EXECUTIVE SUMMARY

TITLE: Public Hearing - Purchase and Redevelopment Contract with PLACE E-Generation One, LLC

RECOMMENDED ACTION: Conduct the Public Hearing and motion to Adopt Resolution approving the Purchase and Redevelopment Contract between the EDA and PLACE E-Generation One, LLC.

POLICY CONSIDERATION: Does the EDA wish to continue to take the necessary steps to facilitate the PLACE project?

SUMMARY: PLACE E-Generation One, LLC (“PLACE”) proposes to purchase nine properties from the EDA and construct a major mixed-use redevelopment at the southeast quadrant of Highway 7 and Wooddale Ave, and the northeast corner of W 36th Street and Wooddale Ave. There are significant extraordinary costs associated with redeveloping the subject site including: environmental investigation and reporting, asbestos abatement, building demolition and disposal, contaminated soil removal, underground stormwater retention, and structured and underground parking. Consequently, PLACE applied to the EDA for Tax Increment Financing (TIF) assistance to offset a portion of these costs so as to enable the project to proceed. PLACE’s TIF application was reviewed at the April 3rd Special Study Session where it received favorable support.

FINANCIAL OR BUDGET CONSIDERATION: The Total Development Cost to construct the PLACE redevelopment is approximately $123 million. According to the analysis of PLACE’s project proforma conducted by the EDA’s financial consultant, Ehlers, the project is not financially feasible but/for the provision of $5.66 million in tax increment assistance. Such assistance is necessary to offset a portion of the project’s $9.5 million in extraordinary site preparation costs noted above. It is proposed that the EDA enter into a Purchase and Redevelopment Contract with PLACE under which PLACE agrees to acquire the assembled redevelopment site from the EDA for $6,245,000, construct the project as proposed and then be reimbursed for qualified site improvement costs up to $5,660,000 in pay-as-you-go tax increment generated by the project over a maximum term of 15 years. Once the TIF Note is retired the additional property taxes generated by the project would accrue to the local taxing jurisdictions. To safeguard the EDA/City’s interests, closing on the site will not occur until PLACE provides evidence that financing for the entire project has been fully secured. The EDA’s financial participation in the proposed project would leverage $62 million in new tax base, create 299 residential units (200 affordable and 99 market rate), a hotel, live/work units and generate over 118 new jobs.

VISION CONSIDERATION: St. Louis Park is committed to providing a well-maintained and diverse housing stock.

SUPPORTING DOCUMENTS: Discussion EDA Resolution Purchase and Redevelopment Contract

Prepared by: Greg Hunt, Economic Development Coordinator
Reviewed by: Kevin Locke, Community Development Director
Approved by: Tom Harmening, EDA Executive Director and City Manager
DISCUSSION

BACKGROUND: PLACE (Projects Linking Art, Community & Environment), a Minneapolis 501(c)(3) nonprofit developer, is proposing to redevelop a 5.2 site (net of easements and rights-of-way) located at the southeast quadrant of Highway 7 and Wooddale Ave and the northeast corner of W 36th Street and Wooddale Ave. The site is divided by the CP RR line and the Cedar Lake LRT Regional Trail and located in the Elmwood Neighborhood.

The subject site is occupied by two, vacant, structurally substandard buildings (the former McGarvey Coffee plant and a commercial structure formerly leased to Nash Frame) and a municipal parking lot. Overall, the site exhibits low density and is underutilized from a market value perspective given its proximity to the Highway 7 and Wooddale interchange and the multi-story buildings to the south and east. The site has been of keen interest to redevelopers which has become more intense now that planning for SWLRT has been finalized. PLACE has been in discussions and working with the City on a redevelopment proposal for the subject site since 2013.

The proposed redevelopment site requires the assemblage of the following nine parcels.

- 5925 Highway 7 (EDA-owned property)
- 5815 Highway 7 (City-owned property to be conveyed to EDA)
- 5725 Highway 7 (EDA-owned property)
- 3520 Yosemite (HCHRA-owned property to be conveyed to EDA)
- 3565 Wooddale (HCHRA-owned property to be conveyed to EDA)
- 3548 Xenwood Ave (HCHRA-owned property to be conveyed to EDA)
- 3575 Wooddale (City-owned property to be conveyed to EDA)
- 5816 36th Street (City-owned property to be conveyed to EDA)
- 5814 36th Street (City-owned property to be conveyed to EDA)
As indicated on Page 2, the EDA currently owns two of the subject properties and the City owns four. At Monday’s meeting, the City Council will be asked to convey the four City-owned properties to the EDA. On April 3, 2017, the EDA approved a Purchase Agreement with Hennepin County Housing and Redevelopment Authority (HCHRA) to acquire the three remaining remnant parcels. Closing on the transaction is expected to occur prior to June 30, 2017. Under the proposed Purchase and Redevelopment Contract with PLACE, the EDA would convey the assembled nine parcels to PLACE for $6,245,000.

**CURRENT PROPOSAL:** Upon closing on all its project financing and property conveyance with the EDA, PLACE proposes to raze the two structurally substandard buildings, cleanup the contaminated soils on the site and construct a major mixed-use, mixed-income, transit-oriented, environmentally sustainable development. Development plans in conjunction with the PUD application depict four buildings split on the north and south sides of the future SWLRT Wooddale Station. On April 17 the City Council approved an amendment to the Comprehensive Plan for the project along with the first reading of a PUD ordinance. The proposed PLACE project consists of the following components:

- 2 apartment buildings with a total of 299 residential units between them (of which 200 would be affordable and 99 would be market-rate) including 99 mixed-income live/work units.
- 110-room hotel
- Approximately 16,200 sq. ft. of ground floor commercial/retail space for a café, coffee house, bike shop, and five microbusinesses
- 4,000 SF small business co-working hub
- 10,200 SF e-generation/greenhouse facility
- Woonerf (Placemaking Plaza)
- 447 parking spaces (structured, surface, and street)
- 510,778 SF of total program space
- 1 AC “urban forest” with children’s play area and public art
The entire project is being designed to achieve LEED Silver or Gold certification.

**PROPOSED DEVELOPMENT PROGRAM:** Site plans for the proposed PLACE redevelopment are shown below.
North Side Components:

- **Residential/Commercial building**
  - 5 stories
  - 218 total dwellings
  - 152 apartments affordable for families with incomes up to 60% AMI, including 10 live/work units ($51,480 per year for a family of four)
  - 66 market rate apartments (including 8 live/work units)
  - Retail bike shop and repair: 2,484 sq. ft.
  - Makers Space: 2,724 sq. ft.

- **E-Generation/Greenhouse facility**
  - 1 story building with approximately 10,200 total sq. ft to house
  - Anaerobic digester and energy balancing equipment.
  - Vertical greenhouse for urban agriculture

- **Urban Forest**
  - 1-AC urban retreat with children’s play area and public art

- **Parking**
  - 216 spaces including underground, surface (with solar canopy) and on-street parking
  - 5 car-share spaces

South Side Components:

- **Residential/Commercial**
  - 6 stories
  - 81 total dwellings
  - 48 live/work apartments affordable for families with incomes up to 60% AMI ($51,480 per year for a family of four)
  - 33 live/work market rate apartments (including 5 “Type II” live/work units (a special prototype that features an apartment connected to a 250 square foot micro-storefront that allows the household to affordably operate a street-level commercial business)
  - Cafe: 4,644 sq. ft.
  - Coffee House: 1,173 sq. ft.
  - Small business co-working hub: approx.4,000 sq. ft. (split between 2 stories)

- **Hotel**
  - 6 stories
  - 48,047 sq. ft
  - 110 rooms
  - Proposed type: select service (Fairfield Inn & Suites by Marriott managed by Aimbridge Hospitality)

- **Woonerf** (Placemaking Plaza) adjacent to light rail station platform

- **Parking**
  - 231 spaces including underground, structured and surface
  - 5 car-share spaces
Housing Units
Both apartment buildings are mixed income with a total of 99 market-rate units and 200 units affordable to households at 60% of the Area Median Income* (AMI) ($51,480 per year in 2016 for a family of four). Of these 299 units, 99 are designated as live/work spaces for creatives (58 affordable and 41 market rate).

Estimated Employment Projection
There is currently no employment on the subject site. It is estimated that the proposed project would create over 118 new FTE employment positions between all the various components; many of which are expected to be filled by residents living onsite.

Project Schedule
PLACE hopes to conduct its asbestos abatement, building demolition, contamination cleanup this fall and commence construction by winter. Under the proposed Purchase and Redevelopment Contract, PLACE is required to commence construction by May 31, 2018 and substantially complete it by December 31, 2019 which provides PLACE flexibility in the event of any unexpected delays in the project.

Redeveloper’s Request for Public Financing Assistance
The Total Development Cost (TDC) to construct the proposed PLACE redevelopment is approximately $123 million. There are significant extraordinary costs* associated with redeveloping the subject site. These include the following.

<table>
<thead>
<tr>
<th>Extraordinary Site Improvement Cost Estimates</th>
<th>AMOUNT ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Soil tests, environmental consulting, investigation &amp; permits</td>
<td>171,000</td>
</tr>
<tr>
<td>Asbestos abatement, building demolition and disposal (net of grants)</td>
<td>128,700</td>
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<tr>
<td>Soil correction (net of grants)</td>
<td>666,795</td>
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<tr>
<td>Utility design &amp; construction</td>
<td>696,261</td>
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<tr>
<td>Streets and roads</td>
<td>438,297</td>
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<tr>
<td>Structured parking</td>
<td>6,888,860</td>
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<tr>
<td>Woonerf</td>
<td>483,400</td>
</tr>
<tr>
<td><strong>TOTAL Extraordinary Costs</strong></td>
<td><strong>$9,473,313</strong></td>
</tr>
</tbody>
</table>

*Extraordinary costs are expenses encountered over and above those which a developer would typically expect to incur in a suburban development in order to correct blighted conditions causing the need for redevelopment (e.g. asbestos removal, building demolition, contaminated soil removal and disposal, storage tank removal and disposal, shoring, utility replacement, specialized stormwater management, street improvements, structured parking, etc.) These types of expenses are eligible for reimbursement through Redevelopment TIF districts under the MN TIF Act.

The above costs prevent the project from achieving financial feasibility. Consequently PLACE applied to the EDA for Tax Increment Financing (TIF) assistance to offset a portion of these expenses. Tax increment financing uses the increased future property taxes generated by a new development to finance certain qualified development costs incurred by that project for a limited period of time.

Pro Forma Analysis and Recommended Level & Type of Financial Assistance
PLACE’s sources and uses statements, cash flow projections, and investor rate of return (ROR) related to each component of the PLACE project were reviewed by staff and Ehlers (the EDA’s financial consultant). Based upon its analysis of the PLACE project proformas, Ehlers determined that the PLACE project is not financially feasible but for the provision of $5,660,000 in tax
increment financing. Consistent with past practice, the assistance would be provided in the form of a TIF Note.

As a reminder, the proposed tax increment would be generated by the project itself and would only be provided once construction has been completed and the Redeveloper supplied statements verifying it had incurred the specified qualified costs. Statutorily, the proposed tax increment assistance would be made available to exclusively reimburse PLACE for a portion of the extraordinary site preparation costs cited above. The EDA would be obligated to provide assistance to the project only to the extent that the project generates sufficient tax increment to make the semi-annual payments. The City, County and School District would continue to receive the property taxes collected on the subject site’s base value.

It will take approximately 18 months to construct the proposed project. Upon project completion, tax increment generated from the increased value of the property would be provided to PLACE on a "pay-as-you-go" basis, which is the preferred financing method under the City's TIF Policy. It is estimated that the project would generate the proposed tax increment in approximately 15 years. The first increment would be paid in 2020. Once the TIF Note is fully paid, the additional property taxes generated by the project would accrue to the local taxing jurisdictions. The Note is currently estimated to bear interest at 5%, which is PLACE’s current proposed financing rate for the entire project. This is subject to revision once all financing commitments are obtained for the project. The size of the TIF Note is based upon no inflationary value in the project (as with all projects). This is more conservative estimating and thus it is anticipated that the pay-as-you-go note will be paid off earlier than estimated. As with most of the EDA’s redevelopment contracts, PLACE will be required to execute a Minimum Assessment Agreement for the value utilized for projecting the amount of TIF assistance available.

**Property Value and Taxes**

All the parcels in the proposed redevelopment site are currently tax exempt. The total taxable market value of these parcels (re-estimated for establishing the proposed TIF district’s Base Value) was recently determined to be $7.1 million. The total taxable market value of the site upon redevelopment is projected to be approximately $62 million, at a minimum, and could be higher*. It is estimated that the PLACE project would generate approximately $1,060,000 in annual property taxes. The City, County and School District would receive the property taxes collected on the subject site’s new taxable Base Value. Once the TIF Note is retired, the additional property taxes generated by the project would be paid to the local taxing jurisdictions.

*The project could be valued higher once it is assessed for tax purposes. This was a conservative value utilized only for estimating the amount of TIF the project would generate. Should the value of the project at the time of completion be higher than the estimated amount, the principal amount of the TIF Note would be paid sooner than the projected 15 years and local taxing jurisdictions would receive the benefit of having the full value for tax purposes sooner than anticipated.

**Business Subsidy**

The proposed TIF assistance provided to PLACE would be exempt from state business subsidy requirements as it relates to housing, pollution control/abatement, and redevelopment (Section 116J.993, Subdivision 3). Therefore, no public subsidy hearing is required; however, the EDA would still be subject to modified reporting requirements.
TIF Application Review
The EDA/City Council reviewed PLACE’s TIF Application for the proposed PLACE project at the February 13th and April 3rd Study Sessions. Following discussion there was consensus support for favorably considering PLACE’s request for tax increment assistance. As a result, staff was directed to call for a public hearing on the proposed Redevelopment TIF District and to draft a formal purchase and redevelopment contract with PLACE.

Proposed Purchase and Redevelopment Contract
A list of specific business terms for selling the subject redevelopment property and providing the proposed financial assistance was provided as a report for the April 24th Study Session. Those terms served as the basis for the proposed Purchase and Redevelopment Contract with PLACE (“Contract”) (attached). The proposed Contract specifies the property acquisition terms and mutual obligations between the EDA and PLACE as well as the precise terms of the financial assistance to be provided. The Contract is consistent with EDA Policy, past practices and previous discussions with the EDA/City Council. The following are key terms of the proposed Contract.

1. For purposes of the proposed Purchase and Redevelopment Contract, the following parcels, the vacated ROW between 3575 Wooddale and 5816 36th Street and adjacent rights-of-way shall together be considered the Redevelopment Property:
   - 5925 Highway 7 (EDA Property)
   - 5815 Highway 7 (City Property)
   - 5725 Highway 7 (EDA Property)
   - 3520 Yosemite (EDA Property)
   - 3565 Wooddale (EDA Property)
   - 3548 Xenwood Ave (EDA Property)
   - 3575 Wooddale (City Property)
   - 5816 36th Street (City Property)
   - 5814 36th Street (City Property)

2. The EDA and City own the Redevelopment Property (consisting of the “EDA Property” and “City Property”) and agree to convey title to and possession of the Redevelopment Property to the Redeveloper by quit claim deed, subject to the terms and conditions of the Contract including:
   (a) Prior to Closing, the Redeveloper shall prepare and obtain City approval of a Final PUD ordinance for the Redevelopment Property and a Final Plat of the Redevelopment Property at Redeveloper’s cost and subject to all City ordinances and procedures.
   (b) The EDA will use its best efforts to obtain approval by the City Council before Closing of any amendment to the City zoning ordinance in order to permit construction and use of the Minimum Improvements on the Redevelopment Property.

3. The purchase price for the nine EDA and City Properties shall be $6,245,000 which includes the EDA and City’s holding costs for the Redevelopment Property. Upon execution of the Contract, the Redeveloper will place $20,000 as earnest money into an escrow account administered by a title company mutually agreeable to the parties to be held and applied to
the Purchase Price on the date of Closing. At Closing the Redeveloper shall pay $5,047,000 of the Purchase Price, less the Earnest Money. The EDA will defer the payment of the remaining $1,500,000 of the Purchase Price, but will be paid over time out of the Minimum Improvements’ available cash flow at the rate of 4% (anticipated to be repaid over a period of ten (10) years).

To secure the deferred payment of the Purchase Price, the Redeveloper will provide a mortgage lien on the Redevelopment Property in favor of the EDA in the principal amount of $1,500,000, which shall be subordinate to any mortgage provided under the Contract. Additionally, the EDA will adopt an interfund loan resolution providing for an interfund loan in this amount, plus an additional $100,000 to cover any additional administrative costs not covered by the Redeveloper as permitted under the TIF Act (the “Interfund Loan”). In the event that the Redeveloper fails to make the scheduled payments for the deferred portion of the Purchase price, the Interfund Loan shall be repaid from the Available Tax Increment on a subordinate basis to the payments on the TIF Note.

4. The EDA’s obligation to convey the Redevelopment Property to the Redeveloper is subject to satisfaction of the following terms and conditions:

   (1) The Redeveloper having closed on permanent financing at or before Closing on transfer of title to the Redevelopment Property from the EDA to the Redeveloper, or having received a binding commitment from a lender to provide financing sufficient for construction of the Minimum Improvements, or having otherwise provided the EDA with proof of funds available to finance construction of the Minimum Improvements.

   (2) The City having approved the Final Redevelopment Plat and PUD and the Redeveloper having recorded the Redevelopment Plat at or before Closing.

   (3) The City having approved all necessary zoning variances to the Redevelopment Property.

   (4) The EDA having approved Construction Plans for the Minimum Improvements.

   (5) The Redeveloper having reviewed and approved (or waived objections to) title to the Redevelopment Property and having obtained a commitment from a title company acceptable to the Redeveloper (the “Title Company”) to issue a suitable owner’s policy.

   (6) The City having conveyed the City Property to the EDA.

   (7) The Redeveloper being satisfied with the results of its due diligence inspections and testing with regard to the Redevelopment Property.

   (8) No events of default under the Contract having occurred.

5. Closing on the Redevelopment Property shall occur within 30 days of satisfaction or waiver of the above conditions but no later than April 30, 2018 unless extended by agreement of the parties.
6. The Redeveloper shall have the right to enter the Redevelopment Property at reasonable times for the purpose of inspection and testing and to determine the feasibility of the Redevelopment Property for the Redeveloper’s intended use. The Redeveloper agrees that it shall cause all studies, investigations and inspections performed at the Redevelopment Property to be performed in a manner that does not disturb the Redevelopment Property and that the Redevelopment Property shall be returned to its original condition after the Redeveloper’s entry, provided that the Redeveloper shall not be responsible for any existing conditions on the Redevelopment Property or for any environmental remediation or response actions required as a result of such investigations and inspections. Except for soil borings and test pits, the Redeveloper shall not conduct or cause to be conducted any physically intrusive investigation, examination or study of the Redevelopment Property (any such investigation, examination or study hereinafter an Intrusive Investigation as part of its inspection or otherwise without obtaining the prior written consent of the EDA.

7. The Redeveloper acknowledges that the EDA makes no representations or warranties as to the condition of the soils on the Redevelopment Property or the fitness of the Redevelopment Property for construction of the Minimum Improvements or any other purpose for which the Redeveloper may make use of such property, and that the assistance provided to the Redeveloper neither implies any responsibility by the EDA or the City for any contamination of the Redevelopment Property nor imposes any obligation on such parties to participate in any cleanup of the Redevelopment Property.

8. The Redeveloper further agrees that it will indemnify, defend, and hold harmless the EDA, the City, and their governing body members, officers, and employees, from any claims or actions arising out of the presence, if any, of hazardous wastes or pollutants existing on the Redevelopment Property on or after closing.

9. Grant Disbursement.
   (a) The EDA has obtained, or has covenanted to apply for, the following grants:
      (1) To finance a portion of the environmental remediation costs on the Redevelopment Property, the EDA has received a County Environmental Response Fund grant in the amount of $92,230 and will apply for a Minnesota Department of Employment and Economic Development grant and a Metropolitan Council TBRA grant in the aggregate total amount of between $600,000 and $800,000.

      (2) To finance a portion of the costs for eligible transit-oriented developments, the EDA has received a Metropolitan Council LCA-TOD Pre-Development grant in the amount of $100,000, a Metropolitan Council LCA-TOD grant in the amount of $2,000,000, and a County TOD grant in the amount of $750,000. The Authority will also apply for a Metropolitan Council LCDA-TOD grant for $850,000 relating to public art, solar, and placemaking elements.

      (3) To finance a portion of the costs relating to the E-Generation Facility Component, the EDA will apply for an MPCA CAP grant in the amount of $2,000,000.

   (b) The EDA will pay or reimburse the Redeveloper for Grant-Eligible Costs from and to the extent of the grant proceeds received in accordance with the terms of the respective grant agreements and the terms of the Contract. If Grant Eligible Costs exceed the amount to be reimbursed such excess costs shall be the sole responsibility of the Redeveloper (except to the extent reimbursable under the Note).
10. The EDA has determined that, in order to make development of the Minimum Improvements financially feasible, it is necessary to reimburse Redeveloper for a portion of the cost of: soil testing and investigation, asbestos abatement, building demolition and disposal, environmental remediation and reporting, utility relocations and construction, site preparation, street and plaza improvements, and underground and structured parking related to the Minimum Improvements (the “Public Redevelopment Costs”). The tax increment generated from the Wooddale Station TIF District will be payable to Redeveloper in the form of one tax increment revenue note (the “Note”), which would be structured on the following basis:

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<tr>
<th>Item</th>
<th>Details</th>
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<tr>
<td>Issue total:</td>
<td>$5,660,000</td>
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<tr>
<td>Type:</td>
<td>Pay-as-you-go</td>
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<tr>
<td>Term:</td>
<td>Until full repayment – not to exceed 15 years</td>
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<tr>
<td>Interest Rate:</td>
<td>5% (subject to Redeveloper’s actual financing)</td>
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<tr>
<td>Admin Fee:</td>
<td>5%</td>
</tr>
<tr>
<td>Fiscal Disparities:</td>
<td>Paid from within the district</td>
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</tbody>
</table>

The EDA shall issue and deliver the Note upon Redeveloper having:

(a) delivered to the EDA one or more certificates containing the following: (i) a statement that each cost identified in the certificate is a Public Redevelopment Cost as defined in the Contract and that no part of such cost has been included in any previous certification; (ii) evidence that each identified Public Redevelopment Cost has been paid or incurred by or on behalf of the Redeveloper; (iii) evidence that Redeveloper has paid all its contractors and subcontractors in full for all work to be reimbursed as a Public Redevelopment Cost; and (iv) a statement that no uncured Event of Default by the Redeveloper has occurred and is continuing under the Agreement;

(b) submitted and obtained EDA approval of finance; and

(c) delivered to the EDA an investment letter in a form reasonably satisfactory to the EDA.

