



AGENDA
CHASKA ECONOMIC DEVELOPMENT AUTHORITY
CHASKA CITY HALL - COUNCIL CHAMBERS & ZOOM
Monday, October 16, 2023
IMMEDIATELY FOLLOWING CITY COUNCIL MEETING

1. Call to Order
2. Roll Call
3. Adopt Agenda
4. Approve Previous Meeting Minutes
5. Discussion Items
 - 5.A. Approve an Amended and Restated Purchase and Redevelopment Agreement for the Ernst House/Chaska Yards Redevelopment Project
6. Other Business
7. Adjourn

**REQUEST FOR ACTION
CHASKA ECONOMIC DEVELOPMENT AUTHORITY
10/16/2023**

Subject: **Approve an Amended and Restated Purchase and Redevelopment Agreement for the Ernst House/Chaska Yards Redevelopment Project**

Prepared By: Elise Durbin, Assistant Executive Director

Background

In June, the Council approved the Final Site and Building Plan, Final Plat, and the Council and EDA approved an Amended and Restated Purchase and Redevelopment Agreement for the Ernst House/Chaska Yards project.

Amended and Restated Purchase and Redevelopment Agreement

The Chaska Yards project is a four-unit residential project, which includes the rehabilitation of the historic Ernst House and the construction of three new units on the lots at 211 and 217 Walnut Street. The Carver County CDA is the developer of the project, and when completed the four units will be placed into the Carver County Community Land Trust project where they will become permanently affordable to those at 80% area median income or less.

Since final approval earlier this summer, details related to the construction of the units continue to be worked out. This process has taken longer than anticipated, and therefore, the timeline set out in the Amended and Restated Purchase and Redevelopment Agreement approved earlier this summer is no longer valid.

A revised Amended and Restated Purchase and Redevelopment Agreement has been developed to meet the new anticipated timeline for the project.

	June 2023 timeline	October 2023 timeline
Closing date	October 1, 2023	December 31, 2023
Construction commencement	November 1, 2023	January 31, 2024
Construction completion	December 31, 2024	May 30, 2025

Additionally, the budget has been changed to include updated pricing and additional grant funds that have been obtained.

The remainder of the agreement will stay the same as the project has not changed.

In addition to the EDA approving this Amended and Restated Purchase and Redevelopment Agreement, the City Council will also be asked to do the same as both are a party to it.

Recommendation

The City has stated objectives for the site at 211 and 217 Walnut Street to produce high quality housing units downtown that preserve the Ernst House, positively contribute to the historic district, and create affordable units into the future by attracting additional resources that would not be available otherwise. Staff believes that the Ernst House/Chaska Yards project meets these objectives and recommends authorizing the President and Executive Director to sign the Amended and Restated Purchase and Redevelopment Agreement related to the project because without the assistance the project is not viable.

CITY COUNCIL ACTION REQUESTED

Motion authorizing the President and Executive Director to sign an Amended and Restated Purchase and Redevelopment Agreement with the Chaska City Council and the Carver County Community Development Agency.

AMENDED AND RESTATED PURCHASE AND REDEVELOPMENT AGREEMENT

By and Among

CITY OF CHASKA, MINNESOTA

And

ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF CHASKA, MINNESOTA

And

CARVER COUNTY COMMUNITY DEVELOPMENT AGENCY

for the

ERNST HOUSE REDEVELOPMENT PROJECT

Dated as of _____, 2023

TABLE OF CONTENTS

ARTICLE I RECITALS; EXHIBITS, DEFINITIONS..... 2

 1.1 Recitals..... 2

 1.2 Exhibits 2

 1.3 Definitions 2

ARTICLE II REPRESENTATIONS AND WARRANTIES 4

 2.1 City Representations 4

 2.2 EDA Representations..... 4

 2.3 Developer Representations 5

ARTICLE III PROPERTY TRANSFER; LAND WRITE DOWN; RIGHT OF REVERTER..... 5

 3.1 Property Transfer 5

 3.2 Use and Ownership of Development Property 5

 3.3 Time and Place..... 6

 3.4 Purchase Price; Land Write Down..... 6

 3.5 Title to the Development Property..... 6

 3.6 Due Diligence 6

 3.7 Conditions Precedent to Closing..... 7

 3.8 Land Transfer Closing 8

 3.9 Right of Reverter 9

ARTICLE IV PROJECT REQUIREMENTS 10

 4.1 Commencement and Completion of Project 10

 4.2 Zoning Land Use Approvals; Building Permit 10

 4.3 EDA Review of Development Plans..... 11

 4.4 Undertaking of Project..... 11

 4.5 Certificate of Completion 11

 4.6 Progress Reports 12

 4.7 Access to Development Property..... 12

ARTICLE V PROJECT FINANCING; PUBLIC ASSISTANCE 12

 5.1 Project Financing 12

 5.2 Grant Applications..... 12

 5.3 Waiver of Area Fees 12

 5.4 City Contribution to Design Fees 13

 5.5 Housing Trust Fund Contribution..... 13

 5.6 TIF Assistance 13

 5.7 Funding Gap; Funding Surplus; Public Assistance Adjustment..... 14

 5.8 Legal and Administrative Expenses..... 15

ARTICLE VI PROHIBITIONS AGAINST ASSIGNMENT AND TRANSFER 15

 6.1 Transfer of Property and Assignment..... 15

ARTICLE VII EVENT OF DEFAULT; FEES	15
7.1 Events of Default	15
7.2 Remedies on Default.....	16
7.3 No Remedy Exclusive	16
7.4 Waivers	16
7.5 Agreement to Pay Attorneys’ Fees	17
ARTICLE VIII INDEMNIFICATION; INSURANCE	17
8.1 Indemnification	17
8.2 Insurance	18
ARTICLE IX OTHER COVENANTS	19
9.1 Real Property Taxes	19
9.2 Action to Reduce Taxes	19
9.3 Damage or Destruction	19
9.4 Relocation Costs	20
9.5 Restrictions on Use	20
ARTICLE X GENERAL PROVISIONS	20
10.1 Conflicts of Interest; City Representatives Not Individually Liable.....	20
10.2 Equal Employment Opportunity	20
10.3 Titles of Articles and Sections	20
10.4 Business Subsidies Act	20
10.5 Term of Agreement.....	21
10.6 Provisions Surviving Termination	21
10.7 Notices and Demands	21
10.8 Governing Law, Jurisdiction, Venue and Waiver of Trial by Jury	22
10.9 Binding Effect.....	22
10.10 Severability	22
10.11 Amendments, Changes and Modifications	22
10.12 Further Assurances and Corrective Instruments	22
10.13 City/EDA Approval	22
10.14 No Waiver of Governmental Immunity and Limitations on Liability	22
10.15 Memorandum of Agreement.....	23
10.16 Superseding Effect.....	23
10.17 Data Practices Act.....	23
10.18 City and EDA Regulatory Authority	23
10.19 Time is of the Essence	23
10.20 Relationship of Parties	23
10.21 Captions	23
10.22 Counterparts.....	23
10.23 Amendment and Restatement	23

List of Exhibits

<u>Exhibit A</u>	Legal Description of the Development Property
<u>Exhibit B</u>	Sources and Uses Budget
<u>Exhibit C</u>	Qualified Costs
<u>Exhibit D</u>	Form of Certificate of Completion
<u>Exhibit E</u>	Form of Ground Lease
<u>Exhibit F</u>	Form of Limited Tax Increment Revenue Note
<u>Exhibit G</u>	Form of Project Funding Certificate
<u>Exhibit H</u>	Form of Trust Fund Grant Agreement
<u>Exhibit I</u>	Memorandum of Redevelopment Agreement

AMENDED AND RESTATED PURCHASE AND REDEVELOPMENT AGREEMENT

This Amended and Restated Purchase and Redevelopment Agreement (this “Agreement”), is made and entered into as of _____, 2023 (the “Effective Date”), by and among the CITY OF CHASKA, MINNESOTA, a municipal corporation and political subdivision of the State of Minnesota (the “City”), the ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF CHASKA, MINNESOTA, a body corporate and politic of the State of Minnesota (the “EDA”), and CARVER COUNTY COMMUNITY DEVELOPMENT AGENCY (the “Developer”).

Recitals:

A. The City has designated a Redevelopment District in the City denominated the Redevelopment Project Area No. 4 (the “Redevelopment District”) and adopted a Redevelopment Plan (the “Redevelopment Plan”) therefor, pursuant to and in accordance with Minnesota Statutes (“M.S.”), Sections 469.124 to 469.133, as amended.

B. The City adopted a resolution establishing Tax Increment Financing (Redevelopment) District No. 22, a “redevelopment district” (the “TIF District”) pursuant to M.S., Section 469.174, Subdivision 10, and approved a Tax Increment Financing Plan therefor (the “TIF Plan”).

C. The TIF District includes certain real property currently owned by the EDA and located at 211 Walnut Street and 217 Walnut Street in the City and legally described in **Exhibit A** attached hereto (collectively, the “Development Property”).

D. Developer has proposed an affordable housing redevelopment project on the Development Property (the “Project”) that consists of (i) the rehabilitation of that certain existing historical structure located on that portion of the Development Property having an address of 211 Walnut Street and known as the “Ernst House” to create a new single-family housing unit (the “Ernst House”) and (ii) the construction of three (3) new single-family townhome housing units on that portion of the Development Property having an address of 217 Walnut Street (the Ernst House and such new single-family townhome housing units are each referred to herein as a “Residential Unit” and, collectively, the “Residential Units”).

E. Developer has further proposed that all four (4) such Residential Units be made part of the Carver County Community Land Trust (the “Land Trust”) such that the improvements constituting each Residential Unit shall be thereafter sold to households having incomes at or below **80%** of the Area Median Income for the Minneapolis-Saint Paul-Bloomington Metropolitan Statistical Area (including adjustments for household size) (“Qualified Households”) and the Development Property underlying each such Residential Unit shall be leased to each such Qualified Household pursuant to a long-term ground lease substantially, and in all material respects, in the form attached hereto as **Exhibit E** (each, a “Ground Lease”).

F. In order to achieve the objectives of the Redevelopment Plan and the TIF Plan, the City and EDA intend to provide certain assistance to Developer, to finance the Project including, without limitation, through (i) tax increment financing (“TIF”), as described in M.S., Sections 469.174 through 469.1794 (the “TIF Act”) and (ii) transferring the Development Property to the Land Trust for no cost.

G. The City and EDA have determined that, in order to accomplish the purposes specified in and to carry out the Redevelopment Plan and the TIF Plan, it is necessary and desirable for the City and the EDA to reimburse Developer for certain costs to be incurred and paid by Developer in connection with the Project.

H. The City will apply tax increment revenues generated from the TIF District to (i) pay or reimburse the City for administrative expenses relating to the TIF District to the extent permitted by the TIF Act and (ii) reimburse Developer, with interest, for certain costs incurred in connection with the construction of the Project.

I. The City and EDA believe that the development activities associated with the Project pursuant to this Agreement are in the best interests of the City and benefit the health, safety, morals and welfare of its residents, and comply with the applicable state and local laws and requirements under which the Project has been undertaken and is being assisted.

J. As more particularly described in Section 20.23, this Agreement amends, restates, supersedes, and replaces, in its entirety, the Original Agreement (as defined in Section 20.23).

NOW, THEREFORE, in consideration of the foregoing premises and the mutual obligations set forth in this Agreement, the parties hereto hereby agree as follows:

Article I
Recitals; Exhibits, Definitions

1.1 Recitals. The Recitals are true and correct statements of fact and are incorporated into this Amendment by this reference, including the definitions set forth therein.

1.2 Exhibits. All Exhibits referred to in and attached to this Agreement upon execution are incorporated in and form a part of this Agreement as if fully set forth herein.

1.3 Definitions. Unless the context otherwise specifies or requires, the following terms have the following definitions. Certain other capitalized terms are defined elsewhere in this Agreement. All defined terms may be used in the singular or the plural, as the context requires.

“Act” means M.S., Sections 469.124 to 469.133.

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

“Available Tax Increment” has the definition given it in Section 5.6(a)(iv).

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

“Business Subsidies Act” means M.S., Sections 116J.993 through 116J.995.

“Certificate of Completion” means a certification in the form attached hereto as Exhibit D, to be provided to Developer pursuant to this Agreement.

“City” means the City of Chaska, Minnesota.

“City Council” means the City Council of the City.

“Commencement” means actual physical construction of the first visible improvement to the Development Property made in furtherance of the construction of the Project, specifically including pouring footings and foundations, but specifically excluding demolition of and environmental remediation, if any, related to the improvements on the Development Property existing of the Effective Date.

“Completion” means Developer’s receipt of the Certificate of Completion.

“County” means the County of Carver, Minnesota, a political subdivision of the State of Minnesota.

