

CITY OF FALCON HEIGHTS
Regular Meeting of the City Council
City Hall
2077 West Larpenteur Avenue

AGENDA
December 12, 2018 at 7:00 P.M.

- A. CALL TO ORDER:
- B. ROLL CALL: LINDSTROM ___ LEEHY___ HARRIS___
 MIAZGA ___ GUSTAFSON___
- STAFF PRESENT: THONGVANH___
- C. PRESENTATION
1. Partnership with Falcon Heights Elementary - Cultivating a Caring Community Mural
- D. APPROVAL OF MINUTES:
1. November 14, 2018 City Council Meeting Minutes
- E. PUBLIC HEARINGS:
1. Public Hearing for Heritage Apartments for Issuance of Conduit Bond
2. 2019 Truth in Taxation and Budget Presentation
- F. CONSENT AGENDA:
1. General Disbursements through: 12/05/18 \$170,406.01
 Payroll through: 11/30/18 \$36,228.17
2. Approval of City License(s)
3. Appointment of Prosecuting Attorney
4. Appointment of City Attorney
5. Appointment of City Engineer
6. Appointment of City Auditor
7. Designation of Official Newspaper
8. 2019 Cost of Living Adjustment (COLA)
9. Charitable/Lawful Gambling License for Falcon Heights Elementary PTA
10. 2018 Year End Budget Amendments
11. Accepting Grant Funding of \$1,000 from Target Corporation for Park and Recreation Programming
12. Removal of Hibo Ali from the Community Engagement Commission
13. Resignation of Stephen Sunderland from the Planning Commission
14. Appointment of Scott Wilson to the Planning Commission
- G: POLICY ITEMS:
1. Approve Final Payments to Valley Paving, Inc. for the 2017 Pavement Management Project
- H. INFORMATION/ANNOUNCEMENTS:
- I. COMMUNITY FORUM:
- J. ADJOURNMENT:

BLANK PAGE

CITY OF FALCON HEIGHTS
Regular Meeting of the City Council
City Hall
2077 West Larpenteur Avenue
AGENDA
November 14, 2018 at 7:00 P.M.

A. CALL TO ORDER:

B. ROLL CALL: LINDSTROM X LEEHY X HARRIS X
MIAZGA X GUSTAFSON X

STAFF PRESENT: THONGVANH X

C. PRESENTATIONS:

1. Resolution Calling for Public Hearing for Heritage Apartments for Issuance of Conduit Bond

City Administrator Thongvanh

The City received a request from Heritage Apartments Incorporated. The request is to finance the acquisition, construction, and equipping of a combined multi-family senior housing and health care facility through issuing conduit bonds. It will have 103 independent living units, 34 assisted living units, 16 memory care units, 48 skilled nursing units, and 30 townhome units. There will be a public hearing on Wednesday, December 12, 2018, at City Hall 7pm. The City will also receive a quarter of 1% of the issuance of the conduit bond. Attached is a letter from Briggs and Morgan and Resolution 18-35 calling for Public Hearing for Issuance of Conduit Bond for the Heritage Apartments Project.

Staff recommends a motion to approve Resolution 18-35. The state and federal law allow local government units to enter into an arrangement to issue obligations. It will also loan the proceeds to nonprofit corporations to finance and refinance capital expenditures. This will help reduce borrowing cost for the nonprofit corporation and enables them to provide their service in a more cost-effective way. It is a common means of obtaining necessary financing for nonprofits, and it includes private schools. We have done this a number of times in the past years. It will bring benefits to the community and the City because there is no obligation from the city. Based on the State Statute, if there is a default on the bond, the City will not be hooked for the commitment to that bond. Whereas in the previous bonds, which we issued for our street projects we would be responsible. The proceeds we received have been going towards our Capital fund or infrastructure funds to help pay for projects that we do on a regular basis. This also means we do not have to levy the public.

Mayor Lindstrom asked if a quarter of 1% is roughly \$10,000 to \$15,000 and that there will not be a risk to the City. City Administrator clarified that it would be about \$14,000 to \$15,000. In the past, the City received up to \$25,000 - \$30,000 because they were larger bonds. The City is allowed to issue up to \$10 million to a 501(c) (3) for one year, then it resets for next year. We will review the project that we have first on our docket to make sure that we have it. We are also not going to use that money from the state's perspective. We hardly do any project that expensive unless it is for City Hall construction, facilities, and most of the street project are less than \$2 million.

Council Member Gustafson was happy to hear that it will help the Heritage at Lyngblomsten apartments on Midway Parkway by the State Fairgrounds out by city limits. City Administrator Thongvanh stated there needs to be some connection to the City of Falcon Heights.

Council Member Harris is worried that there will be a fee if the deal does not go through because in previous years there were some that were not successful. We have a couple where it has not agreed to allow our bond authority to be used within the deal that did not close it. City Administrator Thongvanh assured City Council that in the last two projects they have gone through, but it can happen from time to time.

2. LED Lightbulb Program Report – James Wassenberg, Environment Commission Chair

James Wassenberg (Environment Commission Chair)

The Savings Watts and Drops Program was planned by the Falcon Heights Environmental Commission in October and November of 2017. The Environmental Commission presented the program on December 13, 2017 and City Council approved it. The goals were to improve energy and water efficiency to Falcon Heights residents, raise awareness, save residents money, and produce environmental benefits. The program had significant support from CERTs (Clean Energy Resource Teams), Alexis Troschinetz who also attends the Environmental Commission meetings and got everyone interested in this idea.

Approximately 20 faucet aerators were distributed, and 798 LEDs were donated and distributed. Our primary distribution areas were multi-unit residents, and this includes lower income families, City Hall front desk, Falcon Heights Sustainability Fair, and Falcon Heights Elementary School. We sent out informational fliers, verbal education, and community outreach that will benefit families about this program, save money and provide resources.

In conclusion, the Saving Watts and Drops Program in Falcon Heights was an overall success. The Environmental Commission reached over 400 people with a message of efficiency, conversation, and service. The LEDs distributed throughout the community will save about 800 million watts hours of electricity, 1.3 million pounds of carbon dioxide emission, and \$112,837 on local electricity bills.

We hope to use this program as an example and promote a similar program in neighboring communities in cooperation with CERTS.

Council Member Leehy appreciated the resourcefulness when she was reading the presentation. She also expressed that she did not know about the aerators until reading the report. It is great to know how to save energy with lights but also the water as well. Lastly, in Falcon Heights CERTs means Community Emergency Response Team, can you share what it represents when it comes to environment?

Alexis Troschinetz (CERTs)

CERTs means Clean Energy Resource Teams, and our mission is to connect communities with resources. The resources can help implement clean energy community-based projects, and for us, clean energy can be energy efficiency and renewable energy such as energy storage electric

vehicles. The resource we provide to people is through our experience of working with other communities and a little bit of seed grant funds. We also partner with a group called GreenStep Cities which the City of Falcon Heights recently achieved “Step 5” and being a leader with this implementation of saving watts. We hope to present this program to other Metro cities and educate them about LED light bulbs and how it will impact the community.

Mayor Lindstrom would like to thank James and Alexis for their work, dedication, and donation. This will help the city’s budget and help low-income audience who need to save money the most. He is excited to see how this will help other communities across the state. Council Member Miazga would like to thank both of them for their time, energy and proud to see to their work being showed on live T.V. and Council Members. It is a great educational piece by reaching out and talking to renters, homeowners, and contractors.

D. APPROVAL OF MINUTES:

1. October 24, 2018 City Council Meeting Minutes

City Administrator Thongvanh

There was a typo on Policy Item #1 Establishing Special Revenue Fund 210 – Community Inclusion Fund. We actually received \$20,000 and not \$30,000.

Approved 5-0

E. PUBLIC HEARINGS:

F. CONSENT AGENDA:

1. General Disbursements through: 11/08/18 \$104,791.50
Payroll through: 10/31/18 \$17,526.06
2. Six Month Performance Evaluation - Amanda Lor, Administrative Coordinator
3. Elm Tree Removal at 1877 Holton Street
4. Close Emerald Ash Borer Fund 205 (Special Revenue Fund) and Transfer to Fund 419 (Infrastructure Fund)
5. Resignation of David Murphy from the Planning Commission
6. Apply for the 2018 FEMA Assistance for Firefighters Grant

Council Member Miazga

I want to thank David Murphy for being a great member of the Planning Commission. He helped with the Comp Plan and showed a great example of what a commissioner does for the community. We will miss him.

Mayor Lindstrom

I would like to thank the Firefighters for applying the FEMA Grant.

Council Member Leehy

Regarding the tree on Holton, I appreciate when residents are being thoughtful and catching those things before they become problematic. It will help prevent harm or damage to people and property.

City Administrator Thongvanh

Regarding the Six Month Performance Evaluation for Amanda Lor, Administrative Coordinator, I want to say that for the past six months she has done a great job. She continues to learn more about her position, learn other City positions, and taking on new tasks each day. In the last year, I lost my Administrative Coordinator, Katie Thrasher, Community Development Coordinator, Paul Moretto in July, and Deputy Clerk, Timothy Sandvik in September. All of them did an excellent job for the City and now moved to different positions in a bigger cities and communities.

Being short staffed, Amanda has taken a lot of responsibility around the office. She will continue to do so until we find a replacement. Adding on, I am in the process of hiring an Assistant to the City Administrator. The City received about 40 applicants, and I interviewed 11 of them. The final interview will have four candidates, and then I will select one of them for the position.

Secondly, I would like to thank David Murphy for his commitment to the City. David committed a lot of time to the City and especially this year with the Comp Plan, breakout sessions, and meetings. We hope to have the Comp Plan approved by the City Council in January then do another review before June.

Lastly, the elm tree will be removed to create a safe environment and safety health concern. This item is being brought in front of the City Council because it is over \$5,000. Typically, if it were anything under \$5,000 I would not have to bring in front of the City Council. However, it is \$5,300, which is why it is on the consent agenda for City Council to approve.

Council Member Harris Moved, Approved 5-0

G: POLICY ITEMS:

1. The Hendrickson Project – PUD Amendment

City Administrator Thongvanh

The Hendrickson project amendment to the PUD is the newest development for 1750 Larpenteur Avenue to establish a revised final development plan that is on file. The City Council and the Planning Commission reviewed the first PUD where it not only changed the density but the facility. In previous years, the Good Acre or the Pohlad Foundation approached the City Council and proposed the lot to be affordable housing complex. However, planning did not go through and had to go into another public hearing to remove the project. In March 2018, the Planning Commission held a public hearing on a proposed ordinance to adopt final development plans for the 68-unit senior housing component of the PUD. The Planning Commission also reviewed the final development plans, which included a site plan, building elevation plans, grading, drainage, utility, and a landscaping plan. The public hearing had a 3-0-1 vote that approved a motion to recommend approval of the PUD.

The Planning Commission's motion included a direction that their recommendation was conditioned on the following items:

- 1) The expansion of the drive turning radius and access road to 30 feet
- 2) The fresh air intake be moved to the south wall of the structure on the southeast corner of the building
- 3) That the issue of locating the fire hydrant in the southeast corner of the property not be required and be deferred to the city council.

Following the review, City Fire Marshal indicated that eliminating the fire hydrant in the southeast corner of the site would not jeopardize adequate fire protection for the structure. In addition, the City Administrator can deviate 5% from the approved plan. Paul Moretto recommended the 5%, and it is highly valuable because the City Administrator would have the authority to approve it and save time. Without the 5%, it will have to go through the Planning Commission, City Council, and public hearings that can delay the one-year project. Also, the 5% only helps to approve small changes to the plan, and if there is a significant change, then it will be presented to the Planning Commission and City Council.

Peter Austin (Kelly Brothers LTD)

We hope to start construction by December 15. Over the last six months, the projects probably increase the cost up to \$600,000. We decided to begin construction in the winter so it is not exposed to different kinds of pricing that will escalate in the springtime. In the spring, there tend to be more construction projects throughout the Twin Cities, and it will put upper pressure on labor prices in six months.

Council Member Harris asked why the cost increased, and Mr. Austin stated the cost increased because of the garage. Even though the Council amended to have the lower parking requirements, but from a market rate standpoint, we wanted to add more stalls. There are two theories of thought about cars. We do have 1 to 1, which is essential, parking stalls on the outside that is part of the cost. Mainly it is just escalating prices because of construction level activity in the Twin Cities. City Administrator Thongvanh informed City Council that yesterday the Building Official received the building permit with the design plan. The purpose of that was to review the plan early and get a footing in place before the actual construction date.

Council Member Gustafson stated if the Council passed this PUD Amendment, then the project gets underway quickly. We will have 68 more market-rate rental and senior living units in Falcon Heights. Council Member Leehy remembered that in the last review, one of the stalls would be for electric car and asked Mr. Austin to re-clarify it. Mr. Austin answered that they do not have a designated area for the electric car yet, but it could happen in the future.

Council Member Miazga agreed that the process could take a long time and up to a year and a half and constant cycles to review the PUD. He also decided that 5% is a great benefit to make the process easier and faster. Mr. Miazga motion to approve Revised Ordinance 18-10.

Council Member Miazga Moved, Approved 5-0

H. INFORMATION/ANNOUNCEMENTS:

- Budget Workshop Following November 14, 2018 Regular Council Meeting

Council Member Miazga

- The Comp Plan is going great and a lot of good progress.
- I had some time to look at the Community Survey data. There has been a lot of data analysis, writing an executive summary and putting the data together. It is has been fascinating to see the results. City Administrator Thongvanh and I will sit down and talk more about the survey and report in the next couple of weeks

Council Member Leehy

- Earlier today I was in downtown St. Paul and have conversations with a couple of our Ramsey County deputies. They were happy to have Falcon Heights as one of the contract cities. I heard good things from one of the deputies who stated that she attended the open house at the apartments and was impressed with the showing and participation of everybody. I also hope everyone was able to make it to the Coffee with the Cop at the Underground Music Cafe yesterday.
- Council Member Gustafson and I attended the Kettering Foundation in Ohio, the third and final of three portions for a shared learning experience. There were about 7 or 8 communities from around the country who attended and are working towards safety and community around policing. We had outstanding interactions and met some new people at the event. Everyone shared his or her experiences on how to create a safe neighborhood. One of the co-facilitators at the Kettering Foundation was also here at our Task Force event in Falcon Heights. She spoke about her experience in previous years and is working alongside them. John Thompson was also invited as a community person, and he participated as well. We have all only had good experience coming out of it.

We received many compliments about our Survey on the Spot, community gatherings, Restoration Day and Unity Day. People are reaching out to us stating they need our inputs. We are being looked upon as turning the corner and being able to help others as we move forward ourselves.

- City Administrator Thongvanh and I participated in one of the U of M St. Paul campus Strategic Facilities Plan open houses. The open house discussed future potential development plans. This will be a 30-year horizon plan, and they will present this plan to the Board of Directors in December or February. They are also willing to meet with residents that live at Commonwealth Terrace because they were highly represented and very vocal about their needs and desires for that community.

Council Member Harris

There are no updates from me but I would like to thank the Kettering Foundation for doing those creative workshops. Happy Thanksgiving to everybody.

Council Member Gustafson

- The Kettering Foundation experience is great and did not cost the City any money.
- I attended the Coffee with a Cop yesterday at the Underground Music Cafe. I want to thank the Underground Music Cafe for opening up the facility for everybody. There were about 10-15 community members that attended and asked many good questions. Many asked about the change in administration and we assured them that even though the administration changed, it does not change how deputies will answer to 911 calls and services to the community. The deputies that are in Falcon Heights will not change and will continue to serve the City. We also met with the Block Captain Neighborhood Liaisons and contract cities about the same assurance.

- I learned that there have been street sweeping notifications, which have been greatly received. Residents like the notices being sent out and it creates great communication.
- Community Engagement Commission is meeting on Monday, November 19 at 7pm City Hall. We are in the final plans for the Human Rights Day on Monday, December 10 at 6:30 - 8:30pm at Falcon Heights United Church. The theme will be affordable housing, discrimination in housing and issues around housings. Alice Hausman, State Representative will be there and Tim Thompson from Housing Justice Center who will talk about the history of red line, covenants and issues in today's affordable and fair housing.

Mayor Lindstrom

- City Administrator Thongvanh and I attended the University Grove Association annual meeting two weeks ago and provided City updates. I also learned about an issue regarding Breck Woods that is at the end of the trolley line in Lauderdale. It is owned by Luther Seminary and has slowly been selling under-used portions of its property for several years. There will be a lot of discussion of what it is going to look like. It will affect the University Grove neighborhood, so it is something that we need to be very conscious about and pay close attention.
- Tomorrow I am going to be on a panel as a part of the Coalition of Greater Minnesota Cities in Alexandria, Minnesota. I will be representing the Metro area and will be speaking about the urban-rural divide.
- The League of Minnesota Cities sent out an email regarding interviews about our award about policing inclusion and welcoming community efforts. The interview will be on the next magazine.

City Administrator Thongvanh

- I want to thank the Kettering Foundation for creating these workshops. I had the pleasure of attending two of the three and learned many great things. Unfortunately, I was not able to participate in the last one, and this was due to being short staffed at the City Hall. Timothy Sandvik left to City of Vadnais Heights, Amanda Lor just completed her six-month period, and Justin Markon who was recently hired in the middle of September. I spent a lot of my time doing interviews and catching up around the office. I hope the Kettering Foundation continues to do those kinds of workshops in the future.
- I sent an email to Council Members about the table top exercise that I led at the City of Savage. I was invited to talk about how to handle critical incidents and what the City of Falcon Heights did during the incident in 2016. It was a great experience. I spoke about what happened, the process of protests at the City Hall, the police contract with St. Anthony police department, and lastly my main takeaways from the incident. Also, how we treated people as human beings, showed sympathy, listened to their opinions and concerns, and we were there to make a change and help build a better and welcoming community. I also mentioned how we met with John Thompson who is a very close friend to the Castile family, Valerie Castile the mother of Philando, and St. Paul Black Lives Matters. We sat down together and discussed how we are going to bring change and move forward from this.

- As you can see, we have made some changes to the weekly newsletters. The purpose was to create a better reading format and provide more information to residents. Administrative Coordinator Amanda asks if it was ok to modify the newsletters because it was hard to read and navigate. I told her to create a new format and urge residents to provide feedback. If we receive positive feedbacks, then we will continue to go this route, which we did. The main point was to create better communications between the City and residents. While I am putting the Community Survey report together, one of the things that were high on that was in terms of how residents get their information from the City, and it was the weekly newsletters. This also why we started to send out notifications on street sweeping and residents appreciated the reminders. I am focusing a lot on communications because it is vital. Also, Amanda and I are talking a lot at how to modify the website and make it more user-friendly. Initially, I was working with Council Brown Thunder, but it did not go through because he relocated to California. We will continue to look into websites and create better communications.
- Mayor Lindstrom mentioned Breck Wood earlier, and we will need to discuss it at the City Council workshop. It will not only impact the University Grove neighborhood, but on Hoyt Ave because that is the only access it can turn into a development area.
- Lastly, I received a letter about the TIES Building that is now call Sourcewell. The name went into effect on September 1, 2018. While the name changed, it will not change their mission. This is the only update I received and will contact Jamie for more information. I will also do more research about Sourcewell and how it will affect the City.

