

REQUEST FOR COUNCIL ACTION

Date: August 17, 2015
Item No.: 15.c

Department Approval



City Manager Approval



Item Description: Dale Street Development update

PROJECT TIMELINE

On April 6, 2015, the City of Roseville entered into a purchase agreement with the Roseville Housing and Redevelopment Authority in order to purchase the HRA's land that is contained in the Dale Street redevelopment project area that called for a closing by June 30, 2015.

On May 11, 2015, the City of Roseville entered into a predevelopment agreement with the Greater Metropolitan Housing Corporation (GMHC) so that GMHC can purchase and develop the property.

The City of Roseville contracted with an environmental firm to perform a Phase 1 environmental analysis and the report has been reviewed by GMHC, Western Bank, City Staff and the City Attorney and been deemed to be sufficient for waiving the City's environmental contingency in the purchase agreement with the HRA.

The City of Roseville has obtained updated title for the property that the City Attorney has deemed to be sufficient to waive the City's title contingency in the purchase agreement with the HRA.

GMHC has received a written commitment from Western Bank for project financing. The financing commitment is a readvancing line of credit draw note in the amount of \$1,461,000 with a maturity of 36 months. The commitment covers all 18 townhome units. The value of the units that are proposed was confirmed by the bank's appraiser and therefore it is comfortable funding the project. The initial 6 units will be funded without a presale requirement and then each of the additional two phases of 6 units will have a 50% presale requirement, which is a standard condition for townhome project financing. The bank has indicated that if presales go faster than anticipated, the bank will increase the amount available to the project so that it can move forward in a timely fashion and improve economies of scale.

The initial pro forma and commitment were reviewed by the City's housing finance consulting firm, Ehlers and Associates.

On June 22, 2015, the City Council approved an Interfund Loan Resolution to advance TIF funds for the closing on the HRA property in advance of the formal modifications of the TIF districts funding the development (TIF Districts 10 and 12).

On June 24, 2015, the City closed on the property owned by the HRA.

On July 20, 2015, the City Council set the date for the TIF public hearing and approved the preliminary plat for the development.

On August 24, 2015, the City Council is scheduled to take action on the development agreement, the modifications to TIF Districts 10/12 and the Final Plat.

BACKGROUND

The predevelopment activities for the Dale Street development are coming to a close. A series of final approvals are scheduled to occur at the City Council's August 24, 2015 meeting. Following the August 24th meeting, the focus will quickly move towards setting up the closing on the property with the developer and the initiation of construction.

The City's TIF Attorney has prepared the attached draft development agreement (Attachment A). It is currently scheduled that this agreement will come back for approval on the August 24th meeting.

Staff is bringing some of the key items forward in this work session to answer questions or identify issues the City Council may have early on so they may be resolved prior to presenting the cases for formal approval on August 24th.

The developer has received a commitment for financing of the entire project (Attachment B). The bank's appraisal came through positively as well on the proposed units. As is common in this sort of a project, the bank's commitment is in a revolving loan format where additional funds are provided for future buildings as sales occur. The bank is confident enough in the project that it is not requiring a presale requirement for the first six units and it has indicated that if sales occur faster than projected, the bank will increase the amount of funds available to the project to accommodate a faster construction schedule.

Staff has also negotiated provisions to benefit the City if unanticipated changes occur in the project both in the positive and negative direction. If the project should go into default, there are provisions for the City to obtain title to the property again. The City's interest would be subordinate to the bank's financial interest (which is a common condition for developments), but the City would have a process available to it to eliminate the developer's ownership interest in the event of a default and reclaim title to the property.

If the project should succeed beyond projections, there is a provision for the City to share the extra profits, thereby reducing the initial land and demolition TIF subsidy.

Proposed draft elevations are also attached (Attachment C). The developer is working with the City Planner to develop the final elevations. Some of the final modifications that the developer is having prepared right now include the following:

- Working with a designer to create cohesive color schemes for the project. The developer wants each unit to have some individuality but tie into the larger development as well.
- Architectural styles and color schemes for each building will be made consistent along all four sides. For example, if a front porch design has shakes or boards and batten, these materials will be carried around the sides and back as well.
- Homeowners will have a variety of front door styles to choose from but they will all tie into the overall theme.
- Muntins will be added to the windows for architectural interest.
- Garage door styles will be tied into the styles for windows and doors.

The developer has provided some sample photos of the types of product style/quality that they are seeking for this development (Attachment D).

74 If all proceeds according to the current schedule, it is anticipated that a property closing would
75 occur shortly after the developer is able to record the final plat.

76 **POLICY OBJECTIVE**

77 The Dale Street redevelopment project is a priority redevelopment area for the City of Roseville.

78 **BUDGET IMPLICATIONS**

79 This project is being funded with TIF funding and will impact the balances of TIF Districts 10
80 and 12. The project is not receiving any general levy funding.

81 **STAFF RECOMMENDATION**

82 Staff will be available to receive comment or answer questions about this project.

83 **REQUESTED COUNCIL ACTION**

Provide input on the development agreement or any other aspects of the Dale Street project.

Prepared by: Paul Bilotta, Community Development Director
Attachments: A: Draft Development Agreement
B: Western Bank Commitment
C: Elevations
D: Sample photos
E: Preliminary Plat

PURCHASE AND REDEVELOPMENT CONTRACT

By and Between

THE CITY OF ROSEVILLE

and

DALE STREET STATION, LLC

Dated as of: _____, 2015

This document was drafted by:

Table of Contents

	Page
ARTICLE I Definitions	2
Section 1.1. Definitions	2
ARTICLE II Representations and Warranties	5
Section 2.1. Representations by the City	5
Section 2.2. Representations and Warranties by the Redeveloper	5
ARTICLE III Property Acquisition.....	7
Section 3.1. Conveyance of the Property	7
Section 3.2. Purchase Price; Provisions for Payment.....	7
Section 3.3. Conditions of Conveyance	7
Section 3.4. Place of Document Execution, Delivery and Recording.....	8
Section 3.5. Title.....	8
Section 3.6. Environmental Conditions.....	9
Section 3.7. Reimbursement for Demolition.....	9
Section 3.8. TIF Lookback	9
Section 3.9. Business Subsidy	10
Section 3.10. Payment of Administrative Costs	10
ARTICLE IV Construction of Minimum Improvements	11
Section 4.1. Construction of Improvements	11
Section 4.2. Construction Plans.....	11
Section 4.3. Commencement and Completion of Construction	12
Section 4.4. Certificate of Completion	12
Section 4.5. Records	13
ARTICLE V Insurance.....	14
Section 5.1. Insurance.....	14
Section 5.2. Subordination	15
ARTICLE VI Tax Increment; Taxes	16
Section 6.1. Right to Collect Delinquent Taxes	16
Section 6.2. Review of Taxes	16
ARTICLE VII Other Financing.....	17
Section 7.1. Generally	17
Section 7.2. City's Option to Cure Default on Mortgage	17
Section 7.3. Modification; Subordination	17
ARTICLE VIII Prohibitions Against Assignment and Transfer; Indemnification	18
Section 8.1. Representation as to Development	18
Section 8.2. Prohibition Against Redeveloper's Transfer of Property and Assignment of Agreement.....	18
Section 8.3. Release and Indemnification Covenants	19
ARTICLE IX Events of Default.....	21
Section 9.1. Events of Default Defined	21
Section 9.2. Remedies on Default	21

Table of Contents
(continued)

	Page
Section 9.3. Revesting Title in City Upon Happening of Event Subsequent to Conveyance to Redeveloper	21
Section 9.4. Resale of Reacquired Property; Disposition of Proceeds	23
Section 9.5. No Remedy Exclusive	23
Section 9.6. No Additional Waiver Implied by One Waiver	24
Section 9.7. Attorney Fees.....	24
ARTICLE X Additional Provisions	25
Section 10.1. Conflict of Interests; Representatives Not Individually Liable	25
Section 10.2. Equal Employment Opportunity.....	25
Section 10.3. Restrictions on Use	25
Section 10.4. Provisions Not Merged With Deed	25
Section 10.5. Titles of Articles and Sections.....	25
Section 10.6. Notices and Demands	25
Section 10.7. Counterparts	26
Section 10.8. Recording	26
Section 10.9. Amendment	26
Section 10.10. City Approvals.....	26
SCHEDULE A Redevelopment Property	
SCHEDULE B Form of Quit Claim Deed from City to Redeveloper	
SCHEDULE C Form of Escrow Agreement	
SCHEDULE D Certificate of Completion	
SCHEDULE E Form of Subordination Agreement	
SCHEDULE F Pro Forma	
SCHEDULE G Site Plan	

PURCHASE AND REDEVELOPMENT CONTRACT

THIS AGREEMENT, made as of the __ day of _____, 2015, by and between the City of Roseville (the "City"), a Minnesota municipal corporation, and Dale Street Station, LLC (the "Redeveloper"), a Minnesota limited liability company.

WITNESSETH:

WHEREAS, the Housing and Redevelopment Authority in and for the City of Roseville (the "Authority") and the Redeveloper had begun work on a redevelopment project to be constructed on certain land located in the City, a portion of which was owned by the Authority and a portion by the City, such property (the "Redevelopment Property") legally described on Schedule A;

WHEREAS, the City determined that the redevelopment project could be more effectively and efficiently undertaken by the City directly under its authority pursuant to the Development Act as hereinafter defined;

WHEREAS, the Authority has subsequently conveyed its portion of the Redevelopment Property it owned to the City and consequently the City now owns the entire Redevelopment Property;

WHEREAS, the City has heretofore created Development District No. 1 (hereinafter referred to as the "Development District"), pursuant to the Development Act and the Redevelopment Property is located therein.

WHEREAS, the City has authority to convey the Redevelopment Property for redevelopment purposes and has selected the Redeveloper for the development of the Minimum Improvements (as hereinafter defined);

WHEREAS, the City has further determined that the redevelopment will require financial assistance as provided in this Agreement to be financial feasible and to allow the creation of the quality of housing at the prices desired by the City;

WHEREAS, the City 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:

"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 in and for the City of Roseville.

"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 Completion" means the certification provided to the Redeveloper pursuant to Section 4.4 of this Agreement.

"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.

"City" means the City of Roseville, Minnesota.

"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.

"County" means the County of Ramsey, Minnesota.

"Development Act" means Minnesota Statutes, Sections 469.124 to 469.133, as amended.

"Development District" means Development District No. 1 and the area within such district.

"Development Program" means the Development Program for the Project.

"Environmental Costs" has the meaning provided in Section 3.3(a) hereof.

"Escrow Agreement" means the Escrow Agreement attached hereto as Exhibit E.

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

"Holder" means the owner of a Mortgage.

"Minimum Improvements" means construction on the Redevelopment Property of approximately 18 units of owner-occupied housing, and associated surface and garage parking, along with all associated infrastructure, sidewalks, and landscaping.

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

"Parcel" means any parcel of the Redevelopment Property.

"Pooled Tax Increment" means tax increments received by the City from the TIF Districts and authorized to be used for Public Redevelopment Costs pursuant to the Tax Increment Plans for the TIF Districts.

"Pro Forma" means the financial pro forma for the Minimum Improvements attached hereto as Schedule F.

"Public Redevelopment Costs" means those costs identified in Section 3.2, 3.6 and 3.7.

"Redeveloper" means Dale Street Station, LLC, a Minnesota limited liability company, or its permitted successors and assigns.

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

"State" means the state of Minnesota.

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

"Tax Increment Plans" or "TIF Plans" means the Tax Increment Financing Plans for the TIF Districts, as amended by the City Council from time to time.

"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.

"Termination Date" means the earlier of the date of termination of this Agreement pursuant to an uncured Event of Default under Article IX hereof, or the date of final reimbursement under the Escrow Agreement.

"TIF Districts" mean the City's TIF Districts No. 10 and 12, from which Pooled Tax Increment will be used to finance the Public Redevelopment Costs.

"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 result of strikes, lockouts or other labor troubles, prolonged adverse weather or acts of God, fire or other casualty to the Minimum Improvements, acts of terrorism, 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 City in exercising its rights under this Agreement), including without limitation condemnation or threat of condemnation of any portion of the Redevelopment Property, and other similar events, beyond the reasonable control of the party seeking to be excused. Unavoidable Delays shall include delays experienced by the Redeveloper in obtaining permits or governmental approvals necessary to enable construction of the Minimum Improvements by the dates such construction is required under Section 4.3 of this Agreement, so long as the Construction Plans have been approved in accordance with Section 4.2 hereof and the permits and approvals have been applied for in a timely fashion.

"Unit" means an individual lot or house in the Project.

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

ARTICLE II

Representations and Warranties

Section 2.1. Representations by the City.

(a) The City is a statutory city duly organized and existing under the laws of the State. Under the provisions of the TIF Act and the Development Act, the City has the power to enter into this Agreement and carry out its obligations hereunder.

(b) The City will use its 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.

(c) The City will finance the Public Redevelopment Costs, subject to all the terms and conditions of this Agreement.

(d) The activities of the City are undertaken for the purpose of fostering the redevelopment of certain real property that is occupied by substandard and obsolete buildings, which will revitalize this portion of the Development District, increase tax base, and increase housing opportunities.