“Default” or “default” means any event which would with the passage of time or giving of notice, or both, be an Event of Default hereunder.

“Default Notice” means written notice from the City and/or the EDA to Developer setting forth the default and the action required to remedy the same.

“Developer” means Carver County Community Development Agency.

“Development Property” means that certain real property located at 211 Walnut Street and 217 Walnut Street in Chaska, Minnesota and legally described in **Exhibit A** attached hereto.

“Ernst House” means that certain existing historical structure located on that portion of the Development Property have an address of 211 Walnut Street.

“Escrow Agent” means **Title Mark, LLC** or a different reputable title insurance company selected by Developer and reasonably approved by the EDA and having an office in Carver County, Minnesota.

“Event of Default” means as any of the events set forth in Section 7.1 hereof.

“Land Trust” means Carver County Community Land Trust, a program of the Carver County Community Development Agency.

“Mortgage” means any mortgage made by Developer which covers, in whole or in part, the Development Property.

“Mortgagee” means the owner or holder of a Mortgage.

“M.S.” means Minnesota Statutes.

“Project” means the rehabilitation of the Ernst House and the construction of the other Residential Units for the creation of four (4) new affordable homeownership units, as described in Recital D.

“Project Approvals” has the definition given it in Section 4.2.

“Qualified Costs” means costs incurred by Developer in connection with construction of the Project that are reimbursable from tax increment pursuant to Sections 469.174, Subd. 10 and 469.1761 of the TIF Act, and which are shown on **Exhibit C** to this Agreement or are otherwise approved in advance by the City and the EDA in writing; which costs include, but are not limited to the costs of renovation of the Ernst House.

“Redevelopment District” means Redevelopment Project Area No. 4, designated pursuant to the Act.

“Redevelopment Plan” means the Redevelopment Plan developed for Redevelopment Project Area No. 4.

“Sources and Uses Budget” means a detailed sources and uses pro forma for the Project, in the form attached as Exhibit B.

“State” means the State of Minnesota.

“Termination Date” means the earlier of (i) the date the TIF Note is paid in full, (ii) the date on which the TIF District expires or is otherwise terminated, or (iii) the date this Agreement is terminated or rescinded in accordance with its terms.

“TIF Act” means M.S., Sections 469.174 through 469.1794, as amended.

“TIF Assistance” means the Available Tax Increment to be paid under Section 5.6 hereof.

“TIF District” means Tax Increment Financing (Redevelopment) District No. 22, a redevelopment district, established by the City Council on April 15, 2019.

“TIF Note” means the Tax Increment Revenue Note (Ernst House Redevelopment) to be executed by the City and delivered to Developer pursuant to Section 5.6 hereof, the form of which is attached hereto as Exhibit F. The total principal amount of the TIF Note issued to reimburse Developer for Qualified Costs of the Project will not exceed **\$180,000**.

“TIF Plan” means the Tax Increment Financing Plan for the TIF District approved by the City Council.

“Unavoidable Delay” means a failure or delay in a party’s performance of its obligations under this Agreement, or during any cure period specified in this Agreement which does not entail the mere payment of money, not within the party’s reasonable control, including but not limited to acts of God, governmental agencies, the other party, strikes, labor disputes (except disputes which could be resolved by using union labor), fire or other casualty, lack of materials, or declarations of any state, federal or local government, pandemics, epidemics (including the COVID-19 virus); provided that within 10 days after a party impaired by the delay has actual (as opposed to constructive) knowledge of the delay it shall give the other party notice of the delay and the estimated length of the delay, and shall give the other party notice of the actual length of the delay within 10 days after the cause of the delay has ceased to exist. The parties shall pursue with reasonable diligence the avoidance and removal of any such delay. Unavoidable Delay shall not extend performance of any obligation unless the notices required in this definition are given as herein required.

Article II

Representations and Warranties

2.1 City Representations. The City makes the following representations to Developer:

(a) The City a municipal corporation and political subdivision of the State. Under the provisions of the Act and the TIF Act, the City has the power to enter into this Agreement and carry out its obligations hereunder.

2.2 EDA Representations. The EDA makes the following representations to Developer:

(a) The EDA is a public body corporate and politic and a governmental subdivision of the State, duly organized and existing under State law and the EDA has the authority to enter into this Agreement and carry out its obligations hereunder.

2.3 Developer Representations. Developer represents and warrants that:

(a) Developer is a local government agency created by the Minnesota Legislature and has power to enter into this Agreement and has duly authorized, by all necessary corporate action, the execution and delivery of this Agreement.

(b) Developer will, subject to and as required by Agreement, construct the Project in accordance with the terms of this Agreement, the TIF Plan and all applicable local, state and federal laws and regulations.

(c) At such time or times as may be required by law, Developer will have complied with all local, state and federal environmental laws and regulations applicable to the Project, and will have obtained any and all necessary environmental reviews, licenses and clearances. Developer has received no written notice from any local, state or federal official that the activities of Developer or the City with respect to the Development Property may be or will be in violation of any environmental law or regulation. Developer has no actual knowledge of any facts the existence of which would cause it to be in violation of any local, state or federal environmental law, regulation or review procedure with respect to the Development Property.

(d) Neither the execution or 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 by, limited by, conflicts with, or results in a breach of, any restriction, agreement or instrument to which Developer is now a party or by which Developer is bound.

(e) Developer has no actual knowledge that any member of the City Council, or any other officer of the City has any direct or indirect financial interest in Developer, the Development Property, or the Project.

(f) Developer reasonably expects that it will be able to obtain financing in the amount shown in the preliminary Sources and Uses Budget attached hereto as **Exhibit B**, which amounts will be sufficient, together with funds provided by the City and the EDA and any other public agencies, to enable Developer to construct the Project, as provided herein.

(g) Developer would not undertake the Project without the financial assistance to be provided by the City pursuant to this Agreement and the TIF Plan.

Article III

Property Transfer; Land Write Down; Right of Reverter

3.1 Property Transfer. Subject to the terms and conditions of this Agreement, the EDA shall sell and convey to the Land Trust, and Developer will cause the Land Trust to accept from the EDA, fee ownership of the Development Property (the "Land Transfer").

3.2 Use and Ownership of Development Property. Upon the Land Transfer, the use and ownership of the Development Property shall be made perpetually subject to the terms and conditions of the Land Trust, such that the Development Property will be owned by the Land Trust for the purpose of preserving the affordability of housing units on the Development Property through the sale of the Residential Units only to Qualified Households and long-term leasing of the Development Property underlying the Residential Units only to Qualified Households or other persons and families of low and moderate income in compliance with M.S. Section 462A.31 and any successor statute, regulation, or law

governing community land trusts in Minnesota (the “Land Trust Use”), each pursuant to a Ground Lease. At the closing of any sale of a Residential Unit to a Qualified Household, Developer shall prepare, execute, and record on the title to the applicable portion of the Development Property a Ground Lease with such Qualified Household and promptly thereafter deliver to the City and EDA a fully executed and recorded Ground Lease for each Qualified Household. During the term of this Agreement, Developer shall also deliver to the City and EDA any amendments, modifications, restatements, and/or replacements of any Ground Leases affecting the Development Property. Developer shall otherwise cause the Development Property and Project to be in compliance with all of the conditions, covenants, restrictions and limitations imposed by this Agreement and all applicable laws, ordinances and regulations.

3.3 Time and Place. Subject to the terms and conditions of this Agreement, the closing of the Land Transfer (the “Closing”) shall be on a date mutually agreeable to the EDA and Developer the (“Closing Date”), but in no event later than **December 31, 2023** (the “Outside Closing Date”).

3.4 Purchase Price; Land Write Down. In consideration of Developer’s fulfillment of its obligations under this Agreement, and the conditions precedent to closing set forth in Section 3.7, the EDA agrees to sell the Development Property to the Land Trust for **\$400,000.00** (the “Purchase Price”), allocated as follows: (i) **\$100,000** to the portion of the Development Property located at 211 Walnut Street and **\$300,000** to the portion of the Development Property located at 217 Walnut Street. Developer acknowledges that the EDA previously acquired the Development Property for a market price and the EDA’s book value for the Development Property is as set forth on the Sources and Uses Budget attached here to as Exhibit B and, therefore, the Land Transfer to the Land Trust for the Purchase Price represents the EDA’s write down of the full cost of the Development Property (the “Land Write Down”), such Land Write Down being provided for the purposes of facilitating the financial feasibility of the Project and the creation of affordable housing in the City.

3.5 Title to the Development Property. Developer shall be responsible for performing any and all title and survey examination or due diligence of the Development Property that Developer deems prudent, at Developer’s sole cost and expense. No later than 30 days after the Effective Date, Developer may, by written notice to the EDA, object to any defects in the title to the Development Property. If Developer fails to so object, Developer will be deemed to have waived any right to object to title matters. If Developer so objects, the EDA may either (i) elect by written notice to Developer not to address such objections, in which case, Developer may elect to terminate this Agreement within three business days after such notice from the EDA or (ii) elect by written notice to Developer to attempt to address one or more of any such objections to the reasonable satisfaction of Developer, and if any such objection is not satisfactorily addressed by the Outside Closing Date, Developer may, as its sole remedy, elect to terminate this Agreement for failure of a Closing condition within three business days thereafter.

3.6 Due Diligence. Developer shall have until the date this is 60 days after the Effective Date (the “Due Diligence Deadline”) to conduct non-invasive inspections or reviews customary in the sale of commercial real estate in Minnesota of the Development Property. During this period, the EDA will make reasonable accommodations for Developer, or Developer’s agents, to enter and inspect and evaluate the Development Property. Developer may terminate this Agreement, at Developer’s sole and absolute discretion, if the Development Property is not satisfactory and if Developer provides notice to the EDA before the expiration of the Due Diligence Deadline. If Developer so terminates, Developer shall provide the EDA any reports or information relating to due diligence that were prepared by Developer or Developer’s agents. Developer shall defend, indemnify and hold harmless the EDA and the City, and their respective tenants, agents, employees and contractors, and the Development Property, from and against any and all loss, cost, damage, liability, settlement, cause of action or threat thereof or expense (including, without limitation, reasonable attorneys’ fees and costs) relating to the inspections or the activities at the

Development Property of Developer, its employees, agents, and contractors. The foregoing indemnity shall survive the Closing or the earlier termination this Agreement.

3.7 Conditions Precedent to Closing.

(a) EDA Contingencies. The EDA's obligation to close on the Land Transfer is expressly conditioned upon each of the following contingencies being satisfied or waived by the EDA on or before the Outside Closing Date:

(i) Developer shall have performed all of its obligations required to be performed by Developer under this Agreement as of the date of Closing Date and shall not be in default under this Agreement.

(ii) Developer shall have delivered to the EDA all of the Developer Deliveries in accordance with Section 3.8(a).

(iii) Developer shall have delivered Project Funding Certificate to the EDA and the EDA shall have approved the same.

(iv) Developer shall have obtained all Project Approvals, which may be conditioned only on Developer's acquisition of the Development Property.

(v) Developer shall have obtained all required construction and building permits necessary to immediately Commence construction of the Project.

(i) The representations and warranties of Developer hereunder shall be true and correct as the Closing Date.

(b) Developer Contingencies. Developer obligation to close on the Land Transfer is expressly conditioned upon each of the following contingencies being satisfied or waived by Developer on or before the Outside Closing Date:

(i) The EDA shall have delivered to Developer all of the EDA Deliveries in accordance with Section 3.8(b).

(ii) The EDA shall have approved the Financing Commitment.

(vi) Developer shall have obtained all Project Approvals, which may be conditioned only on Developer's acquisition of the Development Property.

(iii) The EDA shall have cured any objections to the title of the Development Property agreed to cured by the EDA in writing in accordance with Section 3.5, if any

(c) EDA and Developer Options. In the event that any of the foregoing contingencies are not satisfied on or before the Outside Closing Date Developer or the EDA, as applicable, may:

(i) terminate this Agreement by written notice to the other party; or

(ii) waive such failure and proceed to Closing.

In the event that all of the above conditions required to be satisfied as provided in this Section 3.7 have not been satisfied (or waived by the applicable party) by the Outside Closing Date,

then either the City and the EDA or Developer may terminate this Agreement if such conditions are not satisfied within 30 days following notice to the non-terminating party by the terminating party. Upon such termination, the provisions of this Agreement relating to the Project shall terminate and, except as provided in Section 10.6, neither Developer, the City nor the EDA shall have any further liability or obligation to the other hereunder.

3.8 Land Transfer Closing. The Closing of the Land Transfer will close, as provided below.

(a) Developer Deliveries. At the Closing, Developer shall execute, where appropriate, and deliver all of the following to the City and/or EDA, as applicable (collectively, the “Developer Deliveries”):

(i) The Purchase Price in immediately available funds.

