



**CITY OF SAINT ANTHONY VILLAGE
HOUSING AND REDEVELOPMENT AUTHORITY AGENDA
DECEMBER 10, 2019**

Call to Order.

Roll Call.

I. Approval of December 10, 2019, H.R.A. Agenda.

II. Consent Agenda.

These items are considered routine and will be enacted by one motion. There will be no separate discussion of these items unless a Councilmember or citizen so requests, in which event the item will be removed from the Consent Agenda and placed elsewhere on the agenda.

- A. Approve November 12, 2019, H.R.A. Minutes.
- B. Claims.

III. Public Hearings.

IV. General Policy of Business of the H.R.A.

- A. Resolution 19-05 a resolution Approving Contract for Private Redevelopment and Awarding the Sale of, and Providing the Form, Terms, Covenants and Directions for the Issuance of its Tax Increment Revenue Notes to Doran SLV, LLC. Stacie Kvivilang, Ehlers and Associates presenting.

V. Staff Reports.

VI. H.R.A. Commissioner Comments.

VII. Information and Announcements.

VIII. Adjournment.

If you would like to request special accommodations or alternative formats, please contact the City Clerk at 612-782-3313 or email city@savmn.com. People who are deaf or hard of hearing can contact us by using 711 Relay.

**CITY OF ST. ANTHONY
HOUSING AND REDEVELOPMENT AUTHORITY MEETING
NOVEMBER 12, 2019**

CALL TO ORDER.

Chair Faust called the meeting to order at 7:47 p.m.

ROLL CALL.

Present: Chair Faust, Commissioners Gray, Jenson, Randle and Stille

Absent:

Also Present: Executive Director Mark Casey, City Attorney Jay Lindgren

I. APPROVAL OF NOVEMBER 12, 2019 H.R.A. AGENDA.

Motion by Commissioner Gray, seconded by Commissioner Randle, to approve the November 12, 2019 Housing and Redevelopment Authority Agenda as presented.

Motion carried 5-0.

II. CONSENT AGENDA.

- A. H.R.A. Meeting Minutes of October 8, 2019; and
- B. Claims.

Motion by Commissioner Randle, seconded by Commissioner Jenson, to approve the Consent Agenda.

Motion carried 5-0.

III. PUBLIC HEARINGS – NONE.

IV. GENERAL POLICY BUSINESS OF THE H.R.A.

- a. A portion of this meeting may be closed pursuant to Minnesota Statutes, Section 13D.05, subd. 3(c)(1) regarding property located at 2654 Kenzie Avenue Northeast.

Motion by Commissioner Randle, seconded by Commissioner Stille, to close the meeting.

Motion carried 5-0.

Motion by Commissioner Stille, seconded by Commissioner Jenson, to open the meeting.

Motion carried 5-0.

Housing and Redevelopment Authority Meeting Minutes

November 12, 2019

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1

2 **V. STAFF REPORTS – NONE.**

3

4 **VI. H.R.A. COMMISSIONER COMMENTS – NONE.**

5

6 **VII. INFORMATION AND ANNOUNCEMENTS – NONE.**

7

8 **VIII. ADJOURNMENT.**

9

10 Chair Faust adjourned the meeting at 8:18 p.m.

11

12 Respectfully submitted,

13 Sue Osbeck

14 *TimeSaver Off Site Secretarial, Inc.*

15

16

17 ATTEST: _____

18 City Clerk

19

Vendor Number	Payee	Check Number	Check Issue Date	Amount
10461	EHLERS & ASSOCIATES, INC.	39723	12/11/2019	712.50
Grand Totals:				712.50

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Memo

To: Mark Casey – City Manager and HRA Executive Director
From: Stacie Kvivilang - Ehlers
Date: December 10, 2019
Subject: Doran Redevelopment – Contract for Private Redevelopment

Doran Companies is proposing to redevelop the former Walmart located at 3800 Silver Lake Road into 496 units of market rate apartments. Following are the main points within the above referenced Agreement:

1. General

- a. Contract for Private Redevelopment with Doran SLV, LLC
- b. Development of 496-units in two (2) phases
 - i. Phase I 258-units
 - ii. Phase II 238-units

2. Development and Timing of Construction

- a. Must commence construction of Phase I by December 31, 2020 and be substantially complete by December 31, 2022
- b. Must commence construction of Phase II by December 31, 2022 and be substantially complete by December 31, 2024

3. Construction Plans

- a. If the Developer makes a material change of \$500,000 or more in the construction plans, the HRA has to approve those changes in writing, which cannot be unreasonable withheld.

4. Payment of Authority Costs

- a. Developer has deposited \$17,500 with the City and is required to reimburse City/HRA for costs of consultants in negotiating and drafting development agreement (fiscal and legal).

5. Tax Increment

- a. Total assistance of \$3.9 million
- b. Up front assistance of \$600,000 for demolition related costs and is paid upon proof of expenditure
- c. The Developer will receive two (2) pay-as-you-go notes totaling of \$3.3 million
 - i. Phase I Note is for \$1,950,000 and Phase II Note is for \$1,350,000
 - 1. Phase II Note may be combined with the Phase I Note and issued upon proof of financing for Phase II and upon receipt by the City/HRA of qualified costs in this amount
 - ii. Term of the TIF Note(s) will be for 9 years (7 years for Phase II Note)
 - iii. Interest will be at the lesser of 5% or the Developer's actual financing rate
 - iv. Developer will receive 25% of the tax increment generated

6. Taxes

- a. If Developer petitions for a reduction in their taxable market value they must inform the City/HRA in writing
- b. The HRA will withhold payment on the TIF Note(s) until the tax petition is dismissed or stipulated

7. Property Management

- a. Developer is required to always engage a property management company with substantial experience in rental housing and must submit evidence upon request

Please contact me at 651-697-8506 with any questions.

Third draft, December 5, 2019

CONTRACT FOR PRIVATE REDEVELOPMENT

By and Between

HOUSING AND REDEVELOPMENT AUTHORITY OF ST. ANTHONY, MINNESOTA

And

CITY OF ST. ANTHONY VILLAGE

and

DORAN SLV, LLC

Dated as of: _____, 2019

This document was drafted by:

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

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SCHEDULE B	Authorizing Resolution
SCHEDULE C	Form of Subordination Agreement

CONTRACT FOR PRIVATE REDEVELOPMENT

THIS AGREEMENT, made as of the _____ day of _____, 2019, by and between the Housing and Redevelopment Authority of St. Anthony, Minnesota, a public body corporate and politic under the laws of Minnesota (the "Authority"), the City of St. Anthony Village, a Minnesota municipal corporation (the "City"), and Doran SLV, LLC, a Minnesota limited liability company (the "Redeveloper").

