgagee shall bear interest from the time of such payment at the rate of 8% per annum or the highest rate allowed by law, whichever is lower, and shall be deemed and is hereby declared to be an additional lien upon the Premises in the amount that shall be so paid, with interest thereon, as aforesaid, and shall be added to and be collectable as part of and in the same manner as the original debt which this Mortgage is given to secure.
8. Reserved.

9. The following shall be Events of Default by Mortgagor; provided, however, that Mortgagee shall have given the Mortgagor notice of such Event of Default hereunder and at least thirty (30) days within which to cure such Event of Default, and that if such Event of Default cannot reasonably be cured within such thirty (30) days, Mortgagor shall have such additional time as may be reasonably necessary if Mortgagor commences to cure such Event of Default within such thirty (30) day period and thereafter diligently prosecutes such cure to completion:

- a) The failure to pay the indebtedness hereby secured, as it becomes due;
- b) The failure to pay, when due, the taxes or special assessments on the Premises;
- c) The failure to keep the improvements on the Premises insured as herein provided;
- d) The failure to keep and perform any of the covenants and agreements herein contained to be kept and performed by Mortgagor;
- e) Except as otherwise permitted in the Loan Agreement, the sale, assignment, conveyance or other transfer (whether by deed, contract for deed, lease or otherwise) of the Premises, except for leases for one year or less, not approved in advance by Mortgagee; or
- f) The failure to comply with and perform all of the requirements of the TBRA Grant Agreement (as defined below) related to the Premises, which failure results in the Mortgagee being obligated to indemnify or repay all or any portion of the TBRA grant funds to the Metropolitan Council.

Upon the occurrence of any Event of Default, Mortgagor hereby authorizes and empowers Mortgagee to declare the entire indebtedness hereby secured to be immediately due and payable, at Mortgagee's option, and to enforce the payment thereof and to foreclose this Mortgage by judicial proceedings or by sale of the Premises at public auction and convey the same to the purchaser in fee simple, pursuant to the statutes of the State of Minnesota, and out of the monies arising from said sale to retain (i) the principal which shall then be due on the indebtedness secured hereby, and interest, if any, accrued thereon, (ii) an amount equal to all taxes and special assessments paid by Mortgagee upon the Premises, or then levied and unpaid, (iii) any sum paid by Mortgagee for principal or interest on any prior mortgage or mortgages on the Premises, (iv) an amount equal to any insurance premiums paid by Mortgagee upon the Premises, (v) any other amounts payable by the Mortgagee to the Metropolitan Council as a result of the failure of the Mortgagor to comply with and perform all of the requirements of the TBRA Grant Agreement related to the Premises, and (vi) costs and disbursements of such foreclosure, including statutory attorney's fees; and to pay the surplus, if any, to Mortgagor. In the event of any default hereunder the Mortgagor agrees to pay the costs of collection including reasonable attorneys' fees.

10. So long as this Mortgage and the Note evidencing the indebtedness secured hereby are held by Mortgagee, Mortgagor will not execute or file for record any instrument which imposes a restriction upon the sale or occupancy of the Premises on the basis of race, color, religion, or sex.

11. No delay by Mortgagee in exercising any right or remedy provided herein or otherwise afforded by law or equity shall be deemed a waiver of or preclude the exercise of such right or remedy. All such rights and remedies shall be distinct and cumulative and may be exercised singularly or serially (in any order) or concurrently, and as often as the occasion therefore arises.

12. Mortgagee may at any time and from time to time, without notice, release any person liable for the payment of any indebtedness under the Note, extend the time or agree to alter the terms of payment of any indebtedness, release any property securing any indebtedness, consent to the creation of any easement on the Premises, or agree to alter or amend the terms of this Mortgage in any way, all without in any way affecting the liability of any person (other than the person so released, if any) or the validity or priority of this Mortgage (except as it covers property so released, if any).

13. The covenants and agreements contained in this Mortgage shall bind, and the rights conferred hereby shall inure to, the respective, legal representatives, successors and assigns of Mortgagor and Mortgagee. Wherever used, the singular number shall include the plural, and the plural the singular. All covenants and agreements of Mortgagor shall be joint and several.

14. Mortgagee shall furnish to Mortgagor a conformed and fully completed copy of the Note and this Mortgage at the time that this Mortgage is executed or at a reasonable time after this Mortgage is recorded.

15. The Mortgagee, for itself and its successors and assigns, covenants and agrees that it will not commence procedures to foreclose on this Mortgage without the prior written consent of any of the senior lenders or the Minnesota Housing Finance Agency, or its successors and assigns (“MHFA”) if there is a mortgage held by MHFA on the Project

16. The Loan is a non-recourse obligation of the Mortgagor. Neither Mortgagor nor any of its members or officers, nor any other party, shall have any personal liability for repayment of the Loan. The sole recourse of Mortgagee for repayment of the Loan shall be the exercise of its rights against the Premises and related security thereunder.

17. Except for willful misrepresentation, misconduct or negligence of the Indemnified Parties (as hereafter defined), and except for any breach by any of the Indemnified Parties of their obligations under the Loan Agreement, this Mortgage or the Note, the Mortgagor agrees to protect and defend the Mortgagee and the governing body members, officers, agents, servants and employees thereof (the “Indemnified Parties”), now or forever, and further agrees to hold the Indemnified Parties harmless from any claim, demand, suit, action or other proceeding whatsoever by any person or entity whatsoever arising or purportedly arising from the Loan

Agreement, this Mortgage, the Note, or the transactions contemplated hereby or the acquisition, construction, improvement, ownership, and operation of the Premises.

18. Mortgagee has been awarded a \$[] TBRA grant from the Metropolitan Council pursuant to the Metropolitan Livable Communities Act Grant Agreement approved by the Council on [], committing grant funds from the Council's Tax Base Revitalization Account to the Mortgagee (the "TBRA Grant Agreement"), and has agreed to loan such funds to finance certain costs of the Mortgagor's development of the Premises. Mortgagee is loaning the funds to Mortgagor pursuant to the Loan Agreement, this Mortgage and the Note subject to the following conditions:

(a) Loan funds can be used to finance only the costs of asbestos abatement, soil and vapor sampling, soil remediation and soil vapor mitigation, and related environmental oversight on the Premises, as more fully described in the TBRA Grant Agreement, and

(b) Loan funds may only be drawn down upon the Mortgagee's receipt of documentation demonstrating that the work for which the funds are being requested has been completed.

The Mortgagor shall comply with the foregoing and all other requirements of the TBRA Grant Agreement related to the Premises and if it fails to do so and the Mortgagee is obligated to repay all or any portion of the TBRA grant funds to the Metropolitan Council, the Mortgagor shall be liable to and shall pay to the Mortgagee the amount required to be repaid. The Mortgagor shall provide the Mortgagee all reports, certificates, information and documents which are necessary for the Mortgagee to comply with its obligations under the TBRA Grant Agreement.

19. Mortgagor will permit Mortgagee and its agents to enter and to authorize others to enter upon any or all of the Premises, or inspect Mortgagor's records regarding the Premises at reasonable times, to perform or observe any covenants, conditions, or terms which Mortgagor shall fail to perform, meet or comply with and which Mortgagee is authorized to perform under the terms of this Mortgage, or for any other purpose in connection with the protection or preservation of Mortgagee's security, without thereby becoming liable to Mortgagor or any person in possession under Mortgagor.

20. Mortgagee acknowledges that Mortgagor has entered into and delivered or intends to enter into and deliver concurrently with the execution and delivery of this Mortgage, a first lien Mortgage, Security Agreement and Fixture Financing Statement ("Senior Mortgage") in favor of the City of Roseville, Minnesota (the "Governmental Lender"), assigned by the Governmental Lender to U.S. Bank National Association, a national banking association, its successors and assigns ("Senior Lender") securing indebtedness evidenced by that certain Promissory Note ("Senior Note") payable to Governmental Lender and assigned by Governmental Lender to Senior Lender. Mortgagee agrees to subordinate the lien of this Mortgage to the Senior Mortgage and Senior Mortgage loan documents, and that this Mortgage is and shall be subject and subordinate in all respects to the liens, terms, covenants and conditions of the Senior Mortgage as more fully set forth in that certain Subordination Agreement – Regulatory Agreement Only of even date herewith between the Mortgagor,

Senior Lender, and the Mortgagee.

(Execution page follows.)

IN WITNESS WHEREOF, Mortgagor has executed this Mortgage the day and year first above written.

MORTGAGOR

ROSEVILLE LEASED HOUSING ASSOCIATES II, LLLP, a Minnesota limited liability limited partnership

By: Roseville Leased Housing Associates II, LLC, a Minnesota limited liability company, its General Partner

By: _____
Ryan Lunderby, its Vice President

STATE OF MINNESOTA)
) SS.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 2021, by Ryan Lunderby, the Vice President of Roseville Leased Housing II, LLC, a Minnesota limited liability company, as General Partner of Roseville Leased Housing Associates II, LLLP, a Minnesota limited liability limited partnership, on behalf of the company.

Notary Public

THIS INSTRUMENT WAS DRAFTED BY:
Kennedy & Graven, Chartered
150 South 5th Street, Suite 700
Minneapolis, MN 55402
Phone: (612) 337-9300

EXHIBIT A TO MORTGAGE

LEGAL DESCRIPTION

Lot 2, Block 1, Twin Lakes 3rd Addition.

Ramsey County, Minnesota
Abstract Property

46 forth in the subordination agreement between REDA and the Redeveloper
47 for the benefit of the Lender, presented to REDA for review and approval
48 (the “Contract Subordination”), as well as REDA’s consent to a collateral
49 assignment of the TIF Note to be issued pursuant to the Contract; and
50

51 WHEREAS, Section 7.3 of the Contract provides for subordination of REDA’s rights
52 under the Contract, so long as such subordination contains such reasonable
53 terms and conditions as are mutually agreed by REDA and Lender in
54 writing; and
55

56 WHEREAS, REDA’s Board of Commissioners and legal counsel have reviewed the
57 Subordination, as well as a Consent and Agreement of Authority to
58 Collateral Assignment of Contract for Private Redevelopment for the benefit
59 of the Lender (the “Consents”), and find that the approval and execution of
60 the Subordination and Consent are in the best interest of the City and its
61 residents.
62

63 NOW, THEREFORE, BE IT RESOLVED, that the Subordination and Consent as
64 presented to the Board are hereby in all respects approved, subject to
65 modifications that do not alter the substance of the transaction and that are
66 approved by the President and Executive Director, provided that execution
67 of the Subordination and Consent by such officials shall be conclusive
68 evidence of approval.
69

70 BE IT FURTHER RESOLVED that the President and Executive Director are hereby
71 authorized to execute on behalf of REDA the Subordination, the Consent,
72 and any other documents requiring execution by REDA in order to carry
73 out the transaction described in the Subordination and Consent.
74

75 BE IT FURTHER RESOLVED that REDA staff and consultants are authorized to take
76 any actions necessary to carry out the intent of this resolution.
77

78
79
80 The motion for the adoption of the foregoing resolution was duly seconded by Member

81
82 , and upon a vote being taken thereon, the following voted in favor thereof:

83
84 and the following voted against the same:

85
86 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 special meeting thereof on June 9, 2021.

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

and the following voted against the same:

whereupon said resolution was declared duly passed and adopted.

Witness my hand as the Executive Director of the Authority this ___ day of June, 2021.

Patrick Trudgeon, Executive Director
Roseville Economic Development
Authority

PREPARED BY AND WHEN
RECORDED RETURN TO:

Ann J. McGill
Kutak Rock LLP
1650 Farnam Street
Omaha, Nebraska 68102

(Space above reserved for recorder's use.)

Freddie Mac Loan Number: [_____]
Property Name: Harbor at Twin Lakes

SUBORDINATION AGREEMENT - REGULATORY AGREEMENT ONLY

GOVERNMENTAL ENTITY

(NO SUBORDINATE DEBT)

(Revised 1-29-2018)

THIS SUBORDINATION AGREEMENT FOR REGULATORY AGREEMENT (“**Agreement**”) is effective as of the [_____] day of [____], 2021 by **ROSEVILLE ECONOMIC DEVELOPMENT AUTHORITY**, a public body corporate and politic and a political subdivision under the laws of Minnesota (“**Governmental Entity**”), and **ROSEVILLE LEASED HOUSING ASSOCIATES II, LLLP**, a Minnesota limited liability limited partnership (“**Borrower**”), for the benefit of **U.S. BANK NATIONAL ASSOCIATION**, a national banking association, in its capacity as fiscal agent (“**Lender**”).

RECITALS

- A. Borrower is the owner of certain land located in Ramsey County, Minnesota, described in Exhibit A (“**Land**”). The Land is or will be improved with a multifamily rental housing project (the “**Improvements**”).

- B. Pursuant to the terms of that certain Contract for Private Redevelopment dated [____], 2021 (“**Development Agreement**”) between Governmental Entity and Borrower, Governmental Entity has agreed to issue to Borrower its Tax Increment Revenue Note (Harbor at Twin Lakes Project) in the maximum principal amount of \$[5,136,000.00] (“**TIF Note**”). The TIF Note will be assigned to Lender on the or about the date hereof for the benefit of Funding Lender (as defined herein) on the terms and conditions set

forth in a Collateral Assignment of Tax Increment Financing Note and Tax Increments dated on or about the date hereof (the “**Collateral Assignment**”). The Development Agreement and Collateral Assignment will be recorded on title to the Property on or about the date hereof in the Ramsey County, Minnesota Official Records (“**Official Records**”). The Development Agreement and all other documents at any time evidencing, securing, guaranteeing, or otherwise delivered in connection with Governmental Entity’s issuance of the TIF Note, as such documents may be amended, are collectively referred to herein as the “**Subordinate Documents.**”

- C. The City of Roseville, Minnesota (“**Governmental Lender**”) has made a loan to Borrower in the original principal amount of \$[35,000,000] (“**Project Loan**”) upon the terms and conditions of a Project Loan Agreement dated as of [____] 1, 2021 (“**Project Loan Agreement**”) among Governmental Lender, Lender (in its capacity as Fiscal Agent under the Funding Loan Agreement (defined below)) and Borrower in connection with the Mortgaged Property. The Project Loan is secured by a Mortgage, Assignment of Rents, Security Instrument and Fixture Financing Statement dated as of [____], 2021 (“**Senior Mortgage**”) encumbering the Land, the Improvements and related personal and other property described and defined in the Senior Mortgage as the “**Mortgaged Property**”. The Senior Mortgage will be recorded on title to the Property in the Official Records on or about the date hereof. Prior to Conversion (as defined herein), the Project Loan will be evidence by that certain Multifamily Note and after Conversion, the Project Loan will be evidenced by that certain Amended and Restated Project Note (collectively, the “**Project Note**”). The Project Note was assigned by the Governmental Lender to Lender as security for the loan made by the Administrative Agent (as defined below), as administrative agent for and on behalf of the initial funding lender, to the Governmental Lender pursuant to the Funding Loan Agreement (the “**Funding Loan**”). The Senior Mortgage was assigned by the Governmental Lender to Lender as security for the Funding Loan pursuant to an Assignment of Security Instrument dated as of the date hereof to be recorded in the Recording Office contemporaneously herewith. The Project Loan Agreement, the Project Note, the Senior Mortgage and any other documents evidencing or related to the Project Loan and Funding Loan are referred to as the “**Financing Documents.**”
- D. Subject to the terms and conditions of that certain Construction Phase Financing Agreement (the “**Construction Phase Financing Agreement**”) dated as of [____], 2021 between Borrower, TCF National Bank, a national banking association (“**Administrative Agent**”), Federal Home Loan Mortgage Corporation and Greystone Servicing Company LLC, a limited liability company organized under the laws of the State of Delaware (“**Permanent Funding Lender**”), Administrative Agent shall subsequently assign and deliver the documents comprising the Funding Loan to the Permanent Funding Lender and, in connection therewith, the Project Note and the Senior Mortgage will be amended and restated, and thereafter assigned to the Fiscal Agent (“**Conversion**”). Administrative Agent, on behalf of initial funding lender, and any subsequent holder of the Governmental Note are referred to herein as the “**Funding Lender**”.