(e) The City has received no written notice or other written communication from any local, state or federal official that any prior actions or existing situations on the Redevelopment Property are in violation of any environmental law or regulation. The City has caused a phase one study of the Redevelopment Property to be prepared and has provided such study to the Redeveloper.

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

(a) The Redeveloper is a limited liability company, duly incorporated and in good standing under the laws of the State of Minnesota, is not in violation of any provisions of its articles of organization or operating agreement, is duly qualified as a 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) If the Redeveloper acquires the Redevelopment Property in accordance with this Agreement, the Redeveloper will construct, operate and maintain the Minimum Improvements in accordance with the terms of this Agreement, the Development Program and all local, state and federal laws and regulations (including, but not limited to, environmental, zoning, building code, energy-conservation and public health laws and regulations).

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

(d) The Redeveloper has received no written notice or other written communication from any local, state or federal official that the activities of the Redeveloper or the City in the Development District may be or will be in violation of any environmental law or regulation (other than those notices or communications of which the City is aware). The Redeveloper is aware of no facts the existence of which would cause it to be in violation of or give any person a valid claim under any local, state or federal environmental law, regulation or review procedure.

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

(f) The proposed development by the Redeveloper hereunder would not occur but for the tax increment financing assistance and other public assistance being provided by the City. hereunder.

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

ARTICLE III

Property Acquisition

Section 3.1. Conveyance of the Property. (a) The City will convey title to and possession of the Redevelopment Property to the Redeveloper at a Closing (as defined in Section 3.3(b) hereof), subject to all the terms and conditions of this Agreement.

(b) On or before the Closing, the Redeveloper shall prepare and obtain City approval of a plat of the Redevelopment Property (the "Redevelopment Plat") at Redeveloper's cost and subject to all City ordinances and procedures. Nothing in this Agreement is intended to limit the City's authority in reviewing the preliminary plat, or to preclude revisions requested or required by the City.

Section 3.2. Purchase Price; Provisions for Payment. The purchase price to be paid to the City by the Redeveloper in exchange for the conveyance of the Redevelopment Property shall be \$1,120,017.42, payable at the Closing. At closing upon payment of the purchase price of \$1,120,017.42 by the Developer the City shall reimburse the Developer for the purchase price from Pooled Tax Increments.

Section 3.3. Conditions of Conveyance. (a) The City shall convey title to and possession of the Redevelopment Property to the Redeveloper by quit claim deed substantially in the form set forth on Schedule B to this Agreement (the "Deed"). The City's obligation to convey the Redevelopment Property to the Redeveloper is subject to satisfaction of the following terms and conditions:

(1) The City having approved permanent financing for construction of a portion of the Minimum Improvements related to the first phase in accordance with Article VII hereof, and the Redeveloper having closed on such permanent financing related to such phase at or before Closing on transfer of title to the Redevelopment Property to the Redeveloper.

(2) The City having approved the Redevelopment Plat in accordance with Section 3.1, and the Redeveloper having recorded the Redevelopment Plat at or before the Closing.

(3) The City having approved all necessary zoning approvals, including any variances, for the Project on the Redevelopment Property in accordance with Section 3.1.

(4) The City having approved Construction Plans for the Minimum Improvements in accordance with Section 4.3.

(5) The Redeveloper having reviewed and approved (or waived objections to) title to the Redevelopment Property as set forth in Section 3.5.

(6) There being no uncured Event of Default under this Agreement.

Conditions (1), (4) and (6) are solely for the benefit of the City, and may be waived by the City. Condition (5) is solely for the benefit of the Redeveloper, and may be waived by the Redeveloper. Conditions (2) and (3) are for the benefit of both parties and may be waived by either party.

(b) The closing on conveyance of the Redevelopment Property from the City to the Redeveloper ("Closing") shall occur upon satisfaction of the conditions specified in this Section, but the first Closing no later than September 30, 2015; subject to the provisions of Section 3.5.

Section 3.4. Place of Document Execution, Delivery and Recording. (a) Unless otherwise mutually agreed by the City and the Redeveloper, the execution and delivery of the deed, documents and the payment of the purchase price shall be made at the offices of the City or such other location to which the parties may agree.

(b) The Deed shall be in recordable form and shall be promptly recorded in the proper office for the recordation of deeds and other instruments pertaining to the Redevelopment Property. At closing, the Redeveloper shall pay: all recording costs, including state deed tax, in connection with the conveyance of a portion of the Redevelopment Property; title insurance commitment fees and premiums, if any; and title company closing fees, if any. The City shall pay costs of recording any instruments used to clear title encumbrances; and any special assessments outstanding or levied against a portion of the Redevelopment Property as of the Closing date. The parties agree and understand that the Redevelopment Property is exempt from property taxes for taxes payable in 2015.

Section 3.5. Title. (a) As soon as practicable after the date of this Agreement, the Redeveloper, at Redeveloper's sole expense, shall obtain a commitment for the issuance of a policy of title for the Redevelopment Property. The Redeveloper shall have twenty (20) days from the date of its receipt of such commitment to review the state of title to the Redevelopment Property and to provide the City with a list of written objections to such title. Upon receipt of the Redeveloper's list of written objections, the City shall proceed in good faith and with all due diligence to attempt to cure the objections made by the Redeveloper. In the event that the City has failed to cure objections within sixty (60) days after its receipt of the Redeveloper's list of such objections, the Redeveloper may by the giving of written notice to the City (i) terminate this Agreement, upon the receipt of which this Agreement shall be null and void and neither party shall have any liability hereunder, other than Redeveloper's obligations under Section 3.09 hereof; or (ii) waive the objections and proceed to Closing. The City shall have no obligation to take any action to clear defects in the title to the Redevelopment Property, other than the good faith efforts described above, except that the obligation to clear any title defects that can be resolved by the payment of money shall be absolute.

(b) The City shall take no actions to encumber title to the Redevelopment Property between the date of this Agreement and the time the Deed is delivered to the Redeveloper.

(c) The Redeveloper shall take no actions to encumber title to the Redevelopment Property between the date of this Agreement and the time the Deed is delivered to the Redeveloper. The Redeveloper expressly agrees that it will not cause or permit the attachment of any mechanics, attorneys, or other liens to the Redevelopment Property prior to the Closing. Notwithstanding termination of this Agreement prior to the Closing, Redeveloper is obligated to

pay all costs to discharge any encumbrances to the Redevelopment Property attributable to actions of Redeveloper, its employees, officers, agents or consultants, including without limitation the Architect, Contractor and Redeveloper's Engineer.

Section 3.6. Environmental Conditions. (a) The Redeveloper acknowledges that the City makes no representations or warranties as to the condition of the soils 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 City or the City for any contamination of the Redevelopment Property nor imposes any obligation on such parties to participate in any cleanup of the Redevelopment Property. Provided, if any need for remediation arises on the Redevelopment Property, the City agrees to cooperate with Redeveloper in use of the Minnesota Pollution Control Agency (MPCA) Voluntary Investigation and Clean-up (VIC) or Petroleum Brownfields (PB) programs to accomplish the remediation, and further agrees to use its best efforts to obtain funding for the remediation from any available County, Metropolitan Council or State funds. Costs of the VIC and PB programs shall be Public Redevelopment Costs and shall be reimbursed one-half from Pooled Tax Increment not to exceed \$50,000.

(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 City, and its 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 or were present on the Redevelopment Property prior to the Closing. Nothing in this section will be construed to limit or affect any limitations on liability of the City or City under State or federal law, including without limitation Minnesota Statutes Sections 466.04 and 604.02.

Section 3.7. Reimbursement for Demolition. The City has agreed to reimburse the Redeveloper for the cost of demolishing the existing fire station on the Redevelopment Property, not to exceed \$65,000, as a Public Redevelopment Cost payable from Pooled Tax Increment. The Redeveloper shall complete the demolition in accordance with applicable law and provide the City evidence of the demolition and invoices for the work. Within twenty (20) days after receipt of documentation reasonably acceptable to the City, the City shall pay the Redeveloper the cost of the demolition, not to exceed \$65,000 from Pooled Tax Increment.

Section 3.8. TIF Lookback. (a) *Generally.* The financial assistance to the Redeveloper under this Agreement is based on certain assumptions regarding likely costs and expenses associated with constructing the Minimum Improvements and proceeds to be derived by the Redeveloper from the sale of Units of the Minimum Improvements. Specifically, the amount of reimbursement of Public Redevelopment Costs has been determined based on the amount of assistance needed to provide the Redeveloper a developer's fee of 8% of the total development cost of the project (the "Development Fee"), as shown in the current pro forma attached as Schedule F. The City and the Redeveloper agree that those assumptions will be reviewed at the times described in this Section, and that the amount of tax increment assistance provided under Sections 3.2, 3.6 and 3.7 will be adjusted as follows: In the event the aggregate development sale proceeds would

allow a Development Fee exceeding 8%, any such amount shall be paid one-half (1/2) to the City and one-half (1/2) to the Redeveloper. The Development Fee shall be paid to the Redeveloper upon completion of the Minimum Improvements.

(b) *Pro Forma Review.* Before commencement of construction, the City and the Redeveloper shall mutually agree in writing on a final development pro forma allowing for 8 percent net profit to the Redeveloper (the "Pro Forma") based on total development costs, including the net effective cost of the Redevelopment Property at \$1.00 and excluding any Development Fee. The Pro Forma must be in substantially the form of the preliminary pro forma attached as Schedule F, and net profit will be calculated substantially as described in that schedule. Within 60 days after substantial completion of the Minimum Improvements, the Redeveloper shall submit cost and revenue analysis prepared by an accountant to the City's financial advisor in the form of the final Pro Forma and prepared in accordance with generally accepted accounting principles. The Redeveloper agrees to provide to the City's consultant any background documentation related to the financial data, upon request. If the City has reason to believe that the cost and revenue analysis is inaccurate, the City may retain an accountant to audit the submitted Pro Forma. In the event the audit demonstrates a discrepancy of more than 3%, the cost of the audit shall be paid by the Redeveloper and shall not be a cost of the Redevelopment subtracted when computing the Redeveloper's Development Fee.

Section 3.9. 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 provided is for housing. The Redeveloper releases and waives any claim against the City, and the 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 City failed to comply with the Business Subsidy Act with respect to this Agreement.

Section 3.10. Payment of Administrative Costs. The Redeveloper agrees that it will pay, within 15 days after written notice from the City, the reasonable costs of consultants and attorneys retained by the City in connection with the negotiation in preparation of this Agreement and the implementation of this Agreement and other incidental agreements and documents related to the development contemplated hereunder, which cost shall be included in the total development costs for purposes of determination of the amount of the Redeveloper's Development Fee. The City 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. Any amount deposited by the Redeveloper upon filing its application for tax increment financing with the City will be credited to the Redeveloper's obligation under this Section. Upon termination of this Agreement in accordance with its terms, the Redeveloper remains obligated under this section for costs incurred through the Termination Date.

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

ARTICLE IV

Construction of Minimum Improvements

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

Section 4.2. Construction Plans. (a) Before commencing construction of the Minimum Improvements, the Redeveloper shall submit to the City 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 Development Program and all applicable State and local laws and regulations. The City will approve the Construction Plans in writing if (i) the Construction Plans conform to all terms and conditions of this Agreement; (ii) the Construction Plans conform to the goals and objectives of the Development Program; (iii) the Construction Plans conform to all applicable federal, state and local laws, ordinances, rules and regulations; (iv) 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. No approval by the City 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 City 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 City, 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 City rejects any Construction Plans in whole or in part, the Redeveloper shall submit new or corrected Construction Plans within twenty (20) days after written notification to the Redeveloper of the rejection. The provisions of this Section relating to approval, rejection and resubmission of corrected Construction Plans shall continue to apply until the Construction Plans have been approved by the City. The City's approval shall not be unreasonably withheld. Said approval shall constitute a conclusive determination that the Construction Plans (and the Minimum Improvements, constructed in accordance with said plans) comply to the City'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 City and/or any changes in the Construction Plans requested by the City. Neither the City, the City, nor any employee or official of the City 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 City.

(b) If the Redeveloper desires to make any material change in the Construction Plans or any component thereof after their approval by the City, the Redeveloper shall submit the proposed change to the City 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 with respect to such previously approved Construction Plans, the City shall approve the proposed change and notify the Redeveloper in writing of its approval. Such change in the Construction Plans shall, in any event, be deemed approved by the City unless rejected, in whole or in part, by written notice by the City 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 City's approval of any such change in the Construction Plans will not be unreasonably withheld.

Section 4.3. Commencement and Completion of Construction. (a) Subject to Unavoidable Delays, the Redeveloper shall commence construction of the Minimum Improvements within 30 days after the Closing on the Redevelopment Property related to such phase. Subject to Unavoidable Delays, the Redeveloper shall complete the construction of the Minimum Improvements in phases by:

- Six (6) Units, September 30, 2016
- Six (6) additional Units, September 30, 2017
- Six (6) additional Units, September 30, 2018

All work with respect to the Minimum Improvements to be constructed or provided by the Redeveloper on the Redevelopment Property shall be in conformity with the Construction Plans as submitted by the Redeveloper and approved by the City.

