Housing & Redevelopment Authority
Regular Meeting

April 06, 2023
7:00 PM
Fridley City Hall, 7071 University Avenue N.E.

Agenda

Call to Order

Roll Call

Action Items

1. Approval of HRA Expenditures from March, 2023

2. Approval of the Minutes from the HRA Meeting of March 2, 2023

3. Approval of HRA Resolution No. 2023-09 Approving Interfund Loans Associated with the Proposed Moon Plaza Redevelopment Project

4. Approval of HRA Resolution No. 2023-10 Authorizing Execution and Delivery of a Contract for Private Redevelopment between the HRA in and for the City of Fridley and Roers Fridley Apartments Owner II, LLC

Informational Items

5. Update on Housing Programs

Adjournment

Upon request, accommodation will be provided to allow individuals with disabilities to participate in any City of Fridley services, programs, or activities. Hearing impaired persons who need an interpreter or other persons who require auxiliary aids should contact the City at (763) 571-3450.

AGENDA REPORT

Meeting Date: April 6, 2023 **Meeting Type:** Housing & Redevelopment Authority

Submitted By: Paul Bolin, Assistant Executive Director

Title

Approval of Expenditures

Background

Attached are the check reports for the month of March 2023.

Recommendation

Staff recommend the HRA approve the expenditures for the period March 1 through 31, 2023.

Attachments and Other Resources

- Check Reports

City of Fridley, MN

Check Report

By Check Number

Date Range: 02/24/2023 - 03/30/2023

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
Bank Code: APBNK-HRA-APBNK-HRA						
hra-10150	ANOKA COUNTY TREASURY -HRA	03/08/2023	Regular	0.00	1,684.00	30935
HRA-2653	NORTH STATE ADVISERS & ASSOCIATES	03/08/2023	Regular	0.00	2,000.00	30936
HRA-524	PROSOURCE TECHNOLOGIES LLC	03/08/2023	Regular	0.00	7,500.00	30937
hra-1404	XCEL ENERGY	03/08/2023	Regular	0.00	10.58	30938
hra-1113	MONROE MOXNESS BERG PA	03/22/2023	Regular	0.00	6,905.00	30939
HRA-2643	ANOKA COUNTY PROPERTY RECORDS & TAXATIOI	03/30/2023	Regular	0.00	6,424.44	30940
HRA-2643	ANOKA COUNTY PROPERTY RECORDS & TAXATIOI	03/30/2023	Regular	0.00	9,107.06	30941
hra-311	CENTER FOR ENERGY & ENVIRONMENT (CEE)	03/30/2023	Regular	0.00	99,251.00	30942
hra-1113	MONROE MOXNESS BERG PA	03/30/2023	Regular	0.00	1,360.00	30943
hra-1113	MONROE MOXNESS BERG PA	03/30/2023	Regular	0.00	-1,360.00	30943
HRA-438	NORTHLAND SECURITIES INC	03/30/2023	Regular	0.00	1,902.00	30944
HRA-14027	STUMPF, LISA	03/30/2023	Regular	0.00	500.00	30945
hra-1113	MONROE MOXNESS BERG PA	03/30/2023	Regular	0.00	1,360.00	30946

Bank Code APBNK-HRA Summary

Payment Type	Payable Count	Payment Count	Discount	Payment
Regular Checks	20	12	0.00	138,004.08
Manual Checks	0	0	0.00	0.00
Voided Checks	0	1	0.00	-1,360.00
Bank Drafts	0	0	0.00	0.00
EFT's	0	0	0.00	0.00
	20	**13**	**0.00**	**136,644.08**

All Bank Codes Check Summary

Payment Type	Payable Count	Payment Count	Discount	Payment
Regular Checks	20	12	0.00	138,004.08
Manual Checks	0	0	0.00	0.00
Voided Checks	0	1	0.00	-1,360.00
Bank Drafts	0	0	0.00	0.00
EFT's	0	0	0.00	0.00
	20	**13**	**0.00**	**136,644.08**

Fund Summary

Fund	Name	Period	Amount
099	Pooled Cash - HRA	3/2023	136,644.08
			136,644.08

AGENDA REPORT

Meeting Date: April 6, 2023 **Meeting Type:** Housing & Redevelopment Authority

Submitted By: Paul Bolin, Assistant Executive Director

Title

Approval of the Minutes from the HRA Meeting of March 2, 2023

Background

Recommendation

Staff recommends the HRA approve the minutes from the meeting of March 2, 2023.

Attachments and Other Resources

- HRA Minutes – March 2, 2023

Vision Statement

We believe Fridley will be a safe, vibrant, friendly and stable home for families and businesses.

Housing and Redevelopment Authority

March 2, 2023
7:00 PM
Fridley City Hall, 7071 University Avenue NE

Minutes

Call to Order
Chairperson Showalter called the Housing and Redevelopment Authority meeting to order at 7:00 p.m.

Present
Elizabeth Showalter
Gordon Backlund
Troy Brueggemeier
Kyle Mulrooney
Paul Bolin, HRA Assistant Executive Director
Vickie Johnson, Development Consultant

Action Items

1. Approval of Expenditures.

Motion by Commissioner Brueggemeier to approve the expenditures. Seconded by Commissioner Mulrooney.

Upon a voice vote, all voting aye, Chair Showalter declared the motion carried unanimously.

2. Approval of January 5, 2023, Conference Meeting Minutes.

Motion by Commissioner Mulrooney to approve the conference meeting minutes of January 5, 2023, as presented. Seconded by Commissioner Backlund.

Upon a voice vote, all voting aye, Chair Showalter declared the motion carried unanimously.

3. Approval of February 2, 2023, Meeting Minutes.

Motion by Commissioner Brueggemeier to approve the meeting minutes of February 2, 2023, as presented. Seconded by Commissioner Mulrooney.

Upon a voice vote, all voting aye, Chair Showalter declared the motion carried unanimously.

4. Approval of HRA Resolution No. 2023-07 Approving Purchase of Land for the Northtown Railyard Overpass.

Paul Bolin, Assistant Executive Director, stated that in 2009, the City looked at extending 57th Avenue through the northern end of the railroad yard and provided additional background information. He noted that this would be a benefit to the residents along with emergency vehicles and pedestrians. He provided details on the land acquisition the City would need to construct an overpass, as well as the grant funds the City has applied for, and its legislative efforts for funding.

Motion by Commissioner Mulrooney to approve HRA Resolution No. 2023-07 Approving the Purchase Agreement and Authorizing the Assistant Executive Director to sign documents needed to close on the property. Seconded by Commissioner Backlund.

Upon a voice vote, all voting aye, Chair Showalter declared the motion carried unanimously.

5. Approval of HRA Resolution No. 2023-08 Approving Application to Enter into Funding Agreement with the Department of Employment and Economic Development (DEED) for Grant Assistance for the 5400 Main Street NE Redevelopment.

Mr. Bolin provided background information on the building located at 5400 Main Street NE and the proposed redevelopment for the site. He stated that the developer proposed to construct three different buildings with clean-up of the site to begin in 2025, as there was contamination discovered on the site. He noted that plan is contingent upon grant funding and funding through TIF. He stated that the current assessed value of the property is around $12,000,000, and explained that after cleanup of the contamination and development as proposed, the assessed value would be over $50,000,000.

The HRA asked for details on the area of contamination compared to the water table and who owns the sewer pipe under the site. Clarification was requested on the proposed development plan and timeline.

Mr. Bolin replied that the purpose of this grant would be to find out more information about the contamination, but believed it lies above the water table and noted that the City owns the sewer pipe. He stated the developer's plan would be to begin in 2025 with tear down of the existing building, cleanup of the site and construction of three buildings on the site about 100,000 square feet in size. Each of the buildings would house a number of industrial and warehousing tenants.

Motion by Commissioner Backlund to approve HRA Resolution No. 2023-08 Approving Application to Enter into Funding Agreement with the Department of Employment and Economic Development (DEED) for Grant Assistance for the 5400 Main Street NW Redevelopment. Seconded by Commissioner Mulrooney.

Upon a voice vote, all voting aye, Chair Showalter declared the motion carried unanimously.

Informational Items

6. Update on Housing Programs

Mr. Bolin provided an update on the housing programs and current loan programs.

Adjournment

Motion by Commissioner Backlund to adjourn the meeting. Seconded by Commissioner Mulrooney.

Upon a voice vote, all voting aye, Chairperson Showalter declared the motion carried and the meeting adjourned at 7:20 p.m.

Respectfully submitted,

Melissa Moore
City Clerk

AGENDA REPORT

Meeting Date: April 6, 2023 **Meeting Type:** Housing & Redevelopment Authority

Submitted By: Paul Bolin, Assistant Executive Director
Joe Starks, Director of Finance/City Treasurer

Title

Approval of Resolution No. 2023-09 - Interfund Loan for TIF District #26

Background

Generally, with every TIF project, the Authority incurs costs for attorney and consultant work. The Authority can recover these costs through TIF proceeds, provided it has an interfund loan and tracks these costs.

The attached resolution formally authorizes the loaning of money to the future TIF District #26 and the repayment of money to the General Fund.

Recommendation

In order to recover the Authority's administrative costs in creating TIF District #26, Staff recommend the Authority adopt HRA Resolution No. 2023-09 approving an interfund loan between the HRA General Fund and the TIF District #26.

Attachments and Other Resources

- HRA Resolution No. 2023-09

HOUSING AND REDEVELOPMENT AUTHORITY
IN AND FOR THE CITY OF FRIDLEY, MINNESOTA

COUNTY OF ANOKA
STATE OF MINNESOTA

HRA RESOLUTION NO. 2023-09

A RESOLUTION APPROVING INTERFUND LOANS ASSOCIATED WITH THE PROPOSED MOON PLAZA REDEVELOPMENT PROJECT

BE IT RESOLVED by the Board of Commissioners (the "Commissioners") of the Housing and Redevelopment Authority in and for the City of Fridley (the "Authority") as follows:

Section 1. Recitals.

1.01 The Authority is considering the redevelopment of the property located at 6257 University Avenue NE, Fridley, MN with the following Anoka County PINs: 14-30-24-34-0004 and 14-30-24-34-0005 (the "Moon Plaza Site" or "Site").

1.02 The Authority has agreed to finance certain costs in categories identified on Exhibit A (the "Qualified Costs") on a temporary basis from Authority funds available for such purposes.