(ii) Developer’s original executed counterpart to the Trust Fund Grant Agreement.

(iii) Such affidavits of Developer and/or the Land Trust or other documents as may be reasonably required by the Escrow Agent (including a Certificate of Real Estate Value) to record the Deed and issue any title insurance policy required by Developer.

(iv) A resolution of the governing body of Developer authorizing and approving the transaction contemplated by this Agreement, certified as true and correct by an officer of Developer.

(v) Any other instruments or other deliveries required by this Agreement or otherwise reasonably requested by the Escrow Agent, the City, or the EDA to consummate the Closing.

(a) EDA Deliveries. At the Closing, the City and/or the EDA, as applicable, shall execute, where appropriate, and deliver all of the following (collectively, the “EDA Deliveries”):

(i) A quit claim deed in the Minnesota Uniform Conveyancing Blank form properly executed on behalf of the EDA conveying the Development Property to the Land Trust (the “Deed”).

(ii) A Minnesota Uniform Conveyancing Blank Form 50.1.3 Affidavit Regarding Business Entity.

(iii) A non-foreign affidavit containing such information as required by Internal Revenue Code Section 1445(b)(ii) and any regulations relating thereto.

(iv) A Minnesota Well Disclosure Certificate unless the Deed includes this Statement: “Seller certifies that Seller does not know of any wells on the described real property.”

(v) The City’s and EDA’s original executed counterpart to the Memorandum.

(vi) The City’s original executed counterpart to the Trust Fund Grant Agreement.

(vii) Such information as required by Developer or Escrow Agent to permit Developer or Escrow Agent to file an electronic certificate of real estate value.

(viii) Any other instruments or other deliveries required by this Agreement or otherwise reasonably requested by the Escrow Agent or Developer to consummate the Closing.

(b) Prorations. The EDA and Developer shall make the following prorations and allocations of costs and expenses of each Land Transfer:

(i) Developer will be responsible for title examination costs, title insurance premiums and the cost of any survey.

(ii) Developer will be responsible for all costs and expenses associated with the Project Approvals.

(iii) Developer will pay the closing fee and any escrow fees imposed by the Escrow Agent in connection with the Land Transfer.

(iv) Developer shall pay the state deed tax due on the Deed to be delivered by the EDA under this Agreement.

(v) Developer shall pay the cost of recording the Deed and all other documents.

(vi) All real estate taxes, special assessments, utility charges and other costs of the Development Property will be prorated to the Closing Date.

(vii) All costs incidental to the Land Transfer and Closing not otherwise specifically allocated in this Agreement shall be allocated in accordance with the custom and practice for similar transactions in the area in which the Project is located.

(c) “AS IS” Sale. DEVELOPER HEREBY EXPRESSLY ACKNOWLEDGES AND AGREES THAT IT IS PURCHASING THE DEVELOPMENT PROPERTY “AS IS,” AND “WITH ALL FAULTS,” AFTER SUCH INSPECTION, ANALYSIS, EXAMINATION AND INVESTIGATION DEVELOPER CARES TO MAKE AND EXPRESSLY WITHOUT COVENANT, WARRANTY OR REPRESENTATION BY EITHER THE CITY OR THE EDA AS TO PHYSICAL OR ENVIRONMENTAL CONDITION, TITLE, LEASES, RENTS, REVENUES, INCOME, EXPENSES, OPERATION, FLOOD PLAIN, SHORELAND, WETLANDS, ZONING OR OTHER REGULATION, COMPLIANCE WITH LAW, SUITABILITY FOR PARTICULAR PURPOSES, ALL OTHER MATTERS WHICH DEVELOPER DEEMS RELEVANT TO ITS PURCHASE OF THE DEVELOPMENT PROPERTY OR ANY OTHER MATTERS WHATSOEVER, EXCEPT AS OTHERWISE EXPRESSLY PROVIDED IN THIS AGREEMENT.

3.9 Right of Reverter.

(a) Subject to an Unavoidable Delay, if Developer fails to cause the Commencement of construction of the Project by **January 31, 2024**, then the EDA may, in addition to such other rights and remedies that are available to the EDA hereunder, require that the Development Property be transferred back to the EDA. The EDA may, but shall not be obligated to, cause Developer to

reconvey the Development Property and all improvements thereon to the EDA by giving Developer notice of the EDA's exercise of its right of reverter pursuant to this section. The right of reverter under this section for the Development Property shall terminate and no longer be of any force and effect upon the Commencement of the Project.

(b) Within 15 days following Developer's receipt of the EDA's notice exercising its right of reverter (the "Reverter Closing Date"), Developer will convey fee title to the Development Property and all improvements thereon to the EDA by deed (the "Reverter Deed"), as follows:

(i) The EDA will pay Developer **\$325,000.00** as consideration for receiving the Reverter Deed, with the balance of the original Purchase Price paid to the EDA at the Closing to be retained by the EDA as liquidated damages for Developer's default in failing to timely construct the Project as provided herein, and the parties hereto acknowledge the difficulty and inconvenience of ascertaining the EDA's actual damages in the event of such Developer default and agree that the foregoing represents a fair and reasonable estimate of such damages;

(ii) Developer will convey the Development Property and any improvements thereon to the EDA free and clear of all encumbrances other than encumbrances that existed when the EDA conveyed the Development Property to Developer and easements or other encumbrances which the EDA has previously approved in writing;

(iii) Upon Developer's delivery of the Reverter Deed to the EDA, this Agreement shall terminate, Developer shall have no further rights to the Development Property or any improvements thereon, and neither the EDA nor Developer will have any rights or obligations under this Agreement other than obligations which, by the express terms of this Agreement, expressly survive a termination of this Agreement;

(iv) On or before the Reverter Closing Date, Developer will execute and deliver to the EDA a Minnesota Uniform Conveyancing Blank Form 50.3.1 Affidavit Regarding Business Entity confirming that there has been no labor or materials provided to the Development Property since the EDA's conveyance of the Development Property to Developer for which payment has not been made; and

(v) Developer shall deliver an updated title insurance commitment to the EDA evidencing the status of title to the Development Property.

Article IV Project Requirements

4.1 Commencement and Completion of Project. Developer shall cause the Commencement of the Project no later than **January 31, 2024** and Completion of the Project by no later than **May 30, 2025**.

4.2 Zoning Land Use Approvals; Building Permit. Developer shall use diligent, commercially reasonable efforts to obtain, in a timely manner, all required permits, licenses and approvals, and will meet, in a timely manner, all requirements of all local, state and federal laws and regulations, in each case, which must be obtained or met in connection with the development and construction of the Project, including, without limitation, all necessary building permits, variances, conditional use permits and zoning changes related to the Project from the City and all necessary approvals from Minnesota State Historic Preservation Office for the rehabilitation of the Ernst House (collectively, the "Project Approvals"). Nothing in this Agreement shall limit the authority of the City with respect to zoning and land use approvals and all zoning

and land use approvals shall be by the City Council or the City planning commission in accordance with the ordinances of the City. Nothing in this Agreement shall limit the governmental authority of the City with respect to its building and construction permitting process for the Project. Developer shall comply with all applicable City building codes and construction requirements and shall be responsible for obtaining all building permits prior to construction.

4.3 EDA Review of Development Plans. Prior to submitting any development and/or construction plans for the Project to City for any step of the City's regulatory review and approval process, Developer shall first make such plans available to the EDA's review and approval. The EDA shall not unreasonably withhold its approval of such plans if, in the reasonable discretion of the EDA, such plan: (a) conform to the Redevelopment Plan, the TIF Plan, this Agreement, and to any subsequent amendments thereto approved by the City; (b) conform to all applicable federal, state and local laws, ordinances, rules and regulations; (c) are adequate to provide for construction of the Project; and (d) no Event of Default has occurred and no default is then existing. No approval by the EDA shall relieve Developer of the obligation to comply with the terms of this Agreement, applicable federal, state and local laws, ordinances, rules and regulations, or to properly construct the Project. No approval by the EDA shall constitute a waiver of a default or Event of Default. Any disapproval of any such plans shall set forth the reasons therefore and shall be made within 30 days after the date of their receipt by the EDA. If the EDA rejects any such plans, in whole or in part, Developer shall submit new or corrected plans within 30 days after written notification to Developer of the rejection. The provisions of this Section relating to approval, rejection and resubmission of the applicable plans shall continue to apply until such plans have been approved by the EDA.

4.4 Undertaking of Project.

(a) All work with respect to the Project shall be in substantial conformity with the Project Approvals.

(b) Developer shall not interfere with, or construct any improvements over, any public street or utility easement without the prior written approval of the City. All connections to public utility lines and facilities shall be subject to approval of the City (in accordance with City code) and any applicable private utility provider. Except for public improvements, which are undertaken by the City or other governmental body and assessed against benefited properties, all street and utility installations, relocations, alterations and restorations shall be at Developer's expense and without expense to the City. Developer, at its own expense, shall replace any public facilities or utilities damaged during the Project by Developer or its agents or by others acting on behalf of or under the direction or control of Developer.

4.5 Certificate of Completion.

(a) Upon Developer's request following the EDA's certification that the Project is completed to the reasonable satisfaction of the EDA, the EDA will furnish Developer with a Certificate of Completion for the Project, in substantially the form attached hereto as **Exhibit D**, as conclusive evidence of satisfaction and termination of the agreements and covenants of this Agreement with respect to the obligations of Developer to complete the Project. The furnishing by the EDA of such Certificate of Completion shall not constitute evidence of compliance with or satisfaction of any obligation of Developer to any Mortgagee.

(b) If the EDA shall refuse or fail to provide a Certificate of Completion following Developer's request, the EDA shall, within 10 business days after Developer's request, provide Developer with a written statement specifying in what respects Developer has failed to complete the Project in accordance with this Agreement, or is otherwise in default, and what measures or

acts will be necessary, in the reasonable opinion of the EDA, for Developer to obtain the Certificate of Completion.

4.6 Progress Reports. Until the Certificate of Completion is issued for the Project, Developer shall make, in such detail as may reasonably be required by the EDA, and forward to the City and EDA, upon request by the City or EDA, a written report as to the actual progress of construction and the sale/leasing of the housing units to Qualified Households.

4.7 Access to Development Property. Developer agrees to permit the City, the EDA, and any of their respective officers, employees or agents access to the Development Property at all reasonable times for the purpose of inspection of all work being performed in connection with the Project; provided, however, that neither the City nor the EDA shall not have an obligation to inspect such work.

Article V

Project Financing; Public Assistance

5.1 Project Financing. Except as provided herein, and otherwise subject to the terms and conditions of this Agreement, Developer shall be responsible to pay all of the costs and expenses of the Project. Developer shall certify to the EDA no later than **January 31, 2024**, that Project funding sources sufficient to complete the Project have been committed to (or otherwise remain available to) Developer by delivering to the EDA a Project funding certificate in substantially the form attached here to as **Exhibit G** and containing an updated Sources and Uses Budget (the "Project Funding Certificate"). Promptly following the EDA's request, Developer agrees to submit to the EDA evidence of commitment(s) for financing which is adequate, in the EDA's reasonable discretion, for the construction of the Project. If the EDA reasonably finds that the financing complies with the terms of this Section 5.1 and is sufficiently committed and adequate in amount, to provide for the construction of the Project, the EDA shall notify Developer in writing of its approval, such approval shall not be unreasonably defined, conditioned, or delayed. If the EDA rejects the evidence of financing as inadequate, it shall do so in writing specifying the basis for the rejection and Developer shall have 30 days thereafter to submit evidence of commitment(s) for additional or alternate financing acceptable to the EDA. If Developer fails to submit such commitment(s) for financing acceptable to the EDA within said period of time or any additional period to which the EDA may agree, the EDA may notify Developer of its failure to comply with the requirement of this Section 5.1, such failure being a default hereunder.

5.2 Grant Applications. Developer, the City, and the EDA will cooperate in efforts to obtain available public grant funding to undertake the Project. The EDA shall contract for grant writing assistance to pursue grant funds from the Minnesota Housing Finance Agency. Other costs of preparing the grant applications shall be borne by Developer. City and EDA staff shall have the final authority to review and submit the grant applications to the applicable agency.

5.3 Waiver of Area Fees. In consideration of Developer's fulfillment of its obligations under this Agreement, the City hereby agrees to waive the following City development fees: (a) water area, (b) sanitary sewer area, (c) storm water area, (d) parkland dedication and (e) trails. The foregoing waiver does not include and Developer shall be responsible, for (i) all other standard charges and fees due with respect to real estate developments and allocable to the Development Property under City ordinances and the City code, including, but not limited to, building permit fees, plat fees, and inspection fees, and (ii) any and all water and/or sewer availability charges required by the City and/or the Metropolitan Council in connection with the Project. If Developer fails to achieve Completion of the Project in accordance with this Agreement or if this Agreement is terminated due to an Event of Default by Developer, then Developer shall be responsible for paying to the City any such fees waived by the City under this Section.

