



ECONOMIC DEVELOPMENT AUTHORITY AGENDA

Tuesday, October 6, 2015

6:50 p.m.

Coon Rapids City Center
Council Chambers

Call to Order

Roll Call

Approval of Minutes of Previous Meeting

1. Approve Minutes of April 7, 2015
2. Approve Minutes of September 15, 2015

New Business

3. Consider Resolution EDA 15-4 Approving an Amendment to the Purchase Agreement with Coon Rapids Leased Housing Associates IV, LLLP

Other Business

Adjourn



EDA Regular

1.

Meeting Date: 10/06/2015

SUBJECT: Approve Minutes of April 7, 2015

Attachments

EDA minutes

ECONOMIC DEVELOPMENT AUTHORITY MEETING OF APRIL 7, 2015

A meeting of the Coon Rapids Economic Development Authority was called to order by President Jerry Koch at 9:20 p.m. on April 7, 2015 in the Council Chambers.

Members Present: President Jerry Koch, Commissioners Ron Manning, Brad Johnson, Wade Demmer, Steve Wells and Denise Klint

Members Absent: None

CALL TO ORDER

President Koch called the meeting to order at 9:20 p.m.

ROLL CALL

All Present.

APPROVAL OF MINUTES OF PREVIOUS MEETING

1. Approve Minutes of January 20, 2015

MOTION BY COMMISSIONER MANNING, SECONDED BY COMMISSIONER WELLS TO APPROVE AS PRESENTED. AYES - 5, NAYS - 0, ABSTAINED - 2(KLINT AND GEISLER) MOTION CARRIED.

NEW BUSINESS

2. Consider Purchase and Redevelopment Agreement and TIF Plan for Senior Housing Development, 110xx Crooked Lake Blvd., Port Campus Square.

MOTION BY COMMISSIONER MANNING, SECONDED BY COMMISSIONER DEMMER TO APPROVE PURCHASE AND REDEVELOPMENT AGREEMENT AND TIF PLANNING FOR SENIOR HOUSING DEVELOPMENT, 110XX CROOKED LAKE BLVD., AND ADOPTING RESOLUTIONS 15-1, 15-2 AND 15-3. AYES - 6, NAYS - 0, ABSTAIN - 1(JOHNSON). MOTION CARRIED.

OTHER BUSINESS

There was no other business to come before the EDA.

ADJOURN

MOTION BY COMMISSIONER DEMMER, SECONDED BY COMMISSIONER WELLS, TO ADJOURN THE APRIL 7, 2015 EDA MEETING AT 9:21 P.M. THE MOTION PASSED UNANIMOUSLY.

Approval Attestation:
Joan Lenzmeier, City Clerk



EDA Regular

2.

Meeting Date: 10/06/2015

SUBJECT: Approve Minutes of September 15, 2015

Attachments

EDA minutes

ECONOMIC DEVELOPMENT AUTHORITY MEETING OF SEPTEMBER 15, 2015

A meeting of the Coon Rapids Economic Development Authority was called to order by President Jerry Koch at 6:50 p.m. on September 15, 2015 in the Council Chambers.

Members Present: President Jerry Koch, Commissioners Ron Manning, Brad Johnson, Wade Demmer, Steve Wells, Jennifer Geisler and Denise Klint

Members Absent: None

CALL TO ORDER

President Koch called the meeting to order at 6:50 p.m.

ROLL CALL

All Present.

APPROVAL OF MINUTES OF PREVIOUS MEETING

None.

NEW BUSINESS

1. Consider Public Easements, Port Campus Square.

COUNCIL APPROVED PUBLIC EASEMENTS RELATED TO ROBINWOOD PLAT 6 AND AUTHORIZED THE PRESIDENT AND SECRETARY TO EXECUTE NECESSARY DOCUMENTS. THE MOTION PASSED UNANIMOUSLY.

OTHER BUSINESS

There was no other business to come before the EDA.

ADJOURN

MOTION BY COMMISSIONER DEMMER, SECONDED BY COMMISSIONER WELLS, TO ADJOURN THE SEPTEMBER 15, 2015 EDA MEETING AT 6:55 P.M. THE MOTION PASSED UNANIMOUSLY.

Approval Attestation:
Joan Lenzmeier, City Clerk



EDA Regular

3.

Meeting Date: 10/06/2015

Subject: Consider Resolution EDA 15-4 Approving an Amendment to the Purchase Agreement with Coon Rapids Leased Housing Associates IV, LLLP

From: Matt Brown, Economic
Development Coordinator

INTRODUCTION

The EDA is asked to consider a resolution approving a Development Agreement with Coon Rapids Leased Housing Associates IV, LLLP and authorizing the execution and delivery of a Second Amendment to the Purchase Agreement related to the Dominion senior housing project in Port Campus Square.

DISCUSSION

On April 7, the EDA approved resolutions related to the development of a 167-unit senior apartment building on land currently owned by the EDA adjacent to the Coon Rapids Ice Center near 109th Lane and Crooked Lake Boulevard. At that time, a form of a purchase and redevelopment agreement was approved by the EDA. Shortly after approval, Dominion requested that the purchase and redevelopment agreement be separated into individual documents: 1) a purchase agreement for the real estate elements and 2) a development agreement related to the business terms of the deal. The purchase agreement created a real estate interest in the property and allowed Dominion to apply for federal tax credits through the MHFA. The purchase agreement was amended (First Amendment) earlier this year to establish a September 30, 2015 closing date. Since that date has lapsed, the developer is requesting a Second Amendment to establish a new closing date of no later than December 30, 2015.

Over the course of the summer, there have been several minor changes to the Development Agreement that have been made to satisfy requirements of the lenders. The changes do not affect the overall business terms of the project. One change to note is the developer's characterization of the \$1,100,000 in sale proceeds to the EDA. The original agreement stated that \$600,000 of this amount is characterized as compensation for the land and \$500,000 is characterized as reimbursement for redevelopment expenses. This would enable the developer to include an additional \$500,000 in their basis for their tax credit application. The modified language simply identifies the \$500,000 amount as a redevelopment fee, whereas the previous agreement attempted to further define the basis for the fee. In short, this change does not affect the City's net sale proceeds and any financial or tax impact (i.e. reduction in the amount of credits) would be the developer's responsibility. The closing is now expected to occur in early October.

RECOMMENDATION

Staff recommends that the EDA adopt the resolution approving a Development Agreement with Coon Rapids Leased Housing Associates IV, LLLP and authorizing the execution and delivery of a Second Amendment to the Purchase Agreement related to the Dominion senior housing project in Port Campus Square.

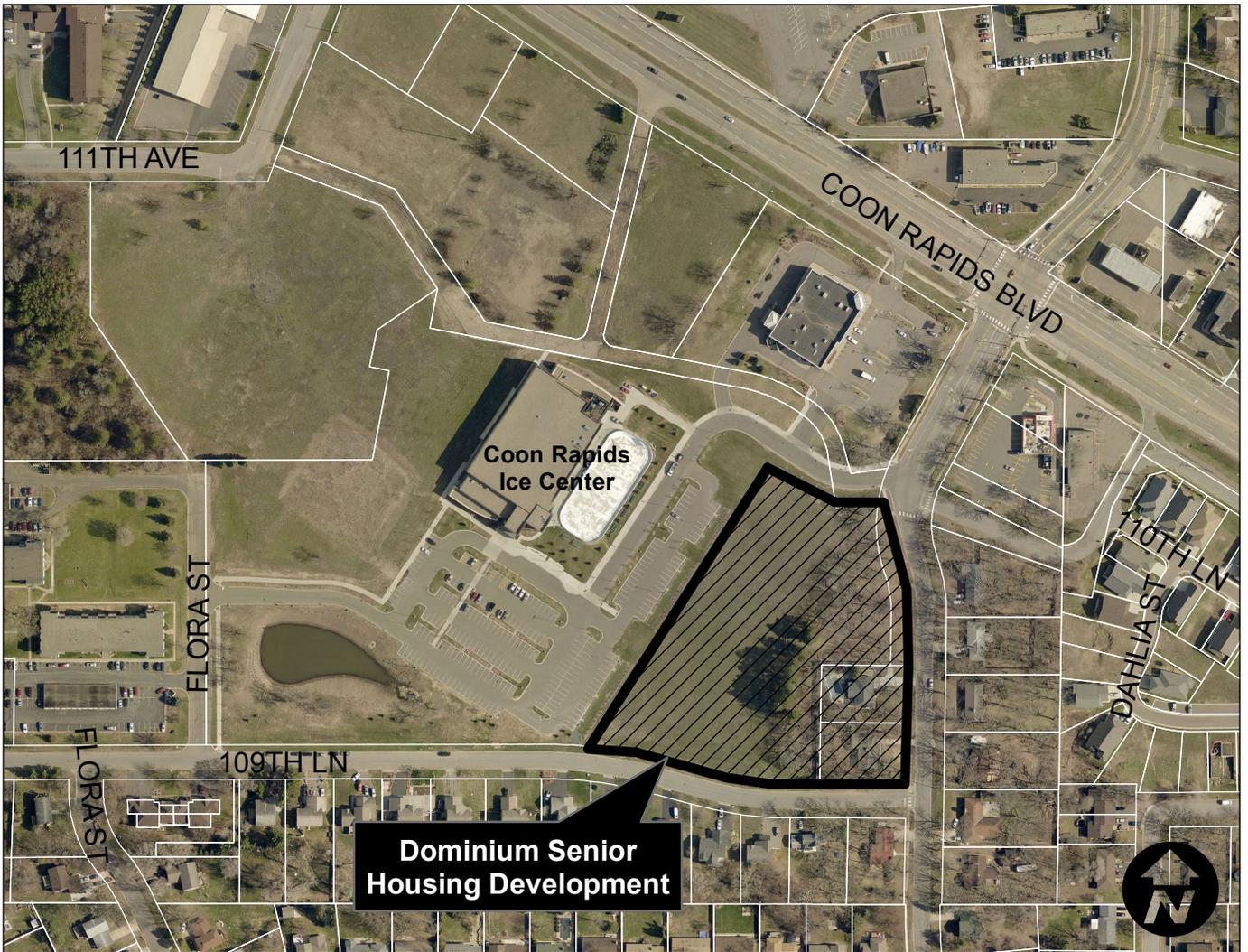
Attachments

Location Map

Resolution

2nd Amendment

Development Agreement



**ECONOMIC DEVELOPMENT AUTHORITY IN AND FOR THE CITY
OF COON RAPIDS, MINNESOTA
CITY OF COON RAPIDS
ANOKA COUNTY
STATE OF MINNESOTA**

RESOLUTION NO. _____

**APPROVING A DEVELOPMENT AGREEMENT WITH
COON RAPIDS LEASED HOUSING ASSOCIATES IV, LLLP AND
AUTHORIZING THE EXECUTION AND DELIVERY OF A
SECOND AMENDMENT TO PURCHASE AGREEMENT**

WHEREAS, the City of Coon Rapids, Minnesota (the “City”) and the Economic Development Authority in and for the City of Coon Rapids, Minnesota (the “EDA”) have established Tax Increment Financing District No. 1-31 (the “TIF District”) within Redevelopment Project No. 1 (the “Project Area”), and adopted a Tax Increment Financing Plan (the “TIF Plan”) for the purpose of financing certain improvements within the Project Area;

WHEREAS, Coon Rapids Leased Housing Associates IV, LLLP (the “Developer”) has proposed to construct an approximately 167-unit senior rental housing facility (the “Facility”), to be located at 10920, 10930 and 11000 Crooked Lake Blvd NW in the City (the “Development Property”);

WHEREAS, the EDA has determined that it is reasonable and necessary to provide certain financial assistance to the Developer in order to facilitate Developer’s plans for the Facility and the Development Property, and to that end, parties have negotiated a Development Agreement between the EDA and Developer (the “Development Agreement”);

WHEREAS, pursuant to a resolution adopted April 7, 2015 after a public hearing on such date, the EDA and the Developer entered into a Purchase Agreement, dated effective as of May 13, 2015, as amended by a First Amendment to Purchase Agreement dated July 22, 2015 (as amended, the “Purchase Agreement”), with respect to real property located in the City of Coon Rapids, identified in Exhibit A (the “EDA Property”);

WHEREAS, the EDA and the Developer wish to amend the Agreement to extend the Outside Closing Date (as that term is defined in the Purchase Agreement) for the benefit of both parties;

WHEREAS, a form of a Second Amendment to Purchase Agreement (the “Amendment”) has been prepared and is now on file in the office of the Economic Development Coordinator;

WHEREAS, pursuant to the Amendment, the term “Outside Closing Date” is amended to mean December 31, 2015.

NOW THEREFORE BE IT RESOLVED by the Board of Commissioners (the “Board”) of the Economic Development Authority in and for the City of Coon Rapids, Minnesota (the “EDA”) as follows:

1. The EDA finds and determines that conveyance of the EDA Property to the Developer is in the public interest and will further the objectives of its general plan of economic development,

housing development and redevelopment of the City, because it will provide increased affordable life-cycle housing opportunities in the City and serve as an impetus for further development.

2. The EDA hereby approves the Development Agreement and the Purchase Agreement as amended by the Amendment in substantially the forms presented to the Board, including conveyance of the EDA Property to the Developer, together with any related documents necessary in connection therewith, including without limitation all documents referenced in or attached to the Agreement, and any deed or other documents necessary to convey the EDA Property to Developer, all as described in the Agreement (collectively, the “Development Documents”) and the President and the Executive Director are hereby authorized and directed to execute the Development Documents on behalf of the EDA and to carry out, on behalf of the EDA, the EDA’s obligations thereunder.
3. EDA staff and officials are authorized to take all actions necessary to perform the EDA’s obligations under the Development Documents as a whole, including without limitation execution of any documents or certifications to which the EDA is a party referenced in or attached to the Agreement, and any deed or other documents necessary to convey the EDA Property to Developer.
4. The approval hereby given to the Development Documents includes approval of such additional details therein as may be necessary and appropriate and such modifications thereof, deletions therefrom and additions thereto as may be necessary and appropriate and approved by legal counsel to the EDA and by the officers authorized herein to execute said documents prior to their execution; and said officers are hereby authorized to approve said changes on behalf of the EDA. The execution of any instrument by the appropriate officers of the EDA herein authorized shall be conclusive evidence of the approval of such document in accordance with the terms hereof. In the event of absence or disability of the officers, any of the documents authorized by this Resolution to be executed may be executed without further act or authorization of the Board by any duly designated acting official, or by such other officer or officers of the Board as, in the opinion of the City Attorney, may act in their behalf.
5. This resolution supplements but does not supersede the resolution adopted April 7, 2015.

Approved by the Board on October 6, 2015.

President

ATTEST:

Executive Director

EXHIBIT A
EDA PROPERTY

Lot 11, Robinwood, Anoka County, Minnesota, according to the recorded plat thereof.

AND

That part of Crooked Lake Boulevard as dedicated in the plat of Robinwood Plat 3, Anoka County, Minnesota, according to the recorded plat thereof, lying westerly of the following described line:

Beginning at the southeast corner of said Crooked Lake Boulevard; thence North 0 degrees 11 minutes 08 seconds East, on an assumed bearing along the easterly line of said Crooked Lake Boulevard, a distance of 84.96 feet to a point of curve in said easterly line; thence continuing northerly, along said easterly line, a distance of 88.48 feet to a point of curve in said easterly line; thence North 17 degrees 39 minutes 57 seconds West, to the westerly line of said Crooked Lake Boulevard, and said line there terminating.

AND

That part of Lot 1, Block 3 and Outlot A, Robinwood Plat 5, Anoka County, Minnesota, according to the recorded plat thereof lying southerly and easterly of the following described line:

Commencing at the southeast corner of Crooked Lake Boulevard as dedicated in the plat of Robinwood Plat 3, Anoka County, Minnesota, according to the recorded plat thereof; thence North 0 degrees 11 minutes 08 seconds East, on an assumed bearing along the easterly line of said Crooked Lake Boulevard, a distance of 84.96 feet to a point of curve in said easterly line; thence continuing northerly, along said easterly line, a distance of 88.48 feet to a point of curve in said easterly line; thence North 17 degrees 39 minutes 57 seconds West, to the westerly line of said Crooked Lake Boulevard and the point of beginning of said line; thence South 80 degrees 45 minutes 00 seconds West a distance of 28.96 feet; thence westerly a distance of 92.94 feet along a tangential curve, concave to the north having a radius of 128.31 feet and a central angle of 41 degrees 30 minutes 09 seconds; thence North 57 degrees 44 minutes 50 seconds West, tangent to said curve, a distance of 80.00 feet; thence South 32 degrees 45 minutes 49 seconds West to the southerly line of said Lot 1 and said line there terminating.

