PROPERTY MANAGEMENT AGREEMENT

This Agreement is made as of the _11__ day of __May_, 2026 ("**Effective Date**") by and between Blue Earth County, Minnesota, a political subdivision of the State of Minnesota ("**Owner**") and the Economic Development Authority of Mankato, a public body corporate and politic organized under the laws of the State of Minnesota ("**Agent**").

1. **Appointment and Acceptance.** Owner hereby appoints and engages Agent as its exclusive agent to rent, lease, operate and manage the Project described in Section 2 hereof and Agent accepts the appointment subject to the terms and conditions set forth in this Agreement.

2. **Description of Project.** The property to be managed by Agent (the "**Project**") is the rental communities consisting of the land, buildings and other improvements, including the dwelling units (the "**Project Units**"), known as Breckenridge Apartments and Scattered Site Units (the "Project") and further described on **Exhibit A**.

3. **Definitions.** Capitalized terms used and not defined in the body of this Agreement are defined in **Exhibit A**.

4. **Scope of Services.** Agent will have the general duty and responsibility of managing the Project in a good and efficient manner and in compliance with Project Requirements, as defined herein. Agent shall exercise due diligence and care in the management of the Project, and shall furnish Owner with its best advice, experience and judgment in such management.

5. **Project Requirements.**

   (a) The Project is subject to certain operational and programmatic requirements, agreements, and restrictions arising out of the Department of Housing and Urban Development ("**HUD**") Rental Assistance Demonstration program (" **RAD**") under which it is assisted, requirements set forth in the RAD Conversion Commitment (the "**RCC**"), Section 8 Project Based Voucher Housing Assistance Payment Contracts ("**PBV HAP Contract**"), and RAD Use Agreement ("**Use Agreement**" and, collectively with the RCC and the PBV HAP Contract , the " **RAD Documents**"), and/or otherwise, as set forth in the documents identified on **Exhibit B**, and all applicable federal, state and local laws, statutes, ordinances, regulations, and other applicable authority legal authorities referenced therein or applicable to the Project whether or not specifically referenced (collectively, "**Project Requirements**"). Agent acknowledges that Owner has provided it with copies of all project-specific documents listed in the Project Requirements and that Agent has reviewed the Project Requirements. Owner shall provide any documents not listed in Project Requirements that Owner expects Agent to observe in the operation of the Project. In performing its duties hereunder, Agent shall comply with, and shall cause the Project to comply with, the Project Requirements, provided, however, that such compliance will be an expense of the Project and Agent will not be required to make any payments from its own funds or incur any individual liability.

   (b) In performing its duties hereunder, Agent shall comply with, and shall cause the Project to comply with, the Management Plan that, if not attached hereto as

Exhibit C, will be proposed by Agent and mutually agreed upon by Owner and Agent within sixty (60) days after the Effective Date. The Management Plan sets forth the policies and procedures to be followed by Agent for the management of the Project, as amended from time to time in accordance with the Project Requirements. Agent will review the Management Plan from time to time for the purpose of keeping Owner informed of necessary or desirable changes.

6. **Marketing.** Agent will carry out marketing for the Project in accordance with the Project Requirements and the Management Plan (including the resident selection or marketing plan therein).

7. **Rentals.** Agents will use due diligence in the management of the Project, devoting such resources as are appropriate, and will use reasonable efforts to rent the Project Units and other rental facilities in the Project. Incident thereto, the following provisions will apply:

(a) Agent will be the exclusive rental agent of the Project.

(b) Agent will prepare for initial rent-up of the Project (if not currently occupied).

(c) Agent will set up and maintain an on-site management office to service the Project or make other arrangements reasonably acceptable to Owner.

(d) Agent will follow any marketing plan or resident selection plan approved by Owner and any other applicable parties.

(e) Agent will show available dwelling units to prospective tenants and counsel all prospective tenants regarding eligibility for the Project Units.

(f) Agent will comply with all procedures in the Management Plan and Project Requirements regarding applicants for occupancy of the Project Units including, as applicable, application intake, determination of eligibility, interview and screening, verification procedures, selection and rejection, record maintenance, unit assignment and execution of leases, all in accordance with the forms, criteria and procedures set forth in the Management Plan.

