



**REGULAR HOUSING AND REDEVELOPMENT AUTHORITY MEETING
RICHFIELD MUNICIPAL CENTER, COUNCIL CHAMBERS
MARCH 16, 2020
7:00 PM**

Call to Order

Open Forum

Approval of the minutes of the regular Housing and Redevelopment Authority meeting of February 18, 2020.

AGENDA APPROVAL

1. **Consent Calendar contains several separate items which are acted upon by the HRA in one motion. Once the Consent Calendar has been approved, the individual items and recommended actions have also been approved. No further HRA action on these items is necessary. However, any HRA Commissioner may request that an item be removed from the Consent Calendar and placed on the regular agenda for HRA discussion and action. All items listed on the Consent Calendar are recommended for approval.**

- A. Consideration of the adoption of a resolution approving a Subordination Agreement related to the Cedar Point II apartments.

Staff Report No. 11

2. Consideration of items, if any, removed from Consent Calendar

OTHER BUSINESS

3. Consideration of a resolution granting the Executive Director authority to extend Housing and Redevelopment Authority contracts and agreements in the event of an emergency.

Staff Report No. 12

HRA DISCUSSION ITEMS

EXECUTIVE DIRECTOR REPORT

CLAIMS

4. Adjournment

Auxiliary aids for individuals with disabilities are available upon request. Requests must be made at least 96 hours in advance to the City Clerk at 612-861-9738.



HOUSING AND REDEVELOPMENT AUTHORITY MEETING MINUTES

Richfield, Minnesota

Regular Meeting

February 18, 2020

CALL TO ORDER

The meeting was called to order by Chair Supple at 7:01 p.m. in the Council Chambers.

HRA Members Present: Mary Supple, Chair; Maria Regan Gonzalez; Sue Sandahl; and Pat Elliott.

HRA Members Absent: Erin Vrieze Daniels

Staff Present: Julie Urban, Acting Executive Director/Housing Manager; Melissa Poehlman, Assistant Community Development Director; Kate Aitchison, Housing/Communications Specialist; and LaTonia DuBois, Administrative Assistant.

OPEN FORUM

Commissioner Supple explained the Open Forum and invited members of the audience to speak.

David Snyder spoke of the need for affordable and accessible housing and the need to seek out developers that share the vision of this need for the community; he also thanked the HRA for all of their work.

James Jaffe spoke of his appreciation for the recent work session on affordable housing and looks forward to seeing how it translates into policies. Spoke of his appreciation for the consensus that moving forward the City Council and HRA will continue conversations about affordability, social justice and equity.

APPROVAL OF THE MINUTES

M/Regan Gonzalez, S/Sandahl to approve the minutes of: 1) Concurrent Housing and Redevelopment Authority and City Council Work Session of January 21, 2020; and 2) the Regular Housing and Redevelopment Authority meeting of January 21, 2020.

Motion carried 4-0

Item #1	2019 HRA/EDA YEAR IN REVIEW
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Assistant Community Development Director, Melissa Poehlman; Acting Executive Director/Housing Manager, Julie Urban; and Housing/Communications Specialist Kate Aitchison presented the 2019 HRA/EDA Year in Review.

Commissioner Sandahl commended staff on their great work.

Commissioner Regan Gonzalez also complimented staff on their work and addressed community members and small business owners to inform them of the many things the HRA and staff are here to offer support for.

Chair Supple also complimented staff on their work and mentioned the work done with People with Capes to address the needs assessment at Richfield Towers, their report and efforts to support residents.

Commissioner Elliott also complimented staff and expressed appreciation for the information provided by staff to the HRA.

Item #2	APPROVAL OF THE AGENDA
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M/Elliott, S/Sandahl to approve the agenda.

Motion Carried 4-0

Item #3	CONSENT CALENDAR
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Acting Executive Director/Housing Manager Urban presented the consent calendar:

- A. Consideration of a Second Amendment to the Contract for Private Development for 6812 Emerson Lane. (S.R. No. 8)

Commissioner Regan Gonzalez inquired about full cooperation with the property owners regarding a piece of property behind their homes.

Acting Executive Director/Housing Manager Urban explained that all residents would have to be in agreement regarding the piece of property behind homes.

Chair Supple explained where the strip of land is located.

Commissioner Elliott suggested reaching out to property owners about purchasing the land.

Acting Executive Director/Housing Manager explained the piece of property behind homes could be addressed at a later date.

M/Regan Gonzalez, S/Elliott

Motion Carried 4-0

Item #4	CONSIDERATION OF ITEMS, IF ANY, REMOVED FROM THE CONSENT CALENDAR
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None

Item #5	CONSIDERATION OF A RESOLUTION APPROVING A PRELIMINARY DEVELOPMENT AGREEMENT BETWEEN THE HRA AND ENCLAVE DEVELOPMENT, LLC FOR REDEVELOPMENT OF PROPERTY AT 65TH STREET AND LYNDALE AVENUE. (S.R. NO. 9)
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Assistant Community Development Director Poehlman presented Staff Report No. 9.

Assistant Community Development Director Poehlman addressed questions received prior to the meeting and explained how the use of Tax Increment Financing (TIF) is determined to be used and explained what the next steps would be. Assistant Community Development Director Poehlman explained specifically the preliminary development agreement being considered means the HRA agrees the property is considered a mixed use site, that it is in agreement with what our Comprehensive Plan says and that the HRA is willing to study the project more and consider Tax Increment.

Chair Supple brought up a question about TIF, how it is analyzed and how TIF affects other Taxing authorities such as the school district.

Assistant Community Development Director Poehlman explained how TIF works and that the school district would not receive less funding if this project was approved for TIF.

Chair Supple addressed the questions about how this project would affect low income housing, if any Naturally Occurring Affordable Housing (NOAH) would be removed for this project, the long term effect of the project if it does not offer affordable housing, and the possibility of displacement.

Assistant Community Development Director Poehlman explained that she is not aware of any NOAH housing being removed, but that there is one single family home owned by the property owner, that would be a question for the property owner, and that it is a commercial development that no housing is currently located in the buildings.

Commissioner Regan Gonzalez inquired about long term impact, our roll of providing TIF to developments and what the options to consider different types of proposals would be.

Assistant Community Development Director Poehlman offered explanation of what the preliminary development agreement entailed.

Commissioner Elliott inquired about interest from other developers for the property.

Assistant Community Development Director Poehlman explained that there are developers interested in land in the area but no other developers have reached out to staff for this property specifically.

Chair Supple mentioned concern about the small businesses currently located in the area and about any programs available for displacement or relocation.

Assistant Community Development Director Poehlman explained the new Economic Development Authority (EDA) programs that were adopted last month to help small businesses, but the possibility of what a relocation program might look like is still being discussed among staff. Poehlman also explained that the property owner and developer have worked out a purchase agreement that would not close on the property for a year and that would offer current business owners close to a year to find new space and there are current retail vacancies in the area.

Chair Supple inquired about the timeline of the agreement and asked the developer about their plans to reach out to the current tenants and community.

Austin Morris, Enclave Development addressed the HRA and explained the risk of the developer reaching out and using resources without a predevelopment agreement in place.

Commissioner Sandahl clarified that the developer does not currently own the property and the developer would not be in a current position to reach out to the tenants.

Property owner Bruce Hinks spoke of desire to sell the property and how often he is approached to sell the property and how he would like to work with the proposed development team.

There was further discussion regarding the process of the preliminary development agreement and what the next steps will be, which portions will be brought to the Planning Commission, back to the HRA and to the City Council.

M/Sandahl, S/Elliott to 1) approve a preliminary development agreement between the Housing and Redevelopment Authority and Enclave Development, LLC for development of properties of the northeast corner of 65th Street and Lyndale Avenue; and 2) authorize execution of the Agreement by the Housing and Redevelopment Authority Chair and Executive Director

Motion Carried 4-0

Chair Supple explained to a member of the audience (a business owner at the property location, who spoke from the audience and did not sign in to provide his name and proper spelling) that by voting to allow the preliminary development agreement allows the developer to have discussion with current tenants.

Commissioner Regan Gonzalez asked the property owner and developer to hold a public meeting regarding the development.

Assistant Community Development Director Poehlman explained the neighborhood meeting is a part of the process after the preliminary development agreement is in place.

Peter (owner of the Enchanted Rock Garden, did not sign in to provide proper spelling of last name) spoke of his desire to establish an opportunity to comment on the development and discussed his lease agreement.

Item #6	CONSIDERATION OF HOUSING AFFORDABILITY CONCEPTS PROPOSED BY PENN INVESTMENTS, LLC FOR THE DEVELOPMENT OF 6501 PENN AVENUE SOUTH, AND 6500 AND 6504 OLIVER AVENUE SOUTH. (S.R. NO 10)
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Housing Manager Julie Urban presented Staff Report 10 and gave a brief explanation of both options.

Commissioner Elliott inquired about why the Boisclair development team was chosen and expressed concerns with both options and recused himself.

Housing Manager Urban explained the majority of feedback received from policy makers indicated the Boisclair development teams' proposal was more desirable.

Commissioner Sandahl expressed concerns with 100% affordability in a single building and spoke of accessibility options.

Chair Supple spoke of needs for more affordable housing.

Commissioner Regan Gonzalez expressed her support for Option 1 for more affordable housing and spoke of the overall need for maintain and creating more affordable housing.

Commissioner Elliott suggested further educating the community on affordable housing.

M/Regan Gonzalez, S/Supple to approve Option 1 of the two affordable options and direct Penn Investments, LLC to continue to explore the feasibility of option 1 for 6501 Penn Avenue South and 6500 and 6504 Oliver Avenue South.

Motion Failed 2-2

Item #7	HRA DISCUSSION ITEMS
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The People with CAPES report on Richfield Towers was mentioned. Commissioner Sandahl spoke of the lack of support services. Housing Manager Urban gave history on the support services and informed that the support services position has been filled.

Item #8	EXECUTIVE DIRECTOR REPORT
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None

Item #9	CLAIMS
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M/Regan Gonzalez, S/Elliott that the following claims be approved:

U.S. BANK	2/17/2020
Section 8 Checks 131432-131515	\$162,722.04
HRA Checks 33798-33810	\$66,097.85
Total	\$228,819.89

Motion carried 4-0

Item #10	ADJOURNMENT
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The meeting was adjourned by unanimous consent at 8:59 p.m.

Date Approved: March 16, 2020

Mary B. Supple
HRA Chair

LaTonia DuBois
Administrative Assistant

John Stark
Executive Director



STAFF REPORT NO. 11
HOUSING AND REDEVELOPMENT AUTHORITY
MEETING
3/16/2020

REPORT PREPARED BY: Julie Urban, Housing and Redevelopment Manager

OTHER DEPARTMENT REVIEW:

EXECUTIVE DIRECTOR REVIEW: John Stark, Executive Director
3/12/2020

ITEM FOR COUNCIL CONSIDERATION:

Consideration of the adoption of a resolution approving a Subordination Agreement related to the Cedar Point II apartments.