(d) The EDA acknowledges that the Redeveloper may assign the Note to a third party. The EDA consents to such an assignment, conditioned upon receipt of an investment letter from such third party in a form reasonably acceptable to the EDA.

(e) The Redeveloper understands and acknowledges that the EDA makes no representations or warranties regarding the amount of Tax Increment, or that revenues pledged to the Note will be sufficient to pay the principal and interest on the Note. Any estimates of Tax Increment prepared by the EDA or its financial advisors in connection with the TIF District or this Contract are for the benefit of the EDA, and are not intended as representations on which the Redeveloper may rely. Public Redevelopment Costs exceeding the principal amount of the Note are the sole responsibility of Redeveloper.
11. The EDA will perform a “lookback” calculation to verify the requested amount of TIF assistance was justified similar to those conducted on other projects that received TIF assistance. The precise triggers and formula relative to the Minimum Improvements is currently being drafted.

12. Both parties agree that any assistance provided to the Redeveloper under the Redevelopment Contract is not expected to constitute a “business subsidy” under Minnesota Statutes because the assistance is for redevelopment.

13. Redeveloper agrees that it will pay the reasonable costs of consultants and attorneys retained by the EDA in connection with the preparation of the TIF Plan, the establishment of the TIF District, the negotiation and preparation of the Redevelopment Contract and other incidental agreements and documents. Upon termination of the Redevelopment Contract the Redeveloper remains obligated for costs incurred through the effective date of termination.

14. Redeveloper agrees to undertake the Minimum Improvements and Redeveloper Public Improvements as shown in the PUD and Planning Development Contract. In summary, the Redeveloper agrees to remediate the site in compliance with MPCA requirements, construct the Redeveloper Public Improvements, and construct the Minimum Improvements which together consist of the North and South Components in accordance with the PUD and Planning Development Contract.

“North Apartments Component” means the approximately 218 apartments, including 152 affordable apartments and 66 market rate apartments. Of these apartments 18 shall be live/work Type I units.

“North Commercial Space Component” means the approximately 2,484 square foot retail bike and repair shop and the approximately 2,624 square foot makers space.

“E-Generation Facility Component” means the approximately 10,200 square foot facility with an anaerobic digester and energy balancing equipment and a vertical greenhouse for urban agriculture.

“North Components” means, collectively, the North Apartments Component, the North Commercial Space Component, the E-Generation Facility Component, and associated parking to be constructed on the north side of the Redevelopment Property.

“South Apartments Component” means the approximately 81 apartments, including 48 affordable apartments and 33 market rate apartments. Of these apartments 71 shall be live/work Type I units and 5 shall be Type II units.

“South Commercial Space Component” means the approximately 4,644 square foot café, the approximately 1,173 square foot coffee house, and the approximately 4,000 square foot maker/co-working space (work hub) to be constructed on the south side of the Redevelopment Property.

“Hotel Component” means the approximately 48,047 square foot hotel with approximately 110 rooms.
“South Components” means, collectively, the South Apartments Component, the South Commercial Space Component, the Hotel Component, and associated parking to be constructed on the south side of the Redevelopment Property.

15. Before commencing construction of the Minimum Improvements or Redeveloper Public Improvements, the Redeveloper must submit plans and specifications regarding the Redeveloper Public Improvements for approval by the City Engineer, and must submit Construction Plans regarding the Minimum Improvements for approval by the EDA (together, the “Construction Plans”). Plans related to any environmental remediation, however, do not require approval by the City or EDA. All work on the Redeveloper Public Improvements and Minimum Improvements shall be in accordance with the approved Construction Plans and shall comply with all City requirements regarding such improvements. The parties agree and understand that the City will accept the Redeveloper Public Improvements in accordance with City procedures as specified in the Planning and Development Contract between the City of St. Louis Park and the Redeveloper.

16. If the Redeveloper desires to make any material change in the Construction Plans after their approval by the EDA, the Redeveloper shall submit the proposed change to the EDA for its approval. The term “material” means changes that increase or decrease construction costs by $500,000 or more.

17. Subject to Unavoidable Delays, Redeveloper agrees to commence construction of the Minimum Improvements by May 31, 2018 and substantially complete them by December 31, 2019. If the Redeveloper anticipates that the above timetable will not be met, Redeveloper shall provide a written and oral presentation to the City Council at a regular City Council meeting at least 45 days prior to the Required Commencement Date or Completion Date. The report must describe the reasons for the expected failure to meet the schedule, evidence of Redeveloper’s due diligence in working toward construction of the relevant Phase, and a detailed revised schedule. Approval of a modified schedule for construction by the Authority shall not be unreasonably withheld, conditioned or delayed. Failure to timely provide such written and oral report is an Event of Default.

18. The Redeveloper shall comply with the City’s Green Building Policy, adopted by the City Council on February 16, 2010 and as such policy may be amended as of the date of issuance of a building permit for the Minimum Improvements, and shall use commercially reasonable efforts to design the Minimum Improvements to Leadership in Energy and Environmental Design (“LEED”) standards. Redeveloper shall submit to the EDA evidence of certification from LEED and agrees to use good faith efforts to achieve “silver” or “gold” LEED certification status.

19. Promptly after completion of each Component of the Minimum Improvements in accordance with those provisions of the Contract relating solely to the obligations of the Redeveloper to construct the Minimum Improvements (including the dates for beginning and completion thereof and the efforts regarding LEED or comparable certification described above), the EDA Representative shall deliver to the Redeveloper a Certificate of Completion in recordable form and executed by the EDA.

20. The Redeveloper shall install dedicated wired connections for the Minimum Improvements in conformity with the terms and specifications provided in the City Planning Development Contract.
21. In addition to construction of the Minimum Improvements, the Redeveloper shall construct, at the Redeveloper’s sole cost, the Redeveloper Public Improvements, as provided in the PUD and Planning Development Agreement. All Redeveloper Public Improvements shall be constructed in accordance with the PUD and Planning Development Agreement.

22. The Redeveloper shall provide public art installations curated by the Museum of Outdoor Arts throughout the Redevelopment Property as required under the PUD.

23. The Redeveloper agrees to comply with the City’s Inclusionary Housing Policy, as adopted June 1, 2015, including without limitation the following:

   (a) The Redeveloper agrees to reserve 200 of the apartment units (66.8%) within the North Apartments Component and South Apartments Component (collectively, the “Affordable Apartments”) for households earning sixty percent (60%) of Area Median Income (“AMI”) for at least twenty-five (25) years following building occupancy.

   (b) The monthly rental price for Affordable Apartments shall include rent and utility costs and shall be based on sixty percent (60%) of AMI for the metropolitan area that includes the City adjusted for bedroom size and calculated annually by Minnesota Housing in connection with establishing rent limits for the Housing Tax Credit Program.

   (c) The size and design of the Affordable Apartments shall be consistent and comparable with the market rate units in the Minimum Improvements and is subject to the approval of the City. The Affordable Apartments shall be distributed throughout the North Apartments Component and the South Apartments Component.

   (d) The Affordable Apartments shall have a number of bedrooms in the approximate proportion as the market rate units.

   (e) The Redeveloper agrees to prepare an affordable housing plan as defined in the City’s Inclusionary Housing Policy (the “Affordable Housing Plan”). The Affordable Housing Plan shall describe how the Redeveloper complies with each of the applicable requirements of the Inclusionary Housing Policy. The Affordable Housing Plan shall be prepared by the Redeveloper and must be approved by the City prior to or in conjunction with delivery of the Certificate of Completion for the North Apartments Component or the South Apartments Component, whichever is earlier.

   (f) The Redeveloper agrees to design 99 of the units of the North Apartments Component and South Apartments Component as live/work units (“Live/Work Units”), comprised of Live/Work Type I and Live/Work Type II units. Approximately 94 Live/Work Type I units will include a large working space within the dwelling unit, but no physical storefront, with approximately 18 Live/Work Type I Units will be located in the North Apartments Component and approximately 76 Live/Work Type I Units located in the South Apartments Component. There will be approximately five Live/Work Type II Units, which will include a large work space within the dwelling unit and a storefront, with all Live/Work Type II Units located in the South Apartments Component.
24. Redeveloper agrees that the Minimum Improvements will be professionally managed by a property management company with substantial experience in operating mixed use developments. The Redeveloper’s selection of the property management company is subject to EDA approval, which shall not be unreasonably withheld.

25. The Redeveloper agrees to file any petition or other document required to participate in the City’s Special Service District No. 6 and to become subject to special service charges levied on all commercial properties in the Special Service District with regard to the South Components. The Redeveloper further waives all rights to veto, appeal or otherwise object to imposition of a service charge levied in accordance with this paragraph, provided that the Redeveloper shall be entitled to raise any objections, appeals or challenges to special district changes upon the termination of the Contract.

26. The Redeveloper agrees to comply with the terms of the Maintenance Plan for the Redevelopment Property as specified in the Planning Development Contract.

27. If the Redeveloper fails to perform the Maintenance in accordance with the Maintenance Plan, the City, at its option and following thirty (30) days written notice from the EDA to the Redeveloper, may enter the Redevelopment property and perform the Maintenance. The Redeveloper agrees to permit the City to specially assess any costs of the Maintenance proportionately against the Minimum Improvements.

28. As part of the construction of the Minimum Improvements, the Redeveloper agrees to construct an approximately 0.88-acre urban retreat parallel to the Cedar Lake LRT Regional Trail as a public amenity, as detailed in the Site Plan and PUD (the “Urban Forest”). The Urban Forest will include play space for younger residents, walking trails and outdoor artwork.

29. The Redeveloper agrees to include the following amenities for the North Apartments Component and South Apartments Component of the Minimum Improvements: indoor bicycle storage, exercise rooms, sound proof rooms, storage, laundry facilities, and play structures. The South Components will include a placemaking plaza (the “Plaza”). The Plaza will be located between the Hotel Component and South Apartments Component adjacent to the SWLRT Wooddale Station area platform. The Plaza is intended to be primarily a pedestrian plaza, but will be open to cars and bicyclists. The Plaza will be programmable for hosting outdoor events, and will incorporate native landscaping and artwork.

30. At Closing, the Redeveloper shall, with the Authority, execute one or more Assessment Agreements pursuant to Section 469.177, subd. 8 of the TIF Act, specifying an assessor’s minimum market value for the Redevelopment Property and each of the North Components and the South Components constructed thereon.

31. Before issuance of the TIF Note, the Redeveloper shall submit to the EDA, consultants and agents, evidence reasonably satisfactory to the EDA that Redeveloper has available funds, or commitments to obtain funds, whether in the nature of mortgage financing, equity, grants, loans, or other sources sufficient for paying the cost of the developing the Minimum Improvements.
32. The EDA agrees to subordinate its rights under the Contract to the Holder of any Mortgage securing construction or permanent financing, in accordance with the terms of a mutually-approved subordination agreement.

33. Redeveloper agrees not to transfer the Redevelopment Contract or the Redevelopment Property (except to an affiliate) prior to receiving a Certificate of Completion without the prior written consent of the EDA, except for construction mortgage financing and/or permanent financing. The EDA's consent shall not be unreasonably withheld, conditioned or delayed.

34. Redeveloper agrees that any proposed transferee, shall, for itself and its successors and assigns, and expressly for the benefit of the EDA, expressly assume all of the obligations of the Redeveloper under this Agreement as to the portion of the Redevelopment Property to be transferred and agrees to be subject to all the conditions and restrictions to which the Redeveloper is subject.

35. Redeveloper shall undertake all work related to the Minimum Improvements and Redeveloper Public Improvements in compliance with all applicable federal and state laws, including without limitation all applicable state and federal Occupational Safety and Health Act regulations. Any subcontractors retained by Redeveloper shall be subject to the same requirements. All Redeveloper Public Improvements shall be constructed in accordance with the City Ordinance.

36. Redeveloper agrees that the EDA and the City will not be held liable for any loss or damage to property or any injury to or death of any person occurring at or about or resulting from any defect in the Redevelopment Property or the Minimum Improvements.

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

38. Redeveloper agrees that no portion of the Redevelopment Property will be used for a sexually-oriented business, a pawnshop, a check-cashing business, payday loan agency, a tattoo business, or a gun business, and that such restrictions may be placed in the Redevelopment Deed.

39. Redeveloper agrees that the EDA and the City will not be held liable for any loss or damage to property or any injury to or death of any person occurring at or about or resulting from any defect in the Redevelopment Property or the Minimum Improvements.

40. The Redeveloper agrees not to discriminate upon the basis of race, color, creed, sex or national origin in the construction and maintenance of the Minimum Improvements and Public Improvements as well as lease, rental, use or occupancy of the Redevelopment Property or any improvements erected thereon.

41. EDA may exercise a right of reverter against the Redevelopment Property in specified circumstances. This means EDA may retake possession and fee ownership of the Redevelopment Property if there is an event of default. If right of reverter is exercised, the EDA must use its best efforts to sell the Redevelopment Property to a qualified purchaser.
When sold, proceeds are used to reimburse EDA for expenses related to resale, then to reimburse Redeveloper for original purchase price/completed improvements.

Note that the right of reverter is likely to be subordinated to the mortgage for acquisition of the Redevelopment Property and/or construction of the Minimum Improvements. Any proposed subordination agreement must be approved by the EDA. The practical effect of subordination is that EDA may exercise its right of reverter in the case of a default by Redeveloper, but would have to pay off the mortgage to do so, so is unlikely to choose this remedy.

The above terms are subject to further definition, revision and/or refinement provided they do not alter the substance of the transaction.

**Summary**
The EDA has been in discussion with PLACE relative to the subject redevelopment site for nearly four years. Selling the subject redevelopment site and providing TIF assistance to the proposed project makes it possible to remove two structurally substandard buildings, clean up contaminated soils along one of the city’s primary multi-modal transportation corridors and construct a major mixed use, mixed income, highly sustainable, and transit-oriented development consistent with the Comprehensive Plan and *Elmwood Land Use and Transportation Study*. The project will provide the community with 299 expanded life-cycle housing opportunities (both affordable and market rate), 99 live/work spaces for creatives, additional retail spaces, as well as a small business hub. Economically it will create over 118 new employment positions (the majority of which could be filled by people living onsite) and bring the currently tax exempt properties to optimal market value by generating $62 million in additional tax base. Additionally, the LEED-certified redevelopment will generate the majority of the project’s energy from renewable sources and grow organic produce for the community. Furthermore it will provide a public plaza adjacent to the future light rail station, a 1 acre “Urban Forest” as well as children’s play area, numerous pieces of public art and other features. The EDA’s financial participation in the proposed project will leverage approximately $123 million in new investment. The ratio of private to public investment in the project is nearly $22 to $1. Finally, the PLACE project will revitalize the currently vacant site and bring additional economic vibrancy to the Elmwood neighborhood, Cedar Lake Regional Trail and future SWLRT Wooddale Station.

**Recommendation**
PLACE’s proposed redevelopment meets the City’s objectives for the provision of Tax Increment Financing as specified in the City’s TIF Policy. The project meets all the Minimum and Desired Qualifications for providing TIF assistance and received a final grade of “A” according to the Project Report Card within the TIF Policy. Given the above findings, staff supports selling the subject properties to PLACE for $6,245,000 and providing it with up to $5,660,000 in pay-as-you-go tax increment generated by the project as reimbursement for qualified site preparation costs so as to advance the redevelopment. The EDA’s legal counsel in consultation with staff prepared the proposed Purchase and Redevelopment Contract with PLACE and recommends its approval. The attached resolution of approval allows for modifications to the Contract that do not alter the substance of the transaction without bringing the Contract back to the EDA for amendment.
ST. LOUIS PARK ECONOMIC DEVELOPMENT AUTHORITY

EDA RESOLUTION NO. 17-____

RESOLUTION APPROVING A PURCHASE AND
REDEVELOPMENT CONTRACT, INCLUDING
PROVISIONS FOR THE CONVEYANCE OF REAL
PROPERTY, AND AWARDING THE SALE OF, AND
PROVIDING THE FORM, TERMS, COVENANTS AND
DIRECTIONS FOR THE ISSUANCE OF ITS TAX
INCREMENT REVENUE NOTE TO PLACE
E-GENERATION ONE LLC

BE IT RESOLVED BY the Board of Commissioners (the “Board”) of the St. Louis Park Economic Development Authority (the “Authority”) as follows:

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

1.01. Recitals.

(a) The Authority and the City of St. Louis Park have heretofore approved the establishment of the Wooddale Station Tax Increment Financing District (the “TIF District”) within Redevelopment Project No. 1 (the “Project”), and have adopted a tax increment financing plan for the purpose of financing certain improvements within the Project.

(b) To facilitate the redevelopment of certain property within the Project and TIF District, the Authority and PLACE E-Generation One LLC (the “Owner”) have negotiated a Purchase and Redevelopment Contract (the “Agreement”) which provides for the conveyance of certain property described in Exhibit A hereto (the “Property”) to the Owner, the construction by the Owner of a mixed-use, mixed-income, transit-oriented development, including rental housing, and associated parking on the Property, and the issuance of the Authority’s Tax Increment Revenue Note (the “Note”) to the Owner.

(c) On April 19, 2017, the Planning Commission of the City reviewed the proposed conveyance of the Property and found that such conveyance is consistent with the City’s comprehensive plan.

(d) The Authority has on this date conducted a duly noticed public hearing regarding the conveyance of the Property to the Redeveloper, at which all interested parties were given an opportunity to be heard.

(e) The Board has reviewed the Agreement and finds that the execution thereof and performance of the Authority’s obligations thereunder, including the conveyance of the Property to the Redeveloper, are in the best interest of the City and its residents.
1.02. Approval of Agreement.

(a) The Agreement as presented to the Board is hereby in all respects approved, subject to modifications that do not alter the substance of the transaction and that are approved by the President and Executive Director, and subject to approval by the City Council of the conveyance of the City Parcels (as defined in the Agreement) to the Authority, provided that execution of the Agreement by such officials shall be conclusive evidence of approval.

(b) Authority staff and officials are authorized to take all actions necessary to perform the Authority’s obligations under the Agreement as a whole, including without limitation execution of any documents to which the Authority is a party referenced in or attached to the Agreement, and any deed or other documents necessary to acquire the City Parcels from the City and the County Parcels from the Hennepin County Housing and Redevelopment Authority, and to convey the Property to Redeveloper, all as described in the Agreement.

1.03. Authorization of Note. Pursuant to Minnesota Statutes, Section 469.178, the Authority is authorized to issue and sell its bonds for the purpose of financing a portion of the public development costs of the Project. Such bonds are payable from all or any portion of revenues derived from the TIF District and pledged to the payment of the bonds. The Authority hereby finds and determines that it is in the best interests of the Authority that it issue and sell the Note to the Owner for the purpose of financing certain Public Redevelopment Costs of the Project, subject to all terms and conditions of the Agreement.

1.04. Issuance, Sale, and Terms of the Note.

(a) The Authority hereby authorizes the President and Executive Director to issue the Note in accordance with the Agreement. All capitalized terms in this resolution have the meaning provided in the Agreement unless the context requires otherwise.

(b) The Note shall be issued in the maximum aggregate principal amount of $5,660,000 to the Owner in consideration of certain eligible costs incurred by the Owner under the Agreement, shall be dated the date of delivery thereof, and shall bear interest at the rate of 5.0% per annum from the date of issue to the earlier of maturity or prepayment. The Note will be issued in the principal amount of Public Redevelopment Costs submitted and approved in accordance with Section 3.8 of the Agreement. The Note is secured by Available Tax Increment, as further described in the form of the Note herein. The Authority hereby delegates to the Executive Director the determination of the date on which the Note is to be delivered, in accordance with the Agreement.

Section 2. Form of Note. The Note shall be in substantially the following form, with the blanks to be properly filled in and the principal amount adjusted as of the date of issue:
UNITED STATE OF AMERICA
STATE OF MINNESOTA
COUNTY OF HENNEPIN
ST. LOUIS PARK ECONOMIC DEVELOPMENT AUTHORITY

No. R-1 $_____________

TAX INCREMENT REVENUE NOTE
SERIES 20__

Rate of Original Issue

Date

5.0%

The St. Louis Park Economic Development Authority (the “Authority”) for value received, certifies that it is indebted and hereby promises to pay to PLACE E-Generation One LLC, or registered assigns (the “Owner”), the principal sum of $__________ and to pay interest thereon at the rate of 5.0% per annum, solely from the sources and to the extent set forth herein. Capitalized terms shall have the meanings provided in the Purchase and Redevelopment Contract between the Authority and the Owner, dated __________, 2017 (the “Agreement”), unless the context requires otherwise.

1. Payments. Principal and interest (“Payments”) shall be paid on August 1, 2020 and each February 1 and August 1 thereafter to and including February 1, 2035 (the “Payment Dates”) in the amounts and from the sources set forth in Section 3 herein. Payments shall be applied first to accrued interest, and then to unpaid principal. Interest accruing from the date of issue through and including February 1, 2020 shall be compounded semiannually on February 1 and August 1 of each year and added to principal.

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

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

3. Available Tax Increment.

(a) Payments on this Note are payable on each Payment Date solely from and in the amount of Available Tax Increment, which shall mean ninety-five percent (95%) of the Tax Increment attributable to the Minimum Improvements and Redevelopment Property that is paid to the Authority by Hennepin County in the six months preceding each Payment Date on the Note.

(b) The Authority shall have no obligation to pay principal of and interest on this Note on each Payment Date from any source other than Available Tax Increment and the failure of the Authority to pay principal or interest on this Note on any Payment Date shall not constitute a default.
hereunder as long as the Authority pays principal and interest hereon to the extent of Available Tax Increment. The Authority shall have no obligation to pay any unpaid balance of principal or accrued interest that may remain after the final Payment on February 1, 2035.

