DEVELOPMENT AGREEMENT

BY AND BETWEEN

CITY OF MANKATO, MINNESOTA

AND

SILOS ~~OF~~ MANKATO~~,~~ LLC

This instrument was drafted by:
The City of Mankato
Community Development
10 Civic Center Plaza
Mankato, MN 56001

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DEVELOPMENT AGREEMENT

THIS AGREEMENT, made as of the__ day of__________, 2023, by and between the City of Mankato, Minnesota (the "**City**"), a municipal corporation existing under the laws of the State of Minnesota and Silos ~~of~~ Mankato~~,~~ LLC, a Minnesota limited liability company (the "**Developer**").

WITNESSETH:

WHEREAS, pursuant to Minnesota Statutes, Section 469.124 to 469.133, the City has heretofore established Development District No. 36 (the "**Development District**") and has adopted a development program therefor (the "**Development Program**"); and

WHEREAS, pursuant to the provisions of Minnesota Statutes, Section 469.174 through 469.1794, as amended (hereinafter, the "**Tax Increment Act**"), the City has heretofore established, within the Development District, Tax Increment Financing District No. 36-2 (the "**Tax Increment District**") and has adopted a modification to tax increment financing plan therefor (the "**Tax Increment Plan**") which provides for the use of tax increment financing in connection with certain development within the Development District; and

WHEREAS, the City has requested the County to certify the original tax capacity of the Tax Increment District pursuant to Section 469.177 of the Tax Increment Act; and

WHEREAS, the City has authority pursuant to Minnesota Statutes, Section 469.090 through 469.108 (the "**Economic Development Act**") to provide financial assistance to projects that provide a public benefit to the City; and

WHEREAS, the City has the powers of an economic development authority established pursuant to the Economic Development Act, and pursuant to such authority, has undertaken a program to foster the successful redevelopment of vacant and underutilized commercial properties within the City; and

WHEREAS, the City provides loan funds, at a reduced interest rate, to aid redevelopment in the downtown; and

WHEREAS, the City and Brennan Properties of Minnesota, LLC, a Minnesota Limited Liability Company, entered into a development agreement dated July 29, 2019 for the construction of an approximate 68,550 ft., five-story mixed-use (commercial and residential) building on Lots 1-5 and 7-10, City of Mankato (replatted as Lot 1A, Block 1, Bridge Plaza) (201 N. Riverfront Drive), and demolishing the existing warehouse buildings on Lot 6, Block 17, Map of Mankato; and the Southerly Half of Lot 7, except the Easterly 51 feet of the Northerly 22 feet of the Southerly Half of Lot 7, Block 17, Mankato (118 E. Plum Street and 304 N. 2nd Street).

WHEREAS, in order to achieve the objectives of the Development Program and particularly to make the land in the Development District available for development by private enterprise in conformance with the Development Program, the City has determined it will assist the Developer with the financing of certain costs of the Project (as hereinafter defined) to be constructed within the Tax Increment District as more particularly set forth in this Agreement; and

WHEREAS, the City believes that the development and construction of the Project, and fulfillment of this Agreement are vital and are in the best interests of the City, the health, safety, morals and welfare of residents of the City, and in accordance with the public purpose and provisions of the applicable state and local laws and requirements under which the Project has been undertaken and is being assisted;

NOW, THEREFORE, for valuable consideration 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. All capitalized terms used and not otherwise defined herein shall have the following meanings unless a different meaning clearly appears from the context:

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

Business Day means any day except a Saturday, Sunday or a legal holiday or a day on which banking institutions in the City are authorized by law or executive order to close;

Certificate of Completion means the certification in the form of the certificate attached hereto as *Exhibit C* and hereby made a part of this Agreement, provided to the Developer pursuant to Section 4.1 of this Agreement;

City means the City of Mankato, Minnesota;

County means Blue Earth County, Minnesota;

Developer means Silos ~~of~~ Mankato~~,~~ LLC, its successors and assigns;

Development District means the real property included in Development District No. 36 heretofore established;

Development Program means the Development Program approved in connection with the Development District;

Development Property means the real property described in *Exhibit A* attached to this Agreement;

Event of Default means any of the events described in Section 4.1 hereof;

Note Payment Date means December 31, 2026, and each December 31 and July 31 of each year thereafter to and including December 31, 2035; provided, that if any such Note Payment Date should not be a Business Day, the Note Payment Date shall be the next succeeding Business Day;

Prime Rate means the rate of interest from time to time publicly announced by U.S. Bank National Association in St. Paul, Minnesota, as its "prime rate" or "reference rate" or any successor rate, which rate shall change as and when that rate or successor rate changes;

Project means the redevelopment of a new mixed-use building containing 1,413 square feet of new commercial space and 26-units of multi-family housing.

Project Costs means the costs of correcting conditions that allow designation of the Development Property as a redevelopment district under Minnesota Statutes, Section 469.174, subdivision 10, which are more specifically described on *Exhibit E* attached hereto;

State means the State of Minnesota;

Tax Increments means 95% of the tax increments derived from the Development Property, which have been received by the City in accordance with the provisions of Minnesota Statutes, Section 469.177;

Tax Increment Act means Minnesota Statutes, Sections 469.174 through 469.1794, as amended;

Tax Increment District means Tax Increment Financing District No. 36-2, located within the Development District, a description of which is set forth in the Tax Increment Financing Plan, which was qualified as a redevelopment district under the Tax Increment Act;

Tax Increment Financing Plan means the modification to the tax increment financing plan approved for the Tax Increment District by the City Council on May 22, 2023 and any future amendments thereto;

Termination Date means the earlier of (i) December 31, 2035, (ii) the date the Project Costs are paid in full, (iii) the date on which the Tax Increment District expires or is otherwise terminated, or (iv) the date this Agreement is terminated or rescinded in accordance with its terms;

TIF Note means the Tax Increment Revenue Note (Silos ~~of~~ Mankato~~,~~ LLC Project) to be executed by the City and delivered to the Developer pursuant to Article III hereof, the form of which is attached hereto as *Exhibit B*;

Unavoidable Delays means delays, outside the control of the party claiming its occurrence, which are the direct result of strikes, other labor troubles, unusually severe or prolonged bad weather, acts of God, fire or other casualty to the Project, litigation commenced by third parties which, by injunction or other similar judicial action or by the exercise of reasonable discretion, directly results in delays, or acts of any federal, state or local governmental unit (other than the City) which directly result in delays. Any supply or labor issues attributable to the COVID-19 pandemic shall not constitute Unavoidable Delay and COVID-19 pandemic- related effects are expressly excluded from this definition.