**SECOND AMENDMENT TO
PURCHASE AGREEMENT**

THIS SECOND AMENDMENT TO PURCHASE AGREEMENT (the “Amendment”) is dated effective as of September 30, 2015 by and between the Economic Development Authority in and for the City of Coon Rapids, Minnesota, a public body corporate and politic established pursuant to Minnesota statutes (“Seller”), and Coon Rapids Leased Housing Associates IV, LLLP, a Minnesota limited liability limited partnership (“Buyer”).

Recitals

A. Seller and Buyer entered into a Purchase Agreement dated effective as of May 13, 2015, as amended by a First Amendment to Purchase Agreement dated July 22, 2015 (as amended, the “Agreement”) with respect to real property located in the City of Coon Rapids, Anoka County, State of Minnesota, as more particularly described in the Agreement.

B. Seller and Buyer wish to amend the Agreement to extend the Outside Closing Date for the benefit of both parties as set forth below.

Agreement

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by Seller and Buyer, Seller and Buyer agree to amend the Agreement as hereinafter provided:

1. Coordination. Terms and words not herein expressly defined shall, to the extent the same are defined in the Agreement, have the same meaning and application ascribed thereto in the Agreement, it being the intent of Seller and Buyer that the Agreement and this Amendment be applied and construed as a single instrument.

2. Closing Date. The Agreement is hereby amended such that the term “Outside Closing Date”, as such term is used in the Agreement, shall mean December 31, 2015.

3. Ratification. Seller and Buyer hereby ratify and affirm all of the terms and provisions of the Agreement, as amended by this Amendment, and acknowledge that such terms and provisions are in full force and effect as herein modified, notwithstanding that this Amendment may have been signed after the above-stated effective date hereof.

4. Counterparts and Facsimile Signatures. This Amendment may be executed in counterparts and facsimile or pdf signatures shall be deemed to be originals.

[Signature Page Follows]

IN WITNESS WHEREOF, Seller and Buyer have executed this Amendment as of the date first above written.

SELLER:

ECONOMIC DEVELOPMENT
AUTHORITY IN AND FOR THE CITY
OF COON RAPIDS, MINNESOTA

By _____
Its President

By _____
Its Executive Director

[Signatures continue on following page]

[Continuation Signature Page – Second Amendment to Purchase Agreement]

BUYER:

COON RAPIDS LEASED HOUSING
ASSOCIATES IV, LLLP

By: Coon Rapids Leased Housing
Associates IV, LLC
Its: General Partner

By: _____
Mark S. Moorhouse
Senior Vice President

10906106v2

DEVELOPMENT AGREEMENT

By and Between

**ECONOMIC DEVELOPMENT AUTHORITY IN AND FOR THE CITY OF COON
RAPIDS, MINNESOTA**

and

COON RAPIDS LEASED HOUSING ASSOCIATES IV, LLLP

Dated as of: October ____, 2015

This document was drafted by:
KENNEDY & GRAVEN, Chartered (JSB)
470 U.S. Bank Plaza
200 South Sixth Street
Minneapolis, Minnesota 55402
Telephone: 337-9300

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

DEVELOPMENT AGREEMENT

THIS AGREEMENT, made on or as of the ____ day of October, 2015, by and between the ECONOMIC DEVELOPMENT AUTHORITY IN AND FOR THE CITY OF COON RAPIDS, MINNESOTA, a public body corporate and politic established pursuant to Minnesota Statutes, Sections 469.090 to 469.1081 (the “EDA”), and COON RAPIDS LEASED HOUSING ASSOCIATES IV, LLLP, a Minnesota limited liability limited partnership (the “Redeveloper”).

WITNESSETH:

WHEREAS, the EDA was established by the City of Coon Rapids (the “City”) under Minnesota Statutes, Sections 460.090 to 469.1081 (the “EDA Act”), and has all the powers of a housing and redevelopment authority under Minnesota Statutes, Sections 469.001 to 469.047 (the “HRA Act”); and

WHEREAS, the EDA has undertaken a program to promote the redevelopment of land which is blighted and underutilized within the City, and in this connection created a redevelopment project known as the Redevelopment Project Area No. 1 (the “Redevelopment Project”) pursuant to the HRA Act; and

WHEREAS, pursuant to the HRA Act, the EDA is authorized to acquire real property, or interests therein, and to undertake certain activities to facilitate the redevelopment of real property by private enterprise; and

WHEREAS, the EDA has acquired certain property described in Exhibit B (the “EDA Property”) within the Redevelopment Project, and intends to convey a portion of the property (the “Redevelopment Property”) to the Redeveloper for development of certain improvements described herein; and

WHEREAS, the EDA and Redeveloper executed a Term Sheet dated as of February 17, 2015 (the “Term Sheet”) describing the general terms of a future development agreement regarding construction of the Minimum Improvements and the EDA’s financial assistance in such effort; and

WHEREAS, this Agreement is intended to replace and supersede the Term Sheet in all respects; and

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

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

ARTICLE I
Definitions

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

“Advance” means an advance of the proceeds of the TIF Note as described in Section 4.2(b).

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

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

“Available Tax Increment” has the meaning provided in Section 4.2(c) hereof.

“Business Day” means any day except a Saturday, Sunday, legal holiday, a day on which the City is closed for business, or a day on which banking institutions in the City are authorized by law or executive order to close.

“Business Subsidy Act” means Minnesota Statutes, Sections 116J.993 to 116J.995, as amended.

“Certificate of Completion” means the certification provided to the Redeveloper pursuant to Section 5.4 of this Agreement.

“City” means the City of Coon Rapids, Minnesota.

“Closing” means closing on conveyance of the EDA Property from the EDA to the Redeveloper in accordance with the Purchase Agreement.

“Code” means the Internal Revenue Code of 1986, as amended.

[“Collateral Assignment of TIF and Redevelopment Agreement” means the Collateral Assignment of Tax Increment Note and Available Tax Increment, dated as of the

date hereof, executed by the Redeveloper in favor of U.S. Bank National Association, as Initial Funding Lender, together with any amendment thereto.]

“Collateral Assignment of TIF Note” Collateral Assignment of Tax Increment Financing Note and Available Tax Increment dated as of the date hereof, executed by the Redeveloper in favor of U.S. Bank National Association, as Fiscal Agent, together with any amendment thereto.

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

“County” means the County of Anoka, Minnesota.

“Declaration” means the Declaration of Restrictive Covenants in substantially the form attached hereto as **Exhibit F**.

“Deferred Loan Promissory Note” means the Promissory Note from the Redeveloper in the form attached as **Exhibit G**.

“Deferred Loan Mortgage” means the Combination Mortgage, Security Agreement, and Fixture Financing Statement from the Redeveloper in the form attached as **Exhibit H**.

“EDA” means the Economic Development Authority in and for the City of Coon Rapids, Minnesota, or any successor or assign.

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

“EDA Deed” means the quit claim deed substantially in the form attached as Exhibit C to the Purchase Agreement to be delivered by the EDA to the Redeveloper at Closing.

“EDA Property” means the property to be conveyed by the EDA to the Redeveloper, which consists of the Redevelopment Property set forth in **Exhibit B**.

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

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

“Holder” means the owner of a Mortgage.

“Housing Revenue Bonds” means housing revenue bonds or tax-exempt note(s) issued by the City under Chapter 462C in order to finance all or a portion of the Minimum Improvements, as further described in Section 8.1 hereof.

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

“Low Income Housing Agreement” means the regulatory agreement in connection with the Housing Revenue Bonds that complies with Section 142 of the Code and related regulations and embodies the affordability covenants described in Section 5.5 in connection with the Redevelopment Property.

“Minimum Improvements” means the construction on the Redevelopment Property of an approximately 167-unit senior rental housing facility.

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

“Plat” means the plat of the EDA Property and Lot 12 to create the Redevelopment Property, together with certain adjacent land, substantially in the form of the draft Robinwood Plat 6 reviewed by the parties and attached as **Exhibit I**.

“Qualified Costs” means costs of the acquisition of the EDA Property and the construction of the Minimum Improvements, including without limitation, architectural and design fees, the redevelopment fee paid pursuant to Section 3.2(2), civil engineering fees, utility improvements and relocation, and any other expenses incurred by the Redeveloper in connection with the acquisition of the EDA Property and the construction of the Minimum Improvements and eligible for payment from Available Tax Increment in accordance with the TIF Act.

“Purchase Agreement” means the Purchase Agreement, dated May 13, 2015, between the EDA and the Redeveloper, as amended to date, attached as **Exhibit C**.

“Redeveloper” means Coon Rapids Leased Housing Associates IV, LLLP or its permitted successors and assigns.

“Redeveloper Deed” means the quit claim deed substantially in the form attached hereto as **Exhibit J**, to be delivered by the Redeveloper to the EDA at Closing.

“Redevelopment Plan” means the EDA’s Redevelopment Plan for the Redevelopment Project, as in effect on the date of this Agreement.

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

“Redevelopment Property” means the real property so described in Exhibit A of this Agreement.

“State” means the State of Minnesota.

“Subordination Agreement” means the Subordination Agreement Governmental Entity, dated as of the date hereof, executed by the EDA in favor of U.S. Bank National Association, as Initial Funding Lender, together with any amendment thereto.

“Tax Increment” means that portion of the real property taxes which is paid with respect to the TIF District, and which is remitted to the EDA as tax increment pursuant to the TIF Act. The term Tax Increment does not include any amounts retained by or payable to the State auditor under Section 469.177, subd. 11 of the TIF Act, or any amounts described in Section 469.174, subd. 25, clauses (2) through (4) of the TIF Act.

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

“Termination Date” has the meaning provided in Section 11.11 hereof.

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

“TIF District” means the EDA’s Tax Increment Financing District No. 1-31.

“TIF Note” means the Taxable Tax Increment Revenue Note (Coon Rapids Leased Housing Associates IV Senior Housing Project), to be issued by the EDA to Redeveloper in accordance with Section 4.2 hereof, substantially in the form attached hereto as **Exhibit D**.

“TIF Plan” means the EDA’s Tax Increment Financing Plan for the TIF District, as originally approved by the City Council and EDA Board on March 18, 2015, and as it may be further amended.

“Unavoidable Delays” means delays beyond the reasonable control of the party seeking to be excused as a result thereof which are the direct result of war, terrorism, strikes, other labor troubles, prolonged adverse weather or acts of God, fire or other casualty to the Minimum Improvements, litigation commenced by third parties which, by injunction or other similar judicial action, directly results in delays, or acts of any federal, state or local governmental unit (other than the EDA in exercising its rights under this Agreement), which directly result in delays. Unavoidable Delays shall not include delays in the Redeveloper’s obtaining of permits or governmental approvals necessary to enable construction of the Minimum Improvements by the dates such approval and construction is required under Sections 5.2 and 5.3 of this Agreement, so long as the Construction Plans have been approved in accordance with Section 5.2 hereof.

ARTICLE II
Representations and Warranties

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

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

(b) The activities of the EDA are undertaken to foster the redevelopment of certain real property, to provide decent, safe and sanitary housing for residents in the City, and to create increased tax base in the Project and the City as a whole.

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

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

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

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

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

(e) Neither the execution and delivery of this Agreement, the consummation of the transactions contemplated hereby, nor the fulfillment of or compliance with the terms and conditions of this Agreement is prevented, limited by or conflicts with or results in a breach of, the terms, conditions or provisions of any partnership or company restriction or any evidences of

indebtedness, agreement or instrument of whatever nature to which the Redeveloper is now a party or by which it is bound, or constitutes a default under any of the foregoing.

(f) The proposed development by the Redeveloper hereunder would not occur but for the financial assistance being provided by the EDA hereunder.

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

(h) The Redeveloper has made its own projections of Tax Increments and revenues to be generated from the Minimum Improvements, of the Redeveloper's allocation of cost to the basis of the Minimum Improvements and the calculation of projected tax credits for purposes of Section 42 of the Code and of the Redeveloper's returns on cost or investment and the Redeveloper has not relied on any assumptions, calculations, determinations or conclusions made by the City, the EDA, their governing body members, officers or agents, including the independent contractors, consultants and legal counsel, servants and employees thereof, with respect to the foregoing or in determining to proceed with the Minimum Improvements.

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ARTICLE III
Acquisition and Conveyance of Property

Section 3.1. Acquisition, Conveyance and Platting of Redevelopment Property.

(a) As of the date of this Agreement, the EDA has acquired the EDA Property. On or before the date of Closing, the EDA will acquire all lands included in the Plat, with the exception of Lot 12 (defined below).

(b) On or before the date of Closing, the Redeveloper will acquire Lot 12, Robinwood, Anoka County, Minnesota, according to the recorded plat thereof ("Lot 12") and acknowledges that the EDA has no interest in or intent to acquire any interest in Lot 12.

(c) The parties agree and understand that prior to Closing, the Redeveloper shall initiate the Plat. The EDA will reasonably cooperate with such efforts, including without limitation execution of the Plat and consents or other documents necessary to file the Plat, and fulfilling the obligations of the EDA pursuant to the agreement previously entered into by and between Loucks Associates and the City and assigned to the EDA with regard to the Plat; provided however, such cooperation shall not be considered approval or consent by the City, which consent must be obtained pursuant to City ordinances and policies. The Redeveloper shall file the Plat on the date of Closing.

Section 3.2. Conveyance of EDA Property, Purchase Agreement. In accordance with the Purchase Agreement, the terms and conditions of which are incorporated herein by reference, the EDA shall convey title to and possession of the EDA Property, comprising Lot 2, Block 1 of the Plat, to the Redeveloper by quit claim deed substantially in the form of the deed attached as **Exhibit C** to the Purchase Agreement (the "EDA Deed"). The Redeveloper shall deliver to the EDA a quit claim deed substantially in the form attached hereto as **Exhibit J** with regard to all property subject to the Plat except Lot 2, Block 1 of the Plat (the "Redeveloper Deed"). The EDA's obligation to convey the EDA Property to the Redeveloper and the Redeveloper's obligations under this Agreement are subject to and contingent upon the terms of the Purchase Agreement including, without limitation, satisfaction of the following terms and conditions:

(1) The Redeveloper having delivered to the EDA the Declaration in accordance with Section 5.6 hereof.

(2) In addition to all amounts due to the City in connection with construction of the Minimum Improvements, including without limitation park dedication and SAC and WAC fees, the Redeveloper having paid to the EDA the Purchase Price and a redevelopment fee of \$500,000.

(3) There is no uncured Event of Default under this Agreement.

Section 3.3. Soils, Environmental Conditions. (a) The Redeveloper acknowledges that the EDA makes no representations or warranties as to the condition of the soils on the Redevelopment Property or its fitness for construction of the Minimum Improvements or any other purpose for which the Redeveloper may make use of such property.

(b) After Closing and without limiting its obligations under Section 9.3 of this Agreement, the Redeveloper further agrees that it will indemnify, defend, and hold harmless the EDA, the City, and their governing body members, officers, and employees, from any claims or actions arising out of the presence, if any, of hazardous wastes or pollutants existing on or in the Redevelopment Property. Nothing in this section will be construed to limit or affect any limitations on liability of the City or EDA under State or federal law, including without limitation Minnesota Statutes Sections 466.04 and 604.02.

