

This instrument was drafted by:

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\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**SUBORDINATION AGREEMENT**

This Subordination Agreement (this "Agreement") is made and entered into effective as of [Month] [Date], 2022 by the **CITY OF RAMSEY, MINNESOTA** (the "City") for the benefit of **BANK OZK** (the "Lender"), and is acknowledged and consented to by Oppidan, Incorporated ("Oppidan").

**WHEREAS**, Ramsey Industrial Owner 1 LLC ("RIO 1"), is the owner of certain real property situated in Anoka County, Minnesota, and legally described in Exhibit A-1 attached hereto and incorporated herein (the "Ramsey 1 Property"), Ramsey Industrial Owner 2 LLC ("RIO 2"), is the owner of certain real property situated in Anoka County, Minnesota, and legally described in Exhibit A-2 attached hereto and incorporated herein (the "Ramsey 2 Property"), and Ramsey Industrial Owner 3 LLC ("RIO 3" and together with RIO 1 and RIO 2, collectively, "Owner") is the owner of certain real property situated in Anoka County, Minnesota, and legally described in Exhibit A-3 attached hereto and incorporated herein (the "Ramsey 3 Property", and together with Ramsey 1 Property and Ramsey 2 Property, collectively, the "Property");

**WHEREAS**, the City, Oppidan and Ramsey Industrial Owner LLC ("RIO"), as predecessor in interest to RIO 1, RIO 2 and RIO 3 with respect to the Property, are parties to a TIF Increment Financing (TIF) Agreement dated August 1, 2021, as affected by that certain Partial Assignment and Assumption of Tax Increment Financing Agreement (Bunker Lake 1) whereby RIO assigned its right, title and interest in and to the Tax Increment Financing Agreement regarding Lot 1, Block 1 and Outlot A of the Property to RIO 1, and that certain Partial Assignment and Assumption of Tax Increment Financing Agreement (Bunker Lake 2) whereby RIO assigned its right, title and interest in and to the Tax Increment Financing Agreement regarding Lot 2, Block 1 of the Property to RIO 2, and that certain Partial Assignment and Assumption of Tax Increment Financing Agreement (Bunker Lake 3) whereby RIO assigned its right, title and interest in and to the Tax Increment Financing Agreement regarding Lot 3, Block 1 of the Property to RIO 3 (collectively, the "TIF Agreement");

**WHEREAS**, in connection with the TIF Agreement, RIO, Oppidan, the Anoka County Assessor and the City executed that certain Assessment Agreement dated September 2, 2021 and recorded in the Anoka County Property Records (the "Official Records") as Document No. 2340709.001 (the "Assessment Agreement", and together with the TIF Agreement, the "Redevelopment Agreements"); and

**WHEREAS**, Section 3.3 of the TIF Agreement provides that the City shall, upon the completion of Phase 1 (as described therein) improvements, execute a certain TIF Note, in which it agrees to make certain reimbursement payments to Oppidan;

**WHEREAS**, Lender has agreed to make a loan to RIO 1 in the maximum aggregate principal amount of \$12,171,676.00 (the "RIO 1 Loan"), a loan to RIO 2 in the maximum aggregate principal amount of \$12,100,548.00 (the "RIO 2 Loan"), and a loan to RIO 3 in the maximum aggregate principal amount of \$9,358,516.00 (the "RIO 3 Loan", and together with

the RIO 1 Loan and the RIO 2 Loan, collectively, the "Loan"), pursuant to a Loan Agreement to be entered into by and among Lender, RIO 1, RIO 2, RIO 3 and certain affiliates of RIO 1, RIO 2 and RIO 3 named therein (the "Loan Agreement"). The Loan is evidenced and secured by the following documents:

- i. a certain Promissory Note (the "RIO 1 Note") made by RIO 1 in the amount of the RIO 1 Loan, a certain Promissory Note (the "RIO 2 Note") made by RIO 2 in the amount of the RIO 2 Loan, and a certain Promissory Note (the "RIO 3 Note", and together with the RIO 1 Note and the RIO 2 Note, collectively, the "Note") made by RIO 3 in the amount of the RIO 3 Loan, each to be dated of even date as the Loan Agreement; and
- ii. a certain Mortgage, Security Agreement and Fixture Financing Statement executed by RIO 1 to be dated of even date as the Loan Agreement, which Mortgage is to be recorded in the Official Records (the "RIO 1 Mortgage"), a certain Mortgage, Security Agreement and Fixture Financing Statement executed by RIO 2 to be dated of even date as the Loan Agreement, which Mortgage is to be recorded in the Official Records (the "RIO 2 Mortgage"), and a certain Mortgage, Assignment of Rents, Security Agreement and Fixture Financing Statement executed by RIO 3 to be dated of even date as the Loan Agreement, which Mortgage is to be recorded in the Official Records (the "RIO 3 Mortgage", and together with the RIO 1 Mortgage and the RIO 2 Mortgage, collectively, the "Mortgage").