5.4 City Contribution to Design Fees. Developer will pay all architectural and engineering fees for the concept design for the Project. Thereafter, the City will be responsible for architectural and engineering fees incurred by Developer for the design development and construction documents for the Project up to an amount of **\$200,000**. Such fees shall initially be paid by Developer and shall be reimbursed by the City after issuance of the Certificate of Completion as provided herein and not more than 60 days after the request for reimbursement is delivered to the City by Developer together presentation of paid invoices and other documentation of such costs. Any design and engineering costs not reimbursable by the City as provided in this Section will be the responsibility of Developer.

5.5 Housing Trust Fund Contribution. In consideration of Developer's fulfillment of its obligations under this Agreement, the City agrees to provide a grant (the "Trust Fund Grant") to Developer in the original principal amount of up to **\$300,000.00** to reimburse Developer for Qualified Costs, pursuant to the terms and conditions of a grant agreement in substantially the form attached as **Exhibit H** (the "Trust Fund Grant Agreement"). The Trust Fund Grant will be funded from the City's Housing Trust Fund. The City shall fund the Trust Fund Grant pursuant to the Trust Fund Grant Agreement upon completion of the Project, the issuance of the Certificate of Completion, and Developer providing evidence of Qualified Costs in accordance with Section 5.6(b).

5.6 TIF Assistance.

(a) Generally. The City, in order to encourage Developer to proceed with the construction of the Project, and to assist Developer in paying the costs thereof, is willing to provide certain TIF assistance as permitted by the TIF Act and in accordance with the TIF Plan and otherwise in accordance with this Section. The City shall reimburse Developer, using Available Tax Increment on a pay-as-you-go basis, for Qualified Costs of the Project. The City shall, upon completion of the Project and the issuance of the Certificate of Completion therefor, issue the TIF Note to Developer and thereafter make reimbursement payments pursuant to the TIF Note, with said payments of principal and interest to be made on the dates (the "Payment Dates") specified in the TIF Note, subject to the following terms and conditions:

(i) The total principal amount of the TIF Note issued for the Project will not exceed **\$180,000**.

(ii) The unpaid principal of the TIF Note shall bear simple non-compounding interest from the date of issuance of the TIF Note, at **4.0%** per annum. Interest shall be computed on the basis of a 360 day year consisting of twelve (12) 30-day months.

(iii) The City shall be obligated to make the payments to Developer required pursuant to the TIF Note and this Section 5.6 *only from and to the extent of* the Available Tax Increment actually received from the TIF District for any tax year, and such payments shall never be considered to be a general obligation or indebtedness of the City or the EDA.

(iv) Calculated on an annual basis, the City will retain five percent (5.0%) of the Tax Increment generated from the Project for administrative costs and apply the retained Tax Increment first to pay any administrative expenses relating to the Development Property to the extent permitted by the TIF Act and to the extent that such expenses have not been paid or reimbursed to the City by Developer. Any of the retained Tax Increment remaining after the payment of any administrative expenses then due and owing (the "Available Tax Increment") shall first be paid to Developer for reimbursement of the Qualified Costs plus interest on the Payment Dates, and any increment remaining thereafter shall be retained by the City.

(v) Upon 30 days' written notice to Developer, the City may prepay all or a portion of the outstanding principal balance due to Developer pursuant to this Section 5.6 without penalty, on any date at a prepayment price equal to the outstanding principal balance to be prepaid plus accrued interest to the prepayment date.

(vi) The City shall not be obligated to make any payments hereunder subsequent to the termination of this Agreement as provided in Section 7.2 hereof, and any amounts remaining unpaid as of such date (other than by reason of failure of the City to comply with the terms of this Agreement) shall be considered forgiven by Developer and shall cease to be owing.

(vii) Developer may assign its rights under this Agreement (including the payments to be made to Developer hereunder) to secure financing incurred by Developer to pay costs of the Project, including but not limited to any Mortgagee.

(b) Evidence of Qualified Costs. Upon payment by Developer of Qualified Costs for the Project, Developer will deliver to the City an instrument executed by Developer (i) specifying the amount and nature of the Qualified Costs to be reimbursed and (ii) certifying that such costs have been paid to third parties unrelated to Developer, or if any costs have been paid to third parties related to Developer, that such costs do not exceed the reasonable and customary costs of services, labor or materials of comparable quality, dependability, availability and other pertinent criteria and that such costs have not previously been contained in an instrument furnished to the City pursuant to this Section 5.6. Together with such instrument, Developer shall deliver to the City evidence reasonably satisfactory to the City of the payment by Developer of such costs to be reimbursed.

(c) Satisfaction of Conditions Precedent. Notwithstanding anything to the contrary contained herein, the City's obligation to reimburse Developer for Qualified Costs under the TIF Note shall be subject to satisfaction, or waiver in writing by the City, of all of the following conditions precedent:

(i) the Certificate of Completion has been issued for the Project;

(ii) Developer has provided written evidence reasonably satisfactory to the City that Qualified Costs in the amount to be reimbursed from the Available Tax Increment have been incurred for the Project and paid by Developer; and

(iii) Developer shall not be in default under the terms of this Agreement or any Project Approvals beyond any applicable cure period.

5.7 Funding Gap; Funding Surplus; Public Assistance Adjustment. The financial assistance to Developer under this Agreement is based on certain assumptions regarding likely costs and expenses associated with constructing the Project. The parties hereto agree that those assumptions may be reviewed in connection with Developer's delivery of the Project Funding Certificate. If the total Project costs reflected in the Project Funding Certificate are higher than set forth in the initial Project Sources and Uses Budget attached hereto, thereby creating a Project funding gap (the "Funding Gap"), then Developer shall first endeavor to cover the Funding Gap by increasing the sale prices of the housing units thereon to the Qualified Households. If the Funding Gap cannot be reasonably covered by such price increases and/or other funding sources reasonably available, the City and the EDA will consider undertaking to cover the Funding Gap by increasing the Trust Fund Grant and/or providing Developer with additional TIF Assistance in the manner provided in Section 5.6. Any increase in the Trust Fund Grant or provision of TIF Assistance will require approval by City Council and the Board. If the total Project costs reflected in the

Project Funding Certificate are lower than set forth in the initial Project Sources and Uses Budget attached hereto, thereby creating a Project funding surplus (the “Funding Surplus”), then such Funding Surplus shall first be applied to reduce the Trust Fund Grant and thereafter any remaining Funding Surplus be applied as directed by the City and the EDA.

5.8 Legal and Administrative Expenses. Except as otherwise provided in this Agreement, each party shall pay its own legal and administrative expenses that are incurred in connection with the negotiating, approval and documentation of this Agreement.

Article VI Prohibitions Against Assignment and Transfer

6.1 Transfer of Property and Assignment. Other than conveyance of the Development Property to the Land Trust as provided herein and leases or other conveyances of the Development Property permitted under the Land Trust to Qualified Households made to in the ordinary course of business, Developer has not made and will not make, or suffer to be made, any total or partial sale, assignment, conveyance, lease, or other transfer, with respect to this Agreement, the Project or Development Property or any part thereof or any interest therein (other than any Mortgage or Mortgages securing financing for the Project or other than any assignment of the payments to be made to Developer under Section 5.6 hereof that is permitted under Section 5.6 hereof), or any contract or agreement to do any of the same, without the prior written approval of the City and the EDA, which shall not be unreasonably withheld or delayed. The City and the EDA shall be entitled to require as conditions to any such approval that: (a) the proposed transferee have the qualifications and financial responsibility, as reasonably determined by the City and the EDA, necessary and adequate to fulfill the obligations undertaken in this Agreement by Developer; (b) the proposed transferee, by recordable instrument satisfactory to the City and the EDA shall, for itself and its successors and assigns, assume all of the obligations of Developer under this Agreement. No transfer of, or change with respect to, ownership in the Project or the Development Property or any part thereof, or any interest therein, however consummated or occurring and whether voluntary or involuntary, shall operate, legally or practically, to deprive or limit the City and the EDA of or with respect to any rights or remedies or controls provided in or resulting from this Agreement with respect to the Project or the Development Property and the completion of the Project that the City and the EDA would have had, had there been no such transfer or change. There shall be submitted to the City and the EDA for review all legal documents relating to the transfer. In the absence of specific written agreement by the City and the EDA to the contrary, no approval of any assignment or transfer by the City and the EDA thereof with respect to any transfer or assignment shall be deemed to relieve Developer, or any other party bound in any way by this Agreement or otherwise with respect to the Completion of the Project, from any of their obligations with respect thereto.

Article VII Event of Default; Fees

7.1 Events of Default. 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 (unless the context otherwise provides), any one or more of the following events which occurs and continues for more than 15 days after written notice thereof to Developer setting forth with specific particularity the default and the action required to cure or remedy the same (the “Default Notice”); provided, however, if a longer period is reasonably required to complete the cure, then the cure period shall be extended as may be reasonably required to complete the cure as soon as reasonably possible under the circumstances not to exceed 90 days and so long as Developer is diligently and continuously attempting to cure such failure:

- (a) Subject to Unavoidable Delay, failure of Developer to achieve Commencement and Completion of the Project by the applicable dates set forth in Section 4.1.

(b) Failure of Developer to otherwise construct or reconstruct the Project as required hereunder.

(c) Failure of Developer to obtain the EDA's approval of any development plans for the Project as required by Section 4.3.

(d) Failure of Developer to pay to the City or the EDA any amounts required to be paid by Developer hereunder.

(e) Failure of Developer to observe and perform any other covenant, condition, obligation or agreement on its part to be observed or performed hereunder.

(f) Failure of Developer to pay any taxes on the Development Property prior to the same becoming delinquent.

(g) Filing of any voluntary petition in bankruptcy or similar proceedings by Developer; general assignment for the benefit of creditors made by Developer or admission in writing by Developer of inability to pay its debts generally as they become due; or filing of any involuntary petition in bankruptcy or similar proceedings against Developer which are not dismissed or stayed within 60 days.

7.2 Remedies on Default. Upon the occurrence of an Event of Default, the City and/or the EDA, as applicable, may take any one or more of the following actions at any time prior to Developer's curing or remedying the Event of Default:

(a) terminate this Agreement;

(b) suspend its performance under this Agreement and/or the TIF Note until Developer cures its default to the satisfaction of the City and the EDA and thereafter continues its performance under this Agreement.

(c) withhold the Certificate of Completion.

(a) take whatever action at law or in equity may appear necessary or desirable to the City or the EDA to collect any payments due under this Agreement, or to enforce performance and observance of any obligation, agreement, or covenant of Developer under this Agreement; and

(b) exercise any remedies available at law and in equity to enforce performance of this Agreement, including a right to specific performance.

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

7.4 Waivers. All waivers by any party to this Agreement shall be in writing. If any provision of this Agreement is breached by any party and thereafter waived by another 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.

7.5 Agreement to Pay Attorneys' Fees. Whenever any Event of Default occurs and the City and/or the EDA shall employ attorneys or incur other expenses for the collection of payments due or to become due or for the enforcement or performance or observance of any obligation or agreement on the part of Developer herein contained, Developer agrees that it shall, on demand therefor, pay to the City and/or the EDA, as applicable, the reasonable fees of such attorneys and such other expenses so incurred by the City and/or the EDA.

Article VIII **Indemnification; Insurance**

8.1 Indemnification.

(a) Developer shall indemnify and hold harmless the City and the EDA and their respective governing body members, officers, and agents including the independent contractors, consultants, and legal counsel, servants and employees thereof (hereinafter, for the purposes of this Section, collectively the "Indemnified Parties") for any expenses (including reasonable attorneys' fees), loss (excluding consequential, special or punitive damages except to the extent payable to third parties by any Indemnified Parties), damage to property, or death of any person occurring at or about, or resulting from any defect in, the Project; provided, however, Developer shall not be required to indemnify any Indemnified Party for any claims or proceedings that Developer proves arose from any grossly negligent, intentional misconduct, or unlawful acts or omissions of such Indemnified Party. Promptly after receipt by the City or the EDA of notice of the commencement of any action in respect of which indemnity may be sought against Developer under this Section 8.1, such person will notify Developer in writing of the commencement thereof, and, subject to the provisions hereinafter stated, Developer shall assume the defense of such action (including the employment of counsel, who shall be counsel reasonably satisfactory to the City and the EDA) and the payment of expenses insofar as such action shall relate to any alleged liability in respect of which indemnity may be sought against Developer. The City and the EDA shall have the right to employ separate counsel in any such action and to participate in the defense thereof, but the fees and expenses of such counsel shall not be at the expense of Developer unless the employment of such counsel has been specifically authorized by Developer. Notwithstanding the foregoing, if the City or the EDA has been advised by independent counsel that there may be one or more legal defenses available to it which are different from or in addition to those available to Developer, Developer shall not be entitled to assume the defense of such action on behalf of the City or the EDA, as applicable, but Developer shall be responsible for the reasonable fees, costs and expenses (including the employment of counsel) of the City and/or the EDA, as applicable, in conducting their defense. Developer shall not be liable to indemnify any person for any settlement of any such action effected without Developer's consent. The omission to notify Developer as herein provided will not relieve Developer from any liability which they may have to any Indemnified Party pursuant hereto, otherwise than under this Section.