ARTICLE IV
Tax Increment Assistance; Deferred Loan

Section 4.1. Deferred Loan. (a) In order to make development of the Minimum Improvements financially feasible, the EDA will lend the Redeveloper \$300,000 for the cost of the acquisition of Lot 12 of the Redevelopment Property paid by Redeveloper. The EDA will use proceeds of an interfund loan from the Housing and Redevelopment Authority of the City of Coon Rapids, Minnesota (the "HRA"), funded from the proceeds of the HRA's levy pursuant to Minnesota Statutes, Section 469.033, to the EDA for such purposes. The EDA shall reimburse Redeveloper under this Section upon receipt of a closing statement from the Redeveloper evidencing the payment by the Redeveloper of the purchase price of Lot 12 of the Redevelopment Property and satisfaction of the following conditions:

(i) the Redeveloper has met the conditions for Closing on the EDA Property as set forth in the Purchase Agreement and Section 3.2 hereof;

(ii) the Redeveloper has closed on the acquisition of the Lot 12 of the Redevelopment Property;

(iii) the Redeveloper has delivered the Deferred Loan Promissory Note in substantially the form attached as **Exhibit G**;

(iv) the Redeveloper has delivered the Deferred Loan Mortgage in substantially the form attached as **Exhibit H**;

(v) the Redeveloper has delivered to the EDA copies of the (I) partnership agreement, of the Redeveloper, (II) certificate of good standing for Redeveloper issued by the Minnesota Secretary of State; and (III) certified resolutions of Redeveloper's general partner authorizing the execution and delivery of this Agreement, the Deferred Loan Promissory Note, the Deferred Loan Mortgage and all other documents to be executed by Redeveloper pursuant to this Agreement.

(b) The Redeveloper shall repay the Deferred Loan in accordance with the terms set forth in the Deferred Loan Promissory Note.

Section 4.2. Issuance of TIF Note. (a) *Generally.* As additional assistance reasonably required to make development of the Minimum Improvements financially feasible, the EDA shall issue to the Redeveloper a Taxable Tax Increment Revenue Note (Coon Rapids Leased Housing Associates IV Senior Housing Project) (the "TIF Note") in the principal amount of \$1,550,000. The terms of the TIF Note, including maturity and payment dates will be substantially those set forth in the form of the TIF Note shown in **Exhibit D**.

(b) *Conditions for Delivery of Note.* The TIF Note will be delivered and dated as of the date of the issuance of the Housing Revenue Bonds. The principal amount of the TIF Note shall be deemed advanced (an "Advance") as and to the extent the EDA receives and approves the Redeveloper's certification of Qualified Costs under paragraph (d) of this Section, in

consideration for, and as reimbursement of, Redeveloper's expenditure of Qualified Costs as evidenced by the EDA in the form of an Advance Certificate as set forth in the attached **Exhibit L**. The principal amount of the TIF Note shall be deemed Advanced not more often than once per calendar year with the final Advance in 2016. The principal amount of the TIF Note Advanced shall bear simple, non-compounding interest at a rate per annum equal to lesser of the effective rate per annum as set forth in the Housing Revenue Bonds or 6.0% per annum, except during any period that the payment on the TIF Note has been suspended, from the date of the Advance.

(c) *Available Tax Increment.* The TIF Note will be payable solely from and to the extent of Available Tax Increment. The term "Available Tax Increment" means, on any Payment Date (as defined in the TIF Note), 90% of the Tax Increment from the TIF District received by the EDA in the six months before that Payment Date.

(d) *Qualified Costs.* The Redeveloper shall deliver to the EDA certification that Redeveloper has incurred and paid Qualified Costs of the acquisition of the EDA Property and the construction of the Minimum Improvements in an amount equal to at least the principal amount of the TIF Note, together with reasonable evidence supporting that certification. Evidence of Qualified Costs must include, at a minimum, a settlement statement or paid invoices describing the costs incurred and paid.

(f) *Qualifications.* The Redeveloper understands and acknowledges that the EDA makes no representations or warranties regarding the amount of Available Tax Increment, or that revenues pledged to the TIF Note will be sufficient to pay the principal amount of the TIF Note. Redeveloper expressly acknowledges that:

(i) Available Tax Increment is payable solely from the TIF District.

(ii) estimates of Tax Increment prepared by the EDA or its financial advisors in connection with the TIF District or this Agreement are for the benefit of the EDA, and are not intended as representations on which the Redeveloper may rely; and

(iii) if the cost of acquisition of the Redevelopment Property and the Minimum Improvements exceeds the principal amount of the TIF Note, such excess is the sole responsibility of Redeveloper.

(g) *EDA Representations and Covenants Regarding Available Tax Increment.*

(i) The EDA will take no actions to impair collection of Tax Increment from the TIF District.

(ii) The TIF District was duly created in accordance with the TIF Act.

Section 4.3. Payment of Administrative Costs. The Redeveloper will reimburse the EDA for all out-of-pocket costs incurred by the EDA in connection with review and analysis of the development proposed under this Agreement, any modification of the TIF Plan for the TIF

District determined by the EDA to be necessary in order to pledge Tax Increment to the TIF Note; and negotiation of this Agreement and any related agreements and documents (collectively, the "Administrative Costs"). Administrative Costs include fees paid to attorneys, the EDA's financial advisor, and any planning and engineering consultants retained by the EDA or City in connection with the construction of the Minimum Improvements. As security for Administrative Costs, Redeveloper deposited with the EDA the amount of \$12,000, and the EDA shall pay Administrative Costs from such fund. As security for the EDA's legal costs, Redeveloper has deposited with the EDA an additional amount of \$10,000, and the EDA shall pay its legal costs from such fund. If total Administrative Costs and legal costs exceed \$22,000, Redeveloper remains responsible for such excess, and must pay such costs to the EDA within 10 days after receipt of a written invoice from the EDA describing the amount and nature of the costs to be reimbursed. After the TIF Note has been issued and the Certificate of Completion has been executed and delivered, and all Administrative Costs and legal costs related to such actions have been paid, the EDA will refund to the Redeveloper any portion of the balance from the \$22,000 deposits (if any) that is not needed to cover such costs through such reimbursement date. Notwithstanding anything to the contrary herein, Redeveloper remains obligated to pay later Administrative Costs, including the costs of any amendments to this Agreement or to the TIF Note.

Section 4.4. Records. The EDA and its representatives shall have the right at all reasonable times after reasonable notice to inspect, examine and copy all books and records of Redeveloper relating to the Minimum Improvements.

Section 4.5. Exemption from Business Subsidy Act. The parties agree and understand that all financial assistance to Redeveloper under in this Agreement represents assistance for housing, and accordingly is not subject to the Business Subsidy Act.

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ARTICLE V
Construction of Minimum Improvements; Related Covenants

Section 5.1. Construction of Minimum Improvements. The Redeveloper agrees that it will construct the Minimum Improvements on the Redevelopment Property in accordance with the approved Construction Plans and will operate and maintain, preserve and keep the Minimum Improvements or cause the Minimum Improvements to be maintained, preserved and kept with the appurtenances and every part and parcel thereof, in good repair and condition.

Section 5.2. Construction Plans. (a) Before Closing on conveyance of the EDA Property under Article III, the Redeveloper shall submit to the EDA completed Construction Plans. The Construction Plans shall provide for the construction of the Minimum Improvements and shall be in conformity with the Redevelopment Plan, this Agreement, and all applicable State and local laws and regulations. The EDA will approve the Construction Plans in writing if: (i) the Construction Plans conform to the terms and conditions of this Agreement; (ii) the Construction Plans conform to the goals and objectives of the Redevelopment Plan; (iii) the Construction Plans meet the requirements for site plan and building review under the City Code; and (iv) no uncured Event of Default has occurred. No approval by the EDA shall relieve the Redeveloper of the obligation to comply with the terms of this Agreement or of the Redevelopment Plan (provided that the EDA's approval of the Construction Plans shall conclusively establish that the Construction Plans comply with the Redevelopment Plan at the time of approval), applicable federal, state and local laws, ordinances, rules and regulations, or to construct the Minimum Improvements in accordance therewith. No approval by the EDA shall constitute a waiver of an Event of Default or waiver of any State or City building or other code requirements that may apply. If approval of the Construction Plans is requested by the Redeveloper in writing at the time of submission, such Construction Plans shall be deemed approved unless rejected in writing by the EDA, in whole or in part within the time period stated in the next sentence. Such rejections shall set forth in detail the reasons therefore, and shall be made within 30 days after the date of their receipt by the EDA. If the EDA rejects any Construction Plans in whole or in part, the Redeveloper shall submit new or corrected Construction Plans within 30 days after written notification to the Redeveloper of the rejection. The provisions of this Section relating to approval, rejection and resubmission of corrected Construction Plans shall continue to apply until the Construction Plans have been approved by the EDA. The EDA's approval shall not be unreasonably withheld. Said approval shall constitute a conclusive determination that the Construction Plans (and the Minimum Improvements, constructed in accordance with said plans) comply to the EDA's satisfaction with the provisions of this Agreement relating thereto but any approvals by the EDA hereunder will not constitute approval by any City officials regarding any City requirement related to construction of the Minimum Improvements.

The Redeveloper hereby waives any and all claims and causes of action whatsoever resulting from the review of the Construction Plans by the EDA and/or any changes in the Construction Plans requested by the EDA, provided the EDA shall be bound by its approval of the Construction Plans under the preceding paragraph. Neither the EDA, the City, nor any employee or official of the EDA or City shall be responsible in any manner whatsoever for any

defect in the Construction Plans or in any work done pursuant to the Construction Plans, including changes requested by the EDA.

(b) If the Redeveloper desires to make any material change in the Construction Plans after their approval by the EDA, the Redeveloper shall submit the proposed change to the EDA for its approval. If the Construction Plans, as modified by the proposed change, conform to the requirements of this Section 5.2 of this Agreement with respect to such previously approved Construction Plans, the EDA shall approve the proposed change and notify the Redeveloper in writing of its approval. Such change in the Construction Plans shall, in any event, be deemed approved by the EDA unless rejected, in whole or in part, by written notice by the EDA to the Redeveloper within the time period stated in the next sentence, setting forth in detail the reasons therefor. Such rejection shall be made as soon as reasonably practicable but in any event within 30 days after receipt of the notice of such change. The EDA's approval of any such change in the Construction Plans will not be unreasonably withheld. Nothing in this paragraph will relieve the Redeveloper of the obligation to comply with any City ordinances or procedures regarding changes in Construction Plans, and any approvals by the EDA hereunder will not constitute approval by any City officials regarding any City requirement related to construction of the Minimum Improvements. Notwithstanding the foregoing, a change in the Construction Plans shall not be deemed to be material unless the change order reflecting such change(s) results in a change in the cost of the Minimum Improvements greater than \$250,000.

Section 5.3. Commencement and Completion of Construction. Subject to Unavoidable Delays, the Redeveloper must commence construction of the Minimum Improvements within 120 days after Closing, and must substantially complete construction of the Minimum Improvements by **December 31, 2016**. All work with respect to the Minimum Improvements to be constructed or provided by the Redeveloper on the Redevelopment Property shall be in conformity with the Construction Plans as submitted by the Redeveloper and approved by the EDA.

The Redeveloper agrees for itself, its successors and assigns, and every successor in interest to the Redevelopment Property, or any part thereof, that the Redeveloper, and such successors and assigns, shall promptly begin and diligently prosecute to completion the redevelopment of the Redevelopment Property through the construction of the Minimum Improvements thereon, and that such construction shall in any event be commenced and completed within the period specified in this Section 5.3 of this Agreement. Subsequent to conveyance of the EDA Property, or any part thereof, to the Redeveloper, and until construction of the Minimum Improvements has been completed, the Redeveloper shall make reports, in such detail and at such times as may reasonably be requested by the EDA, as to the actual progress of the Redeveloper with respect to such construction.

Section 5.4. Certificate of Completion. (a) Promptly after substantial completion of the Minimum Improvements in accordance with those provisions of the Agreement relating solely to the obligations of the Redeveloper to construct the Minimum Improvements (including the dates for beginning and completion thereof), and compliance with Section 5.6 hereof, the EDA will furnish the Redeveloper with a Certificate of Completion in substantially the form provided in **Exhibit E**. Such certification by the EDA shall be (and it shall be so provided in the deed and in

the certification itself) a conclusive determination of satisfaction and termination of the agreements and covenants in the Agreement and in the deed with respect to the obligations of the Redeveloper, and its successors and assigns, to construct the Minimum Improvements and the dates for the beginning and completion thereof. Such certification by the EDA shall be a conclusive determination that any remaining obligations under this Agreement shall be solely contractual obligations of the Redeveloper and parties to whom the Redeveloper expressly assigns, and who expressly assume, the Redeveloper's obligations under this Agreement and that the remaining covenants of the Redeveloper under this Agreement are not intended to run with title to the Redevelopment Property or bind successors in title to the Redevelopment Property. Such certification and such determination shall not constitute evidence of compliance with or satisfaction of any obligation of the Redeveloper to any Holder of a Mortgage, or any insurer of a Mortgage, securing money loaned to finance the Minimum Improvements, or any part thereof.

(b) The certificate provided for in this Section 5.4 of this Agreement shall be in such form as will enable it to be recorded in the proper office for the recordation of deeds and other instruments pertaining to the Redevelopment Property. If the EDA shall refuse or fail to provide any certification in accordance with the provisions of this Section 5.4 of this Agreement, the EDA shall, within 30 days after written request by the Redeveloper, provide the Redeveloper with a written statement, indicating in adequate detail in what respects the Redeveloper has failed to complete the Minimum Improvements in accordance with the provisions of the Agreement, or is otherwise in default, and what measures or acts it will be necessary, in the opinion of the EDA, for the Redeveloper to take or perform in order to obtain such certification.

(c) The construction of the Minimum Improvements shall be deemed to be substantially completed when the Redeveloper has received a certificate of occupancy issued by the City for City for all units in the Minimum Improvements.

Section 5.5. Redeveloper Affordability Covenant. The Redeveloper shall at times prior to the Termination Date comply with the following affordability covenants:

(a) At least 40% of the units in the Minimum Improvements shall be occupied or held for occupancy by persons with incomes no greater than 60% of the area-wide median income.

(b) Prior to the EDA making any payment on the TIF Note, the Redeveloper shall execute and record against the Redevelopment Property a Low Income Housing Agreement. All covenants and obligations of the Redeveloper under such agreement shall be deemed incorporated in this Agreement for the benefit of the EDA.

(c) All notices and periodic reports required to be delivered under the Low Income Housing Agreement shall be delivered to the EDA in addition to any person or entity entitled to receive such documents under the Low Income Housing Agreement. In any event, Redeveloper shall file reports evidencing compliance with this Section at least annually, but no later than July 1 for the prior calendar year. Such reports shall demonstrate compliance with the 60% limit under paragraph (a), regardless of which units or how many units are eligible for Section 42 tax credits.

(d) For purposes of this Section, income will be determined in accordance with the rules that apply under Section 42 of the Code and related regulations.

Section 5.6. Restrictive Covenants Regarding Senior Occupancy and Management. Upon or prior to Closing, the Redeveloper shall deliver a Declaration of Restrictive Covenants (the “Declaration”) in substantially the form attached as **Exhibit F**, which Declaration requires that the Minimum Improvements meet certain senior occupancy and management requirements for the time period, and subject to the terms and conditions, set forth in the Declaration.

Section 5.7. Marketing to City Residents. Prior to issuance of the Certificate of Completion for the Minimum Improvements, the Redeveloper shall file with the EDA a plan for marketing of units in the Minimum Improvements to current residents in the City for at least 90 days before marketing to the broader community. Further, within six months after the date by which at least 90% of the units in the Minimum Improvements have been leased, or within one year after completion of the Minimum Improvements (whichever comes first), the Redeveloper shall file a written report with the EDA describing, to the best of its ability, the number of residents who moved to the Minimum Improvements from existing single family homes in the City.