1.03 The Authority will loan money not to exceed Two Hundred Thousand and No/100 Dollars ($200,000.00) to finance Qualified Costs under Minnesota Statutes, Section 469.176, Subdivision 4 from its general fund or any other fund under which it has legal authority to do so, pursuant to Minnesota Statutes, Section 469.178, Subdivision 7.

1.04 The Authority intends to create a redevelopment tax increment financing district (the "TIF District") on the Site pursuant to Minnesota Statutes, Section 469.174 to 468.179.

1.05 The Authority intends to reimburse itself for the Qualified Costs from tax increments generated from the TIF District, once it is created, in accordance with terms of this resolution (which terms are referred to collectively as the "TIF Loans").

1.06 The Authority acknowledges the need to create and maintain an ongoing Register of Advances (the "Register"), in a similar form as shown on Exhibit A, to reflect the continuing interfund loans and advances in accordance with the TIF Loans.

Section 2. Terms of the TIF Loans.

2.01 The Authority shall repay the specific Authority fund from which the Qualified Costs were and are to be paid, the principal amounts as shown on Exhibit A attached hereto, together with accrued interest from the date of each expenditure at a rate which may not exceed 4% or the greater of the rates specified under (a) Minnesota Statutes, Sec. 270C.40 or (b) Minnesota Statutes, Sec. 549.09. The principal amount of the TIF Loans shall not collectively exceed Two Hundred Thousand and No/100 Dollars ($200,000.00). The interest rate for each calendar year during the term of each TIF Loan shall be determined as of each January 1 using the maximum rate under clause (a) or (b) in effect as of that date if it is less than 4%.

2.02 Principal and interest payments (the "Payments") for each TIF Loan shall be paid annually on December 31 of the first year of receipt of Available Tax Increment (defined in Sec. 2.03 below) and on each December 31 thereafter (the "Payment Dates"), up to and including the earlier of (a) payment in full of each TIF Loan or (b) the termination date of the TIF District. Payments shall be applied first to accrued interest and the balance to the reduction of principal. Interest accruing from the date of each expenditure to the first Payment Date shall be compounded annually on December 31 of each year and added to principal.

2.03 Payments on each TIF Loan are payable solely from Available Tax Increment, which shall mean the tax increment available from the TIF District and available for that purpose, at the Authority's discretion, from any other tax increment financing district, after withholding (a) allowable Authority administrative fees, and (b) prior obligations, which shall include all general obligation or revenue bonds or notes for which the tax increment revenues of the TIF District or other tax increment financing districts are pledged.

2.04 The principal sum and accrued interest payable under each TIF Loan may be prepaid in whole or in part at any time without premium or penalty. No partial prepayment of any TIF Loan shall affect the amount or timing of any regular payments otherwise required to be made under the TIF Loans.

2.05 Each TIF Loan is evidence of internal borrowing by the Authority in accordance with Minnesota Statutes, Section 469.178, Subdivision 7, and are limited obligations payable solely from the Available Tax Increments pledged to the payment thereof under this resolution. The Authority shall have no obligation to pay any principal amounts of the TIF Loans or accrued interest thereon which may remain unpaid after the final Payment Date.

2.06 The Authority may amend the terms of any TIF Loan at any time by resolution of the Board of Commissioners. The Authority may make a determination to forgive the outstanding principal amounts and accrued interest to the extent permissible under law.

Section 3. Approval.

3.01 The Board of the Authority hereby approves the creation of a Register of Advances and the appointment of the Finance Director of the City to maintain the Register to reflect an accurate accounting of the Authority interfund loans and advances, and approves their repayment in accordance with this Resolution.

[Remainder of Page Intentionally Blank - Signature Follows]

PASSED AND ADOPTED BY THE HOUSING AND REDEVELOPMENT AUTHORITY IN AND FOR THE CITY OF FRIDLEY THIS _______ DAY OF ______________, 2023.

____

Elizabeth Showalter - Chairperson

ATTEST:

____

Walter T. Wysopal - Executive Director

EXHIBIT A

REGISTER OF ADVANCES

QUALIFIED EXPENSE	DATE PAID	AMOUNT PAID
Administrative Costs		

4894-3013-5122, v. 2

City of Fridley

AGENDA REPORT

Meeting Date: April 6, 2023 **Meeting Type:** Housing & Redevelopment Authority

Submitted By: Paul Bolin, Assistant Executive Director

Title

Amendment to Development Agreement – Redevelopment of Moon Plaza

Background

The Authority memorializes the conditions, responsibilities, and details of the TIF assistance through a development agreement. Since the Authority originally approved the development agreement in February, Roers has created a new Limited Liability Corporation (LLC) to own this project. The attached agreement reflects that change.

Recommendation

Staff recommend the approval of HRA Resolution No. 2023-10.

Attachments and Other Resources

- HRA Resolution No. 2023-10
- Revised Development Agreement

Resolution No. 2023 – 10

Authorizing Execution and Delivery of a Contract for Private Redevelopment between the Housing and Redevelopment Authority in and for the City of Fridley and Roers Fridley Apartments Owner II, LLC

Whereas, it has been proposed that the Housing and Redevelopment Authority in and for the City of Fridley ("Authority") enter into a Contract for Private Redevelopment (the "Contract") with Roers Fridley Apartments Owner II LLC (the "Redeveloper"); and

Whereas, it has been proposed that the Contract is consistent with the objectives set forth in the development program known as the Redevelopment Plan for its Redevelopment Project No. 1 (the "Redevelopment Program") pursuant to Minnesota Statutes, Section 469.001 *et seq.,* as amended and supplemented from time to time; and

Whereas, the Authority previously passed Resolution No. 2023-06, Authorizing Execution and Delivery of a Contract for Private Redevelopment with Roers Acquisitions LLC, subsequent to which such entity determined that it desired to form a separate entity to undertake the project.

Now, therefore be it resolved, that the Authority hereby finds, determines and declares as follows:

1. That the Authority hereby repeals its Resolution No. 2023-06.

2. That the Contract promotes to objectives set forth in the Redevelopment Program; and

3. That the Chairman and Executive Director of the Authority are hereby authorized to execute and deliver the Contract when the following conditions are met:

   (a) Substantial conformity of the Contract to the form of Contract presented to the Authority as of this date, with such additions and modifications as the Officers may deem desirable or necessary as evidenced by their execution of the Contract.

Passed and adopted by the Housing and Redevelopment Authority in and for the City of Fridley this 6th day of April, 2023.

____
Elizabeth Showalter – Chairperson

Attest:

____
Walter T. Wysopal – Executive Director

Execution Document: April 6, 2023

CONTRACT

FOR

PRIVATE REDEVELOPMENT

By and Between the

HOUSING AND REDEVELOPMENT AUTHORITY

In and For

THE CITY OF FRIDLEY, MINNESOTA

And

ROERS FRIDLEY APARTMENTS OWNER II LLC

This document was drafted by:

Vickie Loher-Johnson, Esq.
Monroe Moxness Berg PA
7760 France Avenue South
Suite 700
Minneapolis, MN 55435
952-885-5999

TABLE OF CONTENTS

ARTICLE VI

Prohibitions Against Assignment and Transfer, Release or Indemnification

ARTICLE VII

Events of Default

ARTICLE VIII

Tax Increment; Taxes

ARTICLE IX

Additional Provisions

CONTRACT FOR PRIVATE REDEVELOPMENT

THIS AGREEMENT, made on or as of the 6th day of April, 2023 by and between the Housing and Redevelopment Authority in and for the City of Fridley, Minnesota, a political subdivision of the State of Minnesota organized under the Constitution and laws of the State of Minnesota (the "Authority"), and Roers Fridley Apartments Owner II LLC, a Minnesota limited liability company organized under the laws of the State of Minnesota (the "Redeveloper"),

WITNESSETH:

WHEREAS, the Board of Commissioners (the "Board") of the Authority has determined that there is a need for development and redevelopment within the corporate limits of the City to provide employment opportunities; to provide adequate housing in the City, including low and moderate income housing, housing for the elderly and workforce housing; to improve the tax base; and to improve the general economy of the City and the State of Minnesota;

WHEREAS, in furtherance of these objectives, the Authority has adopted, pursuant to Minnesota Statutes, Sections 469.001 et seq. (the "Act"), a development program known as the Modified Redevelopment Plan (the "Redevelopment Plan") and established Redevelopment Project No. 1 (the "Project Area") in the City to encourage and provide maximum opportunity for private development and redevelopment of certain property in the City which is not now in its highest and best use;

WHEREAS, in connection with the Project Area, Tax Increment Financing District No. 26 (the "Tax Increment District") has been approved by the Authority and forwarded to the City along with the Tax Increment Financing Plan, which Tax Increment Financing Plan is to be certified by Anoka County and filed with the State, pursuant to the Minnesota Tax Increment Financing Act contained in Minnesota Statutes, Sections 469.174 to 469.1799;

WHEREAS, major objectives in establishing the Project Area are to:

1. Promote and secure the development and redevelopment of property in the Project Area in a manner consistent with the City's planning, and with a minimal adverse impact on the environment, which property is less productive because of the lack of proper utilization and lack of investment, and thereby promoting and securing the development of other land in the City;

2. Promote and secure additional employment opportunities within the Project Area and the City for residents of the City and the surrounding area, thereby improving living standards and preventing unemployment and the loss of skilled and unskilled labor and other human resources in the City;

3. Secure the increase in value of property subject to taxation by the City, School District, County, and any other taxing jurisdictions in order to better enable such entities to pay for public improvements and governmental services and programs required to be provided by them;

4. Secure the construction and providing moneys for the payment of the cost of public improvements in the Project Area, which are necessary for the completion of the Redevelopment Project and the orderly and beneficial development of the Project Area.

5. Promote a compatible mix of commercial and industrial, institutional, and residential land uses.

6. Encourage the expansion and improvement of local business, and enhancing the economic vitality of existing and new businesses.

7. Eliminate blighting influences that impede development in the area.

8. Provide for adequate streets, utilities, and other public improvements and facilities to enhance the area for both new and existing development.

9. Create a desirable and unique character within the Project Area through quality land use alternatives and design quality in new buildings that create a safe environment for pedestrians, that can be maintained for the long run.

10. Support the physical connection to local trails, open space, and other community institutions.

11. Enhance the integrity of residential neighborhoods adjacent to the Project Area.

12. Provide and secure the development of increased opportunities for families to reside in quality owner-occupied housing, for citizens to choose from housing options which offer a wide array of services without regard to income, and for residents looking for a wide range of multi-family units.