- E. Borrower and Governmental Entity hereby agree to subordinate the Subordinate Documents on and subject to the terms, conditions and requirements set forth in this Agreement. The execution and delivery of this Agreement is a condition of the Funding Loan.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual benefits accruing to the parties hereto and other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. **Recitals.** The foregoing Recitals are hereby incorporated into this Agreement as agreements among the parties.
2. **Subordination.** The Governmental Entity hereby covenants and agrees that the Subordinate Documents are and will at all times continue to be, subordinate, subject and inferior to the rights of Lender and Funding Lender under the Financing Documents and that the liens, rights (including approval and consent rights), remedies, payment interests, priority interests, and security interests granted to Governmental Entity pursuant to or in connection with the Subordinate Documents are hereby expressly acknowledged to be in all respects and at all times, subject, subordinate and inferior in all respects to the liens, rights (including approval and consent rights), remedies, payment, priority and security interests granted to Lender and Funding Lender pursuant to the Financing Documents and the terms, covenants, conditions, operations and effects thereof. Notwithstanding the above, Governmental Entity may exercise the remedies of specific performance or injunctive relief.
3. **Financing, Encumbrance and Transfer Approval.** Governmental Entity hereby approves the transfer of the Property to the Borrower and the financing evidenced by the Mortgage. Governmental Entity further agrees that any transfer of the Property in connection with (or any subsequent transfer by Lender, Funding Lender, or their respective nominees following a) foreclosure or deed in lieu thereof will not require Governmental Entity's consent. Notwithstanding any provision to the contrary contained in the Subordinate Documents, Governmental Entity hereby approves the assignment of the TIF Note to Lender, as evidenced by the Collateral Assignment.
4. **Reserved.**
5. **Lender Notice of Default.** In consideration of Governmental Entity's agreements contained in this Agreement, Lender and Funding Lender agree that in the event of any default by Borrower under the Financing Documents, Governmental Entity will be entitled to receive a copy of any notice of default given by Lender or Funding Lender to Borrower under the Financing Documents. Neither the giving nor the failure to give a notice to Governmental Entity pursuant to this Section 5 will affect the validity of any notice given by Lender or Funding Lender to the Borrower.

6. **Governmental Entity Notice of Default.** Governmental Entity must give Lender and Funding Lender a concurrent copy of each material notice (including without limitation each notice of default) given by Governmental Entity under or with respect to the Subordinate Documents, and agrees that for a period of 90 days following delivery of such notice to Lender and Funding Lender, that Lender and/or Funding Lender, at the sole election of each, will have the right (but not the obligation) to cure any default by Borrower under the Subordinate Documents on its and/or Borrower's behalf. However, if such default is a non-monetary default and is not capable of being cured within such 90-day period and Lender or Funding Lender has commenced and is diligently pursuing such cure to completion, Lender or Funding Lender will have such additional period of time as may be required to cure such default. Governmental Entity hereby represents and warrants that, to the best of its knowledge, there is no current default under the Subordinate Documents.
7. **Governmental Entity's Rights.** Except as set forth in Sections 2 and 8 of this Agreement, nothing in this Agreement is intended to abridge or adversely affect any right or obligation of Borrower and/or Governmental Entity, respectively, under the Subordinate Documents; provided that, (A) the Subordinate Documents may not be modified, amended, changed or altered without the prior written consent of Lender and Funding Lender so long as the Project Loan is secured by the Property and (B) for so long as the Project Loan is secured by the Property, notwithstanding the terms of the Subordinate Documents to the contrary, neither Borrower nor Governmental Entity will, without Lender's and Funding Lender's prior written consent, exercise or seek any right or remedy under the Subordinate Documents or available at law or in equity which will or could result in (i) a transfer of possession of the Property or the control, operations or management thereof, (ii) collection or possession of rents or revenues from or with respect to the Property by any party other than Borrower or Lender; (iii) appointment of a receiver for the Property; (iv) application of insurance or condemnation proceeds other than as approved by Funding Lender pursuant to the Financing Documents; (v) removal or replacement of the existing property manager of the Property; or (vi) a material adverse effect on Lender's or Funding Lender's security for the Project Loan (including but not limited to terminating or suspending payments under the TIF Note). Notwithstanding anything else to the contrary set forth herein, but subject to any cure rights that Lender (at the direction of Funding Lender) or Funding Lender may have under this Agreement:
- (a) If the Borrower fails to pay taxes on the Land and Improvements, Governmental Entity shall continue to have the ability to exercise the remedies set forth in Section 9.2 of the Development Agreement, including the ability to terminate or suspend payments under the TIF Note; and
 - (b) Nothing herein shall be construed as subordinating the requirements contained in the Development Agreement that the Project be used in accordance with the provisions of Section 10.3 of the Development Agreement, or as subordinating the Authority's rights under the Assessment Agreement (as defined in the Development Agreement).

- 8. Foreclosure by Lender.** In the event of foreclosure, deed in lieu of foreclosure, or similar disposition of the Property by Lender or Funding Lender, no consent will be required from Governmental Entity and Lender and Funding Lender will have no indemnification obligations to Governmental Entity for any period during which Lender does not own or is not in possession of the Property. Notwithstanding the foregoing, prior to the recording of a deed in lieu of foreclosure, Lender (at the direction of Funding Lender) or Funding Lender may, at its option, notify Governmental Entity and Borrower in writing that it has elected to assume the obligations of the Borrower under the Subordinate Documents (“**Assumption Notice**”). Following receipt of the Assumption Notice, Governmental Entity shall treat Lender or Funding Lender (as applicable) as if it were the Borrower under the Subordinate Documents and shall continue to perform its obligations under the Subordinate Documents for the benefit of Lender or Funding Lender (as applicable), as long as the Lender (at the direction of Funding Lender) or Funding Lender (as applicable) continues to perform the obligations of Borrower under the Subordinate Documents. Neither Lender (at the direction of Funding Lender) or Funding Lender shall have any obligation with respect to the Subordinate Documents unless and until delivery of an Assumption Notice by Lender (at the direction of Funding Lender) or Funding Lender to Governmental Entity. If Lender (at the direction of Funding Lender) or Funding Lender has provided Governmental Entity with the Assumption Notice, then the rights of Governmental Entity under the Subordinate Documents shall survive foreclosure of the Senior Mortgage or acceptance of a deed in lieu of foreclosure.
- 9. Refinancing.** Governmental Entity agrees that its agreement to subordinate hereunder will extend to any new mortgage debt which is for the purpose of refinancing all or any part of the indebtedness evidenced by the Financing Documents (including reasonable and necessary costs associated with the closing and/or the refinancing, and any reasonable increase in proceeds for rehabilitation in the context of a preservation transaction). All terms and covenants of this Agreement will inure to the benefit of any holder of any such refinanced debt, and all references to the Financing Documents and Lender and Funding Lender, as applicable, will mean, respectively, the refinance loan documents and the holder of such refinanced debt.
- 10. Miscellaneous Provisions.**
- (a) This Agreement represents the entire understanding and agreement between the parties with regard to the matters addressed herein, and will supersede and cancel any prior agreements with regard to such matters.
 - (b) If there is any conflict or inconsistency between the terms of the Subordinate Documents and the terms of this Agreement, then the terms of this Agreement will control.
 - (c) This Agreement will be binding upon and will inure to the benefit of the respective legal successors and permitted assigns of the parties to this Agreement,

which will include with regard to the Governmental Entity any permitted successor or assign of the Governmental Entity under or pursuant to the terms of the Subordinate Documents and, with regard to Lender and Funding Lender, any subsequent holder of the Governmental Note. No other party will be entitled to any benefits hereunder, whether as a third-party beneficiary or otherwise.

- (d) If any one or more of the provisions contained in this Agreement, or any application of any such provisions, is invalid, illegal, or unenforceable in any respect, the validity, legality, enforceability, and application of the remaining provisions contained in this Agreement will not in any way be affected or impaired.
- (e) Each notice, request, demand, consent, approval or other communication (collectively, “Notices,” and singly, a “Notice”) which is required or permitted to be given pursuant to this Agreement will be in writing and will be deemed to have been duly and sufficiently given if (i) personally delivered with proof of delivery (any Notice so delivered will be deemed to have been received at the time so delivered), or (ii) sent by a national overnight courier service (such as FedEx) designating earliest available delivery (any Notice so delivered will be deemed to have been received on the next Business Day following receipt by the courier), or (iii) sent by United States registered or certified mail, return receipt requested, postage prepaid, at a post office regularly maintained by the United States Postal Service (any Notice so sent will be deemed to have been received on the date of delivery as confirmed by the return receipt), addressed to the respective parties as follows:

If to Governmental Entity:

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

If to Lender:

U.S. Bank National Association
60 Livingston Avenue, 3rd Floor
EP-NM-WS3C
St. Paul, Minnesota 55107-2292
Attention: Dan Sheff
Facsimile: (651) 466-7430
Telephone: (651) 466-6302
Email: dan.sheff@usbank.com

Notices intended for Funding Lender prior to Conversion will be addressed to:

TCF National Bank
11100 Wayzata Boulevard
Suite 600

Minnetonka, MN 55305-5529
Attention: Commercial Real Estate Lending Group

Notices intended for Funding Lender after Conversion will be addressed to:

Greystone Servicing Company LLC
1100 Abernathy Rd. NE
Building 500, Suite 900
Atlanta, GA 30328

If to Borrower:

Roseville Leased Housing Associates II, LLLP
2905 Northwest Blvd., Suite 150
Plymouth, MN 55441
Attention: [_____]

with a copy to:

Winthrop & Weinstine
225 South Sixth Street, Suite 3500
Minneapolis, Minnesota 55402
Attention: Scott Jahnke

Any party, by Notice given pursuant to this Section, may change the person or persons and/or address or addresses, or designate an additional person or persons or an additional address or addresses, for its Notices, but Notice of a change of address will only be effective upon receipt. Neither party will refuse or reject delivery of any Notice given in accordance with this Section.

- (f) Each of the parties will, whenever and as often as they are requested to do so by the other, execute, acknowledge and deliver, or cause to be executed, acknowledged or delivered, any and all such further instruments and documents as may be reasonably necessary to carry out the intent and purpose of this Agreement, and to do any and all further acts reasonably necessary to carry out the intent and purpose of this Agreement.
- (g) This Agreement will be governed by the laws of the State in which the Property is located.
- (h) Each person executing this Agreement on behalf of a party hereto represents and warrants that such person is duly and validly authorized to do so on behalf of such party with full right and authority to execute this Agreement and to bind such party with respect to all of its obligations under this Agreement.

- (i) No failure or delay on the part of any party to this Agreement in exercising any right, power, or remedy under this Agreement will operate as a waiver of such right, power, or remedy, nor will any single or partial exercise of any such right, power or remedy preclude any other or further exercise of such right, power, or remedy or the exercise of any other right, power or remedy under this Agreement.
- (j) Each party to this Agreement acknowledges that if any party fails to comply with its obligations under this Agreement, the other parties will have all rights available at law and in equity, including the right to obtain specific performance of the obligations of such defaulting party and injunctive relief.
- (k) This Agreement may be assigned at any time by Lender to any subsequent holder of the Governmental Note.
- (l) This Agreement may be amended, changed, modified, altered or terminated only by a written instrument signed by the parties to this Agreement or their successors or assigns.
- (m) This Agreement may be executed in two or more counterparts, each of which will be deemed an original but all of which together will constitute one and the same instrument.
- (n) Nothing in this Agreement is intended, nor will it be construed, to in any way limit the exercise by Governmental Entity of its governmental powers (including police, regulatory and taxing powers) with respect to Borrower or the Property to the same extent as if it were not a party to this Agreement or the transactions contemplated by this Agreement.

NOTICE: THIS SUBORDINATION AGREEMENT RESULTS IN THE SUBORDINATE DOCUMENTS BECOMING SUBJECT TO AND OF LOWER PRIORITY THAN THE LIEN OF THE MORTGAGE.

[SIGNATURE AND ACKNOWLEDGMENT PAGES FOLLOW]

EXHIBIT A

LEGAL DESCRIPTION

[To be attached]

**COLLATERAL ASSIGNMENT OF TAX INCREMENT FINANCING NOTE
AND TAX INCREMENTS
(HARBOR AT TWIN LAKES APARTMENTS)**

TAX-EXEMPT LOAN

This Collateral Assignment of Tax Increment Financing Note and Tax Increments (as the same may be amended, supplemented or restated, this “**Assignment**”) is made and entered into as of [____] 1, 2021, by **ROSEVILLE LEASED HOUSING ASSOCIATES II, LLLP**, a Minnesota limited liability limited partnership (“**Borrower**”), in favor of **U.S. BANK NATIONAL ASSOCIATION**, a national banking association, as Fiscal Agent (“**Fiscal Agent**”).

Pursuant to Minnesota Statutes, Chapter 462C, as amended (the “**Act**”), and that certain Project Loan Agreement dated as of [____] 1, 2021 (the “**Project Loan Agreement**”), by and among the City of Roseville, Minnesota, a statutory city, municipal corporation, and political subdivision duly organized and existing under the Constitution and laws of the State of Minnesota (“**Governmental Lender**”), U.S. Bank National Association, a national banking association, having a corporate trust office in St. Paul, Minnesota (“**Fiscal Agent**”), and Borrower, Governmental Lender has agreed to make a mortgage loan to Borrower in the maximum aggregate principal amount of \$[35,000,000] (the “**Project Loan**”) to provide financing and refinancing for the acquisition, construction and equipping of a 277-unit multifamily rental housing development located at [____], Roseville, Ramsey County, Minnesota, to be known as Harbor at Twin Lakes Apartments and legally described on Exhibit A (as further defined in the Construction Loan Agreement, the “**Project**”) and related costs.

Governmental Lender is making the Project Loan to Borrower with the proceeds received from the separate loan in the maximum aggregate principal amount of \$[35,000,000] (the “**Funding Loan**” and together with the Project Loan and the loan deemed made by TCF National Bank, a national banking association, as administrative agent (“**Administrative Agent**”) for certain lenders under the Construction Loan Agreement, the “**Loans**”) being made to Governmental Lender pursuant to that certain Funding Loan Agreement dated as of [____] 1, 2021 (as the same may be amended, supplemented or restated, the “**Funding Loan Agreement**”), by and among Administrative Agent, as administrative agent for the “**Initial Funding Lender**” (as defined in the Funding Loan Agreement), Governmental Lender and Fiscal Agent, which Funding Loan is evidenced by Governmental Lender’s (i) Multifamily Note with designation as Multifamily Housing Revenue Note (Harbor at Twin Lakes Project), Series 2021-1 in the maximum principal amount of \$ _____; and (ii) Multifamily Housing Revenue Note (Harbor at Twin Lakes Project), Series 2021-2 in the maximum principal amount of \$ _____ (together, as the same may be amended, supplemented or restated, the “**Governmental Note**”), each dated the Closing Date, delivered by Governmental Lender to Administrative Agent for the Initial Funding Lender.

Borrower’s repayment obligations in respect of the Project Loan are evidenced by that certain Multifamily Note dated the Closing Date, delivered by Borrower to Governmental Lender (as the same may be amended, supplemented or restated, the “**Project Note**” and together with the Governmental Note, the “**Notes**”), which the Governmental Lender has endorsed to Fiscal Agent for the benefit of Administrative Agent as security for the Funding Loan.

To secure Borrower's obligations under the Project Note and pursuant to that certain Syndicated Construction Loan Agreement (Construction Continuing Covenant Agreement), dated as of [] 1, 2021 (as the same may be amended, supplemented or restated, the "Construction Loan Agreement"), by and among Borrower, Administrative Agent and the "Lenders" (as described therein), Borrower has executed and delivered (i) a Mortgage, Security Agreement and Fixture Financing Statement dated as of the date hereof (as the same may be amended, supplemented or restated, the "Mortgage") and (ii) an Assignment of Leases and Rents dated as of the date hereof (as the same may be amended, supplemented or restated, the "Assignment of Leases"), each with respect to the Project.

Pursuant to the Funding Loan Agreement, Governmental Lender has assigned to Fiscal Agent all of Governmental Lender's right, title and interest in the Project Loan Agreement (except for certain unassigned rights), the Project Loan, the Project Note, the Mortgage, the Assignment of Leases and the Premises, as security for the payment of the principal of, premium, if any, and interest on the Governmental Note and the payment of any other amounts due thereunder and under the Funding Loan Agreement, the Project Loan Agreement, the Construction Loan Agreement, the Mortgage, the Assignment of Leases and all other agreements, documents and/or instruments evidencing, securing or relating to the Loans or any of them (the "Financing Documents").