ARTICLE VI
Insurance

Section 6.1. Insurance. (a) The Redeveloper will cause its contractor to provide and maintain at all times during the process of constructing the Minimum Improvements an All Risk Broad Form Basis Insurance Policy and, from time to time during that period, at the request of the EDA, furnish the EDA with proof of payment of premiums on policies covering the following:

(i) Builder's risk insurance, written on the so-called "Builder's Risk -- Completed Value Basis," in an amount equal to 100% of the insurable value of the Minimum Improvements at the date of completion, and with coverage available in nonreporting form on the so-called "all risk" form of policy;

(ii) Comprehensive general liability insurance (including operations, contingent liability, operations of subcontractors, completed operations and contractual liability insurance) and, with respect to insurance obtained by the contractor, an Owner's Protective Liability Policy with limits against bodily injury and property damage of not less than \$2,000,000 for each occurrence (to accomplish the above-required limits, an umbrella excess liability policy may be used). The EDA shall be listed as an additional insured on the policy; and

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

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

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

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

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

(c) All insurance required in Article VI of this Agreement shall be taken out and maintained in responsible insurance companies selected by the Redeveloper or its contractor, as applicable, that are authorized under the laws of the State to assume the risks covered thereby. Upon request, the Redeveloper will deposit or cause its contractor to deposit annually with the EDA policies evidencing all such insurance, or a certificate or certificates or binders of the respective insurers stating that such insurance is in force and effect. The Redeveloper shall give written notice to the EDA at least 30 days before the effective date of any cancellation or modification which reduces the coverage provided below the amounts required herein. In lieu of separate policies, the Redeveloper or its contractor, as applicable, may maintain a single policy, blanket or umbrella policies, or a combination thereof, having the coverage required to be provided and maintained by Redeveloper herein, in which event the Redeveloper or its contractor, as applicable, shall deposit with the EDA a certificate or certificates of the respective insurers as to the amount of coverage in force upon the Minimum Improvements.

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

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

(e) Notwithstanding anything to the contrary contained in this Agreement, in the event of damage to the Minimum Improvements in excess of \$100,000 and the Redeveloper fails to complete any repair, reconstruction or restoration of the Minimum Improvements within one year from the date of damage, subject to Unavoidable Delays, the EDA may, at its option, terminate the TIF Note. Thereafter, the EDA shall have no further obligations to make any payments under the TIF Note. Notwithstanding such termination, the Redeveloper's obligations under Sections 3.6, 3.7 (until satisfied), 4.3, 9.3 and 10.5 shall survive any rescission, termination or expiration of this Agreement; and provided further, that no such termination will terminate the Redeveloper's obligations under the Deferred Loan Promissory Note or the Deferred Loan Mortgage until paid and satisfied in full.

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

Section 6.2. Subordination. Notwithstanding anything to the contrary contained in this Article VI, the rights of the EDA with respect to the receipt and application of any insurance proceeds shall, in all respects, be subject and subordinate to the rights of any lender under a

Mortgage allowed pursuant to Article VIII of this Agreement, except that the EDA does not subordinate its rights to terminate the TIF Note as described in Section 6.1(e).

ARTICLE VII
Delinquent Taxes and Review of Taxes

Section 7.1. Right to Collect Delinquent Taxes. The Redeveloper acknowledges that the EDA is providing substantial aid and assistance in furtherance of the development through reimbursement of Qualified Costs. To that end, the Redeveloper agrees for itself, its successors and assigns, that in addition to the obligation pursuant to statute to pay real estate taxes, it is also obligated by reason of this Agreement, during any time that the Redeveloper owns the Redevelopment Property or any part thereof, to pay before delinquency all real estate taxes assessed against the Redevelopment Property and the Minimum Improvements. The Redeveloper acknowledges that this obligation creates a contractual right on behalf of the EDA through the Termination Date to sue the Redeveloper or its successors and assigns to collect delinquent real estate taxes and any penalty or interest thereon and to pay over the same as a tax payment to the county auditor. In any such suit in which the EDA is the prevailing party, the EDA shall also be entitled to recover its costs, expenses and reasonable attorney fees.

Section 7.2. Review of Taxes. The Redeveloper agrees that prior to the Termination Date it will not cause a reduction in the real property taxes paid in respect of the Redevelopment Property through: (a) willful destruction of the Redevelopment Property or any part thereof; or (b) willful refusal to reconstruct damaged or destroyed property pursuant to Section 6.1 of this Agreement, except as otherwise provided in Section 6.1(e). The Redeveloper also agrees that it will not, prior to the Termination Date, apply for an exemption from or a deferral of property tax on the Redevelopment Property pursuant to any law, or transfer or permit transfer of the Redevelopment Property to any entity whose ownership or operation of the property would result in the Redevelopment Property being exempt from real property taxes under State law.

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ARTICLE VIII
Financing

Section 8.1. Redeveloper Financing. (a) The parties agree and acknowledge that the Redeveloper intends to finance all or a part of acquisition of the Redevelopment Property and the construction of the Minimum Improvements with the Housing Revenue Bonds. The EDA agrees to cooperate with Redeveloper and the City regarding issuance of the Housing Revenue Bonds, subject to the terms and conditions of this Section.

(b) The Housing Revenue Bonds may be issued in one or more series, at Redeveloper's option. Each series of Housing Revenue Bonds must be issued in accordance with all terms and conditions of the City's policies and procedures for issuance of private activity bonds.

(c) If the Redeveloper proposes to finance any portion of the Minimum Improvements through financing other than Housing Revenue Bonds, the Redeveloper shall, as a condition of Closing on acquisition of the EDA Property under Article III, close on such alternative financing in an amount that, together with committed equity for such construction, is sufficient for the acquisition of the Redevelopment Property and construction of the Minimum Improvements.

Section 8.2. Subordination and Modification for the Benefit of Mortgagee. In order to facilitate the Redeveloper obtaining financing for purchase of the Redevelopment Property and for construction according to the Construction Plans, the EDA agrees to subordinate its rights under this Agreement, the Declaration, solely as provided in Section 1(b) thereof, the Deferred Loan Promissory Note and the Deferred Loan Mortgage to any Mortgage(s) encumbering the Redevelopment Property, provided that (i) such subordination shall be subject to such reasonable terms and conditions as the EDA and Holder(s) mutually agree in writing and that the EDA will not subordinate its right to terminate the TIF Note as provided in Section 10.2(a) and (b); and (ii) the EDA will consent to any assignment of this Agreement and the TIF Note for collateral purposes in accordance with Section 9.2(b) and pursuant to the form set forth in **Exhibit K**.

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ARTICLE IX
Prohibitions Against Assignment and Transfer; Indemnification

Section 9.1. Representation as to Development. The Redeveloper represents and agrees that its purchase of the Redevelopment Property or portions thereof, and its other undertakings pursuant to the Agreement, are, and will be used, for the purpose of development of the Redevelopment Property and not for speculation in land holding.

Section 9.2. Prohibition Against Redeveloper's Transfer of Property and Assignment of TIF Note and Agreement. The Redeveloper represents and agrees that until the Termination Date:

(a) Except only by way of security for, and only for, the purpose of obtaining financing necessary or beneficial to enable the Redeveloper or any successor in interest to the Redevelopment Property, or any part thereof, to perform its obligations under this Agreement to acquire, construct and improve the Minimum Improvements, and any refinancings of such mortgages, or as provided in Section 9.2(f), the Redeveloper will not sell, assign, convey, lease or transfer in any other mode or manner (collectively, "Transfer") this Agreement, the TIF Note, or the Redevelopment Property or the Minimum Improvements, or any interest therein, without the express written approval of the EDA, which consent will not be unreasonably withheld, conditioned or delayed;

(b) Subject to the following sentence, the EDA hereby consents to the assignment, including an assignment upon the issuance of the Housing Revenue Bonds and future assignments, of the TIF Note to the holder of or trustee or other agent for the Housing Revenue Bonds for collateral purposes, including without limitation the Collateral Assignment of TIF and Redevelopment Agreement and Collateral Assignment of TIF Note. There shall be submitted to the EDA for review all instruments and other legal documents involved in effecting such transfer and any proposed transferee or assignee of the TIF Note shall (i) execute and deliver to the EDA the Acknowledgment and Receipt of Note in the form included in **Exhibit A** to the TIF Note and (ii) surrender the TIF Note to the EDA either in exchange for a new fully registered note or for transfer of the TIF Note on the registration records for the TIF Note maintained by the EDA.

(c) Except as set forth in Section 9.2(a) or 9.2(b), the EDA shall be entitled to require, as conditions to any approval (which approval shall not be unreasonably withheld, conditioned, or delayed) of any Transfer of the TIF Note which does not involve a Transfer of the Redevelopment Property, the Minimum Improvements or this Agreement that:

(i) There shall be submitted to the EDA for review all instruments and other legal documents involved in effecting such transfer, and if approved by EDA, its approval shall be indicated to the Redeveloper in writing; and

(ii) Any proposed transferee of the TIF Note shall (A) execute and deliver to the EDA the Acknowledgment and Receipt of Note in the form included in **Exhibit A** to the TIF Note and (B) surrender the TIF Note to the EDA either in exchange for a new fully registered note or for transfer of the TIF Note on the registration records for the TIF Note maintained by the EDA.

(d) Except as set forth in Section 9.2(a) and 9.2(b), and except in the case of a foreclosure or deed in lieu of foreclosure after completion of the Minimum Improvements in accordance with Article V hereof in which case only clause (d)(iv) shall apply, the EDA shall be entitled to require, as conditions to any approval of any Transfer of this Agreement, the Redevelopment Property, the Minimum Improvements, or applicable portion thereof, or the TIF Note in connection therewith, that:

(i) Any proposed transferee shall have the qualifications and financial responsibility, as reasonably determined by the EDA, necessary and adequate to fulfill the obligations undertaken in this Agreement by the Redeveloper;

(ii) Any proposed transferee, by instrument in writing satisfactory to the EDA shall, for itself and its successors and assigns, and expressly for the benefit of the EDA have expressly assumed all of the obligations of the Redeveloper under this Agreement and agreed to be subject to all the conditions and restrictions to which the Redeveloper is subject;

(iii) There shall be submitted to the EDA for review all instruments and other legal documents involved in effecting transfer, and if approved by EDA, its approval shall be indicated to the Redeveloper in writing;

(iv) Any proposed transferee of the TIF Note shall (i) execute and deliver to the EDA the Acknowledgment and Receipt of Note in the form included in **Exhibit A** to the TIF Note and (ii) surrender the TIF Note to the EDA either in exchange for a new fully registered note or for transfer of the TIF Note on the registration records for the TIF Note maintained by the EDA;

(v) The Redeveloper and its transferees shall comply with such other conditions as the EDA may reasonably require in order to achieve and safeguard the purposes of the Act, the TIF Act and this Agreement; and

(vi) In the absence of a specific written agreement by the EDA to the contrary, no such transfer or approval by the EDA thereof shall be deemed to relieve the Redeveloper or any other party bound in any way by this Agreement or otherwise with respect to the construction of the Project, from any of its obligations with respect thereto.

(e) The Redeveloper agrees to pay all reasonable legal fees and expenses of the EDA, including fees of legal counsel retained by the EDA to review the documents submitted to the EDA in connection with any Transfer.

(f) Nothing contained in this Section shall prohibit the Redeveloper, without the consent or approval of the EDA, from (i) entering into leases with tenants in the ordinary course of business, (ii) entering into easement or other agreements necessary for the operation of the Minimum Improvements, (iii) admitting or removing limited partners or transferring limited partner interests in the Redeveloper or admitting or removing members in accordance with the applicable organizational documents, or (iv) removing the general partner of the Redeveloper for cause at the direction of its limited partner(s) (whether one or more, the "Tax Credit Investor") in accordance with the Redeveloper's partnership agreement.

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

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

Section 9.3. Release and Indemnification Covenants. (a) The Redeveloper releases from and covenants and agrees that the EDA, the City and the governing body members, officers, agents, servants and employees thereof (collectively, the "Indemnified Parties") shall not be liable for and agrees to indemnify and hold harmless the Indemnified Parties against any loss or damage to property or any injury to or death of any person occurring at or about or resulting from any defect in the Minimum Improvements except to the extent caused by any gross negligence, willful misrepresentation or any willful or wanton misconduct of the Indemnified Parties.

(b) Except for any gross negligence, willful misrepresentation or any willful or wanton misconduct of the Indemnified Parties, the Redeveloper agrees to protect and defend the Indemnified Parties, now or forever, and further agrees to hold the Indemnified Parties harmless from any claim, demand, suit, action or other proceeding whatsoever by any person or entity whatsoever arising or purportedly arising from this Agreement, or the transactions contemplated hereby or the acquisition, construction, installation, ownership, maintenance and operation of the Minimum Improvements.

(c) The Indemnified Parties shall not be liable for any damage or injury to the persons or property of the Redeveloper or its officers, agents, servants or employees or any other person who may be about the Redevelopment Property or Minimum Improvements.

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

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

ARTICLE X
Events of Default

Section 10.1. Events of Default Defined. The following shall be “Events of Default” under this Agreement and the term “Event of Default” shall mean, whenever it is used in this Agreement (unless the context otherwise provides), any one or more of the following events:

(a) any default by Redeveloper in any payment of the Deferred Loan Promissory Note in accordance with its terms that remain unpaid after ten (10) days written notice of such failure to pay;

(b) any failure by any party to observe or perform any other covenant, condition, obligation or agreement on its part to be observed or performed under this Agreement, the Deferred Loan Promissory Note, the Deferred Loan Mortgage or under any other agreement entered into between the Redeveloper and the EDA or City in connection with development of the Redevelopment Property;

(c) any default by Redeveloper under a Mortgage, if any, that is not cured within the time period provided therein or by applicable law;

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

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

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

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

(iv) be adjudicated a bankrupt or insolvent.

Section 10.2. Remedies on Default. Subject to the Subordination Agreement, whenever any Event of Default referred to in Section 10.1 of this Agreement occurs, the non-defaulting party may exercise its rights under this Section 10.2 (i) immediately, with respect to an Event of Default under Section 10.1(a), or (ii) with respect to an Event of Default under clauses (b) through (d) of Section 10.1, after providing 30 days written notice to the defaulting party of the Event of Default, but only if the Event of Default has not been cured within said thirty days or, if the Event of Default is by its nature incurable within 30 days, the defaulting party does not provide assurances reasonably satisfactory to the non-defaulting party that the Event of Default will be cured and will be cured as soon as reasonably possible.

(a) Suspend its performance under this Agreement or the TIF Note until it receives assurances that the defaulting party will cure its default and continue its performance under the Agreement, and no interest shall accrue on the TIF Note for the benefit of the Redeveloper while performance is suspended in accordance with this Section.

(b) Cancel and rescind or terminate the TIF Note and the EDA's obligations under this Agreement; provided however, that no such termination will terminate the Redeveloper's obligations under the Deferred Loan Promissory Note or the Deferred Loan Mortgage.

(c) Subject to the terms of the Housing Revenue Bonds or refinancing(s) thereof, accelerate the Deferred Loan Promissory Note and foreclose the Deferred Loan Mortgage.

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

Notwithstanding anything to the contrary set forth in this Agreement members or partners of the Redeveloper and the lenders providing construction or permanent financing for the Project shall have the right, but not the obligation, to cure an Event of Default during the cure period provided for the Redeveloper.

Section 10.3. No Remedy Exclusive. No remedy herein conferred upon or reserved to the EDA or Redeveloper 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 EDA to exercise any remedy reserved to it, it shall not be necessary to give notice, other than such notice as may be required in this Article X.

Section 10.4. No Additional Waiver Implied by One Waiver. In the event any agreement contained in this Agreement should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other concurrent, previous or subsequent breach hereunder.

Section 10.5. Attorney Fees. Whenever any Event of Default occurs and if the non-defaulting party employs attorneys or incurs other expenses for the collection of payments due or to become due or for the enforcement of performance or observance of any obligation or agreement on the part of the defaulting party under this Agreement, the defaulting party shall, within ten (10) days of written demand by the non-defaulting party, pay to the non-defaulting party the reasonable fees of such attorneys and such other expenses so incurred by the non-defaulting party.

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

ARTICLE XI
Additional Provisions

Section 11.1. Conflict of Interests; EDA Representatives Not Individually Liable. The EDA and the Redeveloper, to the best of their respective knowledge, represent and agree that no member, official, or employee of the EDA or the City shall have any personal interest, direct or indirect, in the Agreement, nor shall any such member, official, or employee participate in any decision relating to the Agreement which affects his personal interests or the interests of any corporation, partnership, or association in which he is, directly or indirectly, interested. No member, official, or employee of the EDA or the City shall be personally liable to the Redeveloper, or any successor in interest, in the event of any default or breach by the EDA or for any amount which may become due to the Redeveloper or successor or on any obligations under the terms of the Agreement.