13. Enhance the long term viability of the Project Area by facilitating:

   a. Land uses that complement and support existing businesses;
   b. New businesses that enhance the commercial market;
   c. Visual quality of the streetscape, landscape, site plan and building types of new developments;
   d. Mixed use housing development where appropriate; and
   e. Safe access and convenient parking; and,

WHEREAS, in order to achieve the objectives of the Authority and City in creating the Project Area and adopting the Redevelopment Plan, the Authority is prepared to provide financial and other assistance to the Redeveloper in accordance with this Agreement; and

WHEREAS, the Authority believes that the development and redevelopment of the Redevelopment Property pursuant to this Agreement, and fulfillment generally of the terms of this Agreement, are in the vital and best interests of the Authority and the health, safety, morals and welfare of its residents, and in accord with the public purposes and provisions of applicable federal, state and local laws under which the development and redevelopment are being undertaken and assisted;

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

ARTICLE I

Definitions

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

"Act" means Minnesota Statutes, Section 469.001 et seq, as amended and supplemented from time to time.

"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 Fridley, Minnesota.

“Available Tax Increment” means 90% of the Tax Increment from the Tax Increment District.

"Certificate of Completion" means the certification, in the form of the certificate contained in Schedule F attached to and made a part of this Agreement, provided to the Redeveloper, pursuant to Section 4.4 of this Agreement.

"City" means the City of Fridley, 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 building inspector or the City, and (b) shall include at least the following for each building: (1) site plan; (2) foundation plan; (3) floor plan for each floor; (4) cross sections of each (length and width); (5) elevations (all sides, except as to a side of existing structure where no construction is to take place); (6) facade and landscape plan; and (7) such other plans of supplements to the foregoing plans as the City may reasonably request.

"Council" means the Council of the City.

"County" means the County of Anoka, Minnesota.

“Declaration of Restrictive Covenants and Prohibition Against Tax Exemption” means those restrictive covenants substantially in the form of Schedule G attached to this Agreement.

“Eligible Costs” means the costs of the Public Improvements, the Site Improvements, the Relocation Costs, and any other cost eligible for payment under the

Tax Increment Act. Interest paid to banks that financed Eligible Costs is an Eligible Cost.

“Event of Default” means an action by the Redeveloper described in Section 7.1. of this Agreement.

"Minimum Improvements" means the housing improvements to be constructed by the Redeveloper on the Redevelopment Property as shown on the Site Plan and include approximately 168 residential rental housing units plus underground and surface parking and associated indoor and outdoor amenity areas (the “Minimum Improvements”).

“Party” means a party to this Agreement.

"Note" means the Limited Revenue Tax Increment Note substantially in the form of Schedule E attached to this Agreement, and to be made by the Authority payable to the order of the Redeveloper or its permitted assigns in accordance with the terms of this Agreement.

“Project” means the Redevelopment Property, the Public Improvements and the Minimum Improvements.

"Project Area" means Redevelopment Project No. 1, as amended, as established in accordance with the Act.

“Public Improvements” means the public improvements to be performed or constructed by the Redeveloper on or adjacent to the Redevelopment Property and described on Schedule D to attached to this Agreement.

“Reconciliation Date” means March 1st of the second year following full valuation of the Minimum Improvements.

"Redeveloper" means Roers Fridley Apartments Owner II LLC, a limited liability company organized under the laws of the State of Minnesota and its permitted successors and assigns.

"Redevelopment Plan" means the modified redevelopment plan adopted by the Authority for its Redevelopment Project No. 1, as amended.

"Redevelopment Project" means the Redevelopment Property and the Minimum Improvements.

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

“Relocation Costs” means the cost of relocation services, benefits, and other costs to which owners, tenants, or others have claimed and are legally entitled to in accordance with State and Federal laws arising from the acquisition and redevelopment of the Redevelopment Property.

"Site Improvements" means those improvements described on Schedule C attached to this Agreement as qualified improvements of the Redevelopment Property.

“Site Plans” means the plans attached hereto in Schedule B showing the proposed nature and location of the Minimum Improvements.

"State" means the State of Minnesota.

“Tax Increment” means only that portion of the real estate taxes paid with respect to the Redevelopment Property which is remitted to the Authority by the County as tax increment from the Tax Increment District pursuant to the Tax Increment Act.

“Tax Increment Act” means the Tax Increment Financing Act, Minnesota Statutes, Sections 469.174 to 469.1799, as amended and as it may be amended.

“Tax Increment District” means Tax Increment Financing District No. 26 which is located within the Project Area and has been approved by the Authority and forwarded to the City along with the Tax Increment Plan which is to be certified by the County and filed with the State.

“Tax Increment Plan” means the tax increment financing plan adopted by the Authority for its Tax Increment Financing District No. 26.

"Termination Date" means the date defined in Section 9.9 of this Agreement.

"Unavoidable Delays" means delays which are the direct result of strikes or other labor troubles, delays which are the direct result of unforeseeable and unavoidable casualties to the Redevelopment Property, the Project, or the equipment used to construct the Redevelopment Project, delays which are the direct result of governmental actions, delays which are the direct result of judicial action commenced by third parties, delays which are the direct result of citizen opposition or action affecting this Agreement, environmental delays which are the direct result of the implementation of an environmental agency-approved work plan for remediation, delays which are the direct result of severe weather which prevents or delays construction of Minimum Improvements, acts of God, fire or other casualty to the Project, site conditions materially different from those revealed in any report or test provided to or obtained by the Redeveloper, or any other delays beyond the reasonable control of a Party, including, but not limited to, delays caused directly or indirectly by pandemic.

ARTICLE II

Representations and Warranties

Section 2.1. Representations and Covenants by the Authority. The Authority makes the following representations as the basis for the undertaking on its part herein contained:

(a) The Authority is a public body duly organized and existing under the laws of the State. Under the provisions of the Act, the Authority has the power to enter into this Agreement and carry out its obligations hereunder. This Agreement has been or will be duly authorized by all necessary action on the part of the Authority and has been duly executed and delivered by the Authority. The Authority's execution, delivery and performance of this Agreement will not conflict with or result in a violation of any judgment, order, or decree of any court or government agency. This Agreement is a valid and binding obligation of the Authority and is enforceable against the Authority in accordance with its terms. There is no action, litigation, condemnation or proceeding of any kind pending or, to the best of the Authority's knowledge, threatened which would have a material and adverse effect on the ability of the Authority to perform its obligations under this Agreement or against the Redevelopment Property, or any portion thereof.

(b) The Authority has approved the Redevelopment Plan in accordance with the terms of the Act.

(c) The Authority has approved the Tax Increment District pursuant to the Tax Increment Act.

(d) Intentionally omitted.

(e) To assist the Redeveloper with the Eligible Costs in accordance with the Tax Increment Plan, Redevelopment Plan and this Agreement. The Authority proposes to make the Note payable to the Redeveloper in accordance with the provisions of this Agreement and to pledge Tax Increment generated by the Tax Increment District to the payment of the Note according to its terms.

(f) The Authority will cooperate with the Redeveloper with respect to any litigation commenced by third parties in connection with this Agreement.

(g) The Authority makes no representation, guarantee, or warranty, either express or implied, and hereby assumes no responsibility or liability as to the Redevelopment Property or its condition (regarding soils, pollutants, hazardous wastes or otherwise).

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

(a) The Redeveloper is a limited liability company organized and existing under the laws of the State of Minnesota, is authorized to transact business in the State, and has duly authorized the execution of this Agreement and the performance of its obligations under this Agreement. None of the execution and delivery of this Agreement, the consummation of the transactions contemplated by this Agreement, or the fulfillment of or compliance with the terms and conditions of this Agreement is prevented, limited by or conflicts with the terms of any indebtedness, agreement or instrument of whatever nature to which the Redeveloper is now a party or by which it is bound.

(b) The Redeveloper will purchase the Redevelopment Property and the Redeveloper will construct and maintain the Public Improvements and the Minimum Improvements in accordance with the terms of this Agreement and all applicable local, State and Federal laws and regulations (including, but not limited to, environmental, zoning, building code and public health laws and regulations).

(c) As of the date of execution of this Agreement, the Redeveloper has received no notice or communication from any local, state or federal official that the anticipated activities of the Redeveloper with respect to the Redevelopment Property may be or will be in violation of any environmental law or regulation.

(d) The Redeveloper will use commercially reasonable efforts to obtain, in a timely manner, all required permits, licenses and approvals, and will meet, in a timely manner, all requirements of all applicable local, state and federal laws and regulations which must be obtained or met before the Public Improvements and the Minimum Improvements may be lawfully constructed.

(e) The Redeveloper shall pay the normal and customary City fees and expenses for the approval and construction of the Project including, but not limited to, bonding requirements, building permit fees, sewer accessibility charges (SAC), water accessibility charges (WAC) and park dedication fees.

(f) Intentionally omitted.

(g) The Redeveloper agrees that it will reasonably cooperate with the Authority with respect to any litigation commenced by third parties in connection with this Agreement, including, but not limited to claims: (i) made against the Authority and associated with the formation and validity of the Tax Increment District; and (ii) made against the Authority for Relocation Costs.

(h) The financing arrangements which the Redeveloper has obtained or will obtain to finance the acquisition of the Redevelopment Property and the construction of the Public Improvements and the Minimum Improvements, will be sufficient to enable the Redeveloper to successfully complete the Public Improvements and the Minimum Improvements as contemplated in this Agreement.

(i) Once acquired by the Redeveloper, the Redevelopment Property will not become exempt from the levy of ad valorem property taxes, or any statutorily authorized alternative, and any improvements of any kind constructed on the Redevelopment Property will similarly not become exempt before December 31, 2050.

(j) The construction of the Minimum Improvements, in the opinion of the Redeveloper, would not reasonably be expected to occur solely through private investment within the reasonably foreseeable future without the use of tax increment financing provided by the City pursuant to this Agreement.

(k) The Minimum Improvements will be affordable with income and rent restrictions at or below 60% of the area medium income (“AMI”). On the Reconciliation Date, the Redeveloper, at its expense, shall provide an analysis of unit rents, unit household income and percentages of AMI for the preceding calendar year. (Assuming full valuation of the Minimum Improvements occurs on January 1, 2025, this analysis would be due March 1, 2027 for calendar year 2026.)

(l) The Redeveloper shall not allow any use or occupancy of the Redevelopment Property or Minimum Improvements by a "Sexually Orientated Business" as defined in Ordinance No. 965 of the City's Code.