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

5. Prepayment.

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

(b) Upon receipt by Redeveloper of the Authority’s written statement of the Participation Amount as described in Section 3.9 of the Agreement, one hundred percent (100%) of such Participation Amount will be deemed to constitute, and will be applied to, prepayment of the principal amount of this Note. Such deemed prepayment is effective as of the date of delivery of such statement to the Owner, and will be recorded by the Registrar in its records for the Note. Upon request of the Owner, the Authority will deliver to the Owner a statement of the outstanding principal balance of the Note after application of the deemed prepayment under this paragraph.

6. Nature of Obligation. This Note is one of an issue in the total principal amount of $_________________, issued to aid in financing certain public redevelopment costs and administrative costs of a Project undertaken by the Authority pursuant to Minnesota Statutes, Sections 469.001 through 469.047, and is issued pursuant to an authorizing resolution (the “Resolution”) duly adopted by the Authority on __________, 2017, 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. Registration and Transfer. This Note is issuable only as a fully registered note without coupons. As provided in the Resolution, and subject to certain limitations set forth therein, this Note is transferable upon the books of the Authority kept for that purpose at the principal office of the Chief Financial Officer of the City, by the Owner hereof in person or by such Owner’s attorney duly authorized in writing, upon surrender of this Note together with a written instrument of transfer satisfactory to the Authority, duly executed by the Owner. Upon such transfer or exchange and the payment by the Owner of any tax, fee, or governmental charge required to be paid by the Authority with respect to such transfer or exchange, there will be issued in the name of the transferee a new
Note of the same aggregate principal amount, bearing interest at the same rate and maturing on the same dates.

Except as otherwise provided in Section 3.8(d) of the Agreement, this Note shall not be transferred to any person or entity, unless the Authority has provided written consent to such transfer.

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 St. Louis Park Economic Development Authority have caused this Note to be executed with the manual signatures of its President and Executive Director, all as of the Date of Original Issue specified above.

ST. LOUIS PARK ECONOMIC DEVELOPMENT AUTHORITY

Thomas K Harmening, Executive Director  Anne Mavity, President
REGISTRATION PROVISIONS

The ownership of the unpaid balance of the within Note is registered in the bond register of the Chief Financial Officer, in the name of the person last listed below.

<table>
<thead>
<tr>
<th>Date of Registration</th>
<th>Registered Owner</th>
<th>Signature of Chief Financial Officer</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>PLACE E-Generation One LLC</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Federal Tax I.D. No. ___________</td>
<td></td>
</tr>
</tbody>
</table>

[End of Form of Note]

Section 3. Terms, Execution and Delivery.

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

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

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

3.03. Registration. The Authority hereby appoints the Chief Financial Officer to perform the functions of registrar, transfer agent and paying agent (the “Registrar”). The effect of registration and the rights and duties of the Authority and the Registrar with respect thereto shall be as follows:

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

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

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

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

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

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

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

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


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

Available Tax Increment shall be applied to payment of the principal of and interest on the Note in accordance with the terms of the form of Note set forth in Section 2 of this resolution.

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

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

Section 5. **Certification of Proceedings.** The officers of the Authority are hereby authorized and directed to prepare and furnish to the Owner of the Note certified copies of all proceedings and records of the Authority, and such other affidavits, certificates, and information as may be required to show the facts relating to the legality and marketability of the Note as the same appear from the books and records under their custody and control or as otherwise known to them, and all such certified copies, certificates, and affidavits, including any heretofore furnished, shall be deemed representations of the Authority as to the facts recited therein.

Section 6. **Effective Date.** This resolution shall be effective upon approval.

Reviewed for Administration: Adopted by the Economic Development Authority May 1, 2017

Thomas K. Harmening, Executive Director Anne Mavity, President

Attest

Melissa Kennedy, Secretary
EXHIBIT A

Property

Authority Parcels:

That part of Lot 6, Block 23, St. Louis Park; also of Lots 11 to 15 inclusive, Block 23, Lots 19 to 28 inclusive, Block 23, Lot 5, Block 24 and of Block 20 vacated in "Rearrangement Of St. Louis Park" and also of Zarthon Avenue (formerly Earle Street), Walker Street (formerly Broadway), St. Louis Avenue and of alley in Block 23, said Rearrangement and of any vacated portion of said Rearrangement included in the following described lines: Beginning at a point on Northerly right of way line of The Minneapolis & St. Louis Railway Company (which right of way line is parallel with and distant 50 feet at right angles from the center line of the Southbound main track of said Railway Company as there now located), said point being 600 feet Southwesterly from intersection of said right of way with Southwesterly boundary line of Auditor's Subdivision No. 249, Hennepin County, Minnesota; thence Northwesterly at right angles to said right of way 29 feet to a Judicial Landmark established in Torrens Case No. 7986; thence continuing Northwesterly on the last described course a distance of 166.5 feet to a Judicial Landmark established in Torrens Case No. 7986, the point of beginning of Line A to be described, thence Southwesterly on an extension of a line drawn between the last described Judicial Landmark and another Judicial Landmark to an intersection of said extended line with the Westerly line of Lot 6, Block 23, St. Louis Park, the termination of said Line A, the second Judicial Landmark above described being located as follows: Commencing at a point in the Southwesterly boundary line of Auditor's Subdivision No. 249, Hennepin County, Minnesota, said point being distant Northwesterly 29 feet, measured at right angles from the Northerly right of way line of the Minneapolis and St. Louis Railway Company (which right of way line is parallel with and distant 50 feet at right angles from the center line of the Southbound main track of said Railway Company as there now located), thence Northwesterly along said Southwesterly line and the same extended 168.4 feet to the Judicial Landmark being described; thence Southerly along said Westerly line of Lot 6, Block 23, St. Louis Park to the Southwest corner of said Lot; thence Southwesterly to the most Westerly corner of Block 20 vacated, "Rearrangement of St. Louis Park"; thence Southeasterly along Southwesterly line of said vacated Block 20 to the Northerly line of said right of way; thence Northeasterly along said right of way line to point of beginning; Except that part of Lot 6, Block 23, St. Louis Park and that part of Lots 19 to 25 inclusive, Block 23, "Rearrangement of St. Louis Park" which lies Northwesterly of a line drawn from a point in the West line of said Lot 6 distant 35 feet South of the termination of said Line "A" to a point in said Line "A" distant 194 feet Northeasterly of the West line of said Lot 6, Hennepin County, Minnesota. Being Registered land as is evidenced by Certificate of Title No. 1132767.

AND

Those parts of Government Lots 5, 6, 7 and 8 in Section 16, Township 117 North, Range 21 West of the Fifth Principal Meridian, bounded and described as follows: Beginning at a point on the Northeasterly line of Wood Dale (or Pleasant Avenue), distant 50 feet Northwesterly, measured at right angles, from the center line of the main track of the Minneapolis and St. Louis Railway Company (now the Chicago and North Western Transportation Company), as said main track center line was originally located and established across said Section 16; thence Northeasterly parallel with said original main track center line to a point distant 14 feet Northwesterly, measured at right angles, from the center line of Chicago and North Western Transportation Company (formerly Minneapolis and St. Louis Railway Company) spur track ICC No. 253, as said spur track is now located; thence Southwesterly parallel with said spur track center line to a point distant 30 feet Northwesterly, measured at right angles, from the center line of the main track of the Chicago and North Western Transportation Company (formerly the Minneapolis and St. Louis Railway Company, as said main track is now located; thence Southwesterly parallel with said last described main track center line to a point on the Northeasterly line, or the Southeasterly extension thereof, of said Wood Dale Avenue;
thence Northwesterly along said Northeasterly line, or the Southeasterly extension thereof, of Wood Dale Avenue, to the point of beginning. Hennepin County, Minnesota

(摘要财产)

AND

That part of Government Lot 5, Section 16, Township 117, Range 21, Hennepin County, Minnesota, described as follows: Commencing at a point in the Southwesterly boundary line of Auditor's Subdivision Two Hundred Forty Nine (249) of Government Lot 5, Section 16, Township 117 North, Range 21 West, according to the duly recorded plat thereof and situate in Hennepin County, Minnesota, said point being distant Northwestwardly 29 feet measured at right angles thereto from the Northerly right of way line of the Minneapolis and St. Louis Railway Company (which right of way line is parallel with and distant 50 feet at right angles from the center line of the southbound main track of said railway company as there now located), which point of beginning is marked by a judicial landmark marking the Southeasterly corner of the tract herein described; thence Southwesterly parallel with said right of way line 600 feet to a judicial landmark marking the Southwesterly corner of the tract herein described; thence Northwestwardly at right angles 166.5 feet to a judicial landmark marking the Northwesterly corner of the tract herein described; thence Northeastwardly at approximately right angles, 600 feet to a point on the Northwesterly extension of the Southwesterly boundary line of said Auditor's Subdivision Two Hundred Forty Nine (249) to said Government Lot 5, which point is marked with a judicial landmark marking the Northeasterly corner of the tract herein described; thence Southeastwardly upon and along said Southwesterly boundary line, as extended, 168.4 feet to the point of beginning.

Except that part which lies westerly of the following described line: Commencing at the most northerly corner of the above described property; thence southwesterly along the northwesterly line of said described property a distance of 273.44 feet to the point of beginning of the line to be described; thence southwesterly deflecting to the left 10 degrees 51 minutes 16 seconds, 131.79 feet; thence southerly 122.40 feet along a tangential curve concave to the east having a radius of 120.00 feet and a central angle of 58 degrees 26 minutes 30 seconds; thence southerly, tangent to said curve, 30.99 feet; thence southwesterly 218.40 feet along a tangential curve concave to the west having a radius of 180.00 feet and a central angle of 69 degrees 31 minutes 00 seconds and said line there terminating, Hennepin County, Minnesota.

Being Registered land as is evidenced by Certificate of Title No. 1355391.

City Parcels:

That part of Government Lot 5, Section 16, Township 117, Range 21, Hennepin County, Minnesota, described as follows: Commencing at a point in the Southwesterly boundary line of Auditor's Subdivision Two Hundred Forty Nine (249) of Government Lot 5, Section 16, Township 117 North, Range 21 West, according to the duly recorded plat thereof and situate in Hennepin County, Minnesota, said point being distant Northwestwardly 29 feet measured at right angles thereto from the Northerly right of way line of the Minneapolis and St. Louis Railway Company (which right of way line is parallel with and distant 50 feet at right angles from the center line of the southbound main track of said railway company as there now located), which point of beginning is marked by a judicial landmark marking the Southeasterly corner of the tract herein described; thence Southwesterly parallel with said right of way line 600 feet to a judicial landmark marking the Southwesterly corner of the tract herein described; thence Northwestwardly at right angles 166.5 feet to a judicial landmark marking the Northwesterly corner of the tract herein described; thence Northeastwardly at approximately right angles, 600 feet to a point on the Northwesterly extension of the Southwesterly boundary line of said Auditor's Subdivision Two Hundred Forty Nine (249) to said Government Lot 5, which point is marked with a judicial landmark marking the Northeasterly corner
of the tract herein described; thence Southeastwardly upon and along said Southwesterly boundary line, as extended, 168.4 feet to the point of beginning.

Which lies westerly of the following described line: Commencing at the most northerly corner of the above described property; thence southwesterly along the northwesterly line of said described property a distance of 273.44 feet to the point of beginning of the line to be described; thence southwesterly deflecting to the left 10 degrees 51 minutes 16 seconds, 131.79 feet; thence southerly 122.40 feet along a tangential curve concave to the east having a radius of 120.00 feet and a central angle of 58 degrees 26 minutes 30 seconds; thence southerly, tangent to said curve, 30.99 feet; thence southwesterly 218.40 feet along a tangential curve concave to the west having a radius of 180.00 feet and a central angle of 69 degrees 31 minutes 00 seconds and said line there terminating. Hennepin County, Minnesota.

Being Registered land as is evidenced by Certificate of Title No. 1355392.

AND

Tract A:

Lots 5, 6, 7, and 8, Block 30, "Rearrangement of St. Louis Park, according to the recorded plat thereof, Hennepin County, Minnesota.

Being Registered land as is evidenced by Certificate of Title No. 517068.

Together with that part of the West 1/2 of all that part of vacated Earle St., aka Zarthan Ave., dedicated by the "Plat of St. Louis Park", lying northerly of Highland Ave., aka 36th St., and southerly of the westerly extension of the north line of the alley situated in Block 29, "Plat of St. Louis Park", which would accrue thereto by reason of the vacation thereof.

Tract B:

Parcel 1: That part of Lot 4, Block 30, "Rearrangement of St. Louis Park", lying South of the following described line: Commencing at a point in the Southwest line of said Lot 4, 26 feet Northwest of the most Southerly corner of said Lot 4, thence Northeast to a point in the East line of said Lot 4, 29 feet North of the most Southerly corner.

Together with that part of the West 1/2 of all that part of vacated Earle St., aka Zarthan Ave., dedicated by the "Plat of St. Louis Park", lying northerly of Highland Ave., aka 36th St., and southerly of the westerly extension of the north line of the alley situated in Block 29, "Plat of St. Louis Park", which would accrue thereto by reason of the vacation thereof.

Parcel 2: Lots 6 and 7, including that part of the adjoining vacated alley lying South of the center line thereof and between the extensions North to said center line of the West line of Lot 6 and the East line of Lot 7, all in Block 29, "St. Louis Park".

Together with that part of the East 1/2 of all that part of vacated Earle St., aka Zarthan Ave., dedicated by the "Plat of St. Louis Park", lying northerly of Highland Ave., aka 36th St., and southerly of the westerly extension of the north line of the alley situated in Block 29, "Plat of St. Louis Park", which would accrue thereto by reason of the vacation thereof.

Hennepin County, Minnesota.

Being Registered land as is evidenced by Certificate of Title No. 525746.
County Parcels:

That part of Government Lot 5, Section 16, Township 117, Range 21, bounded and described as follows: Beginning at a point on the Southwesterly line of Auditor's Subdivision 249, distant 50 feet Northerly, measured at right angles, from said original main track center line; thence Southwesterly parallel with said center line a distance of 600 feet; thence Northerly at right angles to the last described course a distance of 29 feet; thence Northeasterly parallel with said original main track center line a distance of 600 feet; thence Southeasterly at right angles a distance of 29 feet to the point of beginning. Hennepin County, Minnesota.

(Abstract Property)

AND

Tract A:

That part of the following described property:

That part of Lots 20, 21, 22 and 23, Block 29, "Rearrangement Of St. Louis Park" and that part of the adjoining vacated alleys, all described as commencing at a point on the Southwesterly line of Block 30, "Rearrangement Of St. Louis Park" distant 2.4 feet Southerly, measured along said Southwesterly line, from the Northerly corner of said Block 30; thence Northeasterly to a point on the East line of said Block 30 distant 6.67 feet South, measured along said East line from the Northeasterly corner of said Block 30; thence continuing Northeasterly along the last described course a distance of 56.97 feet; thence Southeasterly at a right angle 20.57 feet; thence Northeasterly at a right angle 86.47 feet to the actual point of beginning; thence continuing Northeasterly along the last described center line to the center line of the vacated alley adjoining the East line of said Lots 20, 21, 22 and 23; thence South along said center line and its extension to the center line of the vacated alley adjoining the South line of said Lot 20, thence West along the last described center line to its intersection with the extension South of a line drawn from the actual point of beginning to a point on the South line of said Lot 20 distant 79 feet East from the Southwest corner of said Lot 20; thence North to the actual point of beginning;

Which lies Westerly of the East line of Lot 7 of said Block 29, extended Northerly.

Tract B:

Lots 3, 4, 9, 10 and part of Lots 2 and 11, Block 30, "Rearrangement Of St. Louis Park", and part of Lots 20 to 23, both inclusive, Block 29, "Rearrangement Of St. Louis Park", and that part of vacated Zarthan Avenue, all being described as follows:

Beginning at a point on the Southwesterly line of said Block 30 distant 2.4 feet Southerly, measured along said Southwesterly line, from the Northwesterly corner of said Block 30; thence Northeasterly in a straight line to a point on the East line of said Block 30 distant 6.67 feet South, measured along said East line, from the Northeasterly corner of said Block 30; thence continue Northeasterly along said last described course 56.97 feet; thence Southeasterly at right angles 20.57 feet; thence Northeasterly at right angles 86.47 feet; thence Southerly a distance of 89.59 feet, more or less, to the North line of the alley in Block 29, "Rearrangement Of St. Louis Park", said point being 79 feet East of the Southwest corner of Lot 20 in said Block 29; thence Westerly along the North line of said alley and the same extended to the West line of Zarthan Avenue; thence South along the West line of Zarthan Avenue to the Southerly corner of Lot 4, Block 30, "Rearrangement Of St. Louis Park"; thence Northwesterly along the Southwesterly line of said Lot 4 to the Southeasterly corner of Lot 9 in said Block 30; thence Southwesterly along the Southeasterly line of said Lot 9 to the Southwesterly corner of said Lot 9; thence Northwesterly along the Southwesterly line of said Block 30 to the place of beginning;

Except that part of said Lot 4, Block 30, lying South of a line described as: Commencing at a
point in the Southwest line of said Lot 4, distant 26 feet Northwest of the most Southerly corner of said Lot 4, thence Northeast to a point in the East line of said Lot 4, distant 29 feet North of the most Southerly corner.

That part of Zarthan Avenue and that part of the alley in Block 29, "Rearrangement Of St. Louis Park" lying South of the North line of the alley in Block 29, "Rearrangement Of St. Louis Park" and the same extended West to the West line of said Zarthan Avenue, and Northwesterly of a line drawn from a point on the Easterly line of Lot 4, Block 30, "Rearrangement Of St. Louis Park" distant 38.72 feet Northerly from the most Southerly corner of said Lot 4 to a point on the South line of Lot 20, Block 29, "Rearrangement Of St. Louis Park" distant 6.7 feet East of the Southwest corner of said Lot 20.

That part of the vacated East-West alley dedicated in Block 29, "Rearrangement Of St. Louis Park" which lies North of the center line of said alley and between the Southerly extensions of the West line of Lot 20, said Block and Addition, and the following described line: Commencing at a point on the Southwesterly line of said Block 30 distant 2.4 feet Southerly, measured along said Southwesterly line, from the Northwesterly corner of said Block 30; thence Northeasterly in a straight line to a point on the East line of said Block 30 distant 6.67 feet South, measured along said East line, from the Northeasterly corner of said Block 30; thence continue Northeasterly along said last described course 56.97 feet; thence Southeasterly at right angles 20.57 feet; thence Northeasterly at a right angle 86.47 feet to the actual point of beginning of the line to be described; thence South to a point on the South line of said Lot 20 distant 79 feet East from Southwest corner of said Lot 20.

Being Registered land as is evidenced by Certificate of Title No. 1124712.

AND

Tract A:

Lot 11; those parts of Lots 12, 13, 14, 21, 22 and 23, Block 29; those parts of Lots 2 and 11, Block 30; that part of the adjoining vacated north-south alley lying in Block 29, and vacated Zarthan Avenue, "Rearrangement of St. Louis Park" described as follows:

Commencing at the west quarter corner of Section 6, Township 28 North, Range 24 West of the 4th Principal Meridian, Hennepin County, Minnesota; thence South 00 degrees 14 minutes 49 seconds East, assumed bearing, along the west line of the Southwest Quarter of said Section 6 a distance of 492.57 feet to the southerly right of way line of the Canadian Pacific Railroad, shown as the Chicago, Milwaukee and St. Paul Railway on said plat of "Rearrangement of St. Louis Park"; thence continuing South 00 degrees 14 minutes 49 seconds East along said west line 80.00 feet; thence South 65 degrees 52 minutes 15 seconds West, 955.17 feet to the east line of said Lot 12 and the point of beginning of the parcel to be described; thence continuing South 65 degrees 52 minutes 15 seconds West, 162.71 feet to the southerly line of said Lot 14; thence North 88 degrees 58 minutes 35 seconds West, 18.23 feet along said southerly line and its westerly extension to the centerline of said alley; thence North 00 degrees 57 minutes 33 seconds East, 4.17 feet along said centerline; thence South 65 degrees 21 minutes 14 seconds West, 183.14 feet; thence North 24 degrees 38 minutes 46 seconds West, 20.57 feet; thence South 65 degrees 21 minutes 14 seconds West, 252.73 feet to the southwesterly line of said Lot 11, Block 30; thence North 39 degrees 00 minutes 57 seconds West, 2.40 feet along said southwesterly line to the said southerly right of way line; thence North 64 degrees 17 minutes 59 seconds East, 451.50 feet along said southerly right of way line; thence North 64 degrees 21 minutes 45 seconds East, 185.28 feet along said southerly right of way line to the east line of said Lot 11, Block 29; thence southerly along the east line of said Lots 11 and 12 to the point of beginning.
Tract B:

Lot 6 and those parts of Lots 7, 8, and 11 thru 21, Block 25, "Rearrangement of St. Louis Park" described as follows:

Commencing at the west quarter corner of Section 6, Township 28 North, Range 24 West of the 4th Principal Meridian, Hennepin County, Minnesota; thence South 00 degrees 14 minutes 49 seconds East, assumed bearing, along the west line of the Southwest Quarter of said Section 6 a distance of 492.57 feet to the southerly right of way line of the Canadian Pacific Railroad shown as the Chicago, Milwaukee and St. Paul Railway in the plat of "Rearrangement of St. Louis Park"; thence continuing South 00 degrees 14 minutes 49 seconds East along said west line 80.00 feet; thence South 65 degrees 52 minutes 15 seconds West, 526.90 feet to the east line of said Lot 7 and the point of beginning of the parcel to be described; thence continuing South 65 degrees 52 minutes 15 seconds West, 361.97 feet to the west line of said Lot 21; thence North 01 degrees 03 minutes 00 seconds East, 54.70 feet along said west lot line to said southerly railroad right of way line; thence North 64 degrees 21 minutes 45 seconds East, 366.58 feet along said southerly right of way line to the east line of said Lot 6; thence southerly along the east line of said Lots 6 and 7 to the point of beginning.