I. COMMUNITY FORUM:

J. ADJOURNMENT 8:16 P.M.

Peter Lindstrom, Mayor

Dated this 14th day of November, 2018

Sack Thongvanh, City Administrator



The City That Soars!

REQUEST FOR COUNCIL ACTION

Meeting Date	December 12, 2018
Agenda Item	Public Hearing E1
Attachment	Resolution & Support Documents
Submitted By	Sack Thongvanh, City Administrator

Item	Heritage Apartments Conduit Bond – Approving the Housing Program and Approving the Issuance and Sale of Senior Housing and Health Care Revenue Notes and Authorizing the Execution of Documents Relating Thereto (Heritage Apartments Project)
Description	<p>On November 14, 2019, the City Council passed Resolution 18-35 calling for public hearing and authorize the publication of notice of hearing for on the issuance of senior housing facility revenue notes to finance and refinance senior housing project (Heritage Apartments Project). The Housing Program is for a new facility to be located in Lino Lakes, partially financed with tax-exempt obligations issued by the City of Falcon Heights. The financing will also include the refinancing of a facility located in St. Paul, for which a separate housing program was adopted by the St. Paul Housing and Redevelopment Authority (HRA) and reviewed by the Met Council in 2009.</p> <p>The City of Falcon Heights may issue up to \$10,000,000 of its own 501(c) (3) bonds each year as bank-qualified bonds. Under the federal tax law, alternative issuers are permitted, but a “nexus” between the jurisdictional city and the issuers is preferred. In this case, the City of Falcon Heights will approve a joint power agreement with the City of Saint Paul and the City of Lino Lakes.</p> <p>The Bonds will not constitute a charge, lien, or encumbrance, legal or equitable, upon any property of the Issuers, except the interests of the Issuers in payments to be made by the Borrower under the Loan Agreements. The Bonds are not moral obligations on the part of the State or its political subdivisions, including the Issuers, and the Bonds will not constitute a debt of the Issuers within the meaning of any constitutional or statutory limitation.</p>
Budget Impact	The City will receive ¼ of 1% of the principal amount that such Issuer issues.
Attachment	<ul style="list-style-type: none"> · Letter(s) <ul style="list-style-type: none"> ○ Metropolitan Council ○ Briggs to Metropolitan Council · Resolution 18-37 Approving a Housing Program and Approving the Issuance and Sale of Senior Housing and Health Care Revenue Notes and Authorizing the Execution of Documents Relating Thereto Heritage Apartments Project · Joint Powers Agreement

	<ul style="list-style-type: none"> · Pledge Agreement · Loan Agreement · Series 2018A Note · Series 2018B Note · First Amendment to Mortgage · Heritage Security Agreement
Action(s) Requested	Motion to approve attached resolution, Joint Powers Agreement, and authorize Mayor and City Administrator to sign all necessary documents.

November 28, 2018

Catherine J. Courtney
Briggs
2200 IDS Center
80 South 8th Street
Minneapolis, MN 55402

Re: City of Falcon Heights – Heritage Apartments Project

Dear Ms. Courtney:

The Metropolitan Council recently received notice of a housing revenue bond program on behalf of Falcon Heights for a project located in the City of Lino Lakes for our review pursuant to Minnesota Statutes Chapter 462C. The housing program consists, in part, of the acquisition, construction, and equipping of a combined multifamily senior housing and health care facility to be located at 6075 Hodgson Road in the City. Financing for the project includes bond issuance by the City of Falcon Heights in an amount not to exceed \$5,000,000. The bond proceeds will be paid from loan repayments by the borrower and revenues and assets generated by the project. The project consists of approximately 231 units, none of which are planned to be affordable to households earning 80% or less of the Area Median Income.

As a participating Livable Communities Act (LCA) community, and consistent with the city's comprehensive plan and *Thrive MSP 2040*, the use of this financing tool will further lifecycle housing opportunities in the City of Lino Lakes and move the city closer to reaching its 2011 to 2020 locally adopted LCA housing goals of 560 to 1,860 lifecycle housing units.

If you have any questions, please call me at 651.602.1895.

Sincerely,



Lisabeth Barajas
Director, Community Development Division

cc: Mary Tingerthal, Commissioner, MN Housing
Raya Esmaeili, Reviews Coordinator
Corrin Wendell, Sector Representative
Sandy Rummel, District 11 Councilmember
Tara Beard, Bond Reviewer

BLANK PAGE



2200 IDS Center
80 South 8th Street,
Minneapolis, MN 55402
oFc 612-977-8400
FAx 612-977-8650
URL Briggs.com

November 15, 2018

Catherine J. Courtney
(612) 977-8765
ccourtney@briggs.com

BY EMAIL AND U.S. MAIL

Ms. Lisa Barajas
Metropolitan Council
390 North Robert Street
Saint Paul, MN 55101

Re: City of Falcon Heights, Minnesota—Senior Housing Revenue Notes (Heritage Apartments Project)

Dear Ms. Barajas:

On behalf of the City of Falcon Heights (the "City"), I submit a Housing Program for review and comment, pursuant to Minnesota Statutes, Section 462C.04, Subdivision 2. Also enclosed for your reference is the Notice of Public Hearing which will be held on December 12, 2018 on behalf of the City.

The Housing Program is for a new facility to be located in Lino Lakes, partially financed with tax-exempt obligations issued by the City of Falcon Heights. The financing will also include the refinancing of a facility located in St. Paul, for which a separate housing program was adopted by the St. Paul HRA and reviewed by the Met Council in 2009. I have also enclosed a copy of that housing program, along with the Met Council's comment letter.

By a joint powers agreement between the cities of Falcon Heights and Lino Lakes and the St. Paul HRA, the City of Falcon Heights will also adopt the housing program previously adopted by the St. Paul HRA. A draft of the joint powers agreement is also included with this letter.

Both the City of Lino Lakes and the St. Paul HRA will also hold public hearings on the overall financing. I have included copies of the public hearing notices for those hearings also.



Ms. Lisa Barajas
November 15, 2018
Page 2

Please acknowledge receipt of the enclosed documents by executing the receipt on the enclosed copy of this letter and returning it to me either by email at ccourtney@briggs.com or by regular mail at the address provided above.

Very truly yours,

A handwritten signature in blue ink that reads "Catherine J. Courtney".

Catherine J. Courtney

Enclosures

cc: Sack Thongvanh, City Administrator

JOINT POWERS AGREEMENT
(HERITAGE APARTMENTS PROJECT)
SERIES 2018

THIS JOINT POWERS AGREEMENT (this “Agreement”) is entered into as of the 1st day of December, 2018, between the City of Falcon Heights, Minnesota (“Falcon Heights”), the City of Lino Lakes, Minnesota (“Lino Lakes”), and the Housing and Redevelopment Authority of the City of Saint Paul, Minnesota (the “Saint Paul HRA”) (Falcon Heights, Lino Lakes, and Saint Paul HRA are collectively, the “Parties,” or each individually, a “Party”). Falcon Heights is a municipal corporation and Lino Lakes is a home rule charter city, and each of the cities is a political subdivision duly organized under the laws of the State of Minnesota. The Saint Paul HRA is a body corporate and politic validly existing under the laws of the State of Minnesota.

1. Minnesota Statutes, Section 471.59 et seq. (the “Joint Powers Act”) provides that two or more governmental units, by agreement entered into through action of their governing bodies, may jointly or cooperatively exercise any power common to the contracting parties, and may provide for the exercise of such power by one of the participating governmental units.

2. In connection with revenue bonds issued under Minnesota Statutes, Chapter 462C (the “Act”), Section 462C.14, Subd. 3 provides for joint action between cities pursuant to the Joint Powers Act.

3. On November 9, 2009, pursuant to the Act, the Saint Paul HRA issued its \$3,200,000 Multifamily Housing Revenue Refunding Note, Series 2009B (Heritage Apartments Project) (the “2009B Note”) pursuant to Resolution No. 09-10/28-5 adopted by the Saint Paul HRA on October 28, 2009 (the “Resolution”) and loaned the proceeds thereof to Heritage Apartments, Inc., a Minnesota nonprofit corporation (the “Borrower”), pursuant to a Loan Agreement dated as of November 1, 2009, between the Saint Paul HRA and the Borrower (the “Loan Agreement”), the proceeds of which were used to refinance the Saint Paul HRA's Multifamily Housing Revenue Bonds (Lyngblomsten Project), Series 1993B, which were originally issued to finance the acquisition, construction, and equipping of a 60-unit rental housing and assisted living facility for the elderly located at 1440 Midway Parkway in Saint Paul, Minnesota, commonly known as The Heritage at Lyngblomsten (the “Heritage Apartments Project”). The Borrower acknowledges that the HRA has relied on the representations of the Borrower that the conditions for the redemption and prepayment of the Prior Note have been or will be satisfied in accordance with the terms thereof and the HRA has made no independent investigation or representation with respect to such determination.

4. The Borrower has proposed that the Parties enter into this Agreement pursuant to the Joint Powers Act and the Act in order to provide for issuance of Falcon Heights' \$[1,700,000] Senior Housing Revenue Refunding Note (Heritage Apartments Project), Series 2018A (the “2018A Note”), and \$[3,000,000] Senior Housing and Health Care Facilities Revenue Note (Heritage Apartments Project), Series 2018B (the “2018B Note” and with the 2018A Note, the “Notes”), the proceeds of which will be loaned to the Borrower and used to (i) finance, in part, the acquisition, construction, and equipping of a combined multifamily senior housing and health care facility, with approximately 103 independent living units, 34 assisted living units, 16 memory care units, 48 skilled nursing units, and 30 townhome units, totaling approximately

106,730 square feet, to be located at 6075 Hodgson Road in the City of Lino Lakes, Minnesota (the “Lino Lakes Project”, and together with the Heritage Apartments Project, the “Project”); and (ii) refinance the Heritage Apartments Project by refunding the 2009B Note.

5. Saint Paul HRA has previously approved a housing finance program related to the 2009B Note and the Heritage Apartments Project (the “Heritage Apartments Program”), as required by the Act, and Falcon Heights hereby adopts the same.

6. A housing finance program related to the Lino Lakes Project will be adopted by Falcon Heights, as required by the Act.

7. Each Party will adopt a resolution (i) evidencing its intent to enter into this Agreement, and (ii) granting approval to the issuance of the Notes as required under the Internal Revenue Code of 1986, as amended (the “Code”).

8. Falcon Heights shall exercise the powers of the Joint Powers Act and the Act by adopting, approving, and executing such resolutions, documents, and agreements as shall be necessary or convenient to authorize, issue, and sell the Notes and such other resolutions, documents, and agreements as shall be necessary or required in connection with the issuance of the Notes and giving effect to or carrying out the provisions of this Agreement and documents under which the Notes are issued and/or secured. The Notes will be designated as “qualified tax-exempt obligations” under Section 265(b) of the Code.

9. The Notes shall be special, limited obligations of Falcon Heights, payable solely from proceeds, revenues, and other amounts pledged thereto and more fully described in the Loan Agreement between Falcon Heights and the Borrower, dated as of December 1, 2018 (the “Loan Agreement”). In no event shall the Notes ever be payable from or charged upon the general credit, taxing powers, or any funds of any of the Parties; the Parties are not subject to any liability thereon; no owners of the Notes shall ever have the right to compel the exercise of the taxing power of any of the Parties to pay any of the Notes or the interest thereon, nor to enforce payment thereof against any property of any of the Parties; the Notes shall not constitute a charge, lien, or encumbrance, legal or equitable, upon any property of any of the Parties; and the Notes do not constitute an indebtedness of any of the Parties within the meaning of any constitutional, statutory, or charter limitation.

10. Pursuant to the Loan Agreement, Falcon Heights will require that, as a condition to issuing the Notes, the Borrower shall have paid all fees of the Parties and all costs incurred by the Parties in the authorization, execution, delivery, and performance of this Joint Powers Agreement and all related transactions.

11. This Agreement shall terminate upon the retirement or defeasance of the last of the outstanding Notes, and this Agreement may not be terminated in advance of such retirement or defeasance.

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

IN WITNESS WHEREOF, each of the Parties has caused this Agreement to be executed on its behalf by its duly authorized officers, all as of the day and year first above written.

CITY OF FALCON HEIGHTS, MINNESOTA

By _____
Its Mayor

By _____
Its Administrator

IN WITNESS WHEREOF, each of the Parties has caused this Agreement to be executed on its behalf by its duly authorized officers, all as of the day and year first above written.

CITY OF LINO LAKES, MINNESOTA

By _____
Its Mayor

By _____
Its City Administrator

Signature page to Joint Powers Agreement

IN WITNESS WHEREOF, each of the Parties has caused this Agreement to be executed on its behalf by its duly authorized officers, all as of the day and year first above written.

**HOUSING AND REDEVELOPMENT
AUTHORITY OF THE CITY OF
SAINT PAUL, MINNESOTA**

By _____
Chair or Commissioner

Approved as to form:

By _____
Executive Director

By _____
Assistant City Attorney

By _____
Director, Office of Financial
Services of the City

This signature page is attached to a Joint Powers Agreement by and between the HRA, the City of Falcon Heights, Minnesota (“Falcon Heights”), and the City of Lino Lakes, Minnesota in connection with the issuance by Falcon Heights of its Senior Housing Revenue Refunding Note (Heritage Apartments Project), Series 2018A and Senior Housing and Health Care Facilities Revenue Note (Heritage Apartments Project), Series 2018B

PLEDGE AGREEMENT

This Pledge Agreement is made as of December 20, 2018 between the City of Falcon Heights, Minnesota, a municipal corporation (the "Issuer"), and Bremer Bank, National Association, a national banking association (the "Lender").

Recitals

WHEREAS, Heritage Apartments, Inc., a Minnesota nonprofit corporation (the "Borrower"), and the Issuer have entered into a Loan Agreement (the "Loan Agreement") of even date herewith, pursuant to which the Issuer will lend to the Borrower the proceeds of the \$3,000,000 Senior Housing and Health Care Revenue Note, Series 2018A (Heritage Apartments Project) and \$_____ Senior Housing Revenue Refunding Note, Series 2018B (Heritage Apartments Project) (the "Notes"); and

WHEREAS, the Notes are to be payable from and secured by the loan repayments to be made by the Borrower under the Loan Agreement; and the Lender, as a condition to the purchase of the Notes, has required the execution of this Pledge Agreement.

NOW THEREFORE, as an inducement to the Lender to purchase the Notes, and in consideration of the promises and other good and valuable consideration, the receipt and sufficiency whereof are hereby acknowledged, the parties hereby agree as follows:

1. In order to secure the due and punctual payment of the Notes and all other sums due the Lender under the Loan Agreement, the Issuer does hereby pledge and assign to the Lender all of the Issuer's right, title and interest in and to the Loan Agreement, subject to the Issuer's rights under the provisions of Section 7.9 thereof.

2. [Reserved.]

3. The Issuer hereby authorizes the Lender to exercise, whether or not a default exists under the Notes or an Event of Default has occurred under the Loan Agreement, either in the Issuer's name or the Lender's name, any and all rights or remedies available to the Issuer under the Loan Agreement. The Issuer agrees, on request of the Lender, to execute and deliver to the Lender such other documents or instruments as shall be deemed necessary or appropriate by the Lender at any time to confirm or perfect the security interest hereby granted. The Issuer hereby appoints the Lender its attorney-in-fact to execute on behalf of the Issuer, and in its name, any and all such assignments, financing statements or other documents or instruments which the Lender may deem necessary or appropriate to perfect, protect or enforce the security interest hereby granted.

4. The Issuer will not:

(a) exercise or attempt to exercise any remedies under the Loan Agreement, except as permitted by Sections 6.2 and 7.9 of the Loan Agreement, or terminate, modify or accept a surrender of the same, or by affirmative act, consent to the creation or existence of any security interest or other lien in the Loan Agreement to secure payment of any other indebtedness; or

(b) receive or collect or permit the receipt or collection of any payments, receipts, rentals, profits or other moneys under the Loan Agreement (except as allowed under Section 7.9 thereof) or assign, transfer or hypothecate (other than to the Lender hereunder) any of the same then due or to accrue in the future.

5. The Issuer expressly covenants and agrees that the Lender shall be entitled to receive all payments under the Loan Agreement (except any payments due the Issuer under Section 7.9 thereof), and hereby authorizes and directs the Borrower to make such payments directly to the Lender. The Lender covenants and agrees that all payments received by the Lender pursuant to the Loan Agreement shall be applied as provided in the Loan Agreement.

6. The Lender agrees to advance the purchase price of the Notes directly to the Borrower as provided in the Notes and the Loan Agreement. In accordance with Section 7.9 of the Loan Agreement the Lender hereby assumes the Issuer's and Lender's obligations to the Borrower thereunder except for the Issuer's obligations in connection with its representations in Section 2.1 of the Loan Agreement which are not being assumed.

7. If an Event of Default (as defined in the Loan Agreement) shall occur, and not cured within an applicable cure period, and be continuing, the Lender may exercise any one or more or all, and in any order, of the remedies hereinafter set forth, in addition to any other remedy at law or in equity or specified in the Loan Agreement, it being expressly understood that no remedy herein conferred is intended to be exclusive of any other remedy or remedies; but each and every remedy shall be cumulative and shall be in addition to every other remedy given herein or now or hereafter existing at law or in equity or by statute:

(a) The Lender may, without prior notice of any kind declare the principal of and interest accrued and any premium (as described in the Loan Agreement) on the Notes immediately due and payable.

(b) The Lender may exercise any rights and remedies and options of a secured party under the Uniform Commercial Code as adopted in the State of Minnesota and any and all rights available to it under the Loan Agreement securing payment of the Notes.

8. Whenever any of the parties hereto is referred to, such reference shall be deemed to include the successors and assigns of such party; and all the covenants, promises and agreements in this Pledge Agreement contained by or on behalf of the Issuer or the Lender shall bind and inure to the benefit of the respective successors and assigns of such parties whether so expressed or not.

9. The unenforceability or invalidity of any provision or provisions of this Pledge Agreement shall not render any other provision or provisions herein contained unenforceable or invalid.

10. This Pledge Agreement shall in all respects be construed in accordance with and governed by the laws of the State of Minnesota. This Pledge Agreement may not be amended or modified except in writing signed by the Issuer and the Lender.

11. This Pledge Agreement may be executed, acknowledged and delivered in any number of counterparts and each of such counterparts shall constitute an original but all of which together shall constitute one agreement.

12. The terms used in this Pledge Agreement which are defined in the Loan Agreement shall have the meanings specified therein, unless the context of this Pledge Agreement otherwise requires, or unless such terms are otherwise defined herein.

13. No obligation of the Issuer hereunder shall constitute or give rise to a pecuniary liability of the Issuer or a charge against its general credit or taxing powers, but shall be payable solely out of the proceeds and the revenues derived under the Loan Agreement.

[The remainder of this page intentionally left blank. Signature pages follow.]