WITNESSETH:

WHEREAS, the Authority was created pursuant to Minnesota Statutes Sections 469.001 to 469.047 (the "Act") and was authorized to transact business and exercise its powers by a resolution of the City Council of the City; and

WHEREAS, the Authority has undertaken a program to promote the development and redevelopment of land identified as the Northwest Quadrant which is underutilized within the City, and in this connection created its Redevelopment Project Area No. 3 (hereinafter referred to as the "Project") in an area (hereinafter referred to as the "Project Area") located in the City pursuant to the Act; and

WHEREAS, pursuant to the Act, the Authority is authorized to undertake certain activities to facilitate the redevelopment of real property by private enterprise; and

WHEREAS, the Redeveloper intends to construct certain improvements described herein on certain property located in the Project Area (the "Redevelopment Property"), and has represented to the City and Authority that but for financial assistance in connection with redevelopment of the Redevelopment Property, the Redeveloper could not proceed with such activities; and

WHEREAS, the Authority and City have previously established Tax Increment Financing District No. 3-5 (the "TIF District") a redevelopment TIF district, pursuant to Minnesota Statutes, Sections 469.174 to 469.1794, as amended (the "TIF Act"), made up of property in the Project Area including the Redevelopment Property, and are willing to provide assistance to the Redeveloper through tax increment from the TIF District; and

WHEREAS, the Authority believes that the redevelopment of the Redevelopment Property pursuant to this Agreement, and fulfillment generally of this Agreement, are in the vital and best interests of the City and the health, safety, morals, and welfare of its residents, and 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 469.001 to 469.047, as amended.

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

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

“Authority” means the Housing and Redevelopment Authority of St. Anthony, Minnesota.

“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, substantially in the form of attached Schedule B to be adopted by the Authority to authorize the issuance of the Note.

“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.

“Certificate of Occupancy” means the certification provided to the Redeveloper in connection with any Phase of the Minimum Improvements, pursuant to Section 4.4 of this Agreement.

“City” means the City of St. Anthony Village, Minnesota.

“City Representative” means the City Manager of the City, or any person designated by the City Manager to act as the City Representative for the purposes 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 for each building: (1) site plan; (2) foundation plan; (3) underground parking plans; (4) floor plan for each floor; (5) cross sections of each (length and width); (6) elevations (all sides); (7) landscape plan; and (8) 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 and to allow the issuance of a construction permit.

“County” means the County of Ramsey, Minnesota.

“Development Agreement” means the Planned Unit Development Agreement between the City and Redeveloper, dated as of the date of this Agreement.

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

“Holder” means the owner of a Mortgage.

“Maturity Date” means the date that the Note has been paid in full or terminated in accordance with its terms, whichever is earlier.

“Minimum Improvements” means construction on the Redevelopment Property of an approximately 492-unit multifamily rental housing facility comprising Phase I, consisting of approximately 254 housing units, and Phase II, consisting of approximately 238 housing units, along with associated parking.

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

“Note” means either of the Tax Increment Revenue Notes, substantially in the form contained in the Authorizing Resolution, to be delivered by the Authority to the Redeveloper in accordance with Section 3.3 hereof.

“Project” means the Authority’s Redevelopment Project Area No. 3.

“Public Redevelopment Costs” has the meaning provided in Section 3.8(a) hereof.

“Project Area” means the geographic area within the boundaries of the Project.

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

“Redevelopment Plan” means the Redevelopment Plan for the Project.

“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 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.

“Tax Increment District” or “TIF District” means Tax Increment Financing District No. 3-5, a redevelopment TIF district created by the City and the Authority.

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

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

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

“Unavoidable Delays” means delays beyond the reasonable control of the party seeking to be excused as a result thereof which are the direct result of strikes, other labor troubles or shortages, frozen ground or other adverse winter conditions, prolonged adverse or unforeseen weather or acts of God or conditions resulting therefrom, fire or other casualty to the Minimum Improvements, epidemics, quarantines, unavailability of power, unavailability of materials, economic recession (defined as two consecutive quarters in which there is a drop in the gross domestic product, discovery of hazardous materials or other concealed site conditions or delays of contractors due to such discovery, termination and/or eviction of existing tenants, 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 reasonable and customary delays experienced by the Redeveloper in obtaining permits or governmental approvals necessary to enable construction of the Minimum Improvements by the dates such construction is required under Section 4.3 of this Agreement, so long as the Construction Plans have been approved in accordance with Section 4.2 hereof.

ARTICLE II

Representations and Warranties

Section 2.1. Representations by the Authority and City.

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

(b) The City is a municipal corporation duly incorporated and existing under the laws of the State. Under the provisions of State law, the City has the power to enter into this Agreement and carry out its obligations hereunder.

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

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

(e) The activities of the Authority and City are undertaken for the purpose of fostering the redevelopment of certain real property previously occupied by substandard and obsolete buildings, which will revitalize this portion of the Project Area, increase tax base, and increase housing opportunities for City residents.

Section 2.2. Representations and Warranties by the Redeveloper. As of the date of this Agreement, the Redeveloper represents and warrants that:

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

(b) The Redeveloper will construct, operate and maintain the Minimum Improvements in accordance with the terms of this Agreement, the Redevelopment Plan and all local, state and federal laws and regulations (including, but not limited to, environmental, zoning, building code, energy-conservation and public health laws and regulations) in effect at the time of such construction, operation, or maintenance, except for any variances necessary to construct the Minimum Improvements and approved by the City.

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

(d) To the Redeveloper's actual knowledge, 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 in the Project Area may be or will be in violation of any environmental law or regulation (other than those notices or communications of which the Authority is aware) in effect as of the date of this Agreement. 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 in effect as of the date of this Agreement.

(e) To the Redeveloper's actual knowledge, 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 development by the Redeveloper hereunder would not occur but for the tax increment financing assistance being provided by the Authority hereunder.

As used in this Agreement, "actual knowledge" shall mean the actual knowledge of the Chief Manager of the Redeveloper without inquiry or investigation beyond such person's actual knowledge. Such person is named solely for the purpose of defining and narrowing the scope of Redeveloper's knowledge and not for the purpose of imposing any additional liabilities on or creating any additional duties running from such person to Redeveloper.

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

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

Section 3.3. Issuance of Note; Other Assistance.

(a) *Generally.* The Authority and City have determined that, in order to make development of the Minimum Improvements financially feasible, it is necessary to reimburse Redeveloper for a portion of the cost of demolition, site preparation, retaining wall construction, utilities, and underground structured parking (the “Public Redevelopment Costs”), subject to the terms of this Section.

(b) *Upfront Assistance.* To reimburse the demolition portion of the Public Redevelopment Costs incurred by Redeveloper, the Authority shall provide the Redeveloper with a single payment of \$600,000 (the “Demolition Payment”) upon Redeveloper having delivered to the Authority one or more certificates signed by the Redeveloper’s duly authorized representative, together with reasonable evidence that at least \$600,000 in costs for demolition have been paid or incurred by or on behalf of the Redeveloper. The Authority may, if not satisfied with the evidence provided by Redeveloper, return such evidence with a statement of the reasons why it is not acceptable and requesting such further documentation or clarification as the Authority may reasonably require. Promptly upon delivery by the Redeveloper to the Authority of such further

documentation, and if such further documentation is found reasonably sufficient, the Authority will deliver the Demolition Payment to the Redeveloper.

