Fourth Draft
Tuesday, August 17, 2021

CONTRACT FOR PRIVATE DEVELOPMENT

BETWEEN

HOUSING AND REDEVELOPMENT AUTHORITY IN AND FOR THE CITY OF MARSHALL, MINNESOTA,

THE CITY OF MARSHALL, MINNESOTA,

AND

L2A, LLC

This document drafted by:

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CONTRACT FOR PRIVATE DEVELOPMENT

THIS CONTRACT FOR PRIVATE DEVELOPMENT ("Agreement" or "Contract"), made as of the ____ day of _____, 2021, by and between the Housing and Redevelopment Authority in and for the City of Marshall, Minnesota, a public body, corporate and politic under the laws of the State of Minnesota (the "Authority"), the City of Marshall, Minnesota, a home rule city organized and existing under the Constitution and the laws of the State of Minnesota (the "City"), and L2A, LLC, a Minnesota limited liability company (the "Developer"),

WITNESSETH:

WHEREAS, the Authority was created pursuant to Minnesota Statutes, Sections 469.001 to 469.047, as amended (the "HRA Act") and was authorized to transact business and exercise its powers by a resolution of the City Council of the City of Marshall ("City"); and

WHEREAS, the Authority has undertaken a program to promote economic development and job opportunities and to promote the development of land which is underutilized within the City, and in this connection the Authority administers a housing project known as the Project Area No. 6 ("Project Area") located within the City and has adopted a project plan therefor (the "Project Plan"); and

WHEREAS, pursuant to the HRA Act, the Authority is authorized to undertake certain activities to facilitate the redevelopment of real property by private enterprise and promote the development of affordable housing within the City; and

WHEREAS, the Authority established Tax Increment Financing (Housing) District No. 6-1, a housing tax increment financing district (the "TIF District") within the Project Area, the legal description of which is attached hereto as **Exhibit A**, and has adopted a tax increment financing plan therefore approved by the City Council of the City on August 24, 2021 (the "TIF Plan"), all pursuant to Minnesota Statutes, Sections 469.174 to 469.1794, as amended (the "TIF Act"), which provides for the use of tax increment financing in connection with certain development within the Project Area and TIF District; and

WHEREAS, the Developer owns certain property in the City within the TIF District and proposes to construct thereon an approximately 48-unit multifamily affordable rental housing development and all related amenities and improvements, to be operated by the Developer (the "Project"); and

WHEREAS, the Developer has requested that the Authority use tax increment financing to assist the Developer with certain costs thereof in order to fill the gap between the Total Development Costs (as hereinafter defined) and the funds available to pay such costs;

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:

Administrative Costs shall have the meaning set forth in Section 3.4;

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

Affiliate means a corporation, partnership, joint venture, association, business trust or similar entity organized under the laws of the United States of America or a state thereof which is directly controlled by or under common control with the Developer or any other Affiliate. For purposes of this definition, control means the power to direct management and policies through the ownership of at least a majority of its voting securities, or the right to designate or elect at least a majority of the members of its governing body by contract or otherwise;

Architect means [_____], a [_____] as the architect for the Project;

Authority means the Housing and Redevelopment Authority in and for the City of Marshall, Minnesota;

Available Tax Increments means the Tax Increments received by the Authority less the amount of Tax Increments, if any, which the Authority must pay to the School District, the City, the County and the State pursuant to the TIF Act, including without limitation Minnesota Statutes, Sections 469.177, Subds. 9 and 11; 469.176, Subd. 4h; and 469.175, Subd. 1a, as the same may be amended from time to time;

Board means the Board of Commissioners of the Authority;

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;

Certificate of Completion means a Certificate of Completion with respect to the Project executed by the EDA pursuant to Section 3.8;

City means the City of Marshall, Minnesota;

Completion Date means the date on which the Authority executes the Certificate of Completion with respect to the Project pursuant to Section 3.8;

Construction Costs means the capital costs of the construction of the Project, including the costs of labor and materials; construction management and supervision expenses; insurance and payment or performance bond premiums; architectural and engineering fees and expenses;

property taxes; usual and customary fees or costs payable to the Authority, the City, or any other public body with regulatory authority over construction of the Project (e.g. building permits and inspection fees); the developer fee; and all other costs chargeable to the capital account of the Project under generally accepted accounting principles;

Construction Documents means the following documents, all of which shall be in form and substance acceptable to the Authority: (a) Evidence satisfactory to the Authority showing that the Project conforms to applicable zoning, subdivision and building code laws and ordinances, including a copy of the building permit for the Project; (b) A copy of the executed standard form of agreement between owner and architect for architectural services for the Project, if any, and (c) a copy of the executed general contractor's contract for the Project, if any;

Construction Plans means the plans, specifications, drawings and related documents for the construction of the Project which shall be as detailed as the plans, specifications, drawings and related documents which are submitted to the building inspector of the City;

County means Lyon County, Minnesota;

Design Drawings means the floor plans, renderings, elevations and material specifications for the Project to be prepared by the Architect;

Developer means L2A, LLC, a Minnesota limited liability company, and its authorized successors and assigns;

Development Property means the real property legally described in **Exhibit B** attached to this Agreement;

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

Final Payment Date means the earlier of (i) the date on which the entire principal of the TIF Note has been paid in full; or (ii) February 1, 2036; or (iii) or any earlier date this Agreement or the TIF Note is cancelled in accordance with the terms hereof or deemed paid in full; or (iv) the February 1 following the date the TIF District is terminated in accordance with the TIF Act;

Payment Date means August 1, 2024 and each February 1 and August 1 thereafter to and including the Final Payment Date; provided, that if any such Payment Date should not be a Business Day, the Payment Date shall be the next succeeding Business Day;

Pledged Tax Increments means for any six month period, 90% of the Available Tax Increments received by the Authority since the last Payment Date;

Project means the construction of an approximately 48-unit affordable multifamily rental housing development and all related amenities and improvements, to be completed, owned and operated by the Developer on the Development Property;

Project Area means Project Area No. 6, the real property located within the boundaries of the City.

Project Area Plan means the Project Area Plan for the Project Area approved and adopted by the Board of the Authority and the City Council of the City;

Public Development Costs means the public development costs of the Project identified on **Exhibit C** attached hereto and any other cost incurred by the Developer, or its assigns, that the Authority determines is eligible for reimbursement with Pledged Tax Increments;

Reimbursement Amount means the lesser of (i) $[460,000] or (ii) the Public Development Costs actually incurred and paid by the Developer;

School District means Independent School District 413 (Marshall Public Schools);

Site Plan means the site plan prepared for the Development Property;

State means the State of Minnesota;

Tax Increments means the tax increments derived from the TIF District and the improvements thereon which have been received and retained by the Authority in accordance with the provisions of Minnesota Statutes, Section 469.177;

Termination Date means the date the TIF District is terminated in accordance with the TIF Act;

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

TIF District means the Tax Increment Financing (Housing) District No. 6-1 consisting of the property legally described in **Exhibit A** attached hereto, which was established as a housing district under the TIF Act;

TIF Note means the Taxable Tax Increment Revenue Note (Suite Liv'n Housing Project) to be executed by the Authority and delivered to the Developer pursuant to Article III hereof, a form of which is attached hereto as **Exhibit D**;

TIF Plan means the tax increment financing plan approved for the TIF District;

Total Development Costs means the costs of the Project as set forth on **Exhibit E**; and

Unavoidable Delays means delays, outside the control of the party claiming their occurrence, which are the direct result of strikes, lockouts, other labor troubles, unusually severe or prolonged bad weather, acts of God, acts of war or terrorism, epidemics, pandemics, or similar disease outbreaks, 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 Authority) which directly result in delays, acts of the public enemy or acts of terrorism and discovery of unknown hazardous materials or other concealed site conditions or delays of contractors due to such discovery.

ARTICLE II

REPRESENTATIONS AND WARRANTIES

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

(1) The Authority is a body corporate and politic duly organized and existing under the laws of the State and has the power to enter into this Agreement and carry out its obligations hereunder.

(2) The TIF District is a "housing district" within the meaning of Minnesota Statutes, Section 469.174, Subdivision 11.

(3) The Authority has created, adopted and approved the TIF District and TIF Plan in accordance with the provisions of the TIF Act.

(4) The development contemplated by this Agreement is in conformance with the development objectives set forth in the Project Plan.

(5) The Authority has authorized, subject to the further provisions of this Agreement, the application of Tax Increments to reimburse the Developer for certain Public Development Costs incurred in connection with the Project as further provided in this Agreement.

(6) The Authority makes no representation or warranty, either express or implied, as to the Development Property or its condition, or that the Development Property shall be suitable for the Developer's purposes or needs.