ARTICLE II
REPRESENTATIONS AND WARRANTIES

Section 2.1. Representations and Warranties of the City. The City makes the following representations and warranties:

(1) The City is a municipal corporation and has the power to enter into this Agreement and carry out its obligations hereunder.

(2) The Tax Increment District is a "redevelopment district" within the meaning of Minnesota Statutes, Section 469.174, Subdivision 10, and was created, adopted and approved in accordance with the terms of the Tax Increment Act.

(3) The Project contemplated by this Agreement is in conformance with the development objectives set forth in the Development Program.

(4) To finance certain costs within the Tax Increment District, the City proposes, subject to the further provisions of this Agreement, to apply Tax Increments to reimburse the Developer for a portion of the Project Costs incurred in connection with the Project as further provided in this Agreement.

(5) The City makes no representation or warranty, either expressed or implied, as to the Development Property or its condition or the soil conditions thereon, or that the Development Property shall be suitable for the Developer's purposes or needs.

(6) The City will reasonably cooperate with the Developer to timely process and approve any necessary permits, licenses, or approvals required from the City for the construction and occupation of the Project; provided Developer's applications for the same are complete and compliant with the applicable ordinances.

Section 2.2. Representations and Warranties of the Developer. The Developer makes the following representations and warranties:

(1) The Developer has the power to enter into this Agreement and to perform its obligations hereunder and is not in violation of any local, state or federal laws.

(2) The Developer is a Minnesota limited liability company and operates under the laws of this State and has full power and authority to enter into this Agreement and carry out the covenants contained herein.

(3) Upon receipt of the permits, licenses and approvals therefor, the Developer will cause the Project to be completed in accordance with the terms of this Agreement, the Development Program and all local, state and federal laws and regulations (including, but not limited to, environmental, zoning, energy conservation, building code and public health laws and regulations).

(4) The Developer will use commercially reasonable efforts to obtain or cause to be obtained, 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 met before the Project may be constructed and occupied.

(5) The Developer has not received any notice or communication from any local, state or federal official that the activities of Developer or the City with respect to the Development Property may or will be in violation of any environmental law or regulation. As of the date of the execution of this Agreement, except for the removal of a used oil above ground tank, and asbestos and lead in the building, Developer is aware of no facts the existence of which would cause it to be in violation of any local, state or federal environmental law, regulation or review procedure which would give any person a valid claim under the Minnesota Environmental Rights Act.

(6) The Project would not be undertaken by the Developer, and in the opinion of the Developer would not be economically feasible within the reasonably foreseeable future, without the assistance and benefit to the Developer provided for in this Agreement.

(7) 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 provision of any contractual restriction, evidence of indebtedness, agreement or instrument of whatever nature to which the Developer is now a party or by which it is bound, or constitutes a default under any of the foregoing.

(8) The Developer will fully cooperate with the City with respect to any litigation commenced with respect to the Project provided, however, that any such litigation settled by the City, which would require

payment by the Developer or any other consequence materially adverse to the Developer or the Project, would require that the City obtain the prior written consent of the Developer.

(9) The Developer agrees to pay the total amount of any reasonable costs, charges, expenses and attorneys fees reasonably incurred or paid as of the execution of this Agreement by the City because of any

Event of Default by the Developer as to any stipulation, agreement, and covenant of this Agreement, resulting in any suit or proceeding at law or in equity to which the City shall become a party in reference to the Developer's interest in the Development Property or the Project, if the Developer is found at fault and ordered to pay damages through a court trial action.

(10) The Developer will reasonably cooperate with the City to resolve any traffic, parking, trash removal or public safety problems, which may arise in connection with the construction of the Project.

(11) The Developer will participate in a Site Plan Review by the City's Planning Department and the City Planning Commission, and will comply with the City's design standards and covenants as reasonably enforced by said Planning Department and Planning Commission.

(12) Barring Unavoidable Delays, the Project will be substantially completed by December 31, 2025, such that the City will issue a Certificate of Completion on or before that date. The City has no knowledge of anything, which would prevent the Project from being completed by December 31, 2025 subject to Unavoidable Delays, including within its knowledge, an estimate of the reasonable time for review of the Project by the City and its agencies and commissions. It is anticipated construction will commence in 2023.

(13) To the Developer’s knowledge, no member of the City Council, or officer of the City, has either a direct or indirect financial interest in this Agreement, nor will any member of the City Council, or officer of the City, benefit financially from this Agreement within the meaning of Minnesota Statutes, Section 471.87.

ARTICLE III
UNDERTAKINGS BY DEVELOPER AND CITY

Section 3.1. Project Costs. The parties agree that the Project Costs to be installed or constructed by the Developer are essential to the successful completion of the Project. Project Costs associated with the redevelopment are delineated in *Exhibit E* of this Agreement. The Project Costs shall be paid by the Developer. The City shall reimburse the Developer, for a period up to 10 years of Tax Increment, for the lesser of: (a) $582,599 (which represents a net present value of $384,300 discounted at 6.50%); or, (b) the amount of the Project Costs actually incurred and paid by the Developer, plus interest, as further provided in Sections 3.3 and 3.5. The City is not obligated to reimburse the Developer, regardless of Tax Increment received, for more than 10 years of tax increment payments. The City is not obligated for any shortfall of tax increment payments during that period. If Tax Increment is not realized in an amount to satisfy the TIF Note, the City is not liable or expected to make up the difference from any other source.

Section 3.2. Limitations on Undertaking of the City. Notwithstanding the provisions of Sections 3.1, the City shall have no obligation to the Developer under this Agreement to reimburse the Developer for the Project Costs, if the City, at the time or times such payment is to be made, is entitled under Section 4.2 to exercise any of the remedies set forth therein as a result of an Event of Default which has not been cured. If such Event of Default is cured in accordance with the terms of this Agreement, the City will so reimburse the Developer.