(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 period specified in this Section 4.3 of this Agreement. After the date of this Agreement and until the Minimum Improvements have been sold, the Redeveloper shall make reports, in such detail and at such times as may reasonably be requested by the City, but no more than monthly, as to the actual progress of the Redeveloper with respect to such construction and sales.

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

(b) If the City Representative shall refuse or fail to provide any certification in accordance with the provisions of this Section 4.4 of this Agreement, the City Representative shall,

within thirty (30) days after written request by the Redeveloper, provide the Redeveloper with a written statement, indicating in adequate detail in what respects the Redeveloper has failed to complete the relevant phase of the Minimum Improvements in accordance with the provisions of the Agreement, or is otherwise in default, and what measures or acts it will be necessary, in the opinion of the City , for the Redeveloper to take or perform in order for the City to issue the Certificate of Completion.

(c) The construction of each phase of the Minimum Improvements shall be deemed to be substantially complete upon issuance of a certificate of occupancy for the phase, and upon determination by the City Representative that all related site improvements on the Redevelopment Property have been substantially completed in accordance with approved Construction Plans, subject to landscaping that cannot be completed until seasonal conditions permit.

Section 4.5. Records. The City through any authorized representatives, shall have the right at all reasonable times after reasonable notice to inspect, examine and copy all books and records of Redeveloper relating to the Minimum Improvements. Such records shall be kept and maintained by Redeveloper through the Termination Date.

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

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 City, furnish the City with proof of payment of premiums on policies covering the following:

(i) Builder's risk insurance, written on the so-called "Builder's Risk -- Completed Value Basis," in an amount equal to 100% of the principal amount of the Note, and with coverage available in no reporting form on the so-called "all risk" form of policy. The interests of the City and City shall be protected in accordance with a clause in form and content satisfactory to the City;

(ii) Comprehensive general liability insurance (including operations, contingent liability, operations of subcontractors, completed operations, and contractual liability insurance) together with an Owner's Protective Liability Policy with limits against bodily injury and property damage of not less than \$2,000,000 combined limit and \$1,000,000 for each occurrence (to accomplish the above-required limits, an umbrella excess liability policy may be used). The City shall be listed as 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 sale of the final Unit, the Redeveloper shall maintain, or cause to be maintained, at its cost and expense, and from time to time at the request of the City shall furnish proof of the payment of premiums on, insurance as follows:

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

(ii) Comprehensive general public liability insurance, including personal injury liability (with employee exclusion deleted), against liability for injuries to persons and/or property, in the minimum amount of \$2,000,000 aggregate and \$1,000,000 for each occurrence, and shall be endorsed to show the City as 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 responsible insurance companies selected by the Redeveloper that are authorized under the laws of the State to assume the risks covered thereby. Upon request, the Redeveloper will deposit annually with the City policies evidencing 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 City 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 City 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 City immediately in the case of damage exceeding \$100,000 in amount to, or destruction of, any unsold Unit of the Minimum Improvements or any portion thereof resulting from fire or other casualty. In such event the Redeveloper will forthwith repair, reconstruct, and restore such Unit of 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 such Unit 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) The Redeveloper and the City agree that all of the insurance provisions set forth in this Article V shall terminate upon the termination of this Agreement.

Section 5.2. Subordination. Notwithstanding anything to the contrary herein, the rights of the City 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.

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

ARTICLE VI

Tax Increment; Taxes

Section 6.1. Right to Collect Delinquent Taxes. The Redeveloper acknowledges that the City is providing substantial aid and assistance in furtherance of the development through reimbursement of the Public Redevelopment Costs. 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 during any time that the Redeveloper owns the Redevelopment Property 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 City 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 City shall also be entitled to recover its costs, expenses and reasonable attorney fees.

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

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

ARTICLE VII

Other Financing

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

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

Section 7.3. Modification; Subordination. The City agrees to subordinate its rights under this Agreement to the Holder of any Mortgage securing construction or permanent financing, in accordance with the terms of a subordination agreement substantially in the form attached as Schedule E, or such other form as the City approves.

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

ARTICLE VIII

Prohibitions Against Assignment and Transfer; Indemnification

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

Section 8.2. Prohibition Against Redeveloper's Transfer of Property and Assignment of Agreement. The Redeveloper represents and agrees that prior to issuance of a Certificate of Completion for each Unit 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, 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 City (whose approval will not be unreasonably withheld, subject to the standards described in paragraph (b) of this Section) unless the Redeveloper remains liable and bound by this Redevelopment Agreement in which event the City'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 either before or after issuance of the Certificate of Completion, seeks to be released from its obligations under this Redevelopment Agreement as to the portion of the Redevelopment Property that is transferred, the 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 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 satisfactory to the 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 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 City) deprive the 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 City of or with respect to any rights or remedies on controls provided in or resulting from this Agreement with respect to the Redevelopment Property that the City would have had, had there been no such transfer or change. In the absence of specific written agreement by the City to the contrary, no such transfer or approval by the 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 City.

(iv) At the written request of Redeveloper, the 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) Nothing in this Article VIII will be construed to require, as a condition for release of the Redeveloper hereunder or otherwise, that purchasers of any Unit assume any obligations of the Redeveloper. Upon sale of any Unit to an initial owner, the City will provide to Redeveloper or the buyer the Certificate of Completion for that Unit in recordable form releasing the Unit from all encumbrances of 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 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 as hereinafter defined, 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 City contained herein shall be deemed to be the covenants, stipulations, promises, agreements, and obligations of such entities and not of any governing body member, officer, agent, servant, or employee of such entities in the individual capacity thereof.

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

ARTICLE IX

Events of Default

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

(a) Failure by the Redeveloper or 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 Completion for all the Minimum Improvements, the Redeveloper shall

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

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

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

(iv) be adjudicated a bankrupt or insolvent.

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

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

(b) Upon a default by the Redeveloper under this Agreement, the City may terminate the Escrow Agreement 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.

Section 9.3. Revesting Title in City Upon Happening of Event Subsequent to Conveyance to Redeveloper. In the event that subsequent to conveyance of the Redevelopment Property to Redeveloper and prior to completion of construction of the Minimum Improvements (evidenced by a Certificate of Completion described in Section 4.4):

(a) Redeveloper, subject to Unavoidable Delays, shall fail to begin construction of the Minimum Improvements in conformity with this Agreement and such failure to begin construction is not cured within 90 days after written notice from the City to Redeveloper to do so; or

(b) Redeveloper fails to pay real estate taxes or assessments on the parcel or any part thereof when due, or creates, suffers, assumes, or agrees to any encumbrance or lien on the parcel (except to the extent permitted by this Agreement), or shall suffer any levy or attachment to be made, or any materialmen's or mechanics' lien, or any other unauthorized encumbrance or lien to attach, and such taxes or assessments shall not have been paid, or the encumbrance or lien removed or discharged or provision satisfactory to the City made for such payment, removal, or discharge, within thirty (30) days after written demand by the City to do so; provided, that if Redeveloper first notifies the City of its intention to do so, it may in good faith contest any mechanics' or other lien filed or established and in such event the City shall permit such mechanics' or other lien to remain undischarged and unsatisfied during the period of such contest and any appeal and during the course of such contest Redeveloper shall keep the City informed respecting the status of such defense; or

(c) there is, in violation of the Agreement, any Transfer of the parcel in violation of the terms of Section 8.2, and such violation is not cured within sixty (60) days after written demand by the City to Redeveloper, or if the event is by its nature incurable within 30 days, Redeveloper does not, within such 30-day period, provide assurances reasonably satisfactory to the City that the event will be cured as soon as reasonably possible; or

(d) Redeveloper fails to comply with any of its other covenants under this Agreement related to the Minimum Improvements and fails to cure any such noncompliance or breach within thirty (30) days after written demand from the City to Redeveloper to do so, or if the event is by its nature incurable within 30 days, Redeveloper does not, within such 30-day period, provide assurances reasonably satisfactory to the City that the event will be cured as soon as reasonably possible; or

(e) the Holder of any Mortgage secured by the subject property exercises any remedy provided by the Mortgage documents or exercises any remedy provided by law or equity in the event of a default in any of the terms or conditions of the Mortgage, in either case which would materially adversely affect the rights and obligations of the City hereunder;

Then the City shall have the right to re-enter and take possession of the parcel to which the default relates and to terminate (and revert in the City) the estate conveyed by the deed to Redeveloper as to that parcel, subject to all intervening matters, it being the intent of this provision, together with other provisions of the Agreement, that the conveyance of the parcel to Redeveloper shall be made upon, and that the deed shall contain a condition subsequent to the effect that in the event of any default on the part of Redeveloper and failure on the part of Redeveloper to remedy, end, or abrogate such default within the period and in the manner stated in such subdivisions, the City at its option may declare a termination in favor of the City of the title, and of all the rights and interests in and to the parcel conveyed to Redeveloper, and that such title and all rights and interests of Redeveloper, and any assigns or successors in interest to and in the parcel, shall revert to the City, but only if the events stated in Section 9.3(a)-(e) have not been cured within the time periods provided above. Notwithstanding anything to the contrary herein, in

the event the Redevelopment Property have been replatted as part of other parcels as of the date of the City's exercise of its rights under this Section, Redeveloper will cooperate with the City in obtaining any subdivision necessary to revest in the City title to the applicable City Parcel.

Section 9.4. Resale of Reacquired Property; Disposition of Proceeds. Upon the revesting in the City of title to and/or possession of the parcel or any part thereof as provided in Section 9.3, the City shall, pursuant to its responsibilities under law, use its best efforts to sell the parcel or part thereof as soon and in such manner as the City shall find feasible and consistent with the objectives of such law and of the Development Program and TIF Plan to a qualified and responsible party or parties (as determined by the City) who will assume the obligation of making or completing the Minimum Improvements as shall be satisfactory to the City in accordance with the uses specified for such parcel or part thereof in the Development Program and TIF Plan. During any time while the City has title to and/or possession of a parcel obtained by reverter, the City will not disturb the rights of any tenants under any leases encumbering such parcel. Upon resale of the parcel, the proceeds thereof shall be applied:

(a) First, to reimburse the City for all costs and expenses incurred by them, including but not limited to salaries of personnel, in connection with the recapture, management, and resale of the parcel (but less any income derived by the City from the property or part thereof in connection with such management); all taxes, assessments, and water and sewer charges with respect to the parcel or part thereof (or, in the event the parcel is exempt from taxation or assessment or such charge during the period of ownership thereof by the City , an amount, if paid, equal to such taxes, assessments, or charges (as determined by the City assessing official) as would have been payable if the parcel were not so exempt); any payments made or necessary to be made to discharge any encumbrances or liens existing on the parcel or part thereof at the time of revesting of title thereto in the City or to discharge or prevent from attaching or being made any subsequent encumbrances or liens due to obligations, defaults or acts of Redeveloper, its successors or transferees; any expenditures made or obligations incurred with respect to the making or completion of the subject improvements or any part thereof on the parcel or part thereof; and any amounts otherwise owing the City by Redeveloper and its successor or transferee; and

(b) Second, to reimburse Redeveloper, its successor or transferee, up to the amount equal to the amount actually invested by Redeveloper in making any of the subject improvements on the parcel or part thereof.

Any balance remaining after such reimbursements shall be retained by the City as its property.

Section 9.5. 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 City 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 9.6. 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 9.7. Attorney Fees. Whenever any Event of Default occurs and if the non-defaulting party employs attorneys or incurs other expenses for the collection of payments due or to become due or for the enforcement of performance or observance of any obligation or agreement on the part of the defaulting party under this Agreement, the defaulting party shall, within ten (10) days of written demand by the non-defaulting party, pay to the non-defaulting party the reasonable fees of such attorneys and such other expenses so incurred by the non-defaulting party.

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

ARTICLE X

Additional Provisions

Section 10.1. Conflict of Interests; Representatives Not Individually Liable. The City, the City and the Redeveloper, to the best of their respective knowledge, represent and agree that no member, official, or employee of the City 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 City shall be personally liable to the Redeveloper, or any successor in interest, in the event of any default or breach by the City or for any amount that may become due to the Redeveloper or successor or on any obligations under the terms of the Agreement.

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

Section 10.3. Restrictions on Use. The Redeveloper agrees that until the Termination Date, the Redeveloper, and such successors and assigns, shall devote the Redevelopment Property to the operation of the Minimum Improvements as 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 use or occupancy of the Redevelopment Property or any improvements erected or to be erected thereon, or any part thereof. Redeveloper agrees that no portion of the Redevelopment Property will be used for a sexually-oriented business, a pawnshop, a check-cashing business, a tattoo business, or a gun business.

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: Dale Street Station, LLC
c/o Greater Metropolitan Housing Corporation
Attn: Executive Director/President
15 South Fifth Street, Suite 710
Minneapolis, MN 55402
Attn: Carolyn Olson

To City: City of Roseville
Attn: City Manager
2660 Civic Center Drive
Roseville, Minnesota 55113

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

Section 10.8. Recording. The City 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 City 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 City and the Redeveloper.

Section 10.10. City Approvals. Unless otherwise specified, any approval required by the City under this Agreement may be given by the City Representative.

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

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

CITY OF ROSEVILLE

By _____
Its Mayor

By _____
Its City Manager

STATE OF MINNESOTA)
) SS.
COUNTY OF RAMSEY)

The foregoing instrument was acknowledged before me this ____ day of _____, 20__
by _____ and _____ the Mayor and City Manager of the City of
Roseville, on behalf of the City.