The Loan Agreement, the Note, the Mortgage, and all other documents and instruments evidencing, securing and executed in connection with the Loan, are hereinafter collectively referenced to as the "Loan Documents."

**NOW, THEREFORE**, in consideration of the premises and as an inducement to Lender to make the Loan, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto represent, warrant and agree as follows:

1. Intentionally Blank.
2. Subordination. The City's rights under the TIF Agreement are hereby subordinated to the liens, rights and security interests created by the Loan Documents and to any and all amendments, modifications, extensions, replacements or renewals of the Loan Documents for all purposes and in all respects. Regardless of any priority otherwise available to the City by law or by agreement, Lender shall hold a first priority lien on the property encumbered by the Mortgage and any lien or interest claimed by the City shall be and remain fully subordinate for all purposes to the lien of the Mortgage. Notwithstanding the foregoing, the City shall have the right to exercise all of its rights and remedies under Article IV of the TIF Agreement and the Assessment Agreement. In the event Lender completes foreclosure, deed in lieu of foreclosure, or Lender or its designee or a third party purchaser at foreclosure sale or otherwise obtains title to any of the RIO 1 Property, the RIO 2 Property, or the RIO 3 Property, the City hereby agrees that the TIF Agreement shall automatically terminate in its entirety and be of no further force and effect, and none of Oppidan, RIO 1, RIO 2 or RIO 3 shall have any further obligations thereunder. Without limiting the foregoing, from and after such termination, the City shall have no further obligation to make payments under the TIF Note.
3. Term of Agreement. This Agreement shall be a continuing agreement, and shall remain in full force and effect with respect to the parties until such time as the Loan is paid in full.
4. Estoppel. The City hereby represents and warrants to Lender that all of the following are true as of the date of this Agreement:

- a. The City has not declared an Event of Default (as defined in the TIF Agreement) under the terms of the TIF Agreement as of the date hereof;
- b. The TIF Agreement is in full force and effect and has not been modified or amended;
- c. The City has not commenced any action or given notice for purpose of terminating the TIF Agreement, nor has the City received any such notice from Owner, Oppidan, or any of their affiliates;
- d. City agrees to provide Lender copy of any notice or demand sent to Owner or Oppidan with respect to a breach of or default under the TIF Agreement at the following address:

Bank OZK  
8300 Douglas Avenue  
Suite 900  
Dallas, Texas 75225  
Attn: Clifton Hill

with copies to:  
Bank OZK  
6<sup>th</sup> and Commercial  
P.O. Box 196  
Ozark, Arkansas 72949  
Attn: Regina Barker

5. No Assumption. The City acknowledges that Lender is not a party to the TIF Agreement and by accepting this Agreement does not become a party to the TIF Agreement, and specifically does not assume and shall not be bound by any obligations of Oppidan, RIO, RIO 1, RIO 2 or RIO 3 to the City under the TIF Agreement, and that Lender shall incur no obligations whatsoever to the City.

6. Successors. All rights and obligations arising out of this Agreement shall inure to the benefit of and be binding upon the respective successors and assigns of the parties hereto.

7. Governing Law. This Agreement is made in and shall be construed in accordance with the laws of the State of Minnesota.

8. Severability. The unenforceability or invalidity of any provisions hereof shall not render any other provision or provisions herein contained unenforceable or invalid.

**IN WITNESS WHEREOF**, the parties have executed this Subordination Agreement as of [Month] [Date], 2022.

[Signature page follows]





**EXHIBIT A-1**

**RIO 1 PROPERTY**

The real property and interests in such property located in the County of Anoka, State of Minnesota and described as follows:

Lot 1, Block 1, Amsterdam Extension Second Addition, Anoka County, Minnesota, and

Outlot A, Amsterdam Second Extension Addition, Anoka County, Minnesota.

**EXHIBIT A-2**

**RIO 2 PROPERTY**

The real property and interests in such property located in the County of Anoka, State of Minnesota and described as follows:

Lot 2, Block 1, Amsterdam Extension Second Addition, Anoka County, Minnesota

**EXHIBIT A-3**

**RIO 3 PROPERTY**

The real property and interests in such property located in the County of Carver, State of Minnesota and described as follows:

Lot 3, Block 1, Amsterdam Extension Second Addition, Anoka County, Minnesota.