(7) No member of the Board of the Authority or officer of the Authority has either a direct or indirect financial interest in this Agreement, nor will any Commissioner of the Authority or officer of the Authority benefit financially from this Agreement within the meaning of Minnesota Statutes, Sections 412.311 and 471.87.

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

(1) The City is a home rule city duly organized and existing under the laws of the State and has the power to enter into this Agreement and carry out its obligations hereunder.

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

(3) No Councilmember of the City or officer of the City has either a direct or indirect financial interest in this Agreement, nor will any Councilmember of the City or officer of the

City benefit financially from this Agreement within the meaning of Minnesota Statutes, Sections 412.311 and 471.87.

Section 2.3. Representations and Warranties of the Developer. The Developer makes the following representations and warranties:

(1) The Developer is a Minnesota limited liability company duly and validly organized and existing in good standing under the laws of the State, and has power and authority to enter into this Agreement and to perform its obligations hereunder and is not in violation of any provision of the laws of the State.

(2) The Developer has fee title to the Development Property, and will cause the Project to be constructed in accordance with the terms of this Agreement, the Project Area Plan, and all 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 Total Development Costs of the Project are estimated to be approximately $6,277,176, and the sources of revenue to pay such costs are approximately $5,817,176, excluding the tax increment assistance provided herein, and the Developer has been unable to obtain additional private financing for the Total Development Costs.

(4) 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.

(5) The Developer will 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 for the construction and operation of the Project.

(6) 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.

(7) The Developer understands that the Authority or the City may subsidize or encourage the development of other developments in the City, including properties that compete with the Development Property and the Project, and that such subsidies may be more favorable than the terms of this Agreement, and that neither the City nor the Authority has represented that development of the Development Property will be favored over the development of other properties.

(8) Subject to Unavoidable Delays, the construction of the Project will commence on or before June 1, 2022 and, barring Unavoidable Delays, the Project will be substantially completed by March 1, 2023. Notwithstanding the foregoing, failure of the Developer to

substantially complete or cause to be substantially completed the Project shall not be an Event of Default unless the Project is not substantially completed by March 31, 2023.

(9) The Developer's estimate of the Total Development Costs of the Project and sources of revenue to pay such costs are set forth on Exhibit C attached hereto.

(10) As of January 2, 2023, the estimated market value of the Development Property for taxes payable in 2024 is expected to be at least $3,320,900.

(11) The execution and delivery of this Agreement will not create a conflict of interest prohibited by Minnesota Statutes, Section 469.009, as amended.

ARTICLE III

UNDERTAKINGS BY DEVELOPER AND AUTHORITY

Section 3.1. Total Development Costs and Public Costs.

Based on the Developer's representation that the Total Development Costs are approximately $6,277,176, that the sources of revenue available to pay such costs, excluding the tax increment assistance contemplated herein, is $5,817,176, and that the Developer is unable to obtain additional private financing for the total estimated Total Development Costs, the Authority has agreed to provide tax increment financing subject to the terms and conditions as hereinafter set forth. The parties agree that the Public Development Costs to be incurred by the Developer are essential to the successful completion of the Project. The Developer anticipates that the Public Development Costs which are identified on Exhibit C attached hereto will be at least $[460,000]. The Public Development Costs shall be paid by the Developer, and the Authority shall reimburse the Developer for the Public Development Costs in the Reimbursement Amount solely through the issuance of the TIF Note.

Section 3.2. TIF Note.

(1) The TIF Note shall be dated as of its date of issuance and will be originally issued to the Developer in an aggregate principal amount equal to the Reimbursement Amount. The principal of the TIF Note shall be payable on a pay-as-you-go basis solely from the Pledged Tax Increments as provided below.

(2) The TIF Note shall be issued in substantially the form attached hereto as **Exhibit D** and only when: (A) the Developer shall have submitted written proof and other documentation as may be reasonably satisfactory to the Authority of the exact nature and amount of the Public Development Costs incurred by the Developer, together with such other information or documentation as may be reasonably necessary and satisfactory to the Authority to enable the Authority to substantiate the Developer's tax increment expenditures per **Exhibit C** and/or to comply with its tax increment reporting obligations to the Commissioner of Revenue, the Office of the State Auditor or other applicable official. The documentation shall include specific invoices for the particular work from the contractor or other provider and shall include paid invoices, copies of remittances and/or other suitable documentary proofs of the Developer's payment thereof; (B) the Developer shall have obtained from the City a certificate of occupancy for all residential units in the Project and a Certificate of Completion as provided in this Agreement; (C) the Developer shall have paid all of the Authority's Administrative Costs required to have been paid as of such date in accordance with Section 3.4 hereof; (D) the Developer has submitted a signed Acknowledgement Regarding the TIF Note as set forth in **Exhibit 2** attached to the form of the TIF Note attached hereto as **Exhibit D**; and (E) the Developer is in material compliance with each term or provision of this Agreement required to have been satisfied as of such date.

(3) No interest will accrue on the TIF Note. Principal on the TIF Note will be payable on each Payment Date; however, the sole source of funds required to be used for

payment of the Authority's obligations under this Section and correspondingly under the TIF Note shall be the Pledged Tax Increments received in the 6-month period preceding each Payment Date. The principal amount of TIF Note shall be the Reimbursement Amount. On each Payment Date the Pledged Tax Increment shall be applied to reduce the principal. All Tax Increments in excess of the Pledged Tax Increments necessary to pay the principal on the TIF Note are not subject to this Agreement, and the Authority retains full discretion as to any authorized application thereof. To the extent that the Pledged Tax Increments are insufficient through the Final Payment Date, to pay all amounts otherwise due on the TIF Note, said unpaid amounts shall then cease to be any debt or obligation of the Authority whatsoever.

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

(5) The Authority's obligation to make payments on the TIF Note on any Payment Date shall be conditioned upon the requirement that (A) there shall not at that time be an Event of Default that has occurred and is continuing under this Agreement that has not been cured during the applicable cure period, and (B) this Agreement shall not have been terminated pursuant to Section 4.2, and (C) all conditions set forth in Section 3.2(2) have been satisfied as of such date.

(6) The TIF Note shall be governed by and payable pursuant to the additional terms thereof, as set forth in **Exhibit D**. 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 is pursuant and subject to the terms of this Agreement.

Section 3.3. Income and Rent Restrictions. The Developer hereby represents, covenants and agrees as follows:

(1) The Project is intended for occupancy by persons or families of low and moderate income, as defined in chapter 462A, Title II of the National Housing Act of 1934, the National Housing Act of 1959, the United States Housing Act of 1937, as amended, Title V of the Housing Act of 1949, as amended, any other similar present or future federal, state or municipal legislation, or the regulations promulgated under any of those acts; and

(2) No more than 20% of the square footage of the buildings of the Project financed with the proceeds of the TIF Note will consist of commercial, retail or other non-residential uses; and

(3) Commencing on the date a certificate of occupancy is received from the City and continuing until the Termination Date (the "Qualified Project Period"), at least 40% of the housing units shall be occupied by or available for rent to persons whose income does not exceed 60% of the area-wide median family income for the standard metropolitan statistical area which includes the City, as that figure is determined and announced from time to time by HUD, as adjusted for family size ("Median Income"); and

(4) Alternatively, the Developer may elect to satisfy the foregoing affordability requirements by substituting "20% of the residential units" in place of "40% of the residential

units" in the preceding paragraph if, for such purposes, the term "Qualifying Tenants" means those persons and families who are determined from time to time by the Developer to have combined adjusted income that does not exceed 50% of the Median Income; and

(5) At least annually, the Developer shall provide a report to the Authority evidencing that the Developer complied with the income and rent restrictions set forth in this Section 3.3 during the preceding calendar year. The report shall include the compliance certificate set forth in **Exhibit F** (the "Compliance Certificate") and the income form entitled "Tenant Income Certification" set forth in Exhibit 1 to the Compliance Certificate. The Compliance Certificate shall be provided on or before February 1 of each year commencing on the February 1 following the issuance of a Certificate of Completion, and shall cover the preceding calendar year.

Section 3.4. Developer to Pay Authority's Fees and Expenses. The Developer will pay all of the Authority's reasonable Administrative Costs (as defined below) and must pay such costs to the Authority within 30 days after receipt of a written invoice from the Authority describing the amount and nature of the costs to be reimbursed. For the purposes of this Agreement, the term "Administrative Costs" means out of pocket costs incurred by the Authority together with staff and consultant (including reasonable legal, financial advisor, etc.) costs of the Authority, all attributable to or incurred in connection with the establishment of the TIF District and the TIF Plan and review, negotiation and preparation of this Agreement (together with any other agreements entered into between the parties hereto contemporaneously therewith) and review and approvals of other documents and agreements in connection with the Project. In addition, certain engineering, environmental advisor, legal, land use, zoning, subdivision and other costs related to the development of the Development Property are required to be paid, or additional funds deposited in escrow, in accordance with the City's planning, zoning, and building fee schedules. The parties agree and understand that Developer deposited with the Authority $8,500 toward payment of the Authority's Administrative Costs. If such costs exceed such amount, then at any time, but not more often than monthly, the Authority will deliver written notice to Developer setting forth any additional fees and expenses, together with suitable billings, receipts or other evidence of the amount and nature of the fees and expenses, and Developer agrees to pay all fees and expenses within 30 days of Authority's written request. Any unused amount of such deposit shall be returned to the Developer.