Notary Public

DALE STREET STATION, LLC

By _____
Its _____

STATE OF MINNESOTA)
) SS.
COUNTY OF RAMSEY)

The foregoing instrument was acknowledged before me this _____ day of _____, 2015,
by _____, the _____ of Dale Street Station, LLC, a
Minnesota limited liability company, on behalf of the company.

Notary Public

SCHEDULE A
REDEVELOPMENT PROPERTY

Lots 18, 19, 20, 21, and 22, Block 1, O'Neil's Addition, according to the recorded plat thereof, County of Ramsey, State of Minnesota.

And

Copes Subdivision of LOT 1 of Cope's Subdivision of the SE $\frac{1}{4}$ of Section 11, Township Subject to Road; Then 134 FT of E 247 FT & N 131 FT of W 78 FT of E 325 FT of LOT 12

SCHEDULE B

FORM OF QUIT CLAIM DEED

THIS INDENTURE, between the City of Roseville, a public body corporate and politic (the "Grantor"), and Dale Street Station, LLC, a Minnesota limited liability company (the "Grantee").

WITNESSETH, that Grantor, in consideration of the sum of \$_____ and other good and valuable consideration the receipt whereof is hereby acknowledged, does hereby grant, bargain, quitclaim and convey to the Grantee, its successors and assigns forever, all the tract or parcel of land lying and being in the County of Ramsey and State of Minnesota described as follows, to-wit (such tract or parcel of land is hereinafter referred to as the "Property"):

To have and to hold the same, together with all the hereditaments and appurtenances thereunto belonging.

SECTION 1.

It is understood and agreed that this Deed is subject to the covenants, conditions, restrictions and provisions of an agreement recorded herewith entered into between the Grantor, the City of Roseville, Minnesota, and Grantee on the _____ day of _____, 2015, identified as "Purchase and Redevelopment Contract" (hereafter referred to as the "Agreement") and that the Grantee shall not convey this Property, or any part thereof, except as permitted by the Agreement until a certificate of completion releasing the Grantee from certain obligations of said Agreement as to this Property or such part thereof then to be conveyed, has been placed of record. This provision, however, shall in no way prevent the Grantee from mortgaging this Property in order to obtain funds for the purchase of the Property hereby conveyed or for erecting the Minimum Improvements thereon (as defined in the Agreement) in conformity with the Agreement, any applicable development program and applicable provisions of the zoning ordinance of the City of Roseville, Minnesota, or for the refinancing of the same.

It is specifically agreed that the Grantee shall promptly begin and diligently prosecute to completion the development of the Property through the construction of the Minimum Improvements thereon, as provided in the Agreement.

Promptly after completion of the Minimum Improvements in accordance with the provisions of the Agreement, the Grantor will furnish the Grantee with an appropriate instrument so certifying. Such certification by the Grantor shall be (and it shall be so provided in the certification itself) a conclusive determination of satisfaction and termination of the agreements and covenants of the Agreement and of this Deed with respect to the obligation of the Grantee, and its successors and assigns, to construct the Minimum Improvements and the dates for the beginning and completion thereof. Such certifications and such determination shall not constitute evidence of compliance with or satisfaction of any obligation of the Grantee to any holder of a

mortgage, or any insurer of a mortgage, securing money loaned to finance the purchase of the Property hereby conveyed or the Minimum Improvements, or any part thereof.

All certifications provided for herein shall be in such form as will enable them to be recorded with the County Recorder and/or Registrar of Titles, Ramsey County, Minnesota. If the Grantor shall refuse or fail to provide any such certification in accordance with the provisions of the Agreement and this Deed, the Grantor shall, within thirty (30) days after written request by the Grantee, provide the Grantee with a written statement indicating in adequate detail in what respects the Grantee has failed to complete the Minimum Improvements in accordance with the provisions of the Agreement or is otherwise in default, and what measures or acts it will be necessary, in the opinion of the Grantor, for the Grantee to take or perform in order to obtain such certification.

SECTION 2.

The Grantee's rights and interest in the Property are subject to the terms and conditions of Section 9.3 of the Agreement relating to the Grantor's right to re-enter and revest in Grantor title to the Property under conditions specified therein, including but not limited to termination of such right upon issuance of a Certificate of Completion as defined in the Agreement. Notwithstanding the foregoing, this right shall terminate as to any portion of the Property upon its sale to a new buyer after improvement by a portion of the Minimum Improvements on which a Certificate of Completion has been issued, or following sale by a Holder approved by the City, each of the above terms, as defined in the Agreement

SECTION 3.

The Grantee agrees for itself and its successors and assigns to or of the Property or any part thereof, hereinbefore described, that the Grantee and such successors and assigns shall comply with all provisions of the Agreement that relate to the Property or use thereof for the periods specified in the Agreement, including without limitation the covenant set forth in Section 10.3 thereof.

It is intended and agreed that the above and foregoing agreements and covenants shall be covenants running with the land for the respective terms herein provided, and that they shall, in any event, and without regard to technical classification or designation, legal or otherwise, and except only as otherwise specifically provided in this Deed, be binding, to the fullest extent permitted by law and equity for the benefit and in favor of, and enforceable by, the Grantor against the Grantee, its successors and assigns, and every successor in interest to the Property, or any part thereof or any interest therein, and any party in possession or occupancy of the Property or any part thereof.

In amplification, and not in restriction of, the provisions of the preceding section, it is intended and agreed that the Grantor shall be deemed a beneficiary of the agreements and covenants provided herein, both for and in its own right, and also for the purposes of protecting the interest of the community and the other parties, public or private, in whose favor or for whose benefit these agreements and covenants have been provided. Such agreements and covenants shall run in favor of the Grantor without regard to whether the Grantor has at any time been, remains, or

is an owner of any land or interest therein to, or in favor of, which such agreements and covenants relate. The Grantor shall have the right, in the event of any breach of any such agreement or covenant to exercise all the rights and remedies, and to maintain any actions or suits at law or in equity or other proper proceedings to enforce the curing of such breach of agreement or covenant, to which it or any other beneficiaries of such agreement or covenant may be entitled; provided that Grantor shall not have any right to re-enter the Property or revest in the Grantor the estate conveyed by this Deed on grounds of Grantee's failure to comply with its obligations under this Section 3.

SECTION 4.

This Deed is also given subject to:

(a) Provision of the ordinances, building and zoning laws of the City of Roseville, and state and federal laws and regulations in so far as they affect this real estate.

(b) [Others]

Grantor certifies that it does not know of any wells on the Property.

IN WITNESS WHEREOF, the Grantor has caused this Deed to be duly executed in its behalf by its President and Executive Director this _____ day of _____, 20__.

CITY OF ROSEVILLE

By _____
Its Mayor

By _____
Its City Manager

[illegible]

On this ____ day of _____, 20__, before me, a notary public within and for Ramsey County, personally appeared _____ and _____ to me personally known who by me duly sworn, did say that they are the Mayor and City Manager of the City of Roseville (the "City"), a Minnesota municipal corporation, named in the foregoing instrument; that said instrument was signed on behalf of said City pursuant to a resolution of its governing body; and _____ and _____ acknowledged said instrument to be the free act and deed of said City .

Notary

This instrument was drafted by:

SCHEDULE C
FORM OF ESCROW AGREEMENT

SCHEDULE D

CERTIFICATE OF COMPLETION

WHEREAS, the City of Roseville, Minnesota, a Minnesota municipal Corporation and Dale Street Station, LLC ("Redeveloper") entered into a certain Purchase and Redevelopment Contract dated _____, 2015 ("Contract"), filed as Document No. _____ at the office of the County Registrar of Titles; and

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

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

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

Dated: _____, 20__.

CITY OF ROSEVILLE

By _____
City Representative

STATE OF MINNESOTA)
) SS.
COUNTY OF RAMSEY)

 The foregoing instrument was acknowledged before me this ____ day of _____, 20__
by _____, the City Manager of the City of Roseville, a Minnesota municipal
corporation, on behalf of the City.

Notary Public

This document drafted by:

SCHEDULE E

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 CITY OF ROSEVILLE, a municipal corporation ("City").

RECITALS

A. Dale Street Station, 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 _____, 200_, in the amount of \$_____; and

(ii) a certain mortgage, security agreement and fixture financing statement (the "Mortgage") made by Redeveloper dated _____, 200_, filed _____, 200_, 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. City is the owner and holder of certain rights under a certain Purchase and Redevelopment Contract (the "Contract") by and between Redeveloper, the City of Roseville, Minnesota, and City dated _____, 20__ and filed _____, 20__, as Ramsey County Recorder/Registrar of Titles Doc. No. _____ encumbering the Property, which includes a right of reverter in the City.

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. Subordination. The City hereby agrees that the rights of the City with respect to City's right of reverter under Section 9.3 of 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 that the Property be used in accordance with the provisions of Section 10.3 of the Contract.

2. Notice to City. Lender agrees to use commercially reasonable efforts to notify City 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.

3. 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.

4. No Assumption. The City 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 City under the Contract, and that the Lender shall incur no obligations whatsoever to the City except as expressly provided herein. Lender will want to get subsidy if takes the Property back. .

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

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

7. 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.

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

9. 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.

10. Transfer of Title to Lender. The City 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 City 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.

11. Estoppel. The City hereby represents and warrants to Lender, for the purpose of inducing Lender to make advances to Redeveloper under the Loan Documents that:

- (a) No default or event of default by Redeveloper exists under the terms of the Contract on the date hereof;
- (b) The Contract has not been amended or modified in any respect, nor has any material provision thereof been waived by either the City or the Redeveloper, and the Contract is in full force and effect;
- (c) Such other reasonable certifications as the Lender may request.

12. Amendments. The City hereby represents and warrants to Lender for the purpose of inducing Lender to make advances to Redeveloper under the Loan Documents that City will not agree to any amendment or modification to the Contract that materially 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.

CITY OF ROSEVILLE

By _____
Its Mayor

By _____
Its City Manager

STATE OF MINNESOTA)
) SS.
COUNTY OF RAMSEY)

The foregoing instrument was acknowledged before me this _____ day of _____, by _____ and _____ the Mayor and City Manager, respectively, of the City of Roseville, a municipal corporation, on behalf of such municipal corporation.

Notary Public

By: _____
Its _____

STATE OF MINNESOTA)
) SS.
COUNTY OF RAMSEY)

 The foregoing instrument was acknowledged before me this _____ day of _____, 2015,
by _____, the _____ of _____, a
_____, on behalf of the _____.

Notary Public

SCHEDULE F

PRO FORMA

SCHEDULE G

SITE PLAN



COMMITMENT LETTER

June 2, 2015

Carolyn E. Olson
President
Greater Metropolitan Housing Corporation
15 South 5th Street -- Suite 710
Minneapolis, MN 55042

Dear Carolyn,

I am happy to inform you that your loan application for a \$1,461,000 first mortgage revolving draw note to assist with the development and construction of the 18 unit Dale Garden Station project has been approved under the following terms:

BORROWER: GMHC Dale Station, LLC.
AMOUNT: \$1,461,000
NOTE TYPE: Re-advancing line of credit draw note
PURPOSE: Development and construction of 18 townhome units in Roseville, MN.
MATURITY: 36 Months from closing.
AMORTIZATION: Interest only monthly payments
RATE: Prime +.50% with a floor of 4.0%
ORIGINATION FEE: \$32,000
PREPAYMENT PENALTY: There will be no prepayment penalty associated with this note.

ASSUMABILITY: The loan is not assumable nor can you transfer any portion of your interest in the real estate without the written consent of the Bank.

LATE FEE: In the event a monthly payment on this loan is made more than 10 days after its due date, a late fee of 5% of the monthly payment will be charged.

This commitment is subject to the following:

1. **APPLICATION AND PURCHASE AGREEMENT:** Your application documents and the purchase agreement, if any, pertaining to this transaction along with acceptance of the Development Agreement between you and the City of Roseville.

2. **SOURCES AND USES:** The sources and uses shall be as follows:

<u>Sources</u>		<u>Uses</u>	
WB Loan	\$1,461,000	Hard Constructon Costs	1,327,585
Prepaid Dev. Costs	\$196,400	Site Costs	\$161,453
<u>Borrower Cas</u>	<u>\$167,688</u>	Architect / Engineering	\$160,000
		Hard Site Contingency	\$66,379
		Title/Bank/Survey	\$59,200
		<u>Carrying Costs</u>	<u>\$50,501</u>
TOTALS:	\$1,825,118		\$1,825,118

3. **HAZARD INSURANCE:** Coverage in the amount of at least \$1,162,408 with Western Bank named as mortgagee, and including a clause that the insurance company will give us at least 30 days notice of cancellation or non-renewal. Evidence of insurance on an Accord Form #27 "Evidence of Property Insurance" must be delivered to us on or prior to closing.
4. **TITLE INSURANCE:** Commitment from a firm acceptable to WB showing title free and clear of any encumbrances, easements, encroachments or restrictions not acceptable to us.
5. **FLOOD HAZARD ZONE:** If property is located within a Flood Hazard Zone, Borrower will be required to purchase flood hazard insurance for the term of the loan with Western Bank named as Mortgagee.

