

Councilmember _____ introduced the following resolution and moved for its adoption:

RESOLUTION #15-03-086

RESOLUTION AUTHORIZING VARIOUS ACTIONS RELATING TO F & C RAMSEY APARTMENTS, LLC'S SALE OF THE RESIDENCE AT THE COR

WHEREAS, the City of Ramsey (the "City"), The Housing and Redevelopment Authority in and for the City of Ramsey, Minnesota (the "HRA"), F&C Ramsey, LLC, an Indiana limited liability company, ("F&C Ramsey") and F&C Ramsey Member, LLC, an Indiana limited liability company, ("F&C Borrower") are parties to a Development Agreement dated March 9, 2012 and recorded in the Office of the Anoka County Registrar of Titles on May 3, 2012 as Document No. 508341.004 (the "Development Agreement"). On or about March 9, 2012, F&C Ramsey assigned all of its rights and obligations under the Development Agreement to F&C Apartments, LLC, an Indiana limited liability company, ("F&C Apartments") except for the rights and obligations of F&C Ramsey under Article VI of the Development Agreement relating to the TIF financing including, but not limited to, the right to receive the "TIF Note," as defined in the Development Agreement (the "TIF Note").

WHEREAS, the Development Agreement relates to the real property legally described on **Exhibit A** which is defined in the Development Agreement as the "Development Property." The term "Development Property, as used herein, means the real property legally described on Exhibit A and the improvements located thereon.

WHEREAS, pursuant to the terms of the Development Agreement, the HRA made two loans to F&C Borrower, a \$1,420,000 loan ("Loan No. 1") which is evidenced by a Promissory Note dated April 30, 2012 ("Note No. 1") and a \$6,916,000 loan ("Loan No. 2") which is evidenced by a Promissory Note dated April 30, 2012 ("Note No. 2"). Note No. 1 and Note No. 2 are secured by a Loan Agreement and a Pledge of F & C Ramsey's and F&C Borrower's membership interests in F&C Apartments pursuant to a Membership Interest Pledge Agreement. Note No. 1 is also secured by a Corporate Guaranty of Flaherty & Collins Construction, Inc., and Note No. 2 is also secured by a Personal Guaranty of David M. Flaherty. The Membership Interest Pledge Agreement grants the HRA a security interest in 100% of the membership interests in F&C Borrower, and the HRA filed a Financing Statement with the Indiana Secretary of State to perfect its security interest. (Note No. 1, Note No. 2, the Loan Agreement, the Membership Interest Pledge Agreement, the Corporate Guaranty, the Personal Guaranty and the Financing Statement are referred to herein, collectively, as the "Loan Documents.")

WHEREAS, in late 2014 and early 2015, F&C Apartments was negotiating with PNC Bank, National Association ("PNC Bank"), to refinance F&C Apartments' construction loan. To facilitate the refinancing, F&C Apartments had asked the City to enter into a First Amendment to Development Agreement, to issue the TIF Note to F&C Ramsey upon the repayment of Loan No. 2, as contemplated in the Development Agreement, and, upon the F&C Borrower's repayment of Loan No. 1 and Loan No. 2, to return the originals of Note No. 1 and Note No. 2 to F&C Borrower marked "paid in full" and to terminate the security interest granted pursuant to the Membership Interest Pledge Agreement (the "Prior Requested Actions").

WHEREAS, on or about February 19, 2015, the City Council adopted Resolution #15-02-044 pursuant to which the City Council authorized the Prior Requested Actions.

WHEREAS, before F&C Apartments closed on the refinancing with PNC Bank, Residence at the COR Apartments LLC, a Minnesota limited liability company (“Buyer”) offered to purchase the Development Property from F&C Apartments, and F&C Apartments and Buyer have entered into a purchase agreement pursuant to which Buyer has agreed to purchase the Development Property from F&C Apartments (the “Purchase Agreement”).

WHEREAS, pursuant to the terms of the Purchase Agreement F&C Apartments and F&C Ramsey will assign to Buyer all of their rights and obligations under the Development Agreement, including F&C Ramsey’s right to receive the TIF Note pursuant to Article VI of the Development Agreement.

WHEREAS, upon the sale of the Development Property to Buyer, F&C Borrower is obligated to repay the entire outstanding principal amount of Loan No. 1 and the entire outstanding principal amount of Loan No. 2 and all accrued, unpaid interest thereon, and upon F&C Borrower’s repayment of the Loan No. 2, the City will be obligated to issue the TIF Note to Buyer, as the assignee of F&C Ramsey’s rights under Article VI of the Development Agreement.

WHEREAS, to facilitate the sale of the Development Property to Buyer and Buyer’s acquisition of a loan from PNC Bank to finance Buyer’s acquisition of the Development Property, F&C Apartments, F&C Ramsey, F&C Borrower, Buyer and PNC Bank have asked the City to:

- a. Rescind Resolution #15-02-044;
- b. Ratify the Assignment and Assumption Agreement dated February 12, 2015 between the City and the HRA pursuant to which the HRA assigned to the City and the City assumed from the HRA all of the HRA’s rights and obligations under the Development Agreement and the Memorandum of Assignment and Assumption Agreement that the City and the HRA executed and will record in the Anoka County land records to evidence, of record, the terms of the Assignment and Assumption Agreement;
- c. Authorize the Mayor and the City Administrator to execute and deliver a First Amendment to Development Agreement, in substantially the form attached hereto as **Exhibit B** (the “**First Amendment**”) to, among other things, eliminate the City’s right to cancel, rescind or terminate the TIF Note as a remedy for an event of default under the Development Agreement or as a consequence of the holder of a Project Mortgage, as defined in the Development Agreement treating the Development Agreement as subordinate to the Project Mortgage, all as set forth in this First Amendment;
- d. Authorize the Mayor and the City Administrator to execute and deliver an Estoppel Certificate for Development Agreement in substantially the form attached hereto as **Exhibit C** (the “**Development Agreement Estoppel**”) to certify, for the benefit of F&C Apartments, Buyer and PNC Bank, that the City does not have knowledge of any defaults by F&C Apartments under the terms of the Development Agreement;

e. Authorize the Mayor and the City Administrator to execute and deliver an Estoppel Certificate for Amended and Restated Parking Use and Maintenance Agreement for Parking District A in substantially the form attached hereto as **Exhibit D** (the “**PUMA Estoppel**”) to certify, for the benefit of F&C Apartments, Buyer, and PNC Bank, that the City does not have knowledge of any defaults by F&C Apartments under the terms of the Amended and Restated Parking Use and Maintenance Agreement for Parking District A;

f. Authorize the Mayor and the City Administrator to execute and deliver an Assignment and Assumption of TIF Note and Development Agreement by and between F&C Apartments, F&C Ramsey and Buyer in substantially the form attached as **Exhibit E** (the “**Assignment of Development Agreement**”) to evidence the City’s consent to F&C Apartments’ and F&C Ramsey’s assignment, to Buyer, of all of their rights and obligations under the Development Agreement, including the right to receive the TIF Note pursuant to Article VI of the Development Agreement;

g. Authorize the Mayor and the City Administrator to execute the Tax Increment Revenue Note in favor of Buyer in substantially the form attached to the Development Agreement, as amended by the First Amendment, and attached to the First Amendment as Exhibit B (the “**TIF Note**”) and to deliver the TIF Note to Buyer upon the closing of the sale of the Development Property to Buyer, the assignment of the Development Agreement to Buyer and F&C Borrower’s repayment of Loan No. 1 and Loan No. 2, in full;

h. Authorize the Mayor and the City Administrator to execute and deliver a Collateral Assignment of Development Agreement and TIF Note between Buyer, as assignor, and PNC Bank, as lender, in substantially the form attached hereto as **Exhibit F** (the “**Collateral Assignment**”) to evidence the City’s consent to Buyer’s Collateral Assignment of the Development Agreement and pledge of the TIF Note to PNC Bank;

i. Authorize the Mayor and the City Administrator to execute and deliver a subordination agreement among and between the City, Buyer and PNC Bank in substantially the form attached as **Exhibit G** (the “**Subordination Agreement**”) to evidence PNC Bank’s subordination of its rights under the mortgage Buyer is granting to PNC Bank to the terms of the Development Agreement;

j. Authorize the Mayor and the City Administrator to execute and deliver an agreement between Buyer and the City in substantially the form attached as **Exhibit H** (the “**Maintenance Agreement**”) as contemplated in Section 2 of that certain grant of encroachment easement granted by the City to F&C Apartments dated as of June 12, 2012 and recorded in the office of the Anoka County Registrar of Titles on August 2, 2012 as Document No. 509830.001 (the “**Grant of Encroachment Easement**”); and

k. Authorize the Mayor and the City Administrator to execute and deliver an Amended and Restated Grant of Encroachment Easement in substantially the form attached at **Exhibit I** (the “**Encroachment Easement Amendment**”) to delete Section 2(i) and the requirement that the owner of the Development Property and the City work

together, in good faith, to relocate the lot line between the Development and Lot 2, Block 1, COR ONE, Anoka County, Minnesota.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF RAMSEY, ANOKA COUNTY, STATE OF MINNESOTA:

- 1) That the City Council hereby rescinds its prior Resolution #15-02-044.
- 2) That the City Council, for itself and as the successor to the Board of the HRA hereby ratifies and approves the City's and the HRA's execution of the Assignment and Assumption Agreement dated February 12, 2015 between the City and the HRA pursuant to which the HRA assigned to the City and the City assumed from the HRA all of the HRA's rights and obligations under the Development Agreement and ratifies and approves the City's and the HRA's execution of the Memorandum of Assignment and Assumption Agreement executed by the Chair and Executive Director of the HRA on January 27, 2015 and by the Mayor and City Administrator on February 12, 2015 and directs City Staff to record the Memorandum of Assignment and Assumption Agreement in the Anoka County land records.
- 3) That the City Council, in its capacity as the governing body of the City and in its capacity as the successor-in-interest to the Board of the HRA, hereby authorizes the Mayor and City Administrator to execute the First Amendment, the Development Agreement Estoppel, the PUMA Estoppel, the Assignment of Development Agreement, the TIF Note, the Collateral Assignment, the Subordination Agreement, the Maintenance Agreement and the Encroachment Easement Amendment (collectively the "Approved Documents") and to deliver or to authorize the delivery of executed originals of the Approved Documents to the other parties thereto contemporaneously with F&C Borrower's repayment in full of Note No. 1 and Note No. 2, and authorizes the recording of the Approved Documents, other than the TIF Note, the Development Agreement Estoppel and the PUMA Estoppel, in the Anoka County land records.
- 4) That the City Council, in its capacity as the governing body of the City and in its capacity as the successor-in-interest to the Board of the HRA, hereby authorizes and directs the Mayor and City Administrator to return the originals of Note No. 1 and Note No. 2 to F&C Borrower and to execute and deliver to F&C Borrower such documents and instruments as may be necessary to evidence the termination of the security interest granted to the HRA in the membership interests of F&C Apartments, LLC and the release of the other Loan Documents, all upon F&C Borrower's repayment, in full, of Note No. 1 and Note No. 2.
- 5) The City Council has approved the approved documents in substantially the form attached hereto. The City Council hereby authorized the Mayor and City Administrator to approve modifications to the Approved Documents as may be necessary to correct typographical or other errors or as otherwise necessary or desirable to achieve the intended purpose of the Approved Documents, and the

Mayor and City Administrator's execution of modified versions of the Approved Documents shall evidence their approval of such modifications.

The motion for the adoption of the foregoing resolution was duly seconded by Councilmember _____, and upon vote being taken thereon, the following voted in favor thereof:

and the following voted against the same:

and the following abstained:

and the following were absent:

Whereupon said resolution was declared duly passed and adopted by the Ramsey City Council this 24th day of March, 2015.

Mayor Sarah Strommen

ATTEST:

City Clerk Jo Ann M. Thieling

EXHIBIT A
DEVELOPMENT PROPERTY

Lot 3, Block 1, COR ONE, according to the recorded plat thereof, Anoka County,
Minnesota.

Being registered land as currently described on Certificate of Title No. 121654.

PIN #: 28-32-25-31-0018

**EXHIBIT B
FIRST AMENDMENT**

**FIRST AMENDMENT TO
Development agreement**

Dated: April __, 2015 (THE “AMENDMENT EFFECTIVE DATE”)

2. **Parties.** The parties to this First Amendment to Development Agreement (this “First Amendment”) are:

1. The City of Ramsey, Minnesota, a home rule charter city organized and existing under the constitution and laws of the State of Minnesota, both for itself and as successor-in-interest to The Housing and Redevelopment Authority in and for the City of Ramsey, Minnesota (the “HRA”) (collectively, the “City”);

2. F&C Ramsey, LLC, an Indiana limited liability company (“F&C Ramsey”);

3. F&C Ramsey Apartments, LLC, an Indiana limited liability company (“F&C Apartments”); and

4. F&C Ramsey Member, LLC, an Indiana limited liability company (“F&C Borrower”).

5. This First Amendment sometimes refers to the City, F&C Ramsey, F&C Apartments, and F&C Borrower, collectively, as the “Parties.”

RECITALS

A. City, F&C Ramsey, and F&C Borrower are parties to the Development Agreement dated March 9, 2012 (the “Development Agreement”) and recorded in the office of the Anoka County Registrar of Titles on May 3, 2012 as Document No. 508341.004, relating to the real property legally described on the attached Exhibit A (the “Development Property”).

B. Pursuant to that unrecorded Assignment and Assumption of Contracts entered into by F&C Ramsey and F&C Apartments dated as of March 9, 2012, F&C Ramsey assigned all of its right, title and interest in, to and under the Development Agreement to F&C Apartments except the rights and obligations of F&C Ramsey under Article VI of the Development Agreement relating to the TIF financing.

C. Pursuant to Minnesota Statutes Section 469.033, Subd. 7, HRA Resolution #14-11-236 dated November 12, 2014, the City (the “HRA Resolution”), and City Resolution #14-12-262 dated December 9, 2014 (the “City Resolution”), the HRA transferred all of its assets, including its rights under the Development Agreement, to the City and the City approved the transfer of all of the HRA’s assets to the City and dissolved the HRA.

D. To document the HRA's transfer of its rights under the Development Agreement to the City pursuant to the HRA resolution and the City resolution, the City and the HRA executed an Assignment and Assumption Agreement dated February 12, 2015 and a Memorandum of Assignment and Assumption Agreement, and the City will record the Memorandum of Assignment and Assumption Agreement with the Anoka County Registrar of Titles.

E. F&C Apartments has entered into a purchase agreement to sell the Development Property to Residence at the COR Apartments, LLC, a Minnesota limited liability company ("Buyer"). In connection with the sale, F&C Apartments and F & C Ramsey will assign to Buyer their rights under the Development Agreement, including F&C Ramsey's right to receive the "TIF Note," as defined in the Development Agreement (the "TIF Note") pursuant to Article VI of the Development Agreement, and Buyer will thereafter collaterally assign its rights under the Development Agreement and pledge its rights under the TIF Note to its lender, PNC Bank, National Association ("PNC Bank").

F. Sections 6.6, 11.3, 11.4, 11.5(b)(iii), 13.2(d), and Exhibit B of the Development Agreement reference the City's ability to cancel, rescind and/or terminate the TIF Note as a remedy to the Events of Default defined in Sections 13.1(a), (b), (c), (d), (e), (f), (g) or (l) of the Development Agreement or as a consequence of the Project Mortgage holder treating the Development Agreement as subordinate to the Project Mortgage.

G. To facilitate Buyer's use of the TIF Note as collateral to secure a portion of Buyer's acquisition financing, F&C Apartments, Buyer and PNC Bank have requested that the City amend the Development Agreement to eliminate the City's right to cancel, rescind or terminate the TIF Note as a remedy for an event of default under the Development Agreement or as a consequence of the Project Mortgage Holder treating the Development Agreement as subordinate to the Project Mortgage, all as set forth in this First Amendment.

H. In addition, because F & C Borrower will be repaying Loan No. 1 and Loan No. 2, as defined in the Development Agreement, contemporaneously with the closing on the sale to Buyer and the City will use the proceeds from the repayment of Loan No. 2 to repay the bonds that the City used to finance Loan No. 2, the City is willing to further amend the Development Agreement to remove the rental restrictions set forth in Section 11.4 of the Development Agreement.

AGREEMENT

1. **Conditions Subsequent.** Section 6.6 of the Development Agreement is deleted in its entirety.