Section 11.2. Equal Employment Opportunity. The Redeveloper, for itself and its successors and assigns, agrees that during the construction of the Minimum Improvements provided for in the Agreement it will comply with all applicable federal, state and local equal employment and non-discrimination laws and regulations.

Section 11.3. Restrictions on Use. The Redeveloper agrees that the Redeveloper, and such successors and assigns, shall use the Redevelopment Property and the Minimum Improvements thereon only as an affordable senior rental housing facility that complies with the covenants in Sections 5.5 and 5.6 hereof and the Declaration, which restrictions remain in effect for the respective periods described in those sections and the Declaration. Further, until the Termination Date the Redeveloper shall not discriminate upon the basis of race, color, creed, sex or national origin in the sale, lease, or rental or in the use or occupancy of the Redevelopment Property or any improvements erected or to be erected thereon, or any part thereof.

Section 11.4. Provisions Not Merged With Deed. None of the provisions of this Agreement are intended to or shall be merged by reason of any deed transferring any interest in the Redevelopment Property and any such deed shall not be deemed to affect or impair the provisions and covenants of this Agreement.

Section 11.5. Titles of Articles and Sections. Any titles of the several parts, Articles, and Sections of the Agreement are inserted for convenience of reference only and shall be disregarded in construing or interpreting any of its provisions.

Section 11.6. Notices and Demands. Except as otherwise expressly provided in this Agreement, a notice, demand, or other communication under the Agreement by either party to the other shall be sufficiently given or delivered if it is dispatched by registered or certified mail, postage prepaid, return receipt requested, or delivered personally; and

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

The Redeveloper: COON RAPIDS LEASED HOUSING ASSOCIATES IV,
LLLP
c/o Dominion Development & Acquisition, LLC
2905 Northwest Boulevard, Suite 150
Plymouth, MN 55441-7400
Attention: Mark Moorhouse and Ryan Lunderby

with a copy to: WINTHROP & WEINSTINE, P.A.
225 South Sixth Street, Suite 3500
Minneapolis, MN 55402-4629
(which copy shall not constitute notice to
Borrower)
Attention: John Stern

RBC Tax Credit Equity, LLC
600 Superior Avenue
Suite 2300
Cleveland, Ohio 44114
Attention: President and General Counsel

Nixon Peabody LLP
100 Summer Street
Boston, Massachusetts 02110
Attention: Roger W. Holmes

(b) in the case of the EDA, is addressed to or delivered personally to:

The EDA: Economic Development Authority in and for the City of
Coon Rapids, Minnesota
Coon Rapids City Hall
11155 Robinson Drive N.W.
Coon Rapids, MN 55433-3761
Attention: Executive Director

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

Section 11.7. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall constitute one and the same instrument.

Section 11.8. Amendment. This Agreement may be amended only by written agreement approved by the EDA and the Redeveloper.

Section 11.9. EDA Approval. Unless otherwise specified, any approval required by the EDA under this Agreement may be given by the EDA Representative.

Section 11.10. Termination. This Agreement terminates on the “Termination Date,” which means the earliest of (a) February 1, 2043; (b) the February 1st after the date of the Authority’s last receipt of Tax Increment from the TIF District in accordance with Section 469.176, subd. 1b(a)(4) of the TIF Act or the date on which the TIF District otherwise expires or is terminated, or (c) the date the TIF Note is paid in full, defeased, forgiven or terminated in accordance with its terms, or the date this Agreement is terminated in accordance with Article X hereof; provided however Sections 3.3, 4.3, 9.3 and 10.5 shall survive any rescission, termination or expiration of this Agreement with respect to or arising out of any event, occurrence or circumstance existing prior to the date thereof; and provided further, that no such termination will terminate the Redeveloper’s obligations under the Deferred Loan Promissory Note or the Deferred Loan Mortgage until paid and satisfied in full.

Section 11.11. Choice of Law and Venue. This Agreement shall be governed by and construed in accordance with the laws of the state of Minnesota. Any disputes, controversies, or claims arising out of this Agreement shall be heard in the state or federal courts of Minnesota, and all parties to this Agreement waive any objection to the jurisdiction of these courts, whether based on convenience or otherwise.

Section 11.12. Estoppel Certificates. The EDA agrees it will, from time to time upon reasonable prior written request by Redeveloper, execute and deliver to Redeveloper and such other parties as Redeveloper may reasonably designate, within ten (10) business days following the request therefor, written certification, if true, that (a) this Agreement is unmodified and in full force and effect (or if there have been modifications, that the same are in full force and effect as modified), (b) that to the knowledge of the EDA there are not defaults under this Agreement (or specifying any claimed defaults), and (c) certifying as to the status of completion of the Minimum Improvements.

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

ECONOMIC DEVELOPMENT AUTHORITY IN
AND FOR THE CITY OF COON RAPIDS,
MINNESOTA

By _____
Its President

By _____
Its Executive Director

STATE OF MINNESOTA)
) SS.
COUNTY OF ANOKA)

The foregoing instrument was acknowledged before me this ____ day of _____, 2015, by _____ and _____, the President and Executive Director of the Economic Development Authority in and for the City of Coon Rapids, Minnesota, a public body politic and corporate, on behalf of the EDA.

Notary Public

EXHIBIT A
REDEVELOPMENT PROPERTY

Lot 2, Block 1, Robinwood Plat 6, Anoka County, Minnesota

EXHIBIT B

EDA PROPERTY

Lot 11, Robinwood, Anoka County, Minnesota, according to the recorded plat thereof.

AND

That part of Crooked Lake Boulevard as dedicated in the plat of Robinwood Plat 3, Anoka County, Minnesota, according to the recorded plat thereof, lying westerly of the following described line:

Beginning at the southeast corner of said Crooked Lake Boulevard; thence North 0 degrees 11 minutes 08 seconds East, on an assumed bearing along the easterly line of said Crooked Lake Boulevard, a distance of 84.96 feet to a point of curve in said easterly line; thence continuing northerly, along said easterly line, a distance of 88.48 feet to a point of curve in said easterly line; thence North 17 degrees 39 minutes 57 seconds West, to the westerly line of said Crooked Lake Boulevard, and said line there terminating.

AND

That part of Lot 1, Block 3 and Outlot A, Robinwood Plat 5, Anoka County, Minnesota, according to the recorded plat thereof lying southerly and easterly of the following described line:

Commencing at the southeast corner of Crooked Lake Boulevard as dedicated in the plat of Robinwood Plat 3, Anoka County, Minnesota, according to the recorded plat thereof; thence North 0 degrees 11 minutes 08 seconds East, on an assumed bearing along the easterly line of said Crooked Lake Boulevard, a distance of 84.96 feet to a point of curve in said easterly line; thence continuing northerly, along said easterly line, a distance of 88.48 feet to a point of curve in said easterly line; thence North 17 degrees 39 minutes 57 seconds West, to the westerly line of said Crooked Lake Boulevard and the point of beginning of said line; thence South 80 degrees 45 minutes 00 seconds West a distance of 28.96 feet; thence westerly a distance of 92.94 feet along a tangential curve, concave to the north having a radius of 128.31 feet and a central angle of 41 degrees 30 minutes 09 seconds; thence North 57 degrees 44 minutes 50 seconds West, tangent to said curve, a distance of 80.00 feet; thence South 32 degrees 45 minutes 49 seconds West to the southerly line of said Lot 1 and said line there terminating.

EXHIBIT C
PURCHASE AGREEMENT

EXHIBIT D

FORM OF TIF NOTE

UNITED STATE OF AMERICA
STATE OF MINNESOTA
COUNTY OF ANOKA

No. R-1

\$1,550,000

ECONOMIC DEVELOPMENT AUTHORITY IN AND FOR THE CITY OF
COON RAPIDS, MINNESOTA
TAXABLE TAX INCREMENT REVENUE NOTE (COON RAPIDS LEASED HOUSING
ASSOCIATES IV SENIOR HOUSING PROJECT)

Rate
_____ %

Date
of Original Issue

The Economic Development Authority in and for the City of Coon Rapids, Minnesota (the "EDA") for value received, certifies that it is indebted and hereby promises to pay to Coon Rapids Leased Housing Associates IV, LLLP or registered assigns (the "Owner"), the principal sum of \$1,550,000 with interest thereon, or so much thereof as has been advanced from time to time and remains unpaid, at the rate of _____% per annum, solely from the sources and to the extent set forth herein. This Note is issued pursuant to the Development Agreement between the EDA and Owner dated as of October __, 2015 (the "Agreement"). Capitalized terms not otherwise defined herein have the meaning provided in the Agreement.

1. Payments. Principal and interest payments ("Payments") on each February 1 and August 1, commencing August 1, 2017 and thereafter to and including February 1, 2043 (the "Payment Dates") in the amounts and from the sources set forth in Section 3 herein. All payments made by the Authority under this Note shall first be applied to accrued interest and then to principal.

Payments are payable by mail to the address of the Owner or such other address as the Owner may designate upon 30 days written notice to the EDA. Payments on this Note are payable in any coin or currency of the United States of America which, on the Payment Date, is legal tender for the payment of public and private debts. Payments shall be applied first to accrued interest and second to outstanding principal.

2. Interest. Each Advance of unpaid principal amounts hereof shall bear interest from the date of the Advance as evidenced by the EDA by the Advance Certificate delivered pursuant to Section 4.2(b) of the Agreement shall bear simple, non-compounding interest from the date of this Note at the rate of _____ percent (____%) per annum. Interest shall be computed on the basis of a year of 360 days and twelve 30-day months. To the extent that Available Tax Increment is insufficient to pay principal and interest on any Payment Date, unpaid interest will not be added to principal.

3. Available Tax Increment. (a) Payments on this Note are payable on each Payment Date solely from and in the amount of “Available Tax Increment,” which shall mean, on each Payment Date, 90% of the Tax Increment attributable to Tax Increment Financing District No. 1-31 (the “TIF District”) that is paid to the EDA by Anoka County in the 6 months preceding each Payment Date.

(b) The EDA shall have no obligation to pay principal of this Note or interest thereon on each Payment Date from any source other than Available Tax Increment and the failure of the EDA to make Payments on any Payment Date shall not constitute a default hereunder as long as the EDA pays principal and interest hereon to the extent of Available Tax Increment. If on any Payment Date there is available to the EDA insufficient Available Tax Increment to pay the accrued and unpaid interest on this Note on such date, the amount of such deficiency shall be deferred and paid, without interest thereon, on the next Payment Date on which the EDA has available to it Available Tax Increment in excess of the amount necessary to pay the accrued and unpaid interest on this Note on such subsequent Payment Date. The EDA shall have no obligation to pay unpaid balance of principal or accrued interest that may remain after the final payment on February 1, 2043 except from Available Tax Increment attributable to property taxes paid in the 2042 or any prior years.

4. Default. If on any Payment Date there has occurred and is continuing any Event of Default under the Agreement, the EDA may, notwithstanding any notice and cure provisions in the Agreement, withhold from Payments hereunder all Available Tax Increment. If the Event of Default is thereafter cured in accordance with the Agreement, the Available Tax Increment withheld under this Section shall be deferred and paid, without interest thereon, within 30 days after the Event of Default is cured. If on any date there has occurred and is continuing, after notice and opportunity to cure have been provided in accordance with the Agreement, any Event of Default under the Agreement, the EDA may exercise its remedies under the Agreement, including but not limited to terminating this Note. Reference is hereby made to all of the provisions of the Agreement, including without limitation Section 10.2 thereof, for a fuller statement of the rights and obligations of the EDA to pay the principal of this Note, and said provisions are hereby incorporated into this Note as though set out in full herein.

5. Prepayment. The principal sum of this Note is prepayable in whole or in part at any time by the EDA without premium or penalty.

6. Nature of Obligation. This Note is one of an issue in the total principal amount of \$1,550,000 issued to aid in financing certain Qualified Costs of a Redevelopment Project

undertaken by the EDA pursuant to Minnesota Statutes, Sections 469.001 through 469.047, and pursuant and in full conformity with the Constitution and laws of the State of Minnesota, including Minnesota Statutes, Sections 469.174 to 469.1794 (the "TIF Act"). This Note is a special, limited obligation of the EDA which is payable solely from Available Tax Increment pledged to the payment hereof. This Note shall not be deemed to constitute a general obligation of the State of Minnesota or any political subdivision thereof, including, without limitation, the EDA. Neither the State of Minnesota, nor any political subdivision thereof shall be obligated to pay the principal of this Note or other costs incident hereto except out of Available Tax Increment, and neither the full faith and credit nor the taxing power of the State of Minnesota or any political subdivision thereof is pledged to the payment of the principal of this Note or other costs incident hereto.

7. Registration and Transfer. This Note is issuable only as a fully registered note without coupons. This Note is transferable upon the books of the EDA kept for that purpose at the principal office of the City Finance Director, by the Owner hereof in person or by such Owner's attorney duly authorized in writing, upon surrender of this Note together with a written instrument of transfer satisfactory to the EDA, duly executed by the Owner. Upon such transfer or exchange and the payment by the Owner of any tax, fee, or governmental charge required to be paid by the EDA with respect to such transfer or exchange, there will be issued in the name of the transferee a new Note of the same aggregate principal amount, bearing interest at the same rate and maturing on the same dates.

Except as otherwise provided in Section 9.2 of the Agreement, this Note shall not be transferred to any person other than an affiliate, or other related entity, of the Owner unless the EDA has provided written consent to such transfer and the EDA has been provided with a certification of the transferee regarding its understanding of the special, limited nature of the Note and limited marketability in a form reasonably acceptable to the EDA.

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

IN WITNESS WHEREOF, the board of commissioners of the EDA has caused this Note to be executed with the manual signatures of its President and Executive Director, all as of the Date of Original Issue specified above.

**ECONOMIC DEVELOPMENT AUTHORITY
IN AND FOR THE CITY OF COON RAPIDS,
MINNESOTA**

President

Executive Director

REGISTRATION PROVISIONS

The ownership of the unpaid balance of the within Note is registered in the bond register of the City Finance Director, in the name of the person last listed below.

<u>Date of Registration</u>	<u>Registered Owner</u>	<u>Signature of City Finance Director</u>
_____, 20____	Coon Rapids Leased Housing Associates IV, LLLP Federal Tax ID No. 35-2523458	_____

**Exhibit A
to TIF Note**

ACKNOWLEDGMENT AND RECEIPT FOR NOTE

The undersigned, _____ a _____ (“Purchaser”), hereby certifies and acknowledges that on the date hereof the Purchaser received from Coon Rapids Leased Housing Associates IV, LLLP (the “Redeveloper”) the Taxable Tax Increment Revenue Note, Series 2015 (Coon Rapids Leased Housing Associates IV Senior Housing Project), a pay-as-you-go tax increment revenue note in the original principal amount of \$1,550,000 dated _____, 2015 of the Economic Development Authority in and for the City of Coon Rapids, Minnesota (the “EDA”), a copy of which is attached hereto, (the “Note”).

A. The Purchaser has had the opportunity to ask questions of and receive all information and documents concerning the Note as it requested, and has had access to any additional information the Purchaser thought necessary to verify the accuracy of the information received. In determining to acquire the Note, the Purchaser has made its own determinations and has not relied on the EDA or information provided by the EDA.

B. The Purchaser represents and warrants that:

1. The Purchaser is acquiring the Note for investment and for its own account, and without any view to resale or other distribution.

2. The Purchaser has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of receiving and holding the Note.

3. The Purchaser understands that the Note is a security which has not been registered under the Securities Act of 1933, as amended, or any state securities law, and must be held until its sale is registered or an exemption from registration becomes available.

4. The Purchaser is aware of the limited payment source for the Note and interest thereon and risks associated with the sufficiency of that limited payment source.

C. The Purchaser understands that the Note is payable solely from certain tax increments derived from certain properties located in a tax increment financing district, if and as received by the EDA. The Purchaser acknowledges that the EDA has made no representation or covenant, express or implied, that the revenues pledged to pay the Note will be sufficient to pay, in whole or in part, the principal and interest due on the Note. Any amounts which have not been paid on the Note on or before the final maturity date of the Note shall no longer be payable, as if the Note had ceased to be an obligation of the EDA. The Purchaser understands that the Note will never represent or constitute a general obligation, debt or bonded indebtedness of the City of Coon Rapids, Minnesota (the “City”), the EDA, the State of Minnesota, or any political subdivision thereof and that no right will exist to have taxes levied by the City, the EDA, the

State of Minnesota or any political subdivision thereof for the payment of principal and interest on the Note.