6. **BORROWING AUTHORITY:** Borrower must provide us with LLC Documents including a Certificate of Good Standing, copy of Articles of Organization, Operating Agreement and Control Agreement. The Promissory Note ("Note") and other documents shall be executed by the individuals so authorized.
7. **GUARANTY:** The loan, as well as the performance and provisions of the mortgage and other loan documents, will be corporately guaranteed by Greater Metropolitan Housing Corporation.
8. **DOCUMENTATION:** Borrower agrees to execute all documents as the Bank/Bank's legal counsel may reasonably require. The documents may include but are not limited to: Promissory Note, a combination mortgage security agreement or a mortgage and fixture financing statement (Mortgage), the Guarantee(s), borrowing resolution, and Loan Agreement. Borrower shall also execute and deliver all documents required by the title insurance company in order to close the loan.
9. **LOAN AGREEMENT:** Borrower will execute a Loan Agreement at closing specifying release prices of units and pay-down schedule on revolving line of credit.
10. **DEPOSIT ACCOUNT:** Borrower shall establish and maintain an operating account with the bank during the construction period until the note is fully retired.
11. **ENVIRONMENTAL HAZARDS:** Provide evidence satisfactory to Western Bank that there are no environmental hazards. Borrower further agrees to indemnify Western Bank from any loss whatsoever arising by reason of the presence of hazardous waste or toxic substances in or on the property. This indemnity and hold harmless shall survive the payment of the note.
12. **COSTS:** Whether or not the loan is originated in accordance with this commitment, the Borrower shall pay, upon request of the Bank, all of the legal, title, environmental assessment, survey and any other out of pocket charges incurred by the Bank in connection with the drafting of this commitment and/or the Loan Documents and any other documents referred to in this commitment. Additional costs incurred for the closing of this loan include but are not limited to: Mortgage Registration Tax, and recording fees.
13. **DELIVERY AND ACCEPTANCE OF COMMITMENT:** This commitment must be signed and returned to the Bank.

In the event that there is any material adverse change in your financial condition or obligations prior to the closing, the bank may, at its sole and complete discretion, terminate this commitment.

We may, at our option, waive any time limitations or conditions herein.

WESTERN BANK

By:

A handwritten signature in blue ink, appearing to read "Richard J. McManis", is written over a horizontal line.

Its:

Vice President

ACCEPTANCE

I (we) hereby accept the terms of the above commitment

Date: June 9, 2015

By: Carolyn E. Olson

Carolyn Olson, Managing Partner

GMHC Dale Station, LLC

Guarantor: Greater Metropolitan Housing Corporation

By: Carolyn E. Olson

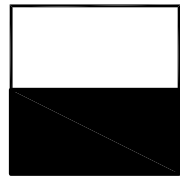
Carolyn E. Olson, President

Western Bank acknowledges receipt of this commitment letter.

By: Richard J. McNamara

Richard J. McNamara

Its: Vice President



**CERMAK RHOADES
ARCHITECTS**
275 East
1651 225 8623 651 225 8720
www.cermakrhoades.com

I hereby certify that this plan, specification, or report was prepared by me or under my direct supervision and that I am a duly registered Architect under the laws of the State of Minnesota.

Signed

[Signature]

DATE 06/19/2015
REG. NO. 22055

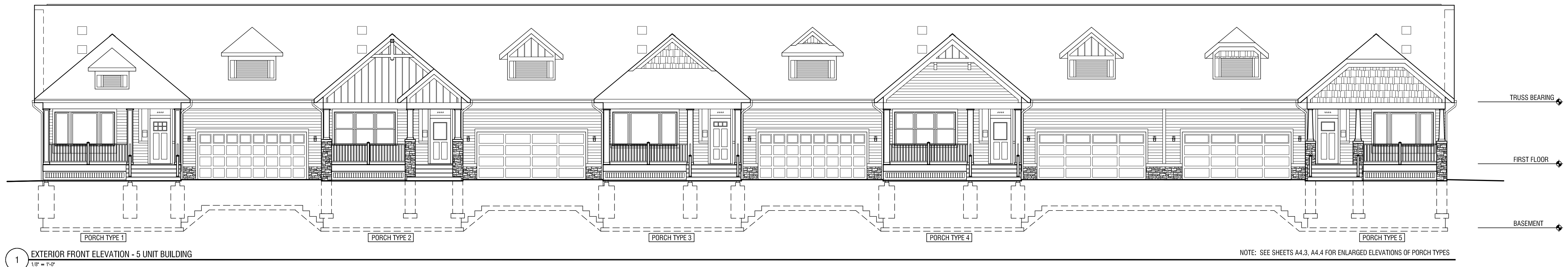
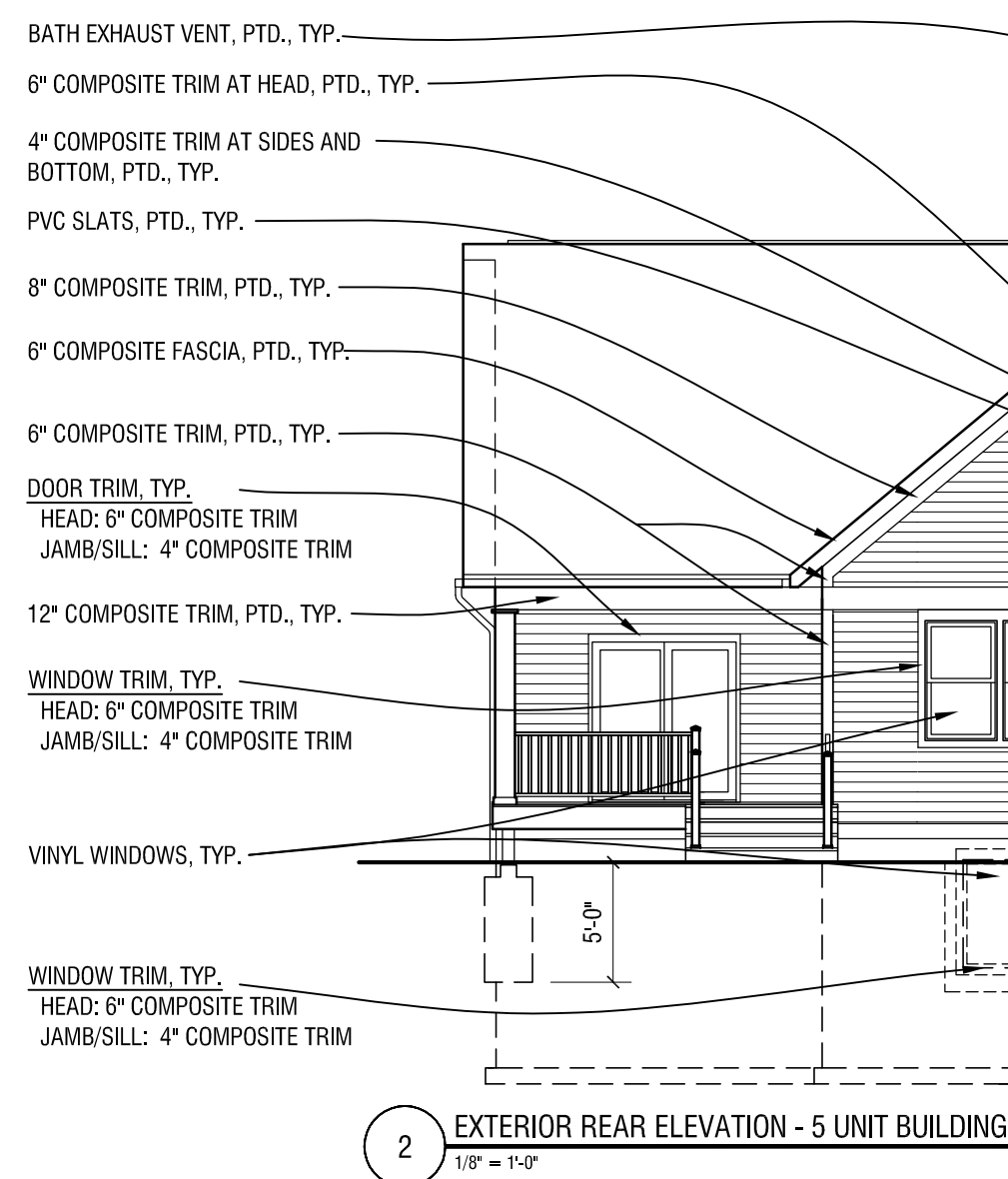
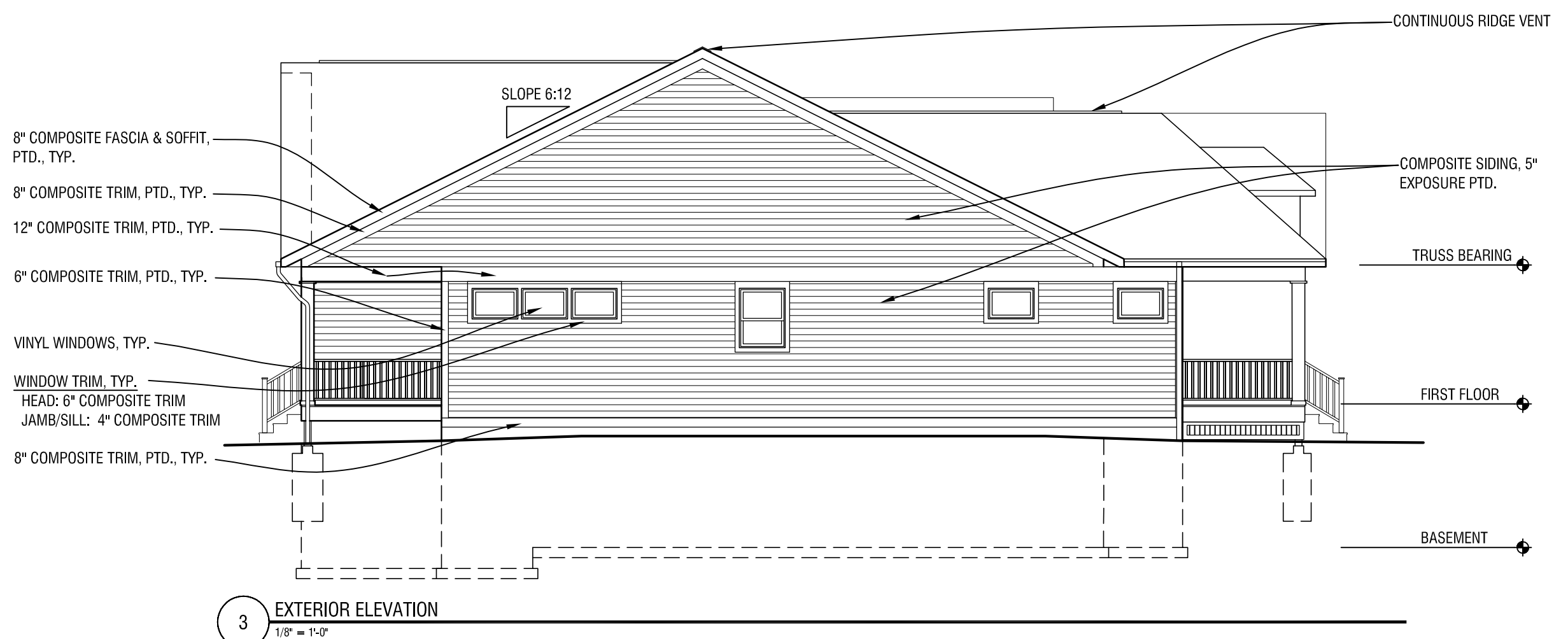
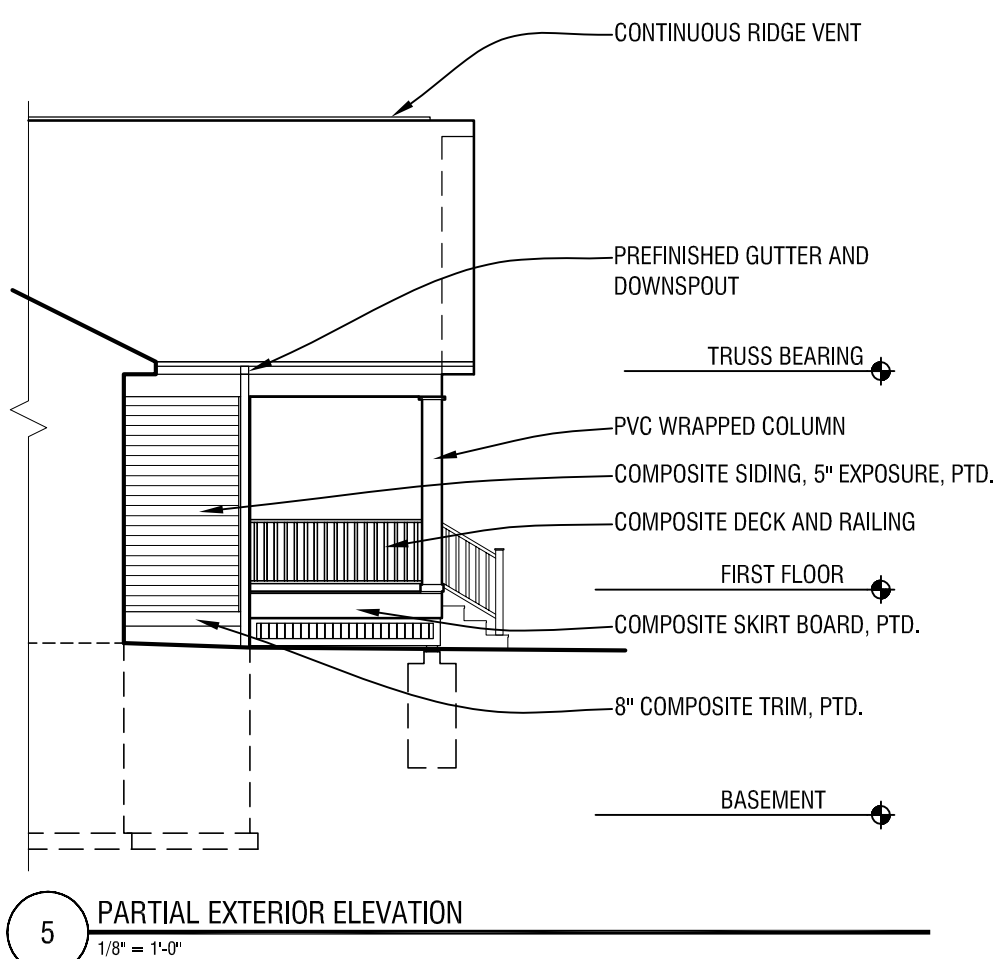
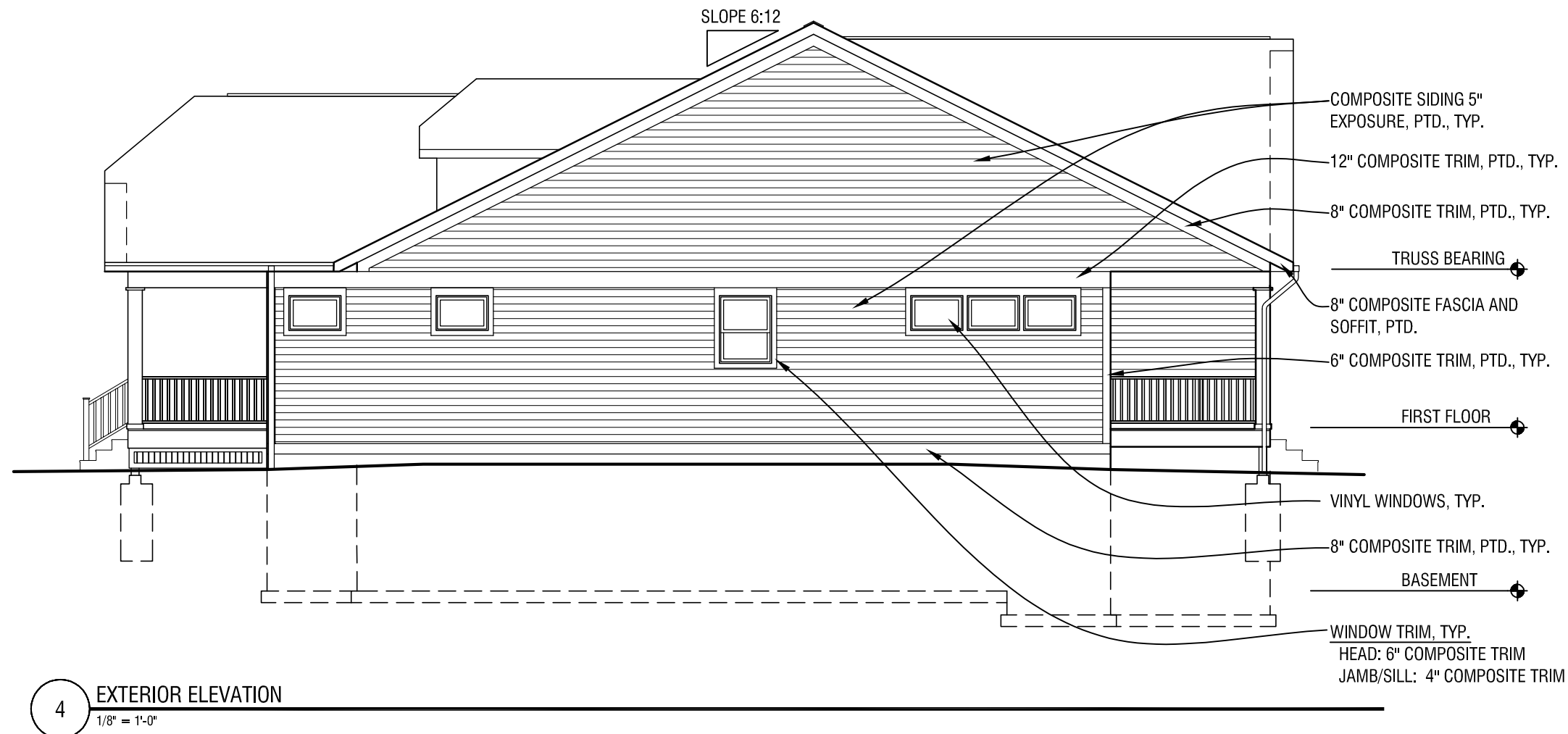
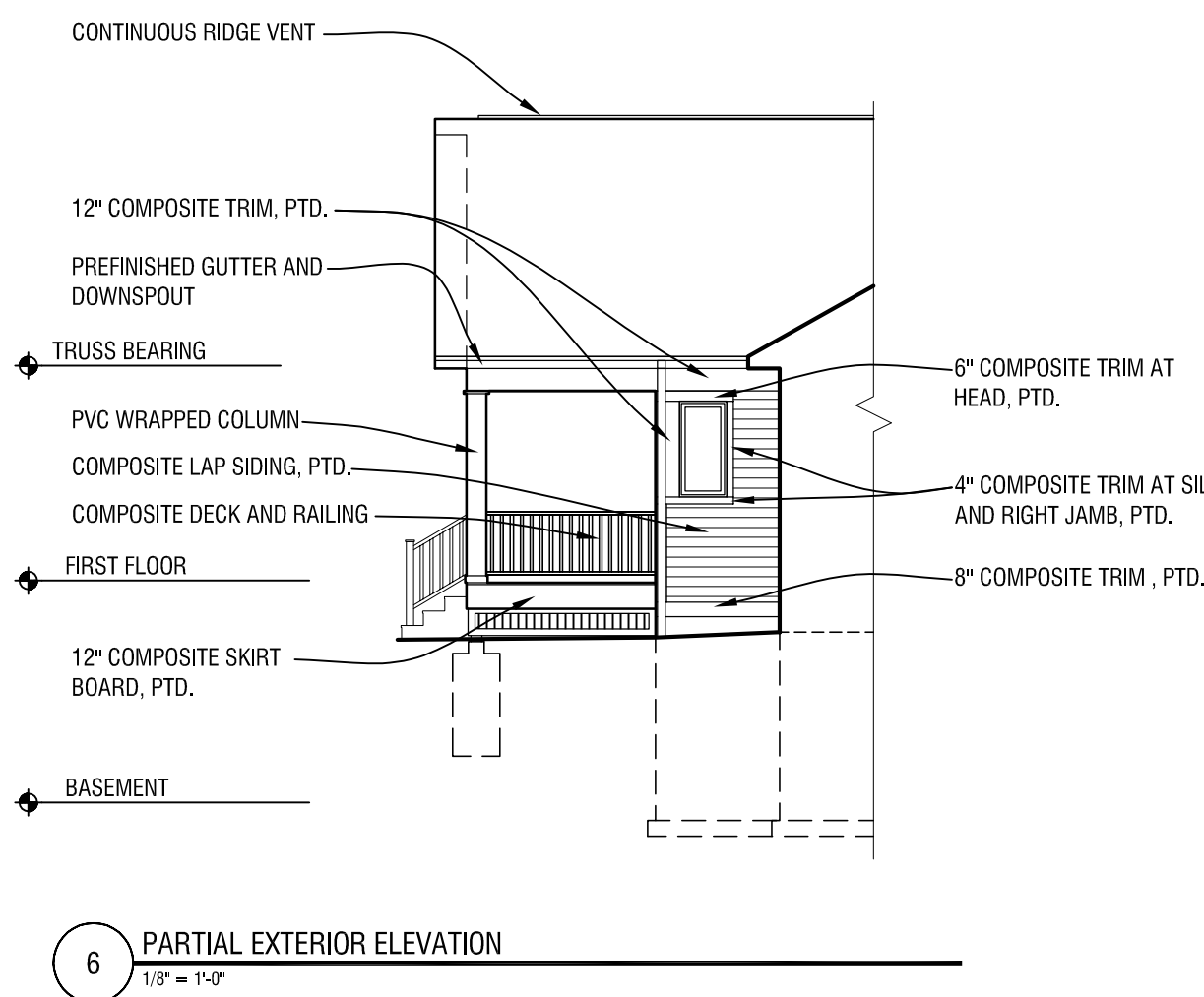
GMHC
The Greater
Metropolitan Housing Corp.

