

**CITY OF GRAND RAPIDS, MINNESOTA**

**RESOLUTION NO. \_\_\_\_\_**

**RESOLUTION APPROVING CERTAIN LENDER DOCUMENTS  
RELATED TO THE DOWNTOWN DEVELOPMENT PROJECT**

BE IT RESOLVED by the City Council (the “City Council”) of the City of Grand Rapids, Minnesota (the “City”) as follows:

Section 1. Recitals.

1.01. The City has executed a Purchase and Development Agreement (the “TIF Agreement”) between the City, the Grand Rapids Economic Development Authority, and Grand Rapids Apartments LLC, a Minnesota limited liability company, or an affiliate thereof or an entity related thereto (the “Developer”), pursuant to which the City agrees to provide to the Developer a Tax Increment Financing Note (Downtown Development Project) in the amount of up to \$1,328,254.00 (the “TIF Note”) to assist the Developer in financing the construction, improvement and equipping of an approximately 63-unit multifamily rental housing development (the “Project”) to be located at 225 NE 2<sup>nd</sup> Street in the City (the “Property”) to be owned and operated by the Developer.

1.02. To finance the Project, the Developer has received a loan from Magnifi Financial Credit Union, a Minnesota credit union (the “Lender”), in the approximate amount of \$8,400,000 (the “Loan”), and to secure the repayment of the Loan, the Developer will execute, among other documents (i) a certain Mortgage, Commercial Security Agreement, and Assignment of Rents, (ii) an Assignment of Deposit Account; and (iii) a Collateral Assignment of Interest in Tax Increment Revenue Note.

1.03. As a condition of giving the Developer the Loan, the Lender requires that the City execute a certain Consent to Assignment of Payments under Tax Increment Revenue Note by and between the City and the Lender (the “Consent to Assignment”), a form of which is presented to the City Council, pursuant to which the City acknowledges that the Developer has assigned certain of the Developer’s right, title and interest in and to the TIF Note and the TIF Agreement, as collateral for the TIF Note.

Section 2. Lender Documents Approved.

2.01. The City hereby approves the assignment of the TIF Note and the Consent to Assignment substantially in accordance with the terms set forth in the forms presented to the City Council, together with any related documents necessary in connection therewith, including without limitation all documents, exhibits, certifications or consents referenced in or attached to the Consent to Assignment and the TIF Assignment (collectively, the “Lender Documents”) and hereby authorizes the Mayor and the City Administrator to negotiate the final terms thereof and, in their discretion and at such time as they may deem appropriate, to execute the Lender Documents on behalf of the City, and to carry out, on behalf of the City, the City’s obligations thereunder when all conditions precedent thereto have been satisfied.

2.02. The approval hereby given to the Lender Documents includes approval of such additional details therein as may be necessary and appropriate and such modifications thereof, deletions therefrom and additions thereto as may be necessary and appropriate and approved by legal counsel to the City and by the officers authorized herein to execute said documents prior to their execution; and said officers are hereby authorized to approve said changes on behalf of the City. The execution of any instrument by the appropriate officers of the City herein authorized shall be conclusive evidence of the approval of such document in accordance with the terms hereof. This Resolution shall not constitute an offer and the Lender Documents shall

not be effective until the date of execution thereof as provided herein. In the event of absence or disability of the officers, any of the documents authorized by this Resolution to be executed may be executed without further act or authorization of the City Council by any duly designated acting official, or by such other officer or officers of the City Council as, in the opinion of the City Attorney, may act in their behalf.

2.03. Upon execution and delivery of the Lender Documents, the officers and employees of the City are hereby authorized and directed to take or cause to be taken such actions as may be necessary on behalf of the City to implement the Lender Documents.

Adopted on July 28, 2025 by the City Council of the City of Grand Rapids, Minnesota.

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Mayor

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City Clerk