Section 3.5. Compliance with Environmental Requirements.

(1) The Developer shall comply with all applicable local, state, and federal environmental laws and regulations, and will obtain, and maintain compliance under, any and all necessary environmental permits, licenses, approvals or reviews.

(2) The Authority and the City make no warranties or representations regarding, nor do the Authority or the City indemnify the Developer with respect to, the existence or nonexistence on or in the vicinity of the Development Property or anywhere within the TIF District of any toxic or hazardous substances or wastes, pollutants or contaminants (including, without limitation, asbestos, urea formaldehyde, the group of organic compounds known as polychlorinated biphenyls, petroleum products including gasoline, fuel oil, crude oil and various constituents of such products, or any hazardous substance as defined in the Comprehensive

Environmental Response, Compensation and Liability Act of 1980 ("CERCLA"), 42 U.S.C. §§ 961-9657, as amended) (collectively, the "Hazardous Substances").

(3) The Developer agrees to take all necessary action to remove or remediate any Hazardous Substances located on the Development Property to the extent required by and in accordance with all applicable local, state and federal environmental laws and regulations.

Section 3.6. Construction Plans.

(1) Prior to the commencement of construction of the Project, the Developer will deliver to the Authority the Construction Plans, Construction Documents and a sworn construction cost statement certified by the Developer and the General Contractor (the "Sworn Construction Cost Statement") all in form and substance acceptable to the Authority. The Construction Plans for the Project shall be consistent with the Project Plan, this Agreement, and all applicable State and local laws and regulations and the Site Plan and Design Drawings previously submitted to the Authority. The City 's building official and the Executive Director of the Authority, on behalf of the Authority shall promptly review any Construction Plans upon submission and deliver to the Developer a written statement approving the Construction Plans or a written statement rejecting the Construction Plans and specifying the deficiencies in the Construction Plans. The City's building official and the Executive Director of the Authority on behalf of the Authority shall approve the Construction Plans if: (i) the Construction Plans substantially conform to the terms and conditions of this Agreement; (ii) the Construction Plans are consistent with the goals and objectives of the Project Plan; (iii) the Construction Plans comply with the Site Plan and Design Drawings; and (iv) the Construction Plans do not violate any applicable federal, State or local laws, ordinances, rules or regulations. If the Construction Plans are not approved by the Authority, then the Developer shall make such changes as the Authority may reasonably require and resubmit the Construction Plans to the Authority for approval, which will not be unreasonably withheld, unreasonably conditioned or unreasonably delayed. The Authority acknowledges that upon execution of this Agreement the Developer will have submitted Construction Plans sufficient to obtain a grading permit for the Project.

(2) The approval of the Construction Plans, or any proposed amendment to the Construction Plans, by the Authority does not constitute a representation or warranty by the Authority that the Construction Plans or the Project comply with any applicable building code, health or safety regulation, zoning regulation, environmental law or other law or regulation, or that the Project will meet the qualifications for issuance of a certificate of occupancy, or that the Project will meet the requirements of the Developer or any other users of the Project. Approval of the Construction Plans, or any proposed amendment to the Construction Plans, by the Authority will not constitute a waiver of an Event of Default. Nothing in this Agreement shall be construed to relieve the Developer of its obligations to receive any required approval of the Construction Plans from any City department.

Section 3.7. Commencement and Completion of Construction. Subject to the terms and conditions of this Agreement and to Unavoidable Delays, the Developer will commence construction of the Project by June 1, 2022 and shall substantially complete the Project by March 1, 2023. Notwithstanding the foregoing, failure of the Developer to commence construction or substantially complete the Project shall not be an Event of Default hereunder unless the

Developer fails to obtain a certificate of occupancy for the Project by [_____, 2023]. The Project will be constructed by the Developer on the Development Property in conformity with the Construction Plans approved by the Authority. No changes shall be made to the Construction Plans for the Project without the Authority's prior written approval, unless the aggregate of such changes do not increase or decrease the Total Development Costs by more than 10%. No changes which materially alter (a) the Project's site plan, (b) exterior appearance, (c) construction quality, or exterior materials included in the Preliminary Plans, final Design Drawings and Construction Plans shall be made without the Authority's prior written consent. The approval of the Authority will not be unreasonably withheld, conditioned or delayed. Prior to completion, upon the request of the Authority, and subject to applicable safety rules, the Developer will provide the Authority reasonable access to the Development Property. "Reasonable access" means at least one site inspection per week during regular business hours. During construction, marketing and rentals of the Project, the Developer will deliver progress reports to the Authority from time to time as reasonably requested by the Authority.

Section 3.8. Certificate of Completion. The Developer shall notify the Authority when construction of the Project has been substantially completed. The Authority shall, within 20 days after such notification, inspect the Project in order to determine whether the Project has been constructed in substantial conformity with the approved Construction Plans. If the Authority determines that the Project has not been constructed in substantial conformity with the approved Construction Plans, the Authority shall deliver a written statement to the Developer indicating in adequate detail the specific respects in which the Project has not been constructed in substantial conformity with the approved Construction Plans and Developer shall have a reasonable period of time to remedy such deficiencies. The Authority shall re-inspect the Project within a reasonable period of time after receiving notice that such deficiencies have been remedied in order to determine whether the Project has been constructed in substantial conformity with the approved Construction Plans and this Agreement. Within a reasonable period of time after determining that the Project has been constructed in substantial conformity with the approved Construction Plans, the Authority will furnish to the Developer a Certificate of Completion substantially in the form attached hereto as **Exhibit E** certifying the completion of the Project. The Certificate of Completion issued for the Project shall conclusively satisfy and terminate the agreements and covenants of the Developer in this Agreement solely with respect to construction of the Project. The issuance of a Certificate of Completion under this Agreement shall not be construed to relieve the Developer of any approval required by any City department in connection with the construction, completion or occupancy of the Project nor shall it relieve the Developer of any other obligations under this Agreement.

Section 3.9. Additional Responsibilities of the Developer.

(1) The Developer will construct, operate and maintain, or cause to be operated and maintained, the Project in accordance with the terms of this Agreement, the Project Plan and all local, State, and federal laws and regulations including, but not limited to zoning, building code, public health laws and regulations, except for approved variances necessary to construct the Project contemplated in the Construction Plans approved by the Authority.

(2) The Developer will 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.

(3) The Developer will not construct any building or other structures on, over, or within the boundary lines of any public utility easement unless such construction is provided for in such easement or has been approved by the utility involved.

(4) The Developer, at its own expense, will replace, or cause to be replaced, any public facilities and public utilities damaged during the construction of the Project, in accordance with the technical specifications, standards and practices of the owner thereof.

(5) The Developer will comply with all applicable local, state and federal environmental laws and regulations, as they relate to the Project.

(6) The Developer will provide and maintain or cause to be maintained at all times and, from time to time at the request of the Authority, furnish the Authority with proof of payment of premiums on insurance of amounts and coverages normally held by owners of property similar to the Project.

Section 3.10. Encumbrance of the Development Property. Until the Final Payment Date, without the prior written consent of the Authority, neither the Developer nor any successor in interest to the Developer will engage in any financing or any other transaction creating any mortgage or other encumbrance or lien upon the Development Property, or portion thereof, whether by express agreement or operation of law, or suffer any encumbrance or lien to be made on or attach to the Development Property except for the purpose of obtaining funds only to the extent necessary for financing or refinancing the acquisition and construction of the Project (including, but not limited to, land and building acquisition, labor and materials, professional fees, development fees, real estate taxes, reasonably required reserves, construction interest, organization and other direct and indirect costs of development and financing, costs of constructing the Project, and an allowance for contingencies) including without limitation regulatory agreements and land use restriction agreements in connection with such financings; provided, however, this provision shall not be considered a waiver of the requirements of Section 5.3 with respect to any Transfer of the TIF Note in connection with any such financing or refinancing nor shall anything contained in this Section prohibit the Developer from making transfers in accordance with Section 5.3.

Section 3.11. Business Subsidy Act. The subsidy granted to the Developer pursuant to this Agreement is assistance for housing and therefore the provisions of Minnesota Statutes, Section 116J.993 to 116J.995 do not apply. No portion of the tax increment assistance shall be used to construct any commercial space.

