

TAX INCREMENT FINANCING AGREEMENT

BY AND BETWEEN

CITY OF RAMSEY, MINNESOTA

AND

AFFINITY AT RAMSEY, LLC

This document drafted by:

BRIGGS AND MORGAN (MLI)
Professional Association
2200 IDS Center
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Minneapolis, Minnesota 55402

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TAX INCREMENT FINANCING AGREEMENT

THIS AGREEMENT, made as of the 27th day of July, 2018, by and between the City of Ramsey, Minnesota (the "City"), a home rule charter city organized and existing under the constitution and laws of the State of Minnesota and Affinity at Ramsey, LLC, a Washington limited liability company (the "Developer"). (The City and Developer are hereinafter collectively referred to as the "parties.")

WITNESSETH:

WHEREAS, pursuant to Minnesota Statutes, Section 469.124 to 469.133, the City has heretofore established Development District No. 1 (the "Development District") and has adopted a development program therefor (the "Development Program"); and

WHEREAS, pursuant to Minnesota Laws, 2010, Chapter 389, Article 7, Section 22, as amended by Minnesota Laws, 2011, Chapter 112, Article 11, Section 16 ("Special Legislation") and the provisions of Minnesota Statutes, Section 469.174 through 469.1794, as amended (hereinafter, the "Tax Increment Act"), the City has heretofore established, within the Development District, Tax Increment Financing District No. 14 (the "Tax Increment District") and has adopted a tax increment financing plan therefor (the "Tax Increment Plan") which provides for the use of tax increment financing in connection with certain development within the Development District; and

WHEREAS, the reimbursement by the City for costs of the acquisition of the Development Property and the construction of Site Improvements incurred by the Developer for a redevelopment project are objectives of the Development Program and Tax Increment Financing Plan; and

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

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

WHEREAS, the requirements of the Business Subsidy Law, Minnesota Statutes, Section 116J.993 through 116J.995, do not apply to this Agreement pursuant to an exemption for housing.

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

ARTICLE I

DEFINITIONS

Section 1.1. Definitions. All capitalized terms used and not otherwise defined herein shall have the following meanings unless a different meaning clearly appears from the context:

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

Assessment Agreement means the agreement, in substantially the form of the agreement contained in Exhibit D attached hereto and hereby made a part of this Agreement, among the Developer, the City and the Assessor for the County, entered into pursuant to Article III of this Agreement;

Assessor's Minimum Market Value means the agreed minimum market value of the Development Property and Project and for calculation of real property taxes as determined by the Assessor for the County pursuant to the Assessment Agreement;

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

City means the City of Ramsey, Minnesota, its successors and assigns;

City Development Agreement means, the Development Agreement for Affinity at Ramsey by and between the City and Affinity at Ramsey dated as of July 27, 2018, as the same may be from time to time modified;

County means Anoka County, Minnesota;

Developer means Affinity at Ramsey, LLC, a Washington limited liability company, its successors and assigns;

Development District means the real property included in Development District No. 1 heretofore established;

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

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

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

Note Payment Date means August 1, 2020, and each February 1 and August 1 of each year thereafter to and including February 1, 2040; provided, that if any such Note Payment Date should not be a Business Day, the Note Payment Date shall be the next succeeding Business Day;

Project means the construction of an approximately 174-unit senior rental housing project on the Development Property located in the City;

Public Improvements means the public improvements described in the City Development Agreement;

Site Improvements means the site improvements undertaken or to be undertaken on the Development Property, more particularly described on Exhibit C attached hereto;

Special Legislation means Minnesota Laws, 2010, Chapter 389, Article 7, Section 22, as amended by Minnesota Laws, 2011, Chapter 112, Article 11, Section 16;

State means the State of Minnesota,

Tax Increments means 90% of the tax increments derived from the Development Property as calculated by the City in its sole discretion and which have been received by the City in accordance with the provisions of Minnesota Statutes, Section 469.177;

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

Tax Increment District means Tax Increment Financing District No. 14 located within the Development District, a description of which is set forth in the Tax Increment Financing Plan, which was qualified as a redevelopment district under the Tax Increment Act;

Tax Increment Financing Plan means the tax increment financing plan approved for the Tax Increment District by the City Council on December 14, 2010, and any future amendments thereto;

Termination Date means the earlier of (i) February 1, 2040, (ii) the date the Reimbursement Amount as defined in Section 3.1 is paid in full, (iii) the date on which the Tax Increment District expires or is otherwise terminated, or (iv) the date this Agreement is terminated or rescinded in accordance with its terms; and

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

Unavoidable Delays means delays, outside the control of the party claiming its occurrence, which are the direct result of strikes, other labor troubles, unusually severe or prolonged bad weather, acts of God, fire or other casualty to the Project, litigation commenced by third parties which, by injunction or other similar judicial action or by the exercise of reasonable discretion, directly results in delays, or acts of any federal, state or local governmental unit (other than the City) which directly result in delays.