IN WITNESS WHEREOF, the Issuer and the Lender have caused this Pledge Agreement to be duly executed as of the day and year first above written.

CITY OF FALCON HEIGHTS, MINNESOTA

By _____
Mayor

By _____
City Administrator

[Signature page to Pledge Agreement]

Bremer Bank, National Association

By _____
Senior Vice President

[Signature page to Pledge Agreement]

LOAN AGREEMENT
BETWEEN
CITY OF FALCON HEIGHTS, MINNESOTA

AND

HERITAGE APARTMENTS, INC.

Dated as of December 20, 2018

Except for certain reserved rights, the interest of the City of Falcon Heights, Minnesota in this Loan Agreement has been pledged and assigned to Bremer Bank, National Association pursuant to a Pledge Agreement of even date herewith.

This instrument was drafted by:

BRIGGS AND MORGAN (CJC)
Professional Association
2200 IDS Center
80 South 8th Street
Minneapolis, Minnesota 55402

TABLE OF CONTENTS

	Page
ARTICLE I	DEFINITIONS, EXHIBITS AND RULES OF INTERPRETATION..... 1
Section 1.1	Definitions..... 1
Section 1.2	Rules of Interpretation 5
ARTICLE II	REPRESENTATIONS 6
Section 2.1	Representations by the Issuer..... 6
Section 2.2	Representations by the Borrower..... 6
ARTICLE III	THE LOAN..... 9
Section 3.1	Amount and Source of Loan 9
Section 3.2	Documents Required Prior to Closing and Disbursement of the Loan 9
Section 3.3	Disbursement of the Loan..... 10
Section 3.4	Repayment 10
Section 3.5	Fee Payments 10
Section 3.6	Borrower's Obligations Unconditional 10
Section 3.7	Interest Rate Adjustment..... 11
Section 3.8	Procedure for Interest Rate Adjustment..... 11
ARTICLE IV	BORROWER'S COVENANTS..... 12
Section 4.1	Indemnity 12
Section 4.2	Continuing Existence and Qualification; Transfer 13
Section 4.3	Reports to Governmental Agencies 13
Section 4.4	Security for the Loan 13
Section 4.5	Preservation of Tax Exemption 13
Section 4.6	Lease or Sale of Facilities 17
Section 4.7	Facilities Operation and Maintenance Expenses; Insurance..... 17
Section 4.8	Notification of Changes 17
Section 4.9	Financial Covenants..... 18
Section 4.10	Access 18
Section 4.11	Access to Books and Inspection 18
Section 4.12	IRS Audit Expenses 19
Section 4.13	Matters Related to Management Contracts..... 19
Section 4.14	Replacement Reserve..... 19
ARTICLE V	PREPAYMENT OF LOAN..... 20
Section 5.1	Prepayment at Option of Borrower..... 20
ARTICLE VI	EVENTS OF DEFAULT AND REMEDIES 21
Section 6.1	Events of Default 21
Section 6.2	Remedies..... 22
Section 6.3	Disposition of Funds..... 23
Section 6.4	Manner of Exercise..... 23
Section 6.5	Attorneys' Fees and Expenses..... 23
Section 6.6	Effect of Waiver..... 23
Section 6.7	Default Rate 23

TABLE OF CONTENTS
(continued)

		Page
ARTICLE VII	GENERAL.....	24
Section 7.1	Notices	24
Section 7.2	Binding Effect.....	24
Section 7.3	Severability	24
Section 7.4	Amendments, Changes and Modifications	24
Section 7.5	Execution Counterparts.....	24
Section 7.6	Limitation of Issuer's Liability.....	24
Section 7.7	Issuer's and Host Cities' Attorneys' Fees and Costs	25
Section 7.8	Release	25
Section 7.9	Pledge and Assignment by Issuer and Survival of Obligations	25
Section 7.10	Required Approvals	26
Section 7.11	Termination Upon Retirement of Notes	26
Section 7.12	Expenses of Lender.....	26
Section 7.13	Entire Agreement	27
Section 7.14	Further Assurances.....	27
Section 7.15	Non-Responsibility	27
EXHIBIT A FORM OF COMPLIANCE CERTIFICATE.....		A-1
EXHIBIT B FORM OF DISBURSEMENT REQUEST		B-1

THIS LOAN AGREEMENT dated as of December 20, 2018, between the City of Falcon Heights, Minnesota, a municipal corporation (the "Issuer"), and Heritage Apartments, Inc., a Minnesota nonprofit corporation (the "Borrower").

WITNESSES that the Issuer and the Borrower each in consideration of the representations, covenants and agreements of the other as set forth herein, mutually represent, covenant and agree as follows:

ARTICLE I

DEFINITIONS, EXHIBITS AND RULES OF INTERPRETATION

Section 1.1 Definitions. In this Agreement the following terms have the following respective meanings unless the context hereof clearly requires otherwise:

Act: Minnesota Statutes, Chapter 462C, as amended;

Agreement: this Loan Agreement between the Issuer and the Borrower as the same may from time to time be amended or supplemented as herein provided;

Bond Counsel: the firm of Briggs and Morgan, Professional Association, of Minneapolis, Minnesota, or any other nationally recognized bond counsel representing the Issuer, and any opinion of Bond Counsel shall be a written opinion signed by such Bond Counsel;

Borrower: Heritage Apartments, Inc., its successors and assigns, and any surviving, resulting, or transferee business entity which may assume its obligations in accordance with the provisions of this Agreement;

Cash Available for Debt Service: for the applicable Fiscal Year, the Borrower's change in unrestricted net assets net of unrealized gains or losses on investments plus the sum of (i) interest expense, (ii) depreciation, amortization and other non-cash expenses, (iii) equity contributions; minus all dividends and distributions of cash or assets all determined in accordance with generally accepted accounting principles consistently applied;

Closing: the date there is physical delivery of the Notes to the Lender and payment therefor;

Code: the Internal Revenue Code of 1986, as amended and the temporary, final or proposed regulations promulgated thereunder;

Collateral: all collateral on which a lien has been granted to the Lender by the Borrower pursuant to this Agreement, the Mortgage, and the Security Agreement;

Corporate Tax Rate: solely with respect to the Notes, the maximum rate of income taxation imposed on corporations pursuant to Section 11(b) of the Code (or any successor provision) or, if as a result of a Corporate Tax Rate Change, the rate of income taxation imposed

on corporations does not apply to the Lender, then the maximum statutory rate of federal income taxation which would apply to the Lender;

Corporate Tax Rate Change: the occurrence, after Closing, of a change in the Code resulting in a change in the Corporate Tax Rate;

Corporate Tax Rate Change Date: the date a Corporate Tax Rate Change begins to apply to income of the Lender;

Counsel: an attorney designated by or acceptable to the Lender, duly admitted to practice law before the highest court of any state; an attorney for the Borrower or the Issuer may be eligible for appointment as Counsel;

Date of Taxability: this term shall have the meaning ascribed to it in Section 4.5(2) hereof;

Debt Service: the sum of (i) all obligations of Borrower for interest on its indebtedness during a Fiscal Year, plus (ii) all obligations for payment of principal on its indebtedness within such Fiscal Year, all determined in accordance with generally accepted accounting principles consistently applied;

Debt Service Coverage Ratio: the ratio of Borrower's Cash Available for Debt Service to Debt Service;

Default Rate: has the meaning defined in Section 6.7 hereof;

Determination of Taxability: this term shall have the meaning ascribed to it in Section 4.5(2) hereof;

Disbursement Request: a Disbursement Request in the form of Exhibit B attached hereto;

Effective Date: the first date the Borrower is required to make a payment on the Notes at a new annual interest rate due to a Determination of Taxability;

Equivalent Tax Exempt Yield: solely with respect to the Notes, an annual interest rate on the Notes that provides the Lender with a yield, on a tax-exempt basis, equivalent to the yield the Lender would otherwise have received had a Corporate Tax Rate Change not occurred;

Event of Default: any of the events described in Section 6.1 hereof;

Exempt Organization: a governmental unit, an entity described in Section 501(c)(3) of the Code or a limited liability company that is a disregarded entity for federal income tax purposes and whose sole member (or, if different, beneficial owner for federal income tax purposes) is an entity described in Section 501(c)(3) of the Code;

Facilities: collectively, the Saint Paul Facility and the Lino Lakes Facility;

Fiscal Year: with respect to the Borrower, the period commencing on the first day of January of any year and ending on the last day of December of the same year or any other twelve (12) month period specified by the Borrower as its fiscal year;

Host Cities: Lino Lakes and Saint Paul;

Independent Counsel: an attorney duly admitted to practice law before the highest court of any state and who is not a full-time employee, director or shareholder of the Issuer, the Borrower, or LSH;

Issuance Expenses: shall mean any and all costs and expenses relating to the issuance, sale and delivery of the Note, including, but not limited to, any fees of the Lender, all fees and expenses of legal counsel, financial consultants, feasibility consultants and accountants, any fee to be paid to the Issuer, the preparation and printing of this Agreement, the Mortgage Amendment, the Security Agreement, the Resolution, the Pledge Agreement, the Notes and all other related documents, and all other expenses relating to the issuance, sale and delivery of the Notes and any other costs which are treated as "issuance costs" within the meaning of Section 147(g) of the Code;

Issuer: City of Falcon Heights, Minnesota, its successors and assigns;

Joint Powers Agreement: the Joint Powers Agreement dated as of December 1, 2018 by and between the Issuer, Lino Lakes, and Saint Paul with respect to the issuance of the Notes;

Land: the real property and any other easements and rights described in Exhibit A to the Mortgage, together with all additions thereto and substitutions therefor agreed to by Lender and Borrower;

Lender: Bremer Bank, National Association, a national banking association, its successors and assigns;

Lino Lakes: the City of Lino Lakes, Minnesota;

Lino Lakes Facility: a combined multifamily senior housing and health care facility, with approximately 103 independent living units, 34 assisted living units, 16 memory care units, 48 skilled nursing units, and 30 townhome units, totaling approximately 106,730 square feet, to be located at 6075 Hodgson Road in the City of Lino Lakes, Minnesota, owned and operated by LSH;

Loan: the loan of proceeds of the Notes from the Issuer to the Borrower described in Section 3.1 of this Agreement;

Loan Documents: collectively, the documents listed in Section 3.2, items (1) - (5) hereof;

LSH: Lyngblomsten Senior Housing, Inc., a Minnesota nonprofit corporation and an affiliate of the Borrower;

Mortgage: the Mortgage, Security Agreement and Fixture Financing Statement dated as of November 1, 2009 by the Borrower in favor of the Lender, as amended by the Mortgage Amendment.

Mortgage Amendment: the First Amendment to Mortgage, Security Agreement and Fixture Financing Statement dated as of December 20, 2018 between the Borrower and the Lender;

Notes: the Series 2018A Note and the Series 2018B Note, collectively;

Pledge Agreement: the Pledge Agreement of even date herewith between the Issuer and the Lender pledging and assigning the Issuer's interest in this Agreement to the Lender to the extent provided therein;

Principal Balance: so much of the principal sum on each of the Notes as from time to time remains unpaid;

Prior Note: the \$3,200,000 Housing and Redevelopment Authority of the City of Saint Paul, Minnesota Multifamily Housing Revenue Refunding Bonds, Series 2009B (Heritage Apartments Project), currently outstanding in the principal amount of \$1,523,889;

Project: (i) the refunding of the Prior Note, the proceeds of which were used to refinance the acquisition, construction, and improvement of the Saint Paul Facility and (ii) the partial financing of the acquisition, construction, and equipping of the Lino Lakes Facility;

Project Costs: all direct costs authorized by the Act and paid or incurred by the Borrower with respect to the Project;

Redemption Date: December 20, 2018;

Resolution: the Final Note Resolution of the Issuer, adopted December 12, 2018, authorizing the issuance of the Notes together with any supplement or amendment thereto;

Saint Paul: the City of Saint Paul, Minnesota, including the Housing and Redevelopment Authority of the City of Saint Paul, Minnesota;

Saint Paul Facility: the 60-unit rental housing and assisted living facility for the elderly located at 1440 Midway Parkway in Saint Paul, Minnesota, commonly known as The Heritage at Lyngblomsten, owned and operated by the Borrower;

Security Agreement: the Security Agreement of even date herewith by the Borrower for the benefit of the Lender pledging and granting a security interest in the collateral described therein;

Series 2018A Note: the Issuer's \$3,000,000 Senior Housing and Health Care Revenue Note, Series 2018A (Heritage Apartments Project), as it may be amended from time to time;

Series 2018B Note: the Issuer's \$1,700,000 Senior Housing Revenue Refunding Note, Series 2018B (Heritage Apartments Project), as it may be amended from time to time;

State: the State of Minnesota; and

Treasury Regulations: all proposed, temporary or permanent federal income tax regulations then in effect and applicable.

Section 1.2 Rules of Interpretation.

(1) This Agreement shall be interpreted in accordance with and governed by the laws of the State of Minnesota.

(2) The words "herein" and "hereof" and words of similar import, without reference to any particular section or subdivision, refer to this Agreement as a whole rather than to any particular section or subdivision hereof.

(3) References herein to any particular section or subdivision hereof are to the section or subdivision of this instrument as originally executed.

(4) Where the Borrower is permitted or required to do or accomplish any act or thing hereunder, the Issuer may cause the same to be done or accomplished with the same force and effect as if done or accomplished by the Borrower.

(5) The Table of Contents and titles of articles and sections herein are for convenience only and are not a part of this Agreement.

(6) Unless the context hereof clearly requires otherwise, the singular shall include the plural and vice versa and the masculine shall include the feminine and vice versa.

(7) Articles, sections, subsections and clauses mentioned by number only are those so numbered which are contained in this Agreement.

(8) References to the Notes as "tax exempt" or to the "tax exempt status of the Notes" are to the exclusion of interest on the Note from gross income pursuant to Section 103(a) of the Code.

ARTICLE II

REPRESENTATIONS

Section 2.1 Representations by the Issuer. The Issuer makes the following representations as the basis for its covenants herein:

(1) The Issuer is a municipal corporation pursuant to the laws of the State of Minnesota;

(2) There is no pending or, to the undersigned's actual knowledge, without inquiry or investigation, threatened suit, action, or proceeding against the Issuer before any court, arbitrator, administrative agency, or other governmental authority that challenges the Issuer's execution and delivery of this Agreement, the Notes, and the Pledge Agreement;

(3) To the actual knowledge of the undersigned, without inquiry or investigation, the execution and delivery of this Agreement, the Notes, and the Pledge Agreement will not constitute a breach of or default under any existing (a) provision of any special legislative act or charter provision relating to the establishment of the Issuer or (b) agreement, indenture, mortgage, lease or other instrument to which the Issuer is a party or by which it is bound; and

(4) No proceeding of the Issuer for the issuance, execution or delivery of this Agreement, the Notes, or the Pledge Agreement has been repealed, rescinded, amended or revoked and Lender is entitled to rely on the same as if the same were fully incorporated herein, including without limitation, the Resolution.

Section 2.2 Representations by the Borrower. The Borrower makes the following representations as the basis for its covenants herein:

(1) The Borrower is a Minnesota nonprofit corporation in good standing, is duly authorized to conduct its business in all states where its activities require such authorization, has power to enter into this Agreement, the Mortgage Amendment, and the Security Agreement and to use, or cause to be used, the Facilities for the purpose set forth in this Agreement and by proper corporate action has authorized the execution and delivery of this Agreement, the Mortgage Amendment, and the Security Agreement;

(2) Not more than five percent (5%) of the proceeds of the Notes will be used, directly or indirectly, to finance property used in an unrelated trade or business of the Borrower determined by applying Section 513(a) of the Code or in the trade or business of any person other than an organization described in Section 501(c)(3) of the Code. There is no action, proceeding or investigation pending or threatened by the Internal Revenue Service or authorities of the State of Minnesota which, if adversely determined, might result in a modification of the status of the Borrower as an organization described in Section 501(c)(3) of the Code;

(3) The execution and delivery of this Agreement, the Mortgage Amendment, and the Security Agreement, the consummation of the transactions contemplated thereby, and the fulfillment of the terms and conditions thereof do not and will not conflict with or result in a

breach of any of the terms or conditions of the Borrower's articles of incorporation, its bylaws, any restriction or any agreement or instrument to which the Borrower is now a party or by which it is bound or to which any property of the Borrower is subject, and do not and will not constitute a default under any of the foregoing or a violation of any order, decree, statute, rule or regulation of any court or of any state or federal regulatory body having jurisdiction over the Borrower or its properties, including the Facilities, and do not and will not result in the creation or imposition of any lien, charge or encumbrance of any nature upon any of the property or assets of the Borrower contrary to the terms of any instrument or agreement to which the Borrower is a party or by which it is bound;

(4) As of the date hereof, the use of the Facilities as designed and to be operated complies, in all material respects, with all presently applicable development, pollution control, water conservation and other laws, regulations, rules and ordinances of the federal government and the State of Minnesota and the respective agencies thereof and the political subdivisions in which the Facilities are (or, as to the Lino Lakes Facility, will be) located. The Borrower has obtained, or will obtain in a timely manner, all necessary and material approvals of and licenses, permits, consents and franchises from federal, state, county, municipal or other governmental authorities having jurisdiction over the Facilities and to enter into, execute and perform its obligations under this Agreement, the Mortgage, and the Security Agreement, and no violation of any local ordinance, laws, regulation or requirement exists with respect to the Land;

(5) The proceeds of the Notes, together with any other funds to be contributed to the Project by the Borrower and/or LSH, including additional proceeds of LSH debt, or otherwise in accordance with this Agreement, will be sufficient to pay the cost of the Project in a manner suitable for use of the Facilities as senior housing and health care facilities, and all costs and expenses incidental thereto, and the proceeds of the Notes will be used only for the purposes contemplated hereby and allowable under the Act;

(6) Comparable private financing for the Project was not found by the Borrower to be reasonably available, and the Project is economically more feasible with the availability of the financing herein authorized;

(7) The Borrower is not in the trade or business of selling properties such as the Facilities and is undertaking the Project for investment purposes only or otherwise for use by the Borrower in its trade or business, and therefore the Borrower has no intention now or in the foreseeable future to voluntarily sell, surrender, or otherwise transfer, in whole or part, its interest in the Saint Paul Facility or to allow the sale, surrender, or other transfer, in whole or in part, of LSH's interest in the Lino Lakes Facility, except that not all of the land acquired for the Lino Lakes Facility is expected to be needed for the Lino Lakes Facility, so any excess land may be sold or otherwise conveyed, to the extent such conveyance does not have an adverse effect of the tax-exempt status of the interest on the Series 2018A Note;

(8) There are no actions, suits, or proceedings pending or, to the knowledge of the Borrower, threatened against or affecting the Borrower or LSH or any property of the Borrower or LSH in any court or before any federal, state, municipal, or other governmental agency, which, if decided adversely to the Borrower or LSH would have a material adverse effect upon the Borrower or LSH or upon the business or properties of the Borrower or LSH; and

the Borrower and LSH are not in default with respect to any order of any court or governmental agency;

(9) The Borrower is not in default in the payment of the principal of or interest on any indebtedness for borrowed money nor in default under any instrument or agreement under and subject to which any indebtedness for borrowed money has been issued;

(10) The Borrower has filed all federal and state income tax returns which are required to be filed and has paid all taxes shown on said returns and all assessments and governmental charges received by the Borrower to the extent that they have become due;

(11) To the knowledge of the Borrower, no public official of the Issuer has either a direct or indirect financial interest in this Agreement nor will any public official either directly or indirectly benefit financially from this Agreement;

(12) The Borrower has approved the terms and conditions of the Notes;

(13) The Borrower intends the Saint Paul Facility to be and intends to cause the Lino Lakes Facility to be operated as senior housing and healthcare facilities until the date on which the entire Principal Balances of the Series 2018B Note and Series 2018A Note, respectively, have been fully paid and are no longer outstanding;

(14) Each document executed by the Borrower in connection with the Loan constitutes the legal, valid and binding obligation of the Borrower, enforceable in accordance with its terms (subject, as to enforceability, to limitations resulting from bankruptcy, insolvency and other similar laws affecting creditors' rights generally);

(15) The financial statements of the Borrower heretofore furnished to the Lender are complete and correct in all material respects and fairly present the financial condition of the Borrower at the date of such statements. Since the most recent set of audited financial statements delivered by the Borrower to the Lender, there have been no material adverse changes in the financial condition of the Borrower;

(16) Except with respect to the construction and occupancy of the Lino Lakes Facility, no consent, approval, order or authorization of, or registration, declaration or filing with, or notice to, any governmental authority or any third party is required in connection with the execution and delivery of this Agreement, or any of the agreements or instruments herein mentioned or related hereto to which the Borrower is a party or the carrying out or performance of any of the transactions required or contemplated hereby or thereby or, if required, such consent, approval, order or authorization has been (or, with respect to the filing of the Form 8038 with the Internal Revenue Service, will be) obtained or such registration, declaration, or filing has been or will be accomplished or such notice has been or will be given;

(17) The Saint Paul Facility is, and the Lino Lakes Facility will be upon completion, in substantial compliance with the accessibility guidelines set forth in Title III of The Americans with Disabilities Act of 1990, as the same may be amended from time to time, and any rules and regulations promulgated thereunder (the "ADA").