Pursuant to the Financing Documents, Borrower has covenanted, among other things, to make loan payments sufficient to pay when due the interest and principal payments on the Project Note, plus late fees, prepayment charges and other amounts due thereon, in all instances at the times and in the amounts necessary to enable Fiscal Agent, on behalf of Governmental Lender and the holders from time to time of the Governmental Note, to pay all amounts payable with respect to the Funding Loan, when due, whether at maturity or upon prepayment (with premium, if applicable), acceleration or otherwise.

Subject to the terms and conditions set forth in the Construction Loan Agreement, the Funding Loan Agreement, and the other Financing Documents, Administrative Agent, on behalf of Initial Funding Lender, has agreed to originate and fund the initial advance of the Funding Loan on the Closing Date, and additional advances thereof on a draw-down basis thereafter, to Governmental Lender by depositing all such advances with Fiscal Agent in accordance with the Funding Loan Agreement, which proceeds of the Funding Loan will be used by Governmental Lender to fund the Project Loan to Borrower in corresponding installments pursuant to the Project Loan Agreement and will be disbursed by Fiscal Agent to the Disbursing Agent for disbursement to pay costs of the Project.

Pursuant to a Contract for Private Redevelopment dated as of [] [], 2021, by and between Roseville Economic Development Authority ("TIF EDA") and Borrower (as the same may be amended, supplemented or restated, the "TIF Development Agreement"), TIF EDA has agreed to issue for the benefit of Borrower its Tax Increment Revenue Note (Harbor at Twin Lakes Apartments Project), dated as of [], [] 2021, in the principal amount of \$[5,136,000] (as the same may be amended, supplemented or restated, the "TIF Note").

The Federal Home Loan Mortgage Corporation, a shareholder-owned government-sponsored enterprise (“Freddie Mac”), has issued a financing commitment dated [___] [___], 2021 to Borrower, and acknowledged and accepted by Borrower and Dominion Holdings II, LLC, a Minnesota limited liability company, with respect to the purchase by Greystone Servicing Company, LLC, a Delaware limited liability company (“Freddie Mac Servicer”) of the Funding Loan from Lender on or before the Mandatory Prepayment Date (“the Freddie Mac Commitment”) whereby Freddie Mac has committed, subject to the satisfaction of the “Conditions to Conversion” (as defined in the Funding Loan Agreement) on or before the “Forward Commitment Maturity Date” (as defined in the Funding Loan Agreement), to facilitate the financing of the Project during the “Permanent Phase” (as defined in the Funding Loan Agreement) by purchasing the Funding Loan from the Freddie Mac Servicer following the Conversion Date.

If the Conditions to Conversion are satisfied on or before the Forward Commitment Maturity Date as provided for in the Freddie Mac Commitment and the Construction Phase Financing Agreement dated as of [___] 1, 2021 (as the same may be amended, supplemented or restated, the “CPFA”), among Administrative Agent, the Freddie Mac Servicer and Freddie Mac, and acknowledged and accepted by the Borrower, the Project Loan will convert to the Permanent Phase on the “Conversion Date” (as defined in the Funding Loan Agreement) and, on such Conversion Date, Initial Funding Lender will deliver, and the Freddie Mac Servicer will purchase, the Funding Loan, as evidenced by the Governmental Note (the “Freddie Mac Purchase Date”).

Administrative Agent, on behalf of Initial Funding Lender, and any subsequent holder of the Governmental Note are referred to herein as the “Funding Lender”. Pursuant to Section 6.12 of the Funding Loan Agreement, Funding Lender has the right to direct all actions of Fiscal Agent with respect to this Assignment.

Administrative Agent and Freddie Mac has required, as a condition to making or purchasing the Funding Loan, that Borrower execute and deliver this Assignment to Fiscal Agent.

NOW, THEREFORE, in consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows

1. Definitions. Terms used herein and not otherwise defined shall have the respective meanings given to such terms in the Construction Loan Agreement and the Funding Loan Agreement, as applicable.

2. Assignment. Borrower hereby transfers and assigns to Fiscal Agent and grants to Fiscal Agent, its successors and assigns, for the benefit of Funding Lender a security interest in all of its right, title and interest in and to the TIF Note and the Tax Increments (as defined in the TIF Development Agreement) as security for the Loans and all future loans, advances, debts, liabilities, obligations, covenants and duties owing by Borrower to Funding Lender of any kind or nature arising from the Funding Loan or the Project Loan. This Assignment shall constitute a perfected, absolute and present assignment, provided that Fiscal Agent shall not have any right under this Assignment to exercise any remedies under this Assignment until an Event of Default (as defined in Section 8 hereof) shall occur. In furtherance of such transfer and assignment, Borrower shall

deliver to Fiscal Agent the original executed TIF Note, upon the EDA's issuance of the TIF Note to Borrower, when and if issued, together with an endorsement of the TIF Note in the form attached hereto as Exhibit B.

3. Representations and Warranties. Borrower represents and warrants to Fiscal Agent and Funding Lender and agrees as follows:

(a) Borrower will not, without the prior written consent of Fiscal Agent (at the direction of Funding Lender), modify, amend, supplement, terminate, surrender or change in any manner whatsoever the TIF Note and will not release or discharge the obligations of any party thereto or modify or extend the time of performance thereunder or the scope of the work thereunder.

(b) The TIF Note and the Tax Increments are free and clear of all liens, security interests, assignments and encumbrances other than the assignment and security interest created by this Assignment.

(c) Borrower has the full right, power and authority to assign the TIF Note and the Tax Increments free and clear of any and all liens, security interests and assignments.

(d) Borrower will keep the TIF Note and the Tax Increments free from any lien, encumbrance, assignment or security interest whatsoever, other than this Assignment and security interest.

(e) Borrower will from time to time and at the request of Fiscal Agent (at the direction of Funding Lender) execute such documents and pay the cost of filing and recording the same and do such other acts and things as Fiscal Agent (at the direction of Funding Lender) may request to establish and maintain a first priority perfected security interest in the TIF Note and the Tax Increments which is valid and superior to all liens, claims or security interests whatsoever, or to otherwise further evidence or implement the provisions and intent of this Assignment.

4. Covenants of Borrower. Borrower covenants and agrees that:

(a) It shall perform each and every one of its duties and obligations under the TIF Development Agreement and observe and comply with each and every term, covenant, condition, agreement, requirement, restriction and provision of the TIF Development Agreement.

(b) It shall give prompt notice to Fiscal Agent and Funding Lender of any claim of or notice of default under the TIF Note known or given to it together with a copy of any such notice or claim if in writing.

(c) At the sole cost and expense of Borrower, Borrower will enforce the full and complete performance of each and every duty and obligation to be performed by TIF EDA under the TIF Development Agreement and the TIF Note.

(d) It will appear in and defend any action arising out of or in any manner connected with the TIF Development Agreement or the TIF Note and the duties and obligations of Borrower or TIF EDA thereunder.

5. Purpose of Assignment. This Assignment is made to induce Funding Lender to make the Loan under the Construction Loan Agreement for the purposes of capitalizing the Funding Loan, to induce Freddie Mac to purchase the Funding Loan, and for the purpose of securing the performance and observance by Borrower of all of the terms and conditions of the Project Loan Agreement and all other obligations of Borrower under the Financing Documents (as defined in the Funding Loan Agreement) in connection with the Project.

6. Right to Act on Behalf of Borrower; Payments under TIF Note. Borrower hereby authorizes Fiscal Agent (at the direction of Funding Lender and all persons and entities designated by Fiscal Agent at the direction of Funding Lender) during an Event of Default to act on its behalf either in the name of Borrower or Funding Lender (or the name of the person and entity designated by Fiscal Agent at the direction of Funding Lender) in connection with the exercise of any of the rights of Borrower under the TIF Note. Borrower hereby irrevocably constitutes and appoints Fiscal Agent (at the direction of Funding Lender and all persons and entities designated by Fiscal Agent at the direction of Funding Lender) as its attorney-in-fact to demand, receive and enforce Borrower's rights with respect to the TIF Note. Borrower agrees to reimburse Funding Lender on demand for any expenses incurred by Funding Lender, or its agents or attorneys, pursuant to the aforesaid authorization. Borrower hereby irrevocably instructs, directs, authorizes and empowers all parties to the TIF Development Agreement and the TIF Note to recognize the claims of Fiscal Agent, and its successors or assigns hereunder (including Funding Lender), and to act upon any instructions or directions of Fiscal Agent (at the direction of Funding Lender and all persons and entities designated by Fiscal Agent at the direction of Funding Lender) without investigating the reason for any action taken by Fiscal Agent (or such other party or parties).

7. No Assumption By Fiscal Agent or Funding Lender. It is understood and agreed that neither Fiscal Agent nor Funding Lender assumes any of the obligations or duties imposed upon Borrower under the TIF Development Agreement or accepts any responsibility or liability for the performance of any of the obligations imposed upon Borrower pursuant to the TIF Development Agreement.

8. Scope of Assignment. The rights assigned by this Assignment include but are not limited to all of Borrower's interest in the TIF Note and the Tax Increments, including all right, power, privilege and option to modify or amend the TIF Note, or waive or release the performance or satisfaction of any duty or obligation under the TIF Note; provided, prior to any Event of Default, Borrower shall have the right to apply the Tax Increments for the purposes stated in the TIF Development Agreement.

9. Event of Default. An "**Event of Default**" shall mean the occurrence of any Event of Default under any of the Financing Documents (as defined in the Funding Loan Agreement).

10. Remedies. Upon the occurrence of an Event of Default, Fiscal Agent may, at the direction of Funding Lender, without demand or performance or other demand, advertisement, or

notice of any kind, except such notice as may be required under the Uniform Commercial Code and all of which are, to the extent permitted by law, hereby expressly waived, (a) collect the amounts payable to Borrower pursuant to the TIF Note and shall hold such amounts free and clear of the interest of Borrower therein and shall be entitled to own, hold, dispose of and otherwise deal with the amounts payable pursuant to the TIF Note in its own right and name as its own property, or in the name of Borrower or otherwise, exercise any right of Borrower to demand, collect, receive and receipt for, compromise, compound, settle and prosecute and discontinue any suits or proceedings in respect of any or all of the amounts payable pursuant to the TIF Note; (b) take any action that Fiscal Agent may deem necessary or desirable in order to collect the amounts payable pursuant to the TIF Note; exercise any of the remedies available to a secured party under the Uniform Commercial Code and/or to proceed to protect and enforce this Assignment by suits or proceedings or otherwise; and (c) enforce any other legal or equitable remedy available to Fiscal Agent. The foregoing remedies are cumulative of and in addition to and are not restrictive of or in lieu of, the rights or remedies provided for or allowed in the Project Loan Agreement or any other instrument given for the security of the Project Loan, or as provided for or allowed by law or in equity.

Funding Lender shall be entitled to direct all remedies and other actions which may be exercised by Fiscal Agent under this Assignment.

11. Indemnity. Neither Fiscal Agent nor Funding Lender shall have any obligation to perform or satisfy any duty or obligation of Borrower under the TIF Development Agreement. Borrower shall and does hereby indemnify, defend and hold Fiscal Agent and Funding Lender harmless for, from and against and in respect of any and all actions, causes of action, suits, claims, demands, judgments, proceedings and investigations (or any appeal thereof or relative thereto or other review thereof) of any kind or nature whatsoever, arising out of, by reason of, as a result of or in connection with the TIF Development Agreement or the TIF Note, and any and all liabilities, damages, losses, costs, expenses (including fees of counsel and expenses and disbursements of counsel), amounts of judgment, assessments, fines or penalties, and amounts paid in compromise or settlement, suffered, incurred or sustained by Fiscal Agent or Funding Lender as a result of, or reason of or in connection with any of the matters above.

12. Uniform Commercial Code. To the extent that this Assignment may be governed by the provisions of the Uniform Commercial Code now or hereafter in effect, this Assignment shall be deemed to be a security agreement within the meaning of the Uniform Commercial Code, shall be governed by the provisions thereof and shall constitute a grant to Fiscal Agent of a security interest in the TIF Note and the Tax Increments.

13. Choice of Law. Notwithstanding the place of execution of this instrument, the parties to this Assignment have contracted for Minnesota law to govern this Assignment and it is agreed that this Assignment is made pursuant to, and shall be construed and governed by, the laws of the State of Minnesota without regard to the principles of conflicts of law.

14. Notices. Any notice, request, complaint, demand, communication or other paper required or permitted to be delivered to the parties hereto shall be sufficiently given and shall be

deemed given (unless another form of notice shall be specifically set forth herein) on the Business Day (as defined in the Funding Loan Agreement) following the date on which such notice or other communication shall have been delivered to a national overnight delivery service (receipt of which to be evidenced by a signed receipt from such overnight delivery service) addressed to the appropriate party at the addresses set forth below or as may be required or permitted by the Funding Loan Agreement by Electronic Notice (as defined in the Funding Loan Agreement). The following parties may, by notice given as provided in this paragraph, designate any further or different address to which subsequent notices or other communication shall be sent.

Each notice to Fiscal Agent shall be addressed as follows:

U.S. Bank National Association
Corporate Trust Services
60 Livingston Avenue, 3rd Floor
EP-MN-WS3C
St. Paul, MN 55107-2292
Attention: Dan Sheff

Each notice to Funding Lender shall be addressed as follows prior to Conversion:

TCF National Bank
11100 Wayzata Boulevard
Suite 600
Minnetonka, MN 55305-5529
Attention: Commercial Real Estate Lending Group

with a copy (which copy shall not constitute notice to Funding Lender) to:

Fabyanske, Westra, Hart & Thomson, P.A.
333 South Seventh Street
Suite 2600
Minneapolis, MN 55402
Attention: Katie A. Welsch, Esq.

following Conversion, if conversion occurs:

Greystone Servicing Company LLC
1100 Abernathy Rd. NE
Building 500, Suite 900
Atlanta, GA 30328]

with a copy to following the Freddie Mac Purchase Date, if Freddie Mac purchases the Funding Loan:

A. Federal Home Loan Mortgage Corporation
8100 Jones Branch Drive, MS B4P
McLean, Virginia 22102
Attention: Multifamily Operations - Loan Accounting
Email: mfla@freddiemac.com
B. Telephone: (703) 714-4177

D. with a copy to:

E.
F. Federal Home Loan Mortgage Corporation
8200 Jones Branch Drive, MS 210
McLean, Virginia 22102
Attention: Managing Associate General Counsel –
G. Multifamily Legal Division
H. Telephone: (703) 903-2000

Each notice to Borrower shall be addressed as follows:

I. Roseville Leased Housing Associates II, LLLP
c/o Dominion Development & Acquisition, LLC
2905 Northwest Boulevard, Suite 150
J. Plymouth, MN 55441-7400
Attention: Mark S. Moorhouse and Ryan J. Lunderby

with a copy (which copy shall not constitute notice to Borrower) to:

Winthrop & Weinstine
225 South Sixth Street, Suite 3500
Minneapolis, Minnesota 55402
Attention: John M. Stern, Esq. and Scott D. Jahnke, Esq.

Fiscal Agent agrees to accept and act upon Electronic Notice of written instructions and/or directions pursuant to the Funding Loan Agreement.

15. Successors and Assigns; Recording. This Assignment shall bind Borrower and its successors and assigns, and shall inure to the benefit of Fiscal Agent and its successors and assigns. At the option of Funding Lender, this Assignment may be recorded in the applicable land records of Ramsey County, Minnesota.

16. Release. Upon a determination by Funding Lender that the obligations secured by this assignment have been fully satisfied, Fiscal Agent shall thereupon deliver to Borrower such instruments of release as, in the opinion of Borrower, may be necessary to release the interests of Fiscal Agent in the TIF Note and the Tax Increments.

17. Third Party Beneficiary. The parties to this Assignment recognize and agree that the terms of this Assignment and the enforcement of those terms are essential to the security of Funding Lender and are entered into for the benefit of Funding Lender. Funding Lender shall accordingly have contractual rights in this Assignment and shall be entitled (but not obligated) to enforce, separately or jointly with Fiscal Agent, or to cause Fiscal Agent to enforce, the terms of this Assignment. In addition, Funding Lender is intended to be and shall be a third-party beneficiary of this Assignment.