2. **Subordination of Development Agreement to Project Mortgage and Extension of Time to Cure.** Section 11.3 of the Development Agreement is deleted in its entirety and replaced with the following:

The City will, upon the request of the holder of a Project Mortgage, execute and record a subordination agreement pursuant to which the City agrees that, upon a default by Developer under a Project Mortgage, the holder of the Project

Mortgage may elect, in an instrument to be recorded in the Anoka County land records and delivered to the City before the commencement of proceedings to foreclose the Project Mortgage, to either (1) treat this Development Agreement as being subordinate to the lien of the Project Mortgage such that the foreclosure of the Project Mortgage and the failure of any owner to redeem the Development Property from such foreclosure will extinguish and terminate this Development Agreement (but not the Assessment Agreement or the TIF Note); or (2) to treat this Development Agreement as having priority over the Project Mortgage in which case this Development Agreement will survive the foreclosure of the Project Mortgage and this Development Agreement will be binding upon the holder of the Sheriff's Certificate issued in conjunction with the foreclosure of the Project Mortgage. If the holder of the Project Mortgage fails to notify the City of its election under this Section 11.3 on or before the commencement of foreclosure proceedings, the holder of the Project Mortgage shall be deemed to have elected to treat this Development Agreement as being subordinate to the lien of the Project Mortgage such that the foreclosure of the Project Mortgage and the failure of any owner to redeem the Development Property from such foreclosure will extinguish and terminate this Development Agreement (but not the Assessment Agreement or the TIF Note).

3. **Rental Restrictions.** Section 11.4 of the Development Agreement is deleted in its entirety.

4. **Permitted Assignment to F&C Ramsey Apartments, LLC.** Section 11.5(b)(iii) of the Development Agreement is deleted in its entirety and replaced with the following:

F&C Ramsey, LLC acknowledges that the City's obligation to execute the TIF Note and deliver the TIF Note to F&C Ramsey, LLC or its assignee pursuant to Section 6.1 of this Agreement is subject to all of the terms and conditions of this Agreement including all of the terms and conditions of the TIF Note.

5. **Remedies on Default.** Section 13.2(d) of the Development Agreement is deleted in its entirety.

6. **Exhibit B.** In recognition of F&C Ramsey's and F&C Apartments' assignment of the Development Agreement to Buyer and the City's issuance of the TIF Note directly to Buyer, Exhibit B of the Development Agreement is deleted in its entirety and replaced with the document that is attached to this Amendment and Labeled "**EXHIBIT B.**"

7. **Defined Terms.** The term "Development Agreement" as used in the Development Agreement and in this First Amendment the Development Agreement as modified by this First Amendment. Capitalized terms not otherwise defined in this First Amendment have the meaning given to such terms in the Development Agreement.

8. **No Further Modifications.** Except as expressly modified in this First Amendment, the Development Agreement is unmodified and in full force and effect.

9. **Counterparts.** This First Amendment may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

10. **Effective Date.** This First Amendment is effective as of the Amendment Effective Date.

IN WITNESS WHEREOF, the Parties hereto have executed this First Amendment to be effective as of the day and year first written above.

F&C RAMSEY, LLC,
an Indiana limited liability company:

By _____
Its _____

STATE OF INDIANA)
) ss:
COUNTY OF _____)

The foregoing instrument was acknowledged before me on this ____ day of _____, 2015 by _____, the _____ of F&C RAMSEY, LLC, an Indiana limited liability company.

Notary Public

**Signature Page to First Amendment to Development Agreement
(F&C RAMSEY, LLC)**

IN WITNESS WHEREOF, the Parties hereto have executed this First Amendment to be effective as of the day and year first written above.

F&C RAMSEY APARTMENTS, LLC,
an Indiana limited liability company:

By _____
Its _____

STATE OF INDIANA)
) ss:
COUNTY OF _____)

The foregoing instrument was acknowledged before me on this ____ day of _____, 2015 by _____, the _____ of F&C RAMSEY APARTMENTS, LLC, an Indiana limited liability company.

Notary Public

**Signature Page to First Amendment to Development Agreement
(F&C RAMSEY APARTMENTS, LLC)**

IN WITNESS WHEREOF, the Parties hereto have executed this First Amendment to be effective as of the day and year first written above.

F&C RAMSEY MEMBER, LLC,
an Indiana limited liability company:

By _____
Its _____

STATE OF INDIANA)
) ss:
COUNTY OF _____)

The foregoing instrument was acknowledged before me on this ____ day of _____, 2015 by _____, the _____ of F&C RAMSEY MEMBER, LLC, an Indiana limited liability company.

Notary Public

**Signature Page to First Amendment to Development Agreement
(F&C RAMSEY MEMBER, LLC)**

EXHIBIT A

Legal Description

Lot 3, Block 1, COR ONE, according to the recorded plat thereof, Anoka County,
Minnesota.

Being registered land as currently described on Certificate of Title No. 121654.

PIN #: 28-32-25-31-0018

EXHIBIT B

Form of TIF Note

No. _____

\$3,000,000.00

**UNITED STATES OF AMERICA
STATE OF MINNESOTA
COUNTY OF ANOKA
CITY OF RAMSEY**

**TAX INCREMENT REVENUE NOTE
(F & C DEVELOPMENT, INC. PROJECT)**

The City of Ramsey, 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 Residence at the COR Apartments LLC, a Minnesota limited liability company ("Owner"), the assignee of the rights of F & C Ramsey, LLC, an Indiana limited liability company ("Developer") under the Development Agreement (as defined below), or to any Successor Holder (as defined below), but only in the manner, at the times, from the sources of revenue, and to the extent hereinafter provided. This Note is being issued pursuant to the terms of that certain Development Agreement by and between the Housing and Redevelopment Authority in and for the City of Ramsey, Minnesota (the "HRA"), the City, Developer and F & C Ramsey Member, LLC dated March 9, 2012 and recorded in the office of the Anoka County Registrar of Titles on May 3, 2012 as Document No. 508341.004 as amended by that First Amendment to Development Agreement dated on or about March __, 2015 and to be recorded in the office of the Anoka County Registrar of Titles (collectively, the "Development Agreement"). All capitalized terms used in this Note that are not expressly defined in this Note have the meanings given to such terms in the Development Agreement.

The principal amount of this Note is \$3,000,000.00, as reduced to the extent that principal shall have been paid in whole or in part pursuant to the terms hereof. The unpaid principal amount of this Note shall bear simple, non-compounding interest from the date of issuance of this Note at 6.25% per annum. Interest shall be computed on the basis of a 360 day year consisting of twelve (12) 30-day months.

The amounts due under this Note shall be payable on August 1, 2015, February 1, 2016 and on each August 1 and February 1 thereafter through and including February 1, 2038, or, if such date is not a Business Day (as defined in the Development Agreement), the next succeeding Business Day (each a "Payment Date" and collectively the "Payment Dates"). On each Payment Date the City shall pay, by check mailed to Owner or, if this Note has been assigned, to the Successor Holder (as defined below) who holds and owns this Note at the close of the last business day of the City preceding such Payment Date, at the address provided by Owner or such Successor Owner, an amount equal to the sum of the Tax Increments (as defined in the Development Agreement) received by the City (i) since January 1, 2015, in the case of the first Payment Date, and (ii) since the prior Payment Date in the case of subsequent Payment Dates; provided, however, if Owner or a Successor Holder has sought a reduction of the Assessed Value of the Development Property is provided for in Section 10.1(d) of the Development Agreement, the amount of the Tax Increments the City will pay to Owner or a Successor Holder is determined in accordance with said Section 10.1(d). All payments made by the City under this Note shall be applied first to pay accrued, unpaid interest and then to principal.

The Payment Amounts due hereon shall be payable solely from Tax Increments (as defined in the Development Agreement) the City receives on or after January 1, 2015. This Note shall terminate and be of no further force and effect following the last Payment Date defined above, on the date the Tax

Increment District is terminated, or on the date that all principal and interest payable hereunder shall have been paid in full, whichever occurs earliest.

The City makes no representation or covenant, express or implied, that the Tax Increments the City receives from and after January 1, 2015, will be sufficient to pay, in whole or in part, the amounts which are or may become due and payable hereunder.

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 Tax Increments the City receives on or after January 1, 2015 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 to transferees permitted or deemed to be permitted pursuant to the Development Agreement (each such permitted successor is referred to as "Successor Holder"), and any permitted assignment of the rights and obligations of the Developer under the Development Agreement shall be deemed to be an assignment of the rights granted to the Developer under the Development Agreement with respect to this Note. 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 Successor Holder 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 or statutory limitation thereon.

IN WITNESS WHEREOF, the City of Ramsey, Minnesota, by its City Council, has caused this Note to be executed by the manual signatures of its Mayor and City Administrator and has caused this Note to be dated as of _____, 2015

Mayor

City Administrator

CERTIFICATION OF REGISTRATION

It is hereby certified that the foregoing Note, as originally issued on March _____, 2015, was on said date registered in the name of Residence at the COR Apartments, LLC, a Minnesota limited liability company and that, at the request of Residence at the COR Apartments, LLC, the City has this day registered the Note in the name of Residence at the COR Apartments, LLC, as indicated in the registration blank below, on the books kept by the City for such purposes.