(m) The Redeveloper agrees, notwithstanding the provisions of Article VI, that it will not assign, convey or lease (except as set forth in the next sentence) any interest of the Redevelopment Property or any portion thereof, or this Agreement or any portion thereof, to any tax-exempt entity under the U.S. Internal Revenue Code of 1986, as the same may be amended from time to time, without the prior written approval of the Authority. A lease of an interest or portion of the Redevelopment Property shall not be prohibited by this subparagraph unless it results in an exemption of the Redevelopment Property from ad valorem property taxes pursuant to subparagraph (i) above.

(n) If valid claims for Relocation Costs arise as a result of the Redevelopment Project, the Redeveloper will pay, or obtain written relocation waivers in a form satisfactory to the Authority, regarding all Relocation Costs. Any Relocation Costs paid by the Redeveloper are reimbursable Eligible Costs. Without limiting the Redeveloper’s obligations under Section 6, the Redeveloper will indemnify, defend and hold harmless the Authority, the City, and their governing body members, employees, agents, and contractors from any and all claims for benefits or payments arising out of the relocation or displacement of any person from the Redevelopment Property as a result of the implementation of this Agreement. The costs associated with such indemnification shall at all times be excluded from the definition of Eligible Costs. The indemnification requirement set forth herein shall survive the expiration or termination of this Agreement. Nothing in this Agreement is an acknowledgment by the Redeveloper or the Authority that any Relocation Costs may be rightly claimed or due under applicable law.

ARTICLE III

Undertakings of Redeveloper and Authority

Section 3.1. Plat; Covenants; Easements. The Redeveloper at its expense shall replat the Redevelopment Property as necessary. The Redeveloper shall pay all costs for plats, replats, lot splits, preparation of restrictive covenants, easements and any other documentation necessary for the construction and financing of the Minimum Improvements and all costs of recording any such documents.

Section 3.2. Declaration of Restrictive Covenants and Prohibition Against Tax Exemption. The Redeveloper shall execute the Declaration of Restrictive Covenants and Prohibition Against Tax Exemption in the form attached as Schedule G with regard to the Redevelopment Property, and cause same to be recorded in priority to any financing documents recorded against the Redevelopment Property.

Section 3.3. Construction Plans. The Redeveloper shall submit for approval and obtain the approval of the Authority, the City and any other appropriate governmental authorities the Construction Plans.

Section 3.4 Preliminary Plans. The Redeveloper shall submit for approval and obtain the approval of the Authority of the Redeveloper's Preliminary Plans.

Section 3.5. Construction of Minimum Improvements and Public Improvements. The Redeveloper shall construct or cause to be constructed the Minimum Improvements and the Public Improvements in accordance with the terms of this Agreement.

Section 3.6. Environmental Undertakings.

(a) Intentionally omitted.

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

(c) Without limiting its obligations under Section 9.9 of this Agreement the Redeveloper further agrees that it will indemnify, defend, and hold harmless the Authority, the City, and their governing body members, officers, and employees, from any claims or actions arising out of the presence, if any, of hazardous wastes or pollutants existing on or in the Redevelopment Property. Nothing in this section will be construed to limit or affect any limitations on liability of the City or Authority under State or federal law, including without limitation Minnesota Statutes Sections 466.04 and 604.02.

Section 3.7. Issuance of Note.

(a) In order to reimburse the Redeveloper for Eligible Costs, the Authority shall issue and the Redeveloper shall purchase the Note. The terms of the Note, including maturity and payment dates, will be substantially those set forth in the form of the Note shown in Schedule E and as further described in this Section. The Note will be dated as of the date of delivery, and simple, non-compounded interest will accrue from such date.

(b) Before issuance and delivery of the Note, Redeveloper must submit to the Authority a certificate signed by the Redeveloper's duly authorized representative, containing the following: (i) a statement that each cost identified in the certificate is an Eligible Cost, incurred after the date of this Agreement; (ii) evidence that each identified cost has been paid or incurred by or on behalf of the Redeveloper; (iii) a statement that no uncured Event of Default by the Redeveloper has occurred and is continuing under the Agreement. The Authority may, if not satisfied that the conditions described herein have been met, return the certificate with a statement of the reasons why it is not acceptable and requesting such further documentation or clarification as the Authority may reasonably require. The Authority will deliver the Note upon receipt and approval of the certificate evidencing the relevant Eligible Costs in at least the principal amount of the Note less the adjustment described in this Section.

(c) The Redeveloper understands and acknowledges that the Authority makes no representations or warranties regarding the amount of Available Tax Increment, or that revenues pledged to the Note will be sufficient to pay the principal and interest on any Note. Any estimates of Tax Increment prepared by the Authority or its financial advisors in connection with the TIF District or this Agreement are for the benefit of the Authority, and are not intended as representations on which the Redeveloper may rely. If the Eligible Costs exceed the principal amount of the Note, such excess costs are the sole responsibility of Redeveloper.

(d) In addition to the limitations above, the following limitations shall apply to the issuance of the Note:

(i) Only Available Tax Increment shall be pledged.

(ii) The term of any Note may not extend more than 32 days beyond the duration of the Tax Increment District.

(iii) Any amounts unpaid at the maturity date shall be deemed paid in full.

(iv) Eligible costs paid by grants from any source are not to be included in the Note.

(v) The Note will bear simple interest and the rate will be the lesser of (1) the rate for the long term or permanent financing of the Minimum Improvements, or (2) 5.0%.

(vi) The principal amount of the Note shall be the certified Eligible Costs less the estimated market value of the land only (not existing building) of the Redevelopment Property as determined by the County Assessor on January 1, 2023, but the principal amount shall not exceed $6,126,000.00.

(vii) The Authority will not issue bonds to prepay the Note.

(viii) The Certificate of Completion shall have been issued.

Section 3.8. Business Subsidy Provisions.

(a) The Parties agree and understand that the assistance provided to Redeveloper in this Agreement (including any grant proceeds and issuance of the Note) does not constitute a "business subsidy" under the Business Subsidy Act, because any grant and Note represent assistance that is exempt from the Business Subsidy Act under Sections 116J.993, Subdivision 3, clause (17).

(b) Redeveloper acknowledges that under Section 116J.994, subdivision 7(c) of the Business Subsidy Act, the Redeveloper is nevertheless required to file annual reports containing the information described therein. If the Redeveloper fails to timely file any required report, the Authority will mail the Redeveloper a warning within one week after the required filing date. If, after 14 days of the postmarked date of the warning, the Redeveloper fails to provide a report, the Redeveloper must pay to the Authority a penalty of $100 for each subsequent day until the report is filed. The maximum aggregate penalty payable under this Section is $1,000.

Section 3.9. Repayment of Assistance.

(a) On the Reconciliation Date the Redeveloper shall deliver to the Authority evidence of its annualized cumulative internal rate of return from the Redevelopment Property and the Minimum Improvements related thereto (the “IRR”), calculated as of the Reconciliation Date. The IRR shall be calculated in accordance with generally accepted accounting principles, provided that the amount of Redeveloper’s equity must exclude any developer’s fee in excess of 7.0 percent (7%) of total development costs. The IRR calculation shall include the Eligible Costs paid by the Redeveloper and not reimbursed by grants or the Note.

(b) The amount by which the IRR exceeds 12.0 percent (12%) is a percentage referred to as “Excess Percentage.” Fifty percent (50%) of the Excess Percentage shall be credited to the reduction of the principal plus accrued interest of the Note as of the Reconciliation Date.

(c) For purposes of calculating revenues for the IRR from sales of property the following adjustments shall be made:

(i) If property (improved or unimproved) is sold to an unrelated party in an arm’s length transaction, those prices will be determinative of the sales price. The Redeveloper will certify to the City that such party would be considered unrelated under applicable Internal Revenue Code regulations.

(ii) If property is sold to a related party (as defined in Internal Revenue Code regulations), the property sale price will be determined by agreement between the Authority and Redeveloper or, if agreement cannot be reached, the sale price will be the higher of an appraisal conducted by an appraiser mutually agreeable to the parties or the actual sale price.

(iii) For property still owned by the Redeveloper on the Reconciliation Date, an “imputed” sales price based on an appraisal, or other method acceptable to both parties for valuing the property or its rate of return, will be used.

ARTICLE IV

Construction of Minimum Improvements

Section 4.1. Construction of Minimum Improvements. Subject to the limitations set forth herein, the Redeveloper agrees that it will construct the Minimum Improvements on the Redevelopment Property in accordance with the Construction Plans approved by the City and the Site Plan.

Section 4.2. Completion of Construction. Subject to Unavoidable Delays, the Parties anticipate the start of construction by approximately December 1, 2023, and the substantial completion of the construction of the Minimum Improvements by approximately December 1, 2025. 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 and the Site Plan.

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, subject to the limitations set forth in Section 4.1, diligently prosecute to completion the development of the Redevelopment Property through the construction of the Minimum Improvements thereon, and that such construction is anticipated to be completed within the period specified in this Section 4.2 of this Agreement.

Section 4.3. Preliminary Plans and Construction Plans.

(a) Preliminary Plans. Thirty (30) days prior to commencement of construction of the Minimum Improvements, the Redeveloper shall submit the Preliminary Plans to the Authority for approval. The Preliminary Plans shall not be inconsistent with this Agreement or any applicable state and local laws and regulations, insofar as said consistency may be determined at said preliminary stage. If approval of the Preliminary Plans is requested in writing by the Redeveloper at the time of submission thereof to the Authority, the Authority shall approve or reject (in whole or in part) such Preliminary Plans in writing within twenty (20) days after the date of receipt thereof. If no written rejection is made within said twenty (20) days, the Preliminary Plans shall be deemed approved by the Authority. Any rejection shall set forth in detail the reasons therefor. If the Authority rejects the Preliminary Plans, in whole or in part, the Redeveloper shall submit new or revised Preliminary Plans within a reasonable time after receipt by the Redeveloper of the notice of rejection. The provisions of this Section relating to approval, rejection and resubmission of new or revised Preliminary Plans shall continue to apply until the Preliminary Plans have been approved by the Authority. The Authority's approval of the Preliminary Plans shall not be unreasonably withheld, conditioned or delayed, however if an Event of Default has occurred or is continuing, the Authority may withhold approval of the Preliminary Plans.

(b) Construction Plans. Prior to the Redeveloper's commencement of construction of the Minimum Improvements, the Redeveloper shall submit Construction Plans to the City. The Construction Plans shall provide for the construction of the Minimum Improvements and shall be in conformity in all material respects with this Agreement, the Preliminary Plans, and all applicable state and local laws and regulations.