18. WAIVER OF TRIAL BY JURY. **THE UNDERSIGNED HEREBY ACKNOWLEDGE THAT THE TIME AND EXPENSE REQUIRED FOR TRIAL BY JURY OF ANY CONTROVERSY RELATED IN ANY WAY TO THIS ASSIGNMENT, WOULD EXCEED THE TIME AND EXPENSE REQUIRED FOR A BENCH TRIAL AND HEREBY WAIVE, TO THE FULLEST EXTENT PERMITTED BY LAW, TRIAL BY JURY, AND WAIVE ANY BOND OR SURETY OR SECURITY UPON SUCH BOND WHICH MIGHT, BUT FOR THIS WAIVER, BE REQUIRED OF THE HOLDER OF THIS ASSIGNMENT.**

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EXHIBIT A

[to be inserted]

EXHIBIT B
FORM OF ALLONGE ENDORSEMENT

ALLONGE TO:

TAX INCREMENT REVENUE NOTE (HARBOR AT TWIN LAKES PROJECT), DATED [_____, 2021], IN THE ORIGINAL PRINCIPAL AMOUNT OF \$[_____] PAYABLE TO THE ORDER OF ROSEVILLE LEASED HOUSING ASSOCIATES II, LLLP.

Pay to the order of U.S. Bank National Association, a national banking association, as Fiscal Agent.

Dated [_____, 2021]

[Remainder of Page Intentionally Left Blank]

**CONSENT TO COLLATERAL ASSIGNMENT OF TAX INCREMENT
FINANCING NOTE
AND TAX INCREMENTS**

(HARBOR AT TWIN LAKES APARTMENTS)

TAX-EXEMPT LOAN

THIS CONSENT TO COLLATERAL ASSIGNMENT OF TAX INCREMENT FINANCING NOTE AND TAX INCREMENTS (this “Consent”), is dated as of _____, 2021, and is from the ROSEVILLE ECONOMIC DEVELOPMENT AUTHORITY, a public body corporate and politic and a political subdivision under the laws of Minnesota (the “EDA”), to Fiscal Agent and Funding Lender, as each is identified in the foregoing Collateral Assignment. Terms used herein and not otherwise defined shall have the respective meanings given to such terms in the foregoing Collateral Assignment.

The EDA hereby covenants, represents, and warrants to and agrees with Funding Lender and Fiscal Agent as follows:

1. The EDA consents to the execution and delivery of the Collateral Assignment, and to the security interests and assignments created therein, as security for the Loans and all future loans, advances, debts, liabilities, obligations, covenants and duties owing by Borrower to Funding Lender of any kind or nature arising from the Funding Loan or the Project Loan.
2. The EDA has received and approved the Collateral Assignment, and the Collateral Assignment is not in conflict with the terms of the TIF Development Agreement.
3. The EDA acknowledges and agrees that none of any Funding Lender, or Fiscal Agent, or any of their respective successors or assigns shall be obligated to construct or complete the Minimum Improvements; provided, that, if Funding Lender or its successors or assigns acquires the Project by foreclosure or by a conveyance in lieu of foreclosure, the EDA acknowledges and agrees that, upon substantial completion of the Minimum Improvements in accordance with the TIF Development Agreement, Funding Lender shall be entitled to seek from the EDA, and the EDA shall be obligated to issue to Funding Lender, a Certificate of Completion for the Minimum Improvements in accordance with the terms set forth in the TIF Development Agreement.

[The remainder of this page has been intentionally left blank.]

IN WITNESS WHEREOF, the EDA has caused this Consent to Collateral Assignment of Tax Increment Financing Note and Tax Increments to be duly executed by its duly authorized representatives as of the date first above written.

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

By _____
Its President

By _____
Its Executive Director

STATE OF MINNESOTA)
) SS.
COUNTY OF RAMSEY)

The foregoing instrument was acknowledged before me this ____ day of _____, 2021 by Dan Roe and Patrick Trudgeon, the President and Executive Director of the Roseville Economic Development Authority, a public body corporate and politic and political subdivision of the State of Minnesota, on behalf of the Authority.

Notary Public



REQUEST FOR ECONOMIC DEVELOPMENT AUTHORITY ACTION

Date: 06/07/2021

Item No.: 3.b

Department Approval

Executive Director Approval

Item Description: Continue discussion regarding a Choose Local campaign promoting small businesses post-COVID

BACKGROUND

On May 10, 2021 the Roseville Economic Development Authority (REDA) was presented a Choose Local marketing campaign. An update to the proposal is provided as Attachment A, which was crafted based upon recognition of some of the questions and concerns EDA members brought to staff as a part of the May 10th discussion. The following is an outline of the questions and concerns brought forward by EDA members and staff's response:

- Metrics – can we get any data to prove the campaign will spur business?
 - Golden Shovel has provided digital ad results for Google and Facebook Ads on page 29-32 of Attachment A. Beyond this data, staff is unaware of other metrics that could be easily tracked.
- Rotary/Chambers/County– get their feedback/buy-in.
 - Feedback was sought from both area chambers as well as member Julie Wearn of the Rotary Club. No comments were returned that suggested a change in course. In addition, staff has been in close communication with Visit Roseville throughout this proposal to collaborate where appropriate (Rose-ingo) and to utilize data produced through their former outreach efforts. See pages 21-23 of Attachment A.
- Outreach to BIPOC – what methods will we use?
 - Ramsey County used “trusted messengers” to do their outreach when developing the Ramsey County Economic Competiveness and Inclusion Plan. These were BIPOC organizations that worked with businesses in the area. Staff would attempt to do the same. Staff obtained a limited list of BIPOC businesses in Roseville from Greater MSP and has reached out to Department of Employment and Economic Development (DEED) to see if they have a more complete list. DEED recommended reaching out to Office of the MN Secretary State as they apparently have survey data as it relates to ownership of Woman, Community of Color, Veteran, Disability and/or Immigrant-Owned. Other outreach could be done through Chambers that represent specific populations, ie. MN Black Chamber of Commerce. If the EDA wishes to move forward, these efforts and/or groups would be utilized to target BIPOC businesses for outreach in Roseville.
- How would the program be marketed?
 - Roseville Business Council, Roseville Newsletter, Business e-mail list, Social Media, the Chambers and direct outreach. In addition, Visit Roseville has identified over 200 hospitality business in Roseville that need assistance with strengthening their web and social media presence from past Google analytics they conducted. The EDA should think

of this effort as a ramped-up version of our business retention and expansion efforts pre-COVID.

- There are no jobs posted from Roseville businesses on the Ramsey County JobConnect platform.
 - Since the May 10th EDA meeting, staff has received numerous calls from businesses regarding hiring/employment challenges. Staff has directed these businesses to the JobConnect platform, the Career Pathway programs at the two school districts covering Roseville, and the International Institute of MN. Given this challenge, staff feels this area could be given strong focus as a part of the business outreach that could be conducted as a part of the proposed Choose Local campaign.

The hiring/employment challenges facing local businesses are likely one of the greatest factors limiting businesses to opening at full capacity. Given this concern, staff worked with Golden Shovel on a revised campaign that doesn't ignore the hiring/employment challenges facing local businesses and included a focus on working local and helping businesses recruit. Given the concerns about staffing, coupled with the overall cost of the program and uncertainty it would produce the desired result, staff felt it was appropriate to abandon the following components from the proposal:

- Interactive Map
- Gift Card Program
- Collateral Materials

The previous and revised budgets are as follows over the two-year timeframe the campaign would span:

Shop Local Campaign budget	Previous	Revised		
Intern - 2 years	\$ 24,804	\$ 24,804		
Microsite Creation	\$ -	Included in current GS Contract		
Branding Package	\$ 5,000	\$ 5,000		
GIS - Map	\$ 5,000	\$0		
Business Success Stories	\$ 5,000	\$ 5,000		
Newsletter Management	\$ 12,800	\$ 12,800		
Digital Ad Campaign	\$ 26,000	\$ 26,000		
Videos	\$ 8,450	\$ 8,450		
Social Media Ads and Management	\$ 48,000	\$ 48,000		
Social Media Coaching to Small B	\$ 18,750	\$ 18,750		
Gift Card Program	\$ 50,000	\$0		
T-Shirts	\$ 3,763	\$0		
Flyers	\$ 549	\$0		
Posters	\$ 633	\$0		
Window Clings	\$ 3,500	\$0		
Total	\$212,248.50	\$148,804		

If the REDA would like to proceed with this revised campaign, staff would recommend a budget to not exceed \$150,000 to be paid for using the American Rescue Plan (ARP) funds. REDA staff is working with the Finance Director regarding this effort and it being an eligible expense of the ARP funds and has determined it's likely to be eligible and the City is likely to still have adequate funds to support the campaign and cover other city eligible ARP fund needs.

It should be noted, the budget could be reduced by paying for some of the intern costs with EDA levy funds being the REDA budgets and levies every year to hire an intern to assist with Business Retention and Expansion (BR&E) visits. If the REDA wishes to use budgeted levy funds for the intern, then staff

68 would evaluate levy fund availability and divert those funds to the program.

69
70 Staff's original intention was to try and launch the campaign in the summer so that it could build
71 momentum going into the holiday shopping season. If the REDA supports the revised Choose Local
72 campaign, staff would suggest the REDA provide staff direction now, via resolution, to enter into a
73 professional services contract with Golden Shovel in an amount not to exceed \$150,000 (or whatever
74 amount the REDA agrees to).

75
76 Lastly, the campaign's main focus has not changed. The revised proposal includes purposely identifying
77 and engaging BIPOC business owners as it relates to social media presence, social media grants,
78 recruitment of their workforce, and highlighting their success in Roseville.

79
80 **BUDGET IMPLICATIONS**

81 The proposed revised Choose Local campaign consists of a not-to-exceed budget of \$150,000, with all
82 costs likely to be eligible to be paid for out of the American Rescue Plan (ARP) funds. If the REDA
83 desires to lower that budget, EDA levy funds for 2021 and 2022 to pay for an intern could be directed
84 towards the intern proposed under this proposal.

85 **STAFF RECOMMENDATION**

86 Adopt a resolution directing staff to enter into a professional services contract with Golden Shovel with a
87 budget not-to-exceed \$150,000.

88 **REQUESTED REDA BOARD ACTION**

89 If REDA supports the revised campaign, then adopt a resolution directing staff to enter into a professional
90 services contract with Golden Shovel with a budget not-to-exceed \$150,000.

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

Attachments: A: Revised choose Local Campaign Proposal
B: Resolution authorizing staff to enter into a professional services agreement with GS
C: Choose Local Campaign presented May 10th, 2021

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

CITY OF ROSEVILLE, MN ECONOMIC DEVELOPMENT AUTHORITY



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.

PROGRAM OVERVIEW

Roseville's Shop Small/Choose Local campaign can also be a catalyst for supporting the growth of BIPOC businesses. BIPOC businesses are a critical part of Roseville's ecosystem but growth for some BIPOC may be hampered by a lack of access to traditional capital or, an established network of businesses resources and supports, or a lack of awareness of how to access these supports.

By incorporating aspects of the **BIPOC Project Solidarity Principles**, Roseville can empower BIPOC businesses. The city can help BIPOC businesses to improve their online presence, telling their story through an authentic and personal lens, affirm the distinctiveness of their businesses and celebrate them, uplift the BIPOC community and acknowledge their history in Roseville. Our goal is to provide BIPOC businesses with tools to engage the community and build collaborative and supportive relationships that promote business sustainability and cultural diversity/vibrancy within Roseville.



ABOUT THE CAMPAIGN

A Shop Small/Choose Local campaign should be:

- attractive to target audiences, both merchant and consumer;
- simple to understand; and
- easy to participate in with very low hurdles, if any, for merchants and community members.

DEFINING PARTICIPANTS & MESSAGING

The campaign will exclusively include locally-owned, independent Roseville businesses. Your audience should understand that “local” means local ownership and control, not merely location. To ensure local ownership along with a physical Roseville location, a simple business verification will need to take place prior to inclusion in the campaign. GSA can prepare a checklist for the Intern to execute for each business looking to participate.

Many campaigns started by local governments or chambers of commerce in recent years defined “local” as simply a physical location (often aimed at capturing more sales tax revenue). These campaigns tend to yield little impact and dissolve because local residents are confused or dismiss the message entirely when they see major chains lumped in with genuine local businesses.

Independent retailers, restaurants and others competing directly with chains and the largest online retailers are obvious prospects to support this local outreach, but this campaign will be comprehensive in order to include all potential allies. Retailers will be better served by a larger and more powerful campaign and gain no benefit from focusing too narrowly on shopping. For example, focusing only on brick-and-mortar businesses or employing a shopping bag as your permanent logo (though appropriate for a shopping-focused holiday campaign) needlessly excludes other independents. The strongest campaigns engage businesses of every sector, demographic group and location in your community (the largest single segment of most Independent Business Alliances is service providers, including many with no walk-in location).

Even the term “buy” can be limiting, so we recommended using phrases like **“go local”** or **“choose Roseville local first”** to demonstrate their inclusivity. Consciously referencing banks, insurance, home-based businesses and others will ensure your message serves all local Roseville independent businesses.

BENEFITS TO LOCAL BUSINESSES

The Roseville Choose Local campaign will support all locally owned businesses. The campaign will be unique in that it's inclusive of restaurants and retailers, along with service businesses and other locally owned companies who traditionally have not received the same level of attention.

THE BENEFITS OF THE CAMPAIGN FOR LOCALLY OWNED ROSEVILLE BUSINESSES INCLUDE:

Increased Awareness By making residents aware of the locally owned businesses within Roseville, it will be possible for participating businesses to attract new customers.

Deepen Relationships within the Community Success stories, social media posts and digital media will be used to deepen relationships between residents and the local business community.

Increase Revenue The gift card campaign and digital ads are designed to direct more traffic to local businesses, creating the opportunity for increased revenue.

Enhanced Digital Presence Through the social media coaching, businesses who are not currently online or who have a limited online presence will gain a digital presence that can be used indefinitely to promote their business.

Strengthen Community Pride The Choose Roseville campaign will be one that the entire community can participate in. By increasing awareness, deepening relationships, and creating opportunities for participation, community pride will be strengthened.

Equal Access The Choose Roseville campaign will have a strong outreach component with GSA collaborating with BIPOC stakeholders and an intern who will be conducting in-person business outreach. This outreach combined with access to social media coaches and a new digital presence will give BIPOC business owners equal access to campaign benefits.

Changing Buying Behaviors The ultimate goal of the campaign is to shift buying behaviors from residents purchasing online from unknown retailers or chains-primarily to thinking local first when making buying decisions.

MICROSITE

GSA recommends that Roseville have a microsite dedicated to this campaign. The site could be built by GSA through the GateKeeper service using the site's main design. The microsite would include:

Homepage

- Content designed to engage residents and businesses
- Interactive map
- Video

Subpage with Tools for Businesses

- Social media templates
- Logo
- FAQ for how to get involved

Subpage with links to external resources. This includes prominent linkage to VisitRoseville, their promotional materials and ongoing campaigns. Examples of how we linking to external resources on your site below:

- <https://www.growroseville.com/business/business-resources>
- <https://www.growroseville.com/workforce/workforce-programs-and-resources>
- *Note: These would be links to anything that would be a complementary resource for 'Shopping Local' in Roseville.*

News section with success stories of participating Roseville businesses. GSA recommends placing an emphasis or priority on telling stories of BIPOC businesses.

Email newsletter sign up for community members looking to engage in the campaign and support the Roseville business community.

Price for the Microsite: \$0 (this portion of the project will be completed under Roseville's existing contract with Golden Shovel Agency)

INTERACTIVE MAP

GSA recommends that Roseville creates an interactive map of local businesses, where they can easily list out their hours and how customers can interact with them (shop online, pick up food or products, etc.) GIS Planning has a tool that can be utilized for this purpose. A staff-level approval of submissions will prevent national chains from automatically getting placed on this list, ensuring that locally-owned Roseville businesses will be featured prominently. Businesses must place themselves on the interactive map in order to qualify for the gift-card match program.

Local businesses will be listed and highlighted on an interactive map and shoppers can filter businesses by type and distance.

EXAMPLE:

Westwood Magnolia Parkway Improvement District, a GSA client, was one of the first to implement the GIS tools to support their business community.