(Abstract Property)

The Redevelopment Property will be replatted as Lot 1, Blocks 1, 2 and 3, and Outlots A, B, and C, PLACE, Hennepin County, Minnesota.
PURCHASE AND REDEVELOPMENT CONTRACT

By and Between

ST. LOUIS PARK ECONOMIC DEVELOPMENT AUTHORITY

and

PLACE E-GENERATION ONE LLC

Dated: _____________, 2017

This document was drafted by:

KENNEDY & GRAVEN, Chartered (MNI)
470 U.S. Bank Plaza
200 South Sixth Street
Minneapolis, Minnesota  55402
(612) 337-9300
http://www.kennedy-graven.com
# TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Section</th>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>PREAMBLE</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td><strong>ARTICLE I</strong></td>
<td></td>
</tr>
<tr>
<td>1.1</td>
<td>Definitions</td>
<td>3</td>
</tr>
<tr>
<td>2</td>
<td><strong>ARTICLE II</strong></td>
<td></td>
</tr>
<tr>
<td>2.1</td>
<td>Representations by the Authority</td>
<td>8</td>
</tr>
<tr>
<td>2.2</td>
<td>Representations and Warranties by the Redeveloper</td>
<td>9</td>
</tr>
<tr>
<td>3</td>
<td><strong>ARTICLE III</strong></td>
<td></td>
</tr>
<tr>
<td>3.1</td>
<td>Conveyance of the Property</td>
<td>11</td>
</tr>
<tr>
<td>3.2</td>
<td>Purchase Price; Provisions for Payment; Deferral</td>
<td>11</td>
</tr>
<tr>
<td>3.3</td>
<td>Conditions of Conveyance</td>
<td>12</td>
</tr>
<tr>
<td>3.4</td>
<td>Place of Document Execution, Delivery and Recording</td>
<td>13</td>
</tr>
<tr>
<td>3.5</td>
<td>Title</td>
<td>14</td>
</tr>
<tr>
<td>3.6</td>
<td>Environmental Conditions</td>
<td>15</td>
</tr>
<tr>
<td>3.7</td>
<td>Grant Disbursement</td>
<td>16</td>
</tr>
<tr>
<td>3.8</td>
<td>Issuance of Note</td>
<td>17</td>
</tr>
<tr>
<td>3.9</td>
<td>TIF Lookback</td>
<td>19</td>
</tr>
<tr>
<td>3.10</td>
<td>Business Subsidy</td>
<td>20</td>
</tr>
<tr>
<td>3.11</td>
<td>Payment of Authority Costs</td>
<td>20</td>
</tr>
<tr>
<td>4</td>
<td><strong>ARTICLE IV</strong></td>
<td></td>
</tr>
<tr>
<td>4.1</td>
<td>Construction of Improvements</td>
<td>22</td>
</tr>
<tr>
<td>4.2</td>
<td>Construction Plans</td>
<td>22</td>
</tr>
<tr>
<td>4.3</td>
<td>Commencement and Completion of Construction</td>
<td>23</td>
</tr>
<tr>
<td>4.4</td>
<td>Certificate of Completion</td>
<td>24</td>
</tr>
<tr>
<td>4.5</td>
<td>Records</td>
<td>24</td>
</tr>
<tr>
<td>4.6</td>
<td>Connectivity</td>
<td>24</td>
</tr>
<tr>
<td>4.7</td>
<td>Redeveloper Public Improvements</td>
<td>25</td>
</tr>
<tr>
<td>4.8</td>
<td>Public Art</td>
<td>25</td>
</tr>
<tr>
<td>4.9</td>
<td>Inclusionary Housing</td>
<td>25</td>
</tr>
<tr>
<td>4.10</td>
<td>Property Management</td>
<td>26</td>
</tr>
<tr>
<td>4.11</td>
<td>Special Service District; Maintenance</td>
<td>26</td>
</tr>
<tr>
<td>4.12</td>
<td>Urban Forest</td>
<td>27</td>
</tr>
</tbody>
</table>

---

Economic Development Authority Meeting of May 1, 2017 (Item No. 7b)
Title: Public Hearing - Purchase and Redevelopment Contract with PLACE E-Generation One, LLC
Section 4.13. Other Amenities ........................................................................................................................................... 27

ARTICLE V
   Insurance
Section 5.1. Insurance .................................................................................................................................................. 28
Section 5.2. Subordination ................................................................................................................................................ 29

ARTICLE VI
   Tax Increment; Taxes
Section 6.1. Right to Collect Delinquent Taxes ........................................................................................................... 30
Section 6.2. Review of Taxes ........................................................................................................................................... 30
Section 6.3. Assessment Agreements ............................................................................................................................... 30

ARTICLE VII
   Other Financing
Section 7.1. Generally ..................................................................................................................................................... 32
Section 7.2. Authority’s Option to Cure Default on Mortgage ......................................................................................... 32
Section 7.3. Modification; Subordination .......................................................................................................................... 32

ARTICLE VIII
   Prohibitions Against Assignment and Transfer; Indemnification
Section 8.1. Representation as to Development ................................................................................................................ 33
Section 8.2. Prohibition Against Redeveloper’s Transfer of Property and Assignment of Agreement ........................................ 33
Section 8.3. Release and Indemnification Covenants ........................................................................................................... 34

ARTICLE IX
   Events of Default
Section 9.1. Events of Default Defined ............................................................................................................................. 36
Section 9.2. Remedies on Default ..................................................................................................................................... 36
Section 9.3. Revesting Title in Authority Upon Happening of Event Subsequent to Conveyance to Redeveloper ............... 37
Section 9.4. Resale of Reacquired Property; Disposition of Proceeds ............................................................................... 38
Section 9.5. No Remedy Exclusive .................................................................................................................................... 39
Section 9.6. No Additional Waiver Implied by One Waiver ............................................................................................... 39
Section 9.7. Attorneys’ Fees ................................................................................................................................................. 39
ARTICLE X
Additional Provisions

Section 10.1. Conflict of Interests; Representatives Not Individually Liable ......................... 41
Section 10.2. Equal Employment Opportunity ................................................................. 41
Section 10.3. Restrictions on Use ...................................................................................... 41
Section 10.4. Provisions Not Merged With Deed ............................................................... 41
Section 10.5. Titles of Articles and Sections ....................................................................... 41
Section 10.6. Notices and Demands .................................................................................... 41
Section 10.7. Counterparts .................................................................................................. 42
Section 10.8. Recording ....................................................................................................... 42
Section 10.9. Amendment ................................................................................................... 42
Section 10.10. Authority Approvals ..................................................................................... 42

TESTIMONIUM .................................................................................................................. S-1
SIGNATURES ..................................................................................................................... S-1

SCHEDULE A Redevelopment Property ............................................................... A-1
SCHEDULE B Form of Quitclaim Deed ................................................................. B-1
SCHEDULE C Authorizing Resolution ........................................................................ C-1
SCHEDULE D Certificate of Completion ................................................................. D-1
SCHEDULE E Form of Subordination Agreement ................................................ E-1
SCHEDULE F Site Plan ................................................................. F-1
SCHEDULE G Form of Assessment Agreement .................................................. G-1
SCHEDULE H Form of Declaration of Restrictive Covenants ................................. H-1
SCHEDULE I Form of Draw Request ............................................................................ I-1
PURCHASE AND REDEVELOPMENT CONTRACT

THIS PURCHASE AND REDEVELOPMENT CONTRACT, made as of the _____ day of ____________, 2017 (the “Agreement”), by and between the St. Louis Park Economic Development Authority, a public body corporate and politic under the laws of Minnesota (the “Authority”), and PLACE E-Generation One LLC, a Delaware limited liability company (the “Redeveloper”).

WITNESSETH:

WHEREAS, the Authority was created pursuant to Minnesota Statutes, Sections 469.090 through 469.1081, as amended (the “Act”), and was authorized to transact business and exercise its powers by a resolution of the City Council of the City; and

WHEREAS, the Authority has undertaken a program to promote the development and redevelopment of land which is underutilized within the City of St. Louis Park, Minnesota (the “City”), and in this connection created Redevelopment Project No. 1 (hereinafter referred to as the “Project”) in an area (hereinafter referred to as the “Project Area”) located in the City pursuant to Minnesota Statutes, Sections 469.001 through 469.047, as amended (the “HRA Act”); and

WHEREAS, pursuant to the Act and 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

WHEREAS, the Authority has acquired certain property within the Project as described in Schedule A hereto (the “Authority Parcels”) and will acquire additional property owned by the City (the “City Parcels”) and by the County HRA (the “County Parcels”) within the Project, and the Redeveloper intends to acquire the Authority Parcels, the City Parcels, and the County Parcels (together, the “Redevelopment Property”) for the development of a mixed-use, mixed-income, transit-oriented development, including rental housing, and certain improvements described herein (collectively, the “Minimum Improvements”); and

WHEREAS, the Authority has established the Wooddale Station Tax Increment Financing District (the “TIF District”) pursuant to Minnesota Statutes, Sections 469.174 through 469.1794, as amended (the “TIF Act”), made up of property in the Project Area including the Redevelopment Property; and

WHEREAS, to assist in the financing of the Minimum Improvements, the Authority will provide tax increment assistance to the Redeveloper and has also agreed to defer a portion of the purchase price of the Redevelopment Property; and

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

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

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

Section 1.1. Definitions. In this Agreement, unless a different meaning clearly appears from the context, the following terms shall have the following defined meanings:

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

“Affiliate” means with respect to any entity (a) any corporation, partnership, limited liability company or other business entity or person controlling, controlled by or under common control with the entity, and (b) any successor to such party by merger, acquisition, reorganization or similar transaction involving all or substantially all of the assets of such party (or such Affiliate). For the purpose hereof the words “controlling,” “controlled by,” and “under common control with” shall mean, with respect to any corporation, partnership, limited liability company or other business entity, the ownership of fifty percent (50%) or more of the voting interests in such entity or possession, directly or indirectly, of the power to direct or cause the direction of management policies of such entity, whether through ownership of voting securities or by contract or otherwise.

“Affordable Apartments” has the meaning provided in Section 4.9 of this Agreement.

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

“Assessment Agreement” means any Assessment Agreement entered into pursuant to Section 6.3 hereof.

“Authority” means the St. Louis Park Economic Development Authority, a public body corporate and politic under the laws of the State, its successors and assigns.

“Authority Parcels” means the real property so described in Schedule A of this Agreement.

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

“Authorizing Resolution” means the resolution of the Authority, substantially in the form of attached Schedule C to be adopted by the Authority to authorize the issuance of the Note.

“Available Tax Increment” means ninety-five percent (95%) of the Tax Increment attributable to the Minimum Improvements and Redevelopment Property that is paid to the Authority by the County in the six months preceding each Payment Date on the Note.
“Business Day” means any day except a Saturday, Sunday, legal holiday, a day on which the City is closed for business, or a day on which banking institutions in the City are authorized by law or executive order to close.


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

“City” means the City of St. Louis Park, Minnesota.

“City Parcels” means the real property so described in Schedule A of this Agreement.

“Closing” has the meaning assigned in Section 3.3(c) hereof.

“Construction Plans” means the plans, specifications, drawings and related documents on the construction work to be performed by the Redeveloper on the Redevelopment Property which (a) shall be as detailed as the plans, specifications, drawings and related documents which are submitted to the appropriate building officials of the City, and (b) shall include at least the following for each building: (1) site plan; (2) foundation plan; (3) underground parking plans; (4) floor plan for each floor; (5) cross-sections of each (length and width); (6) elevations (all sides); (7) landscape plan; and (8) such other plans or supplements to the foregoing plans as the Authority and Redeveloper mutually agree are necessary to allow the issuance of a construction permit.

“County” means the County of Hennepin, Minnesota.

“County Parcels” means the real property so described in Schedule A of this Agreement.

“Declaration” means the Declaration of Restrictive Covenants attached as Schedule H hereto.

“Deed” means the quitclaim deed from the Authority to the Redeveloper for the Redevelopment Property, in substantially the form attached hereto as Schedule B.

“Development Pro Forma” means the financial pro forma for the Minimum Improvements on file at the office of the Authority and incorporated herein by reference.

“E-Generation Facility Component” means the approximately 10,200 square foot facility with an anaerobic digester and energy balancing equipment and a vertical greenhouse for urban agriculture to be constructed on the north side of the Redevelopment Property as part of the Minimum Improvements.

“Environmental Reports” means the following reports relating to the environmental condition of the Redevelopment Property and all amendments, modifications and supplements thereto: ___________________________.
“Event of Default” means an action by the Redeveloper listed in Article IX hereof.

“Grant-Eligible Costs” means the costs eligible for funding under the various grant agreements related to the Redevelopment Property.

“Holder” means the owner of a Mortgage.

“Hotel Component” means the approximately 48,047 square foot hotel with approximately 110 rooms to be constructed on the south side of the Redevelopment Property as part of the Minimum Improvements.

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

“Live/Work Unit” has the meaning provided in Section 4.9 of this Agreement.

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

“Minimum Improvements” means, collectively, the North Components and the South Components.

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

“MPCA” means the Minnesota Pollution Control Agency.

“North Apartments Component” means the approximately 218 apartments, including 152 Affordable Apartments and 66 market rate apartments, to be constructed on the north side of the Redevelopment Property as part of the Minimum Improvements.

“North Commercial Space Component” means the approximately 2,484 square-foot retail bike and repair shop and the approximately 2,624 square-foot makers space to be constructed on the north side of the Redevelopment Property as part of the Minimum Improvements.

“North Components” means, collectively, the North Apartments Component, the North Commercial Space Component, the E-Generation Facility Component, and associated parking as required pursuant to the PUD.

“Note” means the Tax Increment Revenue Note, substantially in the form contained in the Authorizing Resolution, to be delivered by the Authority to the Redeveloper in accordance with Section 3.8 hereof.
“Planning Development Contract” means the agreement to be negotiated and executed by
the City and the Redeveloper, providing for the construction and maintenance of infrastructure
within the Redevelopment Property.

“Project” means the Authority’s Redevelopment Project No. 1.

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

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

“PUD” means the Planned Unit Development for the Redevelopment Property, as
preliminarily approved by the City on April 17, 2017 and as finally approved on _____________.

“Redeveloper” means PLACE E-Generation One LLC, a Delaware limited liability
company, or its permitted successors and assigns.

“Redeveloper Public Improvements” means public infrastructure as provided in the PUD
and Planning Development Contract.

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

“Redevelopment Property” means the real property described in Schedule A of this
Agreement, consisting of the Authority Parcels and the City Parcels.

“South Apartments Component” means the approximately 81 apartments, including 48
Affordable Apartments and 33 market rate apartments, to be constructed on the south side of the
Redevelopment Property as part of the Minimum Improvements.

“South Commercial Space Component” means the approximately 4,644 square-foot café,
the approximately 1,173 square-foot coffee house, and the approximately 4,000 square-foot
maker/co-working space (work hub) to be constructed on the south side of the Redevelopment
Property.

“South Components” means, collectively, the South Apartments Component, the South
Commercial Space Component, the Hotel Component, and associated parking as required pursuant
to the PUD.

“State” means the State of Minnesota.

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

“Tax Increment Act” or “TIF Act” means the Tax Increment Financing Act, Minnesota
Statutes, Sections 469.174 through 469.1794, as amended.
“Tax Increment District” or “TIF District” means the Wooddale Station Tax Increment Financing District created by the City and the Authority.

“Tax Increment Plan” or “TIF Plan” means the Tax Increment Financing Plan for the TIF District approved by the City Council on May 1, 2017, and as it may be amended.

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

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

“Unavoidable Delays” means delays beyond the reasonable control of the party seeking to be excused as a result thereof which are the direct result of strikes, other labor troubles, 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, or acts of any federal, state or local governmental unit (other than the Authority in exercising its rights under this Agreement), including without limitation condemnation or threat of condemnation of any portion of the Redevelopment Property, which directly result in delays. Unavoidable Delays shall not include delays experienced by the Redeveloper in obtaining permits or governmental approvals necessary to enable construction of the Minimum Improvements by the dates such construction is required under Section 4.3 hereof, so long as the Construction Plans have been approved in accordance with Section 4.2 hereof and the Redeveloper has otherwise timely submitted application for such permits and/or applicable governmental approvals.

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ARTICLE II

Representations and Warranties

Section 2.1. Representations by the Authority.

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

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

(c) The Authority and the City have approved the establishment of the TIF District pursuant to the Tax Increment Act.

(d) The Authority is the holder of marketable fee simple and record title to the Authority Parcels, free and clear of all liens, claims, encumbrances and restrictions except those which are recorded against the Authority Parcels.

(e) To the best of the Authority’s knowledge, the City is the holder of marketable fee simple and record title to the City Parcels, free and clear of all liens, claims, encumbrances and restrictions except those which are recorded against the City Parcels.

(f) To the best of the Authority’s knowledge, the County Housing and Redevelopment Authority is the holder of marketable fee simple and record title to the County Parcels, free and clear of all liens, claims, encumbrances and restrictions except those which are recorded against the County Parcels.

(g) The Authority will convey the Authority Parcels to the Redeveloper, subject to all the terms and conditions of this Agreement, and following the acquisition of the City Parcels and County Parcels, the Authority will convey the City Parcels and County Parcels to the Redeveloper, subject to all the terms and conditions of this Agreement.

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

(i) The activities of the Authority are undertaken for the purpose of fostering the redevelopment of certain real property that is occupied by substandard and obsolete buildings, which will revitalize this portion of the Project Area, increase tax base, and increase housing opportunities.
(j) There are no parties other than the Authority in possession of any portion of the Authority Parcels, nor are there any leases (oral or written) applicable to or affecting the Authority Parcels.

(k) No third party has an option to purchase, right of first refusal, right of first offer or other similar right with respect to all or a portion of the Authority Parcels and the Authority has not entered into any other contracts for the sale of all or any portion of the Authority Parcels with any third party.

(l) The Authority is not aware of any methamphetamine production occurring on the Redevelopment Property. This representation is intended to satisfy the requirements of Minnesota Statutes, Section 152.0275, subd. 2(m).

(m) To the best of the Authority’s knowledge, information, and belief:

(i) There are three MPCA monitoring wells on the Redevelopment Property. Well Disclosure Certificate No. 287647 is currently on file and the Authority will record an updated well disclosure certificate or certificates if required.

(ii) There is no individual sewage treatment system, as defined in Minnesota Statutes, Section 115.55, subd. 1, on the Redevelopment Property. This representation is intended to satisfy the requirements of Minnesota Statutes, Section 155.55, subd. 6.

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

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

(b) If the Redeveloper acquires the Redevelopment Property in accordance with this Agreement, the Redeveloper will construct, operate and maintain the Minimum Improvements in accordance with the terms of this Agreement, the Redevelopment Plan and all applicable local, state and federal laws and regulations (including, but not limited to, environmental, zoning, building code, energy-conservation and public health laws and regulations).

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

(d) The Redeveloper has delivered the Environmental Reports to the Authority.

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

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

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

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ARTICLE III

Property Acquisition; Public Redevelopment Costs

Section 3.1. Conveyance of the Property.

(a) The Redevelopment Property consists of the Authority Parcels, the City Parcels, and the County Parcels, as described in Schedule A attached hereto.

(b) The Authority owns the Authority Parcels and will convey title to and possession of the Authority Parcels to the Redeveloper, or its successor in interest hereunder, subject to all the terms and conditions of this Agreement. The City owns the City Parcels but, on or before Closing, will convey title to and possession of the City Parcels to the Authority for conveyance to the Redeveloper, or its successor in interest hereunder, subject to all the terms and conditions of this Agreement. The County HRA owns the County Parcels but has entered into a Purchase Agreement with the Authority for acquisition by the Authority of the Authority Parcels. The Authority will acquire the County Parcels on or before Closing and will convey the County Parcels to the Redeveloper, or its successor in interest hereunder, subject to all the terms and conditions of this Agreement.

(c) On or before Closing, the Redeveloper shall prepare and use its best efforts to obtain final City approval of the PUD, and a plat or a registered land survey of the Redevelopment Property (the “Redevelopment Plat”) at the Redeveloper’s cost and subject to all City ordinances and procedures and otherwise reasonably acceptable to the Redeveloper. Nothing in this Agreement is intended to limit the City’s authority in reviewing the preliminary plat, or to preclude revisions requested or required by the City, provided such review and requested or required revisions are consistent with preliminary approvals by the City.

(d) The Authority will use its best efforts to obtain approval by the City Council before Closing of any amendment to the City zoning ordinance necessary to permit construction and use of the Minimum Improvements on the Redevelopment Property.

Section 3.2. Purchase Price; Provisions for Payment; Deferral. The purchase price to be paid to the Authority by the Redeveloper in exchange for the conveyance of the Redevelopment Property shall be $6,245,000 (the “Purchase Price”). Upon execution of this Agreement, the Redeveloper will place $20,000 as earnest money (the “Earnest Money”) into an escrow account administered by a title company mutually agreeable to the parties (the “Title Company”), to be held and applied to the Purchase Price on the date of Closing. At Closing the Redeveloper shall pay $4,745,000 of the Purchase Price, less the Earnest Money. The Redeveloper will pay the remaining $1,500,000 of the Purchase Price, plus interest to accrue at the rate of 4.0% per annum (the “Financed Purchase Price”), in regular semiannual installments of principal and accrued interest, over a period of ten (10) years.

To secure the full payment of the Financed Purchase Price, the Redeveloper will provide a mortgage lien on the Redevelopment Property in favor of the Authority in the principal amount of
$1,500,000, which shall be subordinate to any mortgage provided under the terms of Section 7.3 hereof. Additionally, the Board of Commissioners of the Authority has adopted an interfund loan resolution providing for an interfund loan in the amount of $1,500,000 as permitted under Section 469.178, subd. 7 of the TIF Act (the “Interfund Loan”). In the event that the Redeveloper fails to make the scheduled payments for the Financed Purchase Price, the Interfund Loan shall be repaid from the Available Tax Increment on a subordinate basis to the payments on the TIF Note.

Section 3.3. Conditions of Conveyance.