ARTICLE II

REPRESENTATIONS AND WARRANTIES

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

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

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

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

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

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

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

(1) The Developer is a Washington limited liability company and has the power and authority to enter into this Agreement and to perform its obligations hereunder and doing so will not violate its articles of organization, member control agreement or operating agreement, or the laws of the State and by proper action has authorized the execution and delivery of this Agreement.

(2) The Developer shall cause the Project to be constructed in accordance with the terms of this Agreement, the Development Program, the City Development Agreement, and all applicable local, state and federal laws and regulations (including, but not limited to, environmental, zoning, energy conservation, building code and public health laws and regulations).

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

(4) The Developer will use its best efforts to obtain, or cause to be obtained, in a timely manner, all required permits, licenses and approvals, and will meet, in a timely manner, all requirements of all applicable local, state, and federal laws and regulations which must be obtained or met before the Project may be lawfully constructed.

(5) Neither the execution and delivery of this Agreement, the consummation of the transactions contemplated hereby, nor the fulfillment of or compliance with the terms and conditions of this Agreement is prevented, limited by or conflicts with or results in a breach of, the terms, conditions or provision of any contractual restriction, evidence of indebtedness, agreement or instrument of whatever nature to which the Developer is now a party or by which it is bound, or constitutes a default under any of the foregoing.

(6) Construction shall begin by September 1, 2018 and the construction of the Project will be substantially completed by June 1, 2020, subject to Unavoidable Delays.

(7) The Developer acknowledges that Tax Increment projections contained in the Tax Increment Financing Plan are estimates only and the Developer acknowledges that it shall place no reliance on the amount of projected Tax Increments and the sufficiency of such Tax Increments to reimburse the Developer for a portion of the costs of the acquisition of the Development Property and the construction of the Site Improvements as provided in Article III.

ARTICLE III

UNDERTAKINGS BY DEVELOPER AND CITY

Section 3.1. Project. The parties agree that the acquisition of the Development Property and the installation of the Site Improvements are essential to the successful completion of the Project. The costs of the Project shall be paid by the Developer. The City shall reimburse the Developer for the actual costs of acquisition of the Development Property and the Site Improvements actually incurred and paid by the Developer in an amount as determined as follows: the amount to be reimbursed shall equal (a) 80% of the actual cost of the construction of the Public Improvements designated as Segment A-1 and Segment C-1 as described in the City Development Agreement; plus (b) 100% of the actual cost of the construction of the Public Improvements designated in Segment C-2 as described in the City Development Agreement; less (c) \$58,000 (the "Reimbursement Amount"), as further provided in Section 3.3.

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

Section 3.3. Reimbursement: TIF Note. The City shall reimburse the Developer the Reimbursement Amount through the issuance of the City's TIF Note in substantially the form attached to this Agreement as Exhibit B, subject to the following conditions:

(1) The TIF Note shall be dated, issued and delivered when (i) the Developer shall have demonstrated in writing to the reasonable satisfaction of the City that the construction of the Project and the Public Improvements have been completed; and (ii) that the Developer has incurred and paid all costs of acquisition of the Development Property and the construction of Site Improvements, as described in and limited by Section 3.1 and shall have submitted paid invoices for the costs of construction of the Site Improvements and a settlement statement or other evidence of payment of the costs of the Development Property in an amount not less than the Reimbursement Amount.

(2) The unpaid principal of the TIF Note shall bear simple non-compounding interest from the date of issuance of the TIF Note, at 4.50% per annum. Interest shall be computed on the basis of a 360 day year consisting of twelve (12) 30-day months.

(3) The principal amount of the TIF Note and the interest thereon shall be payable solely from the Tax Increments.