(g) Agent will comply with all eligibility verification and documentation procedures required by the Project Requirements prior to executing leases and upon subsequent review, and will prepare, maintain and verify eligibility certifications, in accordance with the Project Requirements and any additional specific compliance requirements provided by Owner.

(h) Agent will prepare all leases and will execute the same in Owner's name, identifying itself thereon as agent for Owner. Leases will be in a form approved by Owner, but individual leases will not be submitted for the approval of Owner.

(i) Owner will approve schedule of rents furnished and recommended by the Agent and any other charges for facilities and services. No lease shall be executed for rental amounts less than as approved by Owner.

(j) Agent will collect, deposit and disburse security deposits, if required, in accordance with the terms of each tenant's lease and any applicable state or local laws regarding security deposits, including without limitation any applicable laws concerning payments of interest thereon. Security deposits will be deposited by Agent in the Security Deposit Account.

(k) In accordance with the Management Plan, a joint inspection of each Project Unit will be conducted by Agent and the new tenant prior to move-in, and a checklist of the unit's condition will be signed by Agent and the tenant upon occupancy; inspections of occupied units will be conducted on a regular basis in order to ascertain the adequacy of care of the unit by the tenant and any necessary repairs; prior to a planned move-out, a joint inspection of the unit will be conducted by Agent and the tenant and where required repairs exceed normal wear and tear, Agent will resolve appropriate charges with the tenant, or deduct such charges from the security deposit in accordance with any applicable state and local laws.

8. **Bank Accounts.** Agent will establish and maintain a bank account, in an institution whose deposits are federally insured, the account which shall be used exclusively by Agent for funds of the Project and be known as the Project's **Operating Account**. Funds in the Operating Account will remain the property of Owner, subject to disbursement by Agent. Agents will not be held liable in the event of bankruptcy or failure of a depository.

In conformance with any applicable local and state laws regarding security deposits, Agent will establish and maintain an interest-bearing escrow account in an institution whose deposits are federally insured, which account shall be used exclusively by Agent for security deposits received by Agent from tenants of the Project and be known as the Project's **Security Deposit Account**. Agents will not be held liable in the event of bankruptcy or failure of a depository.

As required by Project Requirements, Agent will establish and maintain a sub-account, in an institution whose deposits are federally insured, which account shall be used exclusively by Agent for funds of the Project and be known as the Project's **Operating Reserve Account**. For each Project, Agent shall deposit the amount of Project funds listed in Exhibit A into the Operating Reserve Account at such times listed therein.

As required by Project Requirements, Agent will establish and maintain a sub-account, in an institution whose deposits are federally insured, which account shall be used exclusively by Agent for funds of the Project and be known as the Project's **Replacement Reserve Account**. For each Project, Agent shall deposit the amount of Project funds listed in Exhibit A into the Replacement Reserve Account at such times listed therein.

All bank accounts opened by Agent at Owner's direction shall be held in Owner's name but shall be under Agent's exclusive control. Only Agent shall be authorized to draw upon such accounts. No funds deposited in any account established under this Agreement shall be comingled with any other funds of Agent or any other entity.

9. **Collection of Rents, Charges and Other Receipts.** Agent will use reasonable efforts to collect, when due, rents, charges and other amounts receivable due from tenants or others on Owner's account in connection with the management and operation of the Project. Tenant rent payments or charges will be due and payable in accordance with

the terms of each lease. All funds collected by Agent shall be deposited by Agent in the Operating Account.

All security deposit funds, if any, received by Agent shall be deposited in the Security Deposit Account in accordance with the terms of each tenant's lease and the laws of the locality and state where the Project is located.

10. **Enforcement of Leases.** Agent will use diligent efforts to secure full compliance with each tenant with the terms of his or her lease. Voluntary compliance will be emphasized, and Agent will counsel tenants and make referrals to community agencies in cases of financial hardship or other circumstances deemed appropriate by Agent, to the end that involuntary termination of tenancies may be avoided to the maximum extent consistent with the sound management of the Project.

Nevertheless, subject to any applicable procedures set forth in the Management Plan, Agent shall have the authority, acting on behalf of Owner, to terminate any tenancy when, in Agent's judgment, sufficient cause (including, but not limited to, nonpayment of rent) for such termination exists under the terms of the tenant's lease. Agent is authorized to consult with legal counsel of its choice to bring actions for evictions or legal proceedings to enforce any of the lease terms or to recover rents or other charges due and to execute notices to vacate and/or other notices; provided, however, that Agent shall keep Owner informed of such actions. Attorney fees and other necessary costs incurred in connection with such actions and not recovered from tenants will be paid from the Operating Account as Project expenses.