(c) *Notes; Terms.* To reimburse the remainder of the Public Redevelopment Costs incurred by the Redeveloper, the Authority shall issue and the Redeveloper shall purchase one or two Notes in the maximum aggregate principal amount of \$3,300,000. The maximum principal amount of the Note issued in connection with construction of Phase I of the Minimum Improvements shall be \$1,950,000, and the maximum amount of the Note issued in connection with construction of Phase II of the Minimum Improvements shall be \$1,350,000. The Authority shall issue and deliver each Note upon 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) submitted and obtained Authority approval of financing in accordance with Section 7.1; and

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

The terms of the Notes will be substantially those set forth in the form of the Note shown in Schedule B, and the Notes will be subject to all terms of the Authorizing Resolution, which are incorporated herein by reference.

(d) *Single Note.* Notwithstanding the foregoing, the Authority shall issue and the Redeveloper shall purchase a single Note in the maximum principal amount of \$3,300,000 if the following conditions are met:

- (i) The Redeveloper provides evidence of Public Redevelopment Costs in the full aggregate principal amount of \$3,300,000 in accordance with Section 3.3(c)(i) hereof;
- (ii) The Redeveloper submits and obtains Authority approval of financing for Phase II of the Minimum Improvements in accordance with Section 7.1; and
- (iii) The Authority has not previously issued any Note to the Redeveloper in accordance with this Agreement.

(e) *Assignment of Notes.* The Authority acknowledges that the Redeveloper may assign one or both Notes 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; provided that an investment letter shall not be required in connection with a collateral assignment of either Note to a lender providing mortgage financing for acquisition of the Redevelopment Property or construction of the Minimum Improvements.

(f) *Qualifications.* The Redeveloper understands and acknowledges that the Authority makes no representations or warranties regarding the amount of Tax Increment, or that revenues pledged to the Notes will be sufficient to pay the principal and interest on the Notes. Any estimates of Tax Increment prepared by the Authority or its municipal advisor in connection with the TIF District or this Agreement are for the benefit of the Authority, and are not intended as representations on which the Redeveloper may rely. Public Redevelopment Costs exceeding the principal amount of either Note are the sole responsibility of Redeveloper.

Section 3.4. Business Subsidy. The parties agree and understand that the financial assistance described in this Agreement does not constitute a business subsidy within the meaning of the Business Subsidy Act, because the assistance is for housing, an enumerated exception under Section 116J.993, subd. 3(7) of the Business Subsidy Act. The Redeveloper releases and waives any claim against the Authority and its governing body members, officers, agents, servants and employees thereof arising from application of the Business Subsidy Act to this Agreement, including without limitation any claim that the Authority failed to comply with the Business Subsidy Act with respect to this Agreement.

Section 3.5. Payment of Authority Costs. The Redeveloper agrees that it will pay, within 30 days after written notice from the Authority, the reasonable costs of consultants and attorneys retained by the Authority in connection with the establishment of the TIF District, any necessary modification of the TIF Plan for the TIF District, and the negotiation and preparation of this Agreement and other incidental agreements and documents contemplated hereunder, including without limitation agreements and documents related to land conveyance, development and financing assistance. 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 45 days. The Authority acknowledges receipt of Redeveloper's initial deposit of \$17,500, which will be credited to the Redeveloper's obligations 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.

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

ARTICLE IV

Construction of Minimum Improvements

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

Section 4.2. **Construction Plans.**

(a) Before commencing construction of the Minimum Improvements, the Redeveloper shall submit to the Authority Construction Plans for the Minimum Improvements. The Construction Plans shall provide for the construction of the Minimum Improvements and shall be in conformity with this Agreement, the Redevelopment Plan and all applicable State and local laws and regulations in effect at the time of such submittal. The Authority will approve the Construction Plans in writing if (i) the Construction Plans conform to all material terms and conditions of this Agreement; (ii) the Construction Plans conform to the goals and objectives of the Redevelopment Plan; (iii) the Construction Plans conform to all applicable federal, state and local laws, ordinances, rules and regulations in effect at the time of such submittal; (iv) the Construction Plans are adequate to provide for construction of the Minimum Improvements; (v) 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 has occurred and is continuing. 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 20 days after the date of receipt of final plans from the Redeveloper. 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 receipt by the Redeveloper of the Authority's written notification 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, conditioned, or delayed. Said approval shall constitute a conclusive determination that the Construction Plans (and the Minimum Improvements, constructed in accordance with said plans) comply to the Authority's satisfaction with the provisions of this Agreement relating thereto.

The Redeveloper hereby waives any and all claims and causes of action whatsoever resulting from the review of the Construction Plans by the Authority and/or any changes in the

Construction Plans requested by the Authority. Neither the Authority, the City, nor any employee or official of the Authority or City shall be responsible in any manner whatsoever for any defect in the Construction Plans or in any work done pursuant to the Construction Plans, including changes requested by the Authority.

(b) If the Redeveloper desires to make any material change in the Construction Plans or any component thereof after their approval by the Authority, the Redeveloper shall submit the proposed change to the Authority for its approval. For the purpose of this section, the term "material" means changes that increase or decrease construction costs by \$500,000 or more. If the Construction Plans, as modified by the proposed change, conform to the requirements of this Section 4.2 of this Agreement, the Authority shall approve the proposed change and promptly notify the Redeveloper in writing of its approval. Such change in the Construction Plans shall, in any event, be deemed approved by the Authority unless rejected, in whole or in part, by written notice by the Authority to the Redeveloper, setting forth in detail the reasons therefor. Such rejection shall be made within 10 days after receipt of the notice of such change. The Authority's approval of any such change in the Construction Plans will not be unreasonably withheld, conditioned or delayed.

Section 4.3. Commencement and Completion of Construction.

(a) Subject to Unavoidable Delays, the Redeveloper shall commence construction of Phase I of the Minimum Improvements by December 31, 2020, and subject to Unavoidable Delays, market conditions and economic feasibility, anticipates commencing construction of Phase II of the Minimum Improvements by December 31, 2021. Subject to Unavoidable Delays, the Redeveloper shall complete the construction of Phase I of the Minimum Improvements by June 30, 2022, and subject to Unavoidable Delays, market conditions and economic feasibility, anticipates completing the construction of Phase II 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 substantial conformity with the Construction Plans as submitted by the Redeveloper and approved or deemed approved by the Authority.

(b) 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 periods and subject to the conditions specified in this Section 4.3 of this Agreement.

Section 4.4. Certificate of Occupancy. The construction of each Phase of the Minimum Improvements shall be deemed to be substantially complete upon issuance of a final certificate of occupancy or temporary or partial certificate of occupancy with conditions reasonably acceptable to the Authority for such Phase of the Minimum Improvements.

Section 4.5. Records. Prior to the Maturity Date, the Authority and the City, through their authorized representatives, shall have the right during normal business hours after reasonable notice to inspect, and examine all books and records of Redeveloper relating to the development and

construction of the Minimum Improvements. Such records shall be kept and maintained by Redeveloper through the Maturity Date.

Section 4.6. Management. Commencing upon receipt of a Certificate of Occupancy and continuing until the Maturity Date, the Redeveloper shall at all times engage a property management company with substantial experience in operating rental housing developments. The Redeveloper will submit reasonable evidence of such management upon request by the Authority.