D. The Purchaser understands that the Note is payable solely from certain tax increments, which are taxes received on improvements made to certain property (the “Improvements”) in a tax increment financing district from the increased taxable value of the property over its base value at the time that the tax increment financing district was created, which base value is called “original net tax capacity”. There are risk factors in relying on tax increments to be received, which include, but are not limited to, the following:

1. Value of Improvements. If the contemplated Improvements constructed in the tax increment financing district are completed at a lesser level of value than originally contemplated, they will generate fewer taxes and fewer tax increments than originally contemplated.

2. Damage or Destruction. If the Improvements are damaged or destroyed after completion, their value will be reduced, and taxes and tax increments will be reduced. Repair, restoration or replacement of the Improvements may not occur, may occur after only a substantial time delay, or may involve property with a lower value than the Improvements, all of which would reduce taxes and tax increments.

3. Change in Use to Tax-Exempt. The Improvements could be acquired by a party that devotes them to a use which causes the property to be exempt from real property taxation. Taxes and tax increments would then cease.

4. Depreciation. The Improvements could decline in value due to changes in the market for such property or due to the decline in the physical condition of the property. Lower market valuation will lead to lower taxes and lower tax increments.

5. Non-payment of Taxes. If the property owner does not pay property taxes, either in whole or in part, the lack of taxes received will cause a lack of tax increments. The Minnesota system of collecting delinquent property taxes is a lengthy one that could result in substantial delays in the receipt of taxes and tax increments, and there is no assurance that the full amount of delinquent taxes would be collected. Amounts distributed to taxing jurisdictions upon a sale following a tax forfeiture of the property are not tax increments.

6. Reductions in Taxes Levied. If property taxes are reduced due to decreased municipal levies, taxes and tax increments will be reduced. Reasons for such reduction could include lower local expenditures or changes in state aids to municipalities. For instance, in 2001 the Minnesota Legislature enacted an education funding reform that involved the state increasing school aid in lieu of the local general education levy (a component of school district tax levies).

7. Reductions in Tax Capacity Rates. The taxable value of real property is determined by multiplying the market value of the property by a tax capacity rate. Tax capacity rates vary by certain categories of property; for example, the tax capacity rates for residential homesteads are currently less than the tax capacity rates for commercial

and industrial property. In 2001 the Minnesota Legislature enacted property tax reform that lowered various tax capacity rates to “compress” the difference between the tax capacity rates applicable to residential homestead properties and commercial and industrial properties.

8. Changes to Local Tax Rate. The local tax rate to be applied in the tax increment financing district is the lower of the current local tax rate or the original local tax rate for the tax increment financing district. In the event that the Current Local Tax Rate is higher than the Original Local Tax Rate, then the “excess” or difference that comes about after applying the lower Original Local Tax Rate instead of the Current Local Tax Rate is considered “excess” tax increment and is distributed by Anoka County to the other taxing jurisdictions and such amount is not available to the EDA as tax increment.

9. Legislation. The Minnesota Legislature has frequently modified laws affecting real property taxes, particularly as they relate to tax capacity rates and the overall level of taxes as affected by state aid to municipalities.

E. The Purchaser acknowledges that the Note was issued as part of a development agreement between the EDA and the Redeveloper dated _____, 2015 (“Development Agreement”), and that the EDA has the right to suspend payments under this Note and/or terminate the Note upon an Event of Default under the Development Agreement.

F. The Purchaser acknowledges that the EDA makes no representation about the tax treatment of, or tax consequences from, the Purchaser’s acquisition of the Note.

WITNESS our hand this ____ day of _____, 20____.

Purchaser:

By _____

Name: _____

Its _____

EXHIBIT E

CERTIFICATE OF COMPLETION

WHEREAS, the Economic Development Authority in and for the City of Coon Rapids, Minnesota, a Minnesota public body, corporate and politic (the "EDA"), and Coon Rapids Leased Housing Associates IV, LLLP, a Minnesota limited liability limited partnership (the "Redeveloper") have entered into a Development Agreement between the EDA and Redeveloper dated as of _____, 2015 (the "Agreement"); and

WHEREAS, the Agreement requires the Redeveloper to construct certain Minimum Improvements (as that term is defined in the Agreement);

WHEREAS, the Redeveloper has constructed the Minimum Improvements (as that term is defined in the Agreement) in a manner deemed sufficient by the EDA to permit the execution of this certification and the release of the Redevelopment Property from the terms and conditions of the Agreement;

NOW, THEREFORE, this is to certify that the Redeveloper has constructed the Minimum Improvements. Any remaining obligations under the Redevelopment Agreement shall be solely contractual obligations of the Redeveloper and parties to whom the Redeveloper expressly assigns, and who expressly assume, the Redeveloper's obligations under the Redevelopment Agreement. The remaining covenants of the Redeveloper under the Redevelopment Agreement are not intended to run with title to the Redevelopment Property or bind successors in title to the Redevelopment Property.

Dated: _____, 20__.

ECONOMIC DEVELOPMENT AUTHORITY IN
AND FOR THE CITY OF COON RAPIDS,
MINNESOTA

By _____
EDA Representative

EXHIBIT F

DECLARATION OF RESTRICTIVE COVENANTS

THIS DECLARATION OF RESTRICTIVE COVENANTS (this "Declaration") dated as of _____, 20__ by Coon Rapids Leased Housing Associates IV, LLLP, its successors and assigns (the "Owner") is given to the Economic Development Authority in and for the City of Coon Rapids, Minnesota (the "EDA").

RECITALS

WHEREAS, the EDA and the Owner entered into that Development Agreement, dated _____, 2015 (the "Agreement"); and

WHEREAS, pursuant to the Agreement, the Owner is obligated to cause construction of approximately 167 housing units of senior rental housing (the "Project") on the property described in Exhibit A hereto (the "Property"), and to cause compliance with certain restrictive covenants, as described in Section 5.6 of the Agreement; and

WHEREAS, the Owner intends, declares, and covenants that the restrictive covenants set forth herein shall be and are covenants running with the Property for the term described herein and binding upon all subsequent owners of the Property for such term, and are not merely personal covenants of the Owner; and

WHEREAS, capitalized terms in this Declaration have the meaning provided in the Agreement unless otherwise defined herein.

NOW, THEREFORE, in consideration of the promises and covenants hereinafter set forth, and of other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Owner agrees as follows:

1. Term of Restrictions.

(a) Senior Occupancy and Management Restrictions. The term of the Senior Occupancy Restriction set forth in Section 3 of this Declaration and the Management Restriction set forth in Section 4 of this Declaration shall commence with the commencement of income and rent restrictions imposed under Section 42 of the Internal Revenue Code of 1986 (the "Code"). The period from commencement to termination is the "Qualified Project Period."

(b) Termination of Declaration. This Declaration shall terminate upon the latest of (a) the date that is 15 years after the commencement of the Qualified Project Period, (b) the date the Deferred Loan Promissory Note (as defined in the Agreement) is paid in full, or (c) the date the TIF Note is paid in full, defeased, forgiven or terminated in accordance with its terms. In addition, this Declaration shall terminate and be of no further force and effect in the event of foreclosure or transfer of title by deed in lieu of foreclosure upon completion of the foreclosure and expiration of the applicable redemption period, or recording of a deed in lieu of foreclosure;

provided, however, that the preceding provisions of this sentence shall cease to apply and the restrictions contained herein shall be reinstated if, at any time subsequent to the termination of such provisions as the result of the foreclosure, or the delivery of a deed in lieu of foreclosure, or a similar event, the Redeveloper or any related person (within the meaning of Section 1.103-10(e) of the Treasury Regulations) obtains an ownership interest in the Project for federal income tax purposes.

(c) Removal from Real Estate Records. Upon termination of this Declaration, the EDA shall, upon request by the Owner or its successors or assigns, file any document appropriate to remove this Declaration from the real estate records of Anoka County, Minnesota.

2. Project Restrictions.

(a) The Owner represents, warrants, and covenants that:

(i) All leases of units to Qualifying Tenants (as defined in Section 3(a) hereof) shall contain clauses, among others, wherein each individual lessee:

(1) Certifies the accuracy of the statements made in its application and Eligibility Certification (as defined in Section 3(b) hereof); and

(2) Agrees that the age of at least one occupant at the time the lease is executed shall be deemed a substantial and material obligation of the lessee's tenancy; that the lessee will comply promptly with all requests regarding the age of the occupants, and that the lessee's failure or refusal to comply with a request for information with respect thereto shall be deemed a violation of a substantial obligation of the lessee's tenancy.

(ii) The Owner shall permit any duly authorized representative of the EDA to inspect the books and records of the Owner pertaining to the income of Qualifying Tenants residing in the Project.

(b) The Owner represents, warrants, and covenants that during the Qualified Project Period, all units in the Project will have no more than three bedrooms.

3. Senior Occupancy Restrictions. The Owner represents, warrants, and covenants that:

(a) Qualifying Tenants. From the commencement of the Qualified Project Period, all units shall be occupied by at least one person who is at least 55 years of age at the time of initial occupancy and otherwise administered in accordance with 42 USC §3607(b) and Minnesota Statutes, §363A.21, Subd. 2. Tenants who satisfy this paragraph are referred to as "Qualifying Tenants."

(b) Certification of Tenant Eligibility. As a condition to initial and continuing occupancy, each person who is intended to be a Qualifying Tenant shall be required

annually to sign and deliver to the Owner a Certification of Tenant Eligibility substantially in the form attached as **EXHIBIT B** hereto, or in such other form as may be approved by the EDA (the "Eligibility Certification"), in which the prospective Qualifying Tenant certifies as to qualifying as senior. Eligibility Certifications will be maintained on file by the Owner with respect to each Qualifying Tenant who resides in a Project unit or resided therein during the immediately preceding calendar year.

(c) Lease. The form of lease to be utilized by the Owner in renting any units in the Project to any person who is intended to be a Qualifying Tenant shall provide for termination of the lease and consent by such person to immediate eviction for failure to qualify as a Qualifying Tenant as a result of any material misrepresentation made by such person with respect to the Eligibility Certification.

(d) Annual Report. The Owner covenants and agrees that during the term of this Declaration, it will prepare and submit to the EDA on or before July 1 of each year, a certificate substantially in the form of **EXHIBIT C** hereto, executed by the Owner, (i) identifying the tenancies and the dates of occupancy (or vacancy) for all Units in the Project; (ii) describing all transfers or other changes in ownership of the Project or any interest therein; (iii) stating, that to the best knowledge of the person executing such certificate after due inquiry, all such units were rented or available for rental on a continuous basis during such year to members of the general public who were Qualifying Tenants and that the Owner was not otherwise in default under this Declaration during such year; and (iv) certifying compliance with the Management Restriction described in Section 4 of this Declaration.

(e) Notice of Non-Compliance. The Owner will immediately notify the EDA if at any time during the term of this Declaration the dwelling units in the Project are not occupied or available for occupancy as required by the terms of this Declaration.

4. Management Restriction. The Owner shall at times during the Qualified Project Period retain a professional rental housing manager with an office located in the Project, to provide rental management services typical in the senior rental housing facilities. The Owner shall file certification of compliance with this Section at the time of, and as part of, the annual report required under Section 3(d) of this Declaration.

5. Transfer Restrictions. The Owner covenants and agrees that the Owner will cause or require as a condition precedent to any conveyance, transfer, assignment, or any other disposition of the Project prior to the termination of the Occupancy Restrictions provided herein (the "Transfer") that the transferee of the Project pursuant to the Transfer assume in writing, in a form acceptable to the EDA, all duties and obligations of the Owner under this Declaration, including this Section 5, in the event of a subsequent Transfer by the transferee prior to expiration of the Senior Occupancy and Management Restrictions provided herein (the "Assumption Agreement"). The Owner shall deliver the Assumption Agreement to the EDA prior to the Transfer.

6. Enforcement.

(a) The Owner shall permit, during normal business hours and upon reasonable written notice, any duly authorized representative of the EDA to inspect any books and records of the Owner regarding the Project with respect to the incomes of Qualifying Tenants.

(b) The Owner shall submit any other information, documents or certifications requested by the EDA which the EDA deems reasonably necessary to substantial the Owner's continuing compliance with the provisions specified in this Declaration.

(c) The Owner acknowledges that the primary purpose for requiring compliance by the Owner with the restrictions provided in this Declaration is to ensure compliance of the property with the senior occupancy and management covenants set forth in Section 5.6 of the Agreement, and by reason thereof, the Owner, in consideration for assistance provided by the EDA under the Agreement that makes possible the construction of the Minimum Improvements (as defined in the Agreement) on the Property, hereby agrees and consents that the EDA shall be entitled, for any breach of the provisions of this Declaration, and in addition to all other remedies provided by law or in equity, to enforce specific performance by the Owner of its obligations under this Declaration in a state court of competent jurisdiction. The Owner hereby further specifically acknowledges that the EDA cannot be adequately compensated by monetary damages in the event of any default hereunder.

(d) The Owner understands and acknowledges that, in addition to any remedy set forth herein for failure to comply with the restrictions set forth in this Declaration, the EDA may exercise any remedy available to it under Article X of the Agreement.

(e) Notwithstanding anything to the contrary set forth in this Agreement, members or partners of the Owner and the lenders providing construction or permanent financing for the Project shall have the right, but not the obligation, to cure any default hereunder during the cure period provided for the Owner.

7. Indemnification. The Owner hereby indemnifies, and agrees to defend and hold harmless, the EDA from and against all liabilities, losses, damages, costs, expenses (including attorneys' fees and expenses), causes of action, suits, allegations, claims, demands, and judgments of any nature arising from the consequences of a legal or administrative proceeding or action brought against them, or any of them, on account of any failure by the Owner to comply with the terms of this Declaration, or on account of any representation or warranty of the Owner contained herein being untrue.

8. Agent of the EDA. The EDA shall have the right to appoint an agent to carry out any of its duties and obligations hereunder, and shall inform the Owner of any such agency appointment by written notice.

9. Severability. The invalidity of any clause, part or provision of this Declaration shall not affect the validity of the remaining portions thereof.

10. Notices. All notices to be given pursuant to this Declaration shall be in writing and shall be deemed given when mailed by certified or registered mail, return receipt requested, to the parties hereto at the addresses set forth below, or to such other place as a party may from time to time designate in writing. The Owner and the EDA may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates, or other communications shall be sent. The initial addresses for notices and other communications are as follows:

To the EDA: Economic Development Authority in and for the City of Coon Rapids, Minnesota
11155 Robinson Drive NW
Coon Rapids, MN 55422
Attention: Executive Director

The Owner: COON RAPIDS LEASED HOUSING ASSOCIATES IV, LLLP
c/o Dominion Development & Acquisition, LLC
2905 Northwest Boulevard, Suite 150
Plymouth, MN 55441-7400
Attention: Mark Moorhouse and Ryan Lunderby

with a copy to: WINTHROP & WEINSTINE, P.A.
225 South Sixth Street, Suite 3500
Minneapolis, MN 55402-4629
(which copy shall not constitute notice to Borrower)
Attention: John Stern

RBC Tax Credit Equity, LLC
600 Superior Avenue
Suite 2300
Cleveland, Ohio 44114
Attention: President and General Counsel

Nixon Peabody LLP
100 Summer Street
Boston, Massachusetts 02110
Attention: Roger W. Holmes

11. Governing Law. This Declaration shall be governed by the laws of the State of Minnesota and, where applicable, the laws of the United States of America.

12. Attorneys' Fees. In case any action at law or in equity, including an action for declaratory relief, is brought against the Owner to enforce the provisions of this Declaration, the Owner agrees to pay the reasonable attorneys' fees and other reasonable expenses paid or incurred by the EDA in connection with such action.

13. Declaration Binding. This Declaration and the covenants contained herein shall run with the real property comprising the Project and shall bind the Owner and its successors and assigns and all subsequent owners of the Project or any interest therein, and the benefits shall inure to the EDA and its successors and assigns for the term of this Declaration as provided in Section I(b).