(18) LSH is a Minnesota nonprofit corporation in good standing and is duly authorized to conduct its business in all states where its activities require such authorization. LSH is an affiliate of the Borrower. There is no action, proceeding or investigation pending or threatened by the Internal Revenue Service or authorities of the State of Minnesota which, if adversely determined, might result in a modification of the status of LSH as an organization described in Section 501(c)(3) of the Code.

ARTICLE III

THE LOAN

Section 3.1 Amount and Source of Loan. The Issuer has authorized the issuance of the Notes in the principal amount of \$3,000,000 and \$1,700,000, respectively, to provide funds to the Borrower for its use in financing and refinancing the Project. The Borrower agrees to cause LSH to acquire and construct the Lino Lakes Facility and Borrower will refund and redeem the Prior Note, and the Issuer, upon receipt of its administrative fee of \$[23,500], agrees to lend the Borrower, upon the other terms and conditions set forth herein, the proceeds received from the Notes by causing such sums to be advanced to the Borrower and disbursed at Closing or pursuant to this Agreement.

Section 3.2 Documents Required Prior to Closing and Disbursement of the Loan. Prior to the closing and any advance of the proceeds, the Borrower shall deliver to the Lender the following:

- (1) The Notes;
- (2) This Agreement;
- (3) The Pledge Agreement;
- (4) The Mortgage Amendment;
- (5) The Security Agreement;
- (6) Opinion of Counsel for the Borrower as prescribed by the Lender and Bond Counsel;
- (7) An opinion of Briggs and Morgan, Professional Association, to the effect that the Issuer has duly authorized the Notes and that the interest thereon is exempt from federal income taxation and subject to other conditions acceptable to the Lender;
- (8) 501(c)(3) determination letters from the Internal Revenue Service evidencing that the Borrower and LSH are exempt from income taxation under Section 501(c)(3) of the Code and such other documents and opinions as Bond Counsel may reasonably require for purposes of rendering its opinion required in subsection (7) above; and
- (9) Any certification, instrument, assignment or other document referenced in or required by any of the foregoing.

Section 3.3 Disbursement of the Loan. Pursuant to this Agreement and the Act, the Issuer authorizes the Borrower to provide directly for the financing of the Project in such manner as determined by the Borrower and hereby authorizes the Lender to advance the proceeds of the Notes directly to or for the benefit of the Borrower or such other parties as may be entitled to payment or reimbursement for Project Costs or Issuance Expenses, upon receipt of a Disbursement Request in the form of Exhibit B hereto and such supporting documentation as the Lender may deem reasonably necessary or as required by this Agreement. At Closing, Lender will advance Note proceeds of \$ _____ as follows: \$ _____ of the Series 2018A Note proceeds and \$[0.00] of the Series 2018B Note proceeds will be disbursed for Issuance Expenses, \$1,527,548.44 of the Series 2018B Note proceeds will be disbursed to the Lender to be applied to the refunding of the Prior Note on the Redemption Date, and \$ _____ of the Series 2018A Note proceeds will be disbursed as directed by the Borrower to pay Project Costs of the Lino Lakes Facility, provided that no more than 2% of the amount actually advanced on the Notes may be used to pay Issuance Expenses. Upon Lender's receipt of approved Disbursement Requests from the Borrower the remaining proceeds of the Series 2018A Note proceeds shall be advanced by the Lender and disbursed pursuant to this Agreement until fully advanced, completion of the Lino Lakes Facility, or December 1, 2020, whichever occurs earliest. Any unadvanced proceeds of the Series 2018A Note as of December 1, 2020 or upon completion of the Lino Lakes Facility shall remain unadvanced.

Section 3.4 Repayment. Subject to the prepayment provisions set forth in the Notes, the Borrower agrees to repay the Loan by making all payments of principal, interest, and any premium or charge that are required to be made by the Issuer under the Notes at the times and in the amounts provided therein. All payments shall be made directly to the Lender as provided in the Notes for the account of the Issuer. The Borrower represents and covenants that the source of payment of the Notes is from revenues derived from its ownership of the Saint Paul Facility and other funds of the Borrower obtained pursuant to its tax-exempt purposes.

Section 3.5 Fee Payments. In addition to the repayments required by Section 3.4 hereof, the Borrower shall pay to the Issuer, as fee payments, the following amounts, in each case promptly after receipt of an appropriate invoice stating the basis and amount of the charge: all costs and expenses of the Issuer incurred in the issuance and payment of the Notes and the making, administration and collection of the Loan, including (i) all costs incurred in connection with the purchase, transfer, registration, exchange or redemption of the Notes, (ii) the reasonable fees and other costs incurred for services of such engineers, attorneys, management consultants, accountants and other consultants as are employed by the Issuer to make examinations and reports, provide services and render opinions required under this Agreement, and (iii) amounts advanced by the Issuer under the provisions of this Agreement and which the Borrower is obligated to repay.

Section 3.6 Borrower's Obligations Unconditional. All payments required of the Borrower hereunder shall be paid without notice or demand and without setoff, counterclaim, abatement, deduction or defense. The Borrower will not suspend or discontinue any payments, and will perform and observe all of its other agreements in this Agreement, and, except as expressly permitted herein, will not terminate this Agreement for any cause, including but not limited to any acts or circumstances that may constitute failure of consideration, destruction or damage to the Facilities, eviction by paramount title, commercial frustration of purpose,

bankruptcy or insolvency of the Issuer or the Lender, change in the tax or other laws or administrative rulings or actions of the United States of America or of the State of Minnesota or any political subdivision thereof, or failure of the Issuer to perform and observe any agreement, whether express or implied, or any duty, liability or obligation arising out of or connected with this Agreement.

Section 3.7 Interest Rate Adjustment.

(1) *General.* In the event of a Corporate Tax Rate Change which causes a change in the Equivalent Tax Exempt Yield, then, subject to the provisions of Section 3.8, the annual interest rate on the Notes shall be adjusted as of the Corporate Tax Rate Change Date by multiplying the then-current interest rate under the Notes by the Ratio, as further described in the Notes and in Section 3.8 hereof.

(2) *Survival.* Without prejudice to the survival of any other agreement of the Borrower under this Agreement, the agreements and obligations of the Borrower contained in this Section shall survive the termination of this Agreement and the payment in full of the Notes and the obligations of the Borrower under this Agreement.

Section 3.8 Procedure for Interest Rate Adjustment. If the conditions described in Section 3.7(1) above occur, the following procedure must be followed:

(1) *Certificates for Reimbursement.* The Lender shall prepare and deliver to the Borrower a certificate of the Lender setting forth the new annual interest rate applicable to the Notes and the Effective Date. The Lender certificate as to such matters shall be conclusive absent manifest error.

(2) *Conditions Precedent.* Establishment of the Effective Date is subject to satisfaction of the following conditions:

(a) The Issuer has approved the reissuance of the Notes for federal income tax purposes on the Effective Date, if determined necessary by Bond Counsel.

(b) All procedural requirements required by the Code necessary to assure the tax-exempt status of the Notes as of the Effective Date have been satisfied.

(c) There shall be delivered to the Lender and the Issuer on the Effective Date the following:

(i) a favorable opinion of Bond Counsel that (I) interest on the Notes is excluded from gross income for federal income tax purposes from and after the Effective Date and (II) evidence of satisfaction of any procedural requirements of the Code necessary to assure the tax-exempt status of the Notes as of the Effective Date;

(ii) replacement Notes or allonges to the Notes evidencing the new annual interest rate applicable to the Notes and the Effective Date;

(iii) any amendments or supplements to the Loan Documents required in connection with the amendment of the Notes; and

(iv) such other documents, certificates, and opinions as are reasonably required by the Lender and Bond Counsel.

(3) The Borrower has paid all the fees and expenses incurred by the Issuer, the Lender and Lender participants in conjunction with establishing and documenting the new annual interest rate on the Notes.

(4) *Delay in Requests.* Failure or delay on the part of the Lender to demand implementation of the Ratio as described in this Section shall not constitute a waiver of the Lender's or Borrower's right to demand such implementation of the interest rate change.

(5) *Survival.* Without prejudice to the survival of any other agreement of the Borrower under this Agreement, the agreements and obligations of the Borrower contained in this Section shall survive the termination of this Agreement and the payment in full of the Notes and the obligations of the Borrower under this Agreement.

ARTICLE IV

BORROWER'S COVENANTS

Section 4.1 Indemnity. The Borrower will, to the extent permitted by law, pay, and will protect, indemnify and save the Issuer, the Lender, and their respective officers, agents, and employees harmless from and against all liabilities, losses, damages, costs, expenses (including reasonable attorneys' fees and expenses), causes of action, suits, claims, demands and judgments of any nature arising from the following:

(1) any injury to or death of any person or damage to property in or upon the Facilities or growing out of or connected with the use, non-use, condition or occupancy of the Facilities or a part thereof;

(2) violation of any agreement or condition of this Agreement, except by the Issuer or its assignee;

(3) violation of any contract, agreement or restriction by the Borrower or LSH relating to the Project;

(4) violation of any law, ordinance or regulation affecting the Facilities or a part thereof or the ownership, occupancy or use thereof, or arising out of this Agreement, the Note or the transactions contemplated thereby, including any requirements imposed on the Lender as a financial institution or any disclosure or registration requirements imposed by any federal or state securities law; and

(5) any statement or information relating to the expenditure of the proceeds of the Notes contained in a non-arbitrage certificate or similar document furnished by the Borrower to the Issuer which, at the time made, is misleading, untrue or incorrect in any material respect.

Section 4.2 Continuing Existence and Qualification; Transfer. Throughout the term of this Agreement the Borrower and LSH will remain duly qualified to do business as nonprofit corporations in Minnesota and will continue to operate as organizations described in Section 501(c)(3) of the Code whose income is exempt from taxation under Section 501(a) of the Code, and the Borrower and LSH will maintain their corporate existence, will not dissolve or otherwise dispose of all or substantially all of their assets, and will not consolidate with or merge into another corporation or other business entity or permit any other corporation or other business entity to consolidate with or merge into it unless (1) the surviving, resulting or transferee corporation, or other business entity, as the case may be, shall be a nonprofit corporation operating under the laws of the United States, any state or the District of Columbia, and an organization described in Section 501(c)(3) of the Code (provided the Project will not constitute an unrelated trade or business within the meaning of Section 513(a) of the Code) or a governmental unit under Section 145 of the Code; (2) the surviving, resulting or transferee corporation, or other business entity, as the case may be, if other than the Borrower, assumes in writing all of the obligations of the Borrower under this Agreement, the Mortgage, and the Security Agreement, and shall deliver that instrument to the Lender, (3) the surviving, resulting or transferee corporation or other business entity, as the case may be, is duly qualified to do business in Minnesota, and (4) the Borrower first obtains the written consent of the Lender to such merger, transfer, or consolidation, which approval may be granted or withheld by the Lender in its reasonable discretion. At least 60 days before any proposed merger, transfer or consolidation would become effective, the Borrower shall deliver to the Lender a written request seeking the Lender's approval of such merger, transfer, or consolidation, and shall thereafter promptly furnish to the Lender such information pertaining to the proposed merger, transfer, or consolidation as the Lender shall request. If the Lender approves the proposed merger, transfer, or consolidation, the surviving, resulting or transferee corporation and other entity referred to in this Section 4.2 shall be bound by all of the covenants and agreements of the Borrower herein with respect to any further consolidation, merger, sale or transfer.

Section 4.3 Reports to Governmental Agencies. The Borrower will furnish to agencies of the State of Minnesota, such periodic reports or statements as may be required under the Act, or as they may otherwise reasonably require of the Issuer or the Borrower throughout the term of this Agreement in connection with the transaction contemplated herein. Copies of such reports will be provided to the Issuer and the Lender.

Section 4.4 Security for the Loan. As additional security for the Lender, and to induce the Issuer to issue and deliver the Notes, the Borrower agrees to execute and deliver (or cause to be executed and delivered) the documents described in Section 3.2 hereof and agrees to meet all its obligations under such documents, which documents shall remain in effect until all payments required hereunder have been made; and the Borrower will direct Bond Counsel or the Lender to cause to be recorded and filed the Mortgage Amendment, financing statements, and such other documents requested by Bond Counsel or the Lender, in such places and in such manner as Bond Counsel or the Lender deems necessary or desirable to perfect or protect the security interest of the Lender in and to the Saint Paul Facility and other collateral referred to in said documents. Except as otherwise may be provided in the Mortgage, the Borrower will not further encumber the property pledged therein without the Lender's prior written consent.

Section 4.5 Preservation of Tax Exemption.

(1) The Borrower covenants and agrees that, in order to assure that the interest on the Notes shall at all times be free from federal income taxation, the Borrower represents and covenants to the Issuer and the Lender that it will comply with the applicable provisions of Section 103 and Section 141 through 150 of the Code and as follows:

(a) The Saint Paul Facility is and will continue to be owned and operated by the Borrower and the Lino Lakes Facility will be owned and operated by LSH, and no portion of the Facilities is or will be managed by anyone other than the Borrower or a governmental entity or an organization described in Section 501(c)(3) of the Code or pursuant to a "qualified management agreement" within the meaning of all pertinent provisions of law, including all relevant provisions of the Code and regulations, rulings and revenue procedures thereunder, including Revenue Procedure 2017-13.

(b) The Facilities will not be used by the Borrower or LSH in an unrelated trade or business, determined by the application of Section 513(a) of the Code.

(c) No more than five percent (5%) of the net proceeds of the Notes is to be used for any private business use as defined in Section 141(b)(6) of the Code.

(d) The payment of the principal of, or interest on, no more than five percent (5%) of the net proceeds of the Notes is (under the terms of the Notes or any underlying arrangement) directly or indirectly (a) secured by any interest in (i) property used or to be used for a private business use, or (ii) payments in respect of such property, or (b) to be derived from payments (whether or not to the Issuer) in respect of property, or borrowed money, used or to be used for a private business use.

(e) The aggregate authorized face amount of the Notes (when increased by any outstanding tax-exempt "qualified 501(c)(3) bonds" issued prior to 1997, other than "qualified hospital bonds," of the Borrower, or any organization with which the Borrower is under common management or control and is a test period beneficiary determined in accordance with Section 145(b) of the Code) does not exceed \$150,000,000 or, alternatively, at least 95% of the net proceeds of the Note will be used for capital expenditures.

(f) The weighted average maturity of the Notes will not exceed the estimated economic life of the Facilities by more than twenty percent (20%), all within the meaning of Section 147(b) of the Code.

(g) While the Notes remain outstanding, no portion of the proceeds of the Notes will be used to provide any airplane, skybox or other private luxury box, any facility primarily used for gambling, or a store, the principal business of which is the sale of alcoholic beverages for consumption off premises.

(h) Not more than 2% of the proceeds of the Notes will be used to finance Issuance Expenses.

(i) The Borrower agrees it will not use the proceeds of the Notes in such a manner as to cause the Notes to be "arbitrage bonds" within the meaning of Section 148 of the Code and applicable Treasury Regulations. The Borrower shall:

(i) maintain records identifying all "gross proceeds" and "replacement proceeds" (as defined in Section 148(f)(6)(B) of the Code attributable to the Notes, the yield at which such gross proceeds are invested, any arbitrage profit derived therefrom (earnings in excess of the yield on the Notes) and any earnings derived from the investment of such arbitrage profit;

(ii) make, or cause to be made as of the end of each fifth bond year, the annual determinations of the amount, if any, of excess arbitrage required to be paid to the United States, unless the Borrower obtains an Opinion of Bond Counsel to the effect that such calculations need not be made (the "Rebate Amount");

(iii) pay, or cause to be paid, to the United States at least once every fifth bond year the amount, if any, which is required to be paid to the United States, including the last installment which shall be made no later than 60 days after the day on which the Notes are paid in full;

(iv) not invest, or permit to be invested, "gross proceeds" of the Notes in any acquired non-purpose obligations so as to deflect arbitrage otherwise payable to the United States as a "prohibited payment" to a third party; and

(v) if applicable, retain all records of the determination of the foregoing amounts until six (6) years after the Notes have been fully paid.

Unless the Opinion of Bond Counsel described in (ii) above is provided, the Borrower agrees that, in order to comply with this paragraph (i), it shall determine the Rebate Amount within 30 days after each fifth year of the anniversary of the Closing and upon payment in full of the Notes; upon request, the Borrower shall furnish the Lender a certificate showing how such calculation was made.

(j) The Borrower and LSH have not leased, sold, assigned, granted or conveyed and will not lease, sell, assign, grant or convey all or any portion of the Facilities or any interest therein to the United States or any agency or instrumentality thereof within the meaning of Section 149(b) of the Code.