[See example here.](#)

Price for the Interactive Map: \$2,500/year

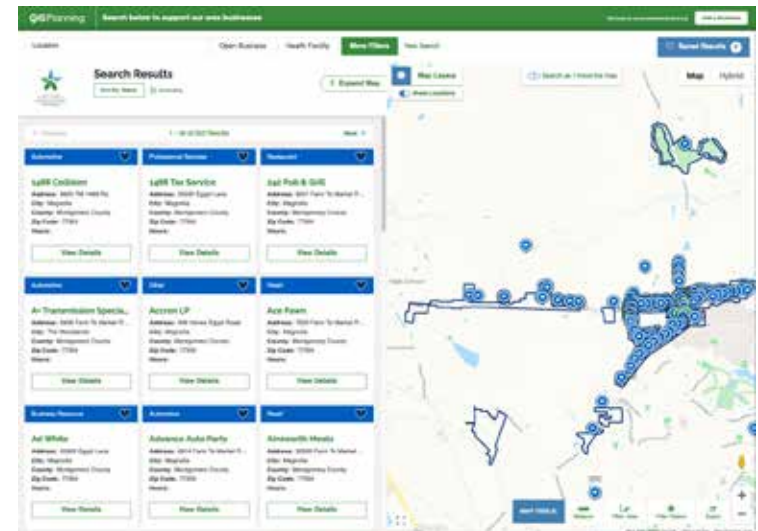
Golden Shovel recommends keeping the map on the site for two years and then making a long-term determination after evaluating the usage and overall success of the campaign.

QUESTIONS/REQUESTS:

Can Content Be Added for Businesses Who Are Hiring? There will likely not be any additional functionality added to the tool. However, this information could be added in the description or a keyword could be added for searching.

Can a Video Be Added? Not as an embed but a link could be added in a 'YouTube' form field.

Can Images be Added? Yes! One and it would display on the landing page. See screenshot.



STORIES AND BUSINESS PROFILES

GSA has extensive experience in creating 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 will interview 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 recommends prioritizing BIPOC businesses in Roseville who are participating in the Shop Small/Choose Local 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.

Price Per Article: \$200



CHOOSE LOCAL CAMPAIGN IDEAS

The goal is to capture attention, drive residents to the website and to local businesses so they can buy local. A newsletter sign-up would allow you to stay in touch with residents who sign up. The campaign should include:

- **Campaign Logo**
- **Tagline/Campaign Name**
- **Roseville Day to Kick it Off**
- **Digital ad campaign to drive traffic to the microsite for Roseville Day and the subsequent days:**
 - Facebook
 - Instagram
 - Google
 - Microsoft
- **Social Media Image Templates** (customized with business images)
- **Videos created by Nine North** to be posted across all platforms.
- **#TakeoutTuesday Supports Restaurants Specifically**
- **Fun Friday**

GSA to come up with a list of “Fun Friday” ideas that would be shared weekly on social media and send residents throughout Roseville. The goal would be to increase residents’ exposure to participating businesses. Campaign could include a scavenger hunt around Roseville to find participating businesses, posting photos of inside businesses and asking residents to guess which one it is, etc.
- **Super Saturday**

Businesses may wish to participate in a Super Saturday where special discounts are offered, etc. For example, the second Saturday of the month could be a “Super Saturday” where businesses offer 10% off, a BOGO, free gift with purchase, etc. GSA would develop ideas and offer participation opportunities to businesses who are part of the campaign.

CHOOSE LOCAL CAMPAIGN IDEAS

- **Support existing Visit Roseville campaigns** and build upon them.

Rose 'INGO' program will run in July and August (#eatlocalroseville #visitrosevillemn). The city's Shop Small/Choose Local campaign will extend beyond their campaign, providing local restaurants with ongoing marketing support and promotional opportunities.

- **Gift Card Program**

Roseville could allocate money to a gift card program where the city buys gift cards from small businesses participating in the campaign. The city would control the rate at which they are given away. An example is to 'give away' gift cards in a raffle similar to what Visit Roseville is doing for their *Rose 'INGO'* program. An Intern would be responsible for validating the location of any participating businesses and ensuring that they are locally-owned (not a chain) prior to them being able to benefit from participation in the gift card program.



SOCIAL MEDIA CAMPAIGN SUPPORT

The City should promote a cohesive social media campaign that creates awareness of Roseville's independent businesses and drives traffic to them. This comprehensive campaign should include a program designed to help participating businesses get set up online and on social media. **Social Media Coaches** could assist with the process of setting up their business on Google Maps, Facebook and Instagram. Once there, businesses will have access to some of the below features with the social media coach helping them to access these incentives:

USING INSTAGRAM'S FREE STICKERS

Instagram is making it easier to promote your business with new stickers you can add to your Stories and profile. Businesses can share **gift cards, food order and fundraiser stickers** that users can tap to purchase. Fundraiser stickers will send a user to your Facebook page or to a personal fundraising page set up for your company. Gift card and food order stickers send users to complete their purchase through your **company's website**.

FREE ADS ON FACEBOOK

Facebook is offering **\$100 million** in cash grants and **ad credits** to small businesses (between two and 50 employees). You can apply for a grant and also take advantage of the resources and free fundraising tools Facebook has recently announced. Business owners can **create a personal fundraiser on Facebook** and also take advantage of the platform's **business resources** with guides for retailers, salons and spas, restaurants and more.

FREE ADS ON GOOGLE AND MICROSOFT

Both platforms offer free ad credits to new businesses or anyone new to their platform.

JOIN OR CREATE A GIFT CARD CAMPAIGN

Operation Main Street and **Support Local** are two initiatives encouraging consumers to buy gift cards now to support local businesses with an immediate cash flow injection. Other GSA customers have created their own campaigns where the EDC matches the gift card purchase dollar for dollar. This incentivizes residents to purchase the gift cards while mitigating any potential fear over the business not being able to fulfill their order in the future.

Roseville could set aside a set dollar amount to go towards a gift card program where the city buys gift cards for small businesses and controls the rate at which they are given away. An example is to 'give away' gift cards in a raffle similar to what Visit Roseville is doing for their *Rose 'INGO'* program. An Intern would be responsible for validating the location of any participating businesses and ensuring that they are locally-owned (not a chain) prior to them being able to benefit from participation in the gift card program.



TIMELINE

- Month 1:**
- Approval of Campaign Estimate
 - Campaign Kick-Off and Messaging Review
 - Presentation of Initial Logo Concepts
 - GSA to Engage Nine North to Begin Video Production Process
- Month 2:**
- Businesses identified for the Nine North videos, production dates TBD with the goal of producing five videos in year one and five videos in year two.
 - Presentation of Marketing Materials Needed (including revisions)
 - Includes content and design
 - GSA to hold campaign meetings with Intern to discuss their responsibilities and role in the campaign. Provide them with information and instructions.
 - Approval of marketing materials for print.
 - Microsite content approved.
 - Microsite design presented (includes GIS Planning map).
 - Delivery of completed microsite.
 - Intern to prepare list of BIPOC businesses in Roseville for one-on-one outreach.
 - Printing of marketing materials.
 - Digital ad mock-ups delivered for approval.
 - Intern to prepare list of all Roseville businesses who qualify to participate in campaign
- Month 2:**
- Small Business Outreach Begins
 - Intern to contact small businesses, providing them with materials and collateral.
 - Social media coach is now available for small businesses.
 - Support offered to businesses looking to participate in the campaign.

TIMELINE

- Month 3:** Delivery of Marketing Materials
- Months 3-18:** Videos Delivered
- Month 3:** Launch of Outbound Campaign
- Ads launched on Google, Facebook and Instagram to promote the campaign (ongoing throughout campaign period).
 - Press release promoting the campaign.
 - News articles published to promote the campaign.
 - Social media engagement campaign kicks off with 20 hours per week spent engaging businesses and the general public.
- Months 3-18:** Ongoing promotional activities ensures that Roseville businesses (especially BIPOC businesses are participating in the campaign, online and prepared to maximize the 2021 and 2022 holiday seasons):
- Intern to continue contacting small businesses.
 - Intern to continue in-person outreach to BIPOC businesses.
 - Collaborate with Visit Roseville to cross promote their Rose 'INGO' program in July and August (#eatlocalroseville #visitrosevillemn). This Shop Small/Choose Local campaign will extend beyond their campaign, providing local restaurants with ongoing marketing support and promotional opportunities.
 - Social media coach continue helping businesses to get online and apply for advertising grants and incentives available through third parties.
 - Social media engagement with up to 20 hours per week spent engaging businesses and the general public.
 - Weekly newsletter content created.
 - Management of special days like 'Fun Friday' and 'Super Saturday.'
 - Weekly gift card giveaway.
 - Success story and business profile creation ongoing.
 - Support offered to businesses looking to participate in the campaign.
- Roseville Day** (date TBD)

PRICING

BRANDING PACKAGE:

- Logo Creation, campaign name, style guide.
- Design and production of posters, flyers, t-shirts, and bumper stickers (plus other if needed).
- Includes design of 'sell sheet' of program details.

Estimated Cost:

\$5,000

INTERACTIVE MAP:

Estimated Cost:

\$2,500/year

SUCCESS STORY CREATION:

Estimated Cost:

\$5,000 (up to 25 businesses with an emphasis on telling the stories of Roseville BIPOC businesses)



PRICING

NEWSLETTER CREATION AND MANAGEMENT:

GSA will create weekly newsletter content to 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 Local is a city-led initiative endorsed by the city council.
- Enhanced brand recognition for the city and the Choose Local 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.

GSA will engage with businesses participating in the campaign to generate weekly newsletter content. Newsletter management \$50/hour, not to exceed \$12,800 over 16 months.

- Newsletters would be delivered weekly for 16 months (the first 2 months of the 18 month campaign will be set-up). The content would be generated to promote the local businesses participating in the campaign and be generated by GSA (we are skilled in generating this type of content and have no concerns about our ability to put out a weekly newsletter).

Estimated Costs:

\$50/hour (not to exceed \$12,800 over 16 months)



PRICING

DIGITAL AD CAMPAIGN:

- A digital ad campaign should run on Google, Facebook and Instagram in support of the “Choose Local” campaign. We recommend spending \$3,000 per month for the first 5 months of the campaign (months 3-8).
- After the initial advertising push, GSA recommends allocating a minimum of \$1,000 per month for an ongoing digital ad campaign months (months 9-18).
- Roseville would determine the overall ad spend and the ads would shut down once the dollar amount had been reached.
- GSA would set up the ads, manage them and provide monthly reporting statistics.
- Roseville could choose to convert the Choose Local campaign into a Shop Local campaign for the holidays.

Estimated Cost:

\$26,000 (total recommended ad spend)

VIDEOS:

- Nine North, a local provider of video solutions, will provide Roseville with five (10) 1-2 minute videos of participating businesses or retail areas for \$8,450. 5 videos will be produced in year one and five videos will be produced in year two.
- One of the videos could be used to introduce the campaign,
- GSA recommends that half of the videos focus on participating BIPOC businesses,
- GSA will coordinate with Nine North, assist with content ideas and editing,

Estimated Cost:

\$8,450 (five videos will be produced in year one and five videos will be produced in year two , see end of document for original Nine North estimate)

PRICING

SOCIAL MEDIA CREATIONS AND CAMPAIGN MANAGEMENT (ENGAGING WITH BUSINESSES AND RESIDENTS):

Estimated Cost:

\$50/hour (billed monthly)

Note: 10-20 hours per week for 16 months to promote the campaign and engage businesses and residents online. Up to 960 hours total for a maximum cost of \$48,000.

SMALL BUSINESS SOCIAL MEDIA COACH AND DIGITAL SUPPORT:

- Emphasis on supporting BIPOC businesses in Roseville.
- GSA will help qualifying businesses to 'get online' by setting up their Google My Business profile, social media accounts and Yelp listings.
- GSA will help businesses to apply for free ad credits and incentives (see above for descriptions).
- Should the campaign be very successful and additional businesses want to utilize a social media coach, they can do so for an additional \$750 per business.

Estimated Cost:

\$18,750 (up to 25 businesses)

PRICING

GIFT CARD PROGRAM:

- GSA can promote this program as part of the Gatekeeper service.
- Based on the success of other communities we recommend that Roseville set a budget of \$50,000 to purchase gift cards from participating businesses that will be raffled away weekly.
- St. Paul has a similar program that is being run manually. GSA suggests utilizing the Intern to manage this aspect of the program.

Estimated Cost:

\$50,000 to purchase gift cards from participating businesses that will be raffled away weekly



PRICING

PRINTING:

T-Shirts (Fully Promoted, Roseville Business):



Port & Company® Men's Essential T-Shirt

Item number: TOVIG-EPBTM

A year-round essential, our best-selling t-shirt has been voted "most popular" by groups, teams, clubs and schools across America. 98/2% cotton/poly (Ash), 90/10% cotton/poly (Athletic Heather), 50/50% cotton/poly (Dark Heather Grey).

Colors: Aquatic Blue, Ash Heather Gray, Athletic Maroon, Athletic Heather Gray, Brown, Candy Pink, Cardinal Red, Carolina Blue, Charcoal Gray, Colonial Blue, Daffodil Yellow, Dark Green, Deep Marine Blue, Deep Navy Blue, Dill Green, Dark Chocolate Brown, Dark Heather Gray, Dusty Brown, Eggplant Purple, Fiery Red, Forest Green, Gold, Jade Green, Jet Black, Kelly Green, Lavender Purple, Lemon Yellow, Light Blue, Light Sand Beige, Lime Green, Medium Gray, Neutral Natural Beige, Navy Blue, Olive Green, Orange, Orange Sherbet, Pale Pink, Pistachio Green, Purple, Red, Rich Red, Royal Blue, Sand Beige, Sangria Pink, Sapphire Blue, Steel Blue, Stonewashed Blue, Stonewashed Green, Teal Blue, Texas Orange, Turquoise Blue, Ultramarine Blue, Violet Purple, Neutral White, Yellow

Qty	49-99	100-199	200-299	300-499	500-999
Price	\$10.40	\$9.10	\$7.75	\$7.40	\$6.75

Price Includes: 2 Locations each 1 color--screen print

Additional Charge Details: Size: Small, Medium, Large, X-Large, 2X-Large, 3X-Large, 4X-Large, 5X-Large, 6X-Large

Additional charge for 2XL and larger

Anvil® Men's 100% Combed Ring Spun Cotton T-Shirt

Item number: MOSFD-JVAVB

Fabric is made of 100% combed ring spun cotton (Colors), 85/35% poly/ring spun cotton (Heather Blue, Heather Dark Gray, Heather Green, Heather Purple), and 90/10% ring spun cotton/poly (Heather Gray).

Colors: Black, Caribbean Blue, Charcoal Gray, Charity Pink, Chocolate Brown, Heather Blue, Heather Dark Gray, Heather Green, Heather Gray, Heather Purple, Hot Pink, Independence Red, Kelly Green, Key Lime Green, Navy Blue, Red, Silver, Storm Gray, Purple, Royal Blue, White, Smoke Gray

Qty	49-99	100-199	200-299	300-499	500-999
Price	\$10.65	\$9.35	\$8.00	\$7.65	\$7.00

Price Includes: 2 Locations each 1 color--screen print

Additional Charge Details: Size: Small, Medium, Large, X-Large, 2X-Large, 3X-Large

Additional charge for 2XL and larger



Comfort Colors® Men's Heavyweight Ring Spun Tee

Item number: THSEF-MZYEZ

This tee shirt is made of a soft washed garment dyed fabric with a double needle collar. The garment-dyeing process infuses each garment with unique character. Please allow for slight color variation in production and washing.

Colors: White, Gray, Blue Jean, Seafoam Green, Chalky Mint Green, Black, Lagoon Blue, Chambray Blue, Crimson Red, Island Reef Green, Watermelon Red, Flo Blue, Pepper Gray, True Navy Blue, Granite Gray, Violet Purple, Ice Blue, Butter Yellow, Brick Red, Neon Red Orange, Denim Blue, Royal Caribe Blue, Berry Purple, Bright Salmon Red, Midnight Blue, Blue Spruce, Light Green, Crunchberry Pink, Red, Blossom Pink, Melon Orange, Sandstone Beige, Washed Denim Blue, Neon Pink, Chili Red, Paprika Red, Grass Green, Sapphire Blue, Yam Brown, Graphite Gray

Qty	49-99	100-199	200-299	300-499	500-999
Price	\$16.00	\$14.70	\$13.35	\$13.00	\$12.35

Price Includes: 2 Locations each 1 color--screen print

Additional Charge Details: Size: Small, Medium, Large, X-Large, 2X-Large, 3X-Large

Additional charge for 2XL and larger

If the opportunity exists to use Roseville High School resources for printing, they will be the first choice. Due to the facility moving location, they are currently not available.