No approval by the Authority shall be deemed to relieve the Redeveloper of the obligation to comply with the terms of this Agreement and applicable federal, State and local laws, ordinances, rules and regulations, or to construct the Minimum Improvements in accordance therewith. No approval by the Authority shall constitute a waiver of any Event of Default.

(c) Changes. If the Redeveloper desires to make any material change in the Preliminary Plans after their approval by the Authority, then the Redeveloper shall submit the proposed change to the Authority for its approval. If the Preliminary Plans, as modified by the proposed change, conform to the requirements of this Section with respect to such previously approved Plans, the Authority shall approve the proposed change and notify the Redeveloper in writing of its approval. Such change in the Preliminary Plans shall, in any event, be deemed approved by the Authority unless rejected in writing by the Authority, in whole or in part, within twenty (20) days after receipt of the notice of such change, setting forth in detail the reasons therefor.

Section 4.4. Certificate of Completion.

(a) Promptly after substantial completion of the Minimum Improvements and Public Improvements in accordance with those provisions of the Agreement relating to the obligations of the Redeveloper to construct those Minimum Improvements and Public Improvements, the Authority will furnish the Redeveloper with a Certificate of Completion associated with those improvements. Such certification by the Authority shall be (and it shall be so provided in the certification itself) a conclusive determination of satisfaction and termination of the agreements and covenants in the Agreement with respect to the obligations of the Redeveloper, and its successors and assigns, to construct the Minimum Improvements and Public Improvements.

(b) If the Authority shall refuse or fail to provide any certification in accordance with the provisions of this Section 4.4 of this Agreement, the Authority shall, within ten (10) days after written request by the Redeveloper, provide the Redeveloper with a written statement, indicating in adequate detail in what respects the Redeveloper has failed to complete the Minimum Improvements or Public Improvements in accordance with the provisions of the Agreement, or is otherwise in default, and what measures or acts it will be necessary, in the opinion of the Authority, for the Redeveloper to take or perform in order to obtain such certification.

(c) The construction of the Minimum Improvements shall be deemed to be substantially completed when the Redeveloper has received the appropriate occupancy permit from the City's building inspector, which permit shall not be unreasonably withheld.

(d) The construction of the Public Improvements shall be deemed to be completed in accordance with the Redeveloper’s obligations hereunder when the City has accepted the Public Improvements in writing.

ARTICLE V

Insurance

Section 5.1. Redeveloper Insurance.

(a) The Redeveloper will provide and maintain at all times during the process of constructing the Minimum Improvements and, from time to time at the request of the Authority, furnish the Authority with proof of payment of premiums on:

(i) Builder's risk insurance, written on the so-called "Builder's Risk – Completed Value Basis," in an amount equal to one hundred percent (100%) of the insurable value of the Minimum Improvements at the date of completion, and with coverage available in non-reporting form on the so-called "all risk" form of policy. The interest of the Authority shall be protected in accordance with a clause in form and content reasonably satisfactory to the Authority. The builder's risk policy shall be obtained for each of the single-family, owner-occupied homes constituting the Minimum Improvements at the time the Redeveloper receives a certificate of occupancy for each home;

(ii) Comprehensive general liability insurance together with an Owner's Contractor's Policy with limits against bodily injury and property damage of not less than $2,000,000 for each occurrence (to accomplish the above-required limits, an umbrella excess liability policy may be used); and

(iii) Workers' compensation insurance, with statutory coverage.

(b) All insurance required by this Article V shall be taken out and maintained in responsible insurance companies selected by the Redeveloper which are authorized under the laws of the State to assume the risks covered thereby. The Redeveloper will deposit annually with the Authority policies evidencing all such insurance, or a certificate(s) or binder(s) of the respective insurers stating that such insurance is in force and effect. Unless otherwise provided in this Article V, each policy shall contain a provision that the insurer shall not cancel or modify it without giving written notice to the Redeveloper and the Authority at least thirty (30) days before the cancellation or modification becomes effective. Not less than fifteen (15) days prior to the expiration of any policy, the Redeveloper shall furnish the Authority with evidence satisfactory to the Authority that the policy has been renewed or replaced by another policy conforming to the provisions of this Article V, or that there is no necessity therefor under the terms hereof. In lieu of separate policies, the Redeveloper may maintain a single policy, blanket or umbrella policies, or a combination thereof, having the coverage required herein, in which event the Redeveloper shall deposit with the Authority a certificate or certificates of the respective insurers as to the amount of coverage in force upon the Minimum Improvements.

ARTICLE VI

Prohibitions Against Assignment and Transfer, Release or Indemnification

Section 6.1. Representation as to Redevelopment. The Redeveloper represents and agrees that its purchase of the Redevelopment Property, and its other undertakings pursuant to this Agreement, are, and will be used, for the purpose of redevelopment of the Redevelopment Property and not for speculation in land holding. The Redeveloper further recognizes that, in view of (a) the importance of the redevelopment of the Redevelopment Property to the general welfare of the Authority, and (b) the substantial financing that has been made available by the Authority for the purpose of making such redevelopment possible, the qualifications and identity of the Redeveloper are of particular concern to the Authority. The Redeveloper further recognizes that it is because of such qualifications and identity that the Authority is entering into this Agreement with the Redeveloper, and, in so doing, is further willing to accept and rely on the obligations of the Redeveloper for the faithful performance of all undertakings and covenants hereby by it to be performed.

Section 6.2. Prohibition Against Transfer of Property and Assignment of Agreement. Also, for the foregoing reasons the Redeveloper represents and agrees that prior to the date of the issuance of the Certificate of Completion, except for the purpose of obtaining financing necessary to enable the Redeveloper or any successor in interest to purchase the Redevelopment Property, or any part thereof, to perform its obligations with respect to making the Minimum Improvements 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, without the prior written approval of the Authority which shall not be unreasonably withheld, unless the Redeveloper remains liable and bound by this Agreement in which event the Authority's approval is not required. Any such transfer shall be subject to the provisions of this Agreement. Notwithstanding the foregoing, the Redeveloper may transfer the Redevelopment Property to any corporation, partnership or entity controlling, controlled by, or under common control with the Redeveloper.

Section 6.3. Assignment of Note. The Redeveloper may assign and pledge a Note to secure any loan secured by a portion of the Redevelopment Property, and may transfer a Note to any entity controlling, controlled by or under common control with the Redeveloper. Otherwise, the Note shall not be assignable nor transferable without the prior written consent of the Authority; provided, however, that such consent shall not be unreasonably withheld or delayed if: (a) the assignee or transferee delivers to the Authority a written instrument acknowledging the limited nature of the Authority's payment obligations under the Note, and (b) the assignee or transferee executes and delivers to the Authority a certificate, in form and substance satisfactory to the Authority, pursuant to which, among other things, such assignee or transferee represents that (i) the Note is being acquired for investment for such assignee's or transferee's own account, not as a nominee or agent, and not with a view to the resale or distribution of any part thereof, (ii) the assignee or transferee has no present intention of selling, granting any participation in, or otherwise distributing the same, (iii) the assignee or transferee is an "accredited investor" within the meaning of Rule 501 of Regulation D under the Securities Act of 2033, as amended, (iv) the assignee or transferee, either alone or with such assignee's or transferee's representatives, has knowledge and experience in financial and business matters and is capable of evaluating the merits and risks of the prospective investment in the Note and the assignee or transferee is able to bear the economic consequences thereof, (v) in making its decision to acquire the Note, the assignee or transferee has relied upon independent investigations and, to the extent believed by such assignee or transferee to be appropriate, the assignee's or transferee's representatives, including its own professional, tax and other advisors, and has not relied upon any representation or warranty from the Authority or the City, or any of their officers, employees, agents, affiliates or representatives with respect to the value of the Note, (vi) neither the Authority nor the City has made any warranty, acknowledgment or covenant, in writing or otherwise, to the assignee or transferee regarding the tax consequences, if any, of the acquisition and investment in the Note, (vii) the assignee or transferee or its representatives have been given a full opportunity to examine all documents and to ask questions of, and to receive answers from, the Authority and its representatives concerning the terms of the Note and such other information as the assignee or transferee desires in order to evaluate the acquisition of and investment in the Note, and all such questions have been answered to the full satisfaction of the assignee or transferee, (viii) the assignee or transferee has evaluated the merits and risks of investment in the Note and has determined that the Note is a suitable investment for the assignee or transferee in light of such party's overall financial condition and prospects, (ix) the Note will be characterized as a "restricted security" under the federal securities laws because the Note is being acquired in a transaction not involving a public offering and that under such laws and applicable regulations such security may not be resold without registration under the Securities Act of 1933, as amended, except in certain limited circumstances, and (x) no market for the Note exists or is intended to be developed.

Section 6.4. Release and Indemnification Covenants.

(a) The Redeveloper covenants and agrees that the City, the Authority and the governing body members, officers, agents, servants and employees of either of them (collectively, 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 resulting from any defect in the Minimum Improvements, due to any act, including negligence, of the Redeveloper or of others acting on its behalf or under its direction or control; provided, however, that the Redeveloper's indemnification obligations in this subparagraph (a) shall not apply to any loss resulting from negligent, willful or wanton misconduct of any of the Indemnified Parties. The costs associated with such indemnification shall at all times be excluded from the definition of Eligible Costs. The indemnification requirement set forth herein shall survive the expiration or termination of this Agreement.

(b) The Redeveloper agrees to protect and defend the Indemnified Parties, now or forever, and further agrees to hold the Indemnified Parties harmless, from any claim, demand, suit, action or other proceeding by any person or entity arising or purportedly arising from this Agreement or the transactions contemplated hereby or the construction and ownership of the Minimum Improvements, due to any act, including negligence, of the Redeveloper or of others acting on the behalf or under the direction or control of the Redeveloper; provided, however, that the Redeveloper's indemnification obligations in this subparagraph (b) shall not apply to any loss resulting from any negligent or willful misrepresentation or any negligent, willful or wanton misconduct of any of the Indemnified Parties. The costs associated with such indemnification shall at all times be excluded from the definition of Eligible Costs. The indemnification requirement set forth herein shall survive the expiration or termination of this Agreement.

(c) None of the Indemnified Parties shall be liable for any damage or injury to the person or property of the Redeveloper or its officers, agents, servants or employees or any other person who may be on or about the Redevelopment Property or Minimum Improvements due to any act or negligence of any person, other than the negligence or misconduct of an Indemnified Party.