Section 3.3. Reimbursement: Tax Increment Revenue Note. The City shall reimburse the payments made by the Developer under Section 3.1 for the Project Costs through the issuance of the City's TIF Note in substantially the form attached to this Agreement as *Exhibit B*, subject to the following conditions:

(1) The TIF Note shall be dated, issued and delivered when the Developer shall have demonstrated in writing to the reasonable satisfaction of the City that the construction of the Project has been completed and that the Developer has incurred and paid all Project Costs, as described in and limited by Section 3.1 and shall have submitted paid invoices for the Project Costs, or final lien waivers for Project Costs.

(2) The principal amount of the TIF Note, and interest accrued on the TIF Note, shall be payable solely from the Tax Increments.

(3) On each Note Payment Date and subject to the provisions of the TIF Note, the City shall pay, against the principal outstanding on the TIF Note, the Tax Increments received by the City during the preceding 6 months. All such payments, less the 5% administration charge, made by the City under this Note shall first be applied to accrued interest and the balance to principal reduction.

(4) The TIF Note shall be a special and limited obligation of the City and not a general obligation of the City, and only Tax Increments shall be used to pay the principal of and interest on the TIF Note.

(5) The City's obligation to make payments on the TIF Note on any Note Payment Date or any date thereafter shall be conditioned upon the requirements that: (A) there shall not at that time be an uncured Event of Default that has occurred and is continuing under this Agreement and (B) this Agreement shall not have been rescinded pursuant to Section 4.2.

(6) The TIF Note shall be governed by and payable pursuant to the additional terms thereof, as set forth in *Exhibit B*. In the event of any conflict between the terms of the TIF Note and the terms of this Section 3.3, the terms of the TIF Note shall govern. The issuance of the TIF Note pursuant and subject to the terms of this Agreement, and the taking by the City of such additional actions as bond counsel for the TIF Note may require in connection therewith, are hereby authorized and approved by the City.

(7) The City is not obligated to reimburse the Developer, regardless of tax increment received, for more than 10 years of tax increment payments. The City is not obligated for any shortfall of tax increment payments during that period. If tax increment is not realized in an amount to satisfy the TIF Note, the City is not liable or expected to make up the difference from any other source.

Section 3.4. Business Subsidies Act. The Developer represents that the assistance provided in this Agreement is for redevelopment purposes and therefore it does not constitute a "business subsidy" under Minnesota Statutes, Section 116J.993, Subdivision 3.

(1) Calculation for redevelopment exception to business subsidy law. Minn. Stat. Section 116J.993, subd. 3(17) provides an exception from the Business Subsidy Act for redevelopment when the recipient's investment in the purchase of the site and in site preparation is seventy percent (70%) or more of the assessor's current year's estimated market value.

(2) In order to use this exception, the developer must warrant and represent that its investment in the purchase of the development property and the site preparation on such development property (net of any portion of such costs to be reimbursed with tax increment or any other subsidies provided by the City, HRA, Port Authority, EDA, or any other subsidy from a governmental entity) will equal at least seventy percent (70%) of the County assessor's estimated market value for the development property for the 2022 assessment year, calculated as follows:

Development property cost	$181,789
Plus Estimated cost of site preparation	$394,028
Equals land cost and site preparation	$575,817
[2022 Assessor's Estimated Fair Market Value of development property	$70,600

$575,817 (acquisition and site preparation cost) *less $384,300 (amount of financial assistance provided by the City, Authority, or another government entity for acquisition and site preparation),* equals $191,517 which is 271% of $70,600 (assessor's current estimated fair market value)

Section 3.5. City Center Renaissance Revolving (CCRR) Loan. The City shall provide the Developer with a $100,000 CCRR Loan to assist the Developer in undertaking the Project Activities.

(1) Funding of the CCRR Loan will be disbursed by the City to the Developer only upon presentation of specific invoices for work performed accompanied by lien waivers for the work performed. A promissory note and mortgage will be subordinated, if required by the primary lender, to the primary lender's interest.
(2) The promissory note shall be governed by and payable pursuant to the additional terms thereof, as set forth in *Exhibit D*. In the event of any conflict between the terms of the promissory note and the terms of this Agreement, the terms of the promissory note shall govern.
(3) The issuance of the promissory note pursuant and subject to the terms of this Agreement, and the taking by the City of such additional actions as counsel for the City may require in connection therewith, are hereby authorized and approved by the City.
(4) The ability of the Developer to terminate this Agreement pursuant to Section 5.1 does not absolve the Developer from paying the principal of and interest on the CCRR Loan in full.

Section 3.6. Use of Project. The Developer agrees that for itself, its successors and assigns it shall devote the Development Property and Project to, and in accordance with, the uses specified in this Agreement and as approved by the Mankato City Council.

Section 3.7. Reimbursement to Developer. The Developer shall make payment to the City in the amount of $4,400 for the costs to create the Tax Increment District within 30 days of receiving an invoice. Developer shall be reimbursed for such $4,400 by the City out of the 5% administrative charge retained by the City at the time tax increment administrative revenue is received. The reimbursement will occur when full tax increment revenue and administrative costs contemplated in the tax increment plan are received by the City and only after the City reimburses itself for administrative expenses. The reimbursement may occur over several periods of receipt of tax increment and administrative revenue.

Section 3.8. Prohibition against Transfer of Development Property and Assignment of Agreement. The Developer represents and agrees that prior to the termination date of this Agreement, the Developer shall not transfer in any form the Development Property or any part thereof or any interest therein, or enter into any contract or agreement to do any of the same without the prior written approval of the City. If the City consents

to the transfer, said consent shall be delivered to the Developer in writing no later than 45 business days from that date the City receives notice of such assignment or transfer. Consent to transfer shall not be unreasonably withheld, conditioned or delayed by the City. The Developer may also grant liens on the Development Property to construct or rehabilitate the Development Property, or to subsequently refinance such debt or obtain new debt to finance additional improvements to the Development Property, without the City's consent. The City shall be entitled to require as conditions to any such approval that:

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

(2) Any proposed transferee, by instrument in writing satisfactory to the City and in form recordable among the land records, shall, for itself and its successors and assigns, and expressly for the benefit of the City, have expressly assumed all of the obligations of the Developer under this Agreement and agreed to be subject to all the conditions and restrictions to which the Developer is subject.