EXTERIOR ELEVATIONS
ROSEVILLE GARDEN STATION: TOWNHOMES - REDESIGN
GREATER METROPOLITAN HOUSING CORPORATION
15 SOUTH 5TH STREET SUITE 710
MINNEAPOLIS, MINNESOTA

REVISIONS

DATE ISSUED 06/19/2015
JOB NO. 1327
FILE NAME 1327STH-A4.X.dwg

A4.1



NOTE: SEE SHEETS A4.3, A4.4 FOR ENLARGED ELEVATIONS OF PORCH TYPES

I hereby certify that this plan, specification, or report was prepared by me or under my direct supervision and that I am a duly registered Architect under the laws of the State of Minnesota.

Signed



DATE	06/19/2015
REG. NO.	22055

GMHC
The Greater
Metropolitan Housing Corp.

EXTERIOR ELEVATIONS

ROSEVILLE GARDEN STATION: TOWNHOMES - REDESIGN

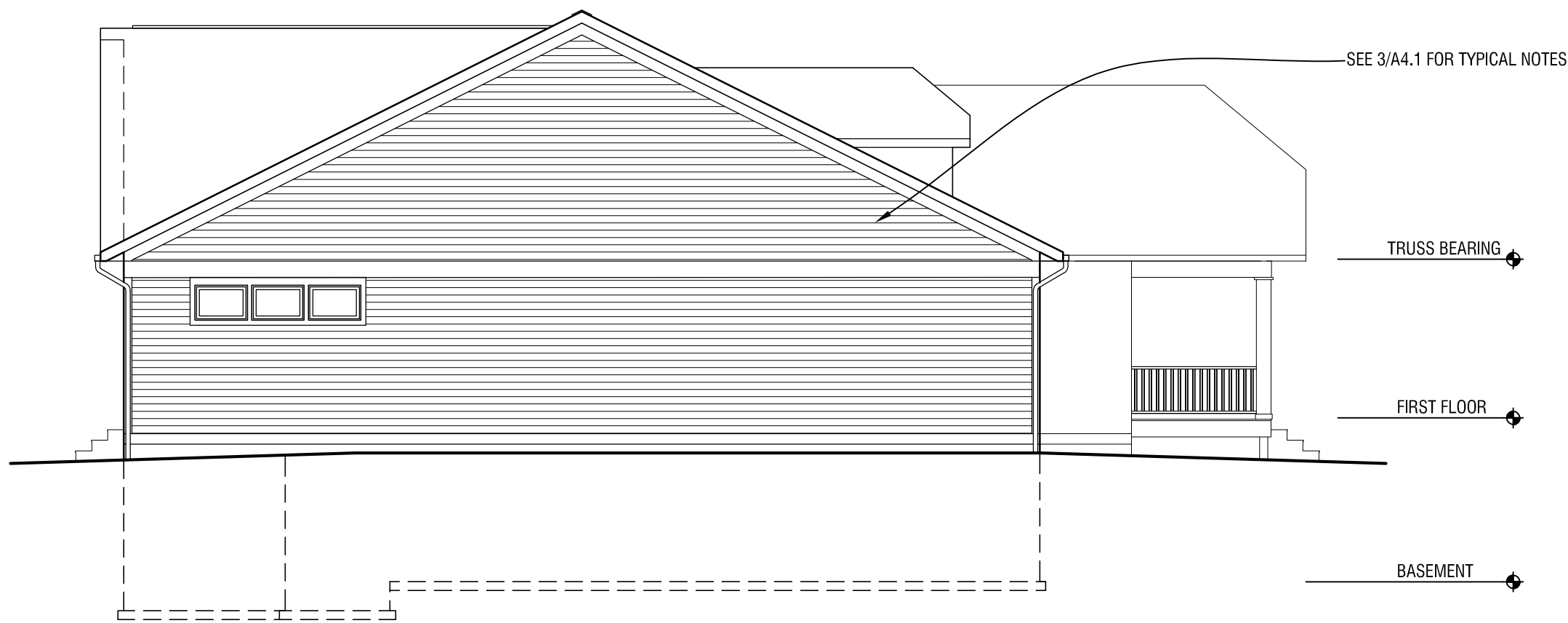
GREATER METROPOLITAN HOUSING CORPORATION
15 SOUTH 5TH STREET SUITE 710
MINNEAPOLIS, MINNESOTA