PRICING

FLYERS (IMPRESSIVE PRINT)

- 3.5 X 8.5 4/4
- 100# GLOSS COVER
- CUT DELIVER FLAT

Quantity 500: \$142

Quantity 1,000: \$217

Quantity 2,500: \$378

Quantity 5,000: \$436

Quantity 10,000: \$549

POSTERS (IMPRESSIVE PRINT)

- 11 X 17 4/0 100# GLOSS COVER
- DELIVER FLAT

Quantity 500: \$270

Quantity 1,000: \$459

Quantity 2,500: \$633

Quantity 5,000: \$976

Quantity 10,000: \$1,604

WINDOW CLINGS (IMPRESSIVE PRINT)

- Reverse Printed GF255 Optically Clear Adhesive Vinyl Color Backed Up With White)
- 5.5 x 8.5
- 2nd Surface

Quantity 500: \$1.75/each

Quantity 1,000: \$1.50/each

Quantity 2,500: \$1.40/each

*If the opportunity exists to use Roseville High School resources for printing, they will be the first choice.
Due to the facility moving location, they are currently not available.*



CHAMBER FEEDBACK

SUMMARY:

Chambers support the idea of using federal funding to support local businesses. Efforts thus far appear to have focused on supporting restaurants.

Good Morning Jeanne,

After looking through the proposal, there is a lot to digest and look over.

I like the concept. In fact, I incorporated a shop local theme into our Chamber Check In program on FB Live. Also, during the last year, we partnered with Clear Channel on a PR promotion to use local. Also, our 2021 Gala supported local restaurants by purchasing gift cards for our online auction. Our Chamber will continue to promote business as part of our vision and support in any way possible.

One example I found compelling is what Ft. Collins, CO did right away a year ago. They actually created a similar portal but incorporated ecommerce into it so conversions could be measured.

Two suggestions that I can make right away are:

- *Do not be dependent on Google. They have a tendency to jack up rates and the costs are really high and can be unexpected. GSA comment – we agree that it's important to advertise on multiple platforms. Our proposal calls for advertising on Google and social media channels.*
- *There is a 3 month timeline to launch. If you believe this is a good investment, I would accelerate this to capture 3rd quarter spending. The need is urgent for many businesses and the sooner the better. Can GSA do this? Yes, we can meet a 3-month timeline from project kickoff.*

Thanks for sharing and giving an opportunity for input. I will evaluate the attachment and provide further feedback if you want.

John Connelly

President

Twin Cities North Chamber of Commerce

763.571.9781

www.twincitiesnorth.org

CHAMBER FEEDBACK

Hi Jeanne!

I just reached out to Visit Saint Paul because they have a couple campaigns around Dine Local, Restaurant Revitalization, and buy local. They do most of the big marketing efforts. I'll get back to you when I hear back from Jaimee Lucke Hendrickson.

We're working on something with the county that, if approved, will be a county-wide initiative (ARP funds) to help small/micro businesses with recovery. As soon as the county tells us they want to support such an initiative, my first call will be to you – and then other cities in the county – to spread this work across the county. More soon, I hope!

B Kyle ■ President and CEO, St. Paul Chamber

Direct ■ 651.265.2771

Mobile ■ 651.253.5245

The Dine Local Campaign was a 3-month targeted sales and consumer education campaign to support and drive business to local restaurants, impacting neighborhoods throughout Saint Paul

- *Digital advertising*
- *Social Media*
- *Photos and Video*
- *PR and Media*
- *Website at VisitSaintPaul.com*
- *Local Influencers dining and posting monthly*
- *Email Marketing*

COLLABORATION

VISIT ROSEVILLE:

GSA has connected with Visit Roseville and can utilize their media assets, lists and data as supplemental information for the campaign. Visit Roseville would benefit from the gift cards being incorporated into their Rose INGO campaign.

NINE NORTH:

Nine North has been included in the campaign. In addition, they are creating an Out to Lunch series that will be useful for helping to promote local restaurants.

ROTARY:

The Rotary does not have a current campaign for supporting local businesses but would be a good partner to help us promote the campaign.

RAMSEY COUNTY:

TBD



EXAMPLES

JAMESTOWN GIFT CARD PROGRAM

The Give Get Grow gift card campaign, run by the Jamestown Area Chamber of Commerce (JACC) and Jamestown/Stutsman Development Corporation (JSDC), raised over \$65,000 for local businesses this past summer. Companies donated \$30,000 in cash and in-kind donations for the campaigns 'matching pool'.

"All it took was a few initial champions to provide one of the first donations, like Otter Tail Power Company, and then they really took off. It was heartwarming to see how many donations we received, even from those who were struggling significantly with the COVID-19 restrictions."

The "Get" segment provided was the heart of the ability to funnel money back into the local economy. They sought out local businesses to participate in a gift card sale, with a minimum donation of \$25 to the matching pool allowing the business to be eligible. 51 merchants throughout Stutsman County chose to participate. Then, beginning August 17, the JACC held a virtual marketplace on their website for consumers to purchase gift cards to the participating businesses. Consumers could purchase \$25 gift cards and receive one equivalent \$25 gift card to that same merchant for each they purchased, with the equivalent gift cards funded from the matching pool. By doing so, the merchants who chose to participate in the sale benefited from the two-for-one deal as well, receiving money from the consumer and the matching pool. Overall, the community response was unbelievable.

"The \$30,000 matching pool used to match consumer purchases was exhausted in four hours and 100% of the participating merchants had at least one gift card purchased for their establishment."



EXAMPLES

OTTUMWA HELP FOR DIGITAL MARKETING

This campaign offered no-cost support to small businesses looking to improve their online presence (social media, Google, website, etc.). This hands-on support is helping businesses to move online so they can attract more customers now and in the future.

OTTUMWA HELP FOR RESTAURANTS

This aspect of Ottumwa's campaign is specifically geared towards restaurants. They are offering free help with their social media, putting their menu online, and making it possible for them to accept online takeout orders.



CAN'T FIGURE OUT SOCIAL MEDIA? WANT TO GET YOUR SHOP ON THE WEB? NEED BETTER PHOTOGRAPHS OF YOUR MENU? NOT SURE WHERE TO START?

Greater Ottumwa Partners in Progress is here to help with **NO-COST digital media and marketing assistance for small businesses!**

Please contact Sharon Stroh to learn more:
641.799.1203 sstroh@ottumwaiowa.com

*Businesses will be assisted on a first-come, first-served basis through June 2022.
Program is funded by the U.S. Economic Development Administration 2020 CARES Act.*



EXAMPLES



PHELPS COUNTY MAGIC GIFT CARD PROGRAM

Phelps County gift card program fueled over \$100,000 into local economy. The Magic Multiplier gift card program, which began on April 1, matches the price of the gift cards purchased from local businesses in Phelps County and gives that amount directly to the business where the gift card was purchased.

Since the Phelps County Development Corporation (PCDC) has stepped in to help local businesses in Phelps County that have closed due to the COVID-19 pandemic by offering the Magic Multiplier gift card program, local residents have purchased more than \$52,000 in gift certificates to more than 60 Phelps County businesses in the first 10 days.

The PCDC match goes directly to the business. So, essentially a \$50 gift certificate turns into a \$100 for that business (\$50 from PCDC and \$50 from the customer).

Note: No numbers to report on this program.

EXAMPLES

EAST SIDE AREA BUSINESS ASSOCIATION #EASTSIDE EATS

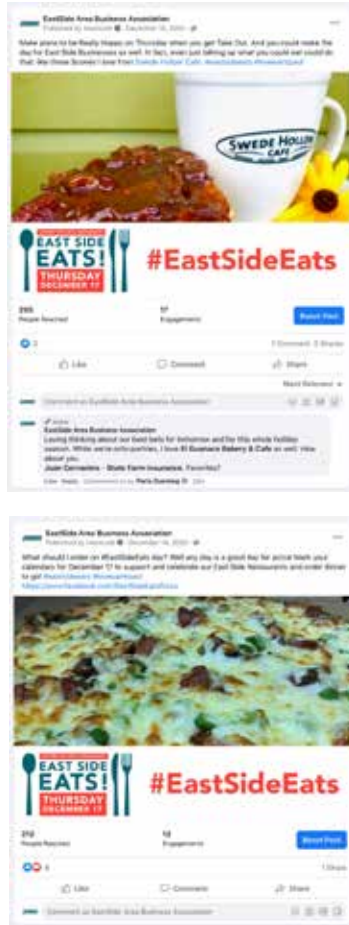
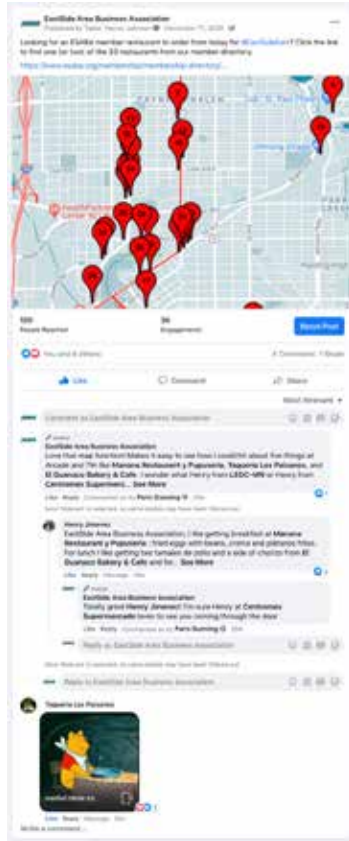
Social Media blitz after the second restaurant shutdown highlighting take-out for East St. Paul restaurants. Blitz culminated in a community group effort in getting take-out 'for sure' on a specific Thursday evening. See examples of content below:

- <https://www.esaba.org/events/p/event/14040/east-side-connect!-if-you-build-it-eastsideeats-skatepark-update?t=25433>
- <https://www.esaba.org/news-and-media/p/item/31623/esabas-guide-to-restaurant-support>
- <https://www.esaba.org/news-and-media/p/item/31285/st-pauls-gathering-place-swede-hollow-cafe>

Note: Engagement numbers on the following page.



EXAMPLES



EXAMPLES

DIGITAL AD CAMPAIGN

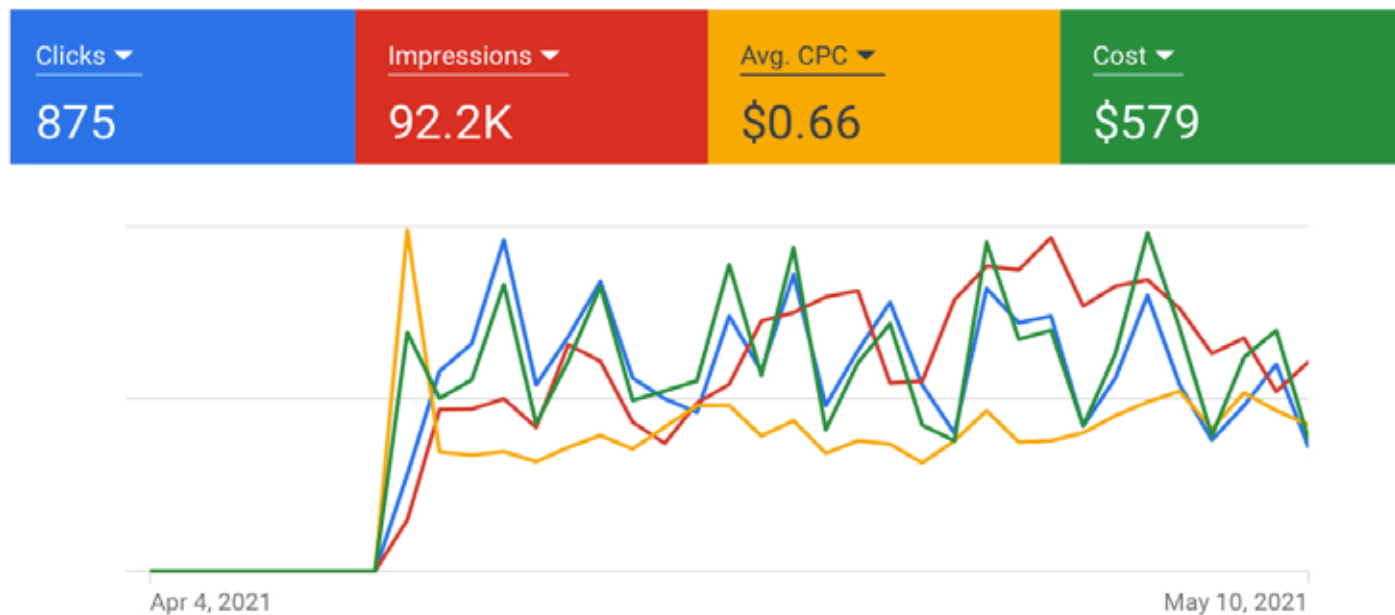
GSA recommends a digital advertising budget of \$26,000 over an 18-month campaign. This budget would be spent between ads on Google and social media.

Below are snapshots of digital campaigns run for economic development organizations. They represent the possible reach of the campaign. GSA's process is to start campaigns with a small budget, get and analyze the initial data and refine the ads to continue improving the ROI.

Google Ads

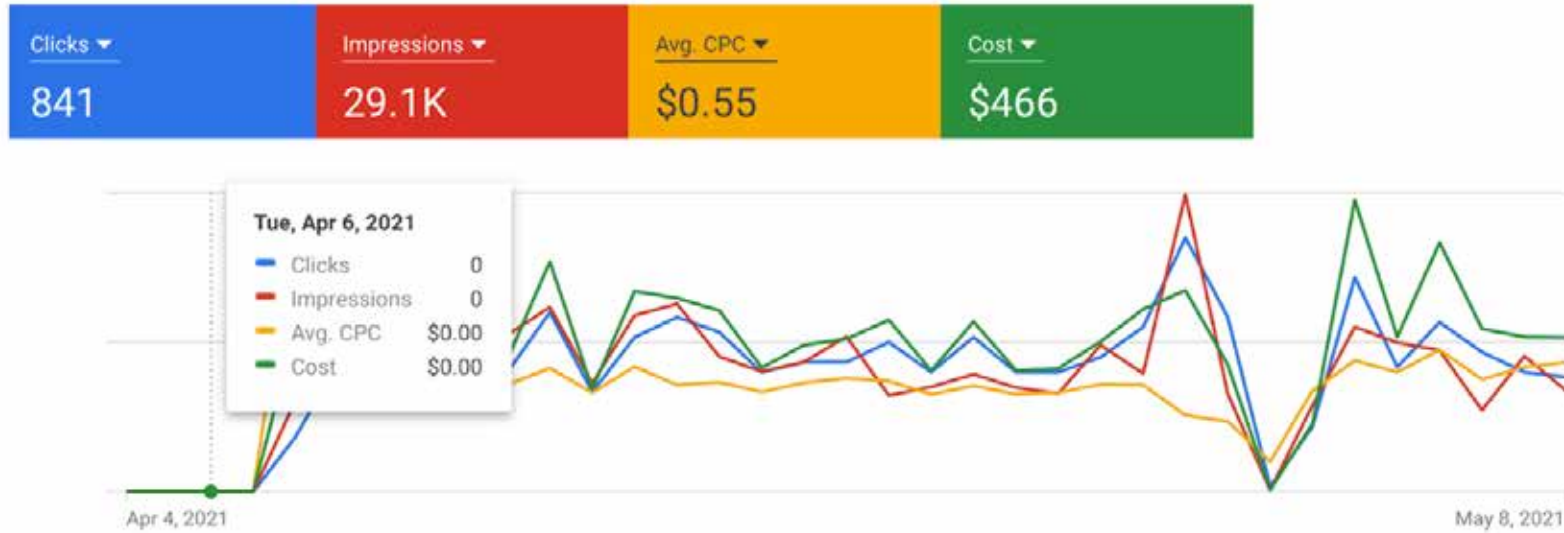
These are snapshots of ongoing digital ad campaigns on Google. The objective was to reach a specific target audience and drive them to the economic development website. These examples can be used to demonstrate the estimated cost per click.