**NAME AND ADDRESS OF
REGISTERED OWNER**

**DATE OF
REGISTRATION**

**SIGNATURE OF
CITY ADMINISTRATOR**

Residence at the COR Apartments, LLC, March __2015
a Minnesota limited liability company

EXHIBIT C
DEVELOPMENT AGREEMENT ESTOPPEL

ESTOPPEL CERTIFICATE FOR
DEVELOPMENT AGREEMENT

To: F&C Ramsey Apartments, LLC, an Indiana limited liability company (“Seller”), Residence at the COR Apartments LLC, a Minnesota limited liability company (“Buyer”), and PNC Bank National Association, a national banking association (“Lender”)

Re: Development Agreement dated March 9, 2012 (as the same may hereinafter be amended, the “Agreement”) by and among The Housing and Redevelopment Authority in and for the City of Ramsey, Minnesota, a body politic and corporate under the laws of the State of Minnesota (the “HRA”), the City of Ramsey, a home rule charter city organized and existing under the constitution and laws of the State of Minnesota (the “City”), F&C Ramsey, LLC, an Indiana limited liability company (“F&C Ramsey”) and F&C Ramsey Member, LLC, an Indiana limited liability company (“F&C Ramsey Member”), recorded in the office of the Anoka County Registrar of Titles on May 3, 2012 as document no. 508341.004 (Torrens), as assigned and assumed pursuant to the Assignment and Assumption Agreement dated February 12, 2015 by and between the HRA and the City (the “Assignment Agreement”) and pursuant to that Assignment and Assumption of Contracts by and between F&C Ramsey and Seller dated on or about March 9, 2012 except with respect to the rights and obligations of F&C Ramsey under Article VI of the Agreement relating to the TIF financing; all initially capitalized terms used herein, unless otherwise defined herein, shall have the same meanings given to them in the Agreement.

The City understands that Buyer is purchasing the Property from Seller, and that Seller, Buyer and Lender are relying on the City’s statements contained herein. The City hereby certifies to Seller, Buyer and Lender that, to the best of the City’s actual knowledge:

1. There have been no amendments or modifications to the Agreement except for the First Amendment to Development Agreement that is being executed and delivered contemporaneously herewith.
2. The Agreement is in full force and effect. Pursuant to the Assignment Agreement, the City has assumed and has agreed to pay, perform, fulfill and comply with all covenants and obligations to be paid, performed, fulfilled and complied with by the HRA under the Agreement.
3. Neither Seller nor F&C Ramsey Member is in default under the Agreement, and no event has occurred which, with the giving of notice or passage of time or both, could result in a default by Seller or F&C Ramsey Member under the Agreement.
4. After Buyer purchases the Property, the City agrees to provide notices due to the Developer under the Agreement at the following addresses:

Residence at the COR Apartments LLC
Attention: Kevin Colard
9757 NE Juanita Drive, Suite 300
Kirkland, Washington 98034
Facsimile: 425-821-5936

With a copy to:

Mast Law Firm, P.C.

Attention: Gregory L. Mast
2415 E. Camelback Road, Suite 455
Phoenix, Arizona 85016
Facsimile: 602-840-3342

5. The statements contained herein may be relied upon by Seller, Buyer and Lender and their respective successors and assigns. This Estoppel Certificate shall be binding on the City and its successors and assigns.

The undersigned is duly authorized to execute this Estoppel Certificate as of this _____ day of _____, 2015.

**CITY OF RAMSEY, MINNESOTA, BOTH
FOR ITSELF AND AS SUCCESSOR-IN-
INTEREST TO THE HOUSING AND
REDEVELOPMENT AUTHORITY IN AND
FOR THE CITY OF RAMSEY,
MINNESOTA**

By _____
Its Mayor

By _____
Its City Administrator

**EXHIBIT D
PUMA ESTOPPEL**

**ESTOPPEL CERTIFICATE FOR
AMENDED AND RESTATED PARKING IMPROVEMENT USE AND MAINTENANCE
AGREEMENT FOR PARKING DISTRICT A**

- To: F&C Ramsey Apartments, LLC, an Indiana limited liability company (“Seller”), Residence at the COR Apartments LLC, a Minnesota limited liability company (“Buyer”), and PNC Bank National Association, a national banking association (“Lender”)
- Re: Amended and Restated Parking Improvement Use and Maintenance Agreement for Parking District A dated April 30, 2012, by and among the City of Ramsey, a home rule charter city organized and existing under the constitution and laws of the State of Minnesota (the “City”), the Economic Development Authority of the City of Ramsey, Minnesota, a body politic and corporate under the laws of the State of Minnesota, and The Housing and Redevelopment Authority in and for the City of Ramsey, Minnesota, a body politic and corporate under the laws of the State of Minnesota (the “HRA”), recorded in the office of the Anoka County Recorder and in the office of the Anoka County Registrar of Titles on May 3, 2012 as document no. 2031856.006 (Abstract) and 508341.011 (Torrens), as amended by the First Amendment to Amended and Restated Parking Improvement Use and Maintenance Agreement for Parking District A dated August 2, 2013, executed by the City, recorded in the office of the Anoka County Recorder and in the office of the Anoka County Registrar of Titles on October 1, 2013 as document no. 2069989.002 (Abstract) and 519251.002 (Torrens), as approved by Ramsey City Council Resolution #13-09-151 dated September 18, 2013, recorded in the office of the Anoka County Recorder and in the office of the Anoka County Registrar of Titles on October 1, 2013 as document no. 2069989.001 (Abstract) and 519251.001 (Torrens) (as amended and approved, the “Agreement”); Lot 3, Block 1, COR ONE, according to the recorded plat thereof, Anoka County, Minnesota (the “Property”)

The City understands that Seller is the successor-in-interest to the HRA under the Agreement with respect to the Property. The City is authorized to execute and deliver this Estoppel Certificate pursuant to Section 21 of the Agreement. The City understands that Buyer is purchasing the Property from Seller, and that Seller, Buyer and Lender are relying on the City’s statements contained herein. The City hereby certifies to Seller, Buyer and Lender that, to the best of the City’s actual knowledge:

1. There have been no amendments or modifications to the Agreement except as provided herein.
2. The Agreement is in full force and effect.
3. Seller is not in default under the Agreement, including in the payment of any amounts due under the Agreement, and no event has occurred which, with the giving of notice or passage of time or both, could result in a default by Seller under the Agreement.

4. After Buyer purchases the Property, the City agrees to provide notices due to the owner of the Property under the Agreement at the following addresses:

Residence at the COR Apartments LLC
Attention: Kevin Colard
9757 NE Juanita Drive, Suite 300
Kirkland, Washington 98034
Facsimile: 425-821-5936

With a copy to:

Mast Law Firm, P.C.
Attention: Gregory L. Mast
2415 E. Camelback Road, Suite 455
Phoenix, Arizona 85016
Facsimile: 602-840-3342

5. The statements contained herein may be relied upon by Seller, Buyer and Lender and their respective successors and assigns. This Estoppel Certificate shall be binding on the City and its successors and assigns.

The undersigned is duly authorized to execute this Estoppel Certificate as of this _____ day of _____, 2015.

CITY OF RAMSEY, MINNESOTA

By _____
Its Mayor

By _____
Its City Administrator

EXHIBIT E
ASSIGNMENT OF DEVELOPMENT AGREEMENT

**ASSIGNMENT AND ASSUMPTION OF TIF NOTE AND
DEVELOPMENT AGREEMENT**

FOR VALUE RECEIVED, F&C Ramsey Apartments, LLC, an Indiana limited liability company, and F&C Ramsey, LLC, an Indiana limited liability company (collectively, “Assignor”), does hereby assign and transfer to Residence at the COR Apartments LLC, a Minnesota limited liability company (“Assignee”), all rights, title and interest in and to the Development Agreement (as defined below), including the right to receive from the issuer that certain tax increment financing note (the “TIF Note”) to be issued in the principal stated amount of \$3,000,000 pursuant to that certain Development Agreement dated March 9, 2012 and entered into by and among the Housing and Redevelopment Authority in and for the City of Ramsey, Minnesota (the “HRA”), the City of Ramsey Minnesota (the “City”), F & C Ramsey, LLC and F & C Ramsey Member, LLC, recorded in the office of the Anoka County Registrar of Titles on May 3, 2012 as Document No. 508341.004, as amended by that First Amendment to Development Agreement dated on or about even date herewith and to be recorded in the office of the Anoka County Registrar of Titles (as amended, the “Development Agreement”). Pursuant to Minnesota Statutes Section 469.033, Subd. 7, HRA Resolution #14-11-236 dated November 12, 2014 (the “HRA Resolution”), and City Resolution #14-12-262 dated December 9, 2014 (the “City Resolution”), the HRA transferred all of its assets, including its rights under the Development Agreement, to the City and the City approved the transfer of all of the HRA’s assets to the City and dissolved the HRA. To document the HRA’s transfer of its rights under the Development Agreement to the City pursuant to the HRA resolution and the City resolution, the City and the HRA executed an Assignment and Assumption Agreement dated February 12, 2015 and a Memorandum of Assignment and Assumption Agreement, which Memorandum of Assignment and Assumption Agreement will be recorded with the Anoka County Registrar of Titles.