(3) There shall be submitted to the City for review and prior written approval all instruments and other legal documents involved in effecting the transfer of any interest in this Agreement or the Development Property.

Section ~~3.8~~3.9. Right to Collect Delinquent Taxes. The Developer acknowledges that the City is providing substantial aid and assistance in furtherance of the Project through reimbursement of Public Development Costs. To that end, the Developer agrees for itself, its successors and assigns, that in addition to the obligation pursuant to statute to pay real estate taxes, it is also obligated by reason of this Agreement, to pay before delinquency all real estate taxes assessed against the Development Property and the Project. The Developer acknowledges that this obligation creates a contractual right on behalf of the City through the Termination Date to sue the Developer or its successors and assigns, to collect delinquent real estate taxes related to the Development Property 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 City is the prevailing party, the City shall also be entitled to recover its costs, expenses and reasonable attorney fees.

Section ~~3.9~~3.10. Review of Taxes.

(1) The Developer agrees that prior to the Termination Date it will not cause a reduction in the real property taxes paid in respect of the Development Property through: (i) willful destruction of the Development Property or any part thereof; or (ii) willful refusal to reconstruct damaged or destroyed property. The Developer also agrees that it will not, prior to the Termination Date, apply for an exemption from or a deferral of property tax on the Development Property pursuant to any law, or transfer or permit transfer of the Development Property to any entity whose ownership or operation of the property would result in the Development Property being exempt from real property taxes under State law.

(2) The Developer shall notify the City within 10 days of filing any petition to seek reduction in market value or property taxes on any portion of the Development Property under any State law (referred to as a "Tax Appeal"). If as of any Payment Date, any Tax Appeal is then pending, the City will withhold the Pledged Tax Increment related to property taxes paid with respect to the market value of the Development Property being challenged as part of the Tax Appeal as determined by the City in its sole discretion. The City will apply any withheld amount to the extent not reduced as a result of the Tax Appeal promptly after the Tax Appeal is fully resolved and the amount of Pledged Tax Increment, as applicable, attributable to the disputed tax payments is finalized.

Section ~~3.10~~3.11 Insurance. The Developer or its general contractor will provide and maintain, at all times during the process of constructing the Improvements, a Special Form Basis Insurance Policy and, from time to time during that period, at the request of the City no more frequently than once annually, furnish the City with proof of payment of premiums on policies covering the following:

(1) Builder's risk insurance, written on the so-called "Builder's Risk – Completed Value Basis," in an amount equal to one hundred percent (100%) of the insurable value of the applicable portion of the Minimum Improvements at the date of completion, and with coverage available in reporting form on the so-called "special" form of policy;

(2) Commercial general liability insurance (including operations, contingent liability, operations of subcontractors, completed operations and contractual liability insurance) with limits against bodily injury and property damage of not less than $1,000,000 for each occurrence (to accomplish the above-required limits, an umbrella excess liability policy may be used); and

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

Section ~~3.11~~3.12 Evidence of Insurance. All insurance required in this Article of the Agreement must be taken out and maintained in responsible insurance companies selected by the Developer which are authorized under the laws of Minnesota to assume the risks covered thereby. In lieu of separate policies, the Developer may maintain a single policy, blanket or umbrella policies, or a combination thereof, having the coverage required herein. Upon written request by the City, the Developer agrees to deposit with the City a certificate or certificates or binders of the respective insurers stating that such insurance is in force and effect.

ARTICLE IV
EVENTS OF DEFAULT

Section 4.1. Events of Default Defined. The following shall be "Events of Default" under this Agreement and the term "Event of Default" shall mean whenever it is used in this Agreement any one or more of the following events:

(1) Failure by the Developer to pay timely any ad valorem real property taxes assessed with respect to the Development Property, within 5 days of the due date.

(2) Failure by the Developer to cause the Project to be substantially completed pursuant to the terms, conditions and limitations of this Agreement. Upon completion of the Project contemplated by this Agreement, the City shall deliver to the Developer a Certificate of Completion in substantially the form as attached as *Exhibit C*.

(3) The holder of any mortgage on the Development Property or any improvements thereon, or any portion thereof, commences foreclosure proceedings as a result of any default under the applicable mortgage documents.

(4) Failure by the Developer to substantially observe or perform any other covenant, condition, obligation or agreement on its part to be observed or performed under this Agreement, and fails to correct such failure within thirty days of its receipt of written notice of such failure from the City.

(5) If the Developer:

(a) files any petition in bankruptcy or for any reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief under the United States Bankruptcy Act of 1978, as amended or under any similar federal or state law; or

(b) makes an assignment for the benefit of its creditors in lieu of formal bankruptcy proceedings; or

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

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

Section 4.2. Remedies on Default. Whenever any Event of Default referred to in Section 4.1 occurs and is continuing, the City, as specified below, may take any one or more of the following actions after the giving of thirty (30) days' written notice to the Developer, but only if the Event of Default has not been cured within said thirty (30) days (or if cure is not reasonably possible within 30 days, Developer has commenced cure within such 30 day period, and diligently prosecutes cure in a reasonable manner, and keeps City informed of such cure).

(1) The City may suspend its performance under this Agreement until it receives assurances from the Developer, deemed reasonably adequate by the City, that the Developer will cure the default and continue their performance under this Agreement.

(2) The City may cancel and terminate this Agreement, except that no cancellation may be effective at any time that the Developer is proceeding in good faith to cure the defect and/or reasonable assurances to the City as required in (1) above, or if there exists a good faith dispute with the City, mortgagee or creditor as to an event of default as defined above, and the Developer post a bond or other security as reasonably adequate to cure the alleged default.

(3) The City may take any action, including legal or administrative action, which may appear necessary or desirable to enforce performance and observance of any obligation, agreement, or covenant of the Developer under this Agreement.

Section 4.3. No Remedy Exclusive. No remedy herein conferred upon or reserved to the City is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient.

Section 4.4. No Implied Waiver. In the event any agreement contained in this Agreement should be breached by any party and thereafter waived by any other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other concurrent, previous or subsequent breach hereunder.