Kentucky (One East Kentucky)



EXAMPLES








Missouri – Co-Mo Connect



EXAMPLES

Facebook Ads

Below are snapshots of Facebook ads run throughout the country (Kentucky, Nebraska and Colorado). They demonstrate the potential reach for a budget of less than \$1,000.

Ad Name	Results	Reach	Impressions	Cost per Result
 Post: "One East Kentucky lets manufacturin..."	713 ThruPlays	6,708	8,183	\$0.03 Cost per ThruPlay
 OEK	4,160 Estimated Ad Recall ...	60,746	127,018	\$0.07 Per Estimated Ad Re...
 New Ad	980 Link Clicks	49,968	81,679	\$0.51 Per Link Click
 Parker Aerospace Landing Page	1,374 Link Clicks	25,472	49,728	\$0.15 Per Link Click
 New Ad	357 Link Clicks	15,604	32,966	\$0.42 Per Link Click
 Post: "Discover why Brinkman, a real estate ..."	57 Post Engagements	608	705	\$0.18 Per Post Engagement
 Post: "Parker Residents and Businesses! ..."	81 Post Engagements	1,328	1,717	\$0.12 Per Post Engagement
> Results from 7 ads ⓘ	—	159,275 People	301,996 Total	—

\$982.31 spend reached 159,275 people and had 301,996 impressions.

EXAMPLES

GIFT CARD PROGRAM DATA

Examples of successful pandemic gift card campaigns are included in our initial proposal. First Data conducted a study over a ten-year period, providing the most comprehensive look at the impact gift cards can have on local businesses.

Key Insights:

- 72% reported spending more than the original gift card value
- 725% purchased something they hadn't planned to spend money on
- 78% bought something more expensive
- 711% had never visited the merchant before receiving the gift card

Reference: https://www.firstdata.com/downloads/thought-leadership/firstdata_2010usgiftcardconsumerinsightssurvey.pdf



REFERENCES

<https://about.americanexpress.com/all-news/news-details/2018/Another-Reason-to-Shop-Small-on-Small-Business-Saturday-Approximately-67-Cents-of-Every-Dollar-Spent-at-a-Small-Business-Remains-in-the-Local-Community/default.aspx>



DISCLAIMER

All pricing subject to change with change in parameters. Estimate also does not include any outside costs not noted as stock illustrations, stock photography, stock music, etc.

MISC.

'Sponsorships' may be explored as an additional method of paying for the campaign or adding elements to the campaign.





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

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

* * * * *

Pursuant to due call and notice thereof, a special meeting of the Board of Commissioners of the Roseville Economic Development Authority was duly held on the 7th day of June, 2021, at 6:00 p.m.

The following members were present:

and the following were absent:

Member introduced the following resolution and moved its adoption:

RESOLUTION No.

**RESOLUTION AUTHORIZING STAFF TO NEGOTIATE AND FINALIZE A
BUSINESS SUPPORT ASSISTANCE PROGRAM WITH GOLDEN SHOVEL AGENCY**

WHEREAS, the Roseville Economic Development Authority (the “Authority”) is aware of the difficulties and business interruptions experienced by local businesses within the City of Roseville (the “City”) as a result of the COVID-19 pandemic; and

WHEREAS, the federal government has adopted the American Rescue Plan Act of 2021 (the “Act”) to assist with the United States’ recovery from the economic and health effects of the COVID-19 pandemic, which consists in part of providing funding to local governments for business stabilization activities, and the City will receive a distribution of funds pursuant to the Act; and

WHEREAS, Authority staff, in cooperation with the Golden Shovel Agency, is working to prepare a program to assist local businesses to return to full operations through activities to include without limitation review of and consulting on local businesses’ social media presence, outreach to and support of BIPOC businesses, and support with workforce outreach, recruitment, and retention (the “Business Support Program”); and

WHEREAS, the proposed source of funding for any finalized Business Support Program is the City’s distribution of funds received pursuant to the Act;

NOW, THEREFORE, BE IT RESOLVED, that the Board of Commissioners of the Roseville Economic Development Authority authorizes Authority staff to negotiate and finalize the parameters of the Business Support Program with the Golden Shovel Agency and to

45 formulate a contract with the Golden Shovel Agency for assistance in implementing and
46 administering such Business Support Program (the “Services Agreement”) through December
47 31, 2022, and authorizes the expenditure of up to \$150,000 in funding received pursuant to the
48 Act to implement the Business Support Program.

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50 BE IT FURTHER RESOLVED, that the Executive Director is authorized and directed to
51 execute the Services Agreement consistent with the provisions of this Resolution, including
52 without limitation the maximum amount of authorized expenditures.

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54 The motion for the adoption of the foregoing resolution was duly seconded by Member
55 and upon a vote being taken thereon, the following voted in favor thereof:

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57 , , , and .

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59 and the following voted against the same:

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61 WHEREUPON said resolution was declared duly passed and adopted.

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I, the undersigned, being the duly appointed Executive Director of the Roseville Economic Development Authority, State of Minnesota, do 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 June 7, 2021.

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 Commissioner voted in favor thereof:

And the following voted against the same:

Whereupon said resolution was declared duly passed and adopted.

Witness my hand as the Executive Director of the Authority this ___ day of June, 2021.

Executive Director
Roseville Economic Development Authority

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

CITY OF ROSEVILLE, MN ECONOMIC DEVELOPMENT AUTHORITY



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.

PROGRAM OVERVIEW

Roseville's Shop Small/Choose Local campaign can also be a catalyst for supporting the growth of BIPOC businesses. BIPOC businesses are a critical part of Roseville's ecosystem but growth for some BIPOC may be hampered by a lack of access to traditional capital or, an established network of businesses resources and supports, or a lack of awareness of how to access these supports.

By incorporating aspects of the **BIPOC Project Solidarity Principles**, Roseville can empower BIPOC businesses. The city can help BIPOC businesses to improve their online presence, telling their story through an authentic and personal lens, affirm the distinctiveness of their businesses and celebrate them, uplift the BIPOC community and acknowledge their history in Roseville. Our goal is to provide BIPOC businesses with tools to engage the community and build collaborative and supportive relationships that promote business sustainability and cultural diversity/vibrancy within Roseville.



ABOUT THE CAMPAIGN

A Shop Small/Choose Local campaign should be:

- attractive to target audiences, both merchant and consumer;
- simple to understand; and
- easy to participate in with very low hurdles, if any, for merchants and community members.

DEFINING PARTICIPANTS & MESSAGING

The campaign will exclusively include locally-owned, independent Roseville businesses. Your audience should understand that “local” means local ownership and control, not merely location. To ensure local ownership along with a physical Roseville location, a simple business verification will need to take place prior to inclusion in the campaign. GSA can prepare a checklist for the Intern to execute for each business looking to participate.

Many campaigns started by local governments or chambers of commerce in recent years defined “local” as simply a physical location (often aimed at capturing more sales tax revenue). These campaigns tend to yield little impact and dissolve because local residents are confused or dismiss the message entirely when they see major chains lumped in with genuine local businesses.

Independent retailers, restaurants and others competing directly with chains and the largest online retailers are obvious prospects to support this local outreach, but this campaign will be comprehensive in order to include all potential allies. Retailers will be better served by a larger and more powerful campaign and gain no benefit from focusing too narrowly on shopping. For example, focusing only on brick-and-mortar businesses or employing a shopping bag as your permanent logo (though appropriate for a shopping-focused holiday campaign) needlessly excludes other independents. The strongest campaigns engage businesses of every sector, demographic group and location in your community (the largest single segment of most Independent Business Alliances is service providers, including many with no walk-in location).

Even the term “buy” can be limiting, so we recommended using phrases like **“go local”** or **“choose Roseville local first”** to demonstrate their inclusivity. Consciously referencing banks, insurance, home-based businesses and others will ensure your message serves all local Roseville independent businesses.

MICROSITE

GSA recommends that Roseville have a microsite dedicated to this campaign. The site could be built by GSA through the GateKeeper service using the site's main design. The microsite would include:

Homepage

- Content designed to engage residents and businesses
- Interactive map
- Video

Subpage with Tools for Businesses

- Social media templates
- Logo
- FAQ for how to get involved

Subpage with links to external resources. This includes prominent linkage to VisitRoseville, their promotional materials and ongoing campaigns. Examples of how we linking to external resources on your site below:

- <https://www.growroseville.com/business/business-resources>
- <https://www.growroseville.com/workforce/workforce-programs-and-resources>
- *Note: These would be links to anything that would be a complementary resource for 'Shopping Local' in Roseville.*

News section with success stories of participating Roseville businesses. GSA recommends placing an emphasis or priority on telling stories of BIPOC businesses.

Email newsletter sign up for community members looking to engage in the campaign and support the Roseville business community.

Price for the Microsite: \$0 (this portion of the project will be completed under Roseville's existing contract with Golden Shovel Agency)

INTERACTIVE MAP

GSA recommends that Roseville creates an interactive map of local businesses, where they can easily list out their hours and how customers can interact with them (shop online, pick up food or products, etc.) GIS Planning has a tool that can be utilized for this purpose. A staff-level approval of submissions will prevent national chains from automatically getting placed on this list, ensuring that locally-owned Roseville businesses will be featured prominently. Businesses must place themselves on the interactive map in order to qualify for the gift-card match program.

Local businesses will be listed and highlighted on an interactive map and shoppers can filter businesses by type and distance.

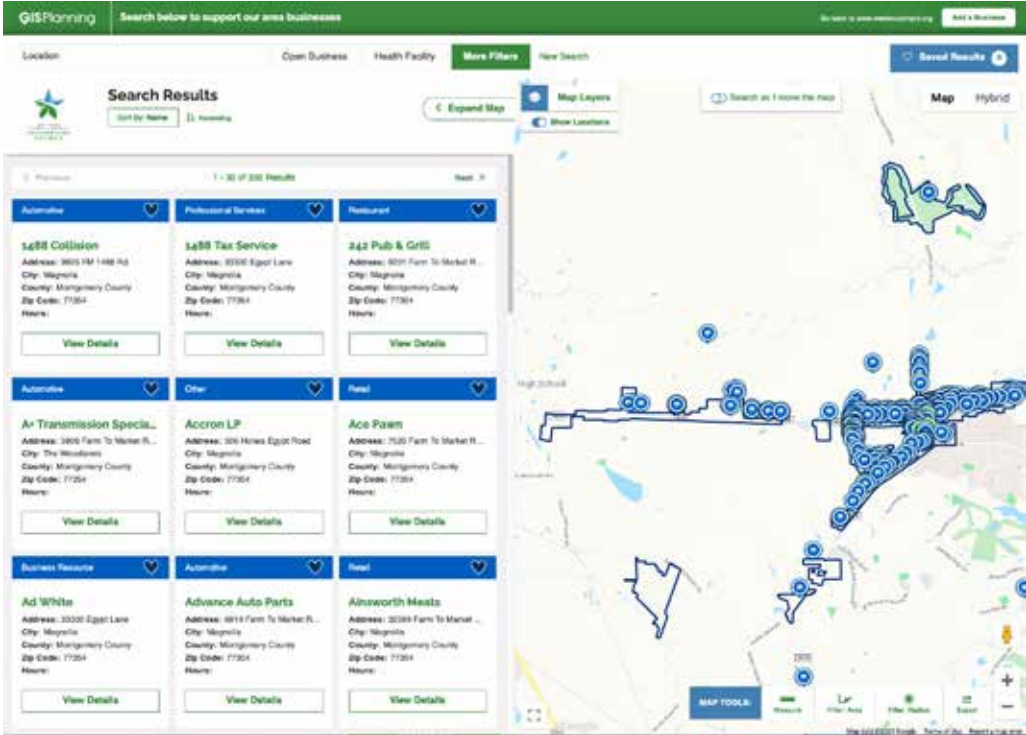
EXAMPLE:

Westwood Magnolia Parkway Improvement District, a GSA client, was one of the first to implement the GIS tools to support their business community.

[See example here.](#)

Price for the Interactive Map: \$2,500/year

Golden Shovel recommends keeping the map on the site for two years and then making a long-term determination after evaluating the usage and overall success of the campaign.



STORIES AND BUSINESS PROFILES

GSA has extensive experience in creating 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 will interview 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 recommends prioritizing BIPOC businesses in Roseville who are participating in the Shop Small/Choose Local 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.

Price Per Article: \$200



CHOOSE LOCAL CAMPAIGN IDEAS

The goal is to capture attention, drive residents to the website and to local businesses so they can buy local. A newsletter signup would allow you to stay in touch with residents who sign up. The campaign should include:

- **Campaign Logo**
- **Tagline/Campaign Name**
- **Roseville Day to Kick it Off**
- **Digital ad campaign to drive traffic to the microsite for Roseville Day and the subsequent days:**
 - Facebook
 - Instagram
 - Google
 - Microsoft
- **Social Media Image Templates** (customized with business images)
- **Videos created by Nine North** to be posted across all platforms.
- **#TakeoutTuesday Supports Restaurants Specifically**
- **Fun Friday**

GSA to come up with a list of “Fun Friday” ideas that would be shared weekly on social media and send residents throughout Roseville. The goal would be to increase residents’ exposure to participating businesses. Campaign could include a scavenger hunt around Roseville to find participating businesses, posting photos of inside businesses and asking residents to guess which one it is, etc.
- **Super Saturday**

Businesses may wish to participate in a Super Saturday where special discounts are offered, etc. For example, the second Saturday of the month could be a “Super Saturday” where businesses offer 10% off, a BOGO, free gift with purchase, etc. GSA would develop ideas and offer participation opportunities to businesses who are part of the campaign.

CHOOSE LOCAL CAMPAIGN IDEAS

- **Support existing Visit Roseville campaigns** and build upon them.

Rose 'INGO' program will run in July and August (#eatlocalroseville #visitrosevillemn). The city's Shop Small/Choose Local campaign will extend beyond their campaign, providing local restaurants with ongoing marketing support and promotional opportunities.

- **Gift Card Program**

Roseville could allocate money to a gift card program where the city buys gift cards from small businesses participating in the campaign. The city would control the rate at which they are given away. An example is to 'give away' gift cards in a raffle similar to what Visit Roseville is doing for their *Rose 'INGO'* program. An Intern would be responsible for validating the location of any participating businesses and ensuring that they are locally-owned (not a chain) prior to them being able to benefit from participation in the gift card program.



SOCIAL MEDIA CAMPAIGN SUPPORT

The City should promote a cohesive social media campaign that creates awareness of Roseville's independent businesses and drives traffic to them. This comprehensive campaign should include a program designed to help participating businesses get set up online and on social media. **Social Media Coaches** could assist with the process of setting up their business on Google Maps, Facebook and Instagram. Once there, businesses will have access to some of the below features with the social media coach helping them to access these incentives:

USING INSTAGRAM'S FREE STICKERS

Instagram is making it easier to promote your business with new stickers you can add to your Stories and profile. Businesses can share **gift cards, food order and fundraiser stickers** that users can tap to purchase. Fundraiser stickers will send a user to your Facebook page or to a personal fundraising page set up for your company. Gift card and food order stickers send users to complete their purchase through your **company's website**.

FREE ADS ON FACEBOOK

Facebook is offering **\$100 million** in cash grants and **ad credits** to small businesses (between two and 50 employees). You can apply for a grant and also take advantage of the resources and free fundraising tools Facebook has recently announced. Business owners can **create a personal fundraiser on Facebook** and also take advantage of the platform's **business resources** with guides for retailers, salons and spas, restaurants and more.

FREE ADS ON GOOGLE AND MICROSOFT

Both platforms offer free ad credits to new businesses or anyone new to their platform.

JOIN OR CREATE A GIFT CARD CAMPAIGN

Operation Main Street and **Support Local** are two initiatives encouraging consumers to buy gift cards now to support local businesses with an immediate cash flow injection. Other GSA customers have created their own campaigns where the EDC matches the gift card purchase dollar for dollar. This incentivizes residents to purchase the gift cards while mitigating any potential fear over the business not being able to fulfill their order in the future.

Roseville could set aside a set dollar amount to go towards a gift card program where the city buys gift cards for small businesses and controls the rate at which they are given away. An example is to 'give away' gift cards in a raffle similar to what Visit Roseville is doing for their *Rose 'INGO'* program. An Intern would be responsible for validating the location of any participating businesses and ensuring that they are locally-owned (not a chain) prior to them being able to benefit from participation in the gift card program.