EXECUTIVE SUMMARY:

On September 17, 2018, the Housing and Redevelopment Authority (HRA) approved a contract for private development (Contract) with NHH Companies, LLC, now doing business as CPII Development, LLC (Developer), to redevelop a portion of the Cedar Point II redevelopment area (63rd to 65th Street and 16th Avenue to Richfield Parkway) with 218 market-rate apartment units. As part of the Contract, the HRA agreed to sell the HRA-owned property located along Richfield Parkway to the Developer. The Contract includes a Right of Reverter (Reverter) provision and Right of Purchase and Right of First Refusal Agreement (Agreement) to ensure that in the event of Default by the Developer, the HRA would have the right to regain title of the property.

The Developer plans to close on a portion of its construction financing this month in order to acquire the property from the HRA and begin site work. The Lender is requesting a subordination of the Reverter and Agreement in order to close on the property acquisition and site work portion of the loan. Under the terms of the Contract, the Developer may request that the HRA subordinate the Agreement to the construction and/or permanent financing loan.

RECOMMENDED ACTION:

By motion: Adopt a resolution approving a Subordination Agreement related to construction financing for the apartment component of the Cedar Point II redevelopment project, and granting the Housing and Redevelopment Authority Attorney approval of the final form of the subordination document.

BASIS OF RECOMMENDATION:

A. HISTORICAL CONTEXT

- The HRA entered into a Contract to provide assistance to the apartment portion of the redevelopment project on September 17, 2018.
- The Developer is seeking acquisition and site work funds from its construction lender in order to acquire the HRA property for the development.
- The Lender is requiring that the HRA approve a subordination of the Reverter provided for in Section 9.4 and Right of Purchase and Right of First Refusal Agreement provided for in Section 9.9 of the Contract prior to issuing the loan.

B. POLICIES (resolutions, ordinances, regulations, statutes, etc):

- Under the terms of the Contract, the Developer may request that the HRA subordinate the Reverter and Agreement to the construction and/or permanent financing loan.

C. CRITICAL TIMING ISSUES:

- The Developer is anticipating closing on a portion of their construction financing and the HRA's property by March 31. Prior to making the loan, their Lender is requiring a Subordination Agreement from the HRA, subordinating the Reverter and Agreement to the construction loan.

D. FINANCIAL IMPACT:

- The Agreement and Reverter will be subordinate to the construction loan. If the project were to default on the Contract, and the HRA had to employ the right to re-purchase the land, the land would revert to the HRA but be subject to the lien from the construction loan.

E. LEGAL CONSIDERATION:

- The HRA retains its rights under the Contract.
- The HRA Attorney will approve the final form to be executed by the HRA Chair and Executive Director.

ALTERNATIVE RECOMMENDATION(S):

- Deny the Subordination Agreement request.

PRINCIPAL PARTIES EXPECTED AT MEETING:

N/A

ATTACHMENTS:

	Description	Type
▢	Resolution	Resolution Letter
▢	Contract for Private Development	Backup Material

**HOUSING AND REDEVELOPMENT AUTHORITY
IN AND FOR THE CITY OF RICHFIELD, MINNESOTA**

RESOLUTION NO. _____

**RESOLUTION APPROVING SUBORDINATION OF CERTAIN RIGHTS RELATING TO
CONTRACT FOR PRIVATE DEVELOPMENT WITH CPII DEVELOPMENT LLC**

WHEREAS, the Housing and Redevelopment Authority in and for the City of Richfield, Minnesota (the “Authority”) entered into a Contract for Private Development, dated September 17, 2018, with NHH Companies L.L.C., a Minnesota limited liability company (“NHH”), as assigned by NHH to CPII Development LLC, a Minnesota limited liability company (the “Developer”), pursuant to an Assignment of Contract for Private Development, dated January 15, 2019, was (the “Developer”), and as further amended by the First Amendment to Contract for Private Development, dated September 16, 2019 (collectively, the “Development Agreement”), between the Authority and the Developer, pursuant to which the Developer agreed to acquire certain real property (the “Development Property”) and construct thereon a development which will include (i) multifamily housing with approximately 218 units; (ii) a parking ramp with approximately 188 spaces; and (iii) necessary public infrastructure, including streets and utilities (the “Minimum Improvements”); and

WHEREAS, the Developer is in the process of obtaining construction financing from Bridgewater Bank (collectively with any other lender providing a loan to the Developer, the “Lender”) for the Minimum Improvements; and

WHEREAS, as a condition to providing the construction financing, the Lender will require that the Authority subordinate certain of its rights under the Development Agreement, including but not limited to the Authority’s right of reverter under Section 9.4 of the Development Agreement and the Authority’s right of purchase and right of first refusal under Section 9.9 of the Development Agreement, to the rights of the Lender under the construction loan financing documents (collectively, the “Loan Documents”); and

NOW, THEREFORE, BE IT RESOLVED, by the Board of Commissioners of the Housing and Redevelopment Authority in and for the City of Richfield, Minnesota as follows:

1. The Authority’s rights under Sections 9.4 and 9.9 of the Development Agreement are hereby subordinated to the rights of the Lender under the Loan Documents.

2. The Chair and the Executive Director are hereby authorized and directed to execute a subordination agreement (the “Subordination Agreement”) with the Developer and the Lender for and on behalf of the Authority upon approval of a form of Subordination Agreement by general counsel to the Authority and the Executive Director of the Authority, the execution of such Subordination Agreement to constitute conclusive evidence of the Authority’s approval of any and all modifications therein. The Subordination Agreement shall include the specific terms of the Authority’s subordination of its rights under the Development Agreement.

3. The Chair and the Executive Director are hereby authorized to execute and deliver all additional documents deemed necessary to carry out the intentions of this resolution.

Adopted by the Housing and Redevelopment Authority in and for the City of Richfield, Minnesota
this 16th day of March, 2020.

Mary Supple, Chair

Maria Regan Gonzalez, Secretary

RC125-366 (JAE)
642724v1

**Eighth Draft
September 13, 2018**

**CONTRACT
FOR
PRIVATE DEVELOPMENT**

between

**HOUSING AND REDEVELOPMENT AUTHORITY IN AND
FOR THE CITY OF RICHFIELD, MINNESOTA**

and

NHH COMPANIES L.L.C.

Dated: September 17, 2018

**THIS INSTRUMENT WAS DRAFTED BY:
Kennedy & Graven, Chartered (JAE)
470 U.S. Bank Plaza
200 South Sixth Street
Minneapolis, MN 55402
(612) 337-9300**

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CONTRACT FOR PRIVATE DEVELOPMENT

THIS CONTRACT FOR PRIVATE DEVELOPMENT (the "Agreement"), made as of the __ day of _____, 2018, between the HOUSING AND REDEVELOPMENT AUTHORITY IN AND FOR THE CITY OF RICHFIELD, MINNESOTA, a public body corporate and politic under the laws of the State of Minnesota (the "Authority"), and NHH COMPANIES L.L.C., a Minnesota limited liability company (the "Developer").

WITNESSETH:

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

WHEREAS, the Authority has undertaken a program to promote redevelopment and development of land that is underused or underutilized within the City, and in this connection the Authority administers a redevelopment project known as the Richfield Redevelopment Project (the "Redevelopment Project") pursuant to the HRA Act; and

WHEREAS, pursuant to the HRA Act, the Authority is authorized to acquire real property, or interests therein, and to undertake certain activities to facilitate the redevelopment of real property by private enterprise and promote the development of affordable housing within the City; and

WHEREAS, the Authority has established the Cedar Avenue Tax Increment Financing District (a redevelopment district) (the "TIF District") within the Richfield Project pursuant to Minnesota Statutes, Sections 469.174 to 469.1794, as amended (the "TIF Act") and Laws of Minnesota 2005, Chapter 152, Article 2, Section 25, as amended by Laws of Minnesota 2017, 1st Special Session, Chapter 1, Article 6, Section 18 (collectively, the "Special Law") in order to facilitate redevelopment of certain property in the Redevelopment Project and promote the development of affordable housing within the City; and

WHEREAS, the Developer proposes to acquire property within the TIF District from the Authority (the "Development Property") and construct a development which will include (i) multifamily housing with approximately 218 units; (ii) a parking ramp with approximately 188 spaces; and (iii) necessary public infrastructure, including streets and utilities (the "Minimum Improvements"); and

WHEREAS, in order to achieve the objectives of the Redevelopment Plan for the Redevelopment Project and make the Minimum Improvements economically feasible for the Developer to construct, the Authority is prepared to convey the 14 parcels that make up the Development Property to the Developer and reimburse the Developer for a portion of the land acquisition costs and certain site improvement costs related to the Minimum Improvements; and

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

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

ARTICLE I

Definitions

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

“Agreement” means this Contract for Private Development, 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 Richfield, Minnesota.

“Authority Representative” means the Executive Director of the Authority.

“Available Tax Increment” means, on each Payment Date, the Tax Increment attributable to the Development Property located in the TIF District and paid to the Authority by the County in the six months preceding the Payment Date after first deducting therefrom a percentage of the Tax Increment to be used to reimburse the Authority for administrative expenses and the promotion of redevelopment and affordable housing. Available Tax Increment shall not include any Tax Increment if, as of any Payment Date, there is an uncured Event of Default under this Agreement. The percentage of Tax Increment to be provided to the Authority varies as follows:

Years in which Tax Increment Received	Tax Increment to Developer	Tax Increment to Authority
Year 1-8	90%	10%
Year 9-21	80%	20%
Year 22-23	0%	100%

“Board” means the Board of Commissioners of the Authority.

“Certificate of Completion” means the certification provided to the Developer pursuant to Section 4.4 of this Agreement and set forth in EXHIBIT D.

“City” means the City of Richfield, Minnesota.

“Closing” has the meaning given such term in Section 3.2 hereof.

“Construction Plans” means the plans, specifications, drawings and related documents on the construction work to be performed by the Developer on the Development Property, including the Minimum Improvements, which (a) shall be as detailed as the plans, specifications, drawings and related documents which are submitted to the appropriate building officials of the City, and (b) shall include at least the following: (1) site plan; (2) foundation plan; (3) floor plan for each floor; (4) cross-sections of each (length and width); (5) elevations (all sides, including a building materials schedule); (6) landscape and grading plan; and (7) such other plans or supplements to the foregoing plans as the City may reasonably request to allow it to ascertain the nature and quality of the proposed construction work.

“County” means Hennepin County, Minnesota.

“Developer” means NHH Companies L.L.C., a Minnesota limited liability company, or its permitted successors and assigns.

“Development Property” means the real property described in EXHIBIT A of this Agreement.

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

“Hazardous Materials” means any substance, chemical, waste or material that is or becomes regulated under applicable law because of its toxicity, infectiousness, radioactivity, explosiveness, ignitability, corrosiveness or reactivity, including asbestos, urea formaldehyde, polychlorinated biphenyls, nuclear fuel or materials, radioactive materials, explosives, known carcinogens, petroleum products and by-products and any substance, chemical, waste or material regulated by any Hazardous Material Law.

Hazardous Material Laws means the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, the Superfund Amendments and Reauthorization Act of 1986, the Resource Conservation and Recovery Act, the Toxic Substances Control Act, as such acts may be amended from time to time, and any other Federal, state, county, municipal, local or other law, statute, code, ordinance, rule or regulation which relates to or deals with human health or the environment in the jurisdiction in which the Development Property is located.

“Holder” means the owner of a Mortgage.