11. **Maintenance and Repair.** Agent will cause the Project to be maintained and repaired in accordance with the Management Plan, Project Requirements, and state and local codes and in a condition at all times acceptable to Owner and other applicable parties, including but not limited to cleaning, painting, decorating, plumbing, carpentry, grounds care, and such other maintenance and repair work as may be necessary.

Incident thereto, the following provisions will apply:

(a) Special attention will be given to preventive maintenance. To the greatest extent feasible, the services of regular maintenance personnel shall be used.

(b) Agent is authorized to contract with qualified independent contractors, when necessary, for general maintenance and repair of major mechanical systems.

(c) Agent is authorized to purchase all materials, equipment, tools, appliances, supplies, and services necessary for proper maintenance and repair of the Project in accordance with the budget established with Owner.

(d) Notwithstanding any of the foregoing provisions, the prior approval of Owner will be required for any single expenditure for labor, materials, or otherwise in connection with the maintenance and repair of the Project, which exceeds $175,000 or such other amount as is shown in Exhibit D (the "**Expenditure Limit**"); except for (i) expenses within the limits of and already included in Owner-approved annual operating budget or (ii) emergency repairs involving serious danger to persons or property, or (iii) expenses required to avoid suspension of any necessary service to the Project. In the case of exceptions (ii) and (iii) above, Agent shall provide written notice thereof to Owner within forty-eight (48) hours or, in extraordinary circumstances, as promptly as possible after making the expenditure**.**

(e) Agent will systematically and promptly receive and investigate all service requests from tenants, take such action thereon as may be justified, and will keep records of the same. Complaints of a serious nature regarding the condition of the Project will be reported to Owner for investigation

12. **Utilities and Services**. Agent is authorized by Owner to make arrangements and/or, as agent for Owner, enter into contracts for water, electricity, gas, fuel, oil, sewage and trash disposal, pest extermination, decorating, laundry facilities, and telephone, cable and data communication services and any and all other services as may be required or advisable for the operation of the Project. The term of any contract made by Agent hereunder may extend beyond the term of this Agreement. To the extent included in the approved Project budget, Agent may enter into contracts with third party utility invoice processing, monitoring, and bundling service providers for the purposes of processing utility invoices, monitoring utility usage, and bundling utility services at the Project in an effort to reduce utility costs and improve the Project's energy efficiency. All utility payments shall be made from the Operating Account. If the dwelling units are individually metered for any utilities, tenants will contract directly for those utilities, and Agent will not make contracts to secure the same.

13. **Disbursements from Operating Account and Withdrawal from Reserves**. Agent will make disbursements from Owner's funds in accordance with this Agreement and the Management Plan. Incident thereto, the following provisions will apply:

(a) From the funds collected and deposited by Agent in the Operating Account, Agent will make the following disbursements promptly when payable:

(1) Compensation payable to Agent hereunder and reimbursement to Agent for compensation payable to or on account of the employees, and for the taxes and assessments payable to local, state, and federal governments in connection with the employment of such personnel.

(2) The payments required to be made periodically by Owner to mortgagee(s), if applicable, including the amounts due for principal amortization, interest, mortgage insurance premiums; ground rents; taxes and assessments; insurance premiums; and the amounts required by any mortgagee, United States Department of Housing and Urban Development ("**HUD**") or other party for allocation to a replacement, operating or other reserve.

(3) The payment for technology required to manage the Project including but not limited to hardware, software licensing and technology maintenance fees, and the payment for reasonable costs incurred in connection with third party records storage expenses. Such reimbursements will be paid from the Operating Account and will be treated as a Project expense.

(4) All sums otherwise due and payable as expenses of the Project authorized to be incurred by Agent in furtherance of the terms of this Agreement and the Management Plan.

(b) Except for the disbursements specifically described in this Section 13, funds will be disbursed or transferred from the Operating Account only as Owner may from time to time direct in writing.