Section 4.7. Conformity to Contracts. The Redeveloper shall construct the Minimum Improvements pursuant to this Agreement and the Development Agreement.

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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 – Total Insured Value Basis," in an amount equal to 100% of the principal amount of the 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, operations of subcontractors, completed operations, and contractual liability insurance) 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 Maturity 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 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, 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 Authority as an additional insured.

(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 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 (no more than annually) with the Authority evidence of all such insurance, or a certificate or certificates or binders of the respective insurers stating that such insurance is in force and effect. Unless otherwise provided in this Article V of this Agreement each policy shall contain a provision that the insurer shall not cancel nor modify it in such a way as to reduce the coverage provided below the amounts required herein without giving written notice to the Redeveloper and the Authority at least 30 days before the cancellation or modification 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 \$1,000,000 in amount to, or destruction of, the Minimum Improvements or any portion thereof resulting from fire or other casualty. In such event the Redeveloper, except as expressly provided in this Article, 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.

The Redeveloper shall complete the repair, reconstruction and restoration of the Minimum Improvements, regardless of whether the net proceeds of insurance received by the Redeveloper for such purposes are sufficient to pay for the same. Any net proceeds remaining after completion of such repairs, construction, and restoration shall be the property of the Redeveloper.

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

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

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.

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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 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 Maturity 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 (except for demolition required for construction of the Minimum Improvements); or (B) willful refusal to reconstruct damaged or destroyed property pursuant to Section 5.1 of this Agreement, except as provided in Section 5.1(c). The Redeveloper also agrees that it will not, prior to the Maturity 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 pursuant to the City Hall Contract), or apply for a deferral of property tax on the Redevelopment Property pursuant to any law.

Section 6.3. Nothing in this Agreement shall limit the right of the Redeveloper, or its successors and assigns, to bring a tax petition challenging a market value determination for any Phase of the Minimum Improvements on the Redevelopment Property; 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 withhold all payments of principal and interest on the applicable Note or Notes 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 for the Minimum Improvements. The Authority's suspension of payments on any Note pursuant to this Section 6.3 shall not constitute an Event of Default under Article IX hereof.

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ARTICLE VII

Other Financing

Section 7.1. Generally. Prior to commencement of construction of each Phase of the Minimum Improvements, 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 such Phase of the Minimum Improvements.

Section 7.2. Authority's Option to Cure Default on Mortgage. In the event that any portion of the Redeveloper's construction costs for either Phase of the Minimum Improvements is provided through mortgage financing authorized pursuant to this Article VII of this Agreement, and there occurs a default under such Mortgage, 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 the cure period(s) afforded to the Redeveloper under such Mortgage or any loan documents relating thereto, subject to the terms of such Mortgage or loan documents.

Section 7.3. Subordination; Assignment. The Authority and City each agree to subordinate their respective rights under this Agreement to the Holder of any Mortgage securing construction or permanent financing, in accordance with the terms of a subordination agreement substantially in the form attached as Schedule E, or such other form as the Authority and City reasonably approve. The Authority and City further agree to consent to a collateral assignment of this Agreement to the Holder of any Mortgage securing construction or permanent financing, under terms and conditions reasonably acceptable to the Authority and City.

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ARTICLE VIII

Prohibitions Against Assignment and Transfer; Indemnification

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

Section 8.2. Prohibition Against Redeveloper's Transfer of Property and Assignment of Agreement. The Redeveloper represents and agrees that prior to issuance of a Certificate of Occupancy for all Phases of the Minimum Improvements:

(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 redevelopment 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 (other than existing leases and leases to residential tenants), 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, conditioned, or delayed, subject to the standards described in paragraph (b) of this Section) unless the Redeveloper remains liable and bound by this Redevelopment Agreement in which event the Authority's approval is not required. Any such Transfer shall be subject to the provisions of this Agreement. For the purposes of this Agreement, the term Transfer does not include (i) acquisition of a controlling interest in Redeveloper by another entity or merger of Redeveloper with another entity; or (ii) any sale, conveyance, or transfer in any form to any Affiliate.

(b) In the event the Redeveloper, upon Transfer of the Redevelopment Property or any portion thereof before issuance of the Certificate of Occupancy for both Phases of the Minimum Improvements, seeks to be released from its obligations under this Redevelopment Agreement as to the portion of the Redevelopment Property that is transferred, the Authority and City shall be entitled to require, except as otherwise provided in the Agreement, as conditions to any such release that:

(i) Any proposed transferee shall have the qualifications and financial responsibility, in the reasonable judgment of the Authority and City, 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 reasonably satisfactory to the Authority and City and in form recordable in the public land records of Ramsey County,

Minnesota, shall, for itself and its successors and assigns, and expressly for the benefit of the Authority and City, 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 or City 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 or City 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 or City would have had, had there been no such Transfer or change. In the absence of specific written agreement by the Authority and City to the contrary, no such Transfer or approval by the Authority and City thereof shall be deemed to relieve the Redeveloper, or any other party bound in any way by this Agreement or otherwise with respect to the Redevelopment Property, from any of its obligations with respect thereto.

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

(iv) At the written request of Redeveloper, the Authority and City shall execute and deliver to Redeveloper and the proposed transferee an estoppel certificate containing commercially customary and reasonable certifications.

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

(c) After issuance of a Certificate of Occupancy for the final Phase of the Minimum Improvements, the Redeveloper may transfer or assign the Redevelopment Property or the Redeveloper's interest in this Agreement without the prior written consent of the Authority or City. The Redeveloper shall provide to the Authority and City notice of any such Transfer. Any transferee or assignee shall be bound by all of the Redeveloper's obligations hereunder. The Redeveloper shall submit to the City and Authority written evidence of such Transfer, including the transferee's or assignee's express assumption of the Redeveloper's obligations under this Agreement. If the Redeveloper fails to provide such evidence of Transfer and assumption, the Redeveloper shall remain bound by all of its obligations under this Agreement.

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

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

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

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

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ARTICLE IX

Events of Default

Section 9.1. Events of Default Defined. The following shall be “Events of Default” under this Agreement and the term “Event of Default” shall mean, whenever it is used in this Agreement, any one or more of the following events, after the non-defaulting party provides thirty (30) days written notice to the defaulting party of the event, but only if the event has not been cured within said thirty (30) days or, if the event is by its nature incurable within thirty (30) days, the defaulting party does not, within such thirty- (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, the Authority, or the City to observe or perform any covenant, condition, obligation, or agreement on its part to be observed or performed under this Agreement.

(b) If, before issuance of the Certificate of Occupancy for all Phases of the Minimum Improvements for which the Redeveloper has commenced construction, 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 and is continuing, the non-defaulting party may:

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

(b) Upon the occurrence and during the continuation of an Event of Default by the Redeveloper under this Agreement, the Authority may terminate the Note and this Agreement.

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

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

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

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

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ARTICLE X

Additional Provisions

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

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

Section 10.3. Restrictions on Use. The Redeveloper agrees, subject to the terms of this Agreement, that until the Maturity Date, the Redeveloper, and such successors and assigns, shall devote the Redevelopment Property to the operation of the Minimum Improvements as described in Section 4.1 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 construction or maintenance of the Minimum Improvements or in the use or occupancy of the Redevelopment Property or any improvements erected or to be erected thereon, or any part thereof.