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

“Material Change” means a change in construction plans that adversely affects generation of tax increment or changes the number of units of rental housing.

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

“Minimum Improvements” means the development on the Development Property of (i) multifamily housing with approximately 218 units; (ii) a parking ramp with approximately 188 spaces; and (iii) necessary public infrastructure, including streets and utilities.

“Minimum Market Value” means a minimum market value of \$32,732,700 for the Minimum Improvements (\$150,150 per apartment unit).

“Mortgage” means any mortgage made by the Developer which is secured, in whole or in part, with the Development Property and which is a permitted encumbrance pursuant to the provisions of Article VII of this Agreement.

“Payment Date” means each February 1 and August 1.

“Project Area” means the real property located within the boundaries of the Redevelopment Project.

“Public Redevelopment Costs” means costs related to the development of the Minimum Improvements and eligible to be reimbursed with Tax Increment, including but not limited to land acquisition costs, parking ramp construction costs, site improvement costs, public infrastructure, and the costs of the housing structures.

“PUD” means the planned unit development for the property that includes the Development Property, as approved by the City Council.

“Redevelopment Plan” means the Redevelopment Plan for the Redevelopment Project approved and adopted by the Board of the Authority and the City Council of the City.

“Redevelopment Project” means the Richfield Redevelopment Project.

“Right of Purchase and Right of First Refusal Agreement” means the Right of Purchase and Right of First Refusal Agreement between the Authority and the Developer as described in Sections 3.2(h) and 9.9 hereof and substantially in the form set forth in EXHIBIT E.

“State” means the State of Minnesota.

“Tax Increment” means that portion of the real property taxes which is paid with respect to the TIF District and which is remitted to the Authority as tax increment pursuant to the Tax Increment Act.

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

“Tax Increment Plan” means the Tax Increment Financing Plan for the TIF District, as approved by the City Council of the City on September 26, 2006, as amended and as it may be further amended and supplemented.

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

“TIF District” means the Cedar Avenue Tax Increment Financing District, a redevelopment district, created pursuant to the TIF Act and Laws of Minnesota 2005, Chapter 152, Article 2, Section 25, as amended by Laws of Minnesota 2017, 1st Special Session, Chapter 1, Article 6, Section 18.

“TIF Note” means the Tax Increment Limited Revenue Note, substantially in the form contained in EXHIBIT B, to be delivered by the Authority to the Developer pursuant to Section 3.3(b) hereof and payable from Available Tax Increment received from the TIF District.

“Townhomes Project” means the development on the property adjacent to the Development Property of (i) approximately 80 affordable owner-occupied townhomes; and (ii) necessary public infrastructure, including streets and utilities.

“Unavoidable Delays” means delays beyond the reasonable control of the party seeking to be excused as a result thereof, including delays which are the direct result of strikes, lockouts or other labor troubles, prolonged adverse weather or acts of God, fire or other casualty to the Minimum Improvements, litigation commenced by third parties which, by injunction or other similar judicial action, directly results in delays, acts of any federal, state or local governmental unit (other than the Authority in properly exercising its rights under this Agreement) which directly result in delays, war, invasion, rebellion, revolution, insurrection, riots or civil war, or unavailability or shortage of supply of construction materials or construction labor, other than by reason of non-payment of costs of the same.

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

ARTICLE II

Representations and Warranties

Section 2.1. Representations 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 housing and redevelopment authority 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, and execution of this Agreement has been duly, properly and validly authorized by the Authority.

(b) The Authority proposes to assist in financing certain land acquisition costs, site improvement costs, parking ramp construction costs and housing construction costs necessary to facilitate the construction of the Minimum Improvements in accordance with the terms of this Agreement to further the objectives of the Redevelopment Plan.

(c) The activities of the Authority are undertaken to foster the redevelopment of certain real property which for a variety of reasons is presently underutilized, to eliminate current blighting factors and prevent the emergence of further blight at a critical location in the City, to create increased tax base in the City, to increase housing opportunities in the City, and to stimulate further development of the TIF District and Redevelopment Project as a whole.

(d) The execution, delivery and performance of this Agreement and of any other documents or instruments required pursuant to this Agreement by the Authority, and consummation of the transactions contemplated therein and the fulfillment of the terms thereof, do not and will not conflict with or constitute a breach of or default under any existing (i) indenture, mortgage, deed of trust or other agreement or instrument to which the Authority is a party or by which the Authority or any of its property is or may be bound; or (ii) legislative act, constitution or other proceedings establishing or relating to the establishment of the Authority or its officers or its resolutions.

(e) There is not pending, nor to the best of the Authority's knowledge is there threatened, any suit, action or proceeding against the Authority before any court, arbitrator, administrative agency or other governmental authority that materially and adversely affects the validity of any of the transactions contemplated hereby, the ability of the Authority to perform its obligations hereunder, or the validity or enforcement of this Agreement.

(f) No commissioner of the Board of the Authority or officer of the Authority has either a direct or indirect financial interest in this Agreement, nor will any commissioner or officer benefit financially from the Agreement within the meaning of Minnesota Statutes, Section 469.009.

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

(a) The Developer is a limited liability company duly organized and in good standing under the laws of the State, is duly authorized to transact business within the State, and has the power to enter into this Agreement.

(b) With the understanding the definition of the Minimum Improvements may change pursuant to the provisions of this Agreement, the Developer will, subject to the terms and conditions of this Agreement, construct, operate and maintain the Minimum Improvements in accordance with the terms of this

Agreement, Redevelopment Plan and all local, state and federal laws and regulations (including, but not limited to, environmental, zoning, building code and public health laws and regulations).

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

(d) The Developer 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 Minimum Improvements may be lawfully constructed.

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

(f) The proposed development by the Developer hereunder would not occur but for the tax increment financing assistance being provided by the Authority hereunder.

(g) The Developer shall promptly advise the Authority in writing of all litigation or claims affecting any part of the Minimum Improvements and all written complaints and charges made by any governmental authority materially affecting the Minimum Improvements or materially affecting Developer or its business which may delay or require changes in construction of the Minimum Improvements.

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ARTICLE III

Property Acquisition; Financing

Section 3.1. Status of Development Property. The Authority currently owns all of the 14 parcels that make up the Development Property as more fully described in EXHIBIT A and shall convey the Development Property to the Developer pursuant to the provisions of Section 3.2 hereof.

Section 3.2. Conveyance of Development Property.

(a) The Authority will convey the Development Property to the Developer via a quit claim deed. The conveyance of the Development Property to the Developer is contingent on (i) the Board of the Authority holding a public hearing and approving the sale of the Development Property; (ii) the City Council of the City holding a public hearing and approving the establishment of the TIF District and the TIF Plan; and (iii) the Board of the Authority approving the establishment of the TIF District and the TIF Plan. The Authority will cause the Board of the Authority and the City Council to hold such public hearings and consider such approvals no later than October 31, 2018. The Development Property will be conveyed "as-is" and "where-is." Within 60 days following execution of this Agreement, the Authority will provide the Developer with a commitment for title insurance from a title insurance company (the "Title Company") acceptable to Developer. The Developer will be responsible for reimbursing the Authority for the cost of preparation of the commitment for title insurance. The Developer shall pay for the cost of obtaining a policy of title insurance.

(b) Within 60 days after the Developer's receipt of the title commitment, the Developer may obtain a survey and give the Authority written notice of any alleged title or survey defect(s) that might impair or impede the Developer's ability to develop the Minimum Improvements or impair the marketability of the Authority's actual and/or record title to the Development Property, or any portion thereof ("Objections") and request that the Authority cure such defects. The Developer's failure to make Objections to defects in writing, within the time period set forth above or at any time prior to Closing, shall be deemed a waiver of the Developer's right to require the Authority to cure such defects. If the Developer notifies the Authority of Objections within the time period set forth above, the Authority shall use good faith efforts to cure the Objections. The Authority shall have up to 45 days from the Authority's receipt of the Developer's Objections to use good faith efforts to cure the Objections. In no event will the Authority be required to expend more than \$1,000 in its good faith efforts to cure the Objections. If the Authority cures the Objections within the 45-day period, the Authority shall notify the Developer, in writing, and the parties shall close pursuant to the terms of this Agreement. If the Authority is unable to cure the Objections within the 45-day period, the Developer may either: (i) terminate this Agreement by delivering written notice of termination to the Authority; or (ii) notify the Authority that the Developer waives Developer's Objections. If the Developer waives the Developer's Objections, the matters giving rise to such Objections shall be deemed a permitted encumbrance and the parties shall otherwise perform their obligations under this Agreement. The Authority shall have no obligation to take any action to clear defects in the title to the Development Property other than the good faith efforts described above.

(c) Without limitation, the Developer is responsible for satisfying itself as to matters such as contamination, soils conditions and soil stability, and survey. The Authority shall have no obligation to cure any defect or other matter regarding contamination, soils conditions and soil stability, and survey, but agrees to cooperate, at no cost or expense to it, in any efforts by Developer to achieve such a cure. If, during the course of Developer's investigation of the Development Property, it determines that any Hazardous Materials must be removed or remediated pursuant to Hazardous Material Laws for Developer to complete the Minimum Improvements, Developer shall have the option of terminating this Agreement or proceeding to Closing.

(d) On the date the Development Property is conveyed to the Developer (the "Closing"), the Authority will execute and deliver to the Developer the following, in form and content reasonably acceptable to the Developer:

(i) A quit claim deed conveying the Development Property to the Developer.

(ii) A non-foreign affidavit, properly executed, containing such information as is required by Internal Revenue Code section 1445(b)(2) and its regulations.

(iii) A standard form Seller's Affidavit regarding liens, judgments, residence, tax liens, bankruptcies, parties in possession, survey and mechanics' or materialmen's liens and other matters affecting title to the Development Property and/or as may be reasonably required by Title Company to delete the so-called "standard exceptions" from the Title Policy (as defined below).

(iv) A well certificate in the form required by law.

(v) Any affidavit and disclosures required by law pertaining to private sewage treatment systems.

(vi) Any affidavits, certificates, or other documents that may be required under applicable law and/or that are reasonably determined by Developer or the Title Company to be necessary to transfer the Development Property to Developer and to evidence that the Authority has duly authorized the transactions contemplated hereby.

(e) The Developer acknowledges that the Authority will be conveying the Development Property to the Developer for a purchase price of \$1,110,000. The Authority shall pay all outstanding special assessments on the Development Property in the amount of \$780,000.

(f) The Developer's obligation to consummate the Closing is expressly conditioned on satisfaction of each of the following conditions: (i) on or before July 31, 2019, Developer shall have determined that the matters and conditions disclosed by the reports, investigations and tests received or performed by Developer relating to the Development Property are satisfactory to Developer and Developer has otherwise found the Development Property to be in a condition satisfactory to proceed to Closing, (ii) on the date of Closing, Title Company shall be irrevocably committed to issue to Developer an owner's policy of title insurance with respect to the Development Property in form and substance and containing such endorsements as shall be acceptable to Developer (the "Title Policy"), and (iii) on the date of Closing, the Developer shall have obtained all necessary land use approvals from the City (including final approval of the PUD). If any of the foregoing conditions are not timely satisfied, Developer may terminate this Agreement.