(d) None of the Indemnified Parties shall be liable to the Redeveloper or to any third party for any consequential or other damages that may arise out of delays of any kind relating to activities undertaken pursuant to this Agreement, including but not limited to delays due to environmental conditions, court challenges or elements outside the control of the Authority.

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

(f) Nothing in this Section is intended to waive any municipal liability limitations contained in Minnesota Statutes, particularly Chapter 466.

ARTICLE VII

Events of Default

Section 7.1. 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:

(a) Failure by the Redeveloper to timely pay all ad valorem real property taxes assessed with respect to the Redevelopment Property.

(b) Failure by the Redeveloper to complete the Site Improvements, Public Improvements or the Minimum Improvements pursuant to the terms, conditions and limitations of this Agreement.

(c) Failure by the Redeveloper to submit to the Authority the documents required by Articles III and VI.

(d) Failure by the Redeveloper to substantially observe or perform any other covenant, condition, obligation or agreement on its part to be observed or performed under this Agreement.

(e) If, before the issuance of Certificate of Completion for 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 of 2078, as amended or under any similar federal or state law; or

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

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

(iv) be adjudicated as bankrupt or insolvent; or if a petition or answer proposing the adjudication of the Redeveloper, as bankrupt or its reorganization under any present or future federal bankruptcy act or any similar federal or state law shall be filed in any court and such petition or answer shall not be discharged or denied within ninety (90) days after the filing thereof; or a receiver, trustee or liquidator of the Redeveloper, or of the Minimum Improvements, or part thereof, shall be appointed in any proceeding brought against the Redeveloper, and shall not be discharged within ninety (90) days after such appointment, or if the Redeveloper shall consent to or acquiesce in such appointment.

Section 7.2. Remedies on Default. Whenever any Event of Default referred to in Section 7.1 occurs and is continuing, the Authority, as specified below, may take any one or more of the following actions after providing sixty (60) days' written notice to the Redeveloper, but only if the Event of Default has not been cured within said sixty (60) days, or such longer period as is necessitated by Unavoidable Delay.

(a) The Authority may suspend its performance under this Agreement including payment of the Note until it receives assurances from the Redeveloper, deemed adequate by the Authority, that the Redeveloper has cured its default and will continue its performance under this Agreement.

(b) The Authority may cancel and rescind the Agreement.

(c) The Authority may withhold a Certificate of Completion.

Section 7.3. No Remedy Exclusive. No remedy herein conferred upon or reserved to the Authority 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.

Section 7.4. No Implied Waiver. In the event any agreement contained in this Agreement should be breached by any party and thereafter waived by any 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 7.5. Agreement to Pay Attorney's Fees and Expenses. Whenever any Event of Default occurs and the Authority shall employ attorneys or incur other expenses for the collection of payments due or to become due or for the enforcement or performance or observance of any obligation or agreement on the part of the Redeveloper herein contained, the Redeveloper agrees that it shall, on demand therefor, pay to the Authority the reasonable fees of such attorneys and such other expenses so incurred by the Authority.

Article VIII

Tax Increment; Taxes

Section 8.1. Pledge of Tax Increment. The Authority shall pledge the Tax Increments to the payment of the Note in accordance with the terms of this Agreement.

Section 8.2. Right to Collect Delinquent Taxes. The Redeveloper acknowledges that the Authority is providing substantial aid and assistance in furtherance of the development through the issuance of the Note. The Redeveloper understands that the Tax Increment pledged to payment on the Note is derived from real estate taxes on the Redevelopment Property, which taxes must be promptly and timely paid. To that end, the Redeveloper agrees for itself, its successors and assigns, in addition to the obligation pursuant to statute to pay real estate taxes, it is also obligated by reason of this Agreement to pay before delinquency all real estate taxes assessed against the Redevelopment Property and the Minimum Improvements. The Redeveloper acknowledges that this obligation creates a contractual right on behalf of the Authority to sue the Redeveloper or its successors and assigns to collect delinquent real estate taxes and any penalty or interest thereon and to pay over the same as a tax payment to the county auditor. In any such suit, the Authority shall also be entitled to recover its costs, expenses and reasonable attorney fees.

Section 8.3. 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 willful destruction of the Redevelopment Property or any part thereof; provided that the foregoing restriction shall not apply to Redeveloper's demolition of the existing improvements in the normal course of redeveloping the Redevelopment Property.

Section 8.4. Petition to Reduce Tax. The Redeveloper may seek through petition or other means to have the County Assessor's estimated market value for the Redevelopment Property reduced. Until the Note is fully paid, such activity must be preceded by written notice from the Redeveloper to the Authority indicating its intention to do so. Upon receiving such notice, or otherwise learning of the Redeveloper's intentions, the Authority may suspend payments due under the Note until the actual amount of the reduction is determined, whereupon the Authority will make the suspended payments less any amount that the Authority is required to repay the County as a result, any reduction in the market value of the Redevelopment Property. During the period that the payments are subject to suspension, the Authority may make partial payments on the Note if it determines, in its sole and absolution discretion, that the amount retained will be sufficient to cover any repayment which the County may require. The Redeveloper's petition and the Authority's suspension of payments on the Note pursuant to this Section shall not be considered a default under Article VII.

Article IX

Additional Provisions

Section 9.1. Conflict of Interest. No member, official, or employee of the Authority shall have any personal interest, direct or indirect, in the Agreement, nor shall any such member, official or employee participate in any decision relating to the Agreement which affects his personal interests or the interests of any corporation, partnership, or association in which he is, directly or indirectly, interested.

Section 9.2. Restrictions on Use. The Redeveloper shall not, in marketing or sale of the Redevelopment Property, the Minimum Improvements, or any portion of such real property or improvements, discriminate upon the basis of race, color, creed, sex or national origin or any other basis prohibited by applicable local, State or federal laws or regulations.

Section 9.3. Intentionally Omitted.

Section 9.4. Notices and Demands. Any notice, demand, or other communication permitted or required to be given hereunder by either party to the other shall be deemed given or delivered if it is dispatched by registered or certified mail, postage prepaid, return receipt requested, transmitted by facsimile, delivered by a recognized overnight carrier, or delivered personally to the following addresses:

(a) *If to the Redeveloper*: Roers Fridley Apartments Owner II LLC, Two Carlson Parkway, Suite 400, Plymouth, MN 55447, Attention: Andy Bollig, Shane LaFave, and Lara Page.

With a copy to: Winthrop & Weinstine, P.A., 225 South Sixth Street, Suite 3500, Minneapolis, MN 55402 Attention: Kevin McLain.

(b) If to the Authority: Housing and Redevelopment Authority in and for the City of Fridley, Minnesota, 7071 University Avenue NE, Fridley, MN 55432, Attention: City Manager. Fax: (763) 571-1287.

With a copy to: Monroe Moxness Berg PA, 7760 France Avenue South, Suite 700, Minneapolis, MN 55435-5844, Attention: Vickie Loher-Johnson, Esq. Fax: (952) 885-5969.

Section 9.5. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall constitute one and the same instrument.

Section 9.6. Law Governing. This Agreement will be governed and construed in accordance with the laws of the State.

Section 9.7. Expiration. This Agreement shall expire when the Note is paid in full.

Section 9.8. Termination. This Agreement shall terminate on its expiration if it has not been terminated before such date pursuant to any provision hereof.

Section 9.9. Provisions Surviving Termination. Termination of this Agreement shall not terminate any indemnification or other rights or remedies under this Agreement due to (i) any Event of Default which occurred and was continuing prior to such termination, or (ii) any cause of action which arose before the termination. In addition, termination of this Agreement shall not terminate any Declaration of Restrictive Covenants and Prohibition Against Tax Exemption which shall have been recorded against the Redevelopment Property by Redeveloper in accordance with this Agreement.

IN WITNESS WHEREOF, the Authority has caused this Agreement to be duly executed in its name and behalf and the Redeveloper has caused this Agreement to be duly executed on or as of the date first above written.

(Signature pages follow)

Dated: April 6, 2023

HOUSING AND REDEVELOPMENT AUTHORITY
IN AND FOR THE CITY OF FRIDLEY, MINNESOTA

By: ____
Its: Chairperson

By: ____
Its: Executive Director

STATE OF MINNESOTA)
)ss
COUNTY OF ANOKA)

On this _____ day of ________________, 20___ before me, a Notary Public, personally appeared __________________ and ____________ , to me personally known who by me duly sworn, did say that they are the Chairperson and Executive Director, respectively, of the Housing and Redevelopment Authority in and for the City of Fridley, Minnesota, a political subdivision of the State of Minnesota, and acknowledged the foregoing instrument on behalf of said Authority.

____
Notary Public

Authority Signature Page - Contract for Private Redevelopment

Dated: April 6, 2023

ROERS FRIDLEY APARTMENTS OWNER II LLC, a Minnesota limited liability company

By: Roers Fridley Apartments Managing Member II LLC, a Minnesota limited liability company

Its: Managing Member

By ________________________________
Printed Name: Shane E. LaFave

Its: Authorized Signer

STATE OF MINNESOTA)
)ss
COUNTY OF HENNEPIN)

On this _____ day of ___________________, 2023, before me, a Notary Public, personally appeared Shane E. LaFave, the Authorized Signer for Roers Fridley Apartments Managing Member II LLC, a Minnesota limited liability company, the Managing Member of Roers Fridley Apartments Owner II LLC, a Minnesota limited liability company, and acknowledged the foregoing instrument on behalf of said limited liability company.