REVISIONS

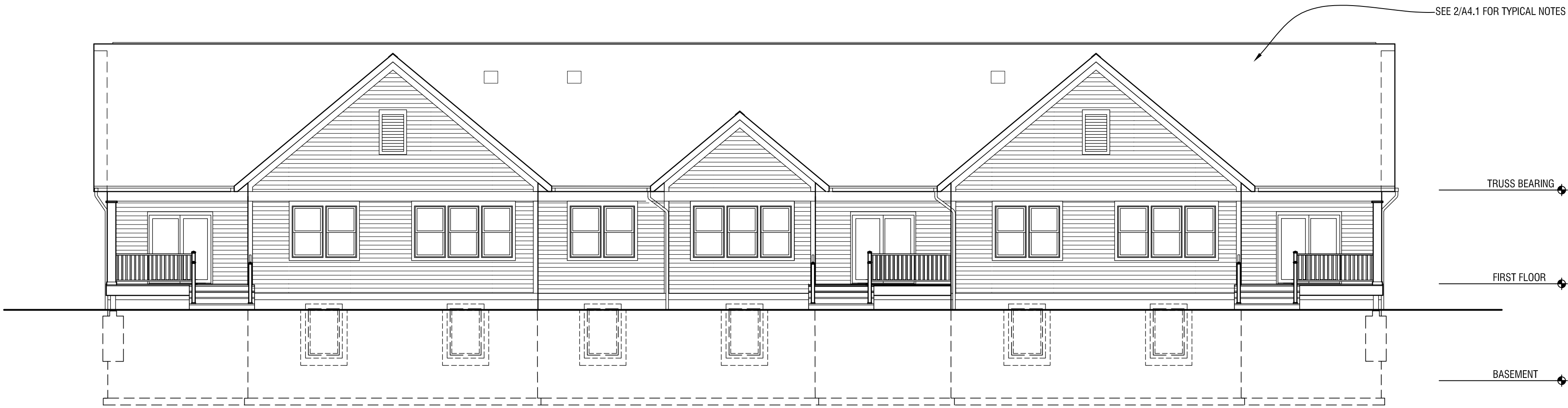
DATE ISSUED	06/19/2015
JOB NO.	1327
FILE NAME	1327STH-A4.X.dwg

A4.2

GENERAL NOTE: ALL COMPOSITE TRIM IS 5/8" THICKNESS.



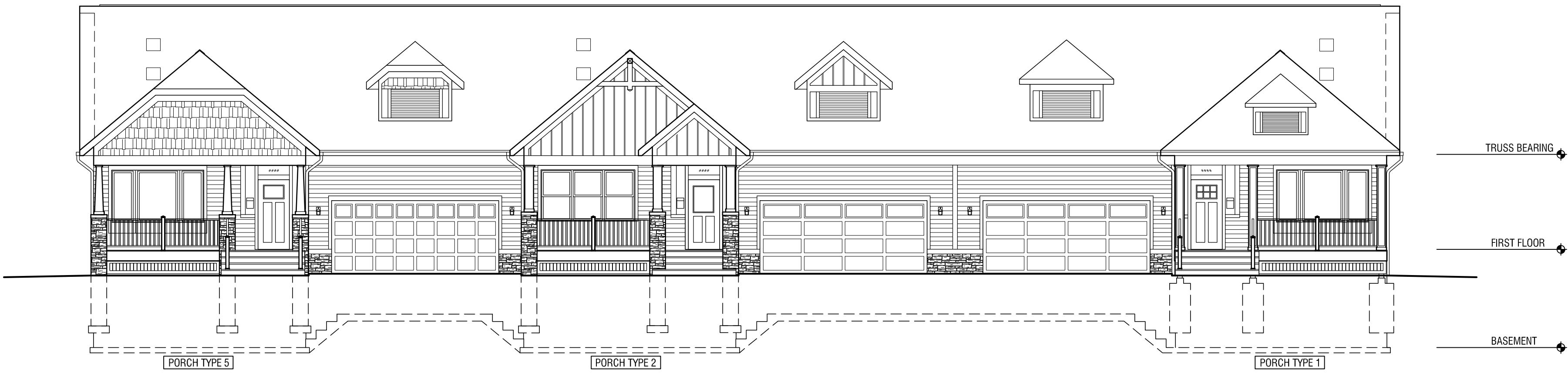
6 EXTERIOR WEST ELEVATION - SINGLE FAMILY HOME
1/8" = 1'-0"



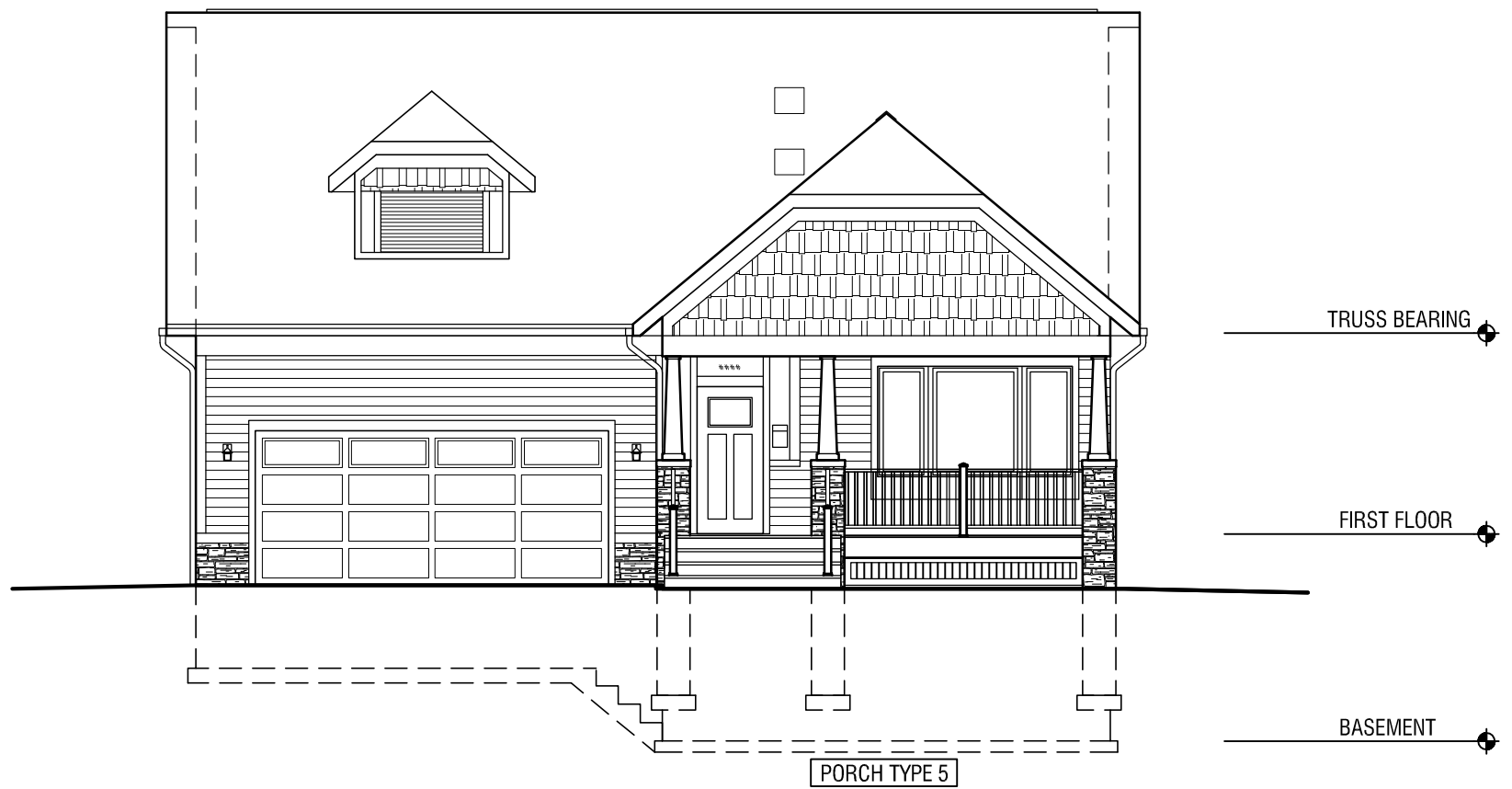
3 EXTERIOR REAR ELEVATION - 3 UNIT BUILDING TYPICAL
1/8" = 1'-0"



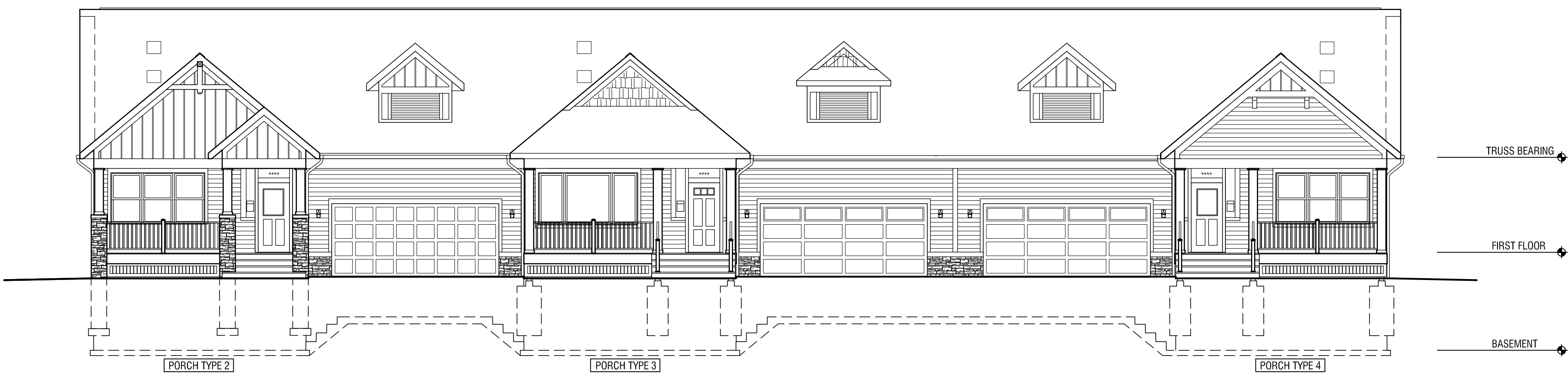
5 EXTERIOR REAR ELEVATION - SINGLE FAMILY HOME
1/8" = 1'-0"



2 EXTERIOR FRONT ELEVATION - 3 UNIT BUILDING B
1/8" = 1'-0"



4 EXTERIOR FRONT ELEVATION - SINGLE FAMILY HOME
1/8" = 1'-0"



1 EXTERIOR FRONT ELEVATION - 3 UNIT BUILDING A
1/8" = 1'-0"

NOTE: SEE SHEETS A4.3, A4.4 FOR ENLARGED ELEVATIONS OF PORCH TYPES

Signer:



DATE	06/19/2015
BEG NO	22055

GMHC
The Greater
Metropolitan Housing Corp.

EXTERIOR ELEVATIONS

ROSEVILLE GARDEN STATION: TOWNHOMES - REDESIGN

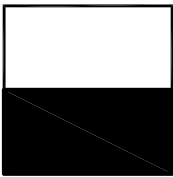
GREATER METROPOLITAN HOUSING CORPORATION
15 SOUTH 5TH STREET SUITE 710
MINNEAPOLIS, MINNESOTA

REVISIONS

DATE ISSUED	06/19/2015
JOB NO.	1327
FILE NAME	1327STH-A4X.dwg

A4.3





CERMAK RHOADES
ARCHITECTS
275 East Hennepin Avenue, Suite 100
Minneapolis, MN 55401
Phone: 612.225.8623
Fax: 612.225.8720
www.cermakrhoades.com

I hereby certify that this plan, specification, or report was prepared by me or under my direct supervision and that I am a duly registered Architect under the laws of the State of Minnesota.

Signed

[Signature]

DATE 06/19/2015

REG. NO. 22055

GMHC
The Greater
Metropolitan Housing Corp.