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

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

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

To Redeveloper:

Doran SLV, LLC

Attn: Kelly Doran and Evan Doran

7803 Glenroy Road, Suite 200
Bloomington, MN 55439

With a copy to: Doran SLV, LLC
Attn: Legal Department
7803 Glenroy Road, Suite 200
Bloomington, MN 55439

To Authority: Housing and Redevelopment Authority of St. Anthony,
Minnesota
Attn: Executive Director
3301 Silver Lake Road
St. Anthony Village, MN 55418

To City: City of St. Anthony Village
Attn: City Manager
3301 Silver Lake Road
St. Anthony Village, MN 55418

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 and City Approvals. Unless otherwise specified, any approval required by the Authority or City under this Agreement may be given by the Authority Representative or City Representative, as applicable, except that final approval of issuance of the Note shall be made by the Authority's board of commissioners and any action requested pursuant to Section 7.3 hereof shall be made by formal action of the Authority and City.

Section 10.11. Termination. This Agreement terminates on the Maturity Date.

Section 10.12. Dates. If the final day of a period or a date of performance under this Agreement falls on a Saturday, Sunday, or legal holiday, then the final day of such period or date of performance shall be deemed to fall on the next succeeding day which is not a Saturday, Sunday, or legal holiday.

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

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

HOUSING AND REDEVELOPMENT
AUTHORITY OF ST. ANTHONY, MINNESOTA

By _____
Its Chair

By _____
Its Executive Director

STATE OF MINNESOTA)
) SS.
COUNTY OF RAMSEY)

The foregoing instrument was acknowledged before me this _____ day of _____, 2019
by _____ and _____ the Chair and Executive Director of the
Housing and Redevelopment Authority of St. Anthony, Minnesota, a public body corporate and
politic and political subdivision of the State of Minnesota, on behalf of the Authority.

Notary Public

CITY OF ST. ANTHONY VILLAGE

By _____
Its Mayor

By _____
Its City Clerk

STATE OF MINNESOTA)
) SS.
COUNTY OF RAMSEY)

The foregoing instrument was acknowledged before me this _____ day of _____, 2019
by _____ and _____ the Mayor and City Clerk of the City of St.
Anthony Village, a Minnesota municipal corporation, on behalf of the City.

Notary Public

DORAN SLV, LLC

By _____
Its _____

STATE OF MINNESOTA)
) SS.
COUNTY OF RAMSEY)

The foregoing instrument was acknowledged before me this _____ day of _____, 2019,
by _____, the _____ of Doran SLV, LLC, a Minnesota
limited liability company, on behalf of the company.

Notary Public

SCHEDULE A

REDEVELOPMENT PROPERTY

Lot 2, Block 1, Silver Lake Village, according to the recorded plat thereof and situate in Ramsey County, Minnesota

Outlot B, Silver Lake Village, according to the recorded plat thereof and situate in Ramsey County, Minnesota.

SCHEDULE B

AUTHORIZING RESOLUTION

HOUSING AND REDEVELOPMENT AUTHORITY OF ST. ANTHONY, MINNESOTA

RESOLUTION NO. _____

RESOLUTION APPROVING CONTRACT FOR PRIVATE REDEVELOPMENT AND AWARDING THE SALE OF, AND PROVIDING THE FORM, TERMS, COVENANTS AND DIRECTIONS FOR THE ISSUANCE OF ITS TAX INCREMENT REVENUE NOTES TO DORAN SLV, LLC.

BE IT RESOLVED BY the Board of Commissioners ("Board") of the Housing and Redevelopment Authority of St. Anthony, Minnesota (the "Authority") as follows:

Section 1. Recitals; Approval and Authorization; Award of Sale.

1.01. Recitals. (a) The Authority and the City of St. Anthony Village (the "City") have heretofore approved the establishment of Tax Increment Financing District No. 3-5 (the "TIF District") within Redevelopment Project No. 3 ("Project"), and have adopted a tax increment financing plan for the purpose of financing certain improvements within the Project.

(b) To facilitate the redevelopment of certain property within the Project and TIF District, the Authority, the City, and Doran SLV, LLC (the "Owner") have negotiated a Contract for Private Redevelopment (the "Agreement") which provides for the construction by the Owner of a two-phase rental housing facility and associated parking on the Redevelopment Property, and the issuance by the Authority of one or two Tax Increment Revenue Notes (Silver Lake Village Project) (the "Notes") to the Owner.

1.02. Approval of Agreement. (a) The Agreement is hereby in all respects approved, subject to modifications that do not alter the substance of the transaction and that are approved by the Chair and Executive Director, provided that execution of the Agreement by such officials shall be conclusive evidence of approval.

(b) Authority staff and officials are authorized to take all actions necessary to perform the Authority's obligations under the Agreement as a whole, including without limitation execution of any documents to which the Authority is a party referenced in or attached to the Agreement, all as described in the Agreement.

1.03. Issuance, Sale, and Terms of the Notes. (a) The Authority hereby authorizes the Chair and Executive Director to issue the Notes in accordance with the Agreement. All

capitalized terms in this resolution have the meaning provided in the Agreement unless the context requires otherwise.

(b) The Notes shall be issued to the Owner in the maximum aggregate principal amount of \$3,300,000 in consideration of certain eligible costs incurred by the Owner in connection with construction of the Minimum Improvements under the Agreement. If two Notes are issued, the Note issued in connection with Phase I of the Minimum Improvements shall be issued in the maximum principal amount of \$1,950,000, and the Note issued in connection with Phase II of the Minimum Improvements shall be issued in the maximum principal amount of \$1,350,000, subject to the terms of the Agreement. The Notes shall be dated the date of delivery thereof and shall bear interest at the lesser of the rate of 5% per annum or the actual rate of the Owner's mortgage financing, from the date of issue to the earlier of maturity or prepayment. The Notes will be issued in the principal amount of Public Redevelopment Costs related to each Phase of the Minimum Improvements and submitted and approved in accordance with Section 3.3 of the Agreement. The Notes are secured by Available Tax Increment, as further described in the form of the Note herein. The Authority hereby delegates to the Executive Director the determination of the date on which the Notes are to be delivered, in accordance with the Agreement.

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

Section 3. Terms, Execution and Delivery.

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

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

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

3.03. Registration. The Authority hereby appoints the Finance Director of the City 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 Notes and the registration of transfers and exchanges of the Notes.

(b) Transfer of Note. Upon surrender for transfer of any Note duly endorsed by the registered owner thereof or accompanied by a written instrument of transfer, in form reasonably satisfactory to the Registrar, duly executed by the registered owner thereof or by an attorney duly

authorized by the registered owner in writing, the Registrar shall authenticate and deliver, in the name of the designated transferee or transferees, a new Note of a like aggregate principal amount and maturity, as requested by the transferor. The Registrar may close the books for registration of any transfer after the fifteenth day of the month preceding each Payment Date and until such Payment Date.