(b) Developer 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 arising or purportedly arising from the actions or inactions of Developer (or other persons acting on its behalf or under its direction or control) under this Agreement, or the transactions contemplated hereby or the acquisition, construction, installation, ownership, and operation of the Project; provided that this indemnification shall not apply to the warranties made or obligations undertaken by the City or the EDA in this Agreement but shall, in any event, apply

to any pecuniary loss (excluding consequential, special or punitive damages except to the extent payable to third parties by any of the Indemnified Parties) or penalty (including interest thereon from the date the loss is incurred or penalty is paid by the City or EDA at a rate equal to the prime rate) as a result of the Project, as constructed and operated by Developer, causing the TIF District to cease to qualify as an “redevelopment district” under the TIF Act or to violate limitations as to the use of the revenues therefrom as set forth in the TIF Act.

(c) All covenants, stipulations, promises, agreements and obligations of the City and the EDA contained herein shall be deemed to be the covenants, stipulations, promises, agreements and obligations of the City or the EDA, as applicable, and not of any governing body member, officer, agent, servant or employee of the City, as the case may be.

8.2 Insurance.

(a) Developer shall obtain and continuously maintain insurance on the Project and, from time to time at the request of the City or the EDA, furnish proof to the City and the EDA that the premiums for such insurance have been paid and the insurance is in effect. The insurance coverage described below is the minimum insurance coverage that Developer must obtain and continuously maintain, provided that Developer shall obtain the insurance described in clause (i) below with respect to the Project prior to the Commencement of construction thereof and is only obligated to maintain the insurance described in clause (i) until Developer receives a Certificate of Completion:

(i) Builder’s risk insurance, written on the so-called “Builder’s Risk-Completed Value Basis,” in an amount equal to 100% of the insurable value of the Project at the date of Completion, and with coverage available in non-reporting form on the so-called “all risk” form of policy.

(ii) Fire, extended coverage perils, vandalism and malicious mischief, boiler explosion (but only if steam boilers are present), collapse on a replacement cost basis in an amount equivalent to the full insurable value thereof. (“Full insurable value” shall include the actual replacement cost of the Project, exclusive of foundations and footings, without deduction for architectural, engineering, legal or administrative fees or for depreciation.)

(iii) Comprehensive general liability insurance (including operations, contingent liability, operations of subcontractors, completed operations and contractual liability insurance) together with an Owner’s/Contractor’s Policy naming the City and the EDA, as an additional insured, with limits against bodily injury and property damage of not less than \$5,000,000 for each occurrence (to accomplish the above-required limits, an umbrella excess liability policy may be used), written on an occurrence basis.

(iv) Workers compensation insurance, for employees of Developer if and to the extent required by Law.

(b) All insurance required in this Article shall be obtained and continuously maintained by responsible insurance companies selected by Developer which are authorized under the laws of the State to assume the risks covered by such policies. If available on commercially reasonable terms, each policy must contain a provision that the insurer will not cancel nor modify the policy in a manner that would adversely impact coverage without giving written notice to the insured at least 30 days before the cancellation or modification becomes effective. Not less than 15 days prior to the expiration of any policy, Developer must renew the existing policy or replace the

policy with another policy conforming to the provisions of this Section. In lieu of separate policies, Developer may maintain a single policy, blanket or umbrella policies, or a combination thereof, having the coverage required herein. The policies required by this Section 8.2 shall be subject to a no coinsurance clause or contain an agreed amount clause, and may contain a deductibility provision not exceeding \$25,000.

Article IX
Other Covenants

9.1 Real Property Taxes. Prior to the Termination Date, Developer shall pay all real property taxes payable with respect to all and any parts of the Development Property acquired and owned by it until Developer's obligations have been assumed by any other person pursuant to the provisions of this Agreement.

Developer agrees that prior to the Termination Date:

(a) It will not seek administrative review or judicial review of the applicability of any tax statute relating to the ad valorem property taxation of real property contained on the Development Property determined by any tax official to be applicable to the Project or Developer or raise the inapplicability of any such tax statute as a defense in any proceedings with respect to the Development Property, including delinquent tax proceedings; provided, however, "tax statute" does not include any local ordinance or resolution levying a tax;

(b) It will not seek administrative review or judicial review of the constitutionality of any tax statute relating to the taxation of real property contained on the Development Property determined by any tax official to be applicable to the Project or Developer or raise the unconstitutionality of any such tax statute as a defense in any proceedings, including delinquent tax proceedings with respect to the Development Property; provided, however, "tax statute" does not include any local ordinance or resolution levying a tax;

(c) It will not seek any tax deferral or abatement, either presently or prospectively authorized under M.S., Section 469.1813, or any other State or federal law, of the ad valorem property taxation of the Development Property between the date of execution of this Agreement and the Termination Date.

9.2 Action to Reduce Taxes. Developer may seek through petition or other means to have the market value for the Development Property reduced. Until the TIF Note is fully paid, such activity must be preceded by written notice from Developer. Upon receiving such notice, or otherwise learning of Developer's intentions, the City may suspend payments due under the TIF Note until the actual amount of the reduction is determined, whereupon the City will make the suspended payments less any amount that the City is required to repay the County as a result any reduction in market value of the Development Property. During the period that the payments are subject to suspension, the City may make partial payments on the TIF Note if it determines, in its sole and absolute discretion, that the amount retained will be sufficient to cover any repayment which the County may require. The City's suspension of payments on the TIF Note pursuant to this Section shall not be considered a default under this Agreement.

9.3 Damage or Destruction. Subject to any mortgage requirements, upon any damage or destruction of the Project, or any portion thereof, by fire or other casualty, Developer shall within 60 days after such damage or destruction, commence the process required to repair, reconstruct and restore the

damaged or destroyed Project, or portion thereof, to substantially the same condition or utility value as existed prior to the event causing such damage or destruction and shall diligently pursue such repair, reconstruction and restoration.

9.4 Relocation Costs. Developer shall pay all relocation costs or expenses required under federal or state law to be paid to any owner or occupant of the Development Property as a result of the Project, and shall indemnify and hold harmless the City, its governing body members, officers, and agents including the independent contractors, consultants, and legal counsel, servants and employees thereof from any such relocation costs and expenses in accordance with the provisions of Section 8.1.

9.5 Restrictions on Use. During the term of the TIF District, Developer shall (a) not permit the Development Property to be exempt from real estate taxes notwithstanding the ownership or use of the land; (b) not permit the Development Property to be used for any use which would cause the Development Property to be valued and assessed for real estate tax purposes at a lower percentage of its market value than the Development Property is then being valued and assessed for real estate tax purposes or would result in the Development Property becoming exempt from real estate taxes; (c) cause the Development Property to be devoted to uses consistent with an “redevelopment district” under Minnesota Statutes, Sections 469.174 through 469.1794, and the uses specified in the Redevelopment Plan, this Agreement and other agreements entered into between Developer and the City; (d) cause the owner of the Development Property to not discriminate upon the basis of race, color, creed, religion, national origin, sex, marital status, disability, status with regard to public assistance, sexual orientation, and familial status in the sale, lease, or rental or in the use or occupancy of the Development Property, the Project or any part thereof; and (e) develop the Development Property in an orderly manner consistent with the City’s zoning ordinances and comprehensive plan.

Article X General Provisions

10.1 Conflicts of Interest; City Representatives Not Individually Liable. No member, official, employee, or consultant or employee of a consultant of the City or the EDA shall have any personal interest, direct or indirect, in this Agreement, nor shall any such member, official, consultant or the consultant’s employees or employee participate in any decision relating to this Agreement which affects his or her personal interests or the interests of any corporation, partnership, or association in which he or she is directly or indirectly interested. No member, official, consultant or consultant’s employee, or employee of the City or the EDA shall be personally liable to Developer, or any successor in interest, in the event of any default or breach by the City or the EDA or for any amount which may become due to Developer or successors or on any obligations under the terms of this Agreement. No member, official, consultant or consultant’s employee, or employee of Developer shall be personally liable to the City or the EDA, or any successor in interest, in the event of any default or breach by Developer or for any amount which may become due to the City and/or the EDA on any obligations under the terms of this Agreement.

10.2 Equal Employment Opportunity. Developer, for itself and its successors and assigns, agrees that during the construction of the Project it will comply with any applicable affirmative action and nondiscrimination laws or regulations.

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

10.4 Business Subsidies Act. The parties hereto agree that the Project is exempt from the requirement for entering into a business subsidy agreement within the meaning of the Minnesota Business

Subsidy Act, Minnesota Statutes, Sections 116J.993 through 116J. 995, because the TIF Assistance provides assistance for housing within the meaning of Minnesota Statutes, Section 116J.993, subd. 3(7).

10.5 Term of Agreement. This Agreement shall terminate upon the Termination Date; it being expressly agreed and understood that the provisions of this Agreement are intended to survive the expiration and satisfaction of any security instruments placed of record contemporaneously with this Agreement, if such expiration and satisfaction occurs prior to the expiration of the term of this Agreement, as stated in this Section 10.5.

10.6 Provisions Surviving Termination. The following section will survive any termination, rescission, or expiration of this Agreement with respect to or arising out of any event, occurrence, or circumstance existing prior to the date thereof: Section 3.9 [Right of Reverter]; Section 7.2 [Remedies on Default] to the extent of any Event of Default arising prior to such termination or expiration Section 8.1 [Indemnification]; Section 8.2 [Insurance]; Section 10.7 [Notices and Demands]; and Section 10.8 [Governing Law, Jurisdiction, Venue and Waiver of Trial by Jury].

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

- (a) in the case of Developer, addressed to or delivered personally to:

Carver County Community Development Agency
705 N. Walnut Street
Chaska, MN 55318
Attention: Executive Director

- (b) in the case of the City, addressed or delivered personally to:

City of Chaska
500 4th Avenue NE
Chaska, MN 55912
Attention: City Administrator

with a copy to:

Jay R. Lindgren
Dorsey & Whitney LLP
50 South Sixth Street, Suite 1500
Minneapolis, MN 55402

- (c) in the case of the EDA, addressed or delivered personally to:

Chaska Economic Development Authority
500 4th Avenue NE
Chaska, MN 55912
Attention: Executive Director

with a copy to:

Jay R. Lindgren
Dorsey & Whitney LLP
50 South Sixth Street, Suite 1500
Minneapolis, MN 55402

Each party, by notice given hereunder to the other parties, may designate different addresses to which subsequent notices, certificates or other communications should be sent.

10.8 Governing Law, Jurisdiction, Venue and Waiver of Trial by Jury. All matters, whether sounding in tort or in contract, relating to the validity, construction, performance, or enforcement of this Agreement shall be controlled by, interpreted and determined in accordance with the laws of the state of Minnesota without regard to its conflict and choice of law provisions. Any litigation arising out of this Agreement shall be venued exclusively in Carver County District Court, state of Minnesota and shall not be removed therefrom to any other federal or state court. Developer, the City, and the EDA hereby consent to personal jurisdiction and venue in the foregoing court. Developer, the City, and the EDA hereby waive trial by jury for any litigation arising out of this Agreement.

10.9 Binding Effect. This Agreement shall inure to the benefit of and shall be binding upon the City, the EDA, and Developer and their respective successors and assigns.

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

10.11 Amendments, Changes and Modifications. This Agreement may be amended or any of its terms modified only by written amendment authorized and executed by the City, the EDA, and Developer.

10.12 Further Assurances and Corrective Instruments. The City, the EDA, and Developer agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required for correcting any inadequate or incorrect description of the Development Property or the Project or for carrying out the expressed intention of this Agreement.

10.13 City/EDA Approval. Unless the City Council or Board, as applicable, determines otherwise in its discretion, whenever this Agreement provides for the consent or approval by the City or the EDA, such approval shall be given by, respectively, the City Administrator or the Executive Director of the EDA (or in either case his/her designee), unless (a) this Agreement explicitly provides for approval by the City Council or the Board, (b) approval by the City Council or Board is required by law or (c) the approval, in the opinion of the City Administrator or the Executive Director, would result in a material change in the terms of this Agreement.