Assignor represents and warrants that, immediately prior to the assignment and transfer consummated hereby, it was the record and beneficial owner of the right to receive the TIF Note from the issuer and had the exclusive right and full power to assign and transfer such right free of any claim, lien, security interest or encumbrance; provided, however, Assignee specifically acknowledges and agrees that it takes assignment of the right to be issued the TIF Note subject to the conditions and provisions stated in the Development Agreement.

Assignee agrees to indemnify, defend and hold Assignor harmless, from any loss, cost, claim, liability, expense or demand of any nature related to the TIF Note and/or the Development Agreement (including reasonable attorneys’ fees) arising or accruing on or after the date hereof, including, but not limited to a breach of the Development Agreement. Assignor agrees to indemnify, defend and hold Assignee harmless, from any loss, cost, claim, liability, expense or demand of any nature related to the TIF Note and/or the Development Agreement (including reasonable attorneys’ fees) arising or accruing prior to the date hereof, including, but not limited to a breach of the Development Agreement.

This assignment and any dispute arising hereunder relating to its execution and its validity, shall be governed or interpreted according to the laws of the State of Minnesota. Any proceeding or action must be commenced in Anoka County, Minnesota. The parties hereto irrevocably and unconditionally submit to the exclusive jurisdiction of such courts and agree to take any and all future action necessary to submit to the jurisdiction of such courts.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF the parties hereto have set their hand and seals as of _____, 2015.

ASSIGNOR:

ASSIGNEE:

F & C RAMSEY APARTMENTS, LLC,
an Indiana limited liability company

RESIDENCE AT THE COR
APARTMENTS LLC,
a Minnesota limited liability company

By: _____
Printed: _____
Its: _____

By: _____
Printed: _____
Its: _____

F&C RAMSEY, LLC
an Indiana limited liability company

By: _____
Printed: _____
Its: _____

Consented to pursuant to the Development Agreement by:

**CITY OF RAMSEY, MINNESOTA, BOTH FOR
ITSELF AND AS SUCCESSOR-IN-INTEREST
TO THE HOUSING AND REDEVELOPMENT
AUTHORITY IN AND FOR THE CITY OF
RAMSEY, MINNESOTA**

By: _____
Name: _____
Title: Mayor

By: _____
Name: _____
Title: City Administrator

EXHIBIT F
COLLATERAL ASSIGNMENT

COLLATERAL ASSIGNMENT OF DEVELOPMENT AGREEMENT AND TIF NOTE

This Collateral Assignment of Development Agreement and TIF Note (“**Collateral Assignment**”) is dated as of March 31, 2015, by and between **RESIDENCE AT THE COR APARTMENTS LLC**, a Minnesota limited liability company (“**Assignor**”) and **PNC BANK, NATIONAL ASSOCIATION**, a national banking association (“**Lender**”).

Recitals

A. Simultaneously herewith Assignor is acquiring certain improved real property located in the County of Anoka, State of Minnesota, as more particularly described on Exhibit A attached hereto (“**Property**”).

B. In connection with such acquisition, Assignor is assuming certain obligations under the Development Agreement dated March 9, 2012 (“**Development Agreement**”) between the City of Ramsey, Minnesota, a home rule charter city organized and existing under the constitution and laws of the State of Minnesota (the “**City**”), and F & C Ramsey, LLC, an Indiana limited liability company (“**Prior Owner**”) and recorded on title to the Property on May 3, 2012 as Document No. 508341.004 in the Anoka County Official Records (“**Official Records**”), pursuant to which the Property was subjected to certain restrictions by the City in connection with the prior development or rehabilitation of the Property.

C. The City has executed in favor of Assignor that certain Promissory Note of even date herewith, in the original principal amount of \$3,000,000 (the “**TIF Note**”).

D. In connection with the acquisition of the Property by Assignor, Lender is making a loan to Assignor in the original principal amount of \$29,950,000.00 (“**Loan**”) pursuant to a Multifamily Loan and Security Agreement between Lender and Assignor (as supplemented or amended from time to time, the “**Loan Agreement**”) and evidenced by a Multifamily Note by Assignor to Lender (as supplemented or amended from time to time, the “**Note**”). The Loan is to be secured by a Multifamily Mortgage, Assignment of Leases and Rents, Security Agreement and Fixture Filing that will be recorded in the Official Records (as supplemented or amended from time to time, the “**Mortgage**”) (the Loan Agreement, the Note and the Mortgage, together with all other documents executed with respect to the Loan, are hereinafter collectively referred to as the “**Loan Documents**”).

E. As a condition of the Loan, Assignor has agreed to assign its rights and interests under the Development Agreement and the TIF Note to Lender for the purpose of securing certain obligations for which Assignor may become personally liable under the Loan Agreement.

Now therefore, in consideration of their mutual undertakings, and intending to be legally bound hereby, Lender and Assignor agree as follows:

1. For the purpose of securing the Loan, Assignor hereby transfers and collaterally assigns to Lender, its successors and assigns, and grants to the Lender a security interest in, all of Assignor's right, title and interest in and to the Development Agreement and the TIF Note.
2. Assignor shall not take or omit to take any action, the taking or omission of which might result in an alteration or impairment of (a) the Development Agreement, (b) the TIF Note, (c) this Collateral Assignment, or (c) any of the rights created by the aforementioned documents in the foregoing subparagraphs (a) – (c).
3. Assignor represents and warrants to Lender that: (a) Assignor has not assigned or pledged, and hereby covenants that it will not assign or pledge, so long as this Collateral Assignment shall remain in effect, any of its right, title or interest in or under the Development Agreement and/or the TIF Note to anyone other than Lender, its successors or assigns, and that it will not, except upon the prior written consent of Lender and upon the terms and conditions, if any, specified in any such consent, enter into any agreement amending or supplementing the Development Agreement and/or the TIF Note, or settle or compromise any claim against the maker of the TIF Note; (b) Assignor's right, title and interest in and to the TIF Note is not now subject to any lien, encumbrance or security interest; (c) to Assignor's knowledge, the Development Agreement and/or the TIF Note are in all respects in full force and effect and enforceable in accordance with their terms; and (d) to Assignor's knowledge, no default exists under the Development Agreement and/or the TIF Note as of the date of this Collateral Assignment.
4. This Collateral Assignment shall be binding upon Assignor, its heirs, successors and assigns, and shall inure to the benefit of Lender, its successors and assigns.
5. To the extent permitted by applicable law, Assignor waives all claims, damages and demands it may acquire against Lender arising out of the exercise by it of any rights hereunder, except for the Lender's gross negligence or willful misconduct. If any notice of a proposed sale or other disposition of the TIF Note shall be required by law, such notice shall be deemed reasonable and proper if given at least ten (10) days before such sale or other disposition.
6. All rights and remedies afforded to Lender by reason of this Collateral Assignment and any other Loan Document, or by law, are separate and cumulative and not alternative to the exercise of any other of such rights or remedies. No delay or omission by Lender in exercising any such right or remedy shall operate as a waiver thereof. No waiver of any right or remedy hereunder, and no modification or amendment hereof, shall be deemed made by Lender unless in writing and duly signed by an expressly authorized officer of Lender. Any such written waiver shall apply only to the particular instance specified therein and shall not impair the further exercise of such right or remedy or of any other right or remedy of Lender, and no single or partial exercise of any right or remedy hereunder shall preclude other or further exercise thereof or of any other right or remedy.
7. Any provision of this Collateral Assignment which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions of this Collateral Assignment or affecting the validity or enforceability of such provision in any other jurisdiction.

8. This Collateral Assignment shall be governed by, and construed in accordance with, the laws of the State of Minnesota. Assignor waives personal service of any process and consents that such process shall be made by certified mail, return receipt requested, directed to Assignor at its address set forth in the Loan Documents, and service so made shall be deemed to be complete within five (5) days after it has been mailed.