(g) In the event that the Closing has not taken place by September 30, 2019, and unless extended by mutual agreement of the parties, this Agreement shall terminate and be of no further force and effect, and the parties will be relieved of any further obligations hereunder.

(h) The Developer shall grant the Authority the right to repurchase the Development Property pursuant to the Right of Purchase and Right of First Refusal Agreement as described in Section 9.9 hereof and EXHIBIT E.

Section 3.3. Issuance of Pay-As-You-Go TIF Note.

(a) To reimburse the Developer for certain Public Redevelopment Costs incurred within the TIF District, the Authority shall issue and deliver and the Developer shall purchase the TIF Note in the principal amount of \$3,960,000 in substantially the form set forth in EXHIBIT B. The Authority and the Developer agree that the consideration from the Developer for the purchase of the TIF Note shall consist of the Developer's payment of the Public Redevelopment Costs in at least the principal amount of the TIF Note.

The Authority shall deliver the TIF Note upon delivery by the Developer of an investment letter in substantially the form attached to this Agreement as EXHIBIT C, together with evidence reasonably satisfactory to the Authority that the Developer has paid the Public Redevelopment Costs in at least the principal amount of the TIF Note. The principal of and interest on the TIF Note shall be payable each Payment Date solely from Available Tax Increment derived from the TIF District.

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

(c) The Authority acknowledges that the Developer may assign the TIF Note to one or more lenders that provide part of the financing for the acquisition of the Development Property or the construction of the Minimum Improvements. Pursuant to the terms of the TIF Note, the TIF Note may be assigned if the assignee executes an investment letter in the form set forth in EXHIBIT C.

Section 3.4. Termination of TIF District. At anytime following the payment in full of the principal of and interest on the TIF Note, the Authority may use the remaining Tax Increment derived from the TIF District for any other authorized uses set forth in the Tax Increment Plan or may terminate the TIF District.

Section 3.5. Payment of Administrative Costs. Pursuant to a Preliminary Development Agreement, dated March 19, 2018, between the Authority, the City, and the Developer, the Developer has deposited with the Authority \$15,000 to pay Administrative Costs. The Authority will use such deposit to pay "Administrative Costs," which term means out of pocket costs incurred by the Authority, together with staff and consultant costs of the Authority, all attributable to or incurred in connection with the negotiation, preparation or modification of this Agreement, the TIF Plan, and other documents and agreements in connection with the establishment of the TIF District and development of the Development Property, and not previously paid by Developer. At the Developer's request, but no more often than monthly, the Authority will provide the Developer with a written report including invoices, time sheets or other comparable evidence of expenditures for Administrative Costs and the outstanding balance of funds deposited. At any time the deposit drops below \$5,000, the Developer shall replenish the deposit to the full \$15,000 within 30 days after receipt of written notice thereof from the HRA. If at any time the Authority determines that the deposit is insufficient to pay Administrative Costs, the Developer is obligated to pay such shortfall within 15 days after receipt of a written notice from the Authority containing evidence of the unpaid costs. If Administrative Costs incurred, and reasonably anticipated to be incurred are less than the deposit by the Developer, the Authority shall return to the Developer any funds not anticipated to be needed.

Section 3.6. [Intentionally Omitted.]

Section 3.7. Records. The Authority and its representatives shall have the right at all reasonable times after reasonable notice to inspect, examine and copy all books and records of Developer relating to the

Minimum Improvements and the costs for which the Developer has been reimbursed with Available Tax Increment.

Section 3.8. Purpose of Assistance. The parties agree and understand that the purpose of the Authority's financial assistance to the Developer is to facilitate development of housing, and is not a "business subsidy" within the meaning of Minnesota Statutes, Sections 116J.993 to 116J.995.

Section 3.9. Public Art. The Developer shall incorporate one or two pieces of public art within the Minimum Improvements that are visible to the general public and are mutually agreeable to both the Developer and the Authority. Examples of public art include a sculpture, a water fountain, or a mural. Notwithstanding the foregoing, if a total of three pieces of public art are installed as part of the Minimum Improvements or the Townhomes Project, the requirements of this provision will be satisfied.

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ARTICLE IV

Construction of Minimum Improvements

Section 4.1. Construction of Improvements. Following the conveyance of the Development Property to the Developer, the Developer agrees that it will construct the Minimum Improvements on the Development Property substantially in accordance with the Construction Plans as approved pursuant to Section 4.2, and at all times prior to the Maturity Date, will operate and maintain, preserve and keep the Minimum Improvements or cause such improvements to be maintained, preserved and kept with the appurtenances and every part and parcel thereof, in good repair and condition. The Authority shall have no obligation to operate or maintain the Minimum Improvements.

Section 4.2. Construction Plans.

(a) Before commencement of construction of the Minimum Improvements, the Developer shall submit the Construction Plans for the Minimum Improvements to the Authority. The Authority Representative will approve the Construction Plans in writing if: (i) the Construction Plans are in material compliance with the PUD and all other land use approvals received for the Minimum Improvements; (ii) the Construction Plans conform to the terms and conditions of this Agreement; (iii) the Construction Plans conform to the goals and objectives of the Redevelopment Plan, as modified; (iv) the Construction Plans conform to all applicable federal, state and local laws, ordinances, rules and regulations; (v) the Construction Plans are adequate to provide for construction of the Minimum Improvements; (vi) the Construction Plans do not provide for expenditures in excess of the funds available to the Developer from all sources (including Developer's equity) for construction of the Minimum Improvements; (vii) the Construction Plans for the Minimum Improvements provide for the construction of Minimum Improvements having an estimated market value of at least the Minimum Market Value; and (viii) no uncured Event of Default has occurred. Approval may be based upon a review by the City's Building Official of the Construction Plans. No approval by the Authority Representative shall relieve the Developer of the obligation to comply with the terms of this Agreement or of the Redevelopment Plan, the PUD, applicable federal, state and local laws, ordinances, rules and regulations, or to construct the Minimum Improvements in accordance therewith. No approval by the Authority Representative shall constitute a waiver of an Event of Default. If approval of the Construction Plans is requested by the Developer in writing at the time of submission, such Construction Plans shall be deemed approved unless rejected in writing by the Authority Representative, in whole or in part. Such rejections shall set forth in detail the reasons therefor, and shall be made within 30 days after the date of their receipt by the Authority. If the Authority Representative rejects any Construction Plans in whole or in part, the Developer shall submit new or corrected Construction Plans within 30 days after written notification to the Developer of the rejection. The provisions of this Section relating to approval, rejection and resubmission of corrected Construction Plans shall continue to apply until the Construction Plans have been approved by the Authority. The Authority Representative's approval shall not be unreasonably withheld, delayed or conditioned. Said approval shall constitute a conclusive determination that the Construction Plans (and the Minimum Improvements constructed in accordance with said plans) comply to the Authority's satisfaction with the provisions of this Agreement relating thereto.

(b) If the Developer desires to make any Material Change in the Construction Plans after their approval by the Authority, the Developer shall submit the proposed change to the Authority for its approval. If the Construction Plans, as modified by the proposed change, conform to the requirements of this Section 4.2 with respect to such previously approved Construction Plans, the Authority shall approve the proposed change and notify the Developer in writing of its approval. Such change in the Construction Plans shall, in any event, be deemed approved by the Authority unless rejected, in whole or in part, by written notice by the Authority to the Developer, setting forth in detail the reasons therefor. Such rejection shall be

made within 30 days after receipt of the notice of such change. The Authority's approval of any such change in the Construction Plans may be conditioned on amendment to provisions of this Agreement if such amendments will mitigate the materiality of such proposed changes.

Section 4.3. Commencement and Completion of Construction. Subject to Unavoidable Delays, the Developer will commence construction of the Minimum Improvements on or before December 31, 2019 and be substantially complete with the construction of the Minimum Improvements on or before December 31, 2021.

Construction is considered to be commenced upon the beginning of physical improvements beyond grading. All work with respect to the Minimum Improvements to be constructed or provided by the Developer on the Development Property shall be in substantial conformity with the Construction Plans as submitted by the Developer and approved by the Authority.

The Developer agrees for itself, its successors and assigns, and every successor in interest to the Development Property, or any part thereof, that the Developer, and such successors and assigns, shall promptly begin and diligently prosecute to completion the development of the Minimum Improvements.

Section 4.4. Certificate of Completion.

(a) Promptly after completion of each the Minimum Improvements in accordance with those provisions of the Agreement relating solely to the obligations of the Developer to construct the Minimum Improvements, the Authority Representative will furnish the Developer with a Certificate of Completion shown as EXHIBIT D.

(b) If the Authority Representative shall refuse or fail to provide any certification in accordance with the provisions of this Section 4.4, the Authority Representative shall, within 30 days after written request by the Developer, provide the Developer with a written statement, indicating in adequate detail in what respects the Developer has failed to complete the Minimum Improvements in accordance with the provisions of the Agreement, or is otherwise in default, and what measures or acts will be necessary, in the opinion of the Authority, for the Developer to take or perform in order to obtain such certification.

(c) Regardless of whether a Certificate of Completion is issued by the Authority, the construction of the Minimum Improvements shall be deemed to be complete upon issuance of a certificate of occupancy by the City.

Section 4.5. Housing Provisions – Section 8 and Notice of Sale.

(a) During the term of this Agreement, the Developer shall not adopt any policies specifically excluding rental to tenants holding Section 8 certificate/voucher.

(b) In consideration of the financial assistance provided to the Developer pursuant to Article III of this Agreement, the Developer agrees to provide the Authority with at least ninety (90) days' notice of any sale of the Minimum Improvements.

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ARTICLE V

Insurance

Section 5.1. Insurance.

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

(i) Builder's risk insurance, written on the so-called "Builder's Risk – Completed Value Basis," in an amount equal to one hundred percent (100%) of the insurable value of the Minimum Improvements at the date of completion, and with coverage available in nonreporting form on the so-called "all risk" form of policy. The interest of the Authority shall be protected in accordance with a clause in form and content reasonably satisfactory to the Authority;

(ii) General commercial liability insurance (including operations, contingent liability, operations of subcontractors, completed operations and contractual liability insurance) together with a Protective Liability 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). The Authority shall be listed as an additional insured on the policy; and

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

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

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

(ii) Comprehensive general public liability insurance, including personal injury liability (with employee exclusion deleted), against liability for injuries to persons and/or property, in the minimum amount for each occurrence and for each year of \$2,000,000, and shall be endorsed to show the Authority as additional insured.

(iii) Such other insurance, including workers' compensation insurance respecting all employees, if any, of the Developer, in such amount as is customarily carried by like organizations engaged in like activities of comparable size and liability exposure; provided that the Developer may be self-insured with respect to all or any part of its liability for workers' compensation.

(c) All insurance required in this Article V shall be taken out and maintained in responsible insurance companies selected by the Developer which are authorized under the laws of the State to assume the risks covered thereby. Upon request, the Developer will deposit annually with the Authority policies evidencing all such insurance, or a certificate or certificates or binders of the respective insurers stating that such insurance is in force and effect. Unless otherwise provided in this Article V each policy shall contain a provision that the insurer shall not cancel nor modify it in such a way as to reduce the coverage provided below the amounts required herein without giving written notice to the Developer at least 30 days before the cancellation or modification becomes effective. If such a notice is received by the Developer, it will provide

the notice to the Authority. In lieu of separate policies, the Developer may maintain a single policy, blanket or umbrella policies, or a combination thereof, having the coverage required herein, in which event the Developer shall deposit with the Authority a certificate or certificates of the respective insurers as to the amount of coverage in force upon the Minimum Improvements.