(4) On each Note Payment Date and subject to the provisions of the TIF Note, the City shall pay, against the principal and interest outstanding on the TIF Note, any Tax Increments received by the City during the preceding 6 months. All such payments shall be applied first to accrued interest and then to reduce the principal of the TIF Note.

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

interest on the TIF Note. If, on any TIF Note Payment Date, the Tax Increments for the payment of the accrued and unpaid interest on the TIF Note are insufficient for such purposes, the difference shall be carried forward, without interest accruing thereon, and shall be paid if and to the extent that on a future TIF Note Payment Date there are Tax Increments in excess of the amounts needed to pay the accrued interest then due on the TIF Note.

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

(7) The TIF Note shall be governed by and payable pursuant to the additional terms thereof, as set forth in Exhibit B. In the event of any conflict between the terms of the TIF Note and the terms of this Section 3.2, the terms of the TIF Note shall govern. The issuance of the TIF Note pursuant and subject to the terms of this Agreement, and the taking by the City of such additional actions as bond counsel for the TIF Note may require in connection therewith, are hereby authorized and approved by the City.

Section 3.4. Execution of Assessment Agreement. Simultaneously with the execution of this Agreement, the Developer and the City shall execute an Assessment Agreement pursuant to the provisions of Minnesota Statutes, Section 469.177, Subdivision 8, specifying the Assessor's Minimum Market Value for the Development Property and the Project for calculation of real property taxes. Specifically, the Developer shall agree to a market value for the Development Property and the Project which will result in a market value as of January 2, 2021 of not less than \$20,760,000 until December 31, 2039 (such minimum market value at the time applicable is herein referred to as the "Assessor's Minimum Market Value"). Nothing in the Assessment Agreement shall limit the discretion of the Assessor to assign a market value to the property in excess of such Assessor's Minimum Market Value. The Assessment Agreement shall remain in effect until the earlier of (i) December 31, 2039; or (ii) the date of termination of this Agreement. The Assessment Agreement shall be certified by the Assessor for the County as provided in Minnesota Statutes, Section 469.177, Subdivision 8, upon a finding by the Assessor that the Assessor's Minimum Market Value represents a reasonable estimate based upon the plans and specifications for the Project to be constructed on the Development Property and the market value previously assigned to the Development Property. Pursuant to Minnesota Statutes, Section 469.177, Subdivision 8, the Assessment Agreement shall be filed for record in the office of the county recorder or registrar of titles of the County, and such filing shall constitute notice to any subsequent encumbrancer or purchaser of the Development Property (or part thereof), whether voluntary or involuntary, and such Assessment Agreement shall be binding and enforceable in its entirety against any such subsequent purchaser or encumbrancer, including the holder of any mortgage recorded against the Development Property. At the request of the Developer following the Termination Date of this Agreement, the City shall record a Termination and/or Release of such Assessment Agreement in the office of the county recorder or registrar of titles of the County

Section 3.5. Real Property Taxes. Prior to the Termination Date, the Developer shall pay all real property taxes payable with respect to all and any parts of the Development Property

acquired and owned by it until the Developer's obligations have been assumed by any other person pursuant to the provisions of this Agreement.

The Developer agrees that prior to the Termination Date:

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

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

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

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

ARTICLE IV

EVENTS OF DEFAULT

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

(1) Failure by the Developer to timely pay any ad valorem real property taxes assessed and special assessments or other City charges with respect to the Development Property.

(2) Failure by the Developer to cause the construction of the Project to be completed pursuant to the terms, conditions and limitations of this Agreement and the City Development Agreement.

(3) Failure of the Developer to observe or perform any other covenant, condition, obligation or agreement on its part to be observed or performed under this Agreement and the City Development Agreement.

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

(5) If the Developer shall:

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

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

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

(d) be adjudicated a bankrupt or insolvent; or if a petition or answer proposing the adjudication of the Developer as bankrupt or its reorganization under any present or future federal bankruptcy act or any similar federal or state law shall be filed in any court and such petition or answer shall not be discharged or denied within sixty (60) days after the filing thereof; or a receiver, liquidator or trustee of the Developer, or of the Project, or part thereof, shall be appointed in any proceeding brought against the Developer, and shall not be discharged within sixty (60) days after such appointment, or if the Developer, shall consent to or acquiesce in such appointment.