9. From and after the date hereof, and for so long as this Collateral Assignment shall remain in full force and effect, Assignor, for itself, its successors and assigns, covenants and agrees to do all acts and execute and deliver all documents reasonably necessary to assist Lender in obtaining the rights, benefits and privileges granted pursuant to this Collateral Assignment.

10. The City of Ramsey is executing this Collateral Assignment to, and only to evidence its consent to the Assignor's collateral assignment of the Development Agreement and the TIF Note to Lender pursuant to the terms and conditions of this Collateral Assignment. The City also hereby confirms that, to its knowledge but without investigation, there are no defaults under the Development Agreement and the TIF Agreement. The City also hereby agrees that, prior to Lender's possession of the Property, Lender (at Lender's sole election) shall have the right (but not the obligation) to cure any default by Assignor under the Development Agreement on its and/or Assignor's behalf.

[THE BALANCE OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK]

[SIGNATURE PAGE FOLLOWS]

Executed the day and year first set forth above.

ASSIGNOR:

**RESIDENCE AT THE COR APARTMENTS
LLC**, a Minnesota limited liability company

By: _____
W. Dean Weidner, as Trustee of the W. Dean
Weidner Living Trust Under Trust Agreement
Dated 10-23-98, as amended
Its: Sole Member

LENDER:

PNC BANK, NATIONAL ASSOCIATION, a
national banking association

By: _____
Tara Suaya
Vice President

SEEN AND AGREED:

CITY:

CITY OF RAMSEY, MINNESOTA, a home rule
charter city organized and existing under the
constitution and laws of the State of Minnesota

By: _____
Name: Sarah Strommen
Title: Mayor

By: _____
Name: Kurt Ulrich
Title: City Administrator

**EXHIBIT G
SUBORDINATION AGREEMENT**

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

SPACE ABOVE LINE FOR
RECORDER'S USE

Residence at the COR

SUBORDINATION AGREEMENT

THIS SUBORDINATION AGREEMENT (this "**Agreement**") is effective as of the ___ day of March, 2015 by and among **THE CITY OF RAMSEY, MINNESOTA**, a home rule charter city organized and existing under the constitution and laws of the State of Minnesota ("**Governmental Entity**"), **RESIDENCE AT THE COR APARTMENTS LLC**, a Minnesota limited liability company ("**Borrower**"), and **PNC BANK, NATIONAL ASSOCIATION**, a national banking association, its successors and assigns ("**Lender**").

RECITALS:

A. Simultaneously herewith Borrower is acquiring certain improved real property located in the County of Anoka, State of Minnesota, as more particularly described on Exhibit A attached hereto ("**Property**").

B. In connection with such acquisition, Borrower is assuming the rights and obligations of F & C Ramsey, LLC and F & C Ramsey Member, LLC under the Development Agreement between The Housing and Redevelopment Authority in and for the City of Ramsey, Minnesota (the "**HRA**"), the Governmental Entity, F & C Ramsey, LLC, an Indiana limited liability company ("**F & C Ramsey**") and F & C Ramsey Member, LLC, an Indiana limited liability company ("**F & C Member**") dated March 9, 2012 and recorded in the office of the Anoka County Registrar of Titles ("**Official Records**") on May 3, 2012 as Document No. 508341.004 in the Anoka County Official Records ("**Original Agreement**"), as affected by that certain Certificate of Completion and Release of Forfeiture executed by the HRA and the Governmental Entity on October 31, 2014 and recorded in the Official Records on March __, 2015 as Document No. _____ (the "**Certificate of Completion**") and as amended by that certain First Amendment to Development Agreement dated on or about March __ 2015 and to be recorded in the Official Records by and between the Governmental Entity, both for itself and in its capacity as the successor to the interest of the HRA; F & C Ramsey, F & C Member, and F & C Ramsey Apartments, LLC, an Indiana limited liability company, ("**F & C**

Ramsey Apartments”), as successor to certain rights and obligations of F & C Ramsey under the Original Agreement pursuant to that certain unrecorded Assignment and Assumption of Contracts dated March 9, 2012; (the “**First Amendment**”) The Original Agreement, Certificate of Completion and First Amendment are referred to herein, collectively, as the “**Development Agreement**.”

C. The Development Agreement creates certain covenants and restrictions and provides that the benefits and the burdens of the covenants and restrictions run with title to the Property and inure to the benefit of and are binding upon Borrower, as a successor in title to the Property.

D. In connection with the acquisition of the Property by Borrower, Lender is making a loan to Borrower in the original principal amount of \$29,950,000.00 (“**Loan**”) pursuant to a Multifamily Loan and Security Agreement between Lender and Borrower (as supplemented or amended from time to time, the “**Loan Agreement**”) and evidenced by a Multifamily Note by Borrower to Lender (as supplemented or amended from time to time, the “**Note**”). The Loan is to be secured by a Multifamily Mortgage, Assignment of Leases and Rents, Security Agreement and Fixture Filing that will be recorded among the Official Records (as supplemented or amended from time to time, the “**Mortgage**”) (the Loan Agreement, the Note and the Mortgage, together with all other documents executed with respect to the Loan, are hereinafter collectively referred to as the “**Loan Documents**”).

NOW, THEREFORE, in consideration of the mutual benefits accruing to the parties hereto and other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Recitals. The foregoing Recitals are hereby incorporated into this Agreement as agreements among the parties.

2. Mortgage Subject to Development Agreement. The Lender hereby acknowledges that its interest in the Property pursuant to the Mortgage is, as a matter of law, subject to the terms of the Development Agreement.

3. Financing, Encumbrance and Transfer Approval. Governmental Entity hereby acknowledges (i) the transfer of the Property to the Borrower, (ii) the financing evidenced by the Mortgage, and (iii) the collateral assignment of that certain Tax Increment Revenue Note that Governmental Entity has made in favor of Borrower as successor in interest to F & C Ramsey (“**TIF Note**”), from Borrower to Lender. Governmental Entity acknowledges and agrees that the “Minimum Improvements” (as defined in the Development Agreement) have been substantially completed, as evidenced by the Certificate of Completion, and that as a result of such substantial completion the Development Agreement does not prohibit or restrict the “Developer,” as defined in the Development Agreement, or any of its successors and assigns, including, without limitation, Lender, if Lender forecloses the Mortgage or accepts a deed in lieu of foreclosure, from conveying the Property, assigning the Development Agreement or assigning the TIF Note.

4. Governmental Entity Notice of Default. Governmental Entity shall make best efforts to give Lender a concurrent copy of each material notice (including without limitation

each notice of default) given by Governmental Entity under or with respect to the Development Agreement; provided that Governmental Entity shall not be liable to Lender if Governmental Entity fails to provide Lender with such notice and Governmental Entity's failure to give such notice shall not prevent or impair, in any way, Governmental Entity's enforcement of its rights under the Development Agreement against Borrower. Governmental Entity agrees that prior to Lender's possession of the Property, Lender (at Lender's sole election) shall have the right (but not the obligation) to cure any default by Borrower under the Development Agreement on its and/or Borrower's behalf. Governmental Entity hereby represents that, to the best of its actual knowledge, but without investigation, there is no current default under the Development Agreement.

5. Governmental Entity's Rights. Nothing in this Agreement is intended to abridge or adversely affect any right or obligation of Borrower and/or Governmental Entity, respectively, under the Development Agreement; provided that, (A) the Development Agreement may not be modified, amended, changed or altered without the prior written consent of Lender so long as the Loan is secured by the Property and (B) for so long as the Loan is secured by the Property, notwithstanding the terms of the Development Agreement to the contrary, neither Borrower nor Governmental Entity will, without Lender's prior written consent, exercise or seek any right or remedy under the Development Agreement or available at law or in equity which will or could result in (i) a transfer of possession of the Property or the control, operations or management thereof, (ii) collection or possession of rents or revenues from or with respect to the Property by any party other than Borrower or Lender; (iii) appointment of a receiver for the Property; (iv) application of insurance or condemnation proceeds other than as approved by Lender pursuant to the Loan Documents; or (v) removal or replacement of the existing property manager of the Property; or (vi) a material adverse effect on Lender's security for the Loan. Notwithstanding the foregoing, Governmental Entity may, without Lender's prior consent, commence, prosecute and acquire a judgment in an action in Anoka County District Court against Borrower to recover damages that Governmental Entity suffers or incurs as a result of Borrower's default under the Development Agreement, and Governmental Entity may enforce any such judgment in any manner permitted under Minnesota law.