Section 3.12. Right to Collect Delinquent Taxes. The Developer acknowledges that the Authority and the City are providing substantial aid and assistance in furtherance of the Project through reimbursement of Public Development Costs. To that end, the Developer agrees for itself, its successors and assigns, that in addition to the obligation pursuant to statute to pay real estate taxes, it is also obligated by reason of this Agreement, to pay before delinquency all real estate taxes assessed against the Development Property and the Project. The Developer

acknowledges that this obligation creates a contractual right on behalf of the Authority and the City through the Termination Date to sue the Developer or its successors and assigns, to collect delinquent real estate taxes related to the Development Property and any penalty or interest thereon and to pay over the same as a tax payment to the county auditor. In any such suit in which the Authority or the City is the prevailing party, the Authority and the City, respectively, shall also be entitled to recover its costs, expenses and reasonable attorney fees.

Section 3.13. Review of Taxes. (a) The Developer agrees that prior to the Termination Date it will not cause a reduction in the real property taxes paid in respect of the Development Property through: (i) willful destruction of the Development Property or any part thereof; or (ii) willful refusal to reconstruct damaged or destroyed property. The Developer also agrees that it will not, prior to the Termination Date, apply for an exemption from or a deferral of property tax on the Development Property pursuant to any law, or transfer or permit transfer of the Development Property to any entity whose ownership or operation of the property would result in the Development Property being exempt from real property taxes under State law; provided, however, the Developer may apply for and obtain designation of the Development Property as low-income rental property classified as "4d" under Minn. Stat. 273.13, subdivision 25 ("4d Classification").

(b) Other than 4d Classification, the Developer shall notify the Authority within 10 days of filing any petition to seek reduction in market value or property taxes on any portion of the Development Property under any State law (referred to as a "Tax Appeal"). If as of any Payment Date, any Tax Appeal is then pending, the Authority will continue to make payments on the TIF Note but only to the extent that the Available Tax Increment relates to property taxes paid with respect to the market value of the Development Property not being challenged as part of the Tax Appeal as determined by the Authority in its sole discretion and the Authority will withhold the Available Tax Increment related to property taxes paid with respect to the market value of the Development Property being challenged as part of the Tax Appeal as determined by the Authority in its sole discretion. The Authority will apply any withheld amount to the extent not reduced as a result of the Tax Appeal promptly after the Tax Appeal is fully resolved and the amount of Available Tax Increment, as applicable, attributable to the disputed tax payments is finalized.

(c) From January 2, 2023 to the Termination Date, the Developer agrees it will not seek reduction in the assessed market value of the Development Property for property tax purposes below $3,320,900. If the Development Property qualifies for 4d Classification and Minn. Stat. 273.13, subdivision 25 or any applicable successor statute is amended to reduce the 4d Classification tax rate, the Developer acknowledges that the amount of Tax Increments may be negatively impacted.

Section 3.14. Rental License. The Developer shall obtain a rental license from the City for the Project prior to occupancy. The Developer shall renew and maintain its rental license for the Project with the City each year in accordance with the City Code and City ordinances, and City requirements and procedures.

Section 3.15. Project Rents. The Developer covenants and agrees that during the Qualified Project Period it will not increase the rent charged to any tenant of a rental unit within

the Project during such tenant's lease term and, at any rate, will not increase the rent charged to any tenant more than once in any 6-month period.

Section 3.16. Developer Maintenance. (a) In addition to the Development Property, the Developer owns or manages other multifamily rental housing facilities in the City, located at 1300 Birch Street, 1305 Birch Street, 400 Village Drive, 402 Village Drive, 406 Village Drive, 407 Village Drive, 409 Village Drive, 501 Village Drive, 505 Village Drive, 513 Village Drive, 515 Village Drive and 517 Village Drive (collectively, the "Management Properties"). The Developer shall maintain the Development Property and the Management Properties (collectively, the "Properties") and the abutting grounds, sidewalks, roads, parking and landscaped areas in good repair and in a safe, clean and orderly condition. Maintenance shall include, at the Developer's own cost and expense: (i) periodic removal of all papers, debris, dirt, filth, and refuse to the extent necessary to keep the Properties clean and in an orderly condition; (ii) mowing grass and controlling weeds on the Properties; (iii) removing all snow and ice from the sidewalks and parking lots on the Properties; and (iv) spreading sand and salt to control ice on the sidewalks and parking lots on the Properties. The Developer shall provide for removal of snowfall from the surface lot within a reasonable period not to exceed 24 hours.

(b) The Authority and the City may periodically inspect the Properties and the abutting grounds, sidewalks, roads, parking and landscaped areas. If the Properties and surrounding areas are not maintained as required by Section 3.16(a), the staff of the Authority or the City shall provide written notice to the Developer of any such violation.

(c) If the Developer fails to perform any of its maintenance obligations under this Section 3.16, and fails to cure such default after 30 days' written notice of such default or, if such default cannot reasonably be cured within such 30 days, fails to commence curative action and thereafter diligently complete the same, then in such case, the City may cure such default on behalf of the Developer and the Developer consents to pay to the City all commercially reasonable sums as are due and owing on account thereof. Notwithstanding the foregoing and Section 4.2 hereof, the City may remove, or cause to be removed, snow and ice without advance notice should Developer fail to remove snow and ice from the sidewalks and parking lots on the Properties following a snowfall event of greater than [__] inches within 24 hours. The City shall submit a written statement to the Developer evidencing the costs incurred to cure such default. If the Developer has failed to make payment in accordance with the statement within 60 days after receipt thereof, the City shall have the right to assess the costs incurred by the City as to all or any portion of the Properties as a service charge pursuant to Minnesota Statutes, Section 429.101, or any successor statute.

(d) Upon receipt of written notice to the Developer of any failure to meet its obligations under Section 3.16, the Developer shall immediately engage in discussions with Authority and City staff to address maintenance issues. If following such discussions additional violations of Section 3.16 continue, the Developer and Authority and City staff shall engage in additional discussions to develop a mutually agreeable maintenance plan to address and resolve any ongoing or recurring violations of Section 3.16.

(e) Annually, commencing on or about [_____, 20__], the Developer shall attend a meeting with Authority and City staff to discuss maintenance of the Properties. The Developer

shall attend this meeting with at least one principal owner and local property management individual. Prior to such annual meeting, the Developer shall provide a report to the Authority and the City setting forth the maintenance obligations with respect to each of the Properties set forth in this Section 3.16 during the preceding calendar year. The report shall include the certificate set forth in **Exhibit G** (the "Property Maintenance Certificate"). The Developer shall deliver the Property Maintenance Certificate no later than [two weeks] prior to the annual meeting.

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 with respect to the Development Property.

(2) Subject to Unavoidable Delays, failure by the Developer to commence construction of the Project by June 1, 2022, and to proceed with due diligence to substantially complete the construction of the Project pursuant to the terms, conditions and limitations of this Agreement and obtain a certificate of occupancy from the City by March 31, 2023.

(3) Failure of the Developer to observe or perform its obligation to maintain the Properties, as set forth in Section 3.16 hereof.

(4) Failure of the Developer to observe or perform any other material covenant, condition, obligation or agreement on its part to be observed or performed under this Agreement, including, without limitation, compliance with the requirements set forth in Section 3.3 hereof.

(5) If, prior to the Completion Date, 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) be adjudicated as 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 90 days after the filing thereof; or a receiver, trustee or liquidator 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 90 days after such appointment, or if the Developer, shall consent to or acquiesce in such appointment.

Notwithstanding anything to the contrary set forth in this Agreement the lenders providing construction or permanent financing for the Project and any member of the Developer shall have the right, but not the obligation, to cure an Event of Default during the cure period provided for the Developer.

Section 4.2. Remedies on Default. Whenever any Event of Default referred to in Section 4.1 occurs and is continuing, the Authority, as specified below, may take any one or more of the following actions after the giving of 30 days' written notice to the Developer, but

only if the Event of Default has not been cured within said 30 days; provided that if such Event of Default cannot be reasonably cured within the 30 day period, and the Developer has provided assurances reasonably satisfactory to the Authority that it is proceeding with due diligence to cure such default, such 30 day cure period shall be extended for a period deemed reasonably necessary by the Authority to effect the cure, but in any event not to exceed 180 days:

(1) The Authority may suspend its performance under this Agreement and the TIF Note until such default is cured or the Authority determines that it has received assurances from the Developer, deemed reasonably adequate by the Authority, that the Developer will cure its default and continue its performance under this Agreement.

(2) The Authority may terminate this Agreement and/or cancel the TIF Note.

(3) The Authority 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 Authority 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. Indemnification of Authority and City.