(d) The Developer agrees to notify the Authority immediately in the case of damage exceeding \$100,000 in amount to, or destruction of, the Minimum Improvements or any portion thereof resulting from fire or other casualty. In such event the Developer will forthwith repair, reconstruct and restore the Minimum Improvements to substantially the same or an improved condition or value as it existed prior to the event causing such damage and, to the extent necessary to accomplish such repair, reconstruction and restoration, the Developer will apply the Net Proceeds of any insurance relating to such damage received by the Developer to the payment or reimbursement of the costs thereof.

The Developer shall complete the repair, reconstruction and restoration of the Minimum Improvements, whether or not the Net Proceeds of insurance received by the Developer for such purposes are sufficient to pay for the same. Any Net Proceeds remaining after completion of such repairs, construction and restoration shall be the property of the Developer.

(e) Notwithstanding anything to the contrary contained in this Agreement, in the event of damage to the Minimum Improvements in excess of \$100,000 and the Developer fails to complete any repair, reconstruction or restoration of the Minimum Improvements within 18 months from the date of damage, the Authority may, at its option, terminate the TIF Note as provided in Section 9.3(b) hereof. If the Authority terminates the TIF Note, such termination shall constitute the Authority's sole remedy under this Agreement as a result of the Developer's failure to repair, reconstruct or restore the Minimum Improvements. Thereafter, the Authority shall have no further obligations to make any payments under the TIF Note.

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

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

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ARTICLE VI

Tax Increment; Taxes

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

Section 6.2. Reduction of Taxes. The Developer agrees that after the date of certification of the TIF District and prior to completion of the Minimum Improvements, it will not cause a reduction in the real property taxes paid in respect of the Development Property through: (A) willful destruction of the Development Property or any part thereof (except for the demolition of structures required for construction of the Minimum Improvements); or (B) willful refusal to reconstruct damaged or destroyed property pursuant to Section 5.1 of this Agreement.

The Developer also agrees that it will not, prior to the Maturity Date: (i) seek exemption from property tax for the Development Property; (ii) convey or transfer or allow conveyance or transfer of the Development Property to any entity that is exempt from payment of real property taxes under State law; or (iii) seek or agree to any reduction of the assessor's estimated market value for the Minimum Improvements to below the applicable Minimum Market Value.

The Developer may, at any time following the issuance of the Certificate of Completion, seek through petition or other means to have the market value for all or any portion of the Development Property reduced to not less than the Minimum Market Value. Such activity must be preceded by written notice from the Developer to the Authority indicating its intention to do so.

Section 6.3. Suspension or Reduction of Payments on TIF Note. Upon receiving notice that the Developer seeks a reduction in the Minimum Market Value of all or any portion of the Development Property, or otherwise learning of the Developer's intentions, the Authority may suspend or reduce payments due under the TIF Note except for the portion of such payments from Available Tax Increment based on the Minimum Market Value, or the assessor's estimated market value for the year in which the Minimum Improvements have been completed, if less than the Minimum Market Value, until the actual amount of the reduction in market value 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 of any retroactive reduction in market value of the Development Property.

During the period that the payments are subject to suspension, the Authority may make partial payments on the TIF Note, from the amounts subject to suspension, if it determines, in its sole and absolute discretion, that the amount retained will be sufficient to cover any repayment which the County may require.

The Authority's suspension of payments on one or both of the TIF Note pursuant to this Section shall not be considered a default under Section 9.1 hereof.

Section 6.4. Qualifications. Notwithstanding anything herein to the contrary, the parties acknowledge and agree that upon Transfer of the Development Property to another person or entity, the Developer will remain obligated under Sections 6.1 and 6.2 hereof until the Maturity Date, unless the Developer is released from such obligations in accordance with the terms and conditions of Section 8.2(b) or 8.3 hereof.

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ARTICLE VII

Financing

Section 7.1. Mortgage Financing.

(a) Before commencement of construction of the Minimum Improvements, the Developer shall submit to the Authority evidence of one or more commitments for financing which, together with committed equity for such construction, is sufficient for payment of the Minimum Improvements. Such commitments may be submitted as short-term financing, long-term mortgage financing, a bridge loan with a long-term take-out financing commitment, or any combination of the foregoing.

(b) If the Authority finds that the financing is sufficiently committed and adequate in amount to pay the costs specified in paragraph (a) then the Authority shall notify the Developer in writing of its approval. Such approval shall not be unreasonably withheld and either approval or rejection shall be given within 30 days from the date when the Authority is provided the evidence of financing. A failure by the Authority to respond to such evidence of financing shall be deemed to constitute an approval hereunder. If the Authority rejects the evidence of financing as inadequate, it shall do so in writing specifying the basis for the rejection. In any event the Developer shall submit adequate evidence of financing within 30 days after such rejection.

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

Section 7.3. Modification; Subordination. In order to facilitate the Developer obtaining financing for the development of the Minimum Improvements, the Authority agrees to subordinate its rights under this Agreement to the Holder of any Mortgage securing construction, acquisition, or permanent financing, under terms and conditions reasonably acceptable to the Authority and the entity requesting the subordination. An agreement to subordinate this Agreement must be approved by the Board of the Authority. Upon request, the Authority will provide an estoppel certificate affirming factual matters related to this Agreement.

Section 7.4. Termination. All the provisions of this Article VII (except the provisions of Section 7.3) shall terminate with respect to the Minimum Improvements, upon delivery of the Certificate of Completion for the Minimum Improvements. The Developer or any successor in interest to the Minimum Improvements or portion thereof, may sell or engage in financing or any other transaction creating a mortgage or encumbrance or lien on the Minimum Improvements or any portion thereof for which a Certificate of Completion has been obtained, without obtaining prior written approval of the Authority as described in Section 7.1, provided that such sale, financing or other transaction creating a mortgage or encumbrance shall not be deemed as resulting in any subordination of the Authority's rights under this Agreement unless the Authority expressly consents to such a subordination pursuant to Section 7.3. Subordination agreements approved by the Authority prior to the Certificate of Completion will not be affected by the provisions of this Section.

ARTICLE VIII

Prohibitions Against Assignment and Transfer; Indemnification

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

Section 8.2. Prohibition Against Developer's Transfer of Property and Assignment of Agreement. The Developer represents and agrees that prior to issuance of the Certificate of Completion for the Minimum Improvements:

(a) Except only by way of security for, and only for, the purpose of obtaining financing necessary to enable the Developer or any successor in interest to the Development Property, or any part thereof, to perform its obligations with respect to constructing the Minimum Improvements under this Agreement, and any other purpose authorized by this Agreement, the Developer 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 the Agreement or the Development Property or any part thereof or any interest therein, or any contract or agreement to do any of the same (except a lease to a residential occupant), without the prior written approval of the Authority unless the Developer 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. In addition, the Developer must provide the Authority with prior notice of a sale of the Minimum Improvements pursuant to Section 4.5 hereof.

(b) In the event the Developer, upon transfer or assignment of all or any portion of the Development Property seeks to be released from its obligations under this Agreement, the Authority shall be entitled to require, except as otherwise provided in this Agreement, as conditions to any such release that:

(i) Any proposed transferee shall have the qualifications and financial responsibility, in the reasonable judgment of the Authority, necessary and adequate to fulfill the obligations undertaken in this Agreement by the Developer.

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

absence of specific written agreement by the Authority to the contrary, no such transfer or approval by the Authority thereof shall be deemed to relieve the Developer or any other party bound in any way by this Agreement or otherwise with respect to the construction of the Minimum Improvements, from any of its obligations with respect thereto.

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

In the event the foregoing conditions are satisfied then the Developer shall be released from its obligation under this Agreement.

Notwithstanding anything to the contrary in this Agreement, after issuance of the Certificate of Completion for the Minimum Improvements, the Developer may, without the Authority's consent, transfer or assign the Development Property related to the completed Minimum Improvements or the Developer's interest in this Agreement related to the completed Minimum Improvements and the transferee or assignee is bound by all the Developer's remaining obligations hereunder with respect to the Minimum Improvements. The Developer shall submit to the Authority written evidence of any such transfer or assignment, including the transferee or assignee's express assumption of the Developer's obligations under this Agreement. Upon receipt by the Authority of such written evidence of transfer or assignment, the Developer shall be released from all of its remaining obligations under this Agreement. If the Developer fails to provide such evidence of transfer and assumption, the Developer shall remain bound by all its obligations under this Agreement.

Section 8.3. Release and Indemnification Covenants.

(a) The Developer releases from and covenants and agrees that the Authority and its governing body members, officers, agents, servants and employees thereof shall not be liable for and agrees to indemnify and hold harmless the Authority and its respective governing body members, officers, agents, servants and employees thereof against any loss or damage to property or any injury to or death of any person occurring at or about or resulting from any defect in the Minimum Improvements.

(b) Except for any willful misrepresentation, gross negligence or any willful or wanton misconduct of the Authority, or its board members, officers, agents or employees, the Developer agrees to protect and defend the Authority and its governing body members, officers, agents, servants and employees thereof, now or forever, and further agrees to hold the aforesaid harmless from any claim, demand, suit, action or other proceeding whatsoever by any person or entity whatsoever arising or purportedly arising from this Agreement, or the transactions contemplated hereby or the acquisition, construction, installation, ownership, maintenance and operation of the Minimum Improvements. As to any willful misrepresentation, gross negligence or any willful or wanton misconduct of the Authority, or its board members, officers, agents or employees, the Authority agrees to protect and defend the Developer, its officers, agents, servants and employees and hold the same harmless from any such proceedings.

(c) The Authority and its governing body members, officers, agents, servants and employees thereof shall not be liable for any damage or injury to the persons or property of the Developer or its officers, agents, servants or employees or any other person who may be about the Development Property or Minimum Improvements due to any act of negligence of any person.

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

ARTICLE IX

Events of Default

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

(a) Failure by the Developer or the Authority to observe or perform any covenant, condition, obligation, or agreement on its part to be observed or performed under this Agreement, or any covenant, condition or agreement imposed as part of the City approval of the PUD; or

(b) The Developer:

(i) files any petition in bankruptcy or for any reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief under the United States Bankruptcy Act or under any similar federal or State law;

(ii) makes an assignment for benefit of its creditors;

(iii) fails to pay real estate taxes on the Development Property or the Minimum Improvements as they become due;

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

(v) is adjudicated as bankrupt or insolvent.

Section 9.2. Remedies on Default. Whenever any Event of Default referred to in Section 9.1 of this Agreement occurs and is continuing, the non-defaulting party may exercise its rights under this Section 9.2 after providing 30 days’ written notice to the defaulting party of the Event of Default, but only if the Event of Default has not been cured within said 30 days or, if the Event of Default is by its nature incurable within 30 days, the defaulting party does not provide assurances reasonably satisfactory to the non-defaulting party that the Event of Default will be cured and will be cured as soon as reasonably possible:

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

(b) Cancel and rescind or terminate the Agreement, subject to the provisions of Section 9.3 hereof.