(k) In addition to the Notes, no other obligations have been or will be issued under Section 103 of the Code which are sold at substantially the same time as the Notes pursuant to a common plan of marketing and at substantially the same rate of interest as the Notes and which are payable in whole or part by the Borrower or otherwise have with the Notes any common or pooled security for the payment of debt service thereon, or which are otherwise treated as the same "issue of obligations" as the Notes as described in Treasury Regulations Section 1.150-(1)(c)(1).

(l) No proceeds of the Notes shall be invested in investments which cause the Notes to be federally guaranteed within the meaning of Section 149(b) of the Code. If at any time the moneys in such funds exceed, within the meaning of Section 149(b)(3)(B) of the Code, (i) amounts invested for an initial temporary period until the moneys are needed for the purpose for which the Notes were issued, (ii) investments of a bona fide debt service fund, and (iii) investments of a reserve which meet the requirement of Section 148(d) of the Code, such excess moneys shall be invested in only those investments, which are (A) obligations issued by the United States Treasury, (B) other investments permitted under regulations, or (C) obligations which are (a) not issued by, or guaranteed by, or insured by, the United States or any agency or instrumentality thereof or (b) not federally insured deposits or accounts, all within the meaning of Section 149(b) of the Code.

(m) Not otherwise use proceeds of the Notes, or take or fail to take any action within its control, the effect of which would be to impair the exemption of interest on the Notes from federal income taxation.

(n) Maintain such written procedures as appropriate and applicable to ensure Borrower's principal responsibility for compliance with the post-issuance requirements necessary to maintain the tax-exempt status of the interest on the Notes, including requirements that must be continually monitored, including (i) monitoring the investment (pending expenditure) of Note proceeds (and keep detailed records thereof) in order to assure compliance with the arbitrage requirements applicable to the Notes, (ii) monitoring the expenditures of Note proceeds (and keep detailed records thereof), (iii) monitoring the use of the Facilities in order to ensure that the Notes continue to qualify as a qualified 501(c)(3) bond within the meaning of Section 145 of the Code, (iv) periodically consulting with Bond Counsel with respect to arbitrage issues and compliance, and (v) consulting with Bond Counsel as necessary to determine whether, and to what extent, any change in the use or purpose of the financed facility will require any remedial action under the relevant Treasury Regulations.

(2) For the purpose of this Section, a "Determination of Taxability" shall mean the issuance of a statutory notice of deficiency by the Internal Revenue Service, or a ruling of the National Office or any District Office of the Internal Revenue Service, or a final decision of a court of competent jurisdiction, or a change in any applicable federal statute, which holds or provides in effect that all of the interest payable on the Notes is includible, for federal income tax purposes under Section 103 of the Code, in the gross income of the Lender or any other holder or prior holder of the Notes for any reason, if the period, if any, for contest or appeal of such action, ruling or decision by the Borrower or the Lender or any other interested party has expired without any such contest or appeal having been properly instituted by the Lender, the Borrower or any other interested party. The expenses of any such contest shall be paid by the party initiating the contest, and neither the Lender nor the Borrower shall be required to contest or appeal any Determination of Taxability. The "Date of Taxability" shall mean that point in time, as specified in the determination, ruling, order, or decision, that the interest payable on the Notes becomes includible in the gross income of the Lender or any other holder or prior holder of the Notes, as the case may be, for federal income tax purposes.

(3) If the Borrower receives a Determination of Taxability it will promptly give notice of such Determination of Taxability to the Issuer and the Lender and the Notes shall convert to a taxable obligation effective as of the Date of Taxability. The interest rate for interest accruing from the Date of Taxability shall be adjusted to the "Taxable Rate" (as defined in the Notes) on the date of the Determination of Taxability and the Borrower shall pay any interest accruing from the Date of Taxability which is retroactively due as a result of the interest rate adjustment on the next payment date along with regularly scheduled principal payment and interest accruing from the previous payment date at the Taxable Rate, as provided in the Notes.

Section 4.6 Lease or Sale of Facilities. The Borrower and LSH shall not lease, sell, convey or otherwise transfer the Facilities in whole or part, without first securing the written consent of the Lender with respect to the Saint Paul Facility or notifying the Lender with respect to the Lino Lakes Facility, provided that in no event shall such lease, transfer, assignment or sale be permitted if the effect thereof would otherwise be to impair the validity or the tax exempt status of the Notes, nor shall any such transaction release the Borrower of any of its obligations under this Agreement, unless the Saint Paul Facility has been conveyed in whole and such conveyance has been approved in writing by the Lender. The Borrower shall promptly notify the Issuer of any such sale, transfer, assignment, or lease.

Section 4.7 Facilities Operation and Maintenance Expenses; Insurance. The Borrower shall pay or cause to be paid all expenses of the operation and maintenance of the Saint Paul Facility including, but without limitation, all taxes and special assessments levied upon or with respect to the Saint Paul Facility and payable during the term of this Agreement. The Borrower shall keep or cause to be kept the Saint Paul Facility in good working order and condition, subject to ordinary wear and tear. The Saint Paul Facility shall not be used for purposes which violate any Federal, State or other laws prohibiting discrimination in access or employment based on race, creed, sex, sexual orientation, handicap, ethnic origin, age or marital status. The Borrower shall purchase and maintain or cause to be purchased and maintained such insurance as will protect the Borrower against risk of loss or damage to its property and against claims which may arise from its maintenance and use of its property, including all operations conducted in connection therewith, or from any other activities of the Borrower, in amounts and with coverage not less than is reasonable and customary for a senior housing facility comparable to the Borrower.

Section 4.8 Notification of Changes. The Borrower covenants and agrees that it will promptly notify the Lender of:

(1) any litigation which might affect the Borrower or any of its properties, where the amount in dispute, singly or in the aggregate, exceeds \$50,000 and is not covered by insurance, and any proceedings materially affecting the Borrower or its properties by or before any governmental or regulatory authority;

(2) the occurrence of any Event of Default under this Agreement or under any other loan agreement, debenture, notes, purchase agreement or any other agreement providing for the borrowing of money by the Borrower or any event of which the Borrower has knowledge and which, with the passage of time or giving of notice, or both, would constitute an Event of

Default under this Agreement or under such other agreements or obligations whether owing to the Lender or other lenders; and

(3) any material adverse change in the operations, business, properties, assets or conditions, financial or otherwise, of the Borrower.

Section 4.9 Financial Covenants. The Borrower will:

(a) Maintain a Debt Service Coverage Ratio of at least 1.15 to 1.00, measured annually at the end of each Fiscal Year based on audited financial statements for such Fiscal Year;

(b) Deliver to the Lender consolidated audited financial statements of the sole member or parent of the Borrower, which shall include the Borrower, within 120 days of each Fiscal Year end;

(c) Deliver to the Lender internally prepared financial statements of the Borrower within 30 days of the end of each fiscal quarter;

(d) Deliver to the Lender an annual compliance certificate substantially in the form of Exhibit A within 120 days of the end of each Fiscal Year;

(e) Maintain its main depository and checking relationship with the Lender for the term of the Notes; and

(f) Deliver to the Lender internally prepared financial statements within 60 days of the end of such Fiscal Year;

(g) Such other reports and financial information as Lender may, from time to time, reasonably request.

Section 4.10 Access. The Borrower grants to the Lender and to the Lender's agents access to the Saint Paul Facility at any reasonable time during normal business hours in order to inspect the Saint Paul Facility subject to reasonable prior notice.

Section 4.11 Access to Books and Inspection. The Borrower shall keep proper books of record and accounts with respect to the use and operation of the Saint Paul Facility, and, subject to any privacy laws applicable to Borrower, upon request of the Lender or the Issuer, provide any duly authorized representative of the Lender or the Issuer access during normal business hours to, and permit such representative to examine, copy or make extracts from, or audit any and all books, records and documents of the Borrower relating to the Project, or the Borrower's affairs and to inspect any of its facilities and properties. (The Lender or the Issuer shall be permitted to disclose the information contained therein to its legal counsel, its independent public accountants, any participating lenders, or in connection with any action to collect any indebtedness of the Borrower or to enforce this Agreement and the documents related hereto, or as otherwise permitted or required by law).

Section 4.12 IRS Audit Expenses. The Borrower agrees to pay any reasonable costs incurred by the Issuer or the Lender as a result of the Issuer's or the Lender's compliance with an audit, random or otherwise, by the Internal Revenue Service, the Minnesota Department of Revenue, the Office of the State Auditor, or any other governmental entity with respect to the Notes or the Project, or the Facilities.

Section 4.13 Matters Related to Management Contracts. The manager under any management contract for the management of the Facilities shall be an organization recognized as exempt under Section 501(c)(3) of the Code or such management contract shall comply with Department of Treasury Revenue Procedure 2017-13 (and any amended or successor rule) and in particular with one of the "safe harbor" limitations thereof.

Section 4.14 Replacement Reserve. On or before January 1, 2019, the Borrower shall deposit into a fund held at the Lender (the "Replacement Reserve Fund") an amount equal to \$24,000. The Borrower may draw amounts from the Replacement Reserve Fund to be used for any capital repair or improvements to the Saint Paul Facility. Upon any such withdrawal, the Borrower shall replenish such amount to the Replacement Reserve Fund within the succeeding twelve-month period.

ARTICLE V

PREPAYMENT OF LOAN

Section 5.1 Prepayment at Option of Borrower. The Borrower may, at its option, prepay the Loan, in whole or in part, on any date, by paying the principal amount to be prepaid and accrued interest thereon, with such penalty or premium then due as set forth in the Notes. Any partial prepayment shall be applied in the order described in Paragraph 7 of the Notes. At the date fixed for prepayment, funds shall be paid to the Lender at its registered address appearing on the Notes. In the event the Borrower elects to prepay the Loan, the Borrower shall cause to be given in the name of the Issuer notice of prepayment of the Note to the Lender by first-class mail, addressed to the Lender at its registered address, not less than sixty (60) days prior to the date fixed for prepayment, provided that the Lender may waive or provide alternative reasonable notice requirements, and shall pay the prepayment price when due to the Lender. The Issuer hereby authorizes the Borrower to give mailed notice of prepayment and, if required by law, published notice of prepayment of the Notes in the name of the Issuer, from time to time.

ARTICLE VI

EVENTS OF DEFAULT AND REMEDIES

Section 6.1 Events of Default. Any one or more of the following events is an Event of Default under this Agreement:

(1) If the Borrower shall fail to make (a) any payments required under Section 3.4 of this Agreement on the date due as set forth in the Notes, or (b) any other payment due under this Agreement on or before the date that the payment is due and such default continues for ten (10) days after receiving written notice of such failure from Lender.

(2) If the Borrower shall fail to observe and perform any other covenant, condition or agreement on its part under this Agreement for a period of thirty (30) days after written notice, specifying such default and requesting that it be remedied, given to the Borrower by the Issuer or the Lender, unless the default does not consist of the non-payment of money and cannot reasonably be cured within thirty (30) days then for such longer period as may be reasonably necessary to remedy such default provided that the Borrower is proceeding with reasonable diligence to remedy the same, and provided that such longer period does not place the Project at material risk.

(3) If the Borrower shall file a petition in bankruptcy or for reorganization or for an arrangement pursuant to any present or future federal bankruptcy act or under any similar federal or state law, shall consent to the entry of an order for relief pursuant to any present or future federal bankruptcy act or under any similar federal or state law, or shall make an assignment for the benefit of its creditors or shall admit in writing its inability to pay its debts generally as they become due, or if a petition or answer proposing the entry of an order for relief of the Borrower 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 ninety (90) days after the filing thereof, or a receiver, trustee or liquidator of the Borrower of all or substantially all of the assets of the Borrower, or of the Project shall be appointed in any proceeding brought against the Borrower and shall not be discharged within ninety (90) days after such appointment or if the Borrower shall consent to or acquiesce in such appointment, or if the estate or interest of the Borrower in the Facilities or a part thereof shall be levied upon or attached in any proceeding and such process shall not be vacated or discharged within ninety (90) days after such levy or attachment; or if the Borrower shall be dissolved or liquidated or shall be merged with or is acquired by another business entity in violation of Section 4.2.

(4) If the articles of incorporation of the Borrower shall expire or be annulled; or if the Borrower shall be dissolved (other than administratively dissolved by the Minnesota Secretary of State, so long as the Borrower is reinstated within one year) or liquidated (other than when a new entity assumes the obligations of the Borrower under the conditions permitting such action contained in Section 4.2).

(5) If any representation or warranty made by the Borrower herein, or by an officer or representative of the Borrower in any document or certificate furnished the Lender or

the Issuer in connection herewith or therewith or pursuant hereto or thereto, shall prove at any time to be, in any material respect, incorrect or misleading as of the date made.

(6) If the Borrower shall default or fail to perform any covenant, condition or agreement on its part under any of the Security Agreement, the Mortgage, or any other security document securing the Notes, and such failure continues beyond the period set forth in such documents during which the Borrower may cure the default.

(7) Any state or federal tax lien shall be filed against the Borrower and shall remain undischarged for a period of sixty (60) days.

(8) All or any portion of the Land or the Saint Paul Facility, or the legal, equitable or any other interest therein, shall be sold, transferred, assigned, leased, further encumbered (except as permitted herein or in the Mortgage) or otherwise disposed of, unless the prior written consent of the Lender is first obtained; provided that nothing in this Agreement prohibits the Borrower from entering into an agreement for sale of the Land where the Loan and all other amounts due under this Agreement and the other documents evidencing the Loan will be paid in full at the closing of the sale.

Section 6.2 Remedies. Whenever any Event of Default referred to in Section 6.1 hereof shall have happened and be subsisting, any one or more of the following remedial steps to the extent permitted by law may be taken by the Issuer with the prior written consent of the Lender or by the Lender itself:

(1) The Lender's obligation to advance any further amounts under the Notes shall terminate. Notwithstanding anything to the contrary contained herein or in any other instrument evidencing or securing the Loan, the Lender may exercise the foregoing remedy upon the occurrence of an event that would constitute such an Event of Default but for the requirement that notice be given or that a period of grace or time elapse.

(2) The Issuer, upon written direction of the Lender, or the Lender may declare all installments of the Loan (being an amount equal to that necessary to pay in full the Principal Balance plus accrued interest thereon and any premium of the Notes assuming acceleration of the Notes under the terms thereof and to pay all other indebtedness thereunder) to be immediately due and payable, whereupon the same shall become immediately due and payable by the Borrower.

(3) [Reserved.]

(4) The Issuer, upon written direction of the Lender (except as otherwise provided in Section 7.9 herein), or the Lender (in either case at no expense to the Issuer) may take whatever action at law or in equity may appear necessary or appropriate to collect the amounts then due and thereafter to become due under this Agreement, or to enforce performance and observance of any obligation, agreement or covenant of the Borrower under this Agreement.

(5) The Issuer, upon written direction of the Lender, or the Lender may exercise any other remedy permitted under any other instrument evidencing or securing the Loan including, without limitation, the Mortgage and the Security Agreement.

(6) In addition to the remedies set forth in this Agreement, upon the occurrence of any Event of Default and thereafter while the same be continuing, the Borrower hereby irrevocably authorizes the Lender to set off all sums owing by the Borrower to the Lender against all deposits and credits of the Borrower with, and any and all claims of the Borrower against, the Lender.

Section 6.3 Disposition of Funds. Notwithstanding anything to the contrary contained in this Agreement, any amounts collected pursuant to action taken under Section 6.2 hereof, except for any amounts collected solely for the benefit of the Issuer under any of the provisions set forth in Section 7.9, shall, after deducting (a) all reasonable expenses incurred in collecting the same and (b) then accrued interest on the Notes, the remainder of such amounts, if any, be applied as a prepayment of the Notes in accordance with Section 5.1.

Section 6.4 Manner of Exercise. No remedy herein conferred upon or reserved to the Issuer or the Lender 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 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. In order to entitle the Issuer or the Lender to exercise any remedy reserved to either of them in this Article, it shall not be necessary to give any notice, other than such notice as may be herein expressly required.

Section 6.5 Attorneys' Fees and Expenses. In the event the Borrower should default under any of the provisions of this Agreement and the Issuer or the Lender should employ attorneys or incur other expenses for the collection of amounts due hereunder or the enforcement of performance of any obligation or agreement on the part of the Borrower, the Borrower will on demand pay to the Issuer or the Lender the reasonable fees and costs of such attorneys and such other expenses so incurred.

Section 6.6 Effect of Waiver. In the event 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 breach hereunder. The Lender shall not be deemed, by any act of omission or commission, to have waived any of its rights or remedies hereunder unless such waiver is in writing and signed by the Lender and, then only to the extent specifically set forth in the writing. A waiver with reference to one event shall not be construed as continuing or as a bar to or waiver of any right or remedy as to a subsequent event.

Section 6.7 Default Rate. Following an Event of Default hereunder, and for so long as such Event of Default shall continue, the obligations of the Borrower hereunder shall bear interest at an annual rate equal to 4% per annum over the interest rate on the Notes that would otherwise be applicable (the "Default Rate"), for so long as such Event of Default continues.

ARTICLE VII

GENERAL

Section 7.1 Notices. All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when hand delivered or received by certified or registered United States mail, return receipt requested, postage prepaid, with proper address as indicated below. The Issuer, the Borrower, and the Lender may, by written notice given by each to the others, designate any address or addresses to which notices, certificates or other communications to them shall be sent when required as contemplated by this Agreement. Until otherwise provided by the respective parties, all notices, certificates and communications to each of them shall be addressed as follows:

To the Issuer: City of Falcon Heights, Minnesota
2077 Larpenteur Ave. W.
Falcon Heights, MN 55113-5551
Attn: City Administrator

To the Borrower: Heritage Apartments, Inc.
1415 Almond Ave.
St. Paul, MN 55108
Attn: Chief Financial Officer

To the Lender: Bremer Bank, National Association
225 S. Sixth Street, Suite 200
Minneapolis, MN 55402
Attn: David Borden

Section 7.2 Binding Effect. This Agreement shall inure to the benefit of and shall be binding upon the Issuer and the Borrower and their respective successors and assigns.

Section 7.3 Severability. In the event any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 7.4 Amendments, Changes and Modifications. Except as otherwise provided in this Agreement or in the Resolution, subsequent to the Closing date and before the Notes are satisfied and discharged in accordance with their terms, this Agreement may not be effectively amended, changed, modified, altered, or terminated without the prior written consent of the Lender.

Section 7.5 Execution Counterparts. This Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 7.6 Limitation of Issuer's Liability. It is understood and agreed by the Borrower and the Lender that no covenant of the Issuer herein shall give rise to a pecuniary

liability of the Issuer or a charge against its general credit, or taxing powers. It is further understood and agreed by the Borrower and the Lender that the Issuer shall incur no pecuniary liability hereunder, and shall not be liable for any expenses related hereto, including administrative expenses and fees and disbursements of the Issuer's attorney, Bond Counsel and fiscal consultant retained in connection therewith, all of which expenses the Borrower agrees to pay.