(a) The Authority shall convey title to and possession of the Redevelopment Property to the Redeveloper by quit claim deed substantially in the form set forth on Schedule B to this Agreement (the “Deed”), modified as may be necessary to enable issuance of a suitable owner’s policy in a form acceptable to the Redeveloper and its successors and assigns. The Authority’s obligation to convey the Redevelopment Property to the Redeveloper, and the Redeveloper’s obligation to acquire the Redevelopment Property, are subject to satisfaction of the following terms and conditions:

(1) The Redeveloper having closed on permanent financing at or before Closing on transfer of title to the Redevelopment Property from the Authority to the Redeveloper, or having received a binding commitment from a lender to provide financing sufficient for construction of the Minimum Improvements, or having otherwise provided the Authority with proof of funds available to finance construction of the Minimum Improvements.

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

(3) The City having approved all necessary zoning variances to the Redevelopment Property in accordance with Section 3.1 hereof.

(4) The Authority having approved Construction Plans for the Minimum Improvements in accordance with Section 4.2 hereof.

(5) The Redeveloper having reviewed and approved (or waived objections to) title to the Redevelopment Property and having obtained a commitment from a title company acceptable to the Redeveloper (the “Title Company”) to issue a suitable owner’s policy, as set forth in Section 3.5 hereof.

(6) The City having conveyed the City Parcels to the Authority, and the County having conveyed the County Parcels to the Authority.

(7) The Redeveloper being satisfied with the results of its due diligence inspections and testing with regard to the Redevelopment Property as further described in Section 3.3(b) hereof.

(8) There existing no uncured Event of Default under this Agreement.
Conditions (1) and (4) are solely for the benefit of the Authority and may be waived by the Authority. Conditions (5), (6), and (7) are solely for the benefit of the Redeveloper and may be waived by the Redeveloper. Conditions (2), (3), and (8) are for the benefit of both parties and may be waived by both parties.

In the event that this Agreement is terminated pursuant to failure to meet or waive any of conditions (1) through (7), the Earnest Money shall be returned to the Redeveloper and neither party shall have any further rights or obligations under this Agreement, except for the Redeveloper’s continuing obligation under Section 3.11 hereof. In the event that this Agreement is terminated pursuant to condition (8), the provisions of Article IX hereof shall apply.

(b) The closing on conveyance of the Redevelopment Property from the Authority to the Redeveloper (the “Closing”) shall occur within thirty (30) days of satisfaction or waiver of conditions (1) through (7) specified in Section 3.3(a) hereof, and subject to the continued satisfaction at Closing of condition (8), but no later than April 30, 2018 (the “End Date”), which End Date shall be subject to extension upon mutual agreement of the parties.

Section 3.4. Place of Document Execution, Delivery and Recording.

(a) Unless otherwise mutually agreed by the Authority and the Redeveloper, the execution and delivery of all deeds, documents and the payment of any purchase price shall be made through a closing escrow established with the Title Company or at such other location to which the parties may agree.

(b) The Deed shall be in recordable form and shall be promptly recorded in the proper office for the recordation of deeds and other instruments pertaining to the Redevelopment Property. At Closing, the Redeveloper shall pay all recording costs in connection with the conveyance of the Redevelopment Property; title insurance commitment fees and premiums, if any; and Title Company closing fees, if any. The Authority shall pay costs of recording any instruments used to clear title encumbrances; State deed tax; and any special assessments outstanding or levied against the Redevelopment Property as of the date of Closing. The parties agree and understand that the Redevelopment Property is exempt from property taxes for taxes payable in 2017.

(c) At Closing, the Authority shall deliver to the Redeveloper:

(1) The executed Deed;

(2) All certificates, instruments and other documents necessary to permit the recording of the Deed;

(3) A standard Seller’s Affidavit with respect to judgments, bankruptcies, tax liens, mechanics liens, parties in possession, unrecorded interests, encroachment or boundary line questions and related matters;
(4) If applicable, the owner’s duplicate certificate of title (the Authority need not provide an abstract of title if the property is classified as abstract property);

(5) An affidavit that the Authority is not a “foreign person” within the meaning of Section 1445 of the Internal Revenue Code; and

(6) One or more Assessment Agreements.

(d) At Closing, the Redeveloper shall deliver to the Authority:

(1) The balance of the Purchase Price, plus or minus pro rata costs between the Authority and Redeveloper as set forth herein, less the Financed Purchase Price of $1,500,000; and

(2) One or more Assessment Agreements.

Section 3.5. Title.

(a) As soon as practicable after the date of this Agreement, the Redeveloper, at the Redeveloper’s sole expense, shall obtain a commitment for the issuance of an ALTA Owner’s Title Insurance Policy (2006 form) for the Redevelopment Property. The Redeveloper may, at the Redeveloper’s expense, obtain a survey of the Redevelopment Property. The Redeveloper shall have twenty (20) days from the date of its receipt of such commitment and the survey to review the state of title to the Redevelopment Property and to provide the Authority with a list of written objections to such title. Upon receipt of the Redeveloper’s list of written objections, the Authority shall proceed in good faith and with all due diligence to attempt to cure the objections made by the Redeveloper. In the event that the Authority has failed to cure objections within sixty (60) days after its receipt of the Redeveloper’s list of such objections, the Redeveloper may by the giving of written notice to the Authority (i) terminate this Agreement, upon the receipt of which the Earnest Money shall be refunded to the Redeveloper and this Agreement shall be null and void and neither party shall have any liability hereunder, other than Redeveloper’s obligations under Section 3.11 hereof; or (ii) waive the objections and proceed to Closing. The Authority shall have no obligation to take any action to clear defects in the title to the Redevelopment Property, other than the good faith efforts described above. If this Agreement is not terminated as hereinabove permitted, the Title Company shall be instructed to provide to Redeveloper an updated Title Commitment appropriately addressing the matters set forth above for the issuance of a title policy in the amount of the Purchase Price and otherwise in form and content acceptable to the Redeveloper.

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

(c) The Redeveloper shall take no actions to encumber title to the Authority Parcels or the City Parcels between the date of this Agreement and the time the Deed is delivered to the Redeveloper. The Redeveloper expressly agrees that it will not cause or permit the attachment of any mechanics’, attorney’s, or other liens to the Redevelopment Property prior to Closing. Notwithstanding termination of this Agreement prior to Closing, Redeveloper is obligated to pay all
costs to discharge any encumbrances to the Redevelopment Property attributable to actions of Redeveloper, its employees, officers, agents or consultants, including without limitation the architect, the contractor and the Redeveloper’s engineer.

Section 3.6. Environmental Conditions.

(a) The Redeveloper shall have the right to enter the Redevelopment Property at reasonable times for the purpose of inspection and testing and to determine the feasibility of the Redevelopment Property for the Redeveloper’s intended use. The Redeveloper hereby covenants and agrees that it shall cause all studies, investigations and inspections performed at the Redevelopment Property to be performed in a manner that does not disturb the Redevelopment Property and that the Redevelopment Property shall be returned to its original condition after the Redeveloper’s entry, provided that the Redeveloper shall not be responsible for any existing conditions on the Redevelopment Property or for any environmental remediation or response actions required as a result of such investigations and inspections. Except for soil borings and test pits, the Redeveloper shall not conduct or cause to be conducted any physically intrusive investigation, examination or study of the Redevelopment Property (any such investigation, examination or study hereinafter an “Intrusive Investigation”) as part of its inspection or otherwise without obtaining the prior written consent of the Authority. “Intrusive Investigation” shall mean any investigation, examination or study that disturbs or disrupts the Redevelopment Property, including, but not limited to, grading, but not including soil borings or test pits. The Redeveloper and the Redeveloper’s representatives shall, in performing its inspection, comply with any and all applicable laws, ordinances, rules, and regulations.

The Redeveloper shall, at the Redeveloper’s sole cost, restore the Redevelopment Property to the same condition as before the Redeveloper’s entry for inspection or any Intrusive Investigation; provided that the Redeveloper shall not be responsible for any existing conditions or environmental remediation or response actions required as a result of existing conditions or such entry, inspection or Intrusive Investigation.

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

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

Section 3.7. Grant Disbursement.

(a) The Authority has obtained, or has covenanted to apply for, the following grants:

(1) To finance a portion of the environmental remediation costs on the Redevelopment Property, the Authority has received a County Environmental Response Fund grant in the amount of $92,230 and will apply for a Minnesota Department of Employment and Economic Development grant and a Metropolitan Council TBRA grant in the aggregate total amount of between $600,000 and $800,000.

(2) To finance a portion of the costs for eligible transit-oriented developments, the Authority has received a Metropolitan Council LCA-TOD Pre-Development grant in the amount of $100,000, a Metropolitan Council LCA-TOD grant in the amount of $2,000,000, and a County TOD grant in the amount of $750,000. The Authority will also apply for a Metropolitan Council LCDA-TOD grant for $850,000 relating to public art, solar, and placemaking elements.

(3) To finance a portion of the costs relating to the E-Generation Facility Component, the Authority will apply for an MPCA CAP grant in the amount of $2,000,000.

(b) The Authority will pay or reimburse the Redeveloper for Grant-Eligible Costs from and to the extent of the grant proceeds received in accordance with the terms of the respective grant agreements and the terms of this Section. **Notwithstanding anything to the contrary herein, if Grant-Eligible Costs exceed the amount to be reimbursed under this Section, such excess shall be the sole responsibility of the Redeveloper (except to the extent reimbursable under the Note).**

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

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

(2) No Event of Default under this Agreement or event which would constitute such an Event of Default but for the requirement that notice be given or that a period of grace or time elapse, shall have occurred and be continuing.
(3) No license or permit necessary for undertaking the Grant-Eligible Costs or constructing the Minimum Improvements shall have been revoked or the issuance thereof subjected to challenge before any court or other governmental authority having or asserting jurisdiction thereover.

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

(d) Whenever the Redeveloper desires a disbursement to be made hereunder, which shall be no more often than biweekly, the Redeveloper shall submit to the Authority a draw request in the form attached as Schedule I duly executed on behalf of the Redeveloper accompanied by paid invoices or other comparable evidence that the cost has been incurred and paid or is payable by Redeveloper. Each draw request shall constitute a representation and warranty by the Redeveloper that all representations and warranties set forth in this Agreement are true and correct as of the date of such draw request.

(c) If the Redeveloper has performed all of its agreements and complied with all requirements theretofore to be performed or complied with hereunder, including satisfaction of all applicable conditions precedent contained in Article III hereof, the Authority shall make a disbursement to the Redeveloper in the amount of the requested disbursement or such lesser amount as shall be approved, within twenty (20) Business Days after the date of the Authority’s receipt of the draw request, or, if later, upon receipt of grant proceeds from the respective agency, as the case may be. Each disbursement shall be paid from the grant designated by the Authority at its discretion, subject to the Authority’s determination that the relevant Grant-Eligible Cost is payable from the designated source under the respective grant agreement.

(f) The making of the final disbursement by the Authority under this Section shall be subject to the condition precedent that the Redeveloper shall be in compliance with all conditions set forth in this Section and further, that the following conditions shall have been satisfied:

(1) The Redeveloper shall have received a certificate of completion from the MPCA pursuant to Minnesota Statutes, Section 115B.175, subdivision 5, clause (b); and

(2) The Authority shall have received a lien waiver from each contractor for all work done and for all materials furnished by it for the Grant-Eligible Costs.

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

Section 3.8. Issuance of Note.

(a) Generally. The Authority has determined that, in order to make development of the Minimum Improvements financially feasible, it is necessary to reimburse the Redeveloper for a portion of the cost of soil testing and investigation, asbestos abatement, building demolition and
disposal, environmental remediation and reporting, utility relocations and construction, site preparation, street and plaza improvements, and structured parking related to the Minimum Improvements (collectively, the “Public Redevelopment Costs”), subject to the terms of this Section.

(b) Terms. To reimburse the Public Redevelopment Costs incurred by Redeveloper, the Authority shall issue and the Redeveloper shall purchase the Note in the maximum principal amount of $5,660,000. The Authority shall issue and deliver the Note upon the Redeveloper having:

   (i) delivered to the Authority one or more certificates signed by the Redeveloper’s duly authorized representative, containing the following: (1) a statement that each cost identified in the certificate is a Public Redevelopment Cost as defined in this Agreement and that no part of such cost has been included in any previous certification; (2) evidence that each identified Public Redevelopment Cost has been paid or incurred by or on behalf of the Redeveloper; (3) evidence that Redeveloper has paid all its contractors and subcontractors in full for all work to be reimbursed as a Public Redevelopment Cost; and (4) a statement that no uncured Event of Default by the Redeveloper has occurred and is continuing under the Agreement. The Authority may, if not satisfied that the conditions described herein have been met, return any certificate with a statement of the reasons why it is not acceptable and requesting such further documentation or clarification as the Authority may reasonably require;

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

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

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

(c) Termination of Right to Note. In accordance with Section 469.1763, subdivision 3 of the TIF Act, conditions for delivery of the Note must be met within five years after the date of certification of the TIF District by the County. If the conditions are not satisfied by such date, the City has no further obligations under this Section 3.8.

(d) Assignment of Note. The Authority acknowledges that the Redeveloper may assign the Note to a third party. The Authority consents to such an assignment, conditioned upon receipt of an investment letter from such third party in a form reasonably acceptable to the Authority.

(e) Qualifications. The Redeveloper understands and acknowledges that the Authority makes no representations or warranties regarding the amount of Tax Increment, or that revenues pledged to the Note will be sufficient to pay the principal and interest on the Note. Any estimates of Tax Increment prepared by the Authority or its financial advisors in connection with
Section 3.9. TIF Lookback.

(a) *Generally.* The financial assistance to the Redeveloper under this Agreement is based on certain assumptions regarding likely costs and expenses associated with constructing the Minimum Improvements. The Authority and the Redeveloper agree that those assumptions will be reviewed at the times described in this Section, and that the amount of Tax Increment assistance provided under Section 3.8 hereof will be adjusted accordingly.

(b) *Definitions.* For the purposes of this Section, the following terms have the following definitions:

[To be inserted per Ehlers/K&G discussion]

(c) *Lookback Calculation.* [To be inserted per Ehlers/K&G discussion]

Section 3.10. Business Subsidy. The Redeveloper warrants and represents that the Redeveloper’s investment in the purchase of the Redevelopment Property and in site preparation equals at least _________% of the County assessor’s finalized market value of the Redevelopment Property for the 2017 assessment year, calculated as follows:

Aggregate cost of acquisition of Redevelopment Property ............................................$6,245,000

Plus Estimated cost of site preparation .................................................................$_______

Less site preparation costs reimbursed by the Authority ....................................($_______)

Equals net land and site preparation cost ..........................................................$_______

Assessor’s finalized market value of Redevelopment Property (2017) .................$_______

$_______ (net acquisition and site preparation cost) is _________% of $_______ (assessor’s finalized fair market value of the Redevelopment Property for 2017).

Accordingly, the parties agree and understand that the financial assistance described in this Agreement does not constitute a business subsidy within the meaning of the Business Subsidy Act. Furthermore, the Minimum Improvements qualify for an exemption under Section 116J.993, subd. 3(17) of the Business Subsidy Act. The Redeveloper releases and waives any claim against the Authority and its governing body members, officers, agents, servants and employees thereof arising from application of the Business Subsidy Act to this...
Agreement, including without limitation any claim that the Authority failed to comply with the Business Subsidy Act with respect to this Agreement.

Section 3.11. Payment of Authority Costs. The Redeveloper agrees that it will pay, within fifteen (15) days after written notice from the Authority, the reasonable costs of consultants and attorneys retained by the Authority in connection with any necessary modification of the TIF Plan for the TIF District, and the negotiation and preparation of this Agreement and other incidental agreements and documents contemplated hereunder, including without limitation agreements and documents related to land conveyance, development and financing assistance. The Authority will provide written reports describing the costs accrued under this Section upon request from the Redeveloper, but not more often than intervals of forty-five (45) days. Any amount deposited by the Redeveloper upon filing its application for tax increment financing with the Authority will be credited to the Redeveloper’s obligation under this Section. Upon termination of this Agreement in accordance with its terms, the Redeveloper remains obligated under this Section for costs incurred through the effective date of termination.

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ARTICLE IV

Construction of Minimum Improvements

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

Section 4.2. Construction Plans.

(a) Before commencing construction of the Minimum Improvements, the Redeveloper shall submit to the Authority Construction Plans for the Minimum Improvements. The Construction Plans shall provide for the construction of the Minimum Improvements and shall be in conformity with this Agreement, the Redevelopment Plan, the Site Plan attached hereto as Schedule F, and all applicable State and local laws and regulations. The Authority will approve the Construction Plans in writing if (i) the Construction Plans conform to all terms and conditions of this Agreement; (ii) the Construction Plans conform to the goals and objectives of the Redevelopment Plan; (iii) the Construction Plans conform to all applicable federal, State and local laws, ordinances, rules and regulations; (iv) the Construction Plans provide for construction of the Minimum Improvements; (v) the Construction Plans do not provide for expenditures in excess of the funds available to the Redeveloper for construction of the Minimum Improvements; and (vi) no Event of Default has occurred and is continuing. No approval by the Authority shall relieve the Redeveloper of the obligation to comply with the terms of this Agreement, applicable federal, State and local laws, ordinances, rules and regulations, or to construct the Minimum Improvements in accordance therewith. No approval by the Authority shall constitute a waiver of an Event of Default. If approval of the Construction Plans is requested by the Redeveloper in writing at the time of submission, such Construction Plans shall be deemed approved unless rejected in writing by the Authority, in whole or in part. Such rejections shall set forth in detail the reasons therefor based upon the criteria set forth in clauses (i) through (vi) above, and shall be made within twenty (20) days after the date of receipt of final plans from the Redeveloper. If the Authority rejects any Construction Plans in whole or in part, the Redeveloper shall submit new or corrected Construction Plans within twenty (20) days after written notification to the Redeveloper of the rejection. The provisions of this Section relating to approval, rejection and resubmission of corrected Construction Plans shall continue to apply until the Construction Plans have been approved by the Authority. The Authority’s approval shall not be unreasonably withheld, conditioned or delayed. Said approval shall constitute a conclusive determination that the Construction Plans (and the Minimum Improvements, constructed in accordance with said plans) comply to the Authority’s satisfaction with the provisions of this Agreement relating thereto.

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

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

Section 4.3. Commencement and Completion of Construction.

(a) Subject to Unavoidable Delays, the Redeveloper shall commence construction of the Minimum Improvements as follows: (i) with respect to the North Components, by May 31, 2018; and (ii) with respect to the South Components, by May 31, 2018. Subject to Unavoidable Delays, the Redeveloper shall complete the construction of the Minimum Improvements as follows: (1) with respect to the North Components, by December 31, 2019; and (2) with respect to the South Components, by December 31, 2019. All work with respect to the Minimum Improvements to be constructed or provided by the Redeveloper on the Redevelopment Property shall be in conformity with the Construction Plans as submitted by the Redeveloper and approved by the Authority. If the Redeveloper becomes aware that Redeveloper is not likely to meet the required deadline for commencement and/or completion of construction of the Minimum Improvements, the Redeveloper agrees to provide a written and oral report to the City Council of the City at a regular City Council meeting prior to the applicable deadline. The report must describe the reasons for the expected failure to meet the applicable deadline, evidence of the Redeveloper’s good faith efforts to construct the Minimum Improvements, and a detailed revised schedule. Approval of a modified schedule for construction by the Authority shall not be unreasonably withheld, conditioned or delayed. Failure to timely provide such written and oral report is an Event of Default.

(b) The Redeveloper agrees for itself, its successors, and assigns, and every successor in interest to the Redevelopment Property, or any part thereof, that the Redeveloper, and such successors and assigns, shall promptly begin and diligently prosecute to completion the development of the Redevelopment Property through the construction of the Minimum Improvements thereon, and that such construction shall in any event be commenced and completed within the period specified in this Section 4.3. After the date of this Agreement and until the Minimum Improvements have been fully leased, the Redeveloper shall make reports, in such detail and at such times as may reasonably be requested by the Authority, but no more than monthly, as to the actual progress of the Redeveloper with respect to such construction and leasing.
The Redeveloper shall comply with the City’s Green Building Policy, adopted by the City Council on February 16, 2010 and as such policy may be amended as of the date of issuance of a building permit for the Minimum Improvements, and shall use commercially reasonable efforts to design the Minimum Improvements to Leadership in Energy and Environmental Design (“LEED”) standards. As soon as practicable after receipt of LEED certification, Redeveloper shall submit to the Authority evidence of such certification. Redeveloper agrees to use good faith efforts to achieve “silver” or “gold” LEED certification status.

Section 4.4. Certificate of Completion.

(a) Promptly after completion of each Component of the Minimum Improvements in accordance with those provisions of the Agreement relating solely to the obligations of the Redeveloper to construct the Minimum Improvements (including the dates for beginning and completion thereof described in Section 4.3 hereof), the Authority Representative shall deliver to the Redeveloper a Certificate in substantially the form shown as Schedule D, in recordable form and executed by the Authority.

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

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

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

Section 4.6. Connectivity. The Redeveloper shall install dedicated wired connections for the Minimum Improvements in conformity with the terms and specifications provided in the Planning Development Contract.

Section 4.7. Redeveloper Public Improvements. In addition to construction of the Minimum Improvements, the Redeveloper shall construct, at the Redeveloper’s sole cost, the Redeveloper Public Improvements, as provided in the PUD and Planning Development Contract.
All Redeveloper Public Improvements shall be constructed in accordance with the PUD and Planning Development Agreement.

Section 4.8. Public Art. The Redeveloper shall incorporate public art installations curated by the Museum of Outdoor Arts (the “Public Art”) throughout the Redevelopment Property. The Public Art will include: (i) community-led art components involving collaboration with local artists, schools, and organizations; (ii) 8 to 10 art installations interwoven into the Urban Forest; (iii) additional pieces to be installed in the Plaza and other publicly accessible pedestrian areas on the Redevelopment Property, as well as affixed to various of the Components; and (iv) multipurpose spaces featuring exhibits and presentations from creatives as well as hosting community gatherings.