(c) If the balance in the Operating Account is at any time insufficient to pay expenses when due, Agent will inform Owner of that fact, and Owner will, within five (5) business days, remit to Agent sufficient funds to cover the deficiency. Notwithstanding anything to the contrary stated or implied herein, Agent shall have no obligation or responsibility to use its own funds to pay Project expenses, and it is hereby agreed Agent has no personal, individual or other liability for such debt.

(d) Agent shall withdraw from any Project Reserve accounts only as directed by Owner, which direction shall be in accordance with the Project Requirements.

14. **Budgets.** After consultation with Owner, Agent will prepare a recommended operating budget for the Project for each Project Fiscal Year, which unless otherwise specified on Exhibit A will be the calendar year (January 1 – December 31), and will submit the same to Owner for approval for review not later than sixty (60) days before the earlier of (i) the beginning of each new Project Fiscal Year or (ii) any date required by the Project Requirements. Upon receipt, Owner will promptly inform Agent, of changes, if any, to be incorporated in the budget. The proposed budget will be deemed approved unless Owner gives notice of disapproval within thirty (30) days of delivery. Once the budget is approved, Agent will use diligent efforts to see that each type of operating expense itemized in the budget will not exceed the annual amount authorized by the approved budget and Agent will keep Owner informed of any anticipated deviation from the receipts or disbursements stated in the approved budget. Owner will promptly inform Agent of any changes to be incorporated in the approved budget.

15. **Records and Reports.** In addition to and not in limitation of any other requirements specified in this Agreement and the Project Requirements, Agent will have the following responsibilities with respect to records and reports:

(a) Agent will establish and maintain a comprehensive system of records, books and accounts in a manner conforming to any directives of the Project Requirements and otherwise satisfactory to Owner. All records, books and accounts will be subject to examination by authorized representatives of Owner or other applicable parties during regularly scheduled business hours upon reasonable written notice, which absent special need shall be at least forty-eight (48) hours.

(b) If requested by Owner, and/or as required by the Project Requirements, within sixty (60) days following the end of each Project Fiscal Year, Agent will furnish to Owner a complete annual financial report for the Project based upon an examination of the books and records. This report shall be prepared in conformity with generally accepted accounting principles. The costs of preparing this report will be paid out of the Operating Account as an expense of the Project.

(c) By the fifteenth (15th) day of each month, Agent will furnish Owner with reports reasonably requested by Owner, which may include Balance Sheet, Statement of Profit and Loss and Loss v. Budget (i.e. budget v. actual) for the previous month and with a schedule of accounts receivable and payable as of the end of the previous month.

(d) By the fifteenth (15th) day of each month, or more frequently as requested by Owner, Agent shall submit to Owner a current occupancy report, if requested by Owner.

(e) If reasonably requested by Owner, Agent will prepare and furnish any other reports necessary to comply with the Project Requirements, including any audited financial reports required by the Project Requirements.

16. **Bids, Discounts, Rebates, etc**. Agent shall use diligent efforts to obtain contracts, materials, supplies, utilities, and services in accordance with contracting and bidding requirements applicable to and required by the Owner. Agent shall secure and credit to Owner, and not receive or retain for itself, all discounts, rebates, or commissions obtainable with respect to purchases, service contracts, and all other transactions regarding the Project.

17. **Insurance**. Agent shall carry (a) worker's compensation insurance, for compensation to any person engaged in the performance of any work undertaken under this Agreement (b) commercial general liability insurance and excess/umbrella liability insurance policies; (c) Property Management Errors and Omissions Insurance or such other insurance as a property manager of housing projects similar to the Development would carry, or as reasonably required by Owner. The Agent shall provide Owner with a Certificate of Insurance. Owner shall obtain and keep in force, at its expense, property insurance on the Development and underlying real property, and such other insurance as it deems appropriate. Agent shall be named as an additional insure as their interests may appear on all liability insurance maintained with respect to the Development. Owner's insurance premiums shall be treated as operating expenses and shall be paid out of the Operating Accounts in accordance with the Operating Budget.

18. **Fidelity Bond and Agent's Insurance**. Agent shall furnish and maintain at its own cost and expense for the duration of the Agreement and any extensions thereof, plus thirty (30) days after the expiration or termination thereof, or as otherwise required by any applicable party, a commercial blanket bond in favor of Owner and, as applicable, other applicable parties, in an amount sufficient to meet the requirements of Owner and the other applicable parties, and in a form and with a company acceptable to Owner, which commercial blanket bond shall cover Agent and all employees hired by Agent in connection with the Agreement. Agent shall furnish and maintain for the duration of the Agreement and any extensions thereof, plus thirty (30) days after the expiration or termination thereof, or as otherwise required by any applicable party, such insurance as may be required in the amounts required.