Section 7.7 Issuer's and Host Cities' Attorneys' Fees and Costs. If, notwithstanding the provisions of Section 7.6 hereof, the Issuer incurs any expense, or suffers any losses, claims or damages, or incurs any liabilities in connection with the transaction contemplated by this Agreement, the Borrower will indemnify and hold harmless the Issuer from the same and will reimburse the Issuer for any reasonable legal or other expenses incurred by the Issuer in relation thereto. The Borrower shall also reimburse the Issuer and the Host Cities for all other costs, fees, and expenses, including without limitation reasonable attorneys' fees, paid or incurred by the Issuer or the Host Cities in connection with (i) the discussion, negotiation, preparation, approval, execution and delivery of the Joint Powers Agreement, this Agreement, the Notes, the Pledge Agreement and the documents and instruments related hereto or thereto; (ii) any amendments or modifications hereto or to the Joint Powers Agreement, the Notes, the Pledge Agreement and any document, instrument or agreement related hereto or thereto, and the discussion, negotiation, preparation, approval, execution and delivery of any and all documents necessary or desirable to effect such amendments or modifications; and (iii) the enforcement by the Issuer during the term hereof or thereafter of any of the rights or remedies of the Issuer hereunder or under the Notes, the Pledge Agreement or any document, instrument or agreement related hereto or thereto, including, without limitation, costs and expenses of collection in the Event of Default, whether or not suit is filed with respect thereto.

Section 7.8 Release. The Borrower hereby acknowledges and agrees that the Issuer shall not be liable to the Borrower, and hereby releases and discharges the Issuer from any liability, for any and all losses, costs, expenses (including attorneys' fees), damages, judgments, claims and causes of action, paid, incurred or sustained by the Borrower as a result of or relating to any action, or failure or refusal to act, on the part of the Lender with respect to this Agreement or the documents and transactions related hereto or contemplated hereby, including, without limitation, the exercise by the Lender of any of its rights or remedies pursuant to Article VI, the Notes, the Pledge Agreement, the Mortgage, or any collateral security documents. The Borrower's release of the Issuer pursuant to the preceding sentence does not extend to the Lender following the assignment of the Issuer's rights to the Lender pursuant to the Pledge Agreement.

Section 7.9 Pledge and Assignment by Issuer and Survival of Obligations. The Issuer may pledge and assign its rights under this Agreement and any related documents to the Lender to secure payment of the principal of and interest and premium, if any, on the Notes, conditioned upon the Lender's assumption of the Issuer's and Lender's obligations to the Borrower hereunder, except for the Issuer's obligations in connection with its representations in Section 2.1 hereof, which are not being assumed, but any such assignment shall not operate to limit or otherwise affect the following provisions hereof to the extent that they run to the Issuer from the Borrower to which extent they shall survive any such assignment:

Section 3.5
Section 4.1
Section 4.3
Section 4.11
Section 4.12

Section 6.5
Section 7.6
Section 7.7
Section 7.8

Upon any such pledge and assignment, the provisions immediately above running to the Issuer from the Borrower for the Issuer's benefit shall run jointly and severally to the Issuer and the Lender (if appropriate), provided that the Issuer shall have the right to enforce any retained rights without the approval of the Lender but only upon prior written notice to the Lender and if the Lender is not enforcing such rights in a manner to protect the Issuer or is otherwise taking action with respect thereto that brings adverse consequences to the Issuer. The obligations of the Borrower running to the Issuer and the Lender for the purpose of preserving the tax exempt status of the Notes or otherwise for the Issuer's benefit under the foregoing Sections shall survive repayment of the Notes and interest thereon. All other agreements, representations and warranties made in this Agreement shall survive the execution of this Agreement and the making of the Loan, and shall continue until the Lender receives payment in full of all indebtedness of the Borrower incurred under this Agreement.

Section 7.10 Required Approvals. Consents and approvals required by this Agreement to be obtained from the Borrower or the Issuer shall be in writing and shall not be unreasonably withheld or delayed.

Section 7.11 Termination Upon Retirement of Notes. At any time when no Principal Balance on either of the Notes remains outstanding, and arrangements satisfactory to the Lender and the Issuer have been made for the discharge of all other accrued and contingent liabilities, if any, under this Agreement, this Agreement shall terminate, except as otherwise expressly provided in Section 7.9 or otherwise herein or in a separate writing signed by the Borrower, the Issuer, and the Lender.

Section 7.12 Expenses of Lender. Upon Closing, the Borrower shall pay the Lender a loan origination fee equal to **[\$11,750]**. The Borrower shall also pay or reimburse the Lender for any and all costs and expenses, including, without limitation, reasonable attorneys' fees, paid or incurred by the Lender in connection with (i) review, negotiation, preparation, and approval of this Agreement and any other document or agreement related hereto or thereto or the transactions contemplated hereby; (ii) the review, negotiation, preparation, and approval of any amendments, modifications or extensions to any of the foregoing documents, instruments or agreements, and the preparation and consummation of any and all documents necessary or desirable to effect such amendments, modifications or extensions; (iii) any appraisals, environmental assessments, surveys, or other reports relating to the Land which the Lender is authorized to seek, order or prepare pursuant to this Agreement or any other instrument evidencing or securing the Loan or is required to seek, order or prepare pursuant either to applicable laws or regulations or the Lender's policies or procedures generally applicable to commercial mortgage loans by the Lender; (iv) any reasonable fees or costs charged to the Lender by an architect or other design or inspection professional engaged by the Lender to, among other things, inspect the construction of any approved improvements to the Land, or verify compliance thereof with applicable building and zoning laws; (v) all title insurance premiums, filing and recording fees and mortgage registration

tax paid or payable in connection with the consummation of the transaction contemplated hereby; and (vi) the enforcement by the Lender during the term hereof or thereafter of any of the rights or remedies of the Lender under any of the foregoing documents, instruments or agreements or under applicable law, whether or not suit is filed with respect thereto (attorneys' fees and costs are limited to reasonable fees and costs).

Section 7.13 Entire Agreement. This Agreement contains the entire agreement of the parties with respect to the subject matter of this Agreement and supersedes any and all prior letters, proposals, contracts and understandings between the parties with respect to the same, including, but not limited to, any proposal or commitment letter, and such letters, proposals, contracts and understandings are hereby terminated.

Section 7.14 Further Assurances. At any time and from time to time, upon request by the Lender, the Borrower will make, execute and deliver or cause to be made, executed and delivered, to the Lender, any and all other further instruments, certificates and other documents as may, in the reasonable opinion of the Lender, be necessary or desirable in order to effectuate, complete, secure, or perfect, or to continue and preserve, the obligations of the Borrower hereunder and under any of the other documents related to the Loan. Upon any failure by the Borrower so to do after ten (10) days written notice from the Lender, the Lender may make, execute and record any and all such instruments, certificates and documents for and in the name of the Borrower at the Borrower's expense and the Borrower hereby irrevocably appoints the Lender its agent and attorney-in-fact of the Borrower so to do. The Borrower hereby understands, acknowledges and agrees that the Lender may prepare and file such UCC financing statements or similar instruments as may be necessary to perfect the Lender's security interest in any real or personal property pledged by the Borrower as security for the Loan.

Section 7.15 Non-Responsibility. Neither the Issuer nor the Lender assumes liability for the sufficiency of Loan proceeds to complete the Project.

IN WITNESS WHEREOF, the Issuer and the Borrower have caused this Agreement to be executed in their respective names all as of the date first above written.

CITY OF FALCON HEIGHTS, MINNESOTA

By _____
Mayor

By _____
City Administrator

[Signature page to Loan Agreement between the City of Falcon Heights, Minnesota and Heritage Apartments, Inc.]

S-1

Heritage Apartments, Inc.

By _____

Its _____

Acknowledged by Lyngblomsten Senior
Housing, Inc.

By _____

Its _____

Loan Agreement between the City of Falcon Heights, Minnesota and
Heritage Apartments, Inc.

S-2

EXHIBIT A

FORM OF COMPLIANCE CERTIFICATE

The undersigned, certifies as follows to Bremer Bank, National Association (the "Lender"), with reference to that certain Loan Agreement dated as of December 20, 2018 (the "Loan Agreement") between Heritage Apartments, Inc. (the "Borrower") and the City of Falcon Heights, Minnesota (the "Issuer") (any capitalized terms used herein and not defined shall have its respective meaning as set forth in the Loan Agreement):

1. The undersigned has made a review of all activities of the Borrower during the preceding fiscal year ended _____, 20__, for the purpose of determining whether or not the Borrower has complied with all of the terms, provisions and conditions of the Loan Agreement.

2. To the best of the undersigned's knowledge, the Borrower has kept, observed, performed and fulfilled each and every covenant, provision and condition in the Loan Agreement (including, without limitation, those financial covenants set forth in Article IV of the Loan Agreement as calculated below) on their part to be performed and no Event of Default or Default has occurred.

3. Calculation of Financial Covenants:

(a) Debt Service Coverage Ratio

Calculation:

Sum of:

- (a) Change in Unrestricted Net Assets (net of unrealized gains or losses on investments) _____
- (b) Plus depreciation expense _____
- (c) Plus amortization and other non-cash expenses _____
- (d) Plus interest expense _____
- (e) Plus [equity contributions] _____
- (f) Less [dividends and distributions of cash or assets] _____
- Total** _____

Divided by the sum of:

- (x) [Obligations to pay principal during such fiscal year ended] _____
- (y) [Plus interest expense during such fiscal year ended] _____

Total _____

Debt Service Coverage Ratio: _____ to 1.00

Covenant Requirement: 1.15 to 1.00

Compliance? (circle one): YES NO

All amounts and calculations set forth in this Certificate are accurate and complete in all material respects and are made in accordance with the Loan Agreement.

IN WITNESS WHEREOF, the Borrower has executed and delivered this Certificate as of the _____ day of _____, 20____.

HERITAGE APARTMENTS, INC.

By _____
Name _____
Title _____

EXHIBIT B

FORM OF DISBURSEMENT REQUEST

\$ _____

Requisition No. _____

_____, 201_

Bremer Bank, National Association
225 South Sixth Street, Suite 200
Minneapolis, MN 55402

Ladies and Gentlemen:

On behalf of Heritage Apartments, Inc., a Minnesota nonprofit corporation (the "Borrower"), I hereby requisition from the funds representing the proceeds of the \$3,000,000 City of Falcon Heights, Minnesota Senior Housing and Health Care Revenue Note, Series 2018A (Heritage Apartments Project) (the "Note"), issued by the City of Falcon Heights, Minnesota (the "Issuer"), and dated December 20, 2018, which funds are to be advanced by Bremer Bank, National Association (the "Lender"), under the Loan Agreement, dated as of December 20, 2018 (the "Loan Agreement") between the Issuer and the Borrower, the sum of \$ _____.

I hereby certify that (a) the amount set forth above was incurred by the Borrower or a "Related Organization" (as defined below) in connection with the Project (defined to in the Loan Agreement), is a proper charge against the Project Costs (as defined in the Loan Agreement), and has not been the basis for any prior requisition which has been paid; (b) the Borrower has not received written notice of any lien, right to lien or attachment upon, or claim affecting the right of any payee to receive payment of, any of the money payable under this requisition to any of the persons, firms or corporations named herein, or if any notice of any such lien, attachment or claim has been received such lien, attachment or claim has been released or discharged or will be released or discharged upon payment of this requisition; (c) this requisition contains no items representing payment on account of any retained percentages which the Borrower or Related Organization is entitled to retain at this date; (d) subject to the last sentence of this paragraph, the payment of this requisition will not result in (i) less than substantially all (95% or more) of the proceeds of the Note to be expended under this requisition and under all prior requisitions having been used for the acquisition and installation of real property or property of a character subject to the allowance for depreciation under the Internal Revenue Code of 1986, as amended (the "Code") or (ii) more than 2% of the proceeds of the Note having been used to pay for issuance costs within the meaning of Section 147(g)(1) of the Code; and (e) no "Event of Default" (as defined in the Loan Agreement), or event which after notice or lapse of time or both would constitute such an "Event of Default" has occurred and not been waived. Notwithstanding the foregoing, the undersigned may requisition to pay issuance costs with respect to the Note at any time and from time to time, so long as such requisition, together with all prior requisitions, do

A-1

not include amounts to pay issuance costs that exceed in total 2% of the Note Proceeds expected to be available to pay Project Costs.

Capitalized terms used in this requisition and certificate and not defined herein shall have the meanings assigned thereto in the Loan Agreement. "Related Organization" means any corporation, foundation, joint venture or partnership related to the Borrower either as a parent, subsidiary, or brother/sister or is under common control with the Borrower and that is recognized as an organization described in Code Section 501(c)(3).

The following paragraph is to be completed when any requisition and certificate includes any item for payment for labor or to contractors, builders or materialmen.

I hereby certify that insofar as the amount covered by the above requisition includes payments to be made for labor or to contractors, builders or materialmen, including materials or supplies, in connection with the acquisition of the Project, (i) all obligations to make such payment have been properly incurred, (ii) any such labor was actually performed and any such materials or supplies were actually furnished or installed in or about the Project and are a proper charge against the Project Costs, and (iii) such materials or supplies either are not subject to any lien or security interest or, if the same are subject, such lien or security interest will be released or discharged upon payment of this requisition.

Borrower Representative

APPROVED this ____ day of _____, _____.

BREMER BANK, NATIONAL
ASSOCIATION, as Lender

By: _____
Name: _____
Title: _____

UNITED STATES OF AMERICA
STATE OF MINNESOTA
COUNTY OF RAMSEY
CITY OF FALCON HEIGHTS, MINNESOTA

Senior Housing Revenue Refunding Note, Series 2018B
(Heritage Apartments Project)

Date: December 20, 2018

[\$1,700,000]

FOR VALUE RECEIVED the City of Falcon Heights, Minnesota, (the "City") hereby promises to pay to the order of Bremer Bank, National Association, a national banking association, in Minneapolis, Minnesota, its successors or registered assigns (the "Lender"), from the source and in the manner hereinafter provided, the principal sum of **[ONE MILLION SEVEN HUNDRED THOUSAND] DOLLARS (\$[1,700,000])**, or so much thereof as has been advanced and remains unpaid from time to time (the "Principal Balance"), with interest thereon from the date hereof until paid or otherwise discharged as set forth in Paragraph 1 below, in any coin or currency which at the time or times of payment is legal tender for the payment of public or private debts in the United States of America, in accordance with the terms hereinafter set forth.

1. Commencing on the date of this Note and continuing through December 1, 2028 (the "Adjustment Date") interest shall accrue on the outstanding Principal Balance at the initial rate of ____ % per annum (the "Initial Rate").

On the Adjustment Date, through December 1, 2038 (the "Final Maturity Date"), the interest rate on this Note will be adjusted to a rate per annum equal to (a) the sum of (i) 2.25% and (ii) the then current rate of the 10-Year Treasury Rate as reported by the Federal Reserve for the preceding month (b) multiplied by 0.79 (the "Adjusted Rate"). Except in the event of a Determination of Taxability, as defined in the Loan Agreement, the annual rate of interest payable hereunder shall not be less than the Initial Rate nor greater than 3.0 % above the Initial Rate during the term of this Note. All such adjustments to the interest rate shall be made and become effective as of the Adjustment Date and the interest rate as adjusted shall remain in effect through and including the day immediately preceding the Final Maturity Date, as applicable.

As used herein, "10-Year Treasury Rate" means the published monthly average yield on United States Treasury Notes adjusted to a constant maturity of ten years for the most recent month available as of the Adjustment Date, as published and made available by the Federal Reserve Board pursuant to its Federal Reserve Statistical Release (H.15(519)) (the "Index"); provided, however, that in the event that such Index is no longer published or otherwise made available, the Index shall be a substantially comparable index selected by the Lender in its sole discretion.

Principal and interest on this Note shall be payable in 240 equal monthly installments on the 1st Business Day of each month commencing January 1, 2019 and continuing thereafter until the Final Maturity Date in such amounts as are required to fully amortize the Principal Balance, together with accrued interest thereon at the interest rate then in effect, over twenty-five (25)

years, and monthly payments of principal and interest shall be recomputed as of the Adjustment Date. Payments shall be applied first to amounts which are neither principal nor interest, next to interest due on the Principal Balance, and thereafter to reduction of the Principal Balance.

In any event, the payments hereunder shall be sufficient to pay all principal and interest due, as such principal and interest becomes due, and to pay any premium or service charge, at maturity, upon redemption, or otherwise. Interest shall be computed on a 365/360 basis.

Notwithstanding the foregoing, the interest rate on this Note may also be adjusted in the event of a Determination of Taxability as of the Date of Taxability as provided in Paragraph 8 below or in the event of a Corporate Tax Rate Change as of the Corporate Tax Rate Change Date in accordance with the provisions of Sections 3.7 and 3.8 of the Loan Agreement.

The Lender, with 180 days written notice to the Borrower, has the option to require the Borrower to pay the remaining outstanding principal and interest on this Note plus accrued interest thereon on December 1, 2028.

Upon an "Event of Default" as defined in the Loan Agreement and the exercise by the Lender of certain rights thereunder, this Note shall bear a default rate of interest that is 4% per annum over the interest rate otherwise applicable hereto, as provided in Section 6.7 of the Loan Agreement. This Note is subject to acceleration of maturity upon an "Event of Default" as defined in the Loan Agreement.

2. In any event, the payments hereunder shall be sufficient to pay all principal and interest due, as such principal and interest becomes due, and to pay any premium or service charge, at maturity, upon prepayment, or otherwise.

3. Principal and interest and premium, if any, due hereunder shall be payable at the principal office of the Lender, or at such other place as the Lender may designate in writing.

4. This Note is issued by the City to provide funds pursuant to a Loan Agreement dated as of the date hereof (the "Loan Agreement") by and between the City and Heritage Apartments, Inc., a Minnesota nonprofit corporation and 501(c)(3) organization (the "Borrower"), to refinance the Housing and Redevelopment Authority of the City of Saint Paul, Minnesota's Health Care Revenue Note, Series 2009B (Heritage Apartments Project) (the "Prior Note"), the proceeds of which were used to refinance the acquisition, construction, and equipping of a 60-unit rental housing and assisted living facility for the elderly located at 1440 Midway Parkway in Saint Paul, Minnesota, commonly known as The Heritage at Lyngblomsten. This Note is further issued pursuant to and in full compliance with the Constitution and laws of the State of Minnesota, particularly Minnesota Statutes, Section Chapter 462C, and pursuant to a resolution of the City Council of the City duly adopted on December 12, 2018 (the "Resolution").

5. This Note is secured by a Pledge Agreement dated as of the date hereof between the City and the Lender (the "Pledge Agreement") and is further secured by a Mortgage, Security Agreement and Fixture Financing Statement dated as of November 1, 2009, as amended by a First Amendment to Mortgage, Security Agreement and Fixture Financing Statement dated as of

December 20, 2018 by the Borrower as mortgagor, in favor of the Lender (the "Mortgage") and certain other assignments, security agreements, guaranties, financing statements, and other instruments evidencing or securing the Loan as may be required by the Lender.