(c) Cancellation. Any 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 any 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 any Note is at any time registered in the bond register as the absolute owner of such 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 any Note, the Registrar may impose a charge upon the owner thereof sufficient to reimburse the Registrar for any tax, fee, or other governmental charge required to be paid with respect to such transfer or exchange.

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

3.04. Preparation and Delivery. The Notes shall be prepared under the direction of the Finance Director of the City 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 any Note shall cease to be such officer before the delivery of such Note, such signature shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until delivery.

When the Note has been so executed, it shall be delivered by the Executive Director to the Owner thereof in accordance with the Agreement.

Section 4. Security Provisions.

4.01. Pledge. The Authority hereby pledges to the payment of the principal of and interest on the Notes all Available Tax Increment attributable to relevant Phase of the Minimum Improvements as defined in the Notes. Available Tax Increment shall be applied to payment of the principal of and interest on the Notes in accordance with the terms of the form of Note set forth in Exhibit A to this resolution.

4.02. Bond Fund. Until the date the Notes are no longer outstanding and no principal thereof or interest thereon (to the extent required to be paid pursuant to this resolution) remains unpaid, the Authority shall maintain separate and special "Bond Funds" to be used for no purpose other than the payment of the principal of and interest on the Notes. The Authority irrevocably agrees to appropriate to each Bond Fund on or before each Payment Date the Available Tax Increment in an amount equal to the Payment then due, or the actual Available Tax Increment, whichever is less. Any Available Tax Increment remaining in the Bond Funds shall be transferred to the Authority's account for the TIF District upon the termination of the Notes in accordance with their terms.

4.03. Additional Obligations. The Authority will issue no other obligations secured in whole or in part by Available Tax Increment unless such pledge is on a subordinate basis to the pledge on the Notes.

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 Notes 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 Notes 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 approval.

EXHIBIT A TO AUTHORIZING RESOLUTION

Form of Note

UNITED STATE OF AMERICA
STATE OF MINNESOTA
COUNTY OF RAMSEY
HOUSING AND REDEVELOPMENT AUTHORITY OF ST. ANTHONY, MINNESOTA

No. R-1 \$ _____

TAX INCREMENT REVENUE NOTE
SERIES 20 _____
(Silver Lake Village Project)

Rate _____ % Date
of Original Issue

The Housing and Redevelopment Authority of St. Anthony, Minnesota ("Authority") for value received, certifies that it is indebted and hereby promises to pay to Doran SLV, LLC or registered assigns (the "Owner"), the principal sum of \$ _____ and to pay interest thereon at the rate of _____ % per annum, solely from the sources and to the extent set forth herein. Capitalized terms shall have the meanings provided in the Contract for Private Redevelopment between the Authority, the City of St. Anthony Village, and the Owner, dated as of _____, 2019 (the "Agreement"), unless the context requires otherwise.

1. Payments. Principal and interest ("Payments") shall be paid on August 1, 20 _____ and each February 1 and August 1 thereafter to and including February 1, 2031 ("Payment Dates") in the amounts and from the sources set forth in Section 3 herein. Payments shall be applied first to accrued interest, and then to unpaid principal. Simple interest accruing from the date of issue through and including February 1, 20 _____ shall be added to principal.

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

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

3. Available Tax Increment. (a) Payments on this Note are payable on each Payment Date solely from and in the amount of Available Tax Increment, which shall mean 25% of the Tax Increment attributable to [Phase I/Phase II] of the Minimum Improvements and Redevelopment Property that is paid to the Authority by Ramsey County in the six months preceding each Payment Date on the Note.

(b) The Authority shall have no obligation to pay principal of and interest on this Note on each Payment Date from any source other than Available Tax Increment and the failure of the Authority to pay principal or interest on this Note on any Payment Date shall not constitute a default hereunder as long as the Authority pays principal and interest hereon to the extent of Available Tax Increment. The Authority shall have no obligation to pay any unpaid balance of principal or accrued interest that may remain after the final Payment on February 1, 2031.

4. Default. If on any Payment Date there has occurred and is continuing any Event of Default under the Agreement, the Authority may withhold from payments hereunder under all Available Tax Increment. If the Event of Default is thereafter cured in accordance with the Agreement, the Available Tax Increment withheld under this Section shall be deferred and paid, without interest thereon, within 30 days after the Event of Default is cured. If the Event of Default is not cured in a timely manner, the Authority may terminate this Note by written notice to the Owner in accordance with the Agreement.

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

6. Nature of Obligation. This Note is one of an issue in the total principal amount of \$_____, issued to aid in financing certain public redevelopment costs and administrative costs of a Project undertaken by the Authority pursuant to Minnesota Statutes, Sections 469.001 through 469.047, and is issued pursuant to an authorizing resolution (the "Resolution") duly adopted by the Authority on _____, 2019, and pursuant to and in full conformity with the Constitution and laws of the State of Minnesota, including Minnesota Statutes, Sections 469.174 to 469.1794, as amended. This Note is a limited obligation of the Authority which is payable solely from Available Tax Increment pledged to the payment hereof under the Resolution. This Note and the interest hereon shall not be deemed to constitute a general obligation of the State of Minnesota or any political subdivision thereof, including, without limitation, the Authority. Neither the State of Minnesota, nor any political subdivision thereof shall be obligated to pay the principal of or interest on this Note or other costs incident hereto except out of Available Tax Increment, and neither the full faith and credit nor the taxing power of the State of Minnesota or any political subdivision thereof is pledged to the payment of the principal of or interest on this Note or other costs incident hereto.

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

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

IN WITNESS WHEREOF, the Board of Commissioners of the Housing and Redevelopment Authority of St. Anthony, Minnesota have caused this Note to be executed with the manual signatures of its Chair and Executive Director, all as of the Date of Original Issue specified above.

HOUSING AND REDEVELOPMENT
AUTHORITY OF ST. ANTHONY, MINNESOTA

Executive Director

Chair

REGISTRATION PROVISIONS

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

Date of Registration Registered Owner Signature of City Finance Director

Doran SLV, LLC
Federal Tax I.D. No. 83-0797803

SCHEDULE C

Form of Subordination Agreement

THIS SUBORDINATION AGREEMENT (this "Agreement") is made as of this _____ day of _____, 20____, between _____ ("Lender"), whose address is at _____, and the HOUSING AND REDEVELOPMENT AUTHORITY OF ST. ANTHONY, MINNESOTA, a public body corporate and politic ("Authority").

RECITALS

A. Doran SLV, LLC, a Minnesota limited liability company ("Redeveloper"), is the owner of certain real property situated in Ramsey County, Minnesota and legally described in Exhibit A attached hereto and incorporated herein (the "Property").

B. Lender has made a mortgage loan to Redeveloper in the original principal amount of \$_____ (the "Loan"). The Loan is evidenced and secured by the following documents:

(i) a certain promissory note (the "Note") made by Redeveloper dated _____, 20____, in the amount of \$_____; and

(ii) a certain mortgage, security agreement and fixture financing statement (the "Mortgage") made by Redeveloper dated _____, 20____, filed _____, 20____, as Ramsey County Recorder/Registrar of Titles Doc. No. _____ encumbering the Property; and

(iii) a certain assignment of leases and rents (the "Assignment") made by Redeveloper dated _____, 20____, filed _____, 20____, as Ramsey County Recorder/Registrar of Titles Doc. No. _____ encumbering the Property.