19. **Non-Discrimination**. In the performance of its obligations under this Agreement, Agent will comply with the provisions of any federal, state or local law prohibiting discrimination in housing on the grounds of race, color, creed, sex, sexual orientation, familial status, handicap, national origin or any other protected status.

20. **Employees**. The number, qualifications, and duties of personnel to be employed in the management of the Project, will be determined by Owner and Agent in accordance with the Owner-approved budget and the Management Plan, and in accordance with any Section 3, local hire, or similar obligations of the Project. All such employees will be deemed employees of Agent, not Owner, and will be hired, supervised, and discharged by Agent. Compensation (including payroll taxes, fringe, and health and disability benefits) payable to all full and part time on-site personnel; local, state, and federal taxes and assessments (including but not limited to Social Security taxes, unemployment insurance, and workmen's compensation insurance); and other direct cost incident to the employment and training of such personnel will be paid from the Operating Account and will be treated as a Project expense, subject to the following conditions:

(a) The compensation (including payroll taxes, fringe, and health and disability benefits) of all employees will be within Agent's sole discretion, provided that minimum wage standards are met.

(b) Agents shall maintain workers' compensation insurance covering all liability of the employer under established workers' compensation laws.

(c) Agents shall maintain employer's liability insurance and provide Owner with a Certificate of Insurance.

(d) Agents shall prepare, file and execute all required statements and reports relating to employees, including, but not limited to, payroll tax reports, as required under applicable federal, state, and local law, regulations, and/or ordinances.

21. **Compliance with Governmental Orders; Licenses**. Agents will take such action as may be necessary to comply promptly with all government orders or other requirements affecting the Project, whether imposed by federal, state or local authority. Nevertheless, Agent shall take no such action so long as Owner is contesting, or has affirmed its intentions to contest, any such order or requirement. Agent will notify Owner, in writing, of all notices of such governmental orders or other requirements within three (3) business days of the time of their receipt. Owner will notify Agent, in writing, of all notices of such governmental orders or other requirements within three (3) business days of the time of their receipt. Agent will take all necessary steps to obtain and maintain in effect any licenses and registrations required under applicable law for the intended use and operation of the Project.

22. **Agent's Compensation**.

(a) For the services provided hereunder, exclusive of reimbursement of expenses to which Agent is entitled hereunder, Agent will receive a management fee paid out of the Operating Account and treated as a Project expense, which fee will include a base monthly elements (the "**Base Fee**") and may include other elements as specified in Exhibit A. The following subsections describe possible elements of the management fee, but such elements shall be charged for the Project only as specified in Exhibit A, and any particulars in Exhibit A will supersede this text.

(b) The Base Fee will be payable in an amount equal to a specified percentage of each month's gross receipts (the "**Fee Percentage**") or a fixed amount (the "**Fee**

Amount") per unit per month, as specified in Exhibit A. If gross receipts determine the fee, an adjustment shall be made by the tenth (10th) day of the following month for monies collected after the payment of Agent's monthly management fee. If the fee is a set amount per unit per month, such amount shall be increased annually on the renewal date of this Agreement by a percentage specified in Exhibit A (the "**Fee Inflation Factor**"). Gross receipts shall include but not be limited to rental income (including rental subsidies), forfeited security deposits, laundry income, parking fees and other miscellaneous income, deposits and charges, but excluding security deposits and other deposits which have not been forfeited, insurance proceeds other than proceeds for loss of rents or income, condemnation awards, sale or refinancing proceeds, reimbursement of any overpaid expenses, utility charges and other "pass-throughs" or items of expense billed to the tenant and paid by the Project.

(c) For any Project in which Agent is related to the Owner, Agent may agree to subordinate some part of its fee to Project cash flow and senior obligations. In such event, any portion of such fee not paid when due will accrue and be paid as soon as feasible.