(c) Upon a default by the Developer, the Authority may suspend payments under the TIF Note or terminate the TIF Note and the TIF District, subject to the provisions of Section 9.3 hereof.

(d) Take whatever action, including legal, equitable or administrative action, which may appear necessary or desirable to collect any payments due under this Agreement, or to enforce performance and observance of any obligation, agreement, or covenant under this Agreement.

Section 9.3. Termination or Suspension of TIF Note. After the Authority has issued its Certificate of Completion for the Minimum Improvements, the Authority and the City may exercise its rights under Section 9.2 for the completed Minimum Improvements only for the following Events of Default:

(a) the Developer fails to pay real estate taxes or assessments on the Development Property or any part thereof when due, and such taxes or assessments shall not have been paid, or provision satisfactory to the Authority made for such payment, within 18 months after written demand by the Authority to do so; or

(b) the Developer fails to comply with Developer's obligation to operate and maintain, preserve and keep the Minimum Improvements or cause such improvements to be maintained, preserved and kept with the appurtenances and every part and parcel thereof, in good repair and condition, pursuant to Sections 4.1 and 5.1; provided that, upon Developer's failure to comply with Developer's obligations under Section 4.1 or 5.1, if uncured after 30 days' written notice to the Developer of such failure, the Authority may only suspend payments under the TIF Note until such time as Developer complies with said obligations. If the Developer fails to comply with said obligations for a period of 18 months, the Authority may terminate the TIF Note and the TIF District.

Section 9.4. Revesting Title in Authority Upon Happening of Event Subsequent to Conveyance to Developer. In the event that subsequent to conveyance of the Development Property to the Developer, the Developer, subject to Unavoidable Delays, fails to commence construction of the Minimum Improvements by the dates specified in Section 4.3 hereof, and such failure to commence the Minimum Improvements is not cured within 90 days after written notice from the Authority to the Developer to do so; then the Authority shall have the right to re-enter and take possession of the Development Property and to terminate and revest in the Authority the Development Property, it being the intent of this provision, together with other provisions of the Agreement, that the conveyance of the Development Property to the Developer shall be made upon, and that the deeds shall contain a condition subsequent to the effect that in the event of any default on the part of the Developer in performance of the obligations specified in this Section 9.4 and failure on the part of the Developer to remedy, end, or abrogate such default within the period and in the manner stated in this Section, the Authority at its option may declare a termination in favor of the Authority of the title, and of all the rights and interests in and to the Development Property and that such title and all rights and interests of the Developer, and any assigns or successors in interest to and in the Development Property, shall revert to the Authority, as applicable, but only if the events stated in this Section have not been cured within the time periods provided above. The Authority understands and acknowledges that if it re-enters and takes possession of the Development Property that the Development Property may be subject to mortgage liens. The Authority will use the proceeds of the sale of the Development Property to discharge such liens if the proceeds are sufficient, as more fully described in Section 9.5(a).

Notwithstanding the foregoing, if the Authority determines to exercise its rights to revest title to the Development Property after the Developer has platted the Development Property, the Authority and the Developer understand and acknowledge that the Authority will revest the Development Property as platted and the Development Property may have easements recorded against it.

Section 9.5. Resale of Reacquired Property; Disposition of Proceeds. Upon the revesting in the Authority of title to and/or possession of the Development Property, the Authority shall, pursuant to their responsibilities under law, use their best efforts to sell the Development Property and in such manner as the Authority to a qualified and responsible party or parties (as determined by the Authority) who will assume the obligation of making or completing the Minimum Improvements or such other improvements in their stead as shall be satisfactory to the Authority in accordance with the uses specified for the Development Property in this Agreement. During any time while the Authority has title to and/or possession of a parcel of property

obtained by reverter, the Authority will not disturb the rights of any tenants under any leases encumbering such parcel. Upon resale of the Development Property, the proceeds thereof shall be applied:

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

(b) Second, to reimburse the Developer, its successor or transferee, up to the amount equal to purchase price of the Development Property paid by the Developer under Section 3.2 and the amount actually invested by it in making any of the subject improvements on the Development Property or part thereof, less any gains or income withdrawn or made by it from the Agreement or the Development Property.

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

Section 9.6. No Remedy Exclusive. Except as otherwise expressly provided herein, no remedy herein conferred upon or reserved to the Authority or the Developer 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. In order to entitle the Authority to exercise any remedy reserved to it, it shall not be necessary to give notice, other than the notices already required in Sections 9.2, 9.3, 9.4, 9.9, or as otherwise expressly provided in this Agreement.

Section 9.7. No Additional Waiver Implied by One Waiver. In the event any agreement contained in this Agreement should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other concurrent, previous or subsequent breach hereunder.

Section 9.8. Attorney Fees and Costs. Whenever any Event of Default occurs and if the Authority employs attorneys or incur other expenses for the collection of payments due or to become due or for the enforcement of performance or observance of any obligation or agreement on the part of the Developer under this Agreement, and the Authority prevails in the action, the Developer agrees that it will, within ten days of written demand by the Authority, pay to the Authority the reasonable fees of the attorneys and the other expenses so incurred by the Authority.

Section 9.9. Right of Purchase and Right of First Refusal Agreement. Following the conveyance of the Development Property to the Developer, if the Developer, subject to Unavoidable Delays, fails to commence construction of the Minimum Improvements by the dates specified in Section 4.3 hereof, and such failure to commence is not cured within 90 days after written notice from the Authority to the Developer to

do so, then the Authority shall have the right to repurchase the Development Property for the price the Developer paid for the Development Property. In addition, prior to the issuance of a Certificate of Completion for of the Minimum Improvements, if the Developer determines to sell all or any part of the Development Property within the Minimum Improvements, the Authority shall have the right to purchase the portion of the Development Property to be sold to a third party by the Developer for the lower of (i) the price the third party has agreed to pay for such property or (ii) the price the Developer paid for such property. To memorialize the Authority's right of purchase and right of first refusal, the Developer and the Authority shall enter into a Right of Purchase and Right of First Refusal Agreement in substantially the form set forth in EXHIBIT E, which shall be recorded against the Development Property acquired by the Developer.

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

ARTICLE X

Additional Provisions

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

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

Section 10.3. Restrictions on Use. The Developer agrees that, prior to the Maturity Date, the Developer, and such successors and assigns, shall use the Development Property solely for the development of affordable housing in accordance with the terms of this Agreement, and shall not discriminate upon the basis of race, color, creed, sex or national origin in the sale, lease, or rental or in the use or occupancy of the Development Property or any improvements erected or to be erected thereon, or any part thereof.

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

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

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

(a) in the case of the Developer, is addressed to or delivered personally to the Developer at 7455 France Avenue South, Suite 351, Edina, Minnesota 55435, Attn: Adam Seraphine; and

(b) in the case of the Authority, is addressed to or delivered personally to the Authority at 6700 Portland Ave. So., Richfield, MN 55423, Attn: Community Development Director;

or at such other address with respect to either such party as that party may, from time to time, designate in writing and forward to the other as provided in this Section.

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

Section 10.8. Recording. The Authority may record a memorandum of this Agreement and any amendments thereto with the County Recorder or the Registrar of Titles of the County, as the case may be. The Developer shall pay all costs for recording.

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

Section 10.10. Preliminary Development Agreement. On the date of this Agreement, the provisions of the Preliminary Development Agreement, dated March 19, 2018, between the Authority, the City, and the Developer that relate to the Minimum Improvements shall terminate.

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

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

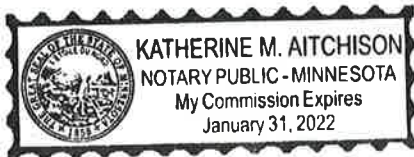
**HOUSING AND REDEVELOPMENT AUTHORITY
IN AND FOR THE CITY OF RICHFIELD,
MINNESOTA**

(SEAL)

By Mary B Supple
Its Chair
By Steven L Devich
Its Executive Director

STATE OF MINNESOTA)
) SS.
COUNTY OF HENNEPIN)

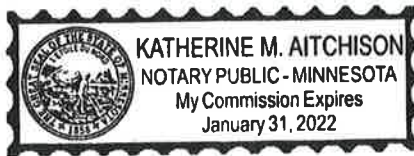
The foregoing instrument was acknowledged before me this September 17, 2018, by Mary B. Supple, the Chair of the Housing and Redevelopment Authority in and for the City of Richfield, Minnesota, on behalf of the Authority.



Katherine M Aitchison
Notary Public

STATE OF MINNESOTA)
) SS.
COUNTY OF HENNEPIN)

The foregoing instrument was acknowledged before me this September 17, 2018, by Steven L. Devich, the Executive Director of the Housing and Redevelopment Authority in and for the City of Richfield, Minnesota, on behalf of the Authority.



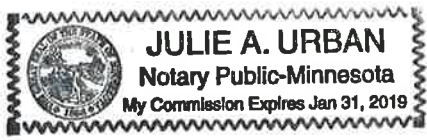
Katherine M Aitchison
Notary Public

NHH COMPANIES L.L.C.

By [Signature]
Its PRES/CHIEF MANAGER

STATE OF MINNESOTA)
) SS.
COUNTY OF Hennepin)

The foregoing instrument was acknowledged before me this September 18, 2018, by Adam Seraphine the President/Chief Manager of NHH Companies L.L.C., a Minnesota limited liability company, on behalf of the Developer.



[Signature]
Notary Public

(Signature Page of Developer to the Contract for Private Development)

EXHIBIT A
DEVELOPMENT PROPERTY

Lots 9, 10, 11, 12, 13, 14, Block 1, Iverson's Second Addition, according to the recorded plat thereof,
Hennepin County, Minnesota

Lots 9, 10, 11, 12, 13, 14, 15, 16, Block 2, Iverson's Second Addition, according to the recorded plat thereof,
Hennepin County, Minnesota

[Above legal description will be replaced with platted description for the Apartments upon final approval of the plat]

EXHIBIT B

FORM OF TIF NOTE

UNITED STATE OF AMERICA
STATE OF MINNESOTA
COUNTIES OF HENNEPIN
HOUSING AND REDEVELOPMENT AUTHORITY IN AND FOR THE
CITY OF RICHFIELD

No. R-1

\$ _____

TAX INCREMENT LIMITED REVENUE NOTE
SERIES _____

Rate

Date
of Original Issue

[lesser of 5.0% or the Owner's actual rate of financing] _____

The Housing and Redevelopment Authority in and for the City of Richfield, Minnesota (the "Authority"), for value received, certifies that it is indebted and hereby promises to pay to NHH Companies L.L.C., or registered assigns (the "Owner"), the principal sum of \$ _____ and to pay interest thereon at the rate of _____ percent per annum, as and to the extent set forth herein.

1. Payments. Principal and interest ("Payments") shall be paid on _____, 20____, and each February 1 and August 1 (each a "Payment Date") and thereafter to and including _____, 20____, in the amounts and from the sources set forth in Section 3 herein. Payments shall be applied first to accrued interest, and then to unpaid principal.

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

2. Interest. Interest at the rate stated herein shall accrue on the unpaid principal, commencing on the date of original issue. Interest shall accrue on a simple basis and will not be added to principal. Interest shall be computed on the basis of a year of 360 days and charged for actual days principal is unpaid.