Section 4.2. Remedies on Default. Whenever any Event of Default referred to in Section 4.1 occurs and is continuing, the City, as specified below, may take any one or more of the following actions after the giving of sixty (60) days' written notice to the Developer, but only if the Event of Default has not been cured within said sixty (60) days (or, if such Event of

Default cannot reasonably be cured by the Developer within sixty (60) days of receipt of such notice, and the Developer has provided assurances reasonably satisfactory to the City that such Event of Default will be cured as soon as reasonably possible, then only if the Event of Default has not been cured as soon as reasonably possible):

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

(2) The City may cancel and rescind the Agreement and the TIF Note.

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

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

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

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

Section 4.6. Indemnification of City.

(1) The Developer (a) releases the City and its governing body members, officers, agents, including the independent contractors, consultants and legal counsel, servants and employees (collectively, the "Indemnified Parties") from, (b) covenants and agrees that the Indemnified Parties shall not be liable for, and (c) agrees to indemnify and hold harmless the Indemnified Parties against, any claim, cause of action, suit or liability for loss or damage to property or any injury to or death of any person occurring at or about or resulting from any defect in the Project or on the Development Property.

(2) Except for any willful misrepresentation or any willful or wanton misconduct of the Indemnified Parties, the Developer agrees to protect and defend the Indemnified Parties, now and forever, and further agrees to hold the aforesaid harmless from any

claim, demand, suit, action or other proceeding whatsoever by any person or entity whatsoever arising or purportedly arising from the actions or inactions of the Developer (or if other persons acting on its behalf or under its direction or control) under this Agreement, or the transactions contemplated hereby or the acquisition, construction, installation, ownership, and operation of the Project; provided, that this indemnification shall not apply to the warranties made or obligations undertaken by the City in this Agreement or to any actions undertaken by the City which are not contemplated by this Agreement.

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

FOR REFERENCE ONLY; ALREADY APPROVED

ARTICLE V

INTENTIONALLY OMITTED

FOR REFERENCE ONLY; ALREADY APPROVED

ARTICLE VI

ADDITIONAL PROVISIONS

Section 6.1. Restrictions on Use. Until the Termination Date of this Agreement, the Developer agrees for itself, its successors and assigns and every successor in interest to the Development Property, or any part thereof, that the Developer and such successors and assigns shall operate, or cause to be operated, the Project as a senior rental housing project and shall devote the Development Property to, and in accordance with, the uses specified in this Agreement.

Section 6.2. Conflicts of Interest. No member of the governing body or other official of the City shall have any financial interest, direct or indirect, in this Agreement, the Development Property or the Project, or any contract, agreement or other transaction contemplated to occur or be undertaken thereunder or with respect thereto, nor shall any such member of the governing body or other official participate in any decision relating to the Agreement which affects his or her personal interests or the interests of any corporation, partnership or association in which he or she is directly or indirectly interested. No member, official or employee of the City shall be personally liable to the City in the event of any default or breach by the Developer or successor or on any obligations under the terms of this Agreement.

Section 6.3. Titles of Articles and Sections. Any titles of the several parts, articles and sections of the Agreement are inserted for convenience of reference only and shall be disregarded in construing or interpreting any of its provisions.

Section 6.4. Notices and Demands. Except as otherwise expressly provided in this Agreement, a notice, demand or other communication under this Agreement by any party to any other shall be sufficiently given or delivered if it is dispatched by registered or certified mail, postage prepaid, return receipt requested, or by a nationally recognized overnight courier (such as Federal Express or UPS), or delivered personally, and

- (1) in the case of the Developer is addressed to or delivered personally to:

Affinity at Ramsey, LLC
Attention: Scott Morris
120 West Cataldo Avenue, Suite 100
Spokane, WA 99201

with a copy to:

Robert Bauer
Dougherty, Molenda, Solfest, Hills & Bauer, PA
14985 Glazier Ave., #535
Apple Valley, MN 55124

(2) in the case of the City is addressed to or delivered personally to the City
at:

City of Ramsey, Minnesota
Attention: City Administrator
Ramsey City Hall
7550 Sunwood Drive NW
Ramsey, MN 55303

with a copy to:

Briggs and Morgan, P.A.
Attention: Mary Ippel
2200 IDS Center
80 South 8th Street
Minneapolis, MN 55402

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

Section 6.5. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall constitute one and the same instrument.