23. **Term**. This Agreement shall begin on the Effective Date and shall be in force for a period of five (5) years from such date or such longer period as is stated in Exhibit A ("**Initial Term**") and thereafter shall be renewed automatically for five (5) year periods until either Owner or Agent terminates it, by written notice to the other party, at least sixty (60) days prior to the expiration of the Initial Term or any anniversary thereof.

This Agreement may be terminated at any time and for any reason, with or without cause, by either party upon sixty (60) days advance written notice of such termination to the other party. This Agreement may also be terminated by either party for willful misconduct or criminal fraud upon five (5) days written notice to the other party.

Notwithstanding anything to the contrary in this Agreement, Owner may terminate this Agreement if and as required by any of the Project Requirements.

24. **Project Compliance**. Notwithstanding anything to the contrary herein, Owner acknowledges that Agent has no responsibility for the compliance of the Project or any building thereon or any equipment therein with the requirements of any building or zoning codes or with any statute, ordinance, law, or regulation of any governmental body or of any public authority or official thereof having jurisdiction, including but not limited to lead paint conditions, except insofar as such compliance or non-compliance is caused by Agent's gross negligence, willful misconduct, or failure to perform its responsibilities under this Agreement. Agent shall notify Owner promptly or forward to Owner promptly any complaints, warnings, notices, or summonses received by Agent relating to such matters. To the extent there are sufficient funds, Agent shall take necessary action to cure any violations or hazards related to the above. Owner represents that, to the best of Owner's knowledge, the Project and all Project equipment comply with all above requirements. To the extent not expressly prohibited by law, Owner shall indemnify and hold Agent harmless from any and all claims, losses, demands, liabilities, actions, causes of action and obligations, of whatever nature and description, and all costs of defending same (including reasonable attorney's fees) that are in any way caused by, related to or predicated upon any violation or alleged violations of such building codes, laws, ordinances, statutes or regulations, relating to the physical condition of the Project,

including but not limited to lead paint conditions, excepting only losses caused by Agent's gross negligence, willful misconduct, or failure to perform its responsibilities under this Agreement.

25. **Agent Assumes No Liability for Past Practices**. Notwithstanding anything to the contrary stated or implied herein, Agent shall not be liable to Owner (or anyone claiming through Owner) in any context whatsoever for any acts or omissions of (a) Owner, (b) any past or present employees of Owner, (c) any previous owner of the Project, (d) any previous management agent employed at or providing services to the Project, or (e) any agent of (a)-(d) above. To the extent not expressly prohibited by law, Owner shall indemnify and hold Agent harmless from any and all claims, losses, demands, liabilities, actions, causes of action and obligations, of whatever nature and description, and all costs of defending same (including reasonable attorney's fees) which are in any way caused by, related to or predicated upon, any policies or practices of Owner and/or acts and/or omissions of Owner or its prior management company or any of their employees predating the date of this Agreement.

In amplification of the above and not in limitation thereof, Agent shall have no liability for violations of building, zoning, environmental or other laws or regulations, including but not limited to lead paint laws, that may exist as of the date of this Agreement but may only become known during the period this Agreement is in effect. Agent shall bring any such violations or hazards discovered by Agent to the attention of Owner in writing and Owner shall promptly cure them at Owner's sole expense.

26. **Indemnification**. Owner shall indemnify, defend and save Agent harmless from all loss, damage, cost, expense (including reasonable attorneys' fees), liability or claims incurred by or suffered by Agent relative to the Project and/or relative to Agent's management of the Project, except to the extent caused by or resulting from the illegal acts, gross negligence or willful misconduct of Agent.

Agent shall indemnify, defend and save Owner harmless from all loss, damage, cost, expense (including reasonable attorneys' fees), liability or claims (i) for personal injury or property damage incurred or occurring in, on or about the Project caused by or resulting from the illegal acts, gross negligence or willful misconduct of Agent or (ii) resulting from Agent's failure to comply with explicit obligations of this Agreement. The foregoing indemnity shall not apply to loss, damage, cost, expense (including reasonable attorneys' fees), liability or claims resulting from the illegal acts, gross negligence or willful misconduct of Owner.

Notwithstanding the foregoing, if Agent is ever a party to any litigation or proceeding commenced by a third party in which a claim or allegation is made that Agent (or persons for whom it may be responsible) has violated a contract, acted illegally, been negligent or otherwise committed any wrongdoing through any act or omission then, until such time as final judgment is entered against Agent finding Agent to have engaged in willful misconduct or gross negligence, all costs and expenses of defense including attorney's fees shall be borne solely by Owner. Such costs of defense shall be paid for by Agent using Project revenue or Owner advancing funds from time-to-time as defense costs are incurred.