The Note, the Mortgage, the Assignment, and all other documents and instruments evidencing, securing and executed in connection with the Loan, are hereinafter collectively referred to as the "Loan Documents."

C. Authority is the owner and holder of certain rights under that certain Contract for Private Redevelopment (the "Contract") by and between Redeveloper and Authority dated _____, 2019, filed _____, 20____, as Ramsey County Recorder/Registrar of Titles Doc. No. _____.

D. Redeveloper is entitled under the Contract to acquire a certain Tax Increment Tax Revenue Note, Series 20____ in the maximum original principal amount of \$3,300,000 (the "TIF Note").

NOW, THEREFORE, in consideration of the foregoing and as an inducement to Lender to make the Loan, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto represent, warrant and agree as follows:

1. Consent. The Authority acknowledges that the Lender is making the Loan to the Redeveloper and consents to the same. The Authority also consents to and approves the collateral assignment of the Contract and TIF Note (when and if issued) by the Redeveloper to the Lender as collateral for the Loan; provided, however, that this consent shall not deprive the Authority of or otherwise limit any of the Authority's rights or remedies under the Contract and TIF Note and shall not relieve the Redeveloper of any of its obligations under the Contract and TIF Note; provided further, however, the limitations to the Authority's consent contained in this Paragraph 1 are subject to the provisions of Paragraph 2 below.

2. Subordination. The Authority hereby agrees that the rights of the Authority with respect to [] under the Contract are and shall remain subordinate and subject to liens, rights and security interests created by the Loan Documents and to any and all amendments, modifications, extensions, replacements or renewals of the Loan Documents; provided, however, that nothing herein shall be construed as subordinating the requirement contained in the Contract the Property be used in accordance with the provisions of Section 10.3 of the Contract, or as subordinating the Authority's rights under the TIF Note to suspend or terminate payments in accordance with the TIF Note.

3. Notice to Authority. Lender agrees to use commercially reasonable efforts to notify Authority of the occurrence of any Event of Default given to Redeveloper under the Loan Documents, in accordance with Section 7.2 of the Contract. The Lender shall not be bound by the other requirements in Section 7.2 of the Contract.

4. Statutory Exception. Nothing in this Agreement shall alter, remove or affect Lender's obligation under Minnesota Statutes, § 469.029 to use the Property in conformity to Section 10.3 of the Contract.

5. No Assumption. The Authority acknowledges that the Lender is not a party to the Contract and by executing this Agreement does not become a party to the Contract, and specifically does not assume and shall not be bound by any obligations of the Redeveloper to the Authority under the Contract, and that the Lender shall incur no obligations whatsoever to the Authority except as expressly provided herein.

6. Notice from Authority. So long as the Contract remains in effect, the Authority agrees to give to the Lender copies of notices of any Event of Default given to Redeveloper under the Contract.

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

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

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

10. Notice. Any notices and other communications permitted or required by the provisions of this Agreement shall be in writing and shall be deemed to have been properly given or served by depositing the same with the United States Postal Service, or any official successor thereto, designated as registered or certified mail, return receipt requested, bearing adequate postage, or delivery by reputable private carrier and addresses as set forth above.

11. Transfer of Title to Lender. The Authority agrees that in the event the Lender, a transferee of Lender, or a purchaser at foreclosure sale, acquires title to the Property pursuant to a foreclosure, or a deed in lieu thereof, the Lender, transferee, or purchaser shall not be bound by the terms and conditions of the Contract except as expressly herein provided. Further the Authority agrees that in the event the Lender, a transferee of Lender, or a purchaser at foreclosure sale acquires title to the Property pursuant to a foreclosure sale or a deed in lieu thereof, then the Lender, transferee, or purchaser shall be entitled to all rights conferred upon the Redeveloper under the Contract, provided that no condition of default exists and remains uncured beyond applicable cure periods in the obligations of the Redeveloper under the Contract.

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

IN WITNESS WHEREOF, this Agreement has been executed and delivered as of the day and year first written above.

**HOUSING AND REDEVELOPMENT
AUTHORITY OF ST. ANTHONY,
MINNESOTA**

By _____
Its Chair

By _____
Its Executive Director

STATE OF MINNESOTA)
) SS.
COUNTY OF RAMSEY)

The foregoing instrument was acknowledged before me this _____ day of _____, by _____ and _____ the Chair and Executive Director, respectively, of the Housing and Redevelopment Authority of St. Anthony, Minnesota, a public body corporate and politic, on behalf of such public body.

Notary Public

[LENDER]

By: _____
Its _____

HOUSING AND REDEVELOPMENT AUTHORITY OF ST. ANTHONY, MINNESOTA

RESOLUTION 19-05

RESOLUTION APPROVING CONTRACT FOR PRIVATE REDEVELOPMENT AND AWARDING THE SALE OF, AND PROVIDING THE FORM, TERMS, COVENANTS AND DIRECTIONS FOR THE ISSUANCE OF ITS TAX INCREMENT REVENUE NOTES TO DORAN SLV, LLC.

BE IT RESOLVED BY the Board of Commissioners ("Board") of the Housing and Redevelopment Authority of St. Anthony, Minnesota (the "Authority") as follows:

Section 1. Recitals; Approval and Authorization; Award of Sale.

1.01. Recitals. (a) The Authority and the City of St. Anthony Village (the "City") have heretofore approved the establishment of Tax Increment Financing District No. 3-5 (the "TIF District") within Redevelopment Project No. 3 ("Project"), and have adopted a tax increment financing plan for the purpose of financing certain improvements within the Project.

(b) To facilitate the redevelopment of certain property within the Project and TIF District, the Authority, the City, and Doran SLV, LLC (the "Owner") have negotiated a Contract for Private Redevelopment (the "Agreement") which provides for the construction by the Owner of a two-phase rental housing facility and associated parking on the Redevelopment Property, and the issuance by the Authority of one or two Tax Increment Revenue Notes (Silver Lake Village Project) (the "Notes") to the Owner.

1.02. Approval of Agreement. (a) The Agreement is hereby in all respects approved, subject to modifications that do not alter the substance of the transaction and that are approved by the Chair and Executive Director, provided that execution of the Agreement by such officials shall be conclusive evidence of approval.

(b) Authority staff and officials are authorized to take all actions necessary to perform the Authority's obligations under the Agreement as a whole, including without limitation execution of any documents to which the Authority is a party referenced in or attached to the Agreement, all as described in the Agreement.

1.03. Issuance, Sale, and Terms of the Notes. (a) The Authority hereby authorizes the Chair and Executive Director to issue the Notes in accordance with the Agreement. All capitalized terms in this resolution have the meaning provided in the Agreement unless the context requires otherwise.