6. Foreclosure by Lender. In the event of foreclosure, deed in lieu of foreclosure, or similar disposition of the Property by Lender, no consent shall be required from Governmental Entity and Lender shall have no indemnification obligations to Governmental Entity for any period during which Lender does not own or is not in possession of the Property. Governmental Entity and Lender agree that the Development Agreement is superior to the Mortgage and further agree that neither the Development Agreement, the Assessment Agreement, as defined in the Development Agreement, nor the TIF Note will be extinguished or terminated in the event of foreclosure, deed in lieu of foreclosure, or similar disposition of the Property by Lender.

7. Entire Agreement. This Agreement represents the entire understanding and agreement between the parties hereto with regard to the subordination of the Mortgage to the Development Agreement, and shall supersede and cancel any prior agreements with regard to this subject matter.

8. Binding Provisions. The covenants and agreements contained in this Agreement shall be binding upon the heirs, personal representatives, successors and assigns of the respective parties to this Agreement.

9. Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Minnesota.

10. Modifications. This Agreement may not be modified orally or in any manner other than by an agreement in writing signed by the parties hereto or their respective successors in interest.

11. Notices. All notices required or permitted hereunder shall be deemed to have been received either (i) when delivered by hand and the party giving such notice has received a signed receipt thereof, or (ii) three (3) days following the date deposited in the United States mail, postage prepaid, by registered or certified mail, return receipt requested, addressed as follows (or addressed in such other manner as the party being notified shall have requested by written notice to the other party):

If to Governmental Entity:

City of Ramsey, Minnesota
Ramsey Municipal Center
7550 Sunwood Drive
Ramsey, MN 55303
Attention: City Administrator

If to Lender:

PNC Bank, National Association
26901 Agoura Road, Suite 200
Calabasas Hills, California 91301
Attention: Loan Servicing Manager

If to Borrower:

Residence at the COR Apartments LLC
9757 Juanita Drive, Suite 300
Kirkland, Washington 98034
Attention: Ben Katon

12. Further Instruments. Each of the parties hereto will, whenever and as often as they shall be requested to do so by the other, execute, acknowledge and deliver, or cause to be executed, acknowledged or delivered, any and all such further instruments and documents as may be reasonably necessary to carry out the intent and purpose of this Agreement, and to do any and all further acts reasonably necessary to carry out the intent and purpose of this Agreement.

13. Valid Authorization. Each person executing this Agreement on behalf of a party hereto represents and warrants that such person is duly and validly authorized to do so on behalf of such party with full right and authority to execute this Agreement and to bind such party with respect to all of its obligations hereunder.

14. Counterparts. This Agreement may be executed in counterparts each of which shall be deemed an original and all of which when taken together constitute one and the same instrument, binding on all of the parties. The signature of any party to any counterpart shall be deemed a signature to, and may be appended to, any other counterpart.

[The Parties Signatures Follow on Separate Pages]

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the day and year above written.

GOVERNMENTAL ENTITY:

THE CITY OF RAMSEY, MINNESOTA, a public body politic and corporate under the laws of the State of Minnesota

By: _____

Name: Sarah Strommen

Title: Mayor

By: _____

Name: Kurt Ulrich

Title: City Administrator

STATE OF MINNESOTA, ANOKA COUNTY:

The foregoing instrument was acknowledged before me on this ____ day of March, 2015 by Sarah Strommen and Kurt Ulrich, the Mayor and City Administrator of the City of Ramsey, Minnesota, a a home rule charter city organized and existing under the constitution and laws of the State of Minnesota .

Notary Public

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the day and year above written.

BORROWER:

**RESIDENCE AT THE COR APARTMENTS
LLC**, a Minnesota limited liability company

By:

W. Dean Weidner, as Trustee of the W. Dean
Weidner Living Trust Under Trust Agreement
Dated 10-23-98, as amended

Its: Sole Member

STATE OF WASHINGTON, KING COUNTY:

The foregoing instrument was acknowledged before me in the above-stated jurisdiction this ____ day of March, 2015 by W. Dean Weidner, as Trustee of the W. Dean Weidner Living Trust Under Trust Agreement Dated 10-23-98, as amended, who is Sole Member of Residence at the COR Apartments LLC, a Minnesota limited liability company, for and on behalf of the limited liability company.

Notary Public

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the day and year above written.

LENDER:

PNC BANK, NATIONAL ASSOCIATION, a national banking association

By:
Tara Suaya
Vice President

STATE OF _____, _____ County, ss:

The foregoing instrument was acknowledged before me in the above-stated jurisdiction this ____ day of _____, 2015 by Tara Suaya who is Vice President of PNC Bank, National Association, a national banking association, for and on behalf of the banking association.

Notary Public

EXHIBIT A

Legal Description

Lot 3, Block 1, COR ONE, according to the recorded plat thereof, Anoka County, Minnesota.

Being Registered land as is evidenced by Certificate of Title No. 121654.

PID: 28-32-25-31-0018

Together with appurtenant easement(s) for parking purposes contained in Document No. 508341.011, as amended by Document No. 519251.002.

Together with appurtenant easement(s) for access purposes contained in Document No. 508341.013.

Together with appurtenant easement(s) for encroachment purposes contained in Document No. 509830.001.

**EXHIBIT H
MAINTENANCE AGREEMENT**

SHARED MAINTENANCE AGREEMENT

THIS SHARED MAINTENANCE AGREEMENT (the “**Agreement**”), is made as of the ____ day of _____, 2015, by F&C Ramsey Apartments, LLC, an Indiana limited liability company (“**F&C**”), and the City of Ramsey, Minnesota, a public body politic and corporate under the laws of the State of Minnesota (“**City**”).

RECITALS:

1. F&C owns certain land and improvements located in Anoka County, Minnesota, which is more particularly described on **Exhibit A** attached hereto and made a part hereof (“**F&C’s Land**”), on which there is constructed a four story apartment building and related improvements (“**F&C’s Building**,” and together with F&C’s Land, “**F&C’s Real Estate**”);

2. City owns certain land and improvements located in Anoka County, Minnesota, which is more particularly described on **Exhibit B** attached hereto and made a part hereof (“**City’s Land**”), on which there is constructed a multilevel parking building (“**City’s Building**,” and together with City’s Land, “**City’s Real Estate**”);

3. F&C’s Building and City’s Building are located immediately adjacent to one another but the parties acknowledge that F&C’s Building does not provide support for City’s Building and City’s Building does not provide support for F&C’s Building. F&C’s Building and City’s Building (each, a “**Building**” and together the “**Buildings**”) share certain oversized footings for support (the “**Footings**”) and at the top of the common wall area F&C constructed certain improvements to prevent water, dirt and debris from going between the Buildings (the “**Wall Cap**”) (the Footings and Wall Cap together may be referred to as the “**Shared Improvements**”); and

4. F&C and City each desire to provide for the preservation and enhancement of their respective properties, and to provide for the maintenance, repair and reconstruction, if necessary, of the Shared Improvements.

NOW, THEREFORE, for good and valuable consideration, including the mutual promises and agreements herein contained, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. The use, maintenance, repair and reconstruction of the Shared Improvements shall be governed according to the following:

(a) F&C shall maintain, repair and/or reconstruct or cause to be maintained, repaired and/or reconstructed the Wall Cap, and City hereby grants to F&C and its agents and contractors such access to City’s Building and City’s Real Estate as may be reasonably necessary to perform such maintenance, repair and/or reconstruction.

(b) The cost and expense of the maintenance, repair and/or reconstruction described in Section 1(a) shall be shared equally by F&C and City. City will reimburse F&C within thirty (30) days following its receipt of an invoice and reasonable supporting documentation of such cost or expense.

(c) Either party may, at its sole cost and expense, take such actions as the party deems necessary to maintain, repair and/or reconstruct or cause to be maintained, repaired and/or reconstructed the Footings serving its Building..

(d) Any repairing or reconstruction of the Wall Cap shall be on the same location and of substantially the same size as Wall Cap being repaired replaced and of the same or similar material, of the same quality or better, as that used in the original Wall Cap or portion thereof.

(e) Notwithstanding subsection (a) above, if all or any portion of the Wall Cap is destroyed or damaged by fire or other cause that also damages one but not both of the Buildings, the owner of the damaged Building shall restore the affected Wall Cap at its sole cost and expense.

(f) Notwithstanding anything in the foregoing to the contrary, in the event all or any portion of the Wall Cap is damaged or destroyed by the default, negligence or intentional misconduct of one of the parties hereto or its agents, tenants, contractors, employees or invitees, such party shall, at its sole cost and expense, rebuild or repair the Wall Cap or portion thereof so that the Wall Cap after restoration shall be in substantially the same condition which existed prior to such damage or destruction.