3. Available Tax Increment. Subject to the provisions of Section 10 below, payments on this Note are payable on each Payment Date in the amount of and solely payable from "Available Tax Increment" (as defined in the Agreement) and paid to the Authority by Hennepin County in the six months preceding the Payment Date, all as the terms are defined in the Contract for Private Development, dated _____, 2018 (the "Agreement"), between the Authority and Owner. The principal of and interest on this Note shall be payable each Payment Date solely from Available Tax Increment. Available Tax Increment will not include any Tax Increment if, as of any Payment Date, there is an uncured Event of Default under the Agreement.

The Authority shall have no obligation to pay principal of and interest on this Note on each Payment Date from any source other than Available Tax Increment, and the failure of the Authority to pay the entire amount of principal or interest on this Note on any Payment Date shall not constitute a default hereunder as long as the Authority pays principal and interest hereon to the extent of Available Tax Increment. The Authority shall have no obligation to pay unpaid balance of principal or accrued interest that may remain after the payment of Available Tax Increment from the last payment of Tax Increment the Authority is entitled to receive from Hennepin County with respect to the Development Property.

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

5. Termination. At the Authority's option, this Note shall terminate and the Authority's obligation to make any payments under this Note shall be discharged upon the occurrence of an Event of Default on the part of the Developer as defined in Section 9.1 of the Agreement, but only if the Event of Default has not been cured within the applicable time periods provided in the Agreement and the Authority has the right to terminate the Note under Sections 9.2 and 9.3 of the Agreement.

6. Nature of Obligation. This Note is issued to aid in financing certain public development costs and administrative costs of a housing project undertaken by the Authority pursuant to Minnesota Statutes, Sections 469.001 through 469.047, as amended, and is issued pursuant to an authorizing resolution (the "Resolution") duly adopted by the Authority on _____, 2018, and pursuant to and in full conformity with the Constitution and laws of the State of Minnesota, including Minnesota Statutes, Sections 469.174 through 469.1794, as amended. This Note is a limited obligation of the Authority which is payable solely from Available Tax Increment pledged to the payment hereof under the Resolution. This Note and the interest hereon shall not be deemed to constitute a general obligation of the State of Minnesota or any political subdivision thereof, including, without limitation, the Authority. Neither the State of Minnesota, nor any political subdivision thereof shall be obligated to pay the principal of or interest on this Note or other costs incident hereto except out of Available Tax Increment, and neither the full faith and credit nor the taxing power of the State of Minnesota or any political subdivision thereof is pledged to the payment of the principal of or interest on this Note or other costs incident hereto.

7. Estimated Tax Increment Payments. Any estimates of Tax Increment prepared by the Authority or its financial advisors in connection with the TIF District or the Agreement are for the benefit of the Authority, and are not intended as representations on which the Developer may rely.

THE AUTHORITY MAKES NO REPRESENTATION OR WARRANTY THAT THE AVAILABLE TAX INCREMENT WILL BE SUFFICIENT TO PAY THE PRINCIPAL OF AND INTEREST ON THIS NOTE.

8. Registration. This Note is issuable only as a fully registered note without coupons.

9. Transfer. As provided in the Resolution, and subject to certain limitations set forth therein, this Note is transferable upon the books of the Authority kept for that purpose at the principal office of the City Clerk of the City of Richfield. Upon surrender for transfer of the TIF Note, including any assignment or exchange thereof, duly endorsed by the registered owner thereof or accompanied by a written instrument of transfer, in form reasonably satisfactory to the Registrar, duly executed by the registered owner thereof or by an attorney duly authorized by the registered owner in writing, and the payment by the Owner of any tax, fee, or governmental charge required to be paid by or to the Authority with respect to such transfer or exchange, the Registrar shall authenticate and deliver, in the name of the designated transferee or transferees, a new

Note of the same aggregate principal amount, bearing interest at the same rate and maturing on the same dates.

Notwithstanding the foregoing, the TIF Note shall not be transferred to any person other than an affiliate, or other related entity, of the Owner unless the Authority has been provided with an investment letter in a form substantially similar to the investment letter in EXHIBIT C of the Agreement or a certificate of the transferor, in a form satisfactory to the Executive Director of the Authority, that such transfer is exempt from registration and prospectus delivery requirements of federal and applicable state securities laws. The Registrar may close the books for registration of any transfer after the fifteenth day of the month preceding each Payment Date and until such Payment Date.

The Owner may assign the TIF Note to a lender that provides all or part of the financing for the acquisition of the Development Property or the construction of the Minimum Improvements. The Authority hereby consents to such assignment, conditioned upon receipt of an investment letter from such lender in substantially the form attached in the Agreement as EXHIBIT C, or other form reasonably acceptable to the Executive Director of the Authority. The Authority also agrees that future assignments of the TIF Note may be approved by the Executive Director of the Authority without action of the Authority's Board, upon the receipt of an investment letter in substantially the form of EXHIBIT C of the Agreement or other investment letter reasonably acceptable to the Authority from such assignees.

This Note is issued pursuant to a resolution of the Board of the Authority and is entitled to the benefits thereof, which Resolution is incorporated herein by reference.

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

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

**HOUSING AND REDEVELOPMENT
AUTHORITY IN AND FOR THE CITY OF
RICHFIELD, MINNESOTA**

Executive Director

Chair

REGISTRATION PROVISIONS

The ownership of the unpaid balance of the within Note is registered in the bond register of the Authority's Executive Director, in the name of the person last listed below.

Date of Registration

Registered Owner

Signature of Executive Director

NHH Companies L.L.C.
Federal ID # _____

EXHIBIT C

INVESTMENT LETTER

To the Housing and Redevelopment Authority in and for the City of Richfield (the "Authority")
Attention: Executive Director

Re: \$____ Tax Increment Limited Revenue Note, Series 20____

The undersigned, as Owner of \$____ in principal amount of the above captioned Note (the "Note") pursuant to a resolution of the Authority adopted on _____, 2018 (the "Resolution"), hereby represents to you and to Kennedy & Graven, Chartered, Minneapolis, Minnesota, development counsel, as follows:

1. We understand and acknowledge that the TIF Note is delivered to the Owner as of this date pursuant to the Resolution and the Contract for Private Development, dated _____, 2018 (the "Contract"), between the Authority and the Owner.
2. We understand that the TIF Note is payable as to principal and interest solely from Available Tax Increment (as defined in the TIF Note).
3. We further understand that any estimates of Tax Increment prepared by the Authority or its financial advisors in connection with the TIF District, the Contract or the TIF Note are for the benefit of the Authority, and are not intended as representations on which the Owner may rely.
4. We have sufficient knowledge and experience in financial and business matters, including purchase and ownership of municipal obligations, to be able to evaluate the risks and merits of the investment represented by the purchase of the above-stated principal amount of the TIF Note.
5. We acknowledge that no offering statement, prospectus, offering circular or other comprehensive offering statement containing material information with respect to the Authority and the TIF Note has been issued or prepared by the Authority, and that, in due diligence, we have made our own inquiry and analysis with respect to the Authority, the TIF Note and the security therefor, and other material factors affecting the security and payment of the TIF Note.
6. We acknowledge that we have either been supplied with or have access to information, including financial statements and other financial information, to which a reasonable investor would attach significance in making investment decisions, and we have had the opportunity to ask questions and receive answers from knowledgeable individuals concerning the Authority, the TIF Note and the security therefor, and that as a reasonable investor we have been able to make our decision to purchase the above-stated principal amount of the TIF Note.
7. We have been informed that the TIF Note (i) is not being registered or otherwise qualified for sale under the "Blue Sky" laws and regulations of any state, or under federal securities laws or regulations, (ii) will not be listed on any stock or other securities exchange, and (iii) will carry no rating from any rating service.
8. We acknowledge that neither the Authority nor Kennedy & Graven, Chartered has made any representations as to the status of interest on the TIF Note for state or federal income tax purposes.

9. We represent to you that we are purchasing the TIF Note for our own accounts and not for resale or other distribution thereof, except to the extent otherwise provided in the TIF Note, the Resolution, or any other resolution adopted by the Authority.

10. All capitalized terms used herein have the meaning provided in the Contract unless the context clearly requires otherwise.

11. The Owner's federal tax identification number is: _____.

12. We acknowledge receipt of the TIF Note as of the date hereof.

(Remainder of this page intentionally left blank)

NHH COMPANIES L.L.C.

By _____
Its _____

Dated: _____, 20__

EXHIBIT D

CERTIFICATE OF COMPLETION

The undersigned hereby certifies that NHH Companies L.L.C., a Minnesota limited liability company (the "Developer"), has fully complied with its obligations under Articles III and IV of that document titled "Contract for Private Development," dated _____, 2018 (the "Agreement"), between the Housing and Redevelopment Authority in and for the City of Richfield, Minnesota and the Developer, a memorandum of which was recorded in the Office of [County Recorder] [Registrar of Titles] of Hennepin County, Minnesota on _____, as Document No. _____, with respect to construction of the Minimum Improvements in accordance with Article IV of the Agreement, and that the Developer is released and forever discharged from its obligations with respect to acquisition of the Development Property (as defined in the Agreement) and construction of the Minimum Improvements under Articles III and IV of the Agreement.

Dated: _____, 20__.

**HOUSING AND REDEVELOPMENT AUTHORITY
IN AND FOR THE CITY OF RICHFIELD,
MINNESOTA**

By _____
Executive Director

STATE OF MINNESOTA)
) SS.
COUNTY OF HENNEPIN)

The foregoing instrument was acknowledged before me this _____, 20__, by _____, the Executive Director of the Housing and Redevelopment Authority in and for the City of Richfield, Minnesota, on behalf of the Authority.

Notary Public

THIS INSTRUMENT WAS DRAFTED BY:
Kennedy & Graven, Chartered (JAE)
470 U.S. Bank Plaza
200 South Sixth Street
Minneapolis, MN 55402
(612) 337-9300

EXHIBIT E

RIGHT OF PURCHASE AND RIGHT OF FIRST REFUSAL AGREEMENT

THIS RIGHT OF PURCHASE AND RIGHT OF FIRST REFUSAL AGREEMENT (the "Agreement") is given as of this ___ day of _____, 2018 (the "Effective Date"), by NHH COMPANIES L.L.C., a Minnesota limited liability company (the "Developer"), to the HOUSING AND REDEVELOPMENT AUTHORITY IN AND FOR THE CITY OF RICHFIELD, MINNESOTA, a public body corporate and politic under the laws of the State of Minnesota (the "Authority").

1. Contract for Private Development. The Developer and the Authority have entered into a Contract for Private Development, dated _____, 2018 (the "Contract"), pursuant to which the Authority will convey certain real property to the Developer as legally described in SCHEDULE A (the "Development Property"). Pursuant to the Contract, the Developer has agreed to construct on the Development Property the Minimum Improvements (as defined in the Contract). All terms capitalized herein and not defined herein shall have the meaning given such term in the Contract.

2. Grant. For valuable consideration, and subject to the conditions set forth below, the Developer hereby grants to the Authority the right to purchase and the right of first refusal pursuant to the provisions of this Agreement.