27. **Limitation of Liability**. No manager, member, officer, director, agent, or employee of Agent and no officer, director, trustee, member, partner, manager, agent, or employee of any manager or member of Agent shall have any personal liability for the performance of

any obligation by Agent, or under or in connection with this Agreement or any acts done or omitted by Agent. Owner shall look only at the Agent and its assets for payment or performance under this Agreement. Agent does not waive any applicable statutory limitations of liability applicable under state law.

28. **Relationship of Parties**. The relationship of the parties to this Agreement shall be that of principal and agent, and all duties to be performed by Agent under this Agreement shall be for and on behalf of Owner, in Owner's name, and for Owner's account. In taking any action under this Agreement, Agent shall be acting only as agent for Owner, and nothing in this Agreement shall be construed as creating a partnership, joint venture, or any other relationship between the parties to this Agreement, except that of principal and agent, or as requiring agent to bear any portion of losses arising out of or connected with the ownership or operation of the Project. Neither party shall have the power to bind or obligate the other except as expressly set forth in this Agreement, except that Agent is authorized to act with such additional authority and power as may be necessary to carry out the spirit and intent of this Agreement.

29. **Notices**. Any notices given pursuant to this Agreement shall be in writing and shall be considered to have been given: (a) if sent by email, but only if if actively acknowledged by recipient or followed by a second form of notice as described in this section 29; (b) if hand delivered, or (c) if sent by registered or certified mail, return receipt requested, or by private overnight carrier, in each instance properly addressed and with postage or other charges prepaid, to the addresses set forth on **Exhibit A**.

All notices will be sent by personal delivery, email, Federal Express or other nationally recognized overnight messenger service, United States registered or certified mail, postage prepaid, return receipt requested. All notices shall be considered to have been given earlier of receipt, or acknowledgment of email, or forty-eight (48) hours after the date of mailing or one day after delivery to an overnight carrier as provided herein. Any party to this Agreement desiring to make a change in its address for the purpose of notices under this Section shall notify the other party of the change of address in the same manner as provided for in this Section for notices.

30. **Governing Law**. This Agreement shall be governed by and construed and enforced exclusively in accordance with the laws of the State of Minnesota. Venue and jurisdiction for any dispute arising out of or relating to this Agreement shall be in the county where the Project is located.

31. **Entire Agreement**. This Agreement constitutes the entire agreement between Owner and Agent with respect to the management and operation of the Project and supersedes and replaces any and all previous management agreements entered into and/or negotiated between Owner and Agent related to the Project covered by this Agreement. Except as otherwise provided herein, no change will be valid unless made by supplemental written agreement, executed and approved in the same manner as this Agreement. Each party to this Agreement hereby acknowledges and agrees that neither party has made any warranties, representations, covenants, or agreements, express or implied, other than those expressly set forth herein and that each party, in entering into and executing this Agreement, has relied upon no warranties, representations, covenants, or agreements, express or implied, other than those expressly set forth herein.

32. **Successors and Assigns**. This Agreement shall inure to the benefit of and constitute a binding obligation upon Owner and Agent, and their respective successors and assigns; provided that neither Agent nor Owner shall assign this Agreement, and the rights and obligations herein set forth, without prior written consent of the other party. Notwithstanding the foregoing, Owner may assign its rights and obligations as required in connection with the financing of the Project.

33. **Counterparts**. This Agreement may be executed in any number of counterparts, each of which will be deemed an original and all of which, taken together, will constitute one instrument.

34. **Electronic Signatures**. This Agreement and any amendments, instruments, or documents to be executed in connection herewith may be executed and delivered by electronic means. Any signature delivered by electronic transmission (including PDF, email, electronic signing platform, or other electronic means consistent with Minn. Stat. ch. 325L) shall be deemed an original signature, shall be fully binding, and shall have the same legal effect as a handwritten signature executed in ink.

35. **Survivability**. The terms of Sections 24, 26, 27 and 27 of this Agreement shall survive the expiration or termination of this Agreement.