Section 4.5. Agreement to Pay Attorney's Fees and Expenses. Whenever any Event of Default occurs and the City shall employ attorneys or incur other expenses for the collection of payments due or to become due or for the enforcement of performance or observance of any obligation or agreement on the part of the Developer herein contained, the Developer agrees that they shall, on demand therefor, pay to the City the reasonable fees of such attorneys and such other expenses so incurred by the City.

Section 4.6. Indemnification of City.

(1) The Developer covenants and agrees that the City, its governing body members, officers, agents, including the independent contractors, consultants and legal counsel, servants and employees thereof (hereinafter, for purposes of this Section, 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 Project, provided that the foregoing indemnification shall not be effective for any actions of the Indemnified Parties that are not contemplated by this Agreement including any losses, damages, or injuries occurring as a result of any gross negligence or willful misrepresentation or any willful or wanton misconduct of the Indemnified Parties.

(2) Except for any losses, damages, or injuries occurring as a result of any gross negligence or willful misrepresentation or any willful or wanton misconduct of the Indemnified Parties, the Developer agrees to protect and defend the Indemnified Parties, now and forever, and further agrees to hold the aforesaid harmless from any claim, demand, suit, action or other proceeding whatsoever by any person or entity whatsoever arising or purportedly arising from the actions or inactions of the Developer (or if other persons acting on its behalf or under its direction or control) under this Agreement, or the transactions contemplated hereby or the acquisition, construction, installation, ownership, and operation of the Project; provided, that this indemnification shall not apply to the warranties made or obligations undertaken by the City in this Agreement or to any actions undertaken by the City which are not contemplated by this Agreement but shall, in any event and without regard to any fault on the part of the City, apply to any pecuniary loss or penalty (including interest thereon from the date the loss is incurred or penalty is paid by the City at a rate equal to the Prime Rate) as a result of the Project causing the Tax Increment District to not qualify or cease to qualify as a "redevelopment tax increment district" under Minnesota Statutes, Section 469.174, Subdivision 10.

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

ARTICLE V
DEVELOPER'S OPTION TO TERMINATE AGREEMENT

Section 5.1. The Developer's Option to Terminate. This Agreement may be terminated by the Developer, if the Project does not proceed.

Section 5.2. Action to Terminate. Termination of this Agreement pursuant to Section 5.1 must be accomplished by written notification by the Developer to the City.

Section 5.3. Effect of Termination. If this Agreement is terminated pursuant to this Article V, this Agreement shall be from such date forward null and void and of no further effect; provided, however, the termination of this Agreement shall not affect the rights of either party to institute any action, claim or demand for damages suffered as a result of breach or default of the terms of this Agreement by the other party, or to recover amounts which had accrued and become due and payable as of the date of such termination. Upon termination of this Agreement pursuant to this Article V, the Developer shall be free to proceed with the Project at its own expense and without regard to the provisions of this Agreement; provided, however, that the City shall have no further obligations to the Developer with respect to reimbursement of the expenses set forth in Section 3.3, or to make any further payments on the TIF Note.

ARTICLE VI
ADDITIONAL PROVISIONS

Section 6.1. Conflicts of Interest. No member of the governing body or other official of the City shall have any financial interest, direct or indirect, in this Agreement, the Development Property or the Project, or any contract, agreement or other transaction contemplated to occur or be undertaken thereunder or with respect thereto, nor shall any such member of the governing body or other official participate in any decision relating to the Agreement which affects his or her personal interests or the interests of any corporation, partnership or association in which he or she is directly or indirectly interested.

Section 6.2. 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 6.3. Notices and Demands. Except as otherwise expressly provided in this Agreement, a notice, demand or other communication under this Agreement by any party to any 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

(1) in the case of the Developer is addressed to or delivered ~~personallyto~~personally to: Silos ~~of~~ Mankato~~,~~ LLC
Attention: Joe Brennan
3255 Garfield Ave, Suite 200
Minneapolis, MN 55408

(2) in the case of the City is addressed to or delivered personally to the City at:
City of Mankato, Minnesota
Attention: City Manager
10 Civic Center Plaza
P.O. Box 3368
Mankato, Minnesota 56002-3368

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

Section 6.4. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall constitute one and the same instrument.

Section 6.5. Governing Law and Venue. This Agreement will be governed and construed in accordance with the laws of the State of Minnesota. Any lawsuits regarding or arising out of this Agreement shall be instituted and venued in Blue Earth County state district court.

Section 6.6. Expiration. This Agreement shall expire on the Termination Date.

Section 6.7. Provisions Surviving Rescission or Expiration. Sections 4.5 and 4.6 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.

Section 6.8. Assignability of Agreement. This Agreement may be assigned only with the consent of the City pursuant to Section 3.7.

Section 6.9. Relationship of Parties. Nothing in this Agreement is intended, or shall be construed, to create a partnership or joint venture among or between the parties hereto, and the rights and remedies of the parties hereto shall be strictly as set forth in this Agreement. All covenants, stipulations, promises, agreements and obligations of the City contained herein shall be deemed to be the covenants, stipulations, promises, agreements and obligations of the City and not of any governing body member, officer, agent, servant or employee of the City.

Section 6.10. ~~Termination~~Release of Agreement. After completion of the Developer's obligations hereunder and full payment of the TIF Note, upon the request of the Developer, the City will execute and deliver to the Developer a ~~termination~~release of this Agreement, in recordable form.

[Signatures contained on following page]

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

THE CITY OF MANKATO

By ______________________________
Susan MH Arntz

Its City Manager

STATE OF MINNESOTA)
) : ss
COUNTY OF BLUE EARTH)

The foregoing instrument was acknowledged before me this_____day of______, 202_, by Susan MH Arntz the City Manager of the City of Mankato, Minnesota, a municipal corporation.