10.14 No Waiver of Governmental Immunity and Limitations on Liability. Nothing in this Agreement shall in any way affect or impair the City's or the EDA's immunity or the immunity of the City's and the EDA's employees, consultants and contractors, whether on account of official immunity, legislative immunity, statutory immunity, discretionary immunity or otherwise. Nothing in this Agreement shall in any way affect or impair the limitations on the City's or the EDA's liability or the liability of the City's and the EDA's employees, consultants and independent contractors. By entering into this Agreement, neither the City nor the EDA waives any rights, protections, or limitations as provided under law and equity for the EDA, the City, or of their respective employees, consultants and contractors.

10.15 Memorandum of Agreement. Neither party shall cause this Agreement to be recorded or filed in the real estate records of the County. However, at Closing, the parties shall execute, and Developer shall cause to be recorded on the title to the Development Property, a memorandum of this Agreement in substantially the form attached as **Exhibit I** (the “Memorandum”).

10.16 Superseding Effect. This Agreement reflects the entire agreement of the parties with respect to the items covered by this Agreement, and supersedes in all respects all prior agreements of the parties, whether written or otherwise, with respect to the items covered by this Agreement.

10.17 Data Practices Act. Developer acknowledges that all of the data created, collected, received, stored, used, maintained, or disseminated by Developer with regard to the performance of its duties under this Agreement are subject to the requirements of Chapter 13, Minnesota Statutes.

10.18 City and EDA Regulatory Authority. Nothing in this Agreement shall be construed to limit or modify the City’s or the EDA’s regulatory authority.

10.19 Time is of the Essence. Time is of the essence of this Agreement and each and every term and condition hereof; provided, however, that if any date herein set forth for the performance of any obligations by Developer, the City, or the EDA or for the delivery of any instrument or notice as herein provided should not be on a business day, the compliance with such obligations or delivery shall be deemed acceptable on the next following business day.

10.20 Relationship of Parties. Nothing in this Agreement is intended, or shall be construed, to create a partnership or joint venture among or between the parties hereto, and the rights and remedies of the parties hereto shall be strictly as set forth in this Agreement.

10.21 Captions. The captions or headings in this Agreement are for convenience only and in no way define, limit or describe the scope of intent of any provisions or Sections of this Agreement.

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

10.23 Amendment and Restatement. This Agreement amends, restates, supersedes, and replaces, in its entirety that certain Purchase and Redevelopment Agreement dated December 20, 2021 executed by the parties hereto (the “Original Agreement”).

[Remainder of page intentionally left blank; signature(s) on following page(s)]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date first above written.

CITY OF CHASKA, MINNESOTA

By: _____
Mayor

By: _____
City Administrator

STATE OF MINNESOTA)
) ss.
COUNTY OF CARVER)

The foregoing instrument was acknowledged before me on this ____ day of _____, 202___, by Mark Windschitl, the Mayor, and Matt Podhradsky, the City Administrator, of the City of Chaska, a Minnesota municipal corporation, on behalf of the corporation.

Notary Public

ECONOMIC DEVELOPMENT AUTHORITY OF THE
CITY OF CHASKA, MINNESOTA

By: _____
President

By: _____
Executive Director

STATE OF MINNESOTA)
) ss.
COUNTY OF CARVER)

This instrument was acknowledged before me on this ____ day of _____, 202__, by Mark Windschitl and Matt Podhradsky, the President and Executive Director, respectively, of Economic Development Authority of the City of Chaska, Minnesota, a Minnesota political subdivision, on behalf of the political subdivision.

Notary Public

CARVER COUNTY COMMUNITY DEVELOPMENT
AGENCY

By: _____

By: _____

STATE OF MINNESOTA)
) ss.
COUNTY OF CARVER)

The foregoing instrument was acknowledged before me on this ____ day of _____,
202__, by _____, the _____, and _____, the
_____, of the Carver County Community Development Agency, on behalf of the agency.

Notary Public

Exhibit A

Legal Description of Development Property

The real property and interests in such property located in the County of Carver, State of Minnesota and described as follows:

Parcel 1:

Lot 2, Block 37, except the Northerly 6 feet of the Westerly 48 feet thereof and also including the South 4 feet of the Easterly 94 feet of Lot 1, Block 37, City of Lots of Chaska, Carver County, Minnesota.

Parcel 2:

Lot 3, Block 37, City of Lots Chaska, Carver County, Minnesota.

CHASKA YARDS AT THE HISTORIC ESS SITE - SOURCES & USES 10/10/2023

10/10/2023

ERNST HOME	SOURCES - ERNST HOME		Notes
	Ernst Sales	\$ 300,000	Sale of unit
	TIF	\$ 180,000	TIF Updated per County Assessor 7-8-2021.
	Land Grant	\$ 100,000	MHFA HIB--awarded December 2020. Expires 12/1/23 Eligible uses: affordability gap--land acquisition (12-2020-04)
	CDA Contribution	\$ 22,481	
	MET Council LHIA Pilot 2023	\$ 47,250	January 2023 Funding - City of Chaska
	Total	\$ 649,731	
USES - ERNST HOME			
Ernst House	\$ 475,687		
Land	\$ 100,000		
Commission	\$ 18,000	6%	
Fees	\$ -	Fees Forgiven. MCES SAC exists	
Special assessment costs	\$ 6,044		
Contingency 15%	\$ 50,000		
Total	\$ 649,731	(\$0)	

3 SINGLE FAMILY HOMES	SOURCES - 3 SINGLE FAMILY		
	Home sales	\$ 750,000	Sale of three units (\$250,000/each)
	Land Grant	\$ 339,210	MHFA HIB--awarded Dec. 2020. Expires 12/1/23 Eligible uses: value gap: \$13,080; affordability gap: \$100,000 (12-2020-03)
	City Trust Fund	\$ 300,000	
	CDA Grant (2020)	\$ 85,000	Awarded February 2020. Eligible uses: historic preservation/construction
	CDA Grant (2021)	\$ 92,500	Awarded February 2021. Eligible uses: historic preservation/construction
	CDA Contribution	\$ 196,329	
	TIF	\$ -	Eligible uses:
	Met Council	\$ 30,000	Awarded December 2020. Expires 12/31/23. Eligible uses: land acquisition and construction
	MET Council LHIA Pilot 2023	\$ 141,750	January 2023 Funding - City of Chaska
	Total	\$ 1,934,789	
	USES - 3 SINGLE FAMILY		
3 Homes	\$ 1,427,061	(\$526,000 per unit)	
Land	\$ 300,000		
Commission	\$ 45,000	6%	
Fees	\$ 7,455	MCES SAC Only - Total Fees if applied: ~\$44,000	
Special assessment costs	\$ 5,273		
Contingency 5%	\$ 150,000		
Total	\$ 1,934,789	\$0	

PRE DEVELOPMENT FEES	Sources - Architectural Fees		
	CDA	\$ 145,000	
	City TIF/HTF	\$ 200,000	From TIF/HTF
	Total	\$ 345,000	
	Uses - Architectural Fees		
	Preliminary concept	\$ 50,000	
Design Development & Construction Admin	\$ 250,000		
Platting / Permits/Misc	\$ 30,000		
SHPO / Soil Boring etc	\$ 15,000		
Total	\$ 345,000	\$0	

\$ / unit

TOTAL SOURCES	\$ 2,929,520
TOTAL USES	\$ 2,929,520
GAP	\$ 0

\$732,379.90

City of Chaska	\$ 680,000	
Chaska (CDA) CGPI	\$ 177,500	\$541,310
CDA	\$ 363,810	
MN Housing (MHFA)	\$ 439,210	\$400,000 Land Costs
MET Council	\$ 219,000	
Home Sales	\$ 1,050,000	
Total	\$ 2,929,520	

BIG WOODS \$ 2,102,748 \$525,687

Exhibit C

Qualified Costs

The estimated Qualified Costs of the TIF District are listed below that are eligible for reimbursement from tax increments of the TIF District. The categories below identify the categories of expenses that the parties agree may be reimbursed through tax increment financing. The amounts assigned to each category are estimates only and not independent limitations of Developer's Qualified Costs.

Costs of eliminating structurally substandard condition within the Ernst House consistent with M.S. Section 469.174, subd. 10	\$180,000
Total	\$180,000*

* Developer's Qualified Cost. The total principal amount of the TIF Note issued to reimburse Developer for Qualified Costs of the Project will not exceed **\$180,000**.

Exhibit D

Form of Certificate of Completion

WHEREAS, CARVER COUNTY COMMUNITY DEVELOPMENT AGENCY (the “Developer”), is the Developer of the property in the County of Carver and State of Minnesota described on **Exhibit A** hereto and made a part hereof (the “Development Property”); and

WHEREAS, the Development Property is subject to the provisions of a certain Amended and Restated Purchase and Redevelopment Agreement (the “Agreement”) in the Redevelopment Project Area No. 4 and Tax Increment Financing (Redevelopment) District No. 22, dated as of _____, 202__, between Developer, the City of Chaska, Minnesota, and the Economic Development Authority of the City of Chaska, Minnesota; and

WHEREAS, Developer has fully and duly performed all of the covenants and conditions of Developer under the Agreement with respect to the completion of the Project (as defined in the Agreement);

NOW, THEREFORE, it is hereby certified that all requirements of Developer under the Agreement with respect to the completion of the Project have been completed and duly and fully performed, and this instrument is to be conclusive evidence of the satisfactory termination of the covenants and conditions of the Agreement as they relate to the completion of the Project. All other covenants and conditions of the Agreement shall remain in effect and are not terminated hereby.

Dated this ____ day of _____, 20__.

CARVER COUNTY COMMUNITY DEVELOPMENT
AGENCY

By: _____

By: _____

Exhibit A

Development Property

The real property and interests in such property located in the County of Carver, State of Minnesota and described as follows:

Exhibit E

Form of Ground Lease

Exhibit F

Form of Limited Tax Increment Revenue Note

No. R- _____

\$[_____]

**UNITED STATES OF AMERICA
STATE OF MINNESOTA
CITY OF CHASKA**

**LIMITED REVENUE TAXABLE TAX INCREMENT NOTE NO. [__]
(Ernst House Redevelopment Project)**

PRINCIPAL AMOUNT: \$

INTEREST RATE: ____%

The City of Chaska, Minnesota (the “City”) for value received, promises to pay, but solely from the source, to the extent and in the manner hereinafter provided, to Carver County Community Development Agency, or its registered assigns (the “Owner”), the principal sum of [_____ dollars] (\$[_____]), in semi-annual installments payable on August 1, 20__, and on each February 1 and August 1 thereafter up to and including February 1, 20__ (each being a “Scheduled Payment Date”), together with interest on the outstanding and unpaid principal balance of this Limited Tax Increment Revenue Note (Ernst House Redevelopment Project) (this “Note”) at the rate of four percent (4%) per annum. Installment payments shall be applied first to interest and then to a reduction of outstanding principal. Interest on the outstanding balance of this Note shall accrue from the date hereof as simple, non-compounding interest. Each payment on this Note is payable in any coin or currency of the United States of America which on the date of such payment is legal tender for public and private debts and shall be made by check or draft made payable to the Owner and mailed to the Owner at the postal address within the United States designated from time to time by the Owner.

This Note is subject to prepayment on any Scheduled Payment Date at the option of the City, in whole or in part, upon payment to the Owner of the principal amount of the Note to be prepaid, without premium or penalty.

This Note is a special and limited obligation and not a general obligation of the City, which has been issued by the City in aid of financing a project pursuant to and in full conformity with the Constitution and laws of the State of Minnesota, including M.S., Sections 469.174 through 469.1794. This Note is issued pursuant to the provisions of that certain Amended and Restated Purchase and Redevelopment Agreement, dated as of _____, 202__, as the same may be amended from time to time (the “Redevelopment Agreement”), between the City and Carver County Community Development Agency (the “Developer”).

**THIS NOTE IS NOT PAYABLE OUT OF ANY FUNDS OR PROPERTIES OTHER THAN
PLEGGED TAX INCREMENT, AS DEFINED BELOW.**

The Note Payment Amounts due hereon shall be payable solely from a portion of the tax increments calculated annually, less the City’s administrative fee of five percent (5%) from the Development Property within the City’s Tax Increment Financing (Redevelopment) District No. 22 (the “TIF District”) within its Redevelopment Project Area No. 4, which are paid to the City and which the City is entitled to retain pursuant to the provisions of M.S., Sections 469.174 through 469.1794, as the same may be amended or supplemented from time to time (the “Available Tax Increment”). Any increment remaining after retaining the percentage noted above for the City’s administrative fee and the payment of the Note Payment Amounts due shall be retained by the City. The City makes no representation or covenant, express or implied, that

the Available Tax Increments will be sufficient to pay, in whole or in part, the amounts which are or may become due and payable hereunder.