3. Right to Purchase. Following the conveyance of the Development Property to the Developer, if the Developer, subject to Unavoidable Delays, fails to commence construction of the Minimum Improvements by the dates specified in Section 4.3 of the Contract, and such failure to commence is not cured within 90 days after written notice from the Authority to the Developer to do so, then the Authority shall have the right to repurchase the Development Property for the price the Developer paid for the Development Property. The Authority shall have 60 days following the 90-day cure period set forth in this Section to notify the Developer of its intent to repurchase the Development Property. The Authority shall have 120 days to complete the purchase of the Development Property.

4. Right of First Refusal. Prior to the receipt of a Certificate of Completion for the Minimum Improvements, if the Developer determines to sell all or any part of the Development Property, the Authority shall have the right to purchase the portion of the Development Property to be sold to a third party by the Developer for the lower of (i) the price the third party has agreed to pay for such property or (ii) the price the Developer paid for such property (including the costs of any improvements to the property).

a. Notice of Acceptable Offer. If at any time or times prior to the receipt of a Certificate of Completion for the Minimum Improvements, the Developer receives an offer acceptable to the Developer for the purchase of all or any part of the Development Property, then the Developer shall forthwith forward a copy of such offer (the "Acceptable Offer") to the Authority.

b. Exercise by Authority. The Authority shall have a period of 30 days after receiving such copy of the Acceptable Offer within which to notify the Developer that the Authority elects to purchase the Property (or the portion thereof covered by the Acceptable Offer) (the "Sale Property") on the terms contained therein. Any such notice from the Authority shall be accompanied by any earnest money required under the terms of the Acceptable Offer, which shall then constitute a contract between the Developer and the Authority even though neither has signed it.

c. Waiver by Authority. If the Authority does not notify the Developer within the 30-day period described in Section 6 of the Authority's election to purchase such Sale Property, the Developer shall be free to sell such Sale Property to the person who submitted the Acceptable Offer

(or to such person's permitted assigns) on the terms specified therein, and the Authority shall upon request execute and deliver an instrument in recordable form appropriate to evidence the Authority's relinquishment of its rights under this Agreement with respect to such transaction. Notwithstanding any such relinquishment, the Authority's rights under this Agreement shall remain in effect with respect to any part of the Property not covered by the Acceptable Offer, and, if the transaction contemplated by the Acceptable Offer fails for any reason to close, with respect to any subsequent offer to purchase all or any part of the Property covered by such Acceptable Offer.

5. Contract Restrictions on Transfer of Property. If the Authority determines to waive or is deemed to have waived its right to purchase the Sale Property pursuant to Section 4(c), the Developer remains obligated to comply with the requirements set forth in Section 8.2 of the Contract related to transfers of the Development Property and the assignment of the Contract.

6. Term. This Agreement shall commence on the Effective Date and terminate on the earlier of: (i) the date the Developer obtains a Certificate of Completion for the Minimum Improvements; and (ii) upon sale of all of the Development Property pursuant to the terms of an Acceptable Offer for which the Authority has been provided notice and has not exercised its right to purchase such property in accordance with the provisions of this Agreement. Notwithstanding the foregoing, for any portion of the Development Property that is sold pursuant to an Acceptable Offer, this Agreement shall terminate with respect to such portion of Development Property at the end of the 30-day period described in Section 4 if the Authority does not notify the Developer of its election to purchase such portion of the Property.

7. Notices. Any notice required or permitted to be given under this Agreement shall be in writing and shall be deemed given upon personal delivery or on the second business day after mailing by registered or certified United States mail, postage prepaid, to the appropriate party at its address stated below:

- a. If to Developer: NHH Companies L.L.C.
7455 France Avenue South
Suite 351
Edina, Minnesota 55435
Attn: Adam Seraphine

- b. If to Authority: Housing and Redevelopment Authority in and for the City of Richfield
6700 Portland Ave. South
Richfield, MN 55423
Attn: Community Development Director

Either party may change its address for notices by notice to the other party as provided above.

8. Binding Effect and Transferability. The provisions of this Agreement shall bind and benefit the Developer and the Authority and their respective successors and assigns.

9. Assignment. The Authority may assign this Agreement only to a wholly owned subsidiary of the Authority.

10. Miscellaneous. This Agreement may be executed in counterparts, all of which shall constitute an original of this Agreement. This Agreement may be recorded by the Authority with the Hennepin County Recorder's Office and/or Hennepin County Registrar of Titles' Office. All disputes related to this Agreement shall be governed by Minnesota law without application to its internal choice of law statutes or doctrines. All actions commenced relating to this Agreement shall only be brought before the courts located in Hennepin County, Minnesota. In any action to enforce the terms of this Agreement, the prevailing party shall be

entitled to an award of all its reasonably expended costs and attorneys' fees, including appeal and collection costs and fees. The Developer shall execute and deliver to the Authority all documents reasonably necessary to record this Agreement or to otherwise evidence the Authority's rights as contained herein.

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

IN WITNESS WHEREOF, the Authority and the Developer have executed this Agreement on the date set forth in the Developer's acknowledgement, intending it to take effect as of the date first mentioned above.

**HOUSING AND REDEVELOPMENT AUTHORITY
IN AND FOR THE CITY OF RICHFIELD,
MINNESOTA**

By _____
Its Chair

(SEAL)

By _____
Its Executive Director

STATE OF MINNESOTA)
) SS.
COUNTY OF HENNEPIN)

The foregoing instrument was acknowledged before me this _____, 2018, by Mary B. Supple, the Chair of the Housing and Redevelopment Authority in and for the City of Richfield, Minnesota, on behalf of the Authority.

Notary Public

STATE OF MINNESOTA)
) SS.
COUNTY OF HENNEPIN)

The foregoing instrument was acknowledged before me this _____, 2018, by Steven L. Devich, the Executive Director of the Housing and Redevelopment Authority in and for the City of Richfield, Minnesota, on behalf of the Authority.

Notary Public

THIS INSTRUMENT WAS DRAFTED BY:
Kennedy & Graven, Chartered (JAE)
470 U.S. Bank Plaza
200 South Sixth Street
Minneapolis, MN 55402
(612) 337-9300

Execution page of the Developer to this Agreement, dated as of the date and year first above written.

NHH COMPANIES L.L.C.

By _____
Its _____

STATE OF MINNESOTA)
) SS.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____, 2018, by _____, the _____ of NHH Companies L.L.C., a Minnesota limited liability company, on behalf of the Developer.

Notary Public

SCHEDULE A TO RIGHT OF PURCHASE AND RIGHT OF FIRST REFUSAL AGREEMENT

DEVELOPMENT PROPERTY DESCRIPTION

Lots 9, 10, 11, 12, 13, 14, Block 1, Iverson's Second Addition, according to the recorded plat thereof,
Hennepin County, Minnesota

Lots 9, 10, 11, 12, 13, 14, 15, 16, Block 2, Iverson's Second Addition, according to the recorded plat thereof,
Hennepin County, Minnesota



STAFF REPORT NO. 12
HOUSING AND REDEVELOPMENT AUTHORITY
MEETING
3/16/2020

REPORT PREPARED BY: John Stark, Executive Director
OTHER DEPARTMENT REVIEW:

EXECUTIVE DIRECTOR REVIEW: John Stark, Executive Director
3/13/2020

ITEM FOR COUNCIL CONSIDERATION:

Consideration of a resolution granting the Executive Director authority to extend Housing and Redevelopment Authority contracts and agreements in the event of an emergency.

EXECUTIVE SUMMARY:

At the January 21, 2020 meeting, the Housing and Redevelopment Authority (HRA) authorized its Executive Director to administratively approve contracts and agreements with a monetary value of less than \$50,000. Given the possibility of local government closures in the future for a variety of possible reasons (federal government shutdown due to budget impasse, natural emergency, health emergency, etc.), staff is recommending that the HRA further authorize its Executive Director to extend the performance and expiration dates in all agreements and contracts (regardless of monetary value). Staff is recommending that the duration of such an extension would equal the number of days that the City of Richfield has emergency staff reductions that impact any staff position(s) that receives at least 50% of their personnel funding through the HRA plus an additional 30 days.

RECOMMENDED ACTION:

By motion: Approve a resolution granting the Executive Director authority to extend Housing and Redevelopment Authority contracts and agreements in the event of an emergency.

BASIS OF RECOMMENDATION:

A. **HISTORICAL CONTEXT**

To date, there have been no local government closures that have affected contracts or agreements, although there have been some instances where a federal government shutdown threatened to result in such situations.

B. **POLICIES (resolutions, ordinances, regulations, statutes, etc):**

Staff believes this is a good policy to enact in order to avoid issues that would leave the HRA exposed to possible financial or legal impacts.

C. **CRITICAL TIMING ISSUES:**

While there are no closures foreseen, the current coronavirus (COVID-19) situation makes this a timely topic.

D. **FINANCIAL IMPACT:**

Staff believes this is a good policy to enact in order to avoid issues that would leave the HRA exposed to possible financial impacts (such as affecting a planned closing on real estate purchases that would incur

in additional costs if delayed, deferred or cancelled).

E. LEGAL CONSIDERATION:

Staff believes this is a good policy to enact in order to avoid issues that would leave the HRA exposed to possible legal impacts (such as the HRA being unable to fulfill contractual obligations due to staff unavailability).

ALTERNATIVE RECOMMENDATION(S):

None.

PRINCIPAL PARTIES EXPECTED AT MEETING:

N/A

ATTACHMENTS:

Description	Type
☐ Resolution	Resolution Letter

**HOUSING AND REDEVELOPMENT AUTHORITY
IN AND FOR THE CITY OF RICHFIELD, MINNESOTA**

RESOLUTION NO. _____

**RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR OF THE HOUSING AND
REDEVELOPMENT AUTHORITY IN AND FOR THE CITY OF RICHFIELD TO EXTEND
CONTRACTS AND AGREEMENTS**

WHEREAS, the Board of Commissioners (the "Board") of the Housing and Redevelopment Authority in and for the City of Richfield, Minnesota (the "Authority") has previously authorized the Executive Director of the Authority to approve and execute contracts and agreements on behalf of the Authority so long as such documents or agreements do not provide for the expenditure of funds in an aggregate amount of more than \$15,000, all without prior action by the Authority; and

WHEREAS, in anticipation of pandemic or other emergencies resulting in local government closures or significant reductions in staff due to emergency protocols, the Authority proposes to authorize the Executive Director to extend performance dates in all contracts and agreements regardless of the monetary value of such contracts and agreements; and

NOW, THEREFORE, BE IT RESOLVED, by the Board of Commissioners of the Housing and Redevelopment Authority in and for the City of Richfield, Minnesota as follows:

1. The Executive Director is hereby authorized, on behalf of the Authority, to extend performance dates in all contracts and agreements regardless of the monetary value of such contracts and agreements, all without prior action by the Board; provided, however, that the duration of such an extension shall equal the number of days that the City of Richfield has emergency staff reductions affecting staff position(s) receiving at least 50% of personnel funding through the Authority, plus an additional 30 days.

2. This resolution shall be in full force and effect as of the date hereof.

Adopted by the Housing and Redevelopment Authority in and for the City of Richfield, Minnesota this 16th day of March, 2020.

Mary Supple, Chair

Maria Regan Gonzalez, Secretary