(1) The Developer releases from and covenants and agrees that the Authority and the City, and their governing bodies' members, officers, agents, including the independent contractors, consultants and legal counsel, servants and employees thereof (for purposes of this Section, collectively the "Indemnified Parties") shall not be liable for and agrees to indemnify and hold harmless the Indemnified Parties against any 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 any other loss, cost expense, or penalty, except to the extent caused by any willful misrepresentation or any willful or wanton misconduct of the Indemnified Parties.

(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 Indemnified Parties 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; including, without limitation, any pecuniary loss or penalty (including interest thereon at the rate of 5% per annum from the date such loss is incurred or penalty is paid by the Authority or the City) as a result of the Project failing to cause the TIF District to qualify as a "housing district" under Section 469.174, Subdivision 11, of the Act, or to violate limitations as to the use of Tax Increments as set forth in Section 469.176, subd. 4d.

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

Section 4.6. Reimbursement of Attorneys' Fees. If the Developer shall default under any of the provisions of this Agreement, and the Authority or the City shall employ attorneys or incur other reasonable expenses for the collection of payments due hereunder, or for the enforcement of performance or observance of any obligation or agreement on the part of the Developer contained in this Agreement, the Developer shall within 30 days reimburse the Authority and the City for the reasonable fees of such attorneys and such other reasonable expenses so incurred.

ARTICLE V

ADDITIONAL PROVISIONS

Section 5.1. Restrictions on Use. 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 in accordance with this Agreement and as an affordable rental housing development in accordance with this Agreement until the Termination Date.

Section 5.2. Reports. The Developer shall provide the Authority reports in a timely manner with such information about the Project as the Authority may reasonably request for purposes of satisfying any reporting requirements imposed by law on the Authority.

Section 5.3. Limitations on Transfer and Assignment.

(1) Except only as security for, and only for the purpose of obtaining mortgage financing necessary or beneficial to enable the Developer or any successor in interest to the Development Property, or any part thereof, to perform its obligations under this Agreement to acquire, construct and improve the Project, and any refinancings of such mortgages, or as provided in Section 5.3(5), and subject to Section 5.3(6), the Developer will not sell, assign, convey, lease or transfer in any other mode or manner (collectively, "Transfer") this Agreement, the TIF Note, or the Development Property or the Project, or any interest therein, without the express written approval of the Authority, which consent will not be unreasonably withheld, conditioned or delayed. The Authority shall, within 20 days after such a written request for approval of a Transfer, deliver a written statement to the Developer indicating whether the Transfer is approved or specifying the additional conditions to be satisfied in accordance with Section 5.3(4). The provisions of this Section 5.3 apply to all subsequent Transfers by authorized transferees;

(2) The Authority shall be entitled to require that there shall be submitted to the Authority for review all instruments and other legal documents involved in effecting any Transfer, and as a condition to any approval of any Transfer of the Project or this Agreement, except as set forth in Section 5.3(1), such instruments and other legal documents shall be subject to prior written approval by the Authority (which approval shall not be unreasonably withheld, conditioned, or delayed);

(3) Except as set forth in Section 5.3(1), the Authority shall be entitled to require, as conditions to any approval of any Transfer of this Agreement, the Development Property, the Project, or applicable portion thereof, or the TIF Note in connection therewith, which approval will not be unreasonably withheld, conditioned or delayed, that:

(a) Any proposed transferee shall have the qualifications and financial responsibility, as determined by the Authority, necessary and adequate to fulfill the obligations undertaken in this Agreement by the Developer;

(b) Any proposed transferee, by instrument in writing satisfactory to the Authority shall, for itself and its successors and assigns, and expressly for the benefit of the Authority have expressly assumed any of the remaining obligations of the Developer under this Agreement and agreed to be subject to all the conditions and restrictions to which the Developer is subject;

(c) There shall be submitted to the Authority for review all instruments and other legal documents involved in effecting transfer, and if approved by Authority, its approval shall be indicated to the Developer in writing;

(d) Any proposed transferee of the TIF Note shall (i) execute and deliver to the Authority the Acknowledgment Regarding the TIF Note in the form included in Exhibit B to the TIF Note and (ii) surrender the TIF Note to the Authority either in exchange for a new fully registered note or for transfer of the TIF Note on the registration records for the TIF Note maintained by the Authority;

(e) The Developer and its transferees shall comply with such other conditions as are necessary in order to achieve and safeguard the purposes of the Act, the TIF Act and this Agreement; and

(f) In the absence of a specific written agreement by the Authority to the contrary, no such transfer or approval by the Authority thereof shall be deemed to relieve the Developer or any other party bound in any way by this Agreement or otherwise with respect to the construction of the Project, from any of its obligations with respect thereto.

(4) The Developer agrees to pay all reasonable legal fees and expenses of the Authority, including fees of the Authority Attorney's office and outside counsel retained by the Authority to review the documents submitted to the Authority in connection with any Transfer.

(5) Nothing contained in this Section shall prohibit the Developer from (i) entering into leases with tenants in the ordinary course of business, (ii) entering into easements or other agreements necessary for the operation of the Project, (iii) admitting or removing members or transferring member interests in the Developer or admitting or removing members in accordance with the applicable organizational documents, (iv) removing a member of the Developer for cause (whether one or more, the "Tax Credit Investor") in accordance with the Developer's operating agreement.

(6) If the Developer Transfers all or any portion of the Development Property, except as provided in Section 5.3(5) or to an Affiliate of the Developer (as defined in the TIF Development Agreement):

(a) Any Transfer shall be in an arms-length transaction for a sale price of not less than the fair market value of the Development Property, as improved, as determined by a qualified appraiser not affiliated with the Developer or the purchaser of the Development Property (the "Sale Price"). The principal amount of the TIF Note shall be reduced by an amount equal to the lesser of the then outstanding principal balance of the TIF Note or 50% of the proceeds remaining from the Sale Price after payment of closing costs and the payment in full of the construction loan as evidenced by a settlement

statement prepared by a title company not affiliated with the Developer or the purchaser of the Development Property (the "Net Sale Proceeds"). If 50% of the Net Sale Proceeds is less than the then outstanding principal balance of the TIF Note, the TIF Note shall be deemed paid in full.

(b) In addition, the principal amount of the TIF Note shall be reduced by an amount equal to the lesser of the then outstanding principal balance of the TIF Note or 50% of the proceeds of any loan or other financing or refinancing in an amount exceeding the costs of construction of the Project plus any additional capital improvements thereto, plus reasonable transaction costs, as evidenced by a loan closing memorandum prepared by the lender.

Section 5.4. Conflicts of Interest. No member of the governing body or other official of the Authority 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 this 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 Authority shall be personally liable to the Authority in the event of any default or breach by the Developer or successor or on any obligations under the terms of this Agreement.

Section 5.5. Titles of Articles and Sections. Any titles of the several parts, articles and sections of this Agreement are inserted for convenience of reference only and shall be disregarded in construing or interpreting any of its provisions.

Section 5.6. 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 delivered personally, and

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

L2A, LLC
60686 CSAH 28
Litchfield, Minnesota 55355
Attn: Gabe Olson

(b) in the case of the Authority is addressed to or delivered personally to the Authority at:

Housing and Redevelopment Authority in and for the City of Marshall, Minnesota
City Hall
344 West Main Street
Marshall, Minnesota 56258
Attn: Executive Director

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 5.7. No Additional Waiver Implied by One Waiver. If any agreement contained in this Agreement should be breached by either party and thereafter waived by the 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 5.8. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall constitute one and the same instrument.

Section 5.9. Law Governing. This Agreement will be governed and construed in accordance with the laws of the State of Minnesota.

Section 5.10. Term; Termination. Unless this Agreement is terminated earlier in accordance with its terms, this Agreement shall terminate on the Final Payment Date. Early termination upon a written request from the Developer shall be in the Authority's sole discretion. After the Termination Date, if requested by the Developer, the Authority will provide a termination certificate as to the Developer's obligations hereunder.

Section 5.11. Provisions Surviving Rescission, Expiration or Termination. 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 5.12. Superseding Effect. This Agreement reflects the entire agreement of the parties with respect to the development of the Development Property, and supersedes in all respects all prior agreements of the parties, whether written or otherwise, with respect to the development of the Development Property.

Section 5.13. Relationship of Parties. Nothing in this Agreement is intended, or shall be construed, to create a partnership or joint venture among or between the parties hereto, and the rights and remedies of the parties hereto shall be strictly as set forth in this Agreement. All covenants, stipulations, promises, agreements and obligations of the Authority contained herein shall be deemed to be the covenants, stipulations, promises, agreements and obligations of the Authority and not of any governing body member, officer, agent, servant or employee of the City or the Authority.

Section 5.14. Venue. All matters, whether sounding in tort or in contract, relating to the validity, construction, performance, or enforcement of this Agreement shall be controlled by and determined in accordance with the laws of the State of Minnesota, and the Developer agrees that all legal actions initiated by the Developer or Authority with respect to or arising from any provision contained in this Agreement shall be initiated, filed and venued exclusively in the State of Minnesota, Lyon County, District Court and shall not be removed therefrom to any other federal or state court.