____
Notary Public

Redeveloper Signature Page - Contract for Private Redevelopment

SCHEDULE A

LEGAL DESCRIPTION OF REDEVELOPMENT PROPERTY

PINS: 14-30-24-34-0004 and 14-30-24-34-0005

Legally described as:

Parcel 1:

Lot 4, AUDITOR'S SUBDIVISION NUMBER 59, according to the recorded plat thereof, Anoka County, Minnesota excepting therefrom the following described parcel:

Commencing at the point of intersection of the East line of said Lot 4 and a line drawn from a point in the West line of said Lot 4 distant 119.99 feet South from the Northwest corner of said Lot 4 to a point in the East line of said Lot 4, distant 118.06 feet South from the Northeast corner of said Lot 4, said distance being measured along the East and West line of said Lot 4 hereinafter referred to as Line "A"; thence West along said Line "A" a distance of 38.68 feet to the actual Point of Beginning of the tract to be described; thence continuing West along said Line "A" a distance of 25.25 feet; thence North at a right angle to said Line "A" a distance of 0.33 feet; thence West, at a right angle, a distance of 1.58 feet; thence South at a right angle to said Line "A"; thence West along said Line "A" a distance of 23.74 feet; thence North at a right angle to said Line "A" a distance of 0.33 feet; thence West at a right angle a distance of 1.58 feet; thence South at a right angle to said Line "A"; thence West along said Line "A" to the West line of said Lot 4; thence North along the West line of said Lot 4, to a point distant 28.0 feet South from the North line of said Lot 4 measured at a right angle to the North line of said Lot 4; thence East along a line parallel with the North line of said Lot 4 to a point distant 38 feet West from the East line of said Lot 4 measured at a right angle to the East line of said Lot 4; thence South to the actual Point of Beginning.
(Abstract Property)

AND

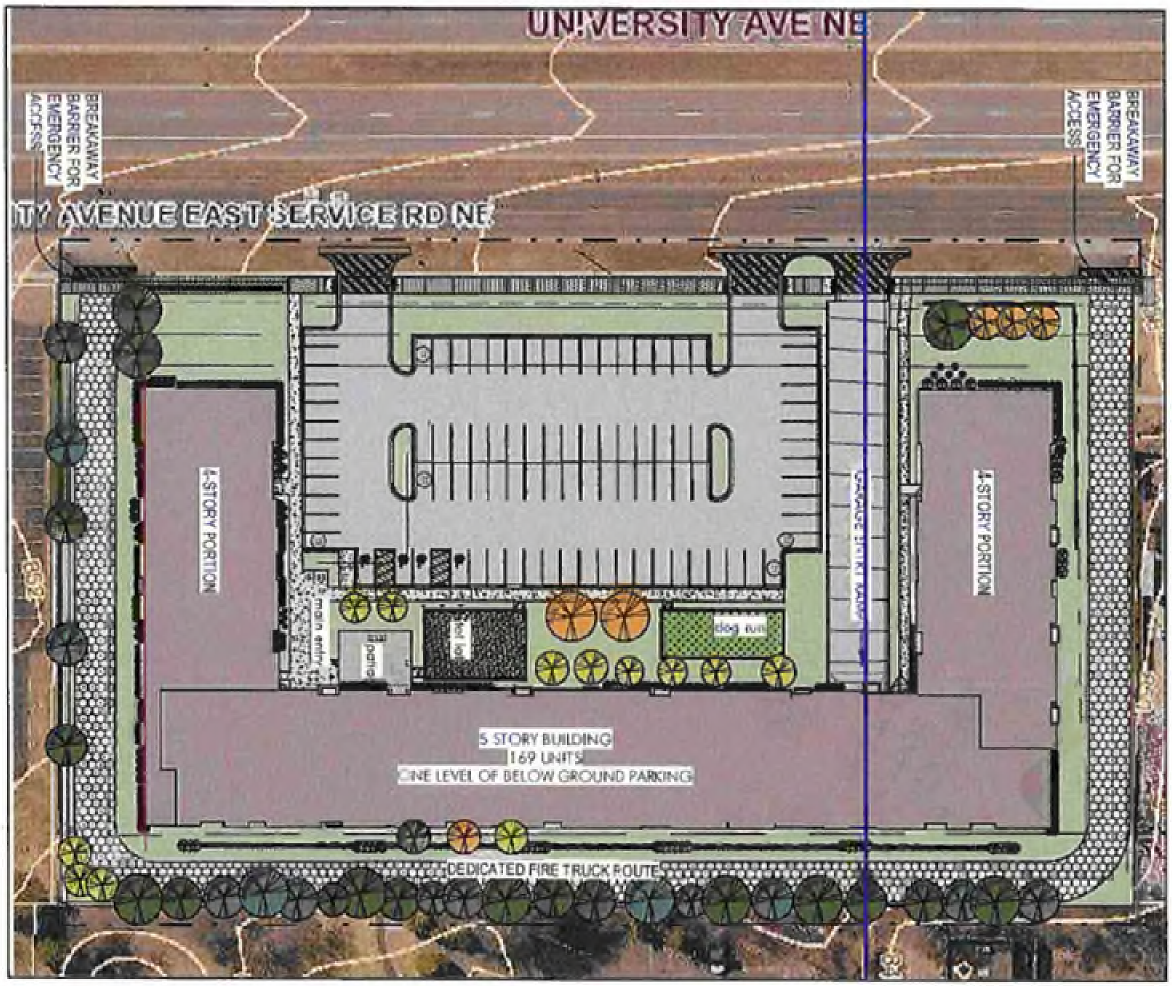
Parcel 2:

Lot 4, AUDITOR'S SUBDIVISION NUMBER 59, according to the recorded plat thereof, Anoka County, Minnesota, described as follows:

Commencing at the point of intersection of the East line of said Lot 4 and a line drawn from a point in the West line of said Lot 4 distant 119.99 feet South from the Northwest corner of said Lot 4 to a point in the East line of said Lot 4, distant 118.06 feet South from the Northeast corner of said Lot 4, said distance being measured along the East and West line of said Lot 4 hereinafter referred to as Line "A"; thence West along said Line "A" a distance of 38.68 feet to the actual Point of Beginning of the tract to be described; thence continuing West along said Line "A" a distance of 25.25 feet; thence North at a right angle to said Line "A" a distance of 0.33 feet; thence West, at a right angle, a distance of 1.58 feet; thence South at a right angle to said Line "A"; thence West along said Line "A" a distance of 23.74 feet; thence North at a right angle to said Line "A" a distance of 0.33 feet; thence West at a right angle a distance of 1.58 feet; thence South at a right angle to said Line "A"; thence West along said Line "A" to the West line of said Lot 4; thence North along the West line of said Lot 4, to a point distant 28.0 feet South from the North line of said Lot 4 measured at a right angle to the North line of said Lot 4; thence East along a line parallel with the North line of said Lot 4 to a point distant 38 feet West from the East line of said Lot 4 measured at a right angle to the East line of said Lot 4; thence South to the actual Point of Beginning.
(Abstract Property)

SCHEDULE B

SITE PLAN



SCHEDULE C

SITE IMPROVEMENTS

Subject to reimbursement as Eligible Costs within the limitations set forth herein, the Redeveloper will construct and pay for all Site Improvements, including:

- Costs of Acquisition of the Redevelopment Property (excluding assessors market value of land as of January 1, 2023)
- Environmental remediation
- Site clearance
- Relocation Costs
- Landscaping and screening
- Trails and pedestrian improvements, including sidewalks
- Grading and import/export soil
- Retaining walls and fences
- Private streets
- Storm sewers and storm water system elements

SCHEDULE D

PUBLIC IMPROVEMENTS

Subject to reimbursement as Eligible Costs within the limitations set forth herein, the redeveloper will construct and pay for the following Public Improvements in accordance with City specifications and subject to approval by the City engineer. The parties will coordinate the installation of the Public Improvements in order to accommodate the timetable for construction of the Minimum Improvements. Upon completion of the Public Improvements in compliance with City specifications and acceptance by the City, the Public Improvements will become public property.

- City streets, curbs and gutters
- Public trails, sidewalks, pedestrian improvements

SCHEDULE E

<u>Form of Note</u>

US $_________________ Fridley, Minnesota
___________, 20_

UNITED STATES OF AMERICA
STATE OF MINNESOTA
COUNTY OF ANOKA
HOUSING AND REDEVELOPMENT AUTHORITY IN AND FOR THE
CITY OF FRIDLEY, MINNESOTA

LIMITED REVENUE TAX INCREMENT NOTE

The Housing and Redevelopment Authority in and for the City of Fridley, Minnesota (the "Authority"), hereby acknowledges itself to be indebted and, for value received, promises to pay to the order of ____ (the "Owner"), solely from the Available Tax Increment, to the extent and in the manner hereinafter defined, the principal amount of this Note, being ______________________________Dollars and __/100 ($_______________) (the "Principal Amount"), together with simple interest of [the lesser of: (1) the rate for the long term or permanent financing of the Minimum Improvements, or (2) five percent (5%) per annum] commencing from the date of issuance of the Note and payable on the dates described below (the "Scheduled Payment Dates") and in the amounts as hereinafter defined (the "Scheduled Payments").

The Scheduled Payment Dates are August 1, 2025, and on the 1st day of February and August thereafter until and including February 1, 2051, unless earlier paid, in accordance with the terms of this Note.

Upon 30 days' prior written notice from the Authority to the Owner, the Principal Amount is subject to prepayment at the option of the Authority in whole or in part at any time.

Any payments on this Note shall be applied first to accrued interest and the balance to the reduction of principal. The Note shall bear simple non-compounded interest.

Each payment on this Note is payable in any coin or currency of the United States of America which on the date of such payment is legal tender for public and private debts and shall be made by check or draft made payable to the Owner and mailed to the Owner at its postal address within the United States which shall be designated from time to time by the Owner.

The Note is a special and limited obligation and not a general obligation of the Authority, which has been issued by the Authority pursuant to and in full conformity with the Constitution and laws of the State of Minnesota, including Minnesota Statutes, Section 469.178, subdivision 4, to aid in financing a project, as therein defined, of the Authority consisting generally of defraying certain public redevelopment costs incurred and to be incurred by the Authority within and for the benefit of its Redevelopment Project No. 1.

THE NOTE IS NOT A GENERAL OBLIGATION OF THE AUTHORITY, THE CITY OF FRIDLEY (THE “CITY”) OR THE STATE OF MINNESOTA (THE "STATE"), AND NEITHER THE AUTHORITY, THE CITY, THE STATE NOR ANY POLITICAL SUBDIVISION THEREOF SHALL BE LIABLE ON THE NOTE, NOR SHALL THE NOTE BE PAYABLE OUT OF ANY FUNDS OR PROPERTIES OTHER THAN AVAILABLE TAX INCREMENT, AS DEFINED BELOW.

The Scheduled Payment of this Note due on any Scheduled Payment Date is payable solely from and only to the extent that the Authority shall have received as of such Scheduled Payment Date the Available Tax Increment which is defined in the Contract for Private Redevelopment By and Between the Authority and the Owner dated as of _______________, 2023 (the “Agreement”). Defined terms, not otherwise defined in the Note, shall have the meaning assigned to them in the Agreement.

The Authority shall pay on each Scheduled Payment Date to the Owner the Available Tax Increment. On February 1, 2051, the maturity date of this Note, any unpaid portion shall be deemed to have been paid in full.