Section 6.6. Law Governing. This Agreement will be governed and construed in accordance with the laws of the State.

Section 6.7. Expiration. This Agreement shall expire on the Termination Date.

Section 6.8. Provisions Surviving Rescission or Expiration. Sections 4.5 and 4.6 shall survive any rescission, termination or expiration of this Agreement with respect to or arising out of any event, occurrence or circumstance existing prior to the date thereof.

Section 6.9. Assignability of Agreement. This Agreement may be assigned only with the consent of the City, which consent is not to be unreasonably withheld. The TIF Note may only be assigned pursuant to the terms of the TIF Note.

Section 6.10. Cooperation and Further Assurances. The parties shall reasonably cooperate with one another in order to fulfil and perform the transactions contemplated by this Agreement, and shall provide such further assurances to one another as shall be reasonable and appropriate under the circumstances.

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

CITY OF RAMSEY, MINNESOTA

By _____
Its Acting Mayor

By _____
Its City Administrator

This is a signature page to the Tax Increment Financing Agreement by and between the City of Ramsey, Minnesota and Affinity at Ramsey, LLC.

AFFINITY AT RAMSEY, LLC

By _____
Its _____

FOR REFERENCE ONLY; ALREADY APPROVED

This is a signature page to the Tax Increment Financing Agreement by and between the City of Ramsey, Minnesota and Affinity at Ramsey, LLC.

EXHIBIT A

Description of Development Property

Property located in the City of Ramsey, Anoka County, Minnesota with the following legal description:

Lot 1 Block 1 Affinity at the Cor

FOR REFERENCE ONLY; ALREADY APPROVED

EXHIBIT B

Form of TIF Note

No. R-1

\$ _____

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

TAX INCREMENT REVENUE NOTE
(AFFINITY AT RAMSEY, LLC 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 Affinity at Ramsey, LLC (the "Developer") or its registered assigns (the "Registered Owner"), but only in the manner, at the times, from the sources of revenue, and to the extent hereinafter provided.

The principal amount of this Note shall equal from time to time the principal amount stated above, as reduced to the extent that such principal installments shall have been paid in whole or in part pursuant to the terms hereof as provided in that certain Tax Increment Financing Agreement, dated as of _____ 1, 2018, as the same may be amended from time to time (the "TIF Agreement"), by and between the City and the Developer. The unpaid principal amount hereof shall bear interest from the date of this Note at the simple non-compounded rate of four and one-half percent (4.50%) 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, 2020, and on each February 1 and August 1 thereafter to and including February 1, 2040, or, if the first should not be a Business Day (as defined in the TIF Agreement), the next succeeding Business Day (the "Payment Dates"). On each Payment Date, subject to the provisions of Section 3.5 the City shall pay by check or draft mailed to the person that was the Registered Owner of this Note at the close of the last business day of the City preceding such Payment Date an amount equal to the sum of the Tax Increments (hereinafter defined) received by the City during the six month period preceding such Payment Date. All payments made by the City under this Note shall first be applied to accrued interest and then to principal.

The Payment Amounts due hereon shall be payable solely from 90% of tax increments (the "Tax Increments") from the Development Property (as defined in the TIF Agreement) within the City's Tax Increment Financing District No. 14 (the "Tax Increment District") within its Development District No. 1 which are paid to the City and which the City is entitled to retain pursuant to the provisions of Minnesota Statutes, Sections 469.174 through 469.1794, as the same may be amended or supplemented from time to time and also as expressly authorized by Minnesota Laws, 2010, Chapter 389, Article 7, Section 22, as amended by Minnesota Laws, 2011, Chapter 112, Article 11, Section 16 (the "Tax Increment Act"). This Note shall terminate

and be of no further force and effect following the last Payment Date defined above, on any date upon which the City shall have terminated the TIF Agreement under Section 4.2(2) thereof or the Developer shall have terminated the TIF Agreement under Article V thereof, on the date the Tax Increment District is terminated, or on the date that all principal payable hereunder shall have been paid in full, whichever occurs earliest.

The Tax Increment District includes properties other than the Development Property and Anoka County remits Tax Increment to the City on the basis of the Captured Tax Capacity of the entire Tax Increment District. For purposes of this Tax Increment Revenue Note, the City will determine Tax Increment generated from the Development Property and improvements thereon in its sole discretion.