Drafted by:

Kennedy & Graven Chartered (JSB)
470 U.S. Bank Plaza
Minneapolis, MN 55406

EXHIBIT A
Legal Description

The land referred to is situated in the State of Minnesota, County of Anoka, and is described as follows:

Lot 2, Block 1, Robinwood Plat 6, Anoka County, Minnesota

[Remainder of this page is intentionally left blank.]

EXHIBIT B
Certification of Tenant Eligibility

(AGE CERTIFICATION)

Project: _____, 10940 Crooked Lake Boulevard NW, Coon Rapids, Minnesota 55433
Owner: Coon Rapids Leased Housing Associates IV, LLLP
Unit: _____

1. I/We, the undersigned, being first duly sworn, state that I/we have read and answered fully, frankly and personally each of the following questions for all persons (including minors) who are to occupy the unit in the above apartment building for which application is made, all of whom are listed below:

Name of Members of the Household	Relationship To Head of Household	Age
_____	_____	_____
_____	_____	_____
_____	_____	_____

THE UNDERSIGNED HEREBY CERTIFY THAT THE INFORMATION SET FORTH ABOVE IS TRUE AND CORRECT. THE UNDERSIGNED ACKNOWLEDGE THAT THE LEASE FOR THE UNIT TO BE OCCUPIED BY THE UNDERSIGNED WILL BE CANCELLED UPON 10 DAYS WRITTEN NOTICE IF ANY OF THE INFORMATION ABOVE IS NOT TRUE AND CORRECT.

Head of Household

Spouse

Subscribed and sworn to before me this ____ day of _____, 20____.

(Notary Seal)

Notary Public in and for the
State of _____
My Commission Expires: _____

EXHIBIT C

**Certificate of
Continuing Program Compliance**

Date: _____, _____.

The following information with respect to the Project located at 10940 Crooked Lake Boulevard, Coon Rapids, Minnesota 55433 (the "Project"), is being provided by Coon Rapids Leased Housing Associates IV, LLLP (the "Owner") to the Economic Development Authority in and for the City of Coon Rapids, Minnesota (the "EDA"), pursuant to that certain Declaration of Restrictive Covenants dated as of _____, 20__ (the "Declaration") and the Development Agreement between the EDA and the Owner dated as of _____, 2015 (the "Agreement") with respect to the Project:

(A) The total number of residential units which are available for occupancy is 167. The total number of occupied units is _____.

(B) The following residential units are considered to be occupied by Qualifying Tenants based on the information set forth below:

	Unit Number	Name of Tenant	Number of Persons Residing in the Unit	Date of Initial Occupancy	Age of oldest person
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					

19					
20					
21					
22					
23					
24					
25					
26					
27					
28					
29					
30					

[expand to cover 167 units]

(C) The Owner has obtained a “Certification of Tenant Eligibility,” in the form provided as **EXHIBIT B** to the Declaration, from each Tenant named in (D) above, and each such Certificate is being maintained by the Owner in its records with respect to the Project. Attached hereto is the most recent “Certification of Tenant Eligibility” for each Tenant named in (D) above who signed such a Certification since _____, _____, the date on which the last “Certificate of Continuing Program Compliance” was filed with the EDA by the Owner.

(D) In renting the residential units in the Project, the Owner has not given preference to any particular group or class of persons (except for persons who qualify as Qualifying Tenants, and except as providing in the marketing plan under Section 5.7 of the Agreement). All of the residential units in the Project have been rented pursuant to a written lease, and the term of each lease is at least ___ months.

(E) The information provided in this “Certificate of Continuing Program Compliance” is accurate and complete, and no matters have come to the attention of the Owner which would indicate that any of the information provided herein, or in any “Certification of Tenant Eligibility” obtained from the Tenants named herein, is inaccurate or incomplete in any respect.

(F) The Project is in continuing compliance with the Declaration.

(G) The Owner has retained a professional rental housing manager with an office located in the Project, to provide rental management services typical in the senior rental housing facilities. The Owner currently maintains a contract for such services with _____, a copy of which is available for inspection at the EDA’s request.

IN WITNESS WHEREOF, I have hereunto affixed my signature, on behalf of the Owner, on _____, 20_____.

COON RAPIDS LEASED HOUSING
ASSOCIATES IV, LLLP

By Coon Rapids Leased Housing Associates IV,
LLC, its general partner.

By: _____
Mark S. Moorhouse, Senior Vice President

EXHIBIT G

FORM OF DEFERRED LOAN PROMISSORY NOTE

PROMISSORY NOTE

Date: _____, 2015

Amount: \$ _____

FOR VALUE RECEIVED, the undersigned (the "Borrower") promises to pay to the order of the **ECONOMIC DEVELOPMENT AUTHORITY IN AND FOR THE CITY OF COON RAPIDS, MINNESOTA**, a public body corporate and politic, organized and existing under the laws of the State of Minnesota (the "EDA"), its successors or assigns, at 11155 Robinson Drive NW, Coon Rapids, MN, 55433 the sum of **THREE HUNDRED THOUSAND AND 00/100 DOLLARS, (\$300,000.00)** (the "Loan"), that was advanced pursuant to that certain Development Agreement, dated October __, 2015 between the Borrower and the EDA (the "Agreement"), the terms and conditions of which Agreement are incorporated herein, in legal tender of the United States, with simple interest thereon from the date hereof at the rate of 1.00% percent per annum, as provided below. Defined terms used in this note have the meanings as defined in either this note or in the Agreement.

1. No payments of principal or interest will be made until _____ 20__, at which time the principal amount this Note and all accrued interest thereon are due and payable in full ("Maturity Date").

2. Prior to the Maturity Date, the entire amount owing under this Note shall be due and payable in full on the occurrence of any of the following events:

- (i) The voluntary or involuntary sale, transfer or conveyance of any part of the Redevelopment Property, except as permitted under the Agreement; or
- (ii) The voluntary or involuntary sale, transfer or conveyance of any part of the Borrower not permitted under the Agreement; or
- (iii) The payment in full of the Housing Revenue Bonds as defined in the Agreement, as may be refinanced from time to time and the satisfaction of the related prior mortgage against the Redevelopment Property.

Subject to the terms of the Housing Revenue Bonds, in the event that there is an Event of Default by Borrower which remains uncured after the expiration of any notice and cure period, the entire principal sum of the Loan plus interest thereon amount may be declared immediately due and payable by the EDA.

Notwithstanding anything to the contrary set forth in this Note, members or partners of the Borrower and the lenders providing construction or permanent financing for the Project shall

have the right, but not the obligation, to cure an Event of Default during the cure period provided for the Borrower.

In the event the principal on this note, or any part thereof, is not paid when due, at the Maturity Date, or upon acceleration, and is placed in the hands of an attorney or debt collector for collection, the undersigned hereof, its successors and assigns, will repay on demand all costs and expenses of collection so incurred, including reasonable attorney's fees, whether or not suit or legal proceeding is actually commenced for the collection thereof.

Subject to the terms of the Housing Revenue Bonds, if default be made in the payment of this note or any part thereof at the Maturity Date, when due, or if an Event of Default shall occur and be continuing under the terms of and as defined in the Agreement or any other document given in conjunction herewith, then the whole sum or sums herein agreed to be paid, shall at the option of the note holder, become immediately due and payable, without notice, and no omission or delay on the part of the note holder to exercise such option shall be construed as a waiver of such right. Such option shall be a continuing right and may be exercised as often as any such default may occur.

Demand, protest and notice of demand and protest are hereby waived, and the undersigned further hereby waives, to the extent authorized by law, any and all exemption rights which otherwise would apply to the debt evidenced by this note.

This note may not be modified orally, but only by an agreement in writing and signed by the party against whom enforcement of any waiver, change, modification or discharge is sought, and is made with reference to and is to be construed in accordance with the laws of the State of Minnesota.

Notwithstanding anything to the contrary set forth herein, in the Note and in the Combination Mortgage, Security Agreement, And Fixture Financing Statement (the "Mortgage") delivered in connection herewith, it is hereby expressly agreed and understood that the obligations of Borrower hereunder are non-recourse. Neither the Borrower nor any member, partner, officer, director or employee of the Borrower (each, a "Related Party") shall have any personal liability for the repayment of this Note. In furtherance thereof, the EDA shall be entitled to look solely and exclusively to the Project, and any income derived therefrom, and the Mortgage for the payment and other obligations of Borrower hereunder, and shall not seek a personal judgment against any Related Party, provided that nothing herein shall relieve any such Related Party from liability for any of the following:

- (a) rent collected for more than one month in advance and received by a Related Party and not applied to the reasonable operating requirements of the Project;
- (b) misappropriation or misapplication by a Related Party of insurance or eminent domain proceeds;
- (c) fraud or material misrepresentation by a Related Party against the EDA;

(d) conversion by a Related Party of all or a material portion of the Project; or

(e) gross negligence, willful misconduct or intentional torts of a Related Party relating to the Project or the revenues therefrom.

IN WITNESS WHEREOF, this note has been duly executed by the undersigned as of the above-listed date.

COON RAPIDS LEASED HOUSING
ASSOCIATES IV, LLLP

By Coon Rapids Leased Housing Associates IV,
LLC, its general partner

By: _____
Mark S. Moorhouse, Senior Vice President

EXHIBIT H

FORM OF DEFERRED LOAN MORTGAGE

**COMBINATION MORTGAGE, SECURITY AGREEMENT, AND
FIXTURE FINANCING STATEMENT**

This Mortgage Is Exempt from Registry Tax Pursuant to Minnesota
Statutes, Section 287.04(f).

**THIS COMBINATION MORTGAGE, SECURITY AGREEMENT, AND FIXTURE
FINANCING STATEMENT** (the "Mortgage") is made effective this _____ day of
_____, 2015, by **COON RAPIDS LEASED HOUSING ASSOCIATES IV,
LLLP**, a Minnesota limited liability limited partnership, whose address is 2905 Northwest Blvd.,
Suite 150, Plymouth MN 55441-2644 (the "Mortgagor" or "Borrower"), in favor of the
**ECONOMIC DEVELOPMENT AUTHORITY IN AND FOR THE CITY OF COON
RAPIDS, MINNESOTA**, a public body both corporate and politic, whose address is 11155
Robinson Drive NW, Coon Rapids, MN, 55433 (herein referred to as the "Mortgagee").

WITNESSETH:

That said Mortgagor hereby mortgages and conveys unto said Mortgagee and grants a
security interest in those certain premises situated in the County of Anoka, State of Minnesota,
and legally described on **Exhibit A** attached hereto and made a part hereto (the "Property").

Together with (i) all of the buildings, structures and other improvements now standing or
at any time hereafter constructed or placed upon the Property; (ii) all lighting, heating,
ventilating, air-conditioning, sprinkling and plumbing fixtures, water and power systems, engines
and machinery, boilers, furnaces, oil burners, elevators and motors, communication systems,
dynamos, transformers, electrical equipment and all other fixtures of every description located in
or on, or used, or intended to be used in connection with the Property or any building now or
hereafter located thereon (excluding, however, fixtures owned by tenants occupying space in any
building now or hereafter located on the Property); (iii) all hereditaments, easements,
appurtenances, riparian rights, rents, issues, profits, insurance proceeds, condemnation awards,
mineral rights and water rights now or hereafter belonging or in any way pertaining to the

Property or to any building now or hereafter located thereon and all the estates, rights and interests of the Borrower in the Property; (iv) all building materials, furniture, furnishings, maintenance equipment and all other personal property now or hereafter located in, or on, or used, or intended to be used in connection with the Property or any building now or hereafter located thereon and all replacements and additions thereto (excluding personal property owned by tenants occupying space in any building now or hereafter located on the Property); and (v) all proceeds of all of the foregoing (all of the foregoing, are collectively hereinafter referred to as the "Project" and are further described in Exhibit C) and the filing of this Mortgage shall constitute the filing of a financing statement in the office wherein it is filed and a carbon, photographic or other reproduction of this document may also be filed as a financing statement:

Name and Address of Debtor and Record Owner of the Property: Coon Rapids Leased Housing Associates IV, LLLP
c/o Dominion Development and Acquisition
2905 Northwest Blvd, Suite 150
Plymouth, MN 55441-2644
Attn: Mark S. Moorhouse and Ryan Lunderby

Names and Addresses of Secured Party: Economic Development Authority in and for the City of Coon Rapids, Minnesota
11155 Robinson Drive NW
Coon Rapids, MN, 55433

Description of the Types (or items) of property covered by this financing statement: See above and Exhibit C

Description of real estate to which all or part of the collateral is attached or upon which it is located: See Exhibit A attached hereto.

Some of the above described collateral is or is to become fixtures upon the real estate described on Exhibit A, and this financing statement is to be filed for record in the public real estate records.

This Mortgage is given in consideration of and as security for the payment of a loan (the "Loan") totaling **THREE HUNDRED THOUSAND AND 00/100 DOLLARS, (\$300,000.00)** which is made to reimburse Mortgagor for certain costs incurred in the acquisition of a portion of the Property. The Loan is evidenced by a Promissory Note in the amount of **THREE HUNDRED THOUSAND AND 00/100 DOLLARS, (\$300,000.00)** of even date herewith made by Mortgagor (the "Promissory Note"), the terms and conditions of which are incorporated herein. Advances under the Promissory Note are to be made in accordance with that certain Development Agreement made by and between the Mortgagor and Mortgagee dated as of October __, 2015 (the "Agreement"). The entire principal of the Loan shall be due and payable in accordance with the terms of the Promissory Note. The terms, conditions and definitions contained in the Promissory Note and the Agreement are incorporated herein.

Mortgagor makes and includes in this Mortgage the Statutory Covenants and other provisions set forth in Minnesota Statutes Section 507.15, and Mortgagor covenants with Mortgagee the following covenants:

- A. To warrant title to the Property, subject to those matters set forth on **Exhibit B** attached hereto;
- B. To pay the indebtedness as provided in the Promissory Note;
- C. To pay all taxes as applicable;
- D. That the Property shall be kept in repair and no waste shall be committed and no hazardous substances or materials shall be allowed on the Property except as may be used in the ordinary course of operation of the Minimum Improvements;
- E. Mortgagor shall keep any buildings on the Property insured against loss by fire and other hazards for at least the sum of the full insurable value of said buildings, for the protection of Mortgagee subject to the rights of any prior Mortgagee;
- F. That the whole of the principal sum evidenced by the Promissory Note shall become due after default by Mortgagor in any payment of principal or of any tax as and where due and payable, or in the performance of any other covenant, at the option of the Mortgagee, as provided hereafter and in the Agreement; and
- G. To pay, when due, the principal and interest on other mortgages, as set forth in **Exhibit B** hereto.

In case of failure to pay said taxes and assessments, prior liens or encumbrances and attorney's fees as above specified, or to insure said buildings, improvements, and fixtures and deliver the policies as aforesaid, Mortgagee may, in its sole discretion, pay such taxes, assessments, prior liens, expenses, and attorney's fees and interest thereon, or obtain such insurance, and the sums so paid shall bear interest from the date of such payment at the rate of 5.00% per annum, and shall be impressed as an additional lien upon the Property and be immediately due and payable from Mortgagor to Mortgagee and this Mortgage shall from date thereof secure the repayment of such advances with interest.

The Mortgagee, or its agents, shall have the right at all reasonable times upon prior written notice, to enter upon the Property for purposes of inspecting the Property and the Project or any part thereof. The Mortgagee shall however, have no duty to make such inspection.

Mortgagor shall not lease, sublease, encumber, sell, transfer, convey, assign or otherwise transfer all or any part of its interest in the Property without prior written consent of Mortgagee except (i) to tenants in the ordinary course of business and (ii) as permitted pursuant to the Agreement.

Subject to the terms of the Agreement, in the event of damage or destruction to the Property, Mortgagee shall make any insurance proceeds available to Mortgagor for restoration or rebuilding so long as Mortgagor is not then in continued material default hereunder.