____
Notary Public

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

Silos ~~of~~ Mankato~~,~~ LLC

By ________________________________
Joseph Brennan
Its Manager

STATE OF MINNESOTA)
) : ss
COUNTY OF BLUE EARTH)

The foregoing instrument was acknowledged before me this______day of______, 2023 by Joseph Brennan, in his capacity as Manager of Silos Mankato LLC
__________________________~~, the~~ __________________________~~of Silos of Mankato, LLC~~

____
Notary Public

This instrument was drafted by:
The City of Mankato
Community Development
10 Civic Center Plaza
Mankato, MN 56001

EXHIBIT A

Description of Development Property

Lot 6, Block 17, Map of Mankato; and the Southerly Half of Lot 7, except the Easterly 51 feet of the Northerly 22 feet of the Southerly Half of Lot 7, Block 17, Mankato

Subject Property Address: 118 E. Plum Street and 304 N. 2nd Street, Mankato, MN 56001

EXHIBIT B

Form of TIF Note

No. R-1 $384,300

UNITED STATES OF AMERICA
STATE OF MINNESOTA
COUNTY OF BLUE EARTH
CITY OF MANKATO

TAX INCREMENT REVENUE NOTE

(Silos ~~of~~ Mankato~~,~~ LLC)

The City of Mankato, Minnesota (the "**City**"), hereby acknowledges itself to be indebted and, for value received, hereby promises to pay the amounts hereinafter described (the "**Payment Amounts**") to Silos ~~of~~ Mankato~~,~~ LLC (the "**Developer**") or its registered assigns (the "**Registered Owner**"), but only in the manner, at the times, from the sources of revenue, and to the extent hereinafter provided.

The principal amount of this Note shall be the lesser of (1) $384,300 or (2) the aggregate amounts entered on the Ledger which is attached to and made a part of this Note, as reduced to the extent that such principal installments shall have been paid in whole or in part pursuant to the terms hereof; provided that the sum of the principal amount listed above shall in no event exceed $384,300 as provided in that certain Development Agreement, dated as of_________________, 2023, as the same may be amended from time to time (the "**Development Agreement**"), by and between the City and the Developer. The unpaid principal amount hereof shall bear interest from the date of this Note at the simple, non-compounded rate of 6.5 percent (6.5%) per annum. Interest shall be computed on the basis of a 360-day year consisting of twelve (12) 30-daymonths.

The amounts due under this Note shall be payable on July 31, 202_, and on December 31, 20___and on each July 31 and December 31 thereafter to and including December 31, 203_, or, if any of the preceding dates should not be a Business Day (as defined in the Development Agreement), the next succeeding Business Day (the "**Payment Dates**"). However, in no event shall the City be obligated to make a payment to the Developer during the occurrence and continuance of an Event of Default under the Development Agreement. On each Payment Date the City shall pay by check or draft mailed to the person that was the Registered Owner of this Note at the close of the last business day of the City preceding such Payment Date Tax Increment received by the City. All payments made by the City under this Note shall be applied to accrued interest and the balance to principal reduction.

The Payment Amounts due hereon shall be payable solely from 95% of tax increments (the "**Tax Increments**") from the Development Property (as defined in the Development Agreement) within the City's Tax Increment Financing District No. 36-2 (the "**Tax Increment District**") within its Development District No. ~~26~~36 which are paid to the City and which the City is entitled to retain pursuant to the provisions of Minnesota Statutes, Sections 469.174 through 469.1794, as the same may be amended or supplemented from time to time (the "**Tax Increment Act**"). This Note shall terminate and be of no further force and effect following the last Payment Date defined above, on any date upon which the City shall have terminated the Development Agreement under Section 4.2(2) thereof or the Developer shall have terminated the Development Agreement under Article V thereof, on the date the Tax Increment District is terminated, or on the date that all principal payable hereunder shall have been paid in full, whichever occurs earliest.

The City makes no representation or covenant, expressed or implied, that the Tax Increments will be sufficient to pay, in whole or in part, the amounts which are or may become due and payable hereunder.

The City's payment obligations hereunder shall be further conditioned on the fact that no Event of Default under the Development Agreement shall have occurred and be continuing at the time payment is otherwise due hereunder, but such unpaid amounts shall become payable if said Event of Default shall thereafter have been cured; and, further, if pursuant to the occurrence of an Event of Default under the Development Agreement the City elects to cancel and rescind the Development Agreement, the City shall have no further debt or obligation under this Note whatsoever. Reference is hereby made to all of the provisions of the Development Agreement, including without limitation Section 3.2 thereof, for a fuller statement of the rights and obligations of the City to pay the principal of this Note, and said provisions are hereby incorporated into this Note as though set out in full herein.

This Note is a special, limited revenue obligation and not a general obligation of the City and is payable by the City only from the sources and subject to the qualifications stated or referenced herein. This Note is not a general obligation of the City and neither the full faith and credit nor the taxing powers of the City are pledged to the payment of the principal of this Note and no property or other asset of the City, save and except the above-referenced Tax Increments, is or shall be a source of payment of the City's obligations hereunder.

This Note is issued by the City in aid of financing a project pursuant to and in full conformity with the Constitution and laws of the State of Minnesota, including the Tax Increment Act.

This Note may be assigned only with the consent of the City which consent shall not be unreasonably withheld. In order to assign the Note, the assignee shall surrender the same to the City either in exchange for a new fully registered note or for transfer of this Note on the registration records for the Note maintained by the City. Each permitted assignee shall take this Note subject to the foregoing conditions and subject to all provisions stated or referenced herein.

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

IN WITNESS WHEREOF, City of Mankato, Minnesota, by its City Council, has caused this Note to be executed by the manual signatures of its Mayor and Manager and has caused this Note to be dated as of ___________________, 20___.

______________________________	______________________________
City Manager	Mayor

DO NOT EXECUTE UNTIL PAID INVOICES FOR PROJECT COSTS ARE GIVEN TO THE CITY – REFER TO SECTION 3.3(1).

CERTIFICATION OF REGISTRATION

It is hereby certified that the foregoing Note was registered in the name of ____________________________, and that, at the request of the Registered Owner of this Note, the undersigned has this day registered the Note in the name of such Registered Owner, as indicated inthe registration blank below, on the books kept by the undersigned for such purposes.

Name and Address of Registered Owner	Date of Registration	Signature of City Executive
	____________________, 20___	____________________________

LEDGER

Pursuant to Section 3.3 of this Agreement, the City shall reimburse the Developer an amount not to exceed $384,300 for items listed on this Ledger.