6. The City, for itself, its successors and assigns, hereby waives demand, presentment, protest and notice of dishonor; and to the extent permitted by law, the Lender may extend interest and/or principal of or any service charge or premium due on this Note, including the Final Maturity Date, or release any part or parts of the property and interest subject to the Mortgage or to any other security document from the same, all without notice to or consent of any party liable hereon or thereon and without releasing any such party from such liability and whether or not as a result thereof the interest on the Note is no longer exempt from the federal or state income tax. In no event, however, may the Final Maturity Date of the Note be extended beyond 30 years from the date hereof.

7. This Note is subject to prepayment in immediately available funds on any date at the option of the Borrower, in whole or in part as provided in Section 5.1 of the Loan Agreement. For prepayments in an amount up to 20% of the outstanding Principal Balance as of January 1 of each year, the prepayment price is equal to the outstanding principal amount of this Note to be prepaid plus accrued interest, without penalty or premium. Any prepayment by the Borrower in excess of 20% of the outstanding Principal Balance as of January 1 each year will be subject to a prepayment premium equal to the percentages set forth below applied to the prepaid amounts of the Principal Balance of this Note, or the entire outstanding Principal Balance in the event such amount is prepaid in full:

(a) three percent (3%) as of any date prior to or on the 3rd anniversary of this Note and 3rd anniversary of the Adjustment Date;

(b) two percent (2%) as of any date after the 3rd anniversary and prior to or on the 6th anniversary of this Note and after the 3rd anniversary and prior to or on the 6th anniversary of the Adjustment Date;

(c) one percent (1%) as of any date after the 6th anniversary and prior to or on the 8th anniversary of this Note and after the 6th anniversary and prior to or on the 8th anniversary of the Adjustment Date; and

(d) after the 8th anniversary of this Note or the Adjustment Date, this Note may be prepaid in whole or in part on any date without premium.

In the event of any partial prepayment of this Note, the Lender shall apply any such prepayment first against amounts which are neither principal nor interest, including any collection costs, late fees or prepayment or termination fees, then against the accrued interest on the Principal Balance and then against the outstanding principal amount of this Note. The monthly payments due under Paragraph 1 hereof, shall continue to be due and payable in full until the entire Principal Balance and accrued interest due on this Note have been paid. However, the Note shall be reamortized by the Lender upon the request of the Borrower if the Borrower is in compliance with all terms of the Loan Agreement.

8. Upon a Determination of Taxability, as defined in the Loan Agreement, this Note shall convert to a taxable obligation and the interest rate for interest accruing from the Date of Taxability, as defined in the Loan Agreement, shall be adjusted to an interest rate per annum equal to the then current interest rate payable hereunder, divided by 0.79 (the "Taxable Rate"). Any interest accruing from the Date of Taxability which is retroactively due as a result of the interest rate adjustment shall be payable on the 1st Business Day of the following month along with regularly scheduled principal payment and interest accruing from the previous payment date at the Taxable Rate.

9. As provided in the Resolution and subject to certain limitations set forth therein, this Note is only transferable upon the books of the City at the office of the City Administrator, by the Lender in person or by its agent duly authorized in writing, at the Lender's expense, upon surrender hereof together with a written instrument of transfer satisfactory to the City Administrator, duly executed by the Lender or its duly authorized agent. Upon such transfer the City Administrator will note the date of registration and the name and address of the new registered owner in the registration blank appearing below. The City may deem and treat the person in whose name the Note is last registered upon the books of the City with such registration noted on the Note, as the absolute owner hereof, whether or not overdue, for the purpose of receiving payment of or on the account of the Principal Balance, redemption price or interest and for all other purposes, and all such payments so made to the Lender or upon his order shall be valid and effective to satisfy and discharge the liability upon the Note to the extent of the sum or sums so paid, and the City shall not be affected by any notice to the contrary.

10. All of the agreements, conditions, covenants, provisions and stipulations contained in the Resolution, the Loan Agreement, the Pledge Agreement, and the Mortgage are hereby made a part of this Note to the same extent and with the same force and effect as if they were fully set forth herein.

11. This Note and interest thereon and any service charge or premium, if any, due hereunder are payable solely from the revenues and proceeds derived from the Loan Agreement and any security agreements related hereto and do not constitute a debt of the City within the meaning of any constitutional or statutory limitation, are not payable from or a charge upon any funds other than the revenues and proceeds pledged to the payment thereof, and do not give rise to a pecuniary liability of the City or any of its officers, agents or employees, and no Holder of this Note shall ever have the right to compel any exercise of the taxing power of the City to pay this Note or the interest thereon, or to enforce payment thereof against any property of the City, and this Note does not constitute a charge, lien or encumbrance, legal or equitable, upon any property of the City, and the agreement of the City to perform or cause the performance of the covenants and other provisions herein referred to shall be subject at all times to the availability of revenues or other funds furnished for such purpose in accordance with the Loan Agreement, sufficient to pay all costs of such performance or the enforcement thereof.

12. If an Event of Default (as that term is defined in the Loan Agreement) shall occur, then the Lender shall have the right and option, among other things, to declare the Principal Balance and accrued interest thereon immediately due and payable, whereupon the same, plus any premiums or service charges, shall be due and payable, but solely from sums made available under the Loan Agreement and any security agreements related hereto. Failure to exercise such

option at any time shall not constitute a waiver of the right to exercise the same at any subsequent time.

13. The remedies of the Lender, as provided herein and in any security agreements related hereto, the Loan Agreement, the Pledge Agreement, and the Mortgage are not exclusive and shall be cumulative and concurrent and may be pursued singly, successively or together, at the sole discretion of the Lender, and may be exercised as often as occasion therefor shall occur; and the failure to exercise any such right or remedy shall in no event be construed as a waiver or release thereof.

14. The Lender shall not be deemed, by any act of omission or commission, to have waived any of its rights or remedies hereunder unless such waiver is in writing and signed by the Lender and, then only to the extent specifically set forth in the writing. A waiver with reference to one event shall not be construed as continuing or as a bar to or waiver of any right or remedy as to a subsequent event.

15. This Note has been issued without registration under state or federal or other securities laws, pursuant to an exemption for such issuance; and accordingly this Note may not be assigned or transferred in whole or part, nor may a participation interest in this Note be given pursuant to any participation agreement, except to another "accredited investor" or "financial institution" in accordance with an applicable exemption from such registration requirements and with full and accurate disclosure of all material facts to the prospective purchaser(s) or transferee(s).

16. This Note is a "qualified tax-exempt obligation" under Section 265(b) of the Internal Revenue Code of 1986, as amended.

IT IS HEREBY CERTIFIED AND RECITED that all conditions, acts and things required to exist to happen and to be performed precedent to or in the issuance of this Note do exist, have happened and have been performed in regular and due form as required by law.

[The remainder of this page intentionally left blank. Signature page follows.]

IN WITNESS WHEREOF, the City has caused this Note to be duly executed in its name by the manual signatures of the Mayor and City Administrator, the seal of the City having been intentionally omitted as permitted by law, and has caused this Note to be dated as of December __, 2018.

**CITY OF FALCON HEIGHTS,
MINNESOTA**

By _____
Its Mayor

And By _____
Its City Administrator

PROVISIONS AS TO REGISTRATION

The ownership of the unpaid Principal Balance of this Note and the interest accruing thereon is registered on the books of the City of Falcon Heights, Minnesota in the name of the holder last noted below.

<u>Date of Registration</u>	<u>Name and Address Registered Owner</u>	<u>Signature of City Administrator</u>
December __, 2018	Bremer Bank, National Association 225 South Sixth Street Suite 200 Minneapolis, MN 55402	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

UNITED STATES OF AMERICA
STATE OF MINNESOTA
COUNTY OF RAMSEY
CITY OF FALCON HEIGHTS, MINNESOTA

Senior Housing and Health Care Revenue Note, Series 2018A
(Heritage Apartments Project)

Date: December 20, 2018

\$3,000,000

FOR VALUE RECEIVED the City of Falcon Heights, Minnesota, (the "City") hereby promises to pay to the order of Bremer Bank, National Association, a national banking association, in Minneapolis, Minnesota, its successors or registered assigns (the "Lender"), from the source and in the manner hereinafter provided, the principal sum of THREE MILLION DOLLARS (\$3,000,000), or so much thereof as has been advanced and remains unpaid from time to time (the "Principal Balance"), with interest thereon from the date hereof until paid or otherwise discharged as set forth in Paragraph 1 below, in any coin or currency which at the time or times of payment is legal tender for the payment of public or private debts in the United States of America, in accordance with the terms hereinafter set forth.

1. Commencing on the date of this Note and continuing to but not including December 1, 2020 interest shall accrue at the annual rate set forth in the paragraph below.

The per annum rate of interest payable hereunder shall initially be equal to _____% per annum. On January 1, 2019 and on the 1st Business Day of each month thereafter through November 1, 2020 (each a "Reset Date"), the interest rate on this Note will be adjusted to a rate per annum equal to (a) the sum of (i) 2.25% and (ii) the One-Month LIBOR Rate in effect as of the Reset Date, (b) multiplied by 0.79. Notwithstanding anything herein to the contrary, during any period of time while the One-Month LIBOR Rate would be less than zero percent (0.0%), the One-Month LIBOR Rate shall be deemed to be zero (0).

As used herein, the "One-Month LIBOR Rate" means a fluctuating rate of interest per annum equal to the ICE London Interbank Offered Rate ("ICE LIBOR"), as published by InterContinental Exchange ("ICE") (or other commercially available source providing quotations of ICE LIBOR as selected by Lender from time to time) as determined for each London Banking Day at approximately 11:00 a.m., London time, two (2) London Banking Days (as hereinafter defined) prior to the Reset Date, for U.S. Dollar deposits with a one (1) month term. In the event that ICE LIBOR (i) is permanently or indefinitely unavailable or unascertainable, (ii) ceases to be published, (iii) is officially discontinued, or (iv) can no longer be lawfully relied upon in contracts, then all references to ICE LIBOR herein will instead be to a replacement benchmark rate (including any mathematical or other adjustments to the benchmark incorporated therein) reasonably determined by the Lender, using commercially reasonable judgment, and giving due consideration to any existing convention for substitute benchmarks in agreements of this kind. In order to account for the relationship of the comparable or successor index to the original ICE LIBOR index, such alternate method will incorporate any spread to any comparable or successor index as is necessary to ensure that the alternate method will measure interest rates in a manner similar to the original ICE LIBOR index. Any successor rate or alternate methodology must be an interest-based index, variations in the value of which can reasonably be expected to measure

contemporaneous variations in the cost of newly borrowed funds in United States dollars. The Lender will provide reasonable notice to the Borrower of such replacement rate, which will be effective on the date of the earliest event set forth in clauses (i)-(iv) of this paragraph. If there is any ambiguity as to the date of occurrence of any such event, the Lender's judgment will be dispositive.

On December 1, 2020 and December 1, 2028 (each, an "Adjustment Date"), through December 1, 2038 (the "Final Maturity Date"), the interest rate on this Note will be adjusted. On the first Adjustment Date, the rate will be adjusted to a rate per annum equal to (a) the sum of (i) 2.25% and (ii) the then current rate of the 7-Year Treasury Rate as reported by the Federal Reserve for the preceding month (b) multiplied by 0.79. On the second Adjustment Date, the rate will be adjusted to a rate per annum equal to (a) the sum of (i) 2.25% and (ii) the then current rate of the 10-Year Treasury Rate as reported by the Federal Reserve for the preceding month (b) multiplied by 0.79 (each an "Adjusted Rate"). Except in the event of a Determination of Taxability, as defined in the Loan Agreement, the annual rate payable hereunder during the term of this Note shall not be less than, nor greater than 3.0% above, the first Adjusted Rate. All such adjustments to the interest rate shall be made and become effective as of such Adjustment Date and the interest rate as adjusted shall remain in effect through and including the day immediately preceding an Adjustment Date or the Final Maturity Date, as applicable.

As used herein, "7-Year Treasury Rate" means the published monthly average yield on United States Treasury Notes adjusted to a constant maturity of seven years for the most recent month available as of the Adjustment Date, as published and made available by the Federal Reserve Board pursuant to its Federal Reserve Statistical Release (H.15(519)) (the "7-Year Index"); provided, however, that in the event that such 7-Year Index is no longer published or otherwise made available, the 7-Year Index shall be a substantially comparable index selected by the Lender in its sole discretion.

As used herein, "10-Year Treasury Rate" means the published monthly average yield on United States Treasury Notes adjusted to a constant maturity of ten years for the most recent month available as of the Adjustment Date, as published and made available by the Federal Reserve Board pursuant to its Federal Reserve Statistical Release (H.15(519)) (the "10-Year Index"); provided, however, that in the event that such 10-Year Index is no longer published or otherwise made available, the 10-Year Index shall be a substantially comparable index selected by the Lender in its sole discretion.

Interest only shall be paid commencing on January 1, 2019 and on each Reset Date to, and including, the first Adjustment Date. Thereafter, principal and interest on this Note shall be payable in 216 equal monthly installments on the 1st Business Day of each month continuing until the Final Maturity Date in such amounts as are required to fully amortize the Principal Balance, together with accrued interest thereon at the interest rate then in effect, over twenty-three (23) years, and monthly payments of principal and interest shall be recomputed as of each Adjustment Date.

Payments shall be applied first to amounts which are neither principal nor interest, next to interest due on the Principal Balance, and thereafter to reduction of the Principal Balance.

In any event, the payments hereunder shall be sufficient to pay all principal and interest due, as such principal and interest becomes due, and to pay any premium or service charge, at maturity, upon redemption, or otherwise. Interest shall be computed on a 365/360 basis.

Notwithstanding the foregoing, the interest rate on this Note may also be adjusted in the event of a Determination of Taxability as of the Date of Taxability as provided in Paragraph 8 below or in the event of a Corporate Tax Rate Change as of the Corporate Tax Rate Change Date in accordance with the provisions of Sections 3.7 and 3.8 of the Loan Agreement.

The Lender, with 180 days written notice to the Borrower, has the option to require the Borrower to pay the remaining outstanding principal and interest on this Note plus accrued interest thereon on December 1, 2028.

Upon an "Event of Default" as defined in the Loan Agreement and the exercise by the Lender of certain rights thereunder, this Note shall bear a default rate of interest that is 4% per annum over the interest rate otherwise applicable hereto, as provided in Section 6.7 of the Loan Agreement. This Note is subject to acceleration of maturity upon an "Event of Default" as defined in the Loan Agreement.

2. In any event, the payments hereunder shall be sufficient to pay all principal and interest due, as such principal and interest becomes due, and to pay any premium or service charge, at maturity, upon prepayment, or otherwise.

3. Principal and interest and premium, if any, due hereunder shall be payable at the principal office of the Lender, or at such other place as the Lender may designate in writing.

4. This Note is issued by the City to provide funds pursuant to a Loan Agreement dated as of the date hereof (the "Loan Agreement") by and between the City and Heritage Apartments, Inc., a Minnesota nonprofit corporation and 501(c)(3) organization (the "Borrower"), to finance, in part, the acquisition, construction, and equipping of a combined multifamily senior housing and health care facility, with approximately 103 independent living units, 34 assisted living units, 16 memory care units, 48 skilled nursing units, and 30 townhome units, totaling approximately 106,730 square feet, to be located at 6075 Hodgson Road in the City of Lino Lakes, Minnesota, which will be owned, operated, and managed by Lyngblomsten Senior Housing, Inc. a Minnesota nonprofit corporation ("LSH"), and an organization described in Section 501(c)(3) of the Code, of which the Borrower is an affiliate. This Note is further issued pursuant to and in full compliance with the Constitution and laws of the State of Minnesota, particularly Minnesota Statutes, Section Chapter 462C, and pursuant to a resolution of the City Council of the City duly adopted on December 12, 2018 (the "Resolution").

5. This Note is secured by a Pledge Agreement dated as of the date hereof between the City and the Lender (the "Pledge Agreement") and is further secured by a Mortgage, Security Agreement and Fixture Financing Statement dated as of November 1, 2009, as amended by a First Amendment to Mortgage, Security Agreement and Fixture Financing Statement dated as of December 20, 2018 by the Borrower as mortgagor, in favor of the Lender (the "Mortgage") and certain other assignments, security agreements, guaranties, financing statements, and other instruments evidencing or securing the Loan as may be required by the Lender.

6. The City, for itself, its successors and assigns, hereby waives demand, presentment, protest and notice of dishonor; and to the extent permitted by law, the Lender may extend interest and/or principal of or any service charge or premium due on this Note, including the Final Maturity Date, or release any part or parts of the property and interest subject to the Mortgage or to any other security document from the same, all without notice to or consent of any party liable hereon or thereon and without releasing any such party from such liability and whether or not as a result thereof the interest on the Note is no longer exempt from the federal or state income tax. In no event, however, may the Final Maturity Date of the Note be extended beyond 30 years from the date hereof.

7. This Note is subject to prepayment in immediately available funds on any date at the option of the Borrower, in whole or in part as provided in Section 5.1 of the Loan Agreement. Prior to the first Adjustment Date, the prepayment price is equal to the outstanding principal amount of this Note to be prepaid plus accrued interest, without penalty or premium. After the first Adjustment Date for prepayments in an amount up to 20% of the outstanding Principal Balance as of January 1 of each year, the prepayment price is equal to the outstanding principal amount of this Note to be prepaid plus accrued interest, without penalty or premium. After the first Adjustment Date, any prepayment by the Borrower in excess of 20% of the outstanding Principal Balance as of January 1 each year will be subject to a prepayment premium equal to the percentages set forth below applied to the prepaid amounts of the Principal Balance of this Note, or the entire outstanding Principal Balance in the event such amount is prepaid in full:

(a) three percent (3%) as of any date prior to or on the 3rd anniversary of each Adjustment Date;

(b) two percent (2%) as of any date after the 3rd anniversary and prior to or on the 6th anniversary of each Adjustment Date and after the 3rd anniversary and prior to or on the 6th anniversary of each Adjustment Date;

(c) one percent (1%) as of any date after the 6th anniversary and prior to or on the date that is two weeks prior to the 8th anniversary of the first Adjustment Date;

(d) one percent (1%) as of any date after the 6th anniversary and prior to or on to the 8th anniversary of the second Adjustment Date;

(e) after the date that is two weeks prior to the 8th anniversary of the first Adjustment Date and prior to the 8th anniversary of the first Adjustment date, this Note may be prepaid in whole or in part on any date without premium; and

(f) after the 8th anniversary of the second Adjustment Date, this Note may be prepaid in whole or in part on any date without premium.

In the event of any partial prepayment of this Note, the Lender shall apply any such prepayment first against amounts which are neither principal nor interest, including any collection costs, late fees or prepayment or termination fees, then against the accrued interest on the Principal Balance and then against the outstanding principal amount of this Note. The

monthly payments due under Paragraph 1 hereof, shall continue to be due and payable in full until the entire Principal Balance and accrued interest due on this Note have been paid. However, the Note shall be reamortized by the Lender upon the request of the Borrower if the Borrower is in compliance with all terms of the Loan Agreement.