Section 4.9. Inclusionary Housing. The Redeveloper agrees to comply with the City’s Inclusionary Housing Policy, as adopted June 1, 2015, including without limitation the following:

(a) The Redeveloper agrees to reserve 200 of the apartment units (66.8%) within the North Apartments Component and South Apartments Component (collectively, the “Affordable Apartments”) for households earning sixty percent (60%) of Area Median Income (“AMI”) for at least twenty-five (25) years following building occupancy.

(b) The monthly rental price for Affordable Apartments shall include rent and utility costs and shall be based on sixty percent (60%) of AMI for the metropolitan area that includes the City adjusted for bedroom size and calculated annually by Minnesota Housing in connection with establishing rent limits for the Housing Tax Credit Program.

(c) The size and design of the Affordable Apartments shall be consistent and comparable with the market rate units in the Minimum Improvements and is subject to the approval of the City. The Affordable Apartments shall be distributed throughout the North Apartments Component and the South Apartments Component.

(d) The Affordable Apartments shall have a number of bedrooms in the approximate proportion as the market rate units.

(e) The Redeveloper agrees to prepare an affordable housing plan as defined in the City’s Inclusionary Housing Policy (the “Affordable Housing Plan”). The Affordable Housing Plan shall describe how the Redeveloper complies with each of the applicable requirements of the Inclusionary Housing Policy. The Affordable Housing Plan shall be prepared by the Redeveloper and must be approved by the City prior to or in conjunction with delivery of the Certificate of Completion for the North Apartments Component or the South Apartments Component, whichever is earlier.

(f) The Redeveloper agrees to design 99 of the units of the North Apartments Component and South Apartments Component as live/work units (“Live/Work Units”), comprised of Live/Work Type I and Live/Work Type II units. Approximately 94 Live/Work Type I units will include a large working space within the dwelling unit, but no physical storefront, with approximately 18 Live/Work Type I Units will be located in the North
Apartments Component and approximately 76 Live/Work Type I Units located in the South Apartments Component. There will be approximately five Live/Work Type II Units, which will include a large work space within the dwelling unit and a storefront, with all Live/Work Type II Units located in the South Apartments Component.

Section 4.10. Property Management. The Redeveloper shall cause the Minimum Improvements to be professionally managed by a property management company with substantial experience in operating mixed-use developments. The Redeveloper’s selection of the property management company is subject to approval by the Authority, which approval shall not be unreasonably withheld.

Section 4.11. Special Service District; Maintenance.

(a) The Redeveloper agrees to file any petition or other document required to participate in the City’s Special Service District No. 6 and to become subject to special service charges levied on all commercial properties in the Special Service District as authorized by Minnesota Statutes, Chapter 428A, with regard to the South Components. In accordance with Minnesota Statutes, Chapter 428A, special services will not include any service that is ordinarily provided throughout the City from general fund revenues except to the extent an increased level of service is provided in the Special Service District. The Redeveloper further waives all rights to veto, appeal or otherwise object to imposition of a service charge levied in accordance with this paragraph, provided that the Redeveloper, and its successors and assigns, shall be entitled to raise any objections, appeals or challenges to special district changes upon the termination of this Agreement.

(b) Prior to the issuance of the final Certificate of Completion under Section 4.4 hereof, the Redeveloper shall submit to the Authority for review and approval a plan for maintenance and operation of all pedestrian and landscaping improvements located within the Redevelopment Property, other than those included in the Special Service District (the “Maintenance Plan”). The Maintenance Plan shall be in accordance with the Planning Development Contract and must address, at a minimum: snow removal from pedestrian connections and sidewalks; maintenance and replacement of landscaping, irrigation and other streetscaping; snow removal and maintenance of any surface parking; and maintenance of the Public Art (collectively, the “Maintenance”); a description of how the Maintenance costs will be assessed to tenants; and enforcement mechanisms. Within sixty (60) days after receipt of the Maintenance Plan, the Authority will approve or deny the Maintenance Plan in writing, which approval shall not be unreasonably withheld, delayed, conditioned or denied. If the Authority denies approval of the Maintenance Plan, the denial shall set forth in detail the reasons therefor, and Redeveloper shall submit a new or corrected Maintenance Plan within thirty (30) days after written notification to the Redeveloper of the denial.

(c) If the Redeveloper fails to perform the Maintenance in accordance with the Maintenance Plan, the Authority, at its option and following thirty (30) days’ written notice to the Redeveloper, may enter the Redevelopment property and perform the Maintenance. The Redeveloper agrees to permit the City to specially assess any costs of the Maintenance proportionately against the Minimum Improvements. The Redeveloper, on behalf of itself and
its successors and assigns, acknowledges the benefit to the lots within the Redevelopment Property of the Maintenance and consents to such assessment and waives the right to a hearing, notice of hearing, or any appeal.

Section 4.12. Urban Forest. As part of the construction of the Minimum Improvements, the Redeveloper hereby agrees to construct an approximately 0.88-acre urban retreat parallel to the Cedar Lake LRT Regional Trail as a public amenity, as detailed in the Site Plan and PUD (the “Urban Forest”). The Urban Forest will include play space for younger residents, walking trails and outdoor artwork.

Section 4.13. Other Amenities. (a) The Redeveloper agrees to include the following amenities for the North Apartments Component and South Apartments Component of the Minimum Improvements: indoor bicycle storage, exercise rooms, sound proof rooms, storage, laundry facilities, and play structures.

(b) The South Components will include a placemaking plaza (the “Plaza”). The Plaza will be located between the Hotel Component and South Apartments Component adjacent to the SWLRT Wooddale Station area platform. The Plaza is intended to be primarily a pedestrian plaza, but will be open to cars and bicyclists. The Plaza will be programmable for hosting outdoor events, and will incorporate native landscaping and artwork.

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ARTICLE V

Insurance

Section 5.1. Insurance.

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

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

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

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

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

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

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

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

(c) All insurance required in this Article V shall be taken out and maintained in responsible insurance companies selected by the Redeveloper that are authorized under the laws of the State to assume the risks covered thereby. Upon request, the Redeveloper will deposit annually with the Authority 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. If permitted by Redeveloper’s insurer at commercially reasonable rates, each policy shall contain a provision that the insurer shall not cancel nor modify it in such a way as to reduce the coverage provided below the amounts required herein without giving written notice to the Redeveloper and the Authority at least thirty (30) days before the cancellation or modification becomes effective. In lieu of separate policies, the Redeveloper may maintain a single policy, blanket or umbrella policies, or a combination thereof, having the coverage required herein, in which event the Redeveloper shall deposit with the Authority a certificate or certificates of the respective insurers as to the amount of coverage in force upon the Minimum Improvements.

(d) The Redeveloper agrees to notify the Authority immediately in the case of damage exceeding $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 Redeveloper will forthwith repair, reconstruct, and restore the Minimum Improvements to substantially the same or an improved condition or value as it existed prior to the event causing such damage and, to the extent necessary to accomplish such repair, reconstruction, and restoration, the Redeveloper will apply the net proceeds of any insurance relating to such damage received by the Redeveloper to the payment or reimbursement of the costs thereof.

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

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

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

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

Tax Increment; Taxes

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

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

Section 6.3. Assessment Agreements.

(a) At Closing, the Redeveloper shall, with the Authority, execute one or more Assessment Agreements pursuant to Section 469.177, subd. 8 of the TIF Act, specifying an assessor’s minimum market value for the Redevelopment Property and each of the North Components and the South Components constructed thereon. As of January 2, 2019 and each January 2 thereafter, notwithstanding the status of construction by such dates, the amount of the minimum market value for the North Apartments Component shall be $____________, the minimum market value for the North Commercial Space Component shall be $____________, the minimum market value for the E-Generation Facility Component shall be $____________, the minimum market value for the South Apartments Component shall be $____________, the minimum market value for the South Commercial Space Component shall be $____________, and the minimum market value for the Hotel Component shall be $______________.

(b) Each Assessment Agreement shall be substantially in the form attached hereto as Schedule G. Nothing in the Assessment Agreement shall limit the discretion of the assessor to
assign a market value to any Component of the Redevelopment Property in excess of such assessor’s minimum market value; nothing in this Agreement or in the Assessment Agreement shall limit the right of the Redeveloper, or its successors and assigns, to challenge a market value determination that exceeds the established minimum market value for any Component of the Redevelopment Property. Each Assessment Agreement shall remain in force for the period specified in the Assessment Agreement.

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ARTICLE VII

Other Financing

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

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

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

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ARTICLE VIII

Prohibitions Against Assignment and Transfer; Indemnification

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

Section 8.2. Prohibition Against Redeveloper’s Transfer of Property and Assignment of Agreement. The Redeveloper represents and agrees that prior to issuance of a Certificate of Completion for all of the Minimum Improvements (or the issuance of a Certificate of Completion for the final Component):

(a) Except only by way of security for, and only for, the purpose of obtaining financing necessary to enable the Redeveloper or any successor in interest to the Redevelopment Property, or any part thereof, to perform its obligations with respect to undertaking the redevelopment contemplated under this Agreement, and any other purpose authorized by this Agreement, the Redeveloper has not made or created and will not make or create or suffer to be made or created any total or partial sale, assignment, conveyance, or lease, or any trust or power, or transfer in any other mode or form of or with respect to this Agreement or the Redevelopment Property or any part thereof or any interest therein, or any contract or agreement to do any of the same, to any person or entity whether or not related in any way to the Redeveloper (collectively, a “Transfer”), without the prior written approval of the Authority (whose approval will not be unreasonably withheld, subject to the standards described in paragraph (b) of this Section) unless the Redeveloper remains liable and bound by this Redevelopment Agreement in which event the Authority’s approval is not required. Any such Transfer shall be subject to the provisions of this Agreement. For the purposes of this Agreement, the term Transfer does not include (i) acquisition of a controlling interest in Redeveloper by another entity or merger of Redeveloper with another entity; (ii) any sale, conveyance, or transfer in any form to any Affiliate; (iii) grant or conveyance of any Mortgage or other financing obtained by the Redeveloper with regard to the completion of the Minimum Improvements; (iv) any leases of the Redevelopment Property to residential or commercial tenants; or (v) conveyance of any easements necessary for the Project.

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

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

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

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

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

Section 8.3. Release and Indemnification Covenants.

(a) Except for any willful misrepresentation or any willful or wanton misconduct or negligence of the Indemnified Parties as hereinafter defined, and except for any breach by any of the Indemnified Parties of their obligations under this Agreement, the Redeveloper releases from and covenants and agrees that the Authority, and the governing body members, officers, agents, servants, and employees thereof (the “Indemnified Parties”) shall not be liable for and agrees to indemnify and hold harmless the Indemnified Parties against any loss or damage to property or any
injury to or death of any person occurring at or about or resulting from any defect in the Redevelopment Property or the Minimum Improvements; provided, however, that in no event shall the foregoing modify or expand the indemnification and release obligations of the Redeveloper provided in Section 3.6(b) hereof with respect to the presence, if any, or hazardous wastes or pollutants existing on the Redevelopment Property.

(b) Except for any willful misrepresentation or any willful or wanton misconduct or negligence of the Indemnified Parties, and except for any breach by any of the Indemnified Parties of their obligations under this Agreement (including without limitation any failure by the Authority to perform any procedure required under law in connection with establishment of the TIF District), the Redeveloper agrees to protect and defend the Indemnified Parties, 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.

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

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

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ARTICLE IX

Events of Default

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

(a) Failure by the Redeveloper or Authority to observe or perform any covenant, condition, obligation, or agreement on its part to be observed or performed under this Agreement in all material respects.

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

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

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

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

   (iv) be adjudicated a bankrupt or insolvent.

Section 9.2. Remedies on Default. Whenever any Event of Default referred to in Section 9.1 hereof occurs and is continuing, the non-defaulting party may:

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

(b) Upon a default by the Redeveloper under this Agreement, the Authority may terminate the Note and this Agreement.

(c) Take whatever action, including legal, equitable, or administrative action, which may appear necessary or desirable to collect any payments due under this Agreement, or to enforce performance and observance of any obligation, agreement, or covenant under this Agreement, provided that nothing contained herein shall give the Authority the right to seek specific performance by Redeveloper of the construction of the Minimum Improvements.
(d) Notwithstanding anything to the contrary in this Agreement, in the event that an Event of Default by the Authority occurs prior to Closing, the Redeveloper may, in addition to any other remedies available at law or equity:

(i) Terminate this Agreement by giving written notice to the Authority, in which event all Earnest Money paid by the Redeveloper shall be returned to the Redeveloper, and this Agreement shall become null and void and neither party shall have any further rights or obligations hereunder; or

(ii) Bring an action for specific performance; any action for specific performance must be commenced within six (6) months of the Event of Default. The Redeveloper, if successful in such action, in addition to other relief, shall be entitled to an award of its reasonable attorneys’ fees and costs.

(e) Notwithstanding anything to the contrary in this Agreement, however, in the event that any Event of Default by the Redeveloper occurs prior to Closing, the Authority’s sole remedy shall be to terminate this Agreement in the manner provided by Minnesota Statutes, Section 559.21 and receive the Earnest Money from the Title Company, as liquidated damages, in which event this Agreement shall be deemed null and void and the parties shall be released from all further obligations and liabilities under this Agreement. Such termination of this Agreement and receipt of the Earnest Money will be the only remedies available to the Authority for an Event of Default by Redeveloper occurring prior to Closing, and Redeveloper will not be liable for damages or specific performance.

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

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

(b) The Redeveloper fails to pay real estate taxes or assessments on the Redevelopment Property or any part thereof when due, or creates, suffers, assumes, or agrees to any encumbrance or lien on the Redevelopment Property (except to the extent permitted by this Agreement), or shall suffer any levy or attachment to be made, or any materialmen’s or mechanics’ lien, or any other unauthorized encumbrance or lien to attach, and such taxes or assessments shall not have been paid, or the encumbrance or lien removed or discharged or provision satisfactory to the Authority made for such payment, removal, or discharge, within thirty (30) days after written demand by the Authority to do so; provided, that if Redeveloper first notifies the Authority of its intention to do so, it may in good faith contest any mechanics’ or other lien filed or established and in such event the Authority shall permit such mechanics’ or other lien to remain undischarged and unsatisfied during the period of such contest and any appeal and during the course of such contest Redeveloper shall keep the Authority informed respecting the status of such defense; or
(c) there is, in violation of the Agreement, any Transfer of the Redevelopment Property in violation of the terms of Section 8.2 hereof, and such violation is not cured within sixty (60) days after written demand by the Authority to Redeveloper, or if the event is by its nature incurable within sixty (60) days, Redeveloper does not, within such sixty (60) day period, provide assurances reasonably satisfactory to the Authority that the event will be cured as soon as reasonably possible; or

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

(e) subject to the terms of any Subordination Agreement (including without limitation any right thereunder of the Holder of any Mortgage to effectuate the cure of any default of the Redeveloper hereunder), the Holder of any Mortgage secured by the subject property exercises any remedy provided by the Mortgage documents or exercises any remedy provided by law or equity in the event of a default in any of the terms or conditions of the Mortgage, in either case which would materially adversely affect the rights and obligations of the Authority hereunder;

then the Authority shall have the right to re-enter and take possession of the Redevelopment Property and to terminate (and reves in the Authority) the estate conveyed by the Deed to Redeveloper as to the Redevelopment Property, subject to all intervening matters, it being the intent of this provision, together with other provisions of the Agreement, that the conveyance of the Redevelopment Property to Redeveloper shall be made upon, and that the deed shall contain a condition subsequent to the effect that in the event of any default on the part of Redeveloper and failure on the part of Redeveloper to remedy, end, or abrogate such default within the period and in the manner stated in such subdivisions, the 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 Redevelopment Property conveyed to Redeveloper, and that such title and all rights and interests of Redeveloper, and any assigns or successors in interest to and in the Redevelopment Property, shall revert to the Authority (subject to the rights of any Holder of a Mortgage as provided in Section 7.3 hereof), but only if the events stated in subsections (a) through (e) above have not been cured within the time periods provided above.

Section 9.4. Resale of Reacquired Property; Disposition of Proceeds. Upon the revesting in the Authority of title to and/or possession of the Redevelopment Property or any part thereof as provided in Section 9.3 hereof, the Authority shall, pursuant to its responsibilities under law, use its best efforts to sell the parcel or part thereof as soon and in such manner as the Authority shall find feasible and consistent with the objectives of such law and of the Redevelopment Plan and TIF Plan 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 as shall be satisfactory to the Authority in accordance with the uses specified for such parcel or part thereof in the Redevelopment Plan and TIF Plan. During any time while the Authority has title to and/or possession of a parcel
obtained by reverter, the Authority will not disturb the rights of any tenants under any leases encumbering such parcel. Upon resale of the parcel, the proceeds thereof shall be applied:

(a) First, to reimburse the 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 parcel (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 parcel or part thereof (or, in the event the parcel is exempt from taxation or assessment or such charge during the period of ownership thereof by the 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 parcel were not so exempt); any payments made or necessary to be made to discharge any encumbrances, liens, or Mortgages existing on the parcel 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 Redeveloper, its successors or transferees; any expenditures made or obligations incurred with respect to the making or completion of the subject improvements or any part thereof on the parcel or part thereof; and any amounts otherwise owing the Authority by Redeveloper and its successor or transferee; and

(b) Second, to reimburse Redeveloper, its successor or transferee, up to the amount equal to (1) the Purchase Price paid by Redeveloper under Section 3.2 hereof with respect to the parcel revested; plus (2) the amount actually invested by it in making any of the subject improvements on the parcel or part thereof.

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

Section 9.5. No Remedy Exclusive. No remedy herein conferred upon or reserved to any party is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. To entitle the Authority to exercise any remedy reserved to it, it shall not be necessary to give notice, other than such notice as may be required in this Article IX.

Section 9.6. No Additional Waiver Implied by One Waiver. In the event any agreement contained in this Agreement should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other concurrent, previous or subsequent breach hereunder.

Section 9.7. Attorneys’ Fees. Whenever any Event of Default occurs and if the non-defaulting party employs attorneys or incurs other expenses for the collection of payments due or to become due or for the enforcement of performance or observance of any obligation or agreement on the part of the defaulting party under this Agreement, the defaulting party shall, within twenty (20) days of written demand by the non-defaulting party, pay to the non-defaulting
party the reasonable fees of such attorneys actually incurred and such other reasonable third-party expenses actually incurred by the non-defaulting party.

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ARTICLE X

Additional Provisions

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

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

Section 10.3. Restrictions on Use. The Redeveloper agrees that until the Maturity Date, the Redeveloper, and such successors and assigns, shall devote the Redevelopment Property to the operation of the Minimum Improvements as described in Section 4.1 hereof, and shall not discriminate upon the basis of race, color, creed, sex or national origin in the sale, lease, or rental or in the use or occupancy of the Redevelopment Property or any improvements erected or to be erected thereon, or any part thereof. Redeveloper agrees that no portion of the Redevelopment Property will be used for a sexually oriented business, a pawnshop, a check-cashing business, a tattoo business, or a gun business, and that such restrictions may be included in the Deed.

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

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

Section 10.6. Notices and Demands. Except as otherwise expressly provided in this Agreement, a notice, demand, or other communication under the Agreement by either party to the other shall be sufficiently given or delivered if it is dispatched by registered or certified mail, postage prepaid, return receipt requested, or delivered personally, to the following addresses (or to such other addresses as either party may notify the other):
To Redeveloper: PLACE E-Generation One LLC
Attn: __________________
100 Portland Avenue South, Suite 100
Minneapolis, MN 55402

To Authority: St. Louis Park EDA
Attn: Executive Director
5005 Minnetonka Boulevard
St. Louis Park, MN 55416-2518

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.** At or after Closing, the Authority shall record this Agreement and any amendments thereto with the recording office of the County. The Redeveloper shall pay all costs for recording. The Redeveloper’s obligations under this Agreement are covenants running with the land for the term of this Agreement, enforceable by the Authority against the Redeveloper, its successor and assigns, and every successor in interest to the Redevelopment Property, or any part thereof or any interest therein.

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

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

(The remainder of this page is intentionally left blank.)
IN WITNESS WHEREOF, the Authority and Redeveloper have caused this Purchase and Redevelopment Contract to be duly executed by their duly authorized representatives as of the date first written above.

ST. LOUIS PARK ECONOMIC DEVELOPMENT AUTHORITY

By ________________________________
   Its President

By ________________________________
   Its Executive Director

STATE OF MINNESOTA    
)   SS.
COUNTY OF HENNEPIN    

The foregoing instrument was acknowledged before me this ___ day of _________, 2017 by Anne Mavity, the President of the St. Louis Park Economic Development Authority, a public body corporate and politic under the laws of the State of Minnesota, on behalf of the Authority.

________________________________________
Notary Public

STATE OF MINNESOTA    
)   SS.
COUNTY OF HENNEPIN    

The foregoing instrument was acknowledged before me this ___ day of _________, 2017 by Tom Harmening, the Executive Director of the St. Louis Park Economic Development Authority, a public body corporate and politic under the laws of the State of Minnesota, on behalf of the Authority.

________________________________________
Notary Public
Execution page of the Redeveloper to the Purchase and Redevelopment Contract, dated as of the date and year first written above.

PLACE E-GENERATION ONE LLC

By ________________________________
Its ________________________________

STATE OF MINNESOTA )
COUNTY OF _________ ) SS.

The foregoing instrument was acknowledged before me this ____ day of ________, 2017, by ________________________________, the _________________ of PLACE E-Generation One LLC, a Delaware limited liability company, on behalf of the Redeveloper.