Description of Activity	Date	Amount	Signature of Representative of the City

Additional pages may be added to this Ledger, as may be needed.

EXHIBIT C

CERTIFICATE OF COMPLETION

The City of Mankato, Minnesota (the "**City**"), a municipal corporation hereby certifies that all building construction and other physical improvements specified to be done and made by the Developer have been completed and the above covenants and conditions in said Development Agreement have been performed by the Developer therein and that the provisions for breach of condition subsequent by the City, contained therein, are hereby released absolutely and forever insofar as they apply.

THE CITY OF MANKATO

By ______________________________

____

Its ______________________________

STATE OF MINNESOTA)
): ss
COUNTY OF BLUE EARTH)

The foregoing instrument was acknowledged before me this_____day of__________________________, 20__, by__________________the________________of the City of Mankato, Minnesota, a municipal corporation.

____

Notary Public

EXHIBIT D
MORTGAGE

This City Center Renaissance Revolving ("**CCRR**") Loan Mortgage ("**Mortgage**") is made on this ____day of _____________, 20___between Silos ~~of~~ Mankato~~,~~ LLC, a Minnesota Limited Liability Company, 3255 Garfield Avenue, Suite 200, Minneapolis, Minnesota, 55408 ("**Mortgagor**"), and the City of Mankato, a Minnesota Municipal Corporation, 10 Civic Center Plaza, Post Office Box 3368, Mankato, MN 56002-3368 ("**Mortgagee**").

Witnesseth, that to secure payment of the principal sum of One Hundred Thousand and 00/100 Dollars ($100,000.00), evidenced by a Promissory Note dated _______________, 20__, for eligible tenant improvements, which provides for payment starting on _____________, 20___. Monthly payments will be made for a term of fifteen (15) years, and for interest at the rate of three percent (3.0%). Mortgagor hereby mortgages to Mortgagee the tract of land lying in Blue Earth County, Minnesota, described as follows:

> Lot 6, Block 17, Map of Mankato; and the Southerly Half of Lot 7, except the Easterly 51 feet of the Northerly 22 feet of the Southerly Half of Lot 7, Block 17, Mankato
>
> Subject Property Address: 118 E. Plum Street and 304 N. 2nd Street, Mankato, MN 56001
>
> (hereinafter the "Premises").

Subject to the following encumbrances:

1. __________

In addition to making and including in this Mortgage the covenants and other provisions set forth in Minnesota Statutes or in any future Minnesota Statute providing for a form of real estate mortgage, Mortgagor makes the following covenants and agreements with Mortgagee:

A) All unpaid principal and interest shall become due and payable prior to any transfer of ownership of the Premises during the term of the loan; and
B) All unpaid principal and interest shall become due and payable prior to any sale of ownership of the Premises during the term of the loan; and
C) All unpaid principal and interest shall become due and payable prior to any refinance of the premises during the term of the loan unless written consent is provided by Mortgagee; and

Mortgagor covenants with Mortgagee the following statutory covenants:

1. To warrant the title to the Premises.
2. To pay the indebtedness herein provided.
3. To pay all taxes.
4. To keep the buildings comprising the Premises insured against fire and other hazards in the amount equal to the fair market value of the Premises for the protection of Mortgagee, such other hazards being lightning, such other hazards under the usual extended coverage endorsements and all other hazards and risks of direct physical loss occasioned by any cause whatever, subject only to the exceptions and exclusion, if any, agreed to by Mortgagee.
5. The Premises shall be kept in repair and no waste shall be committed.
6. The whole of the principal sum shall become due after default in the payment of any installment of principal or interest, or of any tax, or in the performance of any other covenant, at the option of Mortgagee.

7. To pay principal and interest on prior mortgages.
8. To create a minimum of five full-time equivalent ("**FTE**") positions within two years of the loan closing date, which date is _________________, 20___(one position for each $20,000 of loan amount). ~~The twenty FTE positions required represent a combination of this loan to Mortgagor for the Premises.~~ Mortgagor agrees to maintain a minimum of five FTE positions for the life of the loan (15 years). Wage stipulations for the ~~twenty~~five positions shall comply with Section 8.02 of the Economic Development Policy Guidelines as adopted by the EDA. Mortgagor agrees to report annually the number of jobs created and retained, as well as wage information necessary to ensure compliance with CCRR loans and Economic Development Policy Guidelines.
9. Mortgagor covenants and agrees that CCRR funds will be disbursed upon submittal of invoices for eligible building improvements that total $133,333.33.
10. Mortgagor covenants and agrees that all proposed funding will be used for eligible improvements which conform to all applicable building codes and the design will conform to the submitted exterior building elevations and specifications as reviewed by the EDA at their April 10, 2023 meeting.
11. Mortgagee covenants and agrees that this Mortgage document will not be recorded against the property until Mortgagor has received the first tax increment payment as stated in the Development Agreement between Mortgagor and Mortgagee. Regardless of Mortgage recording date, Mortgagor covenants and agrees to begin repaying CCRR loan in accordance with the Mortgage and acknowledges that CCRR loan proceeds will be only disbursed upon submittal of appropriate documentation of qualifying costs and agrees to begin repaying CCRR loan approximately 30 days after all loan funds have been disbursed.

If default is made in any payment or covenant herein, mortgagee shall have the statutory power of sale, and on foreclosure may retain statutory costs and attorney's fees.

In witness whereof, Mortgagor has duly executed this Mortgage on this _____day of _____________, 20__.

Silos ~~of~~ Mankato~~,~~ LLC

By: ____

Its: ____

STATE OF MINNESOTA)
) : ss
COUNTY OF BLUE EARTH)

The foregoing instrument was acknowledged before me this _____day of ______________, 20_____by _____________, the ________________of Silos ~~of~~ Mankato~~,~~ LLC a Minnesota Limited Liability Company.