The City shall pay to the Owner on each Scheduled Payment Date all Available Tax Increment on that date to the extent necessary to pay principal and interest then due and any past due installment. To the extent that the City is unable to pay the total principal and interest due on this Note at or prior to the February 1, 20__, maturity date hereof as a result of its having received as of such date insufficient Available Tax Increment, such failure shall not constitute a default under this Note and the City shall have no further obligation hereon.

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

The Owner shall never have or be deemed to have the right to compel any exercise of any taxing power of the City or of any other public body, and neither the City nor any council member, officer, employee or agent of the City, nor any person executing or registering this Note shall be personally liable hereon by reason of the issuance or registration hereof or otherwise. The Owner may assign its rights hereunder, with notice thereof provided to City, in accordance with the associated TIF Agreement.

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

IN WITNESS WHEREOF, the City of Chaska has caused this Note to be executed by the manual signatures of the Mayor and the City Administrator and has caused this Note to be dated as of _____, 20__.

Mayor

City Administrator

Exhibit G

Form of Project Funding Certificate

Project Funding Certificate
(Ernst House Redevelopment Project)

CARVER COUNTY COMMUNITY DEVELOPMENT AGENCY (“Developer”) has entered into that certain Amended and Restated Purchase and Redevelopment Agreement with the CITY OF CHASKA, MINNESOTA, a municipal corporation and political subdivision of the State of Minnesota (the “City”), and the ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF CHASKA, MINNESOTA, a body corporate and politic of the State of Minnesota (the “EDA”), dated effective as of _____, 202__ (the “Redevelopment Agreement”).

Developer hereby certifies to the City and the EDA, pursuant to Section 5.1 of the Redevelopment Agreement, that (i) **Exhibit 1** attached hereto contains an updated Sources and Uses Budget for the Project that is true and correct as of the date hereof, (ii) that all funding sources identified on said **Exhibit 1** have been fully committed and available to Developer for the construction of the Project and (iii) such funds are in a sufficient amount to fully fund acquisition of the Development Property and construction of the Project as required by the Redevelopment Agreement.

Dated: _____

DEVELOPER:

CARVER COUNTY COMMUNITY DEVELOPMENT
AGENCY

By: _____

By: _____

Exhibit 1
to
Project Funding Certificate
(Ernst House Redevelopment Project)

SOURCE

AMOUNT

Exhibit H

Form of Trust Fund Grant Agreement

GRANT AGREEMENT

This Grant Agreement (the “Agreement”) is made this _____, 20__ (the “Effective Date”), by and between CITY OF CHASKA, MINNESOTA, a municipal corporation and political subdivision of the State of Minnesota (the “City”), and CARVER COUNTY COMMUNITY DEVELOPMENT AGENCY (the “Grantee”).

Recitals:

A. Grantee has proposed an affordable housing redevelopment project (the “Project”) on that certain real property located at 211 Walnut Street and 217 Walnut Street in the City (the “Development Property”), which Project consisted of (i) the rehabilitation of that certain existing historical structure located on that portion of the Development Property having an address of 211 Walnut Street and known as the “Ernst House” to create a new single-family housing unit (the “Ernst House”) and (ii) the construction of three (3) new single-family townhome housing units on that portion of the Development Property having an address of 217 Walnut Street (the “Residential Units”).

B. Grantee, the City, and the Economic Development Authority of the City of Chaska, Minnesota, a body corporate and politic of the State of Minnesota (the “EDA”) have entered into that certain Amended and Restated Purchase and Redevelopment Agreement dated _____, 2023 (as may be amended from time to time, the “Redevelopment Agreement”), pursuant to which (i) the EDA sold the Development Property to Grantee for the development and construction of the Project and (ii) the City and the EDA agreed to provide certain financial assistance to Grantee to support the construction of the Project and development of new affordable housing therein.

C. In accordance with the Redevelopment Agreement, as part of such financial assistance, the City has agreed to provide certain grant funding to Grantee from the City’s Housing Trust Fund (the “Grant”) in the original principal amount of up to **\$300,000.00** (“Maximum Grant Amount”) to reimburse Grantee for Qualified Costs.

NOW, THEREFORE, to induce the City to make the Grant to Grantee, and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Recitals; Definitions. The foregoing Recitals are true and correct statements of fact and are incorporated into this Agreement by this reference, including the definitions set forth therein. Each capitalized term used herein and the Recitals, unless otherwise defined herein, shall have the meaning ascribed to such term in the Redevelopment Agreement.

2. Term of this Agreement. This Agreement shall take effect on the Effective Date, and shall expire the date that is **26th** anniversary of the Effective Date (the “Termination Date”), unless earlier terminated or rescinded in accordance with the terms hereof.

3. The Grant. Subject to and upon the terms and conditions of this Agreement, the City agrees to make the Grant to Grantee in an amount not to exceed the Maximum Grant Amount, which Grant shall be disbursed pursuant to this Agreement. If the actual total Project costs reflected in the Disbursement Request (defined below) are less than such total Project costs initially reflected in the Project Funding

Certificate, thereby creating a Project funding surplus (the “Funding Surplus”), then such Funding Surplus shall be applied to reduce the Maximum Grant Amount hereunder. In consideration of the Grant, Grantee agrees to perform all of its obligations under this Agreement. Grantee’s obligation to repay to the City the amount of the Grant disbursed hereunder shall cease and terminate on Termination Date provided that as of such date Grantee has fully completed performance of Grantee’s obligations and agreements set forth in this Agreement. Grantee agrees that the Grant proceeds shall be used only for reimbursement of Qualified Costs as provided herein.

4. Conditions Precedent to Disbursement. The obligation of the City to disburse the Grant to Grantee, which shall be made one disbursement, shall be subject to satisfaction, or waiver in writing by the City, of all of the following conditions precedent:

(a) the Certificate of Completion has been issued for the Project in accordance with Redevelopment Agreement;

(b) Grantee has delivered to the City an instrument and disbursement request in form and substance reasonably acceptable to the City executed by Grantee (collectively, the “Disbursement Request”) which:

(i) shows all costs and expenses of any kind actually paid or incurred in constructing the Project, the sources for funding such Project costs, and details any changes to the actual Project costs sources and uses from those described in the initial Project Funding Certificate, together with written evidence reasonably satisfactory to the City that such Project costs have been incurred for the Project and paid by Grantee;

(ii) requests disbursement of the Grant in an amount not to exceed the Maximum Grant Amount (as may be adjusted as provided herein) and specifies the amount and nature of the Qualified Costs to be reimbursed by the Grant;

(iii) includes a certified statement of Grantee that all Project costs have been paid to third parties unrelated to Grantee, or if any costs have been paid to third parties related to Grantee, that such costs do not exceed the reasonable and customary costs of services, labor or materials of comparable quality, dependability, availability and other pertinent criteria, together with written evidence reasonably satisfactory to the City of the payment by Grantee of such costs to be reimbursed (e.g., sworn construction statement and final mechanics’ lien waivers); and

(iv) shall constitute a representation and warranty by Grantee to the City that all representations and warranties of Grantee set forth in this Agreement and the Redevelopment Agreement are true and correct as of the date of such Disbursement Request.

(c) Grantee shall not be in default under the terms of this Agreement, the Redevelopment Agreement, or any Project Approvals beyond any applicable cure period, and Grantee shall have provided to the City such evidence of compliance with all of the provisions of the same as the City may reasonably request.

5. Disbursement of Grant Proceeds. The City shall disburse the Grant to Grantee no later than 30 days after Grantee has satisfied the conditions precedent to disbursement set forth in Section 3 above, so long as the condition set forth in Section 3(c) remains true and correct as of the date of disbursement.

6. Representations and Warranties; Agreements. Grantee represents and warrants to the City and agrees that:

(a) Grantee is a local government agency created by the Minnesota Legislature and has power to enter into this Agreement and has duly authorized, by all necessary corporate action, the execution and delivery of this Agreement.

(b) The execution and delivery of this Agreement, and the performance by Grantee of its obligations hereunder, do not and will not violate or conflict with any provision of law or any governing documents of Grantee and do not and will not violate or conflict with, or cause any default or event of default to occur under, any agreement binding upon Grantee.

(c) The execution and delivery of this Agreement has been duly approved by all necessary action of Grantee, and this Agreement has in fact been duly executed and delivered by Grantee and constitutes its lawful and binding obligation, legally enforceable against it.

(d) Grantee warrants and agrees that it shall keep and maintain books, records, and other documents relating directly to the receipt and disbursements of Grant proceeds and compliance by Grantee with the terms and conditions of the this Agreement (collectively, the "Records"). Grantee agrees that any duly authorized representative of the City shall, at all reasonable times, have access to and the right to inspect, copy, audit, and examine all Records.

(e) Grantee warrants that it has fully complied with all applicable state and federal laws pertaining to its business and will continue said compliance throughout the term of this Agreement. If at any time Grantee receives notice of noncompliance from any governmental entity, Grantee agrees to take any necessary action to comply with the state or federal law in question.

7. Restrictions on the Property. Grantee covenants and agrees that the use and ownership of the Development Property shall be made perpetually subject to the terms and conditions of the Carver County Community Land Trust (the "Land Trust"), such that the Development Property will be owned by the Land Trust for the purpose of preserving the affordability of housing units on the Development Property through the sale of the housing units and long-term leasing of the land under said housing units to households having incomes at or below **80%** of the Area Median Income for the Minneapolis-Saint Paul-Bloomington Metropolitan Statistical Area (including adjustments for household size) ("Qualified Households") or other persons and families of low and moderate income in compliance with M.S. Section 462A.31 and any successor statute, regulation, or law governing community land trusts in Minnesota (the "Land Trust Use"). Grantee shall otherwise cause the Development Property and Project to be in compliance with all of the conditions, covenants, restrictions and limitations imposed by this Agreement, the Redevelopment Agreement, and all applicable laws, ordinances and regulations.

8. Event of Default by Grantee. 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 (unless the context otherwise provides), any one or more of the following events which occurs and continues for more than 15 days after written notice thereof to Grantee setting forth with specific particularity the default and the action required to cure or remedy the same (the "Default Notice"); provided, however, if a longer period is reasonably required to complete the cure, then the cure period shall be extended as may be reasonably required to complete the cure as soon as reasonably possible under the circumstances not to exceed 90 days and so long as Grantee is diligently and continuously attempting to cure such failure:

(a) Failure of Grantee to observe and perform any other covenant, condition, obligation or agreement on its part to be observed or performed hereunder or under the Redevelopment Agreement.

(b) Failure of Grantee to pay any taxes on the Development Property prior to the same becoming delinquent.

(c) Any representation or warranty made by Grantee herein or in any document, instrument, or certificate given in connection with this Agreement, is materially false when made; or

(d) Filing of any voluntary petition in bankruptcy or similar proceedings by Grantee; general assignment for the benefit of creditors made by Grantee or admission in writing by Grantee of inability to pay its debts generally as they become due; or filing of any involuntary petition in bankruptcy or similar proceedings against Grantee which are not dismissed or stayed within 60 days.

9. The City's Remedies upon Grantee's Default.

(a) Remedies. Upon the occurrence of an Event of Default, the City may take any one or more of the following actions at any time prior to Grantee's curing or remedying the Event of Default:

(i) terminate this Agreement

(ii) suspend its performance under this Agreement;

(iii) demand, seek, and obtain repayment of the Grant proceeds from Grantee, plus interest thereon from the original date of disbursement of the Grant at the rate of 10% per annum, which amount shall be paid to the City within 10 days of written demand; and

(iv) take whatever action at law or in equity may appear necessary or desirable to the City to collect any payments due under this Agreement, or to enforce performance and observance of any obligation, agreement, or covenant of Grantee under this Agreement; an

(v) exercise any remedies available at law and in equity to enforce performance of this Agreement, including a right to specific performance.

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

(c) Waivers. All waivers by any party to this Agreement shall be in writing. If any provision of this Agreement is breached by any party and thereafter waived by another 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.

(d) Agreement to Pay Attorneys' Fees. Whenever any Event of Default occurs and the City shall employ attorneys or incur other expenses for the collection of payments due or to become due or for the enforcement or performance or observance of any obligation or agreement on the part of Grantee herein contained, Grantee agrees that it shall, on demand therefor, pay to the City the reasonable fees of such attorneys and such other expenses so incurred by the City.

10. Indemnification. Grantee shall and does hereby agree to indemnify against and to hold the City, and its officers, agents, and employees, harmless of and from any and all liability, loss, or damage which it may or might incur by reason of or arising from any and all claims and demands whatsoever which may be asserted against it by reason of any alleged obligations or undertakings on its part to perform or discharge any of the terms, covenants or agreements contained herein. Should the City, or its officers, agents, or employees incur any such liability or be required to defend against any such claims or demands, or should a judgment be entered against the City, the amount thereof, including costs, expenses, and reasonable attorneys' fees, shall bear interest thereon at 10% per annum, shall be added to the Grant, and Grantee shall reimburse the City for the same immediately upon demand.