______________________________
Notary Public
SCHEDULE A

REDEVELOPMENT PROPERTY

Authority Parcels:

That part of Lot 6, Block 23, St. Louis Park; also of Lots 11 to 15 inclusive, Block 23, Lots 19 to 28 inclusive, Block 23, Lot 5, Block 24 and of Block 20 vacated in "Rearrangement Of St. Louis Park" and also of Zarthon Avenue (formerly Earle Street), Walker Street (formerly Broadway), St. Louis Avenue and of alley in Block 23, said Rearrangement and of any vacated portion of said Rearrangement included in the following described lines: Beginning at a point on Northerly right of way line of The Minneapolis & St. Louis Railway Company (which right of way line is parallel with and distant 50 feet at right angles from the center line of the Southbound main track of said Railway Company as there now located), said point being 600 feet Southwesterly from intersection of said right of way with Southwesterly boundary line of Auditor's Subdivision No. 249, Hennepin County, Minnesota; thence Northwesterly at right angles to said right of way 29 feet to a Judicial Landmark established in Torrens Case No. 7986; thence continuing Northwesterly on the last described course a distance of 166.5 feet to a Judicial Landmark established in Torrens Case No. 7986, the point of beginning of Line A to be described, thence Southwesterly on an extension of a line drawn between the last described Judicial Landmark and another Judicial Landmark to an intersection of said extended line with the Westerly line of Lot 6, Block 23, St. Louis Park, the termination of said Line A, the second Judicial Landmark above described being located as follows: Commencing at a point in the Southwesterly boundary line of Auditor's Subdivision No. 249, Hennepin County, Minnesota, said point being distant Northwesterly 29 feet, measured at right angles from the Northerly right of way line of the Minneapolis and St. Louis Railway Company (which right of way line is parallel with and distant 50 feet at right angles from the center line of the South-bound main track of said Railway Company as there now located), thence Northwesterly along said Southwesterly line and the same extended 168.4 feet to the Judicial Landmark being described; thence Southerly along said Westerly line of Lot 6, Block 23, St. Louis Park to the Southwest corner of said Lot; thence Southerly to the most Westerly corner of Block 20 vacated, "Rearrangement of St. Louis Park"; thence Southeasterly along Southwesterly line of said vacated Block 20 to the Northwesterly line of said right of way; thence Northeasterly along said right of way line to point of beginning;

Except that part of Lot 6, Block 23, St. Louis Park and that part of Lots 19 to 25 inclusive, Block 23, "Rearrangement of St. Louis Park" which lies Northwesterly of a line drawn from a point in the West line of said Lot 6 distant 35 feet South of the termination of said Line "A" to a point in said Line "A" distant 194 feet Northeasterly of the West line of said Lot 6. Hennepin County, Minnesota. Being Registered land as is evidenced by Certificate of Title No. 1132767.

AND

Those parts of Government Lots 5, 6, 7 and 8 in Section 16, Township 117 North, Range 21 West of the Fifth Principal Meridian, bounded and described as follows: Beginning at a point on the Northeasterly line of Wood Dale (or Pleasant Avenue), distant 50 feet Northwesterly, measured at right angles, from the center line of the main track of the Minneapolis and St. Louis Railway Company (now the Chicago and North Western Transportation Company), as said main track center line was originally located and established across said Section 16; thence Northwesterly parallel with said original main track center line to a point distant 14 feet Northwesterly, measured at right angles, from the center line of Chicago and North Western Transportation Company (formerly Minneapolis and St. Louis Railway Company) spur track ICC No. 253, as said spur track
is now located; thence Southwesterly parallel with said spur track center line to a point distant 30 feet Northwesterly, measured at right angles, from the center line of the main track of the Chicago and North Western Transportation Company (formerly the Minneapolis and St. Louis Railway Company, as said main track is now located; thence Southwesterly parallel with said last described main track center line to a point on the Northeasterly line, or the Southeasterly extension thereof, of said Wood Dale Avenue; thence Northwesterly along said Northeasterly line, or the Southeasterly extension thereof, of Wood Dale Avenue, to the point of beginning. Hennepin County, Minnesota (Abstract Property)

AND

That part of Government Lot 5, Section 16, Township 117, Range 21, Hennepin County, Minnesota, described as follows: Commencing at a point in the Southwesterly boundary line of Auditor's Subdivision Two Hundred Forty Nine (249) of Government Lot 5, Section 16, Township 117 North, Range 21 West, according to the duly recorded plat thereof and situate in Hennepin County, Minnesota, said point being distant Northwardly 29 feet measured at right angles thereto from the Northerly right of way line of the Minneapolis and St. Louis Railway Company (which right of way line is parallel with and distant 50 feet at right angles from the center line of the southbound main track of said railway company as there now located), which point of beginning is marked by a judicial landmark marking the Southeasterly corner of the tract herein described; thence Southwardly parallel with said right of way line 600 feet to a judicial landmark marking the Southwesterly corner of the tract herein described; thence Northwardly at right angles 166.5 feet to a judicial landmark marking the Northwesterly corner of the tract herein described; thence Northeastwardly at approximately right angles, 600 feet to a point on the Northwesterly extension of the Southwesterly boundary line of said Auditor's Subdivision Two Hundred Forty Nine (249) to said Government Lot 5, which point is marked with a judicial landmark marking the Northwesterly corner of the tract herein described; thence Southeastwardly upon and along said Southwesterly boundary line, as extended, 168.4 feet to the point of beginning.

Except that part which lies westerly of the following described line: Commencing at the most northerly corner of the above described property; thence Southwesterly along the Northwesterly line of said described property a distance of 273.44 feet to the point of beginning of the line to be described; thence Southwesterly deflecting to the left 10 degrees 51 minutes 16 seconds, 131.79 feet; thence southerly 122.40 feet along a tangential curve concave to the east having a radius of 120.00 feet and a central angle of 58 degrees 26 minutes 30 seconds; thence southerly, tangent to said curve, 30.99 feet; thence Southwesterly 218.40 feet along a tangential curve concave to the west having a radius of 180.00 feet and a central angle of 69 degrees 31 minutes 00 seconds and said line there terminating. Hennepin County, Minnesota.

Being Registered land as is evidenced by Certificate of Title No. 1355391.

City Parcels:

That part of Government Lot 5, Section 16, Township 117, Range 21, Hennepin County, Minnesota, described as follows: Commencing at a point in the Southwesterly boundary line of Auditor's Subdivision Two Hundred Forty Nine (249) of Government Lot 5, Section 16, Township 117 North, Range 21 West, according to the duly recorded plat thereof and situate in Hennepin County, Minnesota, said point being distant Northwardly 29 feet measured at right angles thereto from the Northerly right of way line of the Minneapolis and St. Louis Railway Company (which right of way line is parallel with and distant 50 feet at right angles from the center line of the
southbound main track of said railway company as there now located), which point of beginning is marked by a judicial landmark marking the Southeasterly corner of the tract herein described; thence Southwesterly parallel with said right of way line 600 feet to a judicial landmark marking the Southwesterly corner of the tract herein described; thence Northwestwardly at right angles 166.5 feet to a judicial landmark marking the Northwesterly corner of the tract herein described; thence Northeastwardly at approximately right angles, 600 feet to a point on the Northwesterly extension of the Southwesterly boundary line of said Auditor's Subdivision Two Hundred Forty Nine (249) to said Government Lot 5, which point is marked with a judicial landmark marking the Northeasterly corner of the tract herein described; thence Southeasterly upon and along said Southwesterly boundary line, as extended, 168.4 feet to the point of beginning.

Which lies westerly of the following described line: Commencing at the most northerly corner of the above described property; thence southwesterly along the northwesterly line of said described property a distance of 273.44 feet to the point of beginning of the line to be described; thence southwesterly deflecting to the left 10 degrees 51 minutes 16 seconds, 131.79 feet; thence southerly 122.40 feet along a tangential curve concave to the east having a radius of 120.00 feet and a central angle of 58 degrees 26 minutes 30 seconds; thence southerly, tangent to said curve, 30.99 feet; thence southwesterly 218.40 feet along a tangential curve concave to the west having a radius of 180.00 feet and a central angle of 69 degrees 31 minutes 00 seconds and said line there terminating. Hennepin County, Minnesota.

Being Registered land as is evidenced by Certificate of Title No. 1355392.

AND

Tract A:

Lots 5, 6, 7, and 8, Block 30, "Rearrangement of St. Louis Park, according to the recorded plat thereof, Hennepin County, Minnesota.

Being Registered land as is evidenced by Certificate of Title No. 517068.

Together with that part of the West 1/2 of all that part of vacated Earle St., aka Zarthan Ave., dedicated by the "Plat of St. Louis Park", lying northerly of Highland Ave., aka 36th St., and southerly of the westerly extension of the north line of the alley situated in Block 29, "Plat of St. Louis Park", which would accrue thereto by reason of the vacation thereof.

Tract B:

Parcel 1: That part of Lot 4, Block 30, "Rearrangement of St. Louis Park", lying South of the following described line: Commencing at a point in the Southwest line of said Lot 4, 26 feet Northwest of the most Southerly corner of said Lot 4, thence Northeast to a point in the East line of said Lot 4, 29 feet North of the most Southerly corner.

Together with that part of the West 1/2 of all that part of vacated Earle St., aka Zarthan Ave., dedicated by the "Plat of St. Louis Park", lying northerly of Highland Ave., aka 36th St., and southerly of the westerly extension of the north line of the alley situated in Block 29, "Plat of St. Louis Park", which would accrue thereto by reason of the vacation thereof.

Parcel 2: Lots 6 and 7, including that part of the adjoining vacated alley lying South of the center line thereof and between the extensions North to said center line of the West line of
Lot 6 and the East line of Lot 7, all in Block 29, "St. Louis Park".

Together with that part of the East 1/2 of all that part of vacated Earle St., aka Zarthan Ave., dedicated by the "Plat of St. Louis Park", lying northerly of Highland Ave., aka 36th St., and southerly of the westerly extension of the north line of the alley situated in Block 29, "Plat of St. Louis Park", which would accrue thereto by reason of the vacation thereof.

Hennepin County, Minnesota.

Being Registered land as is evidenced by Certificate of Title No. 525746.

**County Parcels:**

That part of Government Lot 5, Section 16, Township 117, Range 21, bounded and described as follows: Beginning at a point on the Southwesterly line of Auditor's Subdivision 249, distant 50 feet Northwesterly, measured at right angles, from said original main track center line; thence Southwesterly parallel with said center line a distance of 600 feet; thence Northwesterly at right angles to the last described course a distance of 29 feet; thence Northeasterly parallel with said original main track center line a distance of 600 feet; thence Southeasterly at right angles a distance of 29 feet to the point of beginning. Hennepin County, Minnesota.

(Abstract Property)

**AND**

**Tract A:**

That part of the following described property: That part of Lots 20, 21, 22 and 23, Block 29, "Rearrangement Of St. Louis Park" and that part of the adjoining vacated alleys, all described as commencing at a point on the Southwesterly line of Block 30, "Rearrangement Of St. Louis Park" distant 2.4 feet Southerly, measured along said Southwesterly line, from the Northwesterly corner of said Block 30; thence Northeasterly to a point on the East line of said Block 30 distant 6.67 feet South, measured along said East line from the Northeasterly corner of said Block 30; thence continuing Northeasterly along the last described course a distance of 56.97 feet; thence Southeasterly at a right angle 20.57 feet; thence Northeasterly at a right angle 86.47 feet to the actual point of beginning; thence continuing Northeasterly along the last described course to the center line of the vacated alley adjoining the East line of said Lots 20, 21, 22 and 23; thence South along said center line and its extension to the center line of the vacated alley adjoining the South line of said Lot 20, thence West along the last described center line to its intersection with the extension South of a line drawn from the actual point of beginning to a point on the South line of said Lot 20 distant 79 feet East from the Southwest corner of said Lot 20; thence North to the actual point of beginning;

Which lies Westerly of the East line of Lot 7 of said Block 29, extended Northerly.

**Tract B:**

Lots 3, 4, 9, 10 and part of Lots 2 and 11, Block 30, "Rearrangement Of St. Louis Park", and part of Lots 20 to 23, both inclusive, Block 29, "Rearrangement Of St. Louis Park", and that part of vacated Zarthan Avenue, all being described as follows: Beginning at a point on the Southwesterly line of said Block 30 distant 2.4 feet Southerly, measured along said Southwesterly line, from the Northwesterly corner of said Block 30;
thence Northeasterly in a straight line to a point on the East line of said Block 30 distant 6.67 feet South, measured along said East line, from the Northeasterly corner of said Block 30; thence continue Northeasterly along said last described course 56.97 feet; thence Southeasterly at right angles 20.57 feet; thence Northeasterly at right angles 86.47 feet; thence Southerly a distance of 89.59 feet, more or less, to the North line of the alley in Block 29, "Rearrangement Of St. Louis Park", said point being 79 feet East of the Southwest corner of Lot 20 in said Block 29; thence Westerly along the North line of said alley and the same extended to the West line of Zarthan Avenue; thence South along the West line of Zarthan Avenue to the Southerly corner of Lot 4, Block 30, "Rearrangement Of St. Louis Park"; thence Northwesterly along the Southwesterly line of said Lot 4 to the Southeasterly corner of Lot 9 in said Block 30; thence Southwesterly along the Southeasterly line of said Lot 9 to the Southwesterly corner of said Lot 9; thence Northwesterly along the Southeasterly line of said Block 30 to the place of beginning; Except that part of said Lot 4, Block 30, lying South of a line described as: Commencing at a point in the Southwest line of said Lot 4, distant 26 feet Northwest of the most Southerly corner of said Lot 4, thence Northeasterly to a point in the East line of said Lot 4, distant 29 feet North of the most Southerly corner.

That part of Zarthan Avenue and that part of the alley in Block 29, "Rearrangement Of St. Louis Park" lying South of the North line of the alley in Block 29, "Rearrangement Of St. Louis Park" and the same extended West to the West line of said Zarthan Avenue, and Northwesterly of a line drawn from a point on the Easterly line of Lot 4, Block 30, "Rearrangement Of St. Louis Park" distant 38.72 feet Northerly from the most Southerly corner of said Lot 4 to a point on the South line of Lot 20, Block 29, "Rearrangement Of St. Louis Park" distant 6.7 feet East of the Southwest corner of said Lot 20.

That part of the vacated East-West alley dedicated in Block 29, "Rearrangement Of St. Louis Park" which lies North of the center line of said alley and between the Southerly extensions of the West line of Lot 20, said Block and Addition, and the following described line: Commencing at a point on the Southerly line of said Block 30 distant 2.4 feet Southerly, measured along said Southwesterly line, from the Northwesterly corner of said Block 30; thence Northeasterly in a straight line to a point on the East line of said Block 30 distant 6.67 feet South, measured along said East line, from the Northeasterly corner of said Block 30; thence continue Northeasterly along said last described course 56.97 feet; thence Southeasterly at right angles 20.57 feet; thence Northeasterly at a right angle 86.47 feet to the actual point of beginning of the line to be described; thence South to a point on the South line of said Lot 20 distant 79 feet East from Southwest corner of said Lot 20.

Being Registered land as is evidenced by Certificate of Title No. 1124712.

AND

Tract A:

Lot 11; those parts of Lots 12, 13, 14, 21, 22 and 23, Block 29; those parts of Lots 2 and 11, Block 30; that part of the adjoining vacated north-south alley lying in Block 29, and vacated Zarthan Avenue, "Rearrangement of St. Louis Park" described as follows:

Commencing at the west quarter corner of Section 6, Township 28 North, Range 24 West of the 4th Principal Meridian, Hennepin County, Minnesota; thence South 00 degrees 14 minutes 49 seconds East, assumed bearing, along the west line of the Southwest Quarter of...
said Section 6 a distance of 492.57 feet to the southerly right of way line of the Canadian Pacific Railroad, shown as the Chicago, Milwaukee and St. Paul Railway on said plat of "Rearrangement of St. Louis Park"; thence continuing South 00 degrees 14 minutes 49 seconds East along said west line 80.00 feet; thence South 65 degrees 52 minutes 15 seconds West, 955.17 feet to the east line of said Lot 12 and the point of beginning of the parcel to be described; thence continuing South 65 degrees 52 minutes 15 seconds West, 162.71 feet to the southerly line of said Lot 14; thence North 88 degrees 58 minutes 35 seconds West, 18.23 feet along said southerly line and its westerly extension to the centerline of said alley; thence North 00 degrees 57 minutes 33 seconds East, 4.17 feet along said centerline; thence South 65 degrees 21 minutes 14 seconds West, 183.14 feet; thence North 24 degrees 38 minutes 46 seconds West, 20.57 feet; thence South 65 degrees 21 minutes 14 seconds West, 252.73 feet to the southwesterly line of said Lot 11, Block 30; thence North 39 degrees 00 minutes 57 seconds West, 2.40 feet along said southerly line and its westerly extension to the centerline of said alley; thence South 65 degrees 52 minutes 15 seconds West, 162.71 feet to the southerly right of way line; thence North 64 degrees 21 minutes 45 seconds East, 185.28 feet along said southerly right of way line to the east line of said Lot 11, Block 29; thence southerly along the east line of said Lots 11 and 12 to the point of beginning.

Tract B:

Lot 6 and those parts of Lots 7, 8, and 11 thru 21, Block 25, "Rearrangement of St. Louis Park" described as follows:

Commencing at the west quarter corner of Section 6, Township 28 North, Range 24 West of the 4th Principal Meridian, Hennepin County, Minnesota; thence South 00 degrees 14 minutes 49 seconds East, assumed bearing, along the west line of the Southwest Quarter of said Section 6 a distance of 492.57 feet to the southerly right of way line of the Canadian Pacific Railroad shown as the Chicago, Milwaukee and St. Paul Railway in the plat of "Rearrangement of St. Louis Park"; thence continuing South 00 degrees 14 minutes 49 seconds East along said west line 80.00 feet; thence South 65 degrees 52 minutes 15 seconds West, 526.90 feet to the east line of said Lot 7 and the point of beginning of the parcel to be described; thence continuing South 65 degrees 52 minutes 15 seconds West, 361.97 feet to the west line of said Lot 21; thence North 01 degrees 03 minutes 00 seconds East, 54.70 feet along said west lot line to said southerly railroad right of way line; thence North 64 degrees 21 minutes 45 seconds East, 366.58 feet along said southerly right of way line to the east line of said Lot 6; thence southerly along the east line of said Lots 6 and 7 to the point of beginning.

(Abstract Property)

The Redevelopment Property will be replatted as Lot 1, Blocks 1, 2 and 3, and Outlots A, B, and C, PLACE, Hennepin County, Minnesota.
SCHEDULE B

FORM OF QUIT CLAIM DEED

Deed Tax Due: $__________

ECRV: _________________

THIS INDENTURE, from the St. Louis Park Economic Development Authority, a public body corporate and politic under the laws of the State of Minnesota (the “Grantor”), to PLACE E-Generation One LLC, a Delaware limited liability company (the “Grantee”).

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

[Insert platted legal description of Redevelopment Property]

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

SECTION 1.

It is understood and agreed that this Deed is subject to the covenants, conditions, restrictions and provisions of an agreement recorded herewith entered into between the Grantor and Grantee on __________, 2017, identified as “Purchase and Redevelopment Contract” (the “Agreement”) and that the Grantee shall not convey this Property, or any part thereof, except as permitted by the Agreement until a certificate of completion releasing the Grantee from certain obligations of said Agreement as to this Property or such part thereof then to be conveyed, has been placed of record. This provision, however, shall in no way prevent the Grantee from mortgaging this Property in order to obtain funds for the purchase of the Property hereby conveyed or for erecting the Minimum Improvements thereon (as defined in the Agreement) in conformity with the Agreement, any applicable development program and applicable provisions of the zoning ordinance of the City of St. Louis Park, Minnesota, or for the refinancing of the same.

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

Promptly after completion of the Minimum Improvements in accordance with the provisions of the Agreement, the Grantor will furnish the Grantee with a Certificate of Completion (as defined in the Agreement) so certifying. Such Certificate of Completion by the Grantor shall be (and it shall be so provided in the certification itself) a conclusive determination of satisfaction and termination
of the agreements and covenants of the Agreement and of this Deed with respect to the obligation of the Grantee, and its successors and assigns, to construct the Minimum Improvements and the dates for the beginning and completion thereof. Such certifications and such determination shall not constitute evidence of compliance with or satisfaction of any obligation of the Grantee to any holder of a mortgage, or any insurer of a mortgage, securing money loaned to finance the purchase of the Property hereby conveyed or the Minimum Improvements, or any part thereof.

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

SECTION 2.

The Grantee’s rights and interest in the Property are subject to the terms and conditions of Section 9.3 of the Agreement relating to the Grantor’s right to re-enter and revest in Grantor title to the Property under conditions specified therein, including but not limited to termination of such right upon issuance of a Certificate of Completion as defined in the Agreement.

SECTION 3.

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

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

In amplification, and not in restriction of, the provisions of the preceding section, it is intended and agreed that the Grantor shall be deemed a beneficiary of the agreements and covenants provided herein, both for and in its own right, and also for the purposes of protecting the interest of the community and the other parties, public or private, in whose favor or for whose benefit these agreements and covenants have been provided. Such agreements and covenants shall run in favor of the Grantor without regard to whether the Grantor has at any time been, remains, or is an owner of any land or interest therein to, or in favor of, which such agreements and covenants relate. The Grantor shall have the right, in the event of any breach of any such agreement or covenant to
exercise all the rights and remedies, and to maintain any actions or suits at law or in equity or other proper proceedings to enforce the curing of such breach of agreement or covenant, to which it or any other beneficiaries of such agreement or covenant may be entitled; provided that Grantor shall not have any right to re-enter the Property or re-vest in the Grantor the estate conveyed by this Deed on grounds of Grantee’s failure to comply with its obligations under this Section 3.

SECTION 4.

This Deed is also given subject to:

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

(b) [Others]

Grantor certifies that it does not know of any wells on the Property.
IN WITNESS WHEREOF, the Grantor has caused this Deed to be duly executed in its behalf by its President and Executive Director this _____ day of __________, 2017.

- The Seller certifies that the Seller does not know of any wells on the described real property.
- A well disclosure certificate accompanies this document or has been electronically filed. (If electronically filed, insert WDC number: ____________).
- I am familiar with the property described in this instrument and I certify that the status and number of wells on the described real property have not changed since the last previously filed well disclosure certificate.

ST. LOUIS PARK ECONOMIC DEVELOPMENT AUTHORITY

By __________________________
Anne Mavity
Its President

By __________________________
Tom Harmening
Its Executive Director

STATE OF MINNESOTA )
) SS.
COUNTY OF HENNEPIN )

The foregoing instrument was acknowledged before me this ____ day of __________, 2017 by Anne Mavity, the President of the St. Louis Park Economic Development Authority, a public body corporate and politic under the laws of the State of Minnesota, on behalf of the Authority.