IN WITNESS WHEREOF, the Authority has caused this Agreement to be duly executed in its name and on its behalf, 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.

HOUSING AND REDEVELOPMENT AUTHORITY IN AND FOR THE CITY OF MARSHALL, MINNESOTA

By _____
Robert J. Byrnes
Its Chair

By _____
Sharon Hanson
Its Executive Director

This is a signature page to the Contract for Private Development.

CITY OF MARSHALL, MINNESOTA

By _____
Robert J. Byrnes
Its Mayor

By _____
Sharon Hanson
Its City Administrator

This is a signature page to the Contract for Private Development.

L2A, LLC, a Minnesota limited liability company

By: _____
Name:_____
Its:_____

This is a signature page to the Contract for Private Development.

EXHIBIT A

DESCRIPTION OF TIF DISTRICT

The area encompassed by the TIF District shall also include all street or utility right-of-ways located upon or adjacent to the property described below.

[insert]

EXHIBIT B

LEGAL DESCRIPTION OF DEVELOPMENT PROPERTY

Parcel Number	**Legal Description**
27-941005-2	[INSERT LEGAL DESCRIPTION]
27-941001-0	[INSERT LEGAL DESCRIPTION]

EXHIBIT C

PUBLIC DEVELOPMENT COSTS AND SOURCES OF REVENUE

Public Development Costs
Land/Building acquisition
Site Improvements/Preparation costs
Utilities
Other public improvements
Construction of affordable housing

Sources of Revenue

EXHIBIT D

FORM OF TAXABLE TIF NOTE

No. R-1 $[460,000]

UNITED STATES OF AMERICA
STATE OF MINNESOTA
COUNTY OF LYON
HOUSING AND REDEVELOPMENT AUTHORITY
IN AND FOR THE CITY OF MARSHALL

TAXABLE TAX INCREMENT REVENUE NOTE
(SUITE LIV'N HOUSING PROJECT)

_____, 201__

The Housing and Redevelopment Authority in and for the City of Marshall, Minnesota (the "Authority"), hereby acknowledges itself to be indebted and, for value received, hereby promises to pay the amounts hereinafter described (the "Payment Amounts") to L2A, LLC, a Minnesota limited liability company or its registered assigns (the "Registered Owner"), the principal amount of [Four Hundred Sixty Thousand] and 00/100 Dollars ($[460,000]), but only in the manner, at the times, from the sources of revenue, and to the extent hereinafter provided.

This Note is issued pursuant to that certain Contract for Private Development, dated as of _____, 2021, as the same may be mutually amended from time to time (the "Development Agreement"), by and between the Authority, the City of Marshall, Minnesota (the "City"), and L2A, LLC (the "Developer"). Unless otherwise defined herein or unless context requires otherwise, undefined terms used herein shall have the meanings set forth in the Development Agreement.

No interest will accrue on this Note.

The amounts due under this Note shall be payable on August 1, 2024 and on each February 1 and August 1 thereafter to and including the earlier of (i) the date on which the entire principal and accrued interest on this Note has been paid in full, or (ii) February 1, 2036, or (iii) any earlier date the Development Agreement or this Note is cancelled in accordance with the terms of the Development Agreement or deemed paid in full, or (iv) the February 1 following termination of Tax Increment Financing (Housing) District No. 6-1 (the "TIF District") in accordance with the TIF Act, or (v) the date the Authority cancels the TIF Note upon a written (provided that there shall be no payment of any Tax Increments on such date unless it is a regular Payment Date) (the "Final Payment Date") or, if the first should not be a Business Day (as defined in the Development Agreement) the next succeeding Business Day (collectively, the "Payment Dates"). On each Payment Date, the Authority 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 preceding such Payment Date an amount equal to 90% of the Available Tax Increments (as

hereinafter defined) received by the Authority during the six month period preceding such Payment Date ("Pledged Tax Increments"). "Available Tax Increments" means the Tax Increments received by the Authority less the amount of Tax Increments, if any, which the Authority must pay to the School District, the City, the County and the State pursuant to the TIF Act, including without limitation Minnesota Statutes, Sections 469.177, Subds. 9 and 11; 469.176, Subd. 4h; and 469.175, Subd. 1a, as the same may be amended from time to time. "Tax Increments" means the tax increments derived from the TIF District and the improvements thereon which have been received and retained by the Authority in accordance with the provisions of Minnesota Statutes, Section 469.177.

Payments on this Note due hereon shall be payable solely from the Pledged Tax Increments. All payments made by the Authority under this Note shall first be applied to accrued interest and then to principal. If Pledged Tax Increments are insufficient to pay any accrued interest due, such unpaid interest shall be carried forward without interest.

This Note shall terminate and be of no further force and effect following the Final Payment Date defined above, or any date upon which the Authority shall have terminated the Development Agreement under Section 4.2 thereof or on the date that all principal and interest payable hereunder shall have been or deemed paid in full, whichever occurs earliest. This Note may be prepaid in whole or in part at any time without penalty.

The Authority makes no representation or covenant, express or implied, that the Pledged Tax Increments will be sufficient to pay, in whole or in part, the amounts which are or may become due and payable hereunder. There are risk factors in the amount of Tax Increments that may actually be received by the Authority and some of those factors are listed on the attached **Exhibit 1**. The Registered Owner acknowledges these risk factors and understands and agrees that payments by the Authority under this Note are subject to these and other factors.

The Authority's payment obligations hereunder shall be further subject to the conditions that (i) no Event of Default under Section 4.1 of the Development Agreement shall have occurred and be continuing at the time payment is otherwise due hereunder, including without limitation failure to obtain the Compliance Certificate in accordance with Section 3.3 of the Development Agreement, and (ii) the Development Agreement shall not have been terminated pursuant to Section 4.2, and (C) all conditions set forth in Section 3.2(2) of the Development Agreement have been satisfied as of such date. Any such suspended and unpaid amounts shall become payable, without interest accruing thereon in the meantime, if this Note has not been terminated in accordance with Section 4.2 of the Development Agreement and said Event of Default shall thereafter have been cured in accordance with Section 4.2. If pursuant to the occurrence of an Event of Default under the Development Agreement the Authority elects, in accordance with the Development Agreement to cancel and rescind the Development Agreement and/or this Note, the Authority shall have no further debt or obligation under this Note whatsoever. Reference is hereby made to all of the provisions of the Development Agreement, for a fuller statement of the rights and obligations of the Authority to pay the principal of this Note and the interest thereon, 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 OR THE AUTHORITY AND IS PAYABLE BY THE AUTHORITY ONLY FROM THE SOURCES AND SUBJECT TO THE QUALIFICATIONS STATED OR REFERENCED HEREIN. THIS NOTE IS NOT A GENERAL OBLIGATION OF THE CITY OR THE AUTHORITY, AND THE FULL FAITH AND CREDIT AND TAXING POWERS OF THE CITY AND THE AUTHORITY ARE NOT PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THIS NOTE AND NO PROPERTY OR OTHER ASSET OF THE CITY OR THE AUTHORITY, SAVE AND EXCEPT THE ABOVE-REFERENCED PLEDGED TAX INCREMENTS, IS OR SHALL BE A SOURCE OF PAYMENT OF THE AUTHORITY'S OBLIGATIONS HEREUNDER.

The Registered Owner shall never have or be deemed to have the right to compel any exercise of any taxing power of the Authority or the City or of any other public body, and neither the Authority nor any person executing or registering this Note shall be liable personally hereon by reason of the issuance or registration thereof or otherwise.

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

This Note may be assigned only as provided in Section 5.3 of the Development Agreement and subject to the assignee executing and delivering to the Authority the Acknowledgment Regarding the TIF Note in the form included in **Exhibit 2**. Additionally, in order to assign the Note, the assignee shall surrender the same to the Authority either in exchange for a new fully registered note or for transfer of this Note on the registration records maintained by the Authority for the Note. Each permitted assignee 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 Authority outstanding on the date hereof and on the date of its actual issuance and delivery, does not cause the indebtedness of the Authority to exceed any constitutional or statutory limitation thereon.

IN WITNESS WHEREOF, the Board of Commissioners of the Housing and Redevelopment Authority in and for the City of Marshall, Minnesota, has caused this Note to be executed with the manual signatures of its Chair and Executive Director, all as of the Date of Original Issue specified above.

HOUSING AND REDEVELOPMENT AUTHORITY IN AND FOR THE CITY OF MARSHALL, MINNESOTA

Executive Director	Chair

Signature Page for Tax Increment Revenue Note (Suite Liv'n Housing Project)

CERTIFICATION OF REGISTRATION

It is hereby certified that the foregoing Note, as originally issued on the date first written above, was on said date registered in the name of L2A, LLC, a Minnesota limited liability company, 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.