EXTERIOR ELEVATIONS
ROSEVILLE GARDEN STATION: TOWNHOMES - REDESIGN
GREATER METROPOLITAN HOUSING CORPORATION
15 SOUTH 5TH STREET SUITE 710
MINNEAPOLIS, MINNESOTA

REVISIONS

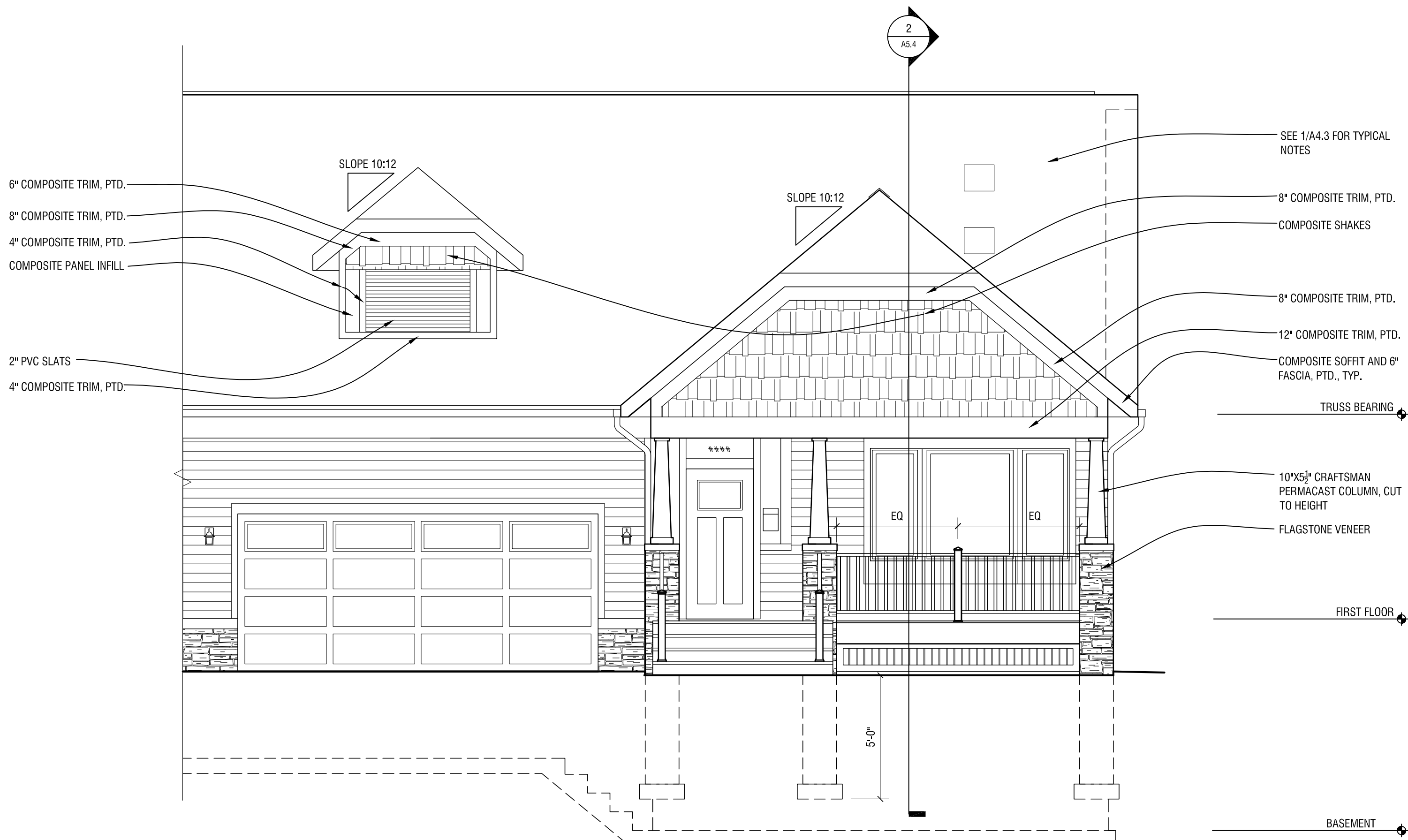
DATE ISSUED 06/19/2015

JOB NO. 1327

FILE NAME 1327STH-A4.X.dwg

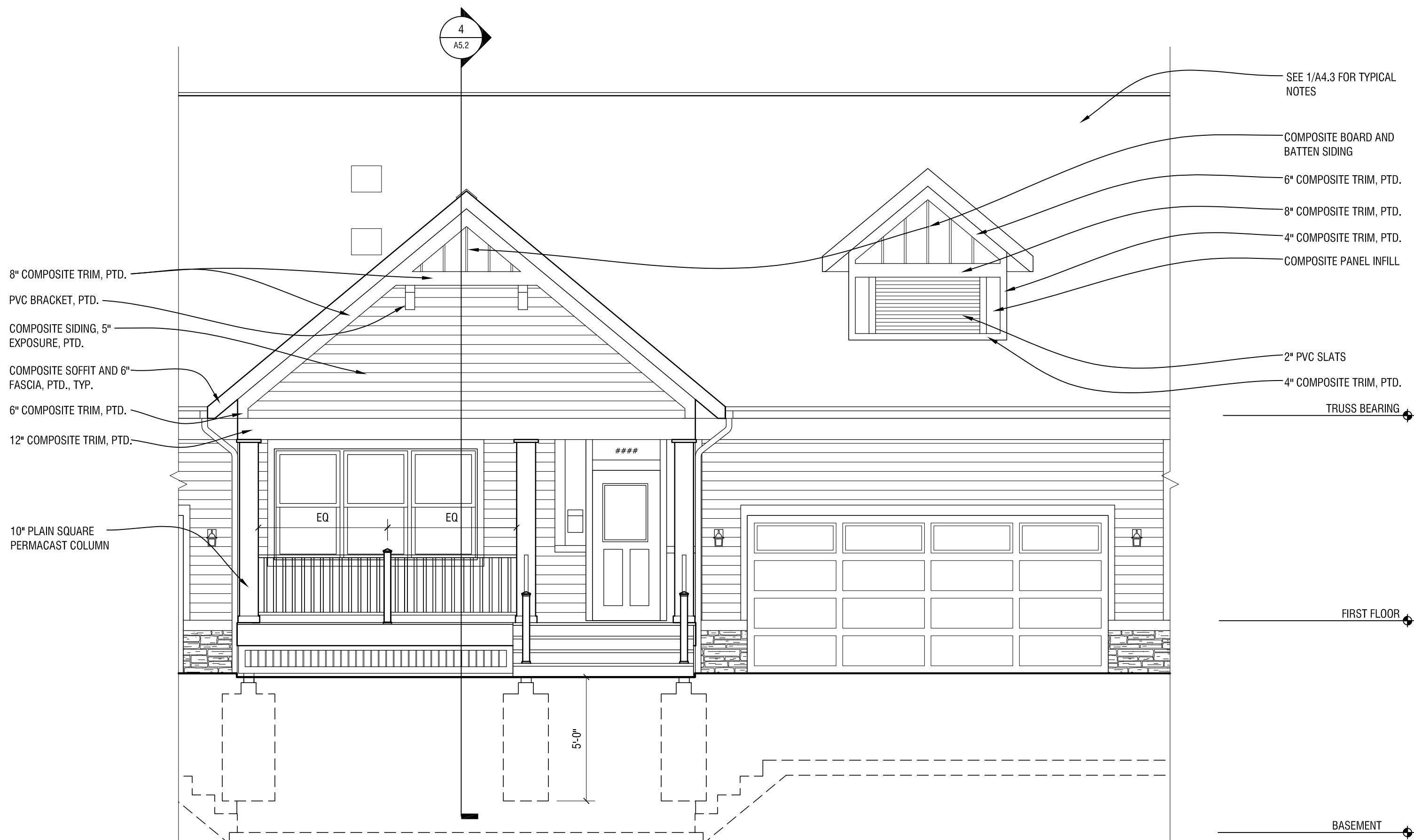
A4.4

GENERAL NOTE: ALL COMPOSITE TRIM IS 5/8" THICKNESS.



3 PARTIAL EXTERIOR FRONT ELEVATION - PORCH TYPE 5

1/4" = 1'-0"



1 PARTIAL EXTERIOR FRONT ELEVATION - PORCH TYPE 4

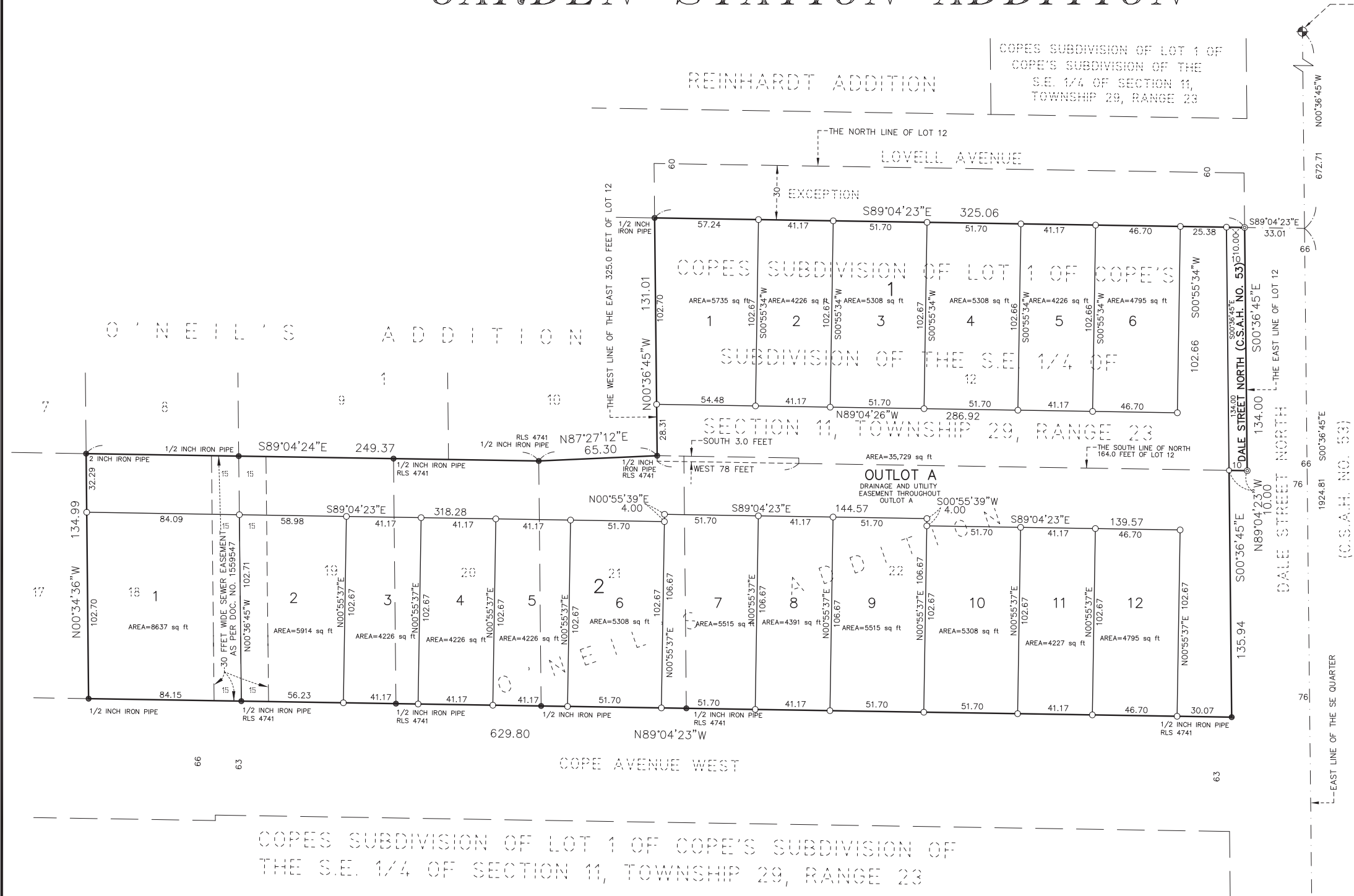
1/4" = 1'-0"





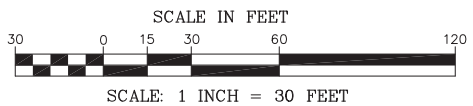
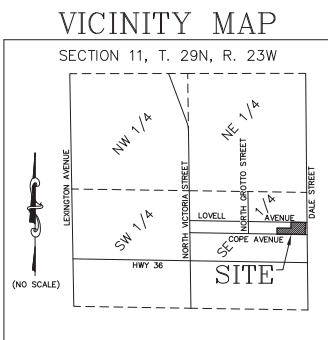


GARDEN STATION ADDITION



CAST IRON MONUMENT
EAST QUARTER CORNER
SECTION 11, TOWNSHIP 29, RANGE 23
RAMSEY COUNTY, MINNESOTA
N 181142.752
E 566493.505

CONCORDIA
MEADOWS



Legend

- Denotes 12 inch long Common Spike with washer stamped R.L.S. 16464 Monument set.
- ⊙ Denotes PK Nail, with stainless steel marker, Monument set, and stamped R.L.S. 16464.
- Denotes Iron found, size, type, and R.L.S. as noted.
- ⬢ Denotes Ramsey County Cast Iron Monument.

CAST IRON MONUMENT -
NORTH WITNESS MONUMENT TO THE SOUTHEAST CORNER
SECTION 11, TOWNSHIP 29, RANGE 23
RAMSEY COUNTY, MINNESOTA
N 178545.381
E 566521.277

BASIS OF BEARINGS: RAMSEY COUNTY COORDINATE SYSTEM, NAD83,
1986 ADJUSTMENT.
COORDINATES SHOWN ARE RAMSEY COUNTY COORDINATES, NAD83,
1986 ADJUSTMENT.

Any required monument location on this plat with no monument symbol shown,
indicates a plat monument that will be set, and which shall be in place within one
year after the recording of this plat. These monuments will be 12 inch long Common
Spike Monuments set & capped R.L.S. 16464.

LAKE & LAND SURVEYING, INC.
1200 CENTRE POINTE CURVE, SUITE 275
MENDOTA HEIGHTS, MINNESOTA, 55120
PHONE: 651-776-6211