Notary Public

STATE OF MINNESOTA )
) SS.
COUNTY OF HENNEPIN )

The foregoing instrument was acknowledged before me this ____ day of __________, 2017 by Tom Harmening, the Executive Director of the St. Louis Park Economic Development Authority, a public body corporate and politic under the laws of the State of Minnesota, on behalf of the Authority.

Notary Public
This instrument was drafted by:
Kennedy & Graven, Charted (MNI)
470 U.S. Bank Plaza
200 South Sixth Street
Minneapolis, MN 55402
(612) 337-9300

Tax Statements should be sent to:
PLACE E-Generation One LLC
100 Portland Avenue South, Suite 100
Minneapolis, MN 55402
SCHEDULE C

AUTHORIZING RESOLUTION

ST. LOUIS PARK ECONOMIC DEVELOPMENT AUTHORITY

RESOLUTION NO. 17-____

RESOLUTION APPROVING A PURCHASE AND REDEVELOPMENT CONTRACT AND AWARDING THE SALE OF, AND PROVIDING THE FORM, TERMS, COVENANTS AND DIRECTIONS FOR THE ISSUANCE OF ITS TAX INCREMENT REVENUE NOTE TO PLACE E-GENERATION ONE LLC

BE IT RESOLVED BY the Board of Commissioners (the “Board”) of the St. Louis Park Economic Development Authority (the “Authority”) as follows:

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

1.01. Recitals.

(a) The Authority and the City of St. Louis Park have heretofore approved the establishment of the Wooddale Station Tax Increment Financing District (the “TIF District”) within Redevelopment Project No. 1 (the “Project”), and have adopted a tax increment financing plan for the purpose of financing certain improvements within the Project.

(b) To facilitate the redevelopment of certain property within the Project and TIF District, the Authority and PLACE E-Generation One LLC (the “Owner”) have negotiated a Purchase and Redevelopment Contract (the “Agreement”) which provides for the conveyance of certain Authority-owned property (the “Property”) to the Owner, the construction by the Owner of a mixed-use, mixed-income, transit-oriented development, including rental housing, and associated parking on the Property, and the issuance of the Authority’s Tax Increment Revenue Note (the “Note”) to the Owner.

(c) On April 19, 2017, the Planning Commission of the City reviewed the proposed conveyance of the Property and found that such conveyance is consistent with the City’s comprehensive plan.

(d) The Authority has on this date conducted a duly noticed public hearing regarding the conveyance of the Property to the Redeveloper, at which all interested parties were given an opportunity to be heard.
(e) The Board has reviewed the Agreement and finds that the execution thereof and performance of the Authority’s obligations thereunder, including the conveyance of the Property to the Redeveloper, are in the best interest of the City and its residents.

1.02. Approval of Agreement.

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

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

1.03. Authorization of Note. Pursuant to Minnesota Statutes, Section 469.178, the Authority is authorized to issue and sell its bonds for the purpose of financing a portion of the public development costs of the Project. Such bonds are payable from all or any portion of revenues derived from the TIF District and pledged to the payment of the bonds. The Authority hereby finds and determines that it is in the best interests of the Authority that it issue and sell the Note to the Owner for the purpose of financing certain Public Redevelopment Costs of the Project, subject to all terms and conditions of the Agreement.

1.04. Issuance, Sale, and Terms of the Note.

(a) The Authority hereby authorizes the President and Executive Director to issue the Note in accordance with the Agreement. All capitalized terms in this resolution have the meaning provided in the Agreement unless the context requires otherwise.

(b) The Note shall be issued in the maximum aggregate principal amount of $5,660,000 to the Owner in consideration of certain eligible costs incurred by the Owner under the Agreement, shall be dated the date of delivery thereof, and shall bear interest at the rate of 5.0% per annum from the date of issue to the earlier of maturity or prepayment. The Note will be issued in the principal amount of Public Redevelopment Costs submitted and approved in accordance with Section 3.8 of the Agreement. The Note is secured by Available Tax Increment, as further described in the form of the Note herein. The Authority hereby delegates to the Executive Director the determination of the date on which the Note is to be delivered, in accordance with the Agreement.

Section 2. Form of Note. The Note shall be in substantially the following form, with the blanks to be properly filled in and the principal amount adjusted as of the date of issue:
The St. Louis Park Economic Development Authority (the “Authority”) for value received, certifies that it is indebted and hereby promises to pay to PLACE E-Generation One LLC, or registered assigns (the “Owner”), the principal sum of $__________ and to pay interest thereon at the rate of 5.0% per annum, solely from the sources and to the extent set forth herein. Capitalized terms shall have the meanings provided in the Purchase and Redevelopment Contract between the Authority and the Owner, dated __________, 2017 (the “Agreement”), unless the context requires otherwise.

1. Payments. Principal and interest (“Payments”) shall be paid on August 1, 2020 and each February 1 and August 1 thereafter to and including February 1, 2035 (the “Payment Dates”) in the amounts and from the sources set forth in Section 3 herein. Payments shall be applied first to accrued interest, and then to unpaid principal. Interest accruing from the date of issue through and including February 1, 2020 shall be compounded semiannually on February 1 and August 1 of each year and added to principal.

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

3. Available Tax Increment.

(a) Payments on this Note are payable on each Payment Date solely from and in the amount of Available Tax Increment, which shall mean ninety-five percent (95%) of the Tax
Increment attributable to the Minimum Improvements and Redevelopment Property that is paid to the Authority by Hennepin County in the six months preceding each Payment Date on the Note.

(b) The Authority shall have no obligation to pay principal of and interest on this Note on each Payment Date from any source other than Available Tax Increment and the failure of the Authority to pay principal or interest on this Note on any Payment Date shall not constitute a default hereunder as long as the Authority pays principal and interest hereon to the extent of Available Tax Increment. The Authority shall have no obligation to pay any unpaid balance of principal or accrued interest that may remain after the final Payment on February 1, 2035.

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

5. Prepayment.

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

(b) Upon receipt by Redeveloper of the Authority’s written statement of the Participation Amount as described in Section 3.9 of the Agreement, one hundred percent (100%) of such Participation Amount will be deemed to constitute, and will be applied to, prepayment of the principal amount of this Note. Such deemed prepayment is effective as of the date of delivery of such statement to the Owner, and will be recorded by the Registrar in its records for the Note. Upon request of the Owner, the Authority will deliver to the Owner a statement of the outstanding principal balance of the Note after application of the deemed prepayment under this paragraph.

6. Nature of Obligation. This Note is one of an issue in the total principal amount of $______________, issued to aid in financing certain public redevelopment costs and administrative costs of a Project undertaken by the Authority pursuant to Minnesota Statutes, Sections 469.001 through 469.047, and is issued pursuant to an authorizing resolution (the “Resolution”) duly adopted by the Authority on __________, 2017, 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. **Registration and Transfer.** This Note is issuable only as a fully registered note without coupons. As provided in the Resolution, and subject to certain limitations set forth therein, this Note is transferable upon the books of the Authority kept for that purpose at the principal office of the Chief Financial Officer of the City, by the Owner hereof in person or by such Owner’s attorney duly authorized in writing, upon surrender of this Note together with a written instrument of transfer satisfactory to the Authority, duly executed by the Owner. Upon such transfer or exchange and the payment by the Owner of any tax, fee, or governmental charge required to be paid by the Authority with respect to such transfer or exchange, there will be issued in the name of the transferee a new Note of the same aggregate principal amount, bearing interest at the same rate and maturing on the same dates.

Except as otherwise provided in Section 3.8(d) of the Agreement, this Note shall not be transferred to any person or entity, unless the Authority has provided written consent to such transfer.

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 St. Louis Park Economic Development Authority have caused this Note to be executed with the manual signatures of its President and Executive Director, all as of the Date of Original Issue specified above.

**ST. LOUIS PARK ECONOMIC DEVELOPMENT AUTHORITY**

______________________________  ________________________________
Executive Director                President
REGISTRATION PROVISIONS

The ownership of the unpaid balance of the within Note is registered in the bond register of the Chief Financial Officer, in the name of the person last listed below.

<table>
<thead>
<tr>
<th>Date of Registration</th>
<th>Registered Owner</th>
<th>Signature of Chief Financial Officer</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>PLACE E-Generation One LLC</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Federal Tax I.D. No. ___________</td>
<td></td>
</tr>
</tbody>
</table>

[End of Form of Note]

Section 3. Terms, Execution and Delivery.

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

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

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

3.03. Registration. The Authority hereby appoints the Chief Financial Officer to perform the functions of registrar, transfer agent and paying agent (the “Registrar”). The effect of registration and the rights and duties of the Authority and the Registrar with respect thereto shall be as follows:

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

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

(c) Cancellation. The Note surrendered upon any transfer shall be promptly cancelled by the Registrar and thereafter disposed of as directed by the Authority.
(d) Improper or Unauthorized Transfer. When the Note is presented to the Registrar for transfer, the Registrar may refuse to transfer the same until it is satisfied that the endorsement on such Note or separate instrument of transfer is legally authorized. The Registrar shall incur no liability for its refusal, in good faith, to make transfers which it, in its judgment, deems improper or unauthorized.

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

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

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

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

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

Available Tax Increment shall be applied to payment of the principal of and interest on the Note in accordance with the terms of the form of Note set forth in Section 2 of this resolution.

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

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

Section 5. Certification of Proceedings. The officers of the Authority are hereby authorized and directed to prepare and furnish to the Owner of the Note certified copies of all proceedings and records of the Authority, and such other affidavits, certificates, and information as may be required to show the facts relating to the legality and marketability of the Note as the same appear from the books and records under their custody and control or as otherwise known to them, and all such certified copies, certificates, and affidavits, including any heretofore furnished, shall be deemed representations of the Authority as to the facts recited therein.

Section 6. Effective Date. This resolution shall be effective upon approval.

Reviewed for Administration: Adopted by the Economic Development Authority __________, 20__

Executive Director President

Attest

Secretary
SCHEDULE D

FORM OF CERTIFICATE OF COMPLETION

[The remainder of this page is intentionally blank]
CERTIFICATE OF COMPLETION

WHEREAS, the St. Louis Park Economic Development Authority (the “Authority”) and PLACE E-Generation One LLC (the “Redeveloper”) entered into a certain Purchase and Redevelopment Contract, dated ______________, 2017 (the “Contract”), filed of record in the office of the Hennepin County [Recorder] [Registrar of Titles] as Document No. _____________ on ____________, 20__; and

WHEREAS, the Contract contains certain covenants and restrictions set forth in Articles III and IV and Section 9.3 thereof related to completing certain Minimum Improvements [OR INSERT APPLICABLE COMPONENT]; and

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

NOW, THEREFORE, this is to certify that all construction and other physical improvements related to the Minimum Improvements [OR INSERT APPLICABLE COMPONENT] specified to be done and made by the Redeveloper have been completed and the agreements and covenants of the Redeveloper in Articles III and IV of the Contract have been performed by the Redeveloper, and this Certificate is intended to be a conclusive determination of the satisfactory termination of the Redeveloper’s covenants and conditions in Articles III and IV of the Contract related to completion of the Minimum Improvements [OR INSERT APPLICABLE COMPONENT] and the termination of the right of reverter in favor of the Authority as set forth in Article IX of the Contract, but any other covenants in the Contract shall remain in full force and effect until terminated as provided thereunder.
Dated: ________________, 20__.

ST. LOUIS PARK ECONOMIC DEVELOPMENT AUTHORITY

By ____________________________

Authority Representative

STATE OF MINNESOTA )  
COUNTY OF HENNEPIN )

The foregoing instrument was acknowledged before me this ___ day of ________, 20__, by ______________________, the __________________ of the St. Louis Park Economic Development Authority, a public body corporate and politic under the laws of the State of Minnesota, on behalf of the Authority.

__________________________
Notary Public

This document drafted by:

Kennedy & Graven, Chartered (MNI)
470 U.S. Bank Plaza
200 South Sixth Street
Minneapolis, MN 55402
SCHEDULE E

FORM OF SUBORDINATION AGREEMENT

THIS SUBORDINATION AGREEMENT (the “Agreement”) is made as of this _____
day of __________, 20__, between _______________ (the “Lender”), whose address is at
_________________________, and the ST. LOUIS PARK ECONOMIC DEVELOPMENT
AUTHORITY, a public body corporate and politic under the laws of the State of Minnesota (the
“Authority”).

RECITALS

A. PLACE E-Generation One LLC, a Delaware limited liability company (the
“Redeveloper”), is the owner of certain real property situated in Hennepin County, Minnesota
and legally described in Exhibit A attached hereto and incorporated herein (the “Property”).

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

(i) a certain promissory note (the “Note”) made by Redeveloper dated
__________, 20__, in the amount of $__________; and

(ii) a certain mortgage, security agreement and fixture financing statement
(the “Mortgage”) made by Redeveloper dated __________, 20__, filed __________,
20__, as Hennepin County Recorder/Registrar of Titles Doc. No. __________
encumbering the Property; and

(iii) a certain assignment of leases and rents (the “Assignment”) made by
Redeveloper dated __________, 20__, filed __________, 20__, as Hennepin County
Recorder/Registrar of Titles Doc. No. __________ encumbering the Property.

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

C. Authority is the owner and holder of certain rights under that certain Purchase and
Redevelopment Contract (the “Contract”) by and between Redeveloper and Authority dated
__________, 2017, filed ____________, 20__, as Hennepin County Recorder/Registrar of
Titles Doc. No. __________.

D. Redeveloper is entitled under the Contract to acquire a certain Tax Increment Tax
Revenue Note, Series 20__ in the original principal amount of $______________ (the “TIF Note”).
NOW, THEREFORE, in consideration of the foregoing and as an inducement to Lender to make the Loan, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto represent, warrant and agree as follows:

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

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

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

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

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

6. Notice from Authority; Lender Cure Rights. So long as the Contract remains in effect, the Authority agrees to give to the Lender copies of notices of any Event of Default given to Redeveloper under the Contract and to afford Lender an opportunity to cure any such Event of Default provided the Lender commences the cure within thirty (30) days after the expiration of any cure period applicable to Redeveloper and thereafter diligently prosecutes such cure to completion.

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

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

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

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

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

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

(a) No default or event of default by Redeveloper exists under the terms of the Contract on the date hereof;

(b) The Contract has not been amended or modified in any respect, nor has any material provision thereof been waived by either the Authority or the Redeveloper, and the Contract is in full force and effect;

(c) Such other reasonable certifications as the Lender may request.

13. **Amendments.** The Authority hereby represents and warrants to Lender for the purpose of inducing Lender to make advances to Redeveloper under the Loan Documents that Authority will not agree to any amendment or modification to the or any TIF Note issued under the Contract that materially affects the collection of Available Tax Increment (as defined in the Contract) in any way affects the Property without the Lender’s written consent.
IN WITNESS WHEREOF, this Agreement has been executed and delivered as of the day and year first written above.

ST. LOUIS PARK ECONOMIC DEVELOPMENT AUTHORITY

By __________________________

Its President

By __________________________

Its Executive Director

STATE OF MINNESOTA )
SS. )
COUNTY OF HENNEPIN )

The foregoing instrument was acknowledged before me this _____ day of __________, 20___, by _______________________, the President of the St. Louis Park Economic Development Authority, a public body corporate and politic under the laws of the State of Minnesota, on behalf of such public body.

__________________________________
Notary Public

STATE OF MINNESOTA )
SS. )
COUNTY OF HENNEPIN )

The foregoing instrument was acknowledged before me this _____ day of __________, 20___, by _______________________, the President of the St. Louis Park Economic Development Authority, a public body corporate and politic under the laws of the State of Minnesota, on behalf of such public body.

__________________________________
Notary Public
[LENDER]

By: ________________________________
    Its ______________________________

This document drafted by:

Kennedy & Graven, Chartered (MNI)
470 U.S. Bank Plaza
200 South Sixth Street
Minneapolis, MN 55402
SCHEDULE F

SITE PLAN

[Insert site plan]
SCHEDULE G

FORM OF ASSESSMENT AGREEMENT

ASSESSMENT AGREEMENT
(_________________ COMPONENT)

and

ASSESSOR’S CERTIFICATION

By and Between

ST. LOUIS PARK ECONOMIC DEVELOPMENT AUTHORITY

and

PLACE E-GENERATION ONE LLC

This Document was drafted by:

KENNEDY & GRAVEN, Chartered
470 U.S. Bank Plaza
200 South Sixth Street
Minneapolis, Minnesota  55402
ASSESSMENT AGREEMENT
(___________ COMPONENT)

THIS AGREEMENT, made on or as of the ____ day of _________________, 2017, by and between the St. Louis Park Economic Development Authority, a public body corporate and politic under the laws of the State of Minnesota (the “Authority”) and PLACE E-Generation One LLC, a Delaware limited liability company (the “Redeveloper”),

WITNESSETH, that

WHEREAS, on or before the date hereof the Authority and Redeveloper have entered into a Purchase and Redevelopment Contract, dated _______, 2017 (the “Redevelopment Contract”), pursuant to which the Authority is to facilitate development of certain property in the City of St. Louis Park, Minnesota (the “City”) hereinafter referred to as the “Property” and legally described in Exhibit A hereto; and

WHEREAS, pursuant to the Redevelopment Contract the Redeveloper is obligated to construct certain improvements (the “___________ Component”) upon the Property, constituting a portion of the Minimum Improvements under the Redevelopment Contract; and

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

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

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

1. The minimum market value which shall be assessed for ad valorem tax purposes for the Property described in Exhibit A, together with the portion of the Minimum Improvements designated as the __________ Component constructed thereon, shall be $______________ as of January 2, 20___ and as of each January 2 thereafter until termination of this Agreement under Section 2 hereof. Nothing in this Agreement shall prevent Redeveloper from challenging an assessment of the Property in excess of the minimum market value established herein.

2. The minimum market value herein established shall be of no further force and effect and this Agreement shall terminate on the earlier of the following: (a) The date of receipt by the Authority of the final payment from Hennepin County of Tax Increments from the Wooddale Station Tax Increment Financing District, or (b) the date when the Note, as defined in the Redevelopment Contract, has been fully paid, defeased or terminated in accordance with its terms.

The event referred to in Section 2(b) of this Agreement shall be evidenced by a certificate or affidavit executed by the Authority.
3. This Agreement shall be promptly recorded by the Authority. The Redeveloper shall pay all costs of recording.

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

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

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

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

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

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

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

11. This Agreement shall be governed by and construed in accordance with the laws of the State of Minnesota.
IN WITNESS WHEREOF, the Authority and the Redeveloper have caused this Assessment Agreement (Component) to be executed in their names and on their behalf by their duly authorized representatives all as of the date set forth above.

ST. LOUIS PARK ECONOMIC DEVELOPMENT AUTHORITY

By ________________________________
   Its President

By ________________________________
   Its Executive Director

STATE OF MINNESOTA )
   ) SS.
COUNTY OF HENNEPIN )

   The foregoing instrument was acknowledged before me this ___ day of ________, 20__ by __________________________, the President of the St. Louis Park Economic Development Authority, a public body corporate and politic under the laws of the State of Minnesota, on behalf of the Authority.

   ________________________________
   Notary Public

STATE OF MINNESOTA )
   ) SS.
COUNTY OF HENNEPIN )

   The foregoing instrument was acknowledged before me this ___ day of ________, 20__ by __________________________, the Executive Director of the St. Louis Park Economic Development Authority, a public body corporate and politic under the laws of the State of Minnesota, on behalf of the Authority.

   ________________________________
   Notary Public
PLACE E-GENERATION ONE LLC

By ________________________________
Its ________________________________

STATE OF MINNESOTA   )
COUNTY OF__________ ) SS.

The foregoing instrument was acknowledged before me this _____ day of _____________, 20__, by __________________, the _________________ of PLACE E-Generation One LLC, a Delaware limited liability company, on behalf of the company.

_____________________________________
Notary Public
CERTIFICATION BY CITY ASSESSOR

The undersigned, having reviewed the plans and specifications for the improvements to be constructed and the market value assigned to the land upon which the improvements are to be constructed, hereby certifies as follows: The undersigned Assessor, being legally responsible for the assessment of the above described property, hereby certifies that the values assigned to the land and improvements are reasonable.

______________________________
City Assessor for the City of St. Louis Park

STATE OF MINNESOTA  )
   ) ss
COUNTY OF HENNEPIN  )

The foregoing instrument was acknowledged before me this ___ day of ____________, 20__ by ________________________, the City Assessor of the City of St. Louis Park.

______________________________
Notary Public

This instrument was drafted by:

Kennedy & Graven, Charted (MNI)
470 U.S. Bank Plaza
200 South Sixth Street
Minneapolis, MN 55402
(612) 337-9300
EXHIBIT A OF ASSESSMENT AGREEMENT

Legal Description of Property

[Insert legal description]
SCHEDULE H

FORM OF DECLARATION OF RESTRICTIVE COVENANTS

[To be inserted]
SCHEDULE I

FORM OF DRAW REQUEST

TO: St. Louis Park Economic Development Authority
   5005 Minnetonka Boulevard
   St. Louis Park, MN  55416

DISBURSEMENT DIRECTION

The undersigned authorized representative (the “Authorized representative”) of PLACE E-Generation One LLC, a Delaware limited liability company (the “Redeveloper”), hereby authorizes and requests you to disburse from proceeds of the __________________ grant in accordance with the terms of the Purchase and Redevelopment Contract, dated __________, 2017 (the “Agreement”), between the St. Louis Park Economic Development Authority (“Authority”) and the Redeveloper, the following amount to the following person and for the following proper Grant-Eligible Costs:

1. Amount: __________________________
2. Payee: ___________________________
3. Purpose: __________________________
4. Grant Source: ______________________

all as defined and provided in the Agreement. The undersigned further certifies to the Authority that (a) none of the items for which the payment is proposed to be made has formed the basis for any payment previously made under Section 3.7 of the Agreement (or before the date of the Agreement); (b) that each item for which the payment is proposed is a Grant-Eligible Cost, eligible for funding from the grant source(s) identified above; and (c) the Redeveloper reasonably anticipates completion of the Grant-Eligible Costs and the Minimum Improvements in accordance with the terms of the Agreement.

Dated: ____________________________

Redeveloper’s Authorized Representative