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

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

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

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

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

This Note is subject to prepayment in immediately available funds on any date at the option of the City, in whole or in part and without penalty.

IT IS HEREBY CERTIFIED AND RECITED that all acts, conditions, and things required by the City Charter, 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 charter, constitutional or statutory limitation thereon.

IN WITNESS WHEREOF, City of Ramsey, Minnesota, by its City Council, has caused this Note to be executed by the manual signatures of its Acting Mayor and City Administrator and has caused this Note to be dated as of _____, 2018.

City Administrator

Acting Mayor

DO NOT EXECUTE UNTIL PAID INVOICES FOR LAND ACQUISITION AND SITE IMPROVEMENTS ARE GIVEN TO THE CITY - REFER TO SECTION 3.3(1).

CERTIFICATION OF REGISTRATION

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

<u>NAME AND ADDRESS OF REGISTERED OWNER</u>	<u>DATE OF REGISTRATION</u>	<u>SIGNATURE OF CITY ADMINISTRATOR</u>
Affinity at Ramsey, LLC 120 West Cataldo Avenue, Suite 100 Spokane, WA 99201		

FOR REFERENCE ONLY; ALREADY APPROVED

EXHIBIT C

Site Improvements

Landscaping, including irrigation

Foundations and Footings

Grading/earthwork

Engineering

Survey

Environmental Testing

Soil Borings

Site Preparation

Onsite Utilities

Storm Water/Ponding

Outdoor Lighting

Onsite Road, Curb, Gutter, Driveway, Sidewalk and Streetscape Improvements

Parking Facilities

FOR REFERENCE ONLY; ALREADY APPROVED

EXHIBIT D

Form of Assessment Agreement

THIS AGREEMENT, dated as of this ____ day of _____, 2018 (the "Agreement"), is by and among the City of Ramsey, Minnesota (the "City"), and Affinity at Ramsey, LLC, a Washington limited liability company (the "Developer"), and the Anoka County Assessor (the "Assessor").

WITNESSETH

WHEREAS, the City and the Developer have entered into a Tax Increment Financing Agreement dated as of _____, 2018 (the "TIF Agreement") regarding certain real property located in the City (the "Development Property") which property is legally described on Exhibit A attached hereto and made a part hereof.

WHEREAS, it is contemplated that pursuant to the TIF Agreement, the Developer will construct a Project on the Development Property as described in the Development Agreement.

WHEREAS, the City and Developer desire to establish a minimum market value for the Development Property and the improvements constructed or to be constructed thereon, pursuant to Minnesota Statutes, Section 469.177, Subdivision 8.

WHEREAS, the Developer has acquired the Development Property.

WHEREAS, the Assessor has reviewed the plans and specifications for the improvements and the market value previously assigned to the land upon which the improvements are to be constructed, and that the "minimum market value" as set forth below is reasonable.

NOW, THEREFORE, the parties to this Agreement, in consideration of the promises, covenants and agreements made by each to the other, do hereby agree as follows:

1. As of January 2, 2021 through and thereafter until the earlier of (i) December 31, 2039; or (ii) the Termination Date as defined in the TIF Agreement, the minimum market value which shall be assessed for the Project shall be not less than \$20,760,000.
2. The minimum market value herein established shall be of no further force and effect and this Agreement shall terminate on the earlier of: (i) December 31, 2039; or (ii) the Termination Date of the TIF Agreement.
3. This Agreement shall be recorded by the City with the County Recorder of Anoka County, Minnesota. The Developer shall pay all costs of recording. At the request of the Developer following the earlier of: (i) December 31, 2039; or (ii) the Termination Date of the TIF Agreement, the City shall record a Termination and/or Release of this Agreement with the County Recorder of Anoka County, Minnesota.

AFFINITY AT RAMSEY, LLC

By _____

STATE OF WASHINGTON)
) ss.
COUNTY OF SPOKANE)

The foregoing instrument was acknowledged before me this ____ day of _____, 2018, by _____, the _____ of Affinity at Ramsey, LLC, a Washington limited liability company, on behalf of said company.

Notary Public

Signature page for Assessment Agreement by and between the City of Ramsey, Minnesota, Affinity at Ramsey, LLC, and the Anoka County Assessor.