(b) The Notes shall be issued to the Owner in the maximum aggregate principal amount of \$3,300,000 in consideration of certain eligible costs incurred by the Owner in connection with construction of the Minimum Improvements under the Agreement. The Note issued in connection

with Phase I of the Minimum Improvements shall be issued in the maximum principal amount of \$1,950,000, and the Note issued in connection with Phase II of the Minimum Improvements shall be issued in the maximum principal amount of \$1,350,000, subject to the terms of the Agreement. The Notes shall be dated the date of delivery thereof and shall bear interest at the lesser of the rate of 5% per annum or the actual rate of the Owner's mortgage financing, from the date of issue to the earlier of maturity or prepayment. The Notes will be issued in the principal amount of Public Redevelopment Costs related to each Phase of the Minimum Improvements and submitted and approved in accordance with Section 3.3 of the Agreement. The Notes are secured by Available Tax Increment, as further described in the form of the Note herein. The Authority hereby delegates to the Executive Director the determination of the date on which the Notes are to be delivered, in accordance with the Agreement.

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

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

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(e) Persons Deemed Owners. The Authority and the Registrar may treat the person in whose name any Note is at any time registered in the bond register as the absolute owner of such 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 any 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.

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3.04. Preparation and Delivery. The Notes shall be prepared under the direction of the Finance Director of the City 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 any Note shall cease to be such officer before the delivery of such 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.

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4.01. Pledge. The Authority hereby pledges to the payment of the principal of and interest on the Notes all Available Tax Increment attributable to relevant Phase of the Minimum Improvements as defined in the Notes. Available Tax Increment shall be applied to payment of the

principal of and interest on the Notes in accordance with the terms of the form of Note set forth in Exhibit A to this resolution.

4.02. Bond Fund. Until the date the Notes are no longer outstanding and no principal thereof or interest thereon (to the extent required to be paid pursuant to this resolution) remains unpaid, the Authority shall maintain separate and special "Bond Funds" to be used for no purpose other than the payment of the principal of and interest on the Notes. The Authority irrevocably agrees to appropriate to each Bond Fund on or before each Payment Date the Available Tax Increment in an amount equal to the Payment then due, or the actual Available Tax Increment, whichever is less. Any Available Tax Increment remaining in the Bond Funds shall be transferred to the Authority's account for the TIF District upon the termination of the Notes in accordance with their terms.

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5.01. Certification of Proceedings. The officers of the Authority are hereby authorized and directed to prepare and furnish to the Owner of the Notes 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 Notes 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 approval.

EXHIBIT A TO AUTHORIZING RESOLUTION

Form of Note

UNITED STATES OF AMERICA
STATE OF MINNESOTA
COUNTY OF RAMSEY
HOUSING AND REDEVELOPMENT AUTHORITY OF ST. ANTHONY, MINNESOTA

No. R-1 §

TAX INCREMENT REVENUE NOTE
SERIES 20
(Silver Lake Village Project)

Rate Date
of Original Issue

90

The Housing and Redevelopment Authority of St. Anthony, Minnesota ("Authority") for value received, certifies that it is indebted and hereby promises to pay to Doran SLV, LLC or registered assigns (the "Owner"), the principal sum of \$ _____ and to pay interest thereon at the rate of ___ % per annum, solely from the sources and to the extent set forth herein. Capitalized terms shall have the meanings provided in the Contract for Private Redevelopment between the Authority, the City of St. Anthony Village, and the Owner, dated as of _____, 2019 (the "Agreement"), unless the context requires otherwise.

1. **Payments**. Principal and interest ("Payments") shall be paid on August 1, 20__ and each February 1 and August 1 thereafter to and including February 1, 2031 ("Payment Dates") in the amounts and from the sources set forth in Section 3 herein. Payments shall be applied first to accrued interest, and then to unpaid principal. Simple interest accruing from the date of issue through and including February 1, 20__ shall be added to principal.

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

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

3. Available Tax Increment. (a) Payments on this Note are payable on each Payment Date solely from and in the amount of Available Tax Increment, which shall mean 25% of the Tax Increment attributable to [Phase I/Phase II] of the Minimum Improvements and Redevelopment Property that is paid to the Authority by Ramsey County in the six months preceding each Payment Date on the Note.

(b) The Authority shall have no obligation to pay principal of and interest on this Note on each Payment Date from any source other than Available Tax Increment and the failure of the Authority to pay principal or interest on this Note on any Payment Date shall not constitute a default hereunder as long as the Authority pays principal and interest hereon to the extent of Available Tax Increment. The Authority shall have no obligation to pay any unpaid balance of principal or accrued interest that may remain after the final Payment on February 1, 2031.

4. Default. If on any Payment Date there has occurred and is continuing any Event of Default under the Agreement, the Authority may withhold from payments hereunder under all Available Tax Increment. If the Event of Default is thereafter cured in accordance with the Agreement, the Available Tax Increment withheld under this Section shall be deferred and paid, without interest thereon, within 30 days after the Event of Default is cured. If the Event of Default is not cured in a timely manner, the Authority may terminate this Note by written notice to the Owner in accordance with the Agreement.

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

6. Nature of Obligation. This Note is one of an issue in the total principal amount of \$_____, issued to aid in financing certain public redevelopment costs and administrative costs of a Project undertaken by the Authority pursuant to Minnesota Statutes, Sections 469.001 through 469.047, and is issued pursuant to an authorizing resolution (the "Resolution") duly adopted by the Authority on _____, 2019, and pursuant to and in full conformity with the Constitution and laws of the State of Minnesota, including Minnesota Statutes, Sections 469.174 to 469.1794, as amended. This Note is a limited obligation of the Authority which is payable solely from Available Tax Increment pledged to the payment hereof under the Resolution. This Note and the interest hereon shall not be deemed to constitute a general obligation of the State of Minnesota or any political subdivision thereof, including, without limitation, the Authority. Neither the State of Minnesota, nor any political subdivision thereof shall be obligated to pay the principal of or interest on this Note or other costs incident hereto except out of Available Tax Increment, and neither the full faith and credit nor the taxing power of the State of Minnesota or any political subdivision thereof is pledged to the payment of the principal of or interest on this Note or other costs incident hereto.

7. Registration and Transfer. This Note is issuable only as a fully registered note without coupons. As provided in the Resolution, and subject to certain limitations set forth therein, this Note is transferable upon the books of the Authority kept for that purpose at the principal office of the City Finance Director, by the Owner hereof in person or by such Owner's attorney duly authorized in writing, upon surrender of this Note together with a written instrument of transfer satisfactory to the

Authority, duly executed by the Owner. Upon such transfer or exchange and the payment by the Owner of any tax, fee, or governmental charge required to be paid by the Authority with respect to such transfer or exchange, there will be issued in the name of the transferee a new Note of the same aggregate principal amount, bearing interest at the same rate and maturing on the same dates.

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

IN WITNESS WHEREOF, the Board of Commissioners of the Housing and Redevelopment Authority of St. Anthony, Minnesota have caused this Note to be executed with the manual signatures of its Chair and Executive Director, all as of the Date of Original Issue specified above.

HOUSING AND REDEVELOPMENT
AUTHORITY OF ST. ANTHONY, MINNESOTA

Executive Director

Chair

REGISTRATION PROVISIONS

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

Date of Registration Registered Owner Signature of City Finance Director

Doran SLV, LLC
Federal Tax I.D. No. 83-0797803