36. **Riders and/or Addenda**. The Riders and/or Addenda attached hereto at **Exhibit C** shall be incorporated herewith, and if there shall be any conflict between the terms of this Agreement and the terms of the Rider and/or Addendum, the terms of the Rider and/or Addendum will be controlled.

[Signature page follows.]

IN WITNESS WHEREOF, the principal parties have, by their duly authorized officers, executed this Agreement on the date first above written.

AGENT:

ECONOMIC DEVELOPMENT AUTHORITY OF MANKATO,
a public body corporate and politic organized under the laws of the State of Minnesota

By: ________________________
Name: Susan MH Arntz
Title: Executive Director

OWNER:

BLUE EARTH COUNTY, MINNESOTA
a political subdivision of the State of Minnesota

By: ________________________
Name: Joshua W Milow
Title: County Administrator

Exhibit A

PROJECT INFORMATION

I. Project Description

Project Name	Breckenridge Townhomes Development;
Address	100 – 134 Breckenridge Path; 100, 102, 104, 106, 108, 110, 112, 114, 116, 118, 120, 122, 124, 126, 128, 130, 132, & 134 Breckenridge Path
City, State, Zip	Eagle Lake, MN 56024
Number of Dwelling Units	18 units

Project Name	Scattered Site Development
Address	121 Agency St, 125 Agency St, 203 Perry St, 205 Perry St, 213 Perry St, 201 Connie Ln, 203 Connie Ln, 205 Connie Ln, 207 Conne Ln, & 209 Connie Ln
City, State, Zip	Eagle Lake, MN 56024
Number of Dwelling Units	10 Units

Project Name	Scattered Site Development
Address	613 7th St #1-13 (Pioneer Plaza), 49 Walnut St, 53 Walnut St, 55 Walnut St, 508 7th St, 514 7th St, & 516 7th St
City, State, Zip	Madison Lake, MN 56063
Number of Dwelling Units	19 Units

Project Name	Scattered Site Development

Address	706 Main St #1-12 (Eastview Apts), 409 3rd Ave SE, 412 4th Ave SE, 414 4th Ave SE, 416 4th Ave SE, 418 4th Ave SE, 305 Main St NW, 307 Main St NW, 309 Main St NW, 311 Main St NW, 313 Main St NW, 315 Main St NW, 302 Lincoln St SE, 311 2nd Ave SE, 305 Troendle SE, 207 Main St NW, 209 Main St NW, 507 Central Ave S, 509 Central Ave S, 511 Central Ave S, & 513 Central Ave S
City, State, Zip	Mapleton, MN 56065
Number of Dwelling Units	32 Units

Project Name	Scattered Site Development
Address	1 Colwyn Way, 2 Colwyn Way, 428 Blue Earth St, 33 Catherine Ln & 27 Catherine Ln
City, State, Zip	Lake Crystal, MN 56055
Number of Dwelling Units	5 Units

II. Project Units

Kind of Unit	**Number of Units**
Project-Based Vouchers	84
Total Number of Dwelling Units:	84

III. Compensation (see Section 22):

a. **Fee Percentage: 6%**

IV. Reserve Requirements

a. **Operating Reserve: $200,006**

   i. **The Operating Reserve must be fully funded prior to submission of the Certificate of Completion to HUD**

b. **Replacement Reserve: $275,000**

i. **An initial deposit of $275,000 to the Replacement Reserve shall be funded at closing. Following construction completion (approximately 12 months), monthly deposits in the amount of $9,792 shall be funded.**

Other Business Terms:

c. **Expenditure Limit (Section7 (d)): $175,000**

d. **Initial Term (Section 23): 5 years**

V. Notice Addresses

If to Owner, to:	Blue Earth County, Minnesota 204 S 5th Street Mankato, MN 56001
If to Agent, to:	Economic Development Authority of Mankato 10 Civic Center Plaza Mankato, MN 56001

Exhibit B

Project Requirements

1) Rental Assistance Requirements
   a) Housing Assistance Payments Contract

2) Other Documents and/or Requirements
   a) RAD Conversion Commitment by and between HUD, Blue Earth County and Economic Development Authority of Blue Earth County

3) RAD Use Agreement by and between HUD, Blue Earth County, and Blue Earth County Economic Development Authority

<u>Exhibit C</u>

Management Plan - ACOP

RAD Addendum