If Mortgagor shall repay the Loan to the Mortgagee, or its successors or assigns according to the terms of the Promissory Note and not be in default of the Agreement, then this Mortgage shall be null and void, otherwise to remain in full force and effect. But if default shall be made in payment of said sum when due or in any of the covenants or agreements contained herein or an Event of Default (in and/or as defined in the Agreement shall occur (and such default or Event of Default shall continue for a period of thirty (30) days after written notice to Mortgagor from Mortgagee specifying such default of Event of Default), the Mortgagee, subject to the restrictions and limitations set forth in the Agreement, may declare immediately due and payable the entire unpaid principal balance together with interest hereon, and Mortgagee, and its successors and assigns, are hereby authorized and empowered to foreclose this Mortgage by action or advertisement, pursuant to the statutes of the State of Minnesota, in such case made and provided, power being expressly granted to sell the Property at public auction and convey the same to the purchaser in fee simple and, out of the proceeds arising from such sale, to pay the principal of the Promissory Note with interest, together with all legal costs and charges of such foreclosure and the maximum attorney's fees permitted by law, and to exercise and enforce any and all of its rights and remedies available after default to a secured party under Minnesota's Uniform Commercial Code.

Notwithstanding anything to the contrary set forth in this Mortgage, members or partners of the Mortgagor and the lenders providing construction or permanent financing for the Project shall have the right, but not the obligation, to cure an Event of Default during the cure period provided for the Mortgagor.

Mortgagee, prior to acceleration, shall furnish written notice to Mortgagor at the address provided above, by Certified or Registered United States mail, postage prepaid, specifying:

1. The event of default;
2. The action required to cure such event;
3. A date, not less than thirty (30) days from the date the notice is mailed to Mortgagor, by which such default on or before the date specified in the notice may result in acceleration of the sums secured by this Mortgage and Sale of the Property. The notice shall further inform Mortgagor of the right to reinstate after acceleration and the right to bring a court action to assert the non-existence of a default or any other defense of Mortgagor to acceleration and sale. If the default is not cured on or before the date specified in the notice, Mortgagee at Mortgagee's option, but subject to the restrictions and limitations in the Agreement, may declare all of the sums secured by this Mortgage to be immediately due and payable without further demand and may invoke the power of sale hereby granted and any other remedy permitted by applicable law. Notwithstanding Mortgagee's acceleration of the sums secured by this Mortgage,

Mortgagor shall have the right to have any proceedings begun by Mortgagee to enforce this Mortgage discontinued at any time prior to the earlier of:

(a) Sale of the Property pursuant to the power of sale contained in this Mortgage; or

(b) A judgment enforcing this Mortgage if:

(1) Mortgagor pays Mortgagee all sums constituting the default actually existing under this Mortgage and the Promissory Note at the commencement of foreclosure proceedings under this Mortgage;

(2) Mortgagor cures all breaches of any other covenants or agreements by Mortgagor contained in this Mortgage;

(3) Mortgagor pays all reasonable expenses incurred by Mortgagee in enforcing the covenants and agreements of Mortgagor contained in this mortgage and in enforcing Mortgagee's remedies as provided herein, including, but not limited to, reasonable attorney's fees; and

(4) Mortgagor takes such action as Mortgagee may reasonably require to assure that the lien of this Mortgage, Mortgagee's interest in the Property, and Mortgagor's obligation to pay the sums secured by this Mortgage and the obligations secured hereby shall remain in full force and effect as if no acceleration had occurred.

MORTGAGOR HEREBY EXPRESSLY CONSENTS TO THE FORECLOSURE AND SALE OF THE MORTGAGED PROPERTY BY ACTION PURSUANT TO MINNESOTA STATUTES CHAPTER 581 OR, AT THE OPTION OF MORTGAGEE, BY ADVERTISEMENT PURSUANT TO MINNESOTA STATUTES CHAPTER 580, WHICH PROVIDES FOR SALE AFTER SERVICE OF NOTICE THEREOF UPON THE OCCUPANT OF THE MORTGAGED PROPERTY AND PUBLICATION OF SAID NOTICE FOR SIX WEEKS IN THE COUNTY IN MINNESOTA WHERE THE MORTGAGED PROPERTY IS SITUATED. MORTGAGOR ACKNOWLEDGES THAT SERVICE NEED NOT BE MADE UPON MORTGAGOR PERSONALLY UNLESS MORTGAGOR IS AN OCCUPANT AND THAT NO HEARING OF ANY TYPE IS REQUIRED IN CONNECTION WITH THE SALE. AND EXCEPT AS MAY BE PROVIDED IN SAID STATUTES AND THIS MORTGAGE, MORTGAGOR EXPRESSLY WAIVES ANY AND ALL RIGHTS TO PRIOR NOTICE OF SALE OF THE MORTGAGED PROPERTY AND ANY AND ALL RIGHTS TO A PRIOR HEARING OF ANY TYPE IN CONNECTION WITH THE SALE OF THE MORTGAGED PROPERTY.

MORTGAGOR ACKNOWLEDGES THAT IT IS REPRESENTED BY LEGAL COUNSEL; THAT BEFORE SIGNING THIS MORTGAGE, THIS SECTION AND MORTGAGOR'S CONSTITUTIONAL RIGHTS WERE FULLY EXPLAINED BY SUCH

COUNSEL; AND THAT MORTGAGOR UNDERSTANDS THE NATURE AND EXTENT OF THE RIGHTS WAIVED HEREBY AND THE EFFECT OF SUCH WAIVER.

This Mortgage and the Promissory Note shall be construed in accordance with the laws of the State of Minnesota.

Mortgagor shall have the right and privilege, but not the obligation, to borrow additional funds and to further encumber the security and collateral given and pledged to Mortgagee hereunder at any time, from time to time, and as often as Mortgagor shall determine, without the consent of the Mortgagee unless required by the Agreement.

This Mortgage shall constitute a security agreement within the meaning of the Minnesota Uniform Commercial Code (“Code”), and the Mortgagor hereby grants to the Mortgagee a security interest within the meaning of the Code in the property described in **Exhibit C** attached hereto.

In addition to other obligations described herein, the Borrower is liable for:

- (a) Damage to the Property or injury to persons or property as a result of hazardous materials, substances or violations of environmental laws;
- (b) Application of insurance proceeds or condemnation award other than pursuant to the provisions of the Mortgage;
- (c) Waste or damage to the Property; and
- (d) Failure to pay real estate taxes or assessments on the Property.

All notices to be given pursuant to this Mortgagee shall be in writing and shall be deemed given when mailed by certified or registered mail, return receipt requested, to the parties hereto at the addresses set forth below, or to such other place as a party may from time to time designate in writing. The Mortgagor and the Mortgagee may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates, or other communications shall be sent. The initial addresses for notices and other communications are as follows:

To the Mortgagee:

ECONOMIC DEVELOPMENT AUTHORITY IN AND FOR
THE CITY OF COON RAPIDS, MINNESOTA
11155 Robinson Drive NW
Coon Rapids, MN 55422
Attention: Executive Director

The Mortgagor:

COON RAPIDS LEASED HOUSING ASSOCIATES IV, LLLP
c/o Dominion Development & Acquisition, LLC
2905 Northwest Boulevard, Suite 150
Plymouth, MN 55441-7400
Attention: Mark Moorhouse and Ryan Lunderby

with a copy to:

WINTHROP & WEINSTINE, P.A.
225 South Sixth Street, Suite 3500
Minneapolis, MN 55402-4629
(which copy shall not constitute notice to
Borrower)
Attention: John Stern

RBC Tax Credit Equity, LLC
600 Superior Avenue
Suite 2300
Cleveland, Ohio 44114
Attention: President and General Counsel

Nixon Peabody LLP
100 Summer Street
Boston, Massachusetts 02110
Attention: Roger W. Holmes

EXHIBIT A
to Combination Mortgage,
Assignment of Rents and Leases
and Security Agreement
LEGAL DESCRIPTION

Lot 2, Block 1, Robinwood Plat 6, Anoka County, Minnesota

EXHIBIT B
to Combination Mortgage,
Assignment of Rents and Leases
and Security Agreement
PERMITTED ENCUMBRANCES

BORROWER: Coon Rapids Leased Housing Associates IV, LLLP, a Minnesota limited liability limited partnership

LENDER: Economic Development Authority in and for the City of Coon Rapids, Minnesota, a Minnesota public body both corporate and politic

The Property is subject to the following liens and no others:

1. Taxes payable in 2015.
2. Mortgage in favor of _____ in the amount of \$_____.00.
3. [TO BE COMPLETED]

EXHIBIT C
to Combination Mortgage,
Assignment of Rents and Leases
and Security Agreement
COLLATERAL DESCRIPTION

As used herein, the term "Debtor" shall mean and include the terms "Mortgagor", "Grantor", and "Borrower"; and the term "Secured Party" shall mean and include the terms "Lender", "Beneficiary", "EDA", and "Creditor".

This Exhibit "C" is attached to, incorporated by reference in and forms a part of certain documents (collectively, the "Security Documents"), dated of even date herewith, executed and delivered by the Debtor in connection with the financing of the Project (as hereinafter defined), including (i) the Mortgage, Assignment of Rents and Security Agreement; and (ii) financing statements.

This Exhibit "C" refers to the following collateral, which may be now or hereafter located on the premises of, relate to, or be used in connection with that certain approximately 167-unit senior rental housing facility described in the Agreement (the "Project"), located in Coon Rapids, Minnesota.

1. All materials now owned or hereafter acquired by the Debtor and intended for construction, alteration and repair of any building, structure or improvement now or hereafter erected or placed on the property described in Exhibit "A" (the "Property"), all of which materials shall be deemed to be included within the Project immediately upon the delivery thereof to the Project.

2. All the walks, fences, shrubbery, driveways, fixtures, machinery, apparatus, equipment, fittings, and other goods and other personal property of every kind and description whatsoever, now owned or hereafter acquired by the Debtor and attached to or contained in and used or usable in connection with any present or future operation of the Project, including, by way of example rather than of limitation, all lighting, laundry, incinerating and power equipment; all engines, boilers, machines, motors, furnaces, compressors and transformers; all generating equipment; all pumps, tanks, ducts, conduits, wire, switches, electrical equipment and fixtures, fans and switchboards; all telephone equipment; all piping, tubing, plumbing equipment and fixtures; all heating, refrigeration, air conditioning, cooling, ventilating, sprinkling, water, power and communications equipment, systems and apparatus; all water coolers and water heaters; all fire prevention, alarm and extinguishing systems and apparatus; all cleaning equipment; all lift, elevator and escalator equipment and apparatus; all partitions, shades, blinds, awnings, screens, screen doors, storm doors, exterior and interior signs, gas fixtures, stoves, ovens, refrigerators, garbage disposals, dishwashers, cabinets, mirrors, mantles, floor coverings, carpets, rugs, draperies and other furnishings and furniture installed or to be installed or used or usable in the operation of any part of the Project or facilities erected or to be erected in or upon the Property; and every renewal or replacement thereof or articles in substitution thereof, whether or not the same are now or hereafter attached to the Property in any manner; all except

for any right, title or interest therein owned by any tenant (it being agreed that all personal property owned by the Debtor and placed by it on the Property shall, so far as permitted by law, be deemed to be affixed to the Property, appropriated to its use, and covered by each of the Security Documents to which this Exhibit is attached).

3. All of the Debtor's right, title and interest in and to any and all judgments, awards of damages (including but not limited to severance and consequential damages), payments, proceeds, settlements or other compensation (collectively, the "Awards") heretofore or hereafter made, including interest thereon, and the right to receive the same, as a result of, in connection with, or in lieu of (I) any taking of the Property or any part thereof by the exercise of the power of condemnation or eminent domain, or the police power, (II) any change or alteration of the grade of any street, or (III) any other injury or decrease in the value of the Property or any part thereof (including but not limited to destruction or decrease in value by fire or other casualty), all of which Awards, rights thereto and shared therein are hereby assigned to the Secured Party, who is hereby authorized to collect and receive the proceeds thereof and to give property receipts and acquittances therefor and to apply, at its option, the net proceeds thereof, after deducting expenses of collection, as a credit upon any portion, as selected by the Secured party, of the indebtedness secured by the Security Documents.

4. All of the Debtor's right, title and interest in and to any and all payments, proceeds, settlements or other compensation heretofore and hereafter made, including interest thereon, and the right to receive the same from any and all insurance policies covering the Property or any portion thereof, or any of the other property described herein.

5. The interest of the Debtor in and to all of the rents, royalties, issues, profits, revenues, income, and other benefits of the Property other than tax credits, or arising from the use or enjoyment pertaining thereto, and all right, title and interest of the Debtor in and to, and remedies under, all contract rights, account receivable and general intangibles arising out of or in connection with any and all leases and subleases of the Property, or any part thereof, and of the other property described herein, or any part thereof, both now in existence or hereafter entered into, together with all proceeds (cash and non-cash) thereof; and including, without limitation, all cash or securities deposited thereunder to secure performance by the lessees of their obligations thereunder.

6. All of the Debtor's rights, options, powers and privileges in and to (but not the Debtor's obligations and burdens under) any construction contract, architectural and engineering agreements and management contract pertaining to the construction, development, ownership, equipping and management of the Property and all of the Debtor's rights, title, and interest in and to (but not the Debtor's obligations and burdens under) all architectural, engineering and similar plans, specifications, drawings, reports, surveys, plats, permits and the like, contracts for construction operation and maintenance of, or provision of services to, the Property or any of the other property described herein, and all sewer taps and allocations, agreements for utilities, bonds and the like, all relating to the Property.

7. All intangible personal property, accounts, licenses, permits, instruments, contract rights, and chattel paper of the Debtor relating to the Project, including but not limited to cash;

accounts receivable; bank accounts; certificates of deposit; securities; promissory notes; rents; rights (if any) amounts held in escrow; insurance proceeds; condemnation rights; deposits; judgements, liens and causes of action; warranties and guarantees. Provided, however, that the security interest granted herein shall not include any of the foregoing which do not relate to the operation of the Project or any tax credits.

8. The interest of the Debtor in any cash escrow fund and in any and all funds, securities, instruments, documents and other property which are at any time paid to, deposited with, under the control of, or in the possession of the Secured Party, or any of its agents, branches, affiliates, correspondents or others acting on its behalf, which rights shall be in addition to any right of set-off or right of lien that the Secured Party may otherwise enjoy under applicable law, regardless of whether the same arose out of or relates in any way, whether directly or indirectly, to the Project located upon the Property.

9. The interest of the Debtor in and to any and all funds created or established and held by the trustee pursuant to any indenture of trust or similar instrument authorizing the issuance of bonds or notes for the purpose of financing the Project located upon the Property.

10. All inventory, including raw materials, components, work-in-process, finished merchandise and packing and shipping materials owned by the Debtor and located on the Property.

11. Proceeds, products, returns, additions, accessions and substitutions of and to any or all of the above, but not including sale proceeds of a permitted transfer of the project.

12. Any of the above arising or acquired by the Debtor or to which the Debtor may have a legal or beneficial interest in on the date hereof and at any time in the future.

13. Any of the above which may become fixtures by virtue of attachment to the Property.

14. All of the records and books of account now or hereafter maintained by or on behalf of the Debtor in connection with the Project.

15. All names now or hereafter used in connection with the Project and the goodwill associated therewith.

EXHIBIT I
DRAFT PLAT

EXHIBIT J
FORM OF REDEVELOPER DEED

EXHIBIT K

COLLATERAL ASSIGNMENT OF DEVELOPMENT AGREEMENT AND TIF NOTE

EXHIBIT L

ADVANCE CERTIFICATE

_____, 201__

Coon Rapids Leased Housing Associates IV, LLLP

Dear _____:

This letter is to certify that as of _____, 201__, the principal amount of \$_____ has been deemed advanced under the Taxable Tax Increment Revenue Note (Coon Rapids Leased Housing Associates IV Senior Housing Project), pursuant to Section 4.2(b) of the Development Agreement between the Economic Development Authority in and for the City of Coon Rapids, Minnesota (the "EDA") and Coon Rapids Leased Housing Associates IV, LLLP or registered assigns (the "Redeveloper"), dated as of October __, 2015 (the "Agreement"). The Redeveloper has provided the EDA with the necessary certification and supporting evidence that Redeveloper has incurred and paid Qualified Costs in the amount of \$_____ as required under the Agreement. Accordingly, interest on the principal amount of \$_____ began accruing on _____, 201_.

Sincerely,

Economic Development Authority in and for the City of Coon Rapids, Minnesota