This Note shall not be payable from or constitute a charge upon any funds of the Authority, and the Authority shall not be subject to any liability hereon or be deemed to have obligated itself to pay hereon from any funds except the Available Tax Increments, and then only to the extent and in the manner herein specified.

The Owner shall never have or be deemed to have the right to compel any exercise of any taxing power of the Authority or of any other public body, and neither the Authority nor any director, commissioner, council member, board member, officer, employee or agent of the Authority, nor any person executing or registering this Note shall be liable personally hereon by reason of the issuance or registration hereof or otherwise.

The Authority makes no representation or covenant, express or implied, that the revenues described herein will be sufficient to pay, in whole or in part, the amounts which are or may otherwise become due and payable hereunder.

The Authority's payment obligations hereunder shall be further conditioned on the fact that there shall not at the time have occurred and be continuing an Event of Default under the Agreement, and, further, if pursuant to the occurrence of an Event of Default under the Agreement the Authority elects to terminate the Agreement, the Authority shall have no further debt or obligation under this Note whatsoever. Reference is hereby made to the provisions of the Agreement for a fuller statement of the obligations of the Redeveloper and of the rights of the Authority thereunder, and said provisions are hereby incorporated by reference into this Note to the same extent as though set out in full herein. The execution and delivery of this Note by the Authority, and the acceptance thereof by the Redeveloper, as the initial Registered Owner hereof, shall conclusively establish this Note as the "Note" (and shall conclusively constitute discharge of the Authority's obligation to issue and deliver the same to the Redeveloper) under the Agreement.

IT IS HEREBY CERTIFIED AND RECITED that all acts, conditions, and things required by the Constitution and laws of the State of Minnesota to be done, to have happened, and to be performed precedent to and in the issuance of this Note have been done, have happened, and have been performed in regular and due form, time, and manner as required by law; and that this Note, together with all other indebtedness of the Authority outstanding on the date hereof and on the date of its actual issuance and delivery, does not cause the indebtedness of the Authority to exceed any constitutional or statutory limitation thereon.

IN WITNESS WHEREOF, the Board of Commissioners of the Housing and Redevelopment Authority in and for the City of Fridley, Minnesota, by its Commission Members, has caused this Note to be executed by the manual signatures of the Chair and the Executive Director of the Authority and has caused this Note to be dated __________________________, 20__.

By __________________________	By ______________________________
Its Chair	Its Executive Director

CERTIFICATE OF REGISTRATION

It is hereby certified that the foregoing Note, as originally issued as of the ____ day of ______________, 20__, was on said date registered in the name of the Housing and Redevelopment Authority in and for the City of Fridley, Minnesota, a public body corporate and politic and that, at the request of said Registered Owner of this Note, the undersigned has this day registered this Note as to principal and interest on the Note in the name of such Registered Owner, as indicated in the registration blank below, on the books kept by the undersigned for such purposes.

Name of Registered Owner	Date of Registration	Signature of Executive Director
________________, a __________________	________, 20__	________________

SCHEDULE F

Form of Certificate of Completion

WHEREAS, the Housing and Redevelopment Authority in and for the City of Fridley, Minnesota, a political subdivision of the State of Minnesota (the "Authority") and Roers Fridley Apartments Owner II LLC, a Minnesota limited liability company (the "Redeveloper") have entered into a Contract for Private Redevelopment (the "Agreement") dated as of ________________, 2023 regarding certain real property located in Tax Increment Financing District No. 26 in the City (hereinafter referred to and referred to in the Agreement as the "Redevelopment Property"); and

WHEREAS, the Agreement contains certain conditions and provisions requiring the Redeveloper to construct improvements upon the Redevelopment Property (hereinafter referred to and referred to in the Agreement as the "Minimum Improvements" which include Minimum Improvements, as well as certain "Public Improvements"; and

WHEREAS, Section 4.4 of the Agreement requires the Authority to provide an appropriate instrument promptly after the substantial completion (as defined in the Agreement) of the Minimum Improvements and the Public Improvements so certifying said substantial completion;

NOW, THEREFORE, in compliance with said Section 4.4 of the Agreement, this is to certify that the Redeveloper has substantially completed the Minimum Improvements and the Public Improvements in accordance with the conditions and provisions of the Agreement relating solely to the obligations of the Redeveloper to construct the Minimum Improvements and the Public Improvements (including the dates for beginning and completion thereof), and this certification shall be a conclusive determination of satisfaction and termination of the agreements and covenants in the Agreement with respect to the obligations of the Redeveloper, and its successors and assigns, to construct the Minimum Improvements and the Public Improvements, and the dates for the beginning and completion thereof.

Dated: _______________, 20__

HOUSING AND REDEVELOPMENT AUTHORITY IN AND FOR THE CITY OF FRIDLEY, MINNESOTA

By ___________________________
Its Chairperson

And by ________________________
Its Executive Director

STATE OF MINNESOTA)
) ss
COUNTY OF ANOKA)

On this _____ day of _______________, 20__ before me, a notary public within and for Anoka County, personally appeared __________________________ and __________________________ to me personally known who by me duly sworn, did say that they are the Chairperson and Executive Director of the Housing and Redevelopment Authority in and for the City of Fridley, Minnesota, a political subdivision of the State of Minnesota, and acknowledged the foregoing instrument on behalf of said Authority.

____
Notary Public

Authority Signature Page Certificate of Completion

SCHEDULE G

<u>Declaration of Restrictive Covenants and Prohibition Against Tax Exemption</u>

This Declaration is made and executed as of the _____ day of _______, 202_ by Roers Fridley Apartments Owner II LLC, a Minnesota limited liability company ("Declarant").

RECITALS

A. Declarant is fee owner of the premises located in the County of Anoka, State of Minnesota described on <u>Exhibit A</u> attached hereto (the "Property").

B. The Housing and Redevelopment Authority in and for the City of Fridley, Minnesota, a political subdivision of the State of Minnesota (the "Authority") has entered into a Contract for Private Redevelopment dated as of ____________, 2023 with the Declarant (the "Redevelopment Agreement"). The Redevelopment Agreement provides for certain assistance, financial and otherwise, to be provided by the Authority in connection with the construction of housing improvements by the Declarant on the Property.

NOW, THEREFORE, in consideration of the foregoing, Declarant, for itself and its successors and assigns, does hereby declare that the Property shall be owned, used, occupied, sold and conveyed subject to the following covenants and restrictions:

1. No part of the Property shall become tax exempt from the levy of *ad valorem* property taxes, or any statutorily authorized alternative, until December 31, 2050.

2. The covenants and restrictions herein contained shall run with the title to the Property and shall be binding upon all present and future owners and occupants of the Property; provided, however, that the covenants and restrictions herein contained shall inure only to the benefit of the Authority and may be released or waived in whole or in part at any time, and from time to time, by the sole act of the Authority, and variances may be granted to the covenants and restrictions herein contained by the sole act of the Authority. These covenants and restrictions shall be enforceable only by the Authority, and only the Authority shall have the right to sue for and obtain an injunction, prohibitive or mandatory, to prevent the breach of the covenants and restrictions herein contained, or to enforce the performance or observance thereof.

3. The covenants and restrictions herein contained shall remain in effect until December 31, 2050 and thereafter shall be null and void.

4. If any one or more of the covenants or restrictions contained in this Declaration are held to be invalid or enforceable, the same shall in no way affect any of the other provisions of this Declaration, which shall remain in full force and effect.

IN WITNESS WHEREOF, the Declarant has caused this Agreement to be duly executed in its name and behalf as of the date first above written.

ROERS FRIDLEY APARTMENTS OWNER II LLC,
a Minnesota limited liability company

By: Roers Fridley Apartments Managing Member II LLC, a Minnesota limited liability company

Its: Managing Member

By ________________________________
Printed Name: Shane E. LaFave

Its: Authorized Signer

STATE OF MINNESOTA)
) ss
COUNTY OF HENNEPIN)

On this _____ day of __________________, 2023, before me, a Notary Public, personally appeared Shane E. LaFave, the Authorized Signer for Roers Fridley Apartments Managing Member II LLC, a Minnesota limited liability company, the Managing Member of Roers Fridley Apartments Owner II LLC, a Minnesota limited liability company, and acknowledged the foregoing instrument on behalf of said limited liability company.

25970444v2

4877-6853-1532, v. 6

AGENDA REPORT

Meeting Date: April 6, 2023 **Meeting Type:** Housing & Redevelopment Authority

Submitted By: Paul Bolin, Assistant Executive Director

Title

Update on Housing Programs

Background

On a monthly basis, staff will provide updates from CEE on the past month's activity for the Authority's loan programs, remodeling advisor visits and Home Energy Squad Visits.

Attachments and Other Resources

- Chart of Loans Issued and Remodeling Advisor Visits

Vision Statement

We believe Fridley will be a safe, vibrant, friendly and stable home for families and businesses.

Fridley Loan Summary Report
Activity for Period 2/16/2023 - 3/15/2023

Item 5.

Center for Energy and Environment

Application packets requested/mailed:	This period:	0	Year-to-Date:	3
Residential Advisor Visits:	This period:	2	Year-to-Date:	7

Loans currently in process for residents in your City/Neighborhood: 37

Closed Loans	This period:		Year-to-Date:	
Fridley		Units		Units
		0		0
Closed End	85,131.00	3	122,911.00	5
Down Payment Assistance	0.00	0	0.00	0
Last Resort	0.00	0	0.00	0
Last Resort Emergency Deferred	0.00	0	0.00	0
Mobile Home Closed End	0.00	0	0.00	0
Multi Family Exterior Closed End	0.00	0	0.00	0
Senior Deferred	23,172.22	1	118,985.22	6
Total	108,303.22	4	241,896.22	11

Leveraged Funds	This period:	Units	Year-to-Date:	Units
		0		0
Total		0		0

Types of Improvements Financed YTD	# of Projects	% of Total
Additions/Finishing off unused space	2	11.11
Air Conditioning	2	11.11
Bathrooms	1	5.56
Driveways	1	5.56
Electrical	1	5.56
Flooring/Carpet/Tile	1	5.56
Heating System	4	22.22
Kitchens	1	5.56
Other Interior Improvements	1	5.56
Plumbing	1	5.56
Siding, Stucco, Exterior Paint	1	5.56
Water Heater	2	11.11

Types of Properties Financed YTD	#	% of Total
Single Family Residence	10	90.91
Townhouse	1	9.09