2. In the event that any controversy arises between the parties hereto with respect to the necessity for or cost of maintenance, repairs and/or reconstruction or with respect to any other rights or liabilities of the parties to this Agreement, the prevailing party shall be entitled to be reimbursed by the non-prevailing party for the reasonable attorneys' fees incurred by the prevailing party.

3. This Agreement shall be governed by and subject to the Laws of the State of Minnesota. Any action, litigation or suit (a "**Proceeding**") arising out of or relating to this Agreement may be brought in the courts of Anoka County in the State of Minnesota, or, if it has or can acquire jurisdiction, in the United States District Court for the District of Minnesota, and each of the parties irrevocably submits to the exclusive jurisdiction of each such court in any such Proceeding, waives any objection it may now or hereafter have to venue or to convenience of forum, agrees that all claims in respect of the Proceeding shall be heard and determined only in any such court and agrees not to bring any Proceeding arising out of or relating to this Agreement in any other court.

4. This Agreement shall be recorded with the Registrar of Titles of Anoka County, Minnesota.

5. All notices, elections, requests and other communication hereunder shall be in writing and shall be deemed given; (i) when personally delivered, or (ii) the next business day after being deposited with a recognized overnight mail or courier delivery service, addressed as follows (or to such other person or at such other address, of which any party hereto shall have given written notice as provided herein).

If to F&C:

F&C Ramsey Apartments, LLC
c/o Flaherty & Collins Properties
c/o Cushman & Wakefield/NorthMarq
3500 American Blvd. West, Ste. 200
Bloomington, MN 55431
Attn: Lance Steiger

with a copy to: Barnes & Thornburg LLP
11 South Meridian Street
Indianapolis, Indiana 46204
Attn: David Durm, Esq.

If to City: City of Ramsey, Minnesota
Ramsey Municipal Center
7550 Sunwood Drive
Ramsey, MN 55404
Attn: City Administrator

with a copy to: Briggs and Morgan, PA
2200 IDS Center
80 South 8th Street
Minneapolis, MN 55402
Attention: Thomas L. Bray, Esq.

6. This Agreement may be executed in separate counterparts, each of which when so executed shall be an original, but all of such counterparts shall together constitute one and the same instrument.

7. This Agreement shall run with the land and shall be binding upon and inure to the benefit of F&C and City, and their respective successors and assigns, in title to F&C's Real Estate or Ramsey's Real Estate, as the case may be. F&C and City each represent that they have the authority to enter into this Agreement.

IN WITNESS WHEREOF, this Agreement has been executed as of the date first above written.

F&C RAMSEY APARTMENTS, LLC, an Indiana limited liability company

By: _____
David M. Flaherty, Managing Member

STATE OF _____)
)SS:
COUNTY OF _____)

Before me, the undersigned, a Notary Public in and for said County and State, personally appeared David M. Flaherty, Managing Member of F&C Ramsey Apartments, LLC, an Indiana limited liability company, who having been duly sworn upon his oath acknowledged the execution of the foregoing Party Wall Agreement for and on behalf of said entity.

Witness my hand and Notarial Seal this ____ day of _____, 2015.

My Commission Expires:

Notary Public Residing in _____ County,

(Printed Signature)

CITY OF RAMSEY, MINNESOTA

By: _____

Printed: _____, Its Mayor

By: _____

Printed: _____, Its City Administrator

STATE OF _____)
)SS:
COUNTY OF _____)

Before me, the undersigned, a Notary Public in and for said County and State, personally appeared _____ and _____, the Mayor and the City Administrator, respectively, of the City of Ramsey, Minnesota home charter City, who having been duly sworn upon their oaths acknowledged the execution of the foregoing Party Wall Agreement for and on behalf of said entity.

Witness my hand and Notarial Seal this _____ day of _____, 2015.

My Commission Expires:

Notary Public Residing in _____ County,

(Printed Signature)

This instrument prepared by David Durm, Attorney-at-Law
Barnes & Thornburg, LLP, 11 South Meridian Street, Indianapolis, Indiana 46204

EXHIBIT A

Lot 3, Block 1, COR ONE, according to the recorded plat thereof, Anoka County, Minnesota.

EXHIBIT B

Lot 2, Block 1, COR ONE, according to the recorded plat thereof, Anoka County, Minnesota.

INDS01 DDURM 1502147v2

**EXHIBIT I
ENCROACHMENT EASEMENT AMENDMENT**

AMENDED AND RESTATED GRANT OF ENCROACHMENT EASEMENT

This **AMENDED AND RESTATED GRANT OF ENCROACHMENT EASEMENT** (this “Grant of Easement”) is executed as of the ___ day of April, 2015 by the City of Ramsey, Minnesota, a charter city organized and existing under the constitution and laws of the State of Minnesota (the “Grantor”) and, as of the date hereof, amends, restates, supercedes and replaces that certain Grant of Encroachment Easement recorded in the office of the Anoka County Registrar of Titles on August 2, 2012 as Document No. 509830.001 (the “Original Easement”).

RECITALS

- A.** Grantor owns the real property located in Anoka County, Minnesota legally described on the attached **Exhibit A** (the “Burdened Property”), on which Grantor has constructed a municipal parking ramp.
- B.** F&C Ramsey Apartments, LLC, an Indiana limited liability company (the “Grantee”), owns real property located in Anoka County, Minnesota legally described on the attached **Exhibit B** (the “Benefited Property”) that is adjacent to the Burdened Property and on which Grantee has constructed a residential apartment building.
- C.** Grantee’s residential apartment building encroaches onto the Burdened Property. Grantor has therefore agreed to grant an easement for the encroachment to Grantee, subject to the terms set forth below.

In consideration of the foregoing, Grantor hereby declares:

GRANT OF EASEMENT

- 1. Easement.** Grantor hereby grants, for the benefit of Grantee and Grantee’s tenants, a perpetual, non-exclusive appurtenant easement over, under, and across that portion of the Burdened Property described on Exhibit C (the “Easement Area”). The easement is appurtenant to the Benefitted Property. The purpose of the easement is to give Grantee the right to use the Easement Area and the footings that Grantor constructed in the Easement Area for the use, maintenance, repair and replacement of a portion of the residential apartment building that Grantee has constructed on the Benefitted Property.
- 2. No Required Relocation of the Boundary Line.** Notwithstanding anything to the contrary in the Original Easement, Grantor and Grantee shall not be required to relocate the common lot line between the Burdened Property and the Benefitted Property.
- 3. Enforcement.** The Grantor and Grantee have the right to enforce the terms of this Grant of Easement in a legal or equitable action brought in a court of competent jurisdiction, and the prevailing party in any such action is entitled to recover from the opposing party the prevailing party’s attorney’s fees and costs. No waiver by either party of any default under this Grant of Easement shall be effective or binding upon such party unless made in writing. No waiver of any default shall be deemed a waiver of any other or subsequent default hereunder.

4. **Amendment or Termination.** No amendment, modification or termination of this Grant of Easement shall be effective unless made by written instrument signed by Grantor and Grantee or their respective successors and assigns.
5. **Run With Title.** The Easement and covenants described herein run with title to the Burdened and Benefited Properties and inure to the benefit of and are binding upon all owners of the Burdened and Benefited Properties, their heirs, personal representatives and successors in title.
6. **Non-Merger.** It is the intent of the Grantor that if, at any time, the Burdened Property and the Benefited Property come under common ownership, the Easement created herein shall not merge into any successor owner's ownership.
7. **Counterparts.** This Grant of Easement may be executed in separate counterparts, all of which may subsequently be assembled into one agreement for recording or other purposes.
8. **Headings.** The headings of sections in this Grant of Easement are for convenience only. They form no part of this Grant of Easement and shall not affect its interpretation. All schedules, exhibits, addenda or attachments referred to are incorporated and made a part of this Grant of Easement.
9. **Integration.** This Grant of Easement sets forth the entire agreement of the parties hereto with respect to the subject matter hereof and supersedes all prior negotiations, understandings and agreements, whether written or oral.
10. **Recording.** This Grant of Easement shall be recorded against the title to each of the properties.
11. **Governing Law.** This Grant of Easement shall be governed by and construed under the laws of the State of Minnesota.

(Remainder of page intentionally left blank; signature page follows)

EXHIBIT A

(Legal Description of Burdened Property)

Lot 2, Block 1, COR ONE, Anoka County, Minnesota.

EXHIBIT B

(Legal Description of Benefited Property)

Lot 3, Block 1, COR ONE, Anoka County, Minnesota

EXHIBIT C

(Legal Description of Easement)

The westerly 1.33 feet of Lot 2, Block 1, COR ONE, Anoka County, Minnesota.