____
Notary Public

PROMISSORY NOTE

1. In return for a City Center Renaissance Revolving ("**CCRR**") Loan received from the City of Mankato, a Minnesota Municipal Corporation, 10 Civic Center Plaza, Mankato, MN 56002-3368 ("**Lender**"), Silos ~~of~~ Mankato~~,~~ LLC, a Minnesota Limited Liability Company, 3255 Garfield Avenue, Suite 200, Minneapolis, Minnesota, 55408 ("**Borrower**") promises to pay the principal sum of One Hundred Thousand and 00/100 Dollars ($100,000.00), plus interest, to the order of the Lender. Monthly payments will be made for a term of one hundred eighty (180) months and all outstanding principal and interest shall be due and payable prior to any transfer of ownership or any sale of ownership of the Premises during the term of the loan. Interest will be charged on the unpaid balance from the date of disbursement of the loan proceeds by Lender, at the rate of three percent (3.0%) until the full amount of the principal has been paid.

2. Borrower's promise to pay is secured by a mortgage that is dated ____________________, 20___.

3. Borrower covenants and agrees with the Lender that if the real estate described as:

   Lot 6, Block 17, Map of Mankato; and the Southerly Half of Lot 7, except the Easterly 51 feet of the Northerly 22 feet of the Southerly Half of Lot 7, Block 17, Mankato

   Subject Property Address: 118 E. Plum Street and 304 N. 2nd Street, Mankato, MN 56001

   (hereinafter the "**Premises**") is sold, transferred or otherwise conveyed, voluntarily or involuntarily, Borrower shall repay to the Lender a sum equal to the remaining principle and any accrued interest. Any such repayment shall be made to Lender no later than the 10th day following such sale, transfer, or other conveyance, or on such later date or dates as Lender, in its sole discretion, may designate. Payments shall be made to the City of Mankato, 10 Civic Center Plaza, PO Box 3368, Mankato, MN 56002-3368, or at such place as Lender may designate by written notice to Borrower.

4. Promptly after the date of any sale, transfer, or other conveyance of the Premises (or, in the event of a sale by contract for deed at least ten (10) days prior to such date of sale), Borrower shall give the Lender notice thereof.

5. If Lender has not received the full payment required by the Mortgage described in paragraph 2 of this Note, by the end of ten (10) calendar days after the payment is due, Lender may collect a late charge in the amount of four percent (4.0%) of the overdue amount of such payment.

6. This Note shall inure to the benefit of and be binding upon the parties hereto and their respective representatives, successors, and assigns.

7. If Borrower defaults by failing to pay in full any payment, then Lender may, except as limited by regulations of the Minnesota Secretary of State in the case of payments defaults, require immediate payment in full of the principle balance remaining due and all accrued interest. Lender may choose not to exercise this option without waiving its rights in the event of any subsequent default.

8. If Lender has required immediate payment in full, as described above, Lender may require Borrower to pay costs and expenses including reasonable and customary attorneys' fees for enforcing this Note to the extent not prohibited by applicable law. Such fees and costs shall bear interest from the date of disbursement at the same rate as the principal of this Note.

9. Borrower and any other person who has obligations under this Note waive the rights of presentment and notice of dishonor. "Presentment" means the right to require Lender to demand payment of amounts due. "Notice of

Dishonor" means the right to require Lender to give notice to other persons that amounts due have not been paid.

10. Any notice that must be given under this Note will be given by delivering it or by mailing it by first class mail to Borrower at the address stated in Paragraph 1, or at a different address if the Borrower has given Lender notice of Borrower's different address. Any notice that must be given to Lender under this Note will be given by first class mail to Lender at the address stated in Paragraph 3 of this Note or at a different address if Borrower is given a notice of Lender's different address.

11. Borrower covenants and agrees to create a minimum of five full-time equivalent ("FTE") positions within two years of the loan closing date, which date is ______________________, 20__, (one position for each $20,000 of loan amount). ~~The five FTE positions required represent a combination of this loan to Borrower for the Premises.~~ Borrower agrees to maintain a minimum of five FTE positions for the life of the loan (15 years). Wage stipulations for the ~~seventeen~~five positions shall comply with Section 8.02 of the Economic Development Policy Guidelines as adopted by the EDA. Borrower agrees to report annually the number of jobs created and retained, as well as wage information necessary to ensure compliance with CCRR loans and Economic Development Policy Guidelines.

12. Borrower covenants and agrees that all proposed funding will be used for eligible improvements which conform to all applicable building codes and the design will conform to the submitted exterior building elevations and specifications as reviewed by the EDA at their April 10, 2023 meeting.

13. Borrower covenants and agrees that CCRR funds will be disbursed to Borrower after Lender confirms completion of eligible building improvements pursuant to an inspection of the Premises by Lender and upon submittal of invoices by Borrower for eligible building improvements that total $133,333.33.

14. Borrower covenants and agrees to enroll in automatic monthly payments using Automated Clearing House (ACH).

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Note.

Silos ~~of~~ Mankato~~,~~ LLC

By: ______________________________________

Its:______________________________________

EXHIBIT E

PROJECT COSTS – REIMBURSABLE

The table below illustrates the proposed tax increment reimbursable budget. Developer shall submit proof of incurring TIF eligible expenditures.

Modified Budget: TIF Eligible Expenditures	**TIF Funds**
Concrete – Specialized Footing	$60,000
Earthwork – Soil Correction	$124,628
Earthwork – Parking Lot/Walks	$50,000
Utilities – Sanitary, Storm, Water	$57,560
Street patch for utilities	$25,000
Radon/Vapor Mitigation	$25,000
Sidewalks	$26,840
Concrete Sidewalks	$15,272
Developer TIF Reimbursable Project Costs	**$384,300**
Interest Expense	$198,299
Total Developer TIF Reimbursable Budget	**$582,599**

Summary report: Litera® Change-Pro for Word 10.7.0.7 Document comparison done on 8/31/2023 4:20:01 PM	
Style name: Default Style	
Intelligent Table Comparison: Active	
Original DMS: iw://ECDBB-DMS.IMANAGE.WORK/FB1/79856663/1	
Modified DMS: iw://ECDBB-DMS.IMANAGE.WORK/FB1/79856663/3	
Changes:	
Add	23
~~Delete~~	56
~~Move From~~	0
Move To	0
Table Insert	0
~~Table Delete~~	0
Table moves to	0
~~Table moves from~~	0
Embedded Graphics (Visio, ChemDraw, Images etc.)	0
Embedded Excel	0
Format changes	0
Total Changes:	79