Name and Address of Registered Owner	Date of Registration	Signature of Executive Director
L2A, LLC 60686 CSAH 28 Litchfield, MN 55355	_____, 20__	_____

Exhibit 1
to Taxable TIF Note

RISK FACTORS

Risk factors on the amount of Tax Increments that may actually be received by the Authority include but are not limited to the following:

1. Value of Project. If the contemplated Project (as defined in the Development Agreement) to be constructed in the tax increment financing district is completed at a lesser level of value than originally contemplated, they will generate fewer taxes and fewer tax increments than originally contemplated.

2. Damage or Destruction. If the Project is damaged or destroyed after completion, their value will be reduced, and taxes and tax increments will be reduced. Repair, restoration or replacement of the Project may not occur, may occur after only a substantial time delay, or may involve property with a lower value than the Project, all of which would reduce taxes and tax increments.

3. Change in Use to Tax-Exempt. The Project could be acquired by a party that devotes it to a use which causes the property to be exempt from real property taxation. Taxes and tax increments would then cease.

4. Depreciation. The Project could decline in value due to changes in the market for such property or due to the decline in the physical condition of the property. Lower market valuation will lead to lower taxes and lower tax increments.

5. Non-payment of Taxes. If the property owner does not pay property taxes, either in whole or in part, the lack of taxes received will cause a lack of tax increments. The Minnesota system of collecting delinquent property taxes is a lengthy one that could result in substantial delays in the receipt of taxes and tax increments, and there is no assurance that the full amount of delinquent taxes would be collected. Amounts distributed to taxing jurisdictions upon a sale following a tax forfeiture of the property are not tax increments.

6. Reductions in Taxes Levied. If property taxes are reduced due to decreased municipal levies, taxes and tax increments will be reduced. Reasons for such reduction could include lower local expenditures or changes in state aids to municipalities. For instance, in 2001 the Minnesota Legislature enacted an education funding reform that involved the state increasing school aid in lieu of the local general education levy (a component of school district tax levies).

7. Reductions in Tax Capacity Rates. The taxable value of real property is determined by multiplying the market value of the property by a tax capacity rate. Tax capacity rates vary by certain categories of property; for example, the tax capacity rates for residential homesteads are currently less than the tax capacity rates for commercial and industrial property. In 2001 the Minnesota Legislature enacted property tax reform that lowered various tax capacity

rates to "compress" the difference between the tax capacity rates applicable to residential homestead properties and commercial and industrial properties.

8. Changes to Local Tax Rate. The local tax rate to be applied in the tax increment financing district is the lower of the current local tax rate or the original local tax rate for the tax increment financing district. In the event that the Current Local Tax Rate is higher than the Original Local Tax Rate, then the "excess" or difference that comes about after applying the lower Original Local Tax Rate instead of the Current Local Tax Rate is considered "excess" tax increment and is distributed by Lyon County to the other taxing jurisdictions and such amount is not available to the Authority as tax increment.

9. Legislation. The Minnesota Legislature has frequently modified laws affecting real property taxes, particularly as they relate to tax capacity rates and the overall level of taxes as affected by state aid to municipalities.

10. Affordable Housing Declaration. The TIF District will cease to qualify as a housing tax increment financing district and the TIF Note will terminate if the Project ceases to be operated as an affordable rental housing development, as required by and described in the Development Agreement defined in the attached Note.

Exhibit 2
to Taxable TIF Note

ACKNOWLEDGMENT REGARDING THE TIF NOTE

The undersigned, _____ a _____ ("Note Holder"), hereby certifies and acknowledges that:

A. On the date hereof the Note Holder has [acquired from]/[made a loan (the "Loan") [to/for the benefit of] L2A, LLC (the "Developer") [secured in part by] the Taxable Tax Increment Revenue Note (Suite Liv'n Housing Project), a pay-as-you-go tax increment revenue note ("Note") in the original principal amount of $[460,000] [dated _____, 20___ of]/[to be issued by] the Housing and Redevelopment Authority in and for the City of Marshall, Minnesota (the "Authority").

B. The Note Holder has had the opportunity to ask questions of and receive from the Developer all information and documents concerning the Note as it requested, and has had access to any additional information the Note Holder thought necessary to verify the accuracy of the information received. In determining to [acquire the Note]/[make the Loan], the Note Holder has made its own determinations and has not relied on the Authority or information provided by the Authority.

C. The Note Holder represents and warrants that:

1. The Note Holder is acquiring [the Note]/[an interest in the Note as collateral for the Loan] for investment and for its own account, and without any view to resale or other distribution.

2. The Note Holder has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of acquiring [the Note]/[an interest in the Note as collateral for the Loan].

3. The Note Holder understands that the Note is a security which has not been registered under the Securities Act of 1933, as amended, or any state securities law, and must be held until its sale is registered or an exemption from registration becomes available.

4. The Note Holder is aware of the limited payment source for the Note and interest thereon and risks associated with the sufficiency of that limited payment source.

5. The Note Holder is [a bank or other financial institution] / [the owner of the property from which the tax increments which are pledged to the Note are generated].

D. The Note Holder understands that the Note is payable solely from certain tax increments derived from certain properties located in a tax increment financing district, if and as received by the Authority. The Note Holder acknowledges that the Authority has made no representation or covenant, express or implied, that the revenues pledged to pay the Note will be

sufficient to pay, in whole or in part, the principal and interest due on the Note. Any amounts which have not been paid on the Note on or before the final maturity date of the Note shall no longer be payable, as if the Note had ceased to be an obligation of the Authority. The Note Holder understands that the Note will never represent or constitute a general obligation, debt or bonded indebtedness of the City of Marshall, Minnesota (the "City"), the Authority, the State of Minnesota, or any political subdivision thereof and that no right will exist to have taxes levied by the City, the Authority, the State of Minnesota or any political subdivision thereof for the payment of principal and interest on the Note.

E. The Note Holder understands that the Note is payable solely from certain tax increments, which are taxes received on improvements made to certain property (the "Project") in a tax increment financing district from the increased taxable value of the property over its base value at the time that the tax increment financing district was created, which base value is called "original net tax capacity". There are risk factors in relying on tax increments to be received, which include, but are not limited to, the following:

1. Value of Project. If the contemplated Project constructed in the tax increment financing district are completed at a lesser level of value than originally contemplated, they will generate fewer taxes and fewer tax increments than originally contemplated.

2. Damage or Destruction. If the Project is damaged or destroyed after completion, their value will be reduced, and taxes and tax increments will be reduced. Repair, restoration or replacement of the Project may not occur, may occur after only a substantial time delay, or may involve property with a lower value than the Project, all of which would reduce taxes and tax increments.

3. Change in Use to Tax-Exempt. The Project could be acquired by a party that devotes it to a use which causes the property to be exempt from real property taxation. Taxes and tax increments would then cease.

4. Depreciation. The Project could decline in value due to changes in the market for such property or due to the decline in the physical condition of the property. Lower market valuation will lead to lower taxes and lower tax increments.

5. Non-payment of Taxes. If the property owner does not pay property taxes, either in whole or in part, the lack of taxes received will cause a lack of tax increments. The Minnesota system of collecting delinquent property taxes is a lengthy one that could result in substantial delays in the receipt of taxes and tax increments, and there is no assurance that the full amount of delinquent taxes would be collected. Amounts distributed to taxing jurisdictions upon a sale following a tax forfeiture of the property are not tax increments.

6. Reductions in Taxes Levied. If property taxes are reduced due to decreased municipal levies, taxes and tax increments will be reduced. Reasons for such reduction could include lower local expenditures or changes in state aids to municipalities. For instance, in 2001 the Minnesota Legislature enacted an education

funding reform that involved the state increasing school aid in lieu of the local general education levy (a component of school district tax levies).

7. Reductions in Tax Capacity Rates. The taxable value of real property is determined by multiplying the market value of the property by a tax capacity rate. Tax capacity rates vary by certain categories of property; for example, the tax capacity rates for residential homesteads are currently less than the tax capacity rates for commercial and industrial property. In 2001 the Minnesota Legislature enacted property tax reform that lowered various tax capacity rates to "compress" the difference between the tax capacity rates applicable to residential homestead properties and commercial and industrial properties.

8. Changes to Local Tax Rate. The local tax rate to be applied in the tax increment financing district is the lower of the current local tax rate or the original local tax rate for the tax increment financing district. In the event that the Current Local Tax Rate is higher than the Original Local Tax Rate, then the "excess" or difference that comes about after applying the lower Original Local Tax Rate instead of the Current Local Tax Rate is considered "excess" tax increment and is distributed by Lyon County to the other taxing jurisdictions and such amount is not available to the Authority as tax increment.