11. Insurance. Grantee shall obtain and continuously maintain insurance on the Project in the form and content required by the Redevelopment Agreement, and, from time to time at the request of the City, furnish proof to the City that the premiums for such insurance have been paid and the insurance is in effect.

12. Assignment. This Agreement shall be binding upon Grantee and its successors and assigns and shall inure to the benefit of the City and its successors and assigns. All rights and powers specifically conferred upon the City may be transferred or delegated by the City to any of its successors and assigns. Except conveyances of the Development Property permitted under the Land Trust to Qualified Households made to in the ordinary course of business, Grantee has not made and will not make, or suffer to be made, any total or partial sale, assignment, conveyance, lease, or other transfer, with respect to this Agreement, the Project or Development Property or any part thereof or any interest therein (other than any Mortgage or Mortgages securing financing for the Project or other than any assignment of the payments to be made to Grantee under Section 5.6 of Redevelopment Agreement that is permitted under Section 5.6 of the Redevelopment Agreement), or any contract or agreement to do any of the same, without the prior written approval of the City, which shall not be unreasonably withheld or delayed.

13. Damage or Destruction. Subject to any mortgage requirements, upon any damage or destruction of the Project, or any portion thereof, by fire or other casualty, Grantee shall within 60 days after such damage or destruction, commence the process required to repair, reconstruct and restore the damaged or destroyed Project, or portion thereof, to substantially the same condition or utility value as existed prior to the event causing such damage or destruction and shall diligently pursue such repair, reconstruction and restoration.

14. Miscellaneous.

(a) Conflicts of Interest; City Representatives Not Individually Liable. No member, official, employee, or consultant or employee of a consultant of the City shall have any personal interest, direct or indirect, in this Agreement, nor shall any such member, official, consultant or the consultant's employees or employee participate in any decision relating to this Agreement which affects his or her personal interests or the interests of any corporation, partnership, or association in which he or she is directly or indirectly interested. No member, official, consultant or

consultant's employee, or employee of the City shall be personally liable to Grantee, or any successor in interest, in the event of any default or breach by the City or for any amount which may become due to Grantee or successors or on any obligations under the terms of this Agreement. No member, official, consultant or consultant's employee, or employee of Grantee shall be personally liable to the City, or any successor in interest, in the event of any default or breach by Grantee or for any amount which may become due to the City on any obligations under the terms of this Agreement.

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

(c) Provisions Surviving Termination. The following section will survive any termination, rescission, or expiration of this Agreement with respect to or arising out of any event, occurrence, or circumstance existing prior to the date thereof: Section 9 [The City's Remedies upon Grantee's Default] to the extent of any Event of Default arising prior to such termination or expiration Section 10 [Indemnification]; Section 11 [Insurance]; Section 14(d) [Notices and Demands]; and Section 14(e) [Governing Law, Jurisdiction, Venue and Waiver of Trial by Jury].

(d) Notices and Demands. Except as otherwise expressly provided in this Agreement, a notice, demand, or other communication under this Agreement by any party to another party shall be sufficiently given or delivered if it is dispatched by registered or certified mail, postage prepaid, return receipt requested, or delivered personally as follows:

(i) in the case of Grantee, addressed to or delivered personally to:

Carver County Community Development Agency
705 N. Walnut Street
Chaska, MN 55318
Attention: Executive Director

(ii) in the case of the City, addressed or delivered personally to:

City of Chaska
500 4th Avenue NE
Chaska, MN 55912
Attention: City Administrator

with a copy to:

Jay R. Lindgren
Dorsey & Whitney LLP
50 South Sixth Street, Suite 1500
Minneapolis, MN 55402

Each party, by notice given hereunder to the other parties, may designate different addresses to which subsequent notices, certificates or other communications should be sent.

(e) Governing Law, Jurisdiction, Venue and Waiver of Trial by Jury. All matters, whether sounding in tort or in contract, relating to the validity, construction, performance, or enforcement of this Agreement shall be controlled by, interpreted and determined in accordance

with the laws of the state of Minnesota without regard to its conflict and choice of law provisions. Any litigation arising out of this Agreement shall be venued exclusively in Carver County District Court, state of Minnesota and shall not be removed therefrom to any other federal or state court. Grantee and the City hereby consent to personal jurisdiction and venue in the foregoing court. Grantee and the City hereby waive trial by jury for any litigation arising out of this Agreement.

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

(g) Amendments, Changes and Modifications. This Agreement may be amended or any of its terms modified only by written amendment authorized and executed by the City and Grantee.

(h) Further Assurances and Corrective Instruments. The City and Grantee agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required for correcting any inadequate or incorrect description of the Development Property or the Project or for carrying out the expressed intention of this Agreement.

(i) City Approval. Unless the City Council determines otherwise in its discretion, whenever this Agreement provides for the consent or approval by the City, such approval shall be given by the City Administrator (or his/her designee), unless (A) this Agreement explicitly provides for approval by the City Council, (B) approval by the City Council is required by law or (C) the approval, in the opinion of the City Administrator would result in a material change in the terms of this Agreement.

(j) No Waiver of Governmental Immunity and Limitations on Liability. Nothing in this Agreement shall in any way affect or impair the City's immunity or the immunity of the City's employees, consultants and contractors, whether on account of official immunity, legislative immunity, statutory immunity, discretionary immunity or otherwise. Nothing in this Agreement shall in any way affect or impair the limitations on the City's liability or the liability of the City's employees, consultants and independent contractors. By entering into this Agreement, the City does not waive any rights, protections, or limitations as provided under law and equity for the City, or of their respective employees, consultants and contractors.

(k) Superseding Effect. This Agreement reflects the entire agreement of the parties with respect to the items covered by this Agreement, and supersedes in all respects all prior agreements of the parties, whether written or otherwise, with respect to the items covered by this Agreement.

(l) Data Practices Act. Grantee acknowledges that all of the data created, collected, received, stored, used, maintained, or disseminated by Grantee with regard to the performance of its duties under this Agreement are subject to the requirements of Chapter 13, Minnesota Statutes.

(m) City a Regulatory Authority. Nothing in this Agreement shall be construed to limit or modify the City's regulatory authority.

(n) Time is of the Essence. Time is of the essence of this Agreement and each and every term and condition hereof; provided, however, that if any date herein set forth for the performance of any obligations by Grantee or the City or for the delivery of any instrument or

notice as herein provided should not be on a business day, the compliance with such obligations or delivery shall be deemed acceptable on the next following business day.

(o) Relationship of Parties. Nothing in this Agreement is intended, or shall be construed, to create a partnership or joint venture among or between the parties hereto, and the rights and remedies of the parties hereto shall be strictly as set forth in this Agreement.

(p) Captions. The captions or headings in this Agreement are for convenience only and in no way define, limit or describe the scope of intent of any provisions or Sections of this Agreement.

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

[Remainder of page intentionally left blank; signature(s) on following page(s)]

IN WITNESS WHEREOF, the undersigned officers of the City and Grantee have executed this Grant Agreement as of the date and year first written above.

CITY:

CITY OF CHASKA, MINNESOTA

By: _____
Mayor

By: _____
City Administrator

STATE OF MINNESOTA)
)
COUNTY OF CARVER)

ss.

The foregoing instrument was acknowledged before me on this ____ day of _____, 202__, by _____, the Mayor, and _____, the City Administrator, of the City of Chaska, a Minnesota municipal corporation, on behalf of the corporation.

Notary Public

GRANTEE:

CARVER COUNTY COMMUNITY DEVELOPMENT
AGENCY

By: _____

By: _____

STATE OF MINNESOTA)
)
COUNTY OF CARVER)

ss.

The foregoing instrument was acknowledged before me on this ____ day of _____,
202____, by _____, the _____, and _____, the
_____, of the Carver County Community Development Agency, on behalf of the agency.

Notary Public

Exhibit I

Form of Memorandum of Agreement

Memorandum of Redevelopment Agreement

This Memorandum of Redevelopment Agreement (this "Memorandum") is entered into as of _____, 202__, by and among the CITY OF CHASKA, MINNESOTA, a municipal corporation and political subdivision of the State of Minnesota (the "City"), the ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF CHASKA, MINNESOTA, a body corporate and politic of the State of Minnesota (the "EDA"), and CARVER COUNTY COMMUNITY DEVELOPMENT AGENCY (the "Developer").

RECITALS:

A. The City, EDA, and Developer (collectively, the "Parties") have entered into a certain Amended and Restated Purchase and Redevelopment Agreement dated as of _____, 202__ (as the same may be amended or supplemented from time to time, the "Redevelopment Agreement"), whereby the Parties have agreed to various aspects of the redevelopment of certain real property more particularly described on the attached Exhibit A, together with all improvements, tenements, easements, rights and appurtenances pertaining to such real property, lying and being in Carver County, Minnesota (the "Property").

B. The Parties wish to give notice of the existence of the Redevelopment Agreement.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto agree as follows:

1. The above recitals are incorporated by reference as if fully set forth herein.
2. Capitalized terms, when not defined herein, shall have the meanings ascribed to them in the Redevelopment Agreement.
3. The Parties have entered into the Redevelopment Agreement to set forth the terms and provisions governing the redevelopment of the Property.
4. This Memorandum has been executed and delivered by the Parties for the purpose of recording and giving notice that a contractual relationship for the redevelopment of the Property has been created between the Parties in accordance with the terms, covenants, and conditions of the Redevelopment Agreement.
5. The terms and conditions of the Redevelopment Agreement are incorporated by reference into this Memorandum as if fully set forth herein, specifically including, without limitation, the following provisions:
 - (a) Developer's covenant that the use and ownership of the Development Property shall be perpetually subject to the terms and conditions of the of the Carver County Community Land Trust (the "Land Trust") such that the Residential Units constructed thereon shall be sold only to households having incomes at or below **80%** of the Area Median Income for the Minneapolis-Saint Paul-Bloomington Metropolitan Statistical Area (including adjustments for household size) ("Qualified Households") and the land underlying each such Residential Unit shall be leased only

to such Qualified Household pursuant to long-term ground lease in substantially the form set forth in the Redevelopment Agreement such that the Development Property will be owned by the Land Trust for the purpose of preserving the affordability of housing units on the Development Property, all as further provided in the Redevelopment Agreement; and

(b) a right of reverter of the Development Property in favor of the EDA if Developer fails to cause the Commencement of construction of the Project by **January 31, 2024**.

6. This Memorandum may be executed separately in counterparts which, when taken together, shall constitute one and the same instrument.

[Remainder of page left blank intentionally; signature pages follow]

IN WITNESS WHEREOF, the Parties have executed this Memorandum as of the date first written above.

CITY OF CHASKA, MINNESOTA

By: _____
Mayor

By: _____
City Administrator

STATE OF MINNESOTA)
) ss.
COUNTY OF CARVER)

The foregoing instrument was acknowledged before me on this ____ day of _____, 202__, by Mark Windschitl, the Mayor, and Matt Podhradsky, the City Administrator, of the City of Chaska, a Minnesota municipal corporation, on behalf of the corporation.

Notary Public

ECONOMIC DEVELOPMENT AUTHORITY OF THE
CITY OF CHASKA, MINNESOTA

By: _____
President

By: _____
Executive Director

STATE OF MINNESOTA)
) ss.
COUNTY OF CARVER)

This instrument was acknowledged before me on this ____ day of _____, 202__, by Mark Windschitl and Matt Podhradsky, the President and Executive Director, respectively, of Economic Development Authority of the City of Chaska, Minnesota, a Minnesota political subdivision, on behalf of the political subdivision.

Notary Public

CARVER COUNTY COMMUNITY DEVELOPMENT
AGENCY

By: _____

By: _____

STATE OF MINNESOTA)
) ss.
COUNTY OF CARVER)

The foregoing instrument was acknowledged before me on this ____ day of _____,
202__, by _____, the _____, and _____, the
_____, of the Carver County Community Development Agency, on behalf of the agency.

Notary Public

THIS DOCUMENT WAS DRAFTED BY:
Dorsey & Whitney LLP (ACS)
50 South Sixth Street
Suite 1500
Minneapolis, MN 55402-1498

Exhibit A

Legal Description

The real property and interests in such property located in the County of Carver, State of Minnesota and described as follows:

Parcel 1:

Lot 2, Block 37, except the Northerly 6 feet of the Westerly 48 feet thereof and also including the South 4 feet of the Easterly 94 feet of Lot 1, Block 37, City of Lots of Chaska, Carver County, Minnesota.

Parcel 2:

Lot 3, Block 37, City of Lots Chaska, Carver County, Minnesota.