TIMELINE

- Month 1:**
- Approval of Campaign Estimate
 - Campaign Kick-Off and Messaging Review
 - Presentation of Initial Logo Concepts
 - GSA to Engage Nine North to Begin Video Production Process
- Month 2:**
- Businesses identified for the Nine North videos, production dates TBD with the goal of producing five videos in year one and five videos in year two.
 - Presentation of Marketing Materials Needed (including revisions)
 - Includes content and design
 - GSA to hold campaign meetings with Intern to discuss their responsibilities and role in the campaign. Provide them with information and instructions.
 - Approval of marketing materials for print.
 - Microsite content approved.
 - Microsite design presented (includes GIS Planning map).
 - Delivery of completed microsite.
 - Intern to prepare list of BIPOC businesses in Roseville for one-on-one outreach.
 - Printing of marketing materials.
 - Digital ad mock-ups delivered for approval.
 - Intern to prepare list of all Roseville businesses who qualify to participate in campaign
- Month 2:**
- Small Business Outreach Begins
 - Intern to contact small businesses, providing them with materials and collateral.
 - Social media coach is now available for small businesses.
 - Support offered to businesses looking to participate in the campaign.

TIMELINE

Month 3: Delivery of Marketing Materials

Months 3-18: Videos Delivered

Month 3: Launch of Outbound Campaign

- Ads launched on Google, Facebook and Instagram to promote the campaign (ongoing throughout campaign period).
- Press release promoting the campaign.
- News articles published to promote the campaign.
- Social media engagement campaign kicks off with 20 hours per week spent engaging businesses and the general public.

Months 3-18: Ongoing promotional activities ensures that Roseville businesses (especially BIPOC businesses are participating in the campaign, online and prepared to maximize the 2021 and 2022 holiday seasons):

- Intern to continue contacting small businesses.
- Intern to continue in-person outreach to BIPOC businesses.
- Collaborate with Visit Roseville to cross promote their Rose 'INGO' program in July and August (#eatlocalroseville #visitroseville). This Shop Small/Choose Local campaign will extend beyond their campaign, providing local restaurants with ongoing marketing support and promotional opportunities.
- Social media coach continue helping businesses to get online and apply for advertising grants and incentives available through third parties.
- Social media engagement with up to 20 hours per week spent engaging businesses and the general public.
- Weekly newsletter content created.
- Management of special days like 'Fun Friday' and 'Super Saturday.'
- Weekly gift card giveaway.
- Success story and business profile creation ongoing.
- Support offered to businesses looking to participate in the campaign.

Roseville Day (date TBD)

PRICING

BRANDING PACKAGE:

- Logo Creation, campaign name, style guide.
- Design and production of posters, flyers, t-shirts, and bumper stickers (plus other if needed).
- Includes design of 'sell sheet' of program details.

Estimated Cost:

\$5,000

INTERACTIVE MAP:

Estimated Cost:

\$2,500/year

SUCCESS STORY CREATION:

Estimated Cost:

\$5,000 (up to 25 businesses with an emphasis on telling the stories of Roseville BIPOC businesses)



PRICING

NEWSLETTER CREATION AND MANAGEMENT:

GSA will create weekly newsletter content to 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 Local is a city-led initiative endorsed by the city council.
- Enhanced brand recognition for the city and the Choose Local 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.

GSA will engage with businesses participating in the campaign to generate weekly newsletter content. Newsletter management \$50/hour, not to exceed \$12,800 over 16 months.

- Newsletters would be delivered weekly for 16 months (the first 2 months of the 18 month campaign will be set-up). The content would be generated to promote the local businesses participating in the campaign and be generated by GSA (we are skilled in generating this type of content and have no concerns about our ability to put out a weekly newsletter).

Estimated Costs:

\$50/hour (not to exceed \$12,800 over 16 months)



PRICING

DIGITAL AD CAMPAIGN:

- A digital ad campaign should run on Google, Facebook and Instagram in support of the “Choose Local” campaign. We recommend spending \$3,000 per month for the first 5 months of the campaign (months 3-8).
- After the initial advertising push, GSA recommends allocating a minimum of \$1,000 per month for an ongoing digital ad campaign months (months 9-18).
- Roseville would determine the overall ad spend and the ads would shut down once the dollar amount had been reached.
- GSA would set up the ads, manage them and provide monthly reporting statistics.
- Roseville could choose to convert the Choose Local campaign into a Shop Local campaign for the holidays.

Estimated Cost:

\$26,000 (total recommended ad spend)

VIDEOS:

- Nine North, a local provider of video solutions, will provide Roseville with five (10) 1-2 minute videos of participating businesses or retail areas for \$8,450. 5 videos will be produced in year one and five videos will be produced in year two.
- One of the videos could be used to introduce the campaign,
- GSA recommends that half of the videos focus on participating BIPOC businesses,
- GSA will coordinate with Nine North, assist with content ideas and editing,

Estimated Cost:

\$8,450 (five videos will be produced in year one and five videos will be produced in year two , see end of document for original Nine North estimate)

PRICING

SOCIAL MEDIA CREATIONS AND CAMPAIGN MANAGEMENT (ENGAGING WITH BUSINESSES AND RESIDENTS):

Estimated Cost:

\$50/hour (billed monthly)

Note: 10-20 hours per week for 16 months to promote the campaign and engage businesses and residents online. Up to 960 hours total for a maximum cost of \$48,000.

SMALL BUSINESS SOCIAL MEDIA COACH AND DIGITAL SUPPORT:

- Emphasis on supporting BIPOC businesses in Roseville.
- GSA will help qualifying businesses to 'get online' by setting up their Google My Business profile, social media accounts and Yelp listings.
- GSA will help businesses to apply for free ad credits and incentives (see above for descriptions).
- Should the campaign be very successful and additional businesses want to utilize a social media coach, they can do so for an additional \$750 per business.

Estimated Cost:

\$18,750 (up to 25 businesses)

PRICING

GIFT CARD PROGRAM:

- GSA can promote this program as part of the Gatekeeper service.
- Based on the success of other communities we recommend that Roseville set a budget of \$50,000 to purchase gift cards from participating businesses that will be raffled away weekly.
- St. Paul has a similar program that is being run manually. GSA suggests utilizing the Intern to manage this aspect of the program.

Estimated Cost:

\$50,000 to purchase gift cards from participating businesses that will be raffled away weekly



PRICING

PRINTING:

T-Shirts (Fully Promoted, Roseville Business):



Port & Company® Men's Essential T-Shirt

Item number: TOVIG-EPBTM
 A year-round essential, our best-selling t-shirt has been voted "most popular" by groups, teams, clubs and schools across America. 98/2% cotton/poly (Ash), 90/10% cotton/poly (Athletic Heather), 50/50% cotton/poly (Dark Heather Grey).
 Colors: Aquatic Blue, Ash Heather Gray, Athletic Maroon, Athletic Heather Gray, Brown, Candy Pink, Cardinal Red, Carolina Blue, Charcoal Gray, Colonial Blue, Daffodil Yellow, Dark Green, Deep Marine Blue, Deep Navy Blue, Dill Green, Dark Chocolate Brown, Dark Heather Gray, Dusty Brown, Eggplant Purple, Fiery Red, Forest Green, Gold, Jade Green, Jet Black, Kelly Green, Lavender Purple, Lemon Yellow, Light Blue, Light Sand Beige, Lime Green, Medium Gray, Neutral Natural Beige, Navy Blue, Olive Green, Orange, Orange Sherbet, Pale Pink, Pistachio Green, Purple, Red, Rich Red, Royal Blue, Sand Beige, Sangria Pink, Sapphire Blue, Steel Blue, Stonewashed Blue, Stonewashed Green, Teal Blue, Texas Orange, Turquoise Blue, Ultramarine Blue, Violet Purple, Neutral White, Yellow

Qty	49-99	100-199	200-299	300-499	500-999
Price	\$10.40	\$9.10	\$7.75	\$7.40	\$6.75

Price Includes: 2 Locations each 1 color--screen print
 Additional Charge Details: Size: Small, Medium, Large, X-Large, 2X-Large, 3X-Large, 4X-Large, 5X-Large, 6X-Large
 Additional charge for 2XL and larger

Anvil® Men's 100% Combed Ring Spun Cotton T-Shirt

Item number: MOSFD-JVAVB
 Fabric is made of 100% combed ring spun cotton (Colors), 85/35% poly/ring spun cotton (Heather Blue, Heather Dark Gray, Heather Green, Heather Purple), and 90/10% ring spun cotton/poly (Heather Gray).
 Colors: Black, Caribbean Blue, Charcoal Gray, Charity Pink, Chocolate Brown, Heather Blue, Heather Dark Gray, Heather Green, Heather Gray, Heather Purple, Hot Pink, Independence Red, Kelly Green, Key Lime Green, Navy Blue, Red, Silver, Storm Gray, Purple, Royal Blue, White, Smoke Gray

Qty	49-99	100-199	200-299	300-499	500-999
Price	\$10.65	\$9.35	\$8.00	\$7.65	\$7.00

Price Includes: 2 Locations each 1 color--screen print
 Additional Charge Details: Size: Small, Medium, Large, X-Large, 2X-Large, 3X-Large
 Additional charge for 2XL and larger



Comfort Colors® Men's Heavyweight Ring Spun Tee

Item number: THSEF-MZYEZ
 This tee shirt is made of a soft washed garment dyed fabric with a double needle collar. The garment-dyeing process infuses each garment with unique character. Please allow for slight color variation in production and washing.
 Colors: White, Gray, Blue Jean, Seafoam Green, Chalky Mint Green, Black, Lagoon Blue, Chambray Blue, Crimson Red, Island Reef Green, Watermelon Red, Flo Blue, Pepper Gray, True Navy Blue, Granite Gray, Violet Purple, Ice Blue, Butter Yellow, Brick Red, Neon Red Orange, Denim Blue, Royal Caribe Blue, Berry Purple, Bright Salmon Red, Midnight Blue, Blue Spruce, Light Green, Crunchberry Pink, Red, Blossom Pink, Melon Orange, Sandstone Beige, Washed Denim Blue, Neon Pink, Chili Red, Paprika Red, Grass Green, Sapphire Blue, Yam Brown, Graphite Gray

Qty	49-99	100-199	200-299	300-499	500-999
Price	\$16.00	\$14.70	\$13.35	\$13.00	\$12.35

Price Includes: 2 Locations each 1 color--screen print
 Additional Charge Details: Size: Small, Medium, Large, X-Large, 2X-Large, 3X-Large
 Additional charge for 2XL and larger

If the opportunity exists to use Roseville High School resources for printing, they will be the first choice. Due to the facility moving location, they are currently not available.

PRICING

FLYERS (IMPRESSIVE PRINT)

- 3.5 X 8.5 4/4
- 100# GLOSS COVER
- CUT DELIVER FLAT

Quantity 500: \$142
Quantity 1,000: \$217
Quantity 2,500: \$378
Quantity 5,000: \$436
Quantity 10,000: \$549

POSTERS (IMPRESSIVE PRINT)

- 11 X 17 4/0 100# GLOSS COVER
- DELIVER FLAT

Quantity 500: \$270
Quantity 1,000: \$459
Quantity 2,500: \$633
Quantity 5,000: \$976
Quantity 10,000: \$1,604

WINDOW CLINGS (IMPRESSIVE PRINT)

- Reverse Printed GF255 Optically Clear Adhesive Vinyl Color Backed Up With White)
- 5.5 x 8.5
- 2nd Surface

Quantity 500: \$1.75/each
Quantity 1,000: \$1.50/each
Quantity 2,500: \$1.40/each

If the opportunity exists to use Roseville High School resources for printing, they will be the first choice. Due to the facility moving location, they are currently not available.



EXAMPLES

JAMESTOWN GIFT CARD PROGRAM

The Give Get Grow gift card campaign, run by the Jamestown Area Chamber of Commerce (JACC) and Jamestown/Stutsman Development Corporation (JSDC), raised over \$65,000 for local businesses this past summer. Companies donated \$30,000 in cash and in-kind donations for the campaigns 'matching pool'.

"All it took was a few initial champions to provide one of the first donations, like Otter Tail Power Company, and then they really took off. It was heartwarming to see how many donations we received, even from those who were struggling significantly with the COVID-19 restrictions."

The "Get" segment provided was the heart of the ability to funnel money back into the local economy. They sought out local businesses to participate in a gift card sale, with a minimum donation of \$25 to the matching pool allowing the business to be eligible. 51 merchants throughout Stutsman County chose to participate. Then, beginning August 17, the JACC held a virtual marketplace on their website for consumers to purchase gift cards to the participating businesses. Consumers could purchase \$25 gift cards and receive one equivalent \$25 gift card to that same merchant for each they purchased, with the equivalent gift cards funded from the matching pool. By doing so, the merchants who chose to participate in the sale benefited from the two-for-one deal as well, receiving money from the consumer and the matching pool. Overall, the community response was unbelievable.

"The \$30,000 matching pool used to match consumer purchases was exhausted in four hours and 100% of the participating merchants had at least one gift card purchased for their establishment."



EXAMPLES

OTTUMWA HELP FOR DIGITAL MARKETING

This campaign offered no-cost support to small businesses looking to improve their online presence (social media, Google, website, etc.). This hands-on support is helping businesses to move online so they can attract more customers now and in the future.

OTTUMWA HELP FOR RESTAURANTS

This aspect of Ottumwa’s campaign is specifically geared towards restaurants. They are offering free help with their social media, putting their menu online, and making it possible for them to accept online takeout orders.



CAN'T FIGURE OUT SOCIAL MEDIA? WANT TO GET YOUR SHOP ON THE WEB? NEED BETTER PHOTOGRAPHS OF YOUR MENU? NOT SURE WHERE TO START?

Greater Ottumwa Partners in Progress is here to help with **NO-COST digital media and marketing assistance for small businesses!**

Please contact Sharon Stroh to learn more:
641.799.1203 sstroh@ottumwaiowa.com

*Businesses will be assisted on a first-come, first-served basis through June 2022.
Program is funded by the U.S. Economic Development Administration 2020 CARES Act.*



EXAMPLES



PHELPS COUNTY MAGIC GIFT CARD PROGRAM

Phelps County gift card program fueled over \$100,000 into local economy. The Magic Multiplier gift card program, which began on April 1, matches the price of the gift cards purchased from local businesses in Phelps County and gives that amount directly to the business where the gift card was purchased.

Since the Phelps County Development Corporation (PCDC) has stepped in to help local businesses in Phelps County that have closed due to the COVID-19 pandemic by offering the Magic Multiplier gift card program, local residents have purchased more than \$52,000 in gift certificates to more than 60 Phelps County businesses in the first 10 days.

The PCDC match goes directly to the business. So, essentially a \$50 gift certificate turns into a \$100 for that business (\$50 from PCDC and \$50 from the customer).

EXAMPLES

EAST SIDE AREA BUSINESS ASSOCIATION #EASTSIDE EATS

Social Media blitz after the second restaurant shutdown highlighting take-out for East St. Paul restaurants. Blitz culminated in a community group effort in getting take-out 'for sure' on a specific Thursday evening. See examples of content below:

- <https://www.esaba.org/events/p/event/14040/east-side-connect!-if-you-build-it-eastsideeats-skatepark-update?t=25433>
- <https://www.esaba.org/news-and-media/p/item/31623/esabas-guide-to-restaurant-support>
- <https://www.esaba.org/news-and-media/p/item/31285/st-pauls-gathering-place-swede-hollow-cafe>



REFERENCES

<https://about.americanexpress.com/all-news/news-details/2018/Another-Reason-to-Shop-Small-on-Small-Business-Saturday-Approximately-67-Cents-of-Every-Dollar-Spent-at-a-Small-Business-Remains-in-the-Local-Community/default.aspx>



DISCLAIMER

All pricing subject to change with change in parameters. Estimate also does not include any outside costs not noted as stock illustrations, stock photography, stock music, etc.

MISC.

'Sponsorships' may be explored as an additional method of paying for the campaign or adding elements to the campaign.



Golden Shovel 
GROUNDBREAKING ECONOMIC
DEVELOPMENT MARKETING &
COMMUNICATIONS

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