9. Legislation. The Minnesota Legislature has frequently modified laws affecting real property taxes, particularly as they relate to tax capacity rates and the overall level of taxes as affected by state aid to municipalities.

10. Affordable Housing Declaration. The TIF District will cease to qualify as a housing tax increment financing district and the TIF Note will terminate if the Project ceases to be operated as an affordable rental housing development, as required by and described in the Development Agreement defined below.

F. The Note Holder acknowledges that the Note was issued as part of a Contract for Private Development between the Authority, the City, and the Developer dated _____ __, 2021 ("Development Agreement"), and that the Authority has the right to suspend payments under this Note and/or terminate the Note upon an Event of Default under the Development Agreement.

G. The Note Holder acknowledges that the Authority makes no representation about the tax treatment of, or tax consequences from, the Note Holder's acquisition of [the Note]/[an interest in the Note as collateral for the Loan].

WITNESS our hand this ___ day of _____, 20__.

Note Holder:

_____

By: _____

Name: _____

Its: _____

EXHIBIT E

CERTIFICATE OF COMPLETION OF PROJECT

_____, 20___

WHEREAS, the HOUSING AND REDEVELOPMENT AUTHORITY IN AND FOR THE CITY OF MARSHALL, MINNESOTA, a public body, corporate and politic under the laws of the State of Minnesota (the "Authority"), the CITY OF MARSHALL, MINNESOTA, a home rule city organized and existing under the Constitution and the laws of the State of Minnesota, and L2A, LLC, a Minnesota limited liability company (the "Developer") have entered into a Contract for Private Development (the "Contract"), dated _____ __, 2021; and

WHEREAS, the Contract requires the Developer to construct a Project (as that term is defined in the Contract);

WHEREAS, the Developer has constructed the Project in a manner deemed sufficient by the Authority to permit the execution of this certification in accordance with Section 3.8 of the Contract;

NOW, THEREFORE, this is to certify that the Developer has constructed the Project in accordance with the Contract. The remaining covenants of the Developer under the Contract are not intended to run with title to the Development Property or bind successors in title to the Development Property.

The Authority has, as of the date and year first above written, set its hand hereon.

HOUSING AND REDEVELOPMENT AUTHORITY IN AND FOR THE CITY OF MARSHALL, MINNESOTA

By _____
Executive Director

STATE OF MINNESOTA)
) SS.
COUNTY OF LYON)

The foregoing instrument was acknowledged before me this _____, 20__, by _____, the Executive Director of the Housing and Redevelopment Authority in and for the City of Marshall, Minnesota, on behalf of the Authority.

_____
Notary Public

EXHIBIT F

COMPLIANCE CERTIFICATE

Certificate of
Continuing Program Compliance

Date: _____

The following information with respect to the Project located at _____, Marshall, Minnesota (the "Project"), is being provided by L2A, LLC (the "Owner") to the Housing and Redevelopment Authority in and for the City of Marshall, Minnesota (the "Authority"), pursuant to that certain Contract for Private Development, dated _____, 2021 (the "Development Agreement"), between the Authority, the City of Marshall, Minnesota, and the Owner, with respect to the Project:

(A) The total number of residential units which are available for occupancy is 48. The total number of these units occupied is _____.

(B) The following residential units (identified by unit number) are currently occupied by "Qualifying Tenants," as defined in the Development Agreement (for a total of ____units):

1 BR Units:

2 BR Units:

(C) The following residential units which are included in (B) above, have been re-designated as units for Qualifying Tenants since _____, 20___, the date on which the last "Certificate of Continuing Program Compliance" was filed with the Authority by the Owner:

Unit Number	Previous Designation of Unit (if any)	Replacing Unit Number
_____	_____	_____
_____	_____	_____

(D) The following residential units are considered to be occupied by Qualifying Tenants based on the information set forth below:

	Unit Number	Name of Tenant	Number of Persons Residing in the Unit	Number of Bedrooms	Total Adjusted Gross Income	Date of Initial Occupancy	Rent
1							
2							
3							
4							
5							
6							
7							
8							
9							
10							
11							
12							
13							
14							
15							
16							
17							
18							
19							
20							
21							
22							
23							
24							
25							
26							
27							
28							
29							
30							

(E) The Owner has obtained a "Renter's Income Verification Form," in the form provided as EXHIBIT 1 to this Certificate of Continuing Program Compliance, from each Tenant named in (D) above, and each such certification is being maintained by the Owner in its records with respect to the Project. Attached hereto is the most recent "Renter's Income Verification Form" for each Tenant named in (D) above who signed such a Certification

since _____, 20___, the date on which the last "Certificate of Continuing Program Compliance" was filed with the Authority by the Owner.

(F) In renting the residential units in the Project, the Owner has not given preference to any particular group or class of persons (except for persons who qualify as Qualifying Tenants); and none of the units listed in (D) above have been rented for occupancy entirely by students, no one of which is entitled to file a joint return for federal income tax purposes. All of the residential units in the Project have been rented pursuant to a written lease, and the term of each lease is at least twelve (12) months.

(G) The information provided in this "Certificate of Continuing Program Compliance" is accurate and complete, and no matters have come to the attention of the Owner which would indicate that any of the information provided herein, or in any "Renter's Income Verification Form" obtained from the Tenants named herein, is inaccurate or incomplete in any respect.

(H) The Project is in continuing compliance with the Section 3.3 of the Development Agreement.

(I) The Owner certifies that as of the date hereof ___% of the residential dwelling units in the Project are occupied or held open for occupancy by Qualifying Tenants, as defined and provided in the Development Agreement.

IN WITNESS WHEREOF, I have hereunto affixed my signature, on behalf of the Owner, on _____, 20__.

L2A, LLC

By: _____
Its: _____

Exhibit 1
To Certificate of Continuing Program Compliance

Form of Renter's Income Verification Form

PROPERTY INFORMATION

Postal Address of Property _____

Unit Number _____

TENANT INFORMATION

Name of Tenant _____

Phone # _____

Number of family/household members: _____

Annual Household Income* $_____

**Annual Household Income must be supported by documentation (i.e. copy of most current 1040's, etc.). Failure to provide verification will constitute a "non-qualifying tenant".*

INCOME LIMIT INFORMATION

20____ Income Limits	
Family Size	Income
1	
2	
3	
4	
5	
6	
7	
8	

Does the Tenant meet these limits and has appropriate documentation been submitted?

_____ YES _____ NO

Pursuant to the Contract for Private Development between the Housing and Redevelopment Authority in and for the City of Marshall, Minnesota, the City of Marshall, Minnesota, and L2A, LLC dated as of [_____], 2021, at least 20 of the 48 rental units comprising the Project must be reserved for tenants whose income is 60% or less of the area's median gross income.

Signature of Tenant(s) _____ Date _____

_____ Date _____

Reviewed and approved on behalf of L2A, LLC.

By _____ Date _____

EXHBIIT G

PROPERTY MAINTENANCE CERTIFICATE

Certificate as to Maintenance Compliance

Date: _____, 20__

This Certificate as to Maintenance Compliance is being provided by L2A, LLC (the "Owner") to the Housing and Redevelopment Authority in and for the City of Marshall, Minnesota (the "Authority") and the City of Marshall, Minnesota (the "City"), pursuant to that certain Contract for Private Development, dated _____, 2021 (the "Development Agreement"), between the Authority, the City, and the Owner, with respect to the following multifamily rental housing facilities located at the following addresses in the City of Marshall:

A. _____ (the "Development Property"), and

B. The following additional properties (collectively, the "Management Properties"):
    1. 300 Birch Street,
    2. 1305 Birch Street,
    3. 400 Village Drive,
    4. 402 Village Drive,
    5. 406 Village Drive,
    6. 407 Village Drive,
    7. 409 Village Drive,
    8. 501 Village Drive,
    9. 505 Village Drive,
    10. 513 Village Drive,
    11. 515 Village Drive, and
    12. 517 Village Drive

☐ The Developer has received no written notices from the Authority or the City with respect to the Development Property.

☐ The Developer has received no written notices from the Authority or the City with respect to any of the Management Properties.

☐ The Developer has received written notice(s) from the Authority or the City with respect to some or all of the Properties. Details regarding such notice(s), including the date of the notice, address of the Property at issue, the specified violation of Section 3.16 of the Development Agreement, and the action(s) taken by the Developer to cure such violation are set forth in Attachment 1 to this Certificate as to Maintenance Compliance.

IN WITNESS WHEREOF, I have hereunto affixed my signature, on behalf of the Owner, on _____, 20__.

L2A, LLC

By: _____
Its: _____

Attachment 1 to
Certificate as to Maintenance Compliance

Notice Date	Property Address	Specified Violation	Action(s) Taken by Developer to Cure Violation