8. Upon a Determination of Taxability, as defined in the Loan Agreement, this Note shall convert to a taxable obligation and the interest rate for interest accruing from the Date of Taxability, as defined in the Loan Agreement, shall be adjusted to an interest rate per annum equal to the then current interest rate payable hereunder, divided by 0.79 (the "Taxable Rate"). Any interest accruing from the Date of Taxability which is retroactively due as a result of the interest rate adjustment shall be payable on the 1st Business Day of the following month along with regularly scheduled principal payment and interest accruing from the previous payment date at the Taxable Rate.

9. As provided in the Resolution and subject to certain limitations set forth therein, this Note is only transferable upon the books of the City at the office of the City Administrator, by the Lender in person or by its agent duly authorized in writing, at the Lender's expense, upon surrender hereof together with a written instrument of transfer satisfactory to the City Administrator, duly executed by the Lender or its duly authorized agent. Upon such transfer the City Administrator will note the date of registration and the name and address of the new registered owner in the registration blank appearing below. The City may deem and treat the person in whose name the Note is last registered upon the books of the City with such registration noted on the Note, as the absolute owner hereof, whether or not overdue, for the purpose of receiving payment of or on the account of the Principal Balance, redemption price or interest and for all other purposes, and all such payments so made to the Lender or upon his order shall be valid and effective to satisfy and discharge the liability upon the Note to the extent of the sum or sums so paid, and the City shall not be affected by any notice to the contrary.

10. All of the agreements, conditions, covenants, provisions and stipulations contained in the Resolution, the Loan Agreement, the Pledge Agreement, and the Mortgage are hereby made a part of this Note to the same extent and with the same force and effect as if they were fully set forth herein.

11. This Note and interest thereon and any service charge or premium, if any, due hereunder are payable solely from the revenues and proceeds derived from the Loan Agreement and any security agreements related hereto and do not constitute a debt of the City within the meaning of any constitutional or statutory limitation, are not payable from or a charge upon any funds other than the revenues and proceeds pledged to the payment thereof, and do not give rise to a pecuniary liability of the City or any of its officers, agents or employees, and no Holder of this Note shall ever have the right to compel any exercise of the taxing power of the City to pay this Note or the interest thereon, or to enforce payment thereof against any property of the City, and this Note does not constitute a charge, lien or encumbrance, legal or equitable, upon any property of the City, and the agreement of the City to perform or cause the performance of the covenants and other provisions herein referred to shall be subject at all times to the availability of revenues or other funds furnished for such purpose in accordance with the Loan Agreement, sufficient to pay all costs of such performance or the enforcement thereof.

12. If an Event of Default (as that term is defined in the Loan Agreement) shall occur, then the Lender shall have the right and option, among other things, to declare the Principal Balance and accrued interest thereon immediately due and payable, whereupon the same, plus any premiums or service charges, shall be due and payable, but solely from sums made available under the Loan Agreement and any security agreements related hereto. Failure to exercise such option at any time shall not constitute a waiver of the right to exercise the same at any subsequent time.

13. The remedies of the Lender, as provided herein and in any security agreements related hereto, the Loan Agreement, the Pledge Agreement, and the Mortgage are not exclusive and shall be cumulative and concurrent and may be pursued singly, successively or together, at the sole discretion of the Lender, and may be exercised as often as occasion therefor shall occur; and the failure to exercise any such right or remedy shall in no event be construed as a waiver or release thereof.

14. The Lender shall not be deemed, by any act of omission or commission, to have waived any of its rights or remedies hereunder unless such waiver is in writing and signed by the Lender and, then only to the extent specifically set forth in the writing. A waiver with reference to one event shall not be construed as continuing or as a bar to or waiver of any right or remedy as to a subsequent event.

15. This Note has been issued without registration under state or federal or other securities laws, pursuant to an exemption for such issuance; and accordingly this Note may not be assigned or transferred in whole or part, nor may a participation interest in this Note be given pursuant to any participation agreement, except to another "accredited investor" or "financial institution" in accordance with an applicable exemption from such registration requirements and with full and accurate disclosure of all material facts to the prospective purchaser(s) or transferee(s).

16. This Note is a "qualified tax-exempt obligation" under Section 265(b) of the Internal Revenue Code of 1986, as amended.

IT IS HEREBY CERTIFIED AND RECITED that all conditions, acts and things required to exist to happen and to be performed precedent to or in the issuance of this Note do exist, have happened and have been performed in regular and due form as required by law.

[The remainder of this page intentionally left blank. Signature page follows.]

IN WITNESS WHEREOF, the City has caused this Note to be duly executed in its name by the manual signatures of the Mayor and City Administrator, the seal of the City having been intentionally omitted as permitted by law, and has caused this Note to be dated as of December __, 2018.

**CITY OF FALCON HEIGHTS,
MINNESOTA**

By _____
Its Mayor

And By _____
Its City Administrator

PROVISIONS AS TO REGISTRATION

The ownership of the unpaid Principal Balance of this Note and the interest accruing thereon is registered on the books of the City of Falcon Heights, Minnesota in the name of the holder last noted below.

<u>Date of Registration</u>	<u>Name and Address Registered Owner</u>	<u>Signature of City Administrator</u>
December __, 2018	Bremer Bank, National Association 225 South Sixth Street Suite 200 Minneapolis, MN 55402	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

FIRST AMENDMENT TO MORTGAGE,
SECURITY AGREEMENT AND FIXTURE FINANCING STATEMENT

between

HERITAGE APARTMENTS, INC.,
as Mortgagor

and

BREMER BANK, NATIONAL ASSOCIATION,
as Mortgagee

Dated as of December 20, 2018

(THIS MORTGAGE CONTAINS AFTER-ACQUIRED PROPERTY PROVISIONS AND
CONSTITUTES A FIXTURE FINANCING STATEMENT UNDER MINNESOTA
STATUTES SECTION 336.9-502)

By this First Amendment to Mortgage, Security Agreement and Fixture Financing Statement the Mortgagor and the Mortgagee amend this Mortgage to increase the principal amount of this Mortgage to \$_____ and to pay the additional Mortgage Registration Tax due of \$_____ for the additional \$_____ of principal added thereto and secured hereby.

This instrument was drafted by:
Briggs and Morgan, Professional Association (CJC)
2200 IDS Center
80 South Eighth Street
Minneapolis, MN 55402-2157

**FIRST AMENDMENT TO MORTGAGE, SECURITY AGREEMENT
AND FIXTURE FINANCING STATEMENT**

THIS FIRST AMENDMENT TO MORTGAGE, SECURITY AGREEMENT AND FIXTURE FINANCING STATEMENT (the "Amendment") is made and entered into as of the 20th day of December, 2018 between **HERITAGE APARTMENTS, INC.**, a Minnesota nonprofit corporation (the "Mortgagor"), and **BREMER BANK, NATIONAL ASSOCIATION** (the "Mortgagee" or the "Lender").

RECITALS:

1. The Housing and Redevelopment Authority of the City of Saint Paul, Minnesota (the "Saint Paul HRA") previously issued its Housing Revenue Refunding Note, Series 2009 (Heritage Apartments Project) (the "Prior Note") and the Lender purchased the Prior Note; and

2. The Saint Paul HRA and the Mortgagor entered into a Loan Agreement dated as of November 1, 2009 (the "Original Loan Agreement") whereby, among other things, the Mortgagor agreed to pay to the Saint Paul HRA loan repayments in an amount and at the times sufficient to pay the principal and interest on the Prior Note as it becomes due; and

3. To secure the Mortgagor's obligations under the Original Loan Agreement, the Mortgagor granted to the Mortgagee a mortgage on certain property legally described on Exhibit A thereto, pursuant to a Mortgage, Security Agreement and Fixture Financing Statement dated as of November 1, 2009, which Mortgage was filed in the offices of the Ramsey County Recorder on November 12, 2009 as Document No. 4192089 (the "Original Mortgage"); and

4. The Prior Note is being restructured with the proceeds of the Series 2018 Notes (defined below), the proceeds of which will also finance, in part, the acquisition, construction, and equipping of additional improvements; and

5. For the purpose of restructuring the Prior Note and to finance the acquisition, construction, and equipping of certain other improvements, the City of Falcon Heights, Minnesota (the "Issuer" or "City") has issued its Senior Housing and Health Care Revenue Note, Series 2018A (Heritage Apartments Project) and its Senior Housing Revenue Refunding Note, Series 2018B (Heritage Apartments Project) (the "Series 2018 Notes") with a final maturity date of December 1, 2038 and bearing interest as provided therein; and

6. The City will loan the proceeds of the Series 2018 Notes to the Mortgagor pursuant to a Loan Agreement dated as of the date hereof, between the City and the Mortgagor (the "Loan Agreement") for the purpose of (a) refinancing the Prior Note, the proceeds of which were used to refinance the City of Saint Paul, Minnesota's Housing Revenue Bonds (Lyngblomsten Project), Series 1993B, the proceeds of which were used for financing the acquisition, construction, and equipping of an approximately 60-unit rental housing and assisted living facility at the Borrower's facility known as the The Heritage at Lyngblomsten located on the property legally described on Exhibit A attached hereto and (b) financing, in part, the acquisition, construction, and equipping of a combined multifamily senior housing and health

care facility located in Lino Lakes, Minnesota (collectively, the "Project"), and the City's interest in the Loan Agreement, except for certain reserved rights, has been assigned to the Lender; and

7. Pursuant to the Loan Agreement, the Mortgagor has covenanted, among other things, to make loan repayments sufficient to pay amortized installments of principal and interest on the Series 2018 Notes when due; and

8. The City and the Lender have required, as a condition for the issuance of the Notes by the City and for the purchase and acceptance of the Notes by the Lender, that the Mortgagor secure the 2018 Notes by the Original Mortgage, as amended by this Amendment (collectively, the "Mortgage") in the maximum principal amount of **[\$4,700,000]**; and

9. As a result of the execution and delivery by the Borrower of the Loan Agreement, the principal balance of the debt secured by this Mortgage is increasing by the sum of \$_____, from \$1,523,889 to **[\$4,700,000]**, and the original loan to the Borrower, as so amended and increased, is secured by the Original Mortgage, as hereby amended; and

10. Because of the increase in the principal amount of the debt secured by the Mortgage, the Original Mortgage, as amended hereby is a "supplemental mortgage" within the meaning of Minnesota Statutes, § 287.05, as a result of which additional mortgage registry tax in the amount of \$_____ is payable as a condition to the recording of this Amendment; and

11. This Amendment amends the Original Mortgage as follows.

THEREFORE, in consideration of \$1.00 and other good and valuable consideration and the premises contained herein, the parties hereto agree as follows:

1. All references to the "Note" in the Original Mortgage shall refer to the Series 2018 Notes, as defined in this Amendment.

2. All references in the Original Mortgage to "\$3,200,000", whether spelled out or depicted numerically, are hereby changed to **["\$4,700,000."]**

3. All references in the Original Mortgage to "November 1, 2019" are hereby changed to "December 1, 2038."

4. All references in the Original Mortgage to "Kelly Elkin" are hereby changed to "David B. Borden."

5. Except as modified herein, all of the terms and provisions of the Original Mortgage remain unchanged, and shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be signed in their name and on their behalf by their appropriate officers, all as of the day and year first above written.

HERITAGE APARTMENTS, INC.

By _____
Its _____

STATE OF MINNESOTA)
) ss.
COUNTY OF HENNEPIN)

This Instrument was acknowledged before me on the ____ day of December, 2018 by _____, the _____ of Heritage Apartments, Inc., a Minnesota nonprofit corporation, on behalf of such corporation.

Notary Public

Signature page to First Amendment to Mortgage

BREMER BANK,
NATIONAL ASSOCIATION, as Lender

By _____
Its Senior Vice President

STATE OF MINNESOTA)
) ss.
COUNTY OF HENNEPIN)

This Instrument was acknowledged before me on the ____ day of December, 2018 by David B. Borden, the Senior Vice President of Bremer Bank, National Association, a national banking association, on behalf of said association.

Notary Public

Signature page to First Amendment to Mortgage

EXHIBIT A

Legal Description

The real property situated in the City of Saint Paul, County of Ramsey, State of Minnesota, described as follows:

Lot 1, Block 1, Lyngblomsten Subdivision No. 1

SECURITY AGREEMENT

HERITAGE APARTMENTS, INC., a Minnesota nonprofit corporation (the “Debtor”), whose address is 1415 Almond Avenue, Saint Paul, Minnesota 55108, and BREMER BANK, NATIONAL ASSOCIATION, a national banking association, whose address is 225 South Sixth Street, Suite 200, Minneapolis, Minnesota 55402 (the “Secured Party”), agree as follows:

The Debtor hereby grants to the Secured Party a first position security interest in the property described below together with any additions and accessions thereto, replacements thereof, and all insurance, condemnation and other products or proceeds thereof, to secure prompt payment when due of all amounts owed by the Debtor to the Secured Party whether now existing or hereafter existing, including all amounts owed pursuant to that certain Loan Agreement, dated December 20, 2018 (the “Loan Agreement”), between the City of Falcon Heights, Minnesota (the “Issuer”) and the Debtor, and the City of Falcon Heights, Minnesota Senior Housing and Health Care Revenue Note (Heritage Apartments Project) Series 2018A and the City of Falcon Heights, Minnesota Senior Housing and Revenue Refunding Note (Heritage Apartments Project) Series 2018B (collectively, the “Notes”), together with all other liabilities of the Borrower to the Secured Party (primary, secondary, direct, contingent, sole, joint, or several) due or to become due or which may be hereafter contracted or acquired and the performance of all of the terms and conditions of this Security Agreement:

All assets of the Debtor, including, but not limited to: (a) all fixtures, equipment, vehicles and personal property of every kind and nature whatsoever now owned or hereafter owned, including all extensions, additions, improvements, betterments, renewals and replacements of any of the foregoing; (b) all Accounts, Chattel Paper, Commercial Tort or other claims, and General Intangibles; (c) all inventory now owned or hereafter owned; and (d) all insurance, condemnation and other products or proceeds of the foregoing.

The above-described property hereinafter referred to as the "Collateral".

DEBTOR HEREBY AGREES, WARRANTS AND COVENANTS THAT:

1. The Collateral will be kept in the State of Minnesota. The Debtor will not remove the Collateral from the State of Minnesota without the prior written consent of the Secured Party. The Secured Party may examine and inspect the Collateral at any time, wherever located; provided, that, so long as no Event of Default (as defined in the Loan Agreement) has occurred and is outstanding, all such examinations shall take place during Debtor's ordinary business hours following two (2) business days prior written notice to Debtor.

2. The Collateral is for business use and is specifically to be used in operation of the Debtor's business.
3. The Collateral shall not be attached to real estate (except for any Collateral that is attached to real estate on the date hereof) without the Secured Party's prior written consent. If any of the Collateral is or is to become a fixture, the Debtor agrees to furnish the Secured Party with a statement signed by all persons who have or claim an interest in the real estate concerned, which statement shall provide that the signer consents to the security interest created hereby and disclaims any interest in the Collateral as fixtures.
4. Except as set forth on Exhibit A attached hereto, the Debtor is the owner of the Collateral, free and clear of all liens, security interests or encumbrances, and the Debtor will defend the Collateral against all claims and demands of all persons at any time claiming the same or any interest therein.
5. The Debtor will keep the Collateral in good order and repair, and will not waste or destroy the Collateral and will not sell or offer to sell or otherwise transfer (except for the sale of worn, obsolete or surplus assets or except as permitted in the Loan Agreements) or encumber the Collateral without the prior written consent of the Secured Party; except for:
 - (a) Liens in favor of the Secured Party;
 - (b) Liens existing on the date of this Agreement and disclosed on Exhibit A attached hereto;
 - (c) Liens securing purchase money indebtedness incurred for the replacement of Debtor's computers;
 - (d) Deposits or pledges to secure payment of workers' compensation, unemployment insurance, old age pensions or other social security obligations, in the ordinary course of business of the Debtor;
 - (e) Liens for taxes, fees, assessments and governmental charges not delinquent or to the extent that payments therefor shall not at the time be required to be made;
 - (f) Liens of carriers, warehousemen, mechanics and materialmen, and other like Liens arising in the ordinary course of business, for sums not due or to the extent that payment therefor shall not at the time be required to be made;
 - (g) Deposits to secure the performance of bids, trade contracts, leases, statutory obligations and other obligations of a like nature incurred in the ordinary course of business; and
 - (h) Tenant security deposits and reservation deposits.
6. Except as shown on Exhibit A, no financing statement covering the Collateral is on file in any public office other than the financing statements filed by or at the direction of the

Secured Party and at the request of the Secured Party, the Debtor hereby authorizes the Secured Party to file one or more financing statements pursuant to the Uniform Commercial Code in form satisfactory to the Secured Party for filing in all public offices wherever filing is deemed necessary or desirable by the Secured Party.

7. The Debtor will keep the Collateral insured at all times against loss by fire and other hazards concerning which, in the commercially reasonable judgment of the Secured Party, insurance protection is necessary, in a company or companies satisfactory to the Secured Party and in amounts sufficient to protect the Secured Party against loss or damage to the Collateral and will pay the premiums therefor. Copies of such policy or policies of insurance will be delivered to and held by the Secured Party, together with loss payable clauses in favor of the Secured Party as its interest may appear, in form satisfactory to the Secured Party. Following the occurrence and during the continuance of an Event of Default, the Secured Party may act as attorney-in-fact for the Debtor in obtaining, adjusting, settling and canceling such insurance and endorsing any drafts.
8. At its option, upon default of the Debtor to do so, the Secured Party may discharge taxes, liens, or security interests or other encumbrances placed on the Collateral, may pay for insurance on the Collateral, and may pay for the maintenance and preservation of the Collateral. The Debtor agrees to reimburse the Secured Party on demand for any payment made, or any expense incurred by the Secured Party pursuant to the foregoing authorization.
9. Except when an Event of Default (as defined in the Loan Agreement) has occurred and is continuing, the Debtor may retain possession of the Collateral and use the same in any lawful manner not inconsistent with the agreements herein or with the terms and conditions of any policy of insurance thereon.
10. Upon the occurrence and continuance of an Event of Default, the Secured Party shall have the right, at its option and without demand or notice, in addition to all other rights and remedies available in law and equity, to exercise all of the rights and remedies of a Secured Party under the Uniform Commercial Code or any other applicable law. The Debtor agrees that upon the occurrence and continuance an Event of Default, the Debtor will make the Collateral available to the Secured Party at a place to be designated by the Secured Party which is reasonably convenient. The Debtor further agrees to pay all costs and expenses of the Secured Party, including reasonable attorney's fees, in collection of any amount due from the Borrower or the Debtor to the Secured Party herein or for the enforcement hereof. If any notice of sale, disposition or other intended action by the Secured Party is required by law to be given to the Debtor, such notice shall be deemed reasonably and properly given if mailed, at least ten (10) days before such sale, disposition or other intended action, to the Debtor at the address set forth above.
11. Waiver of any default hereunder by the Secured Party shall not be a waiver of any other default or of the same default on a later occasion. No delay or failure by the Secured Party to exercise any right or remedy shall be a waiver of any such right or remedy and no single or partial exercise by the Secured Party of any right or remedy shall preclude other or further exercise thereof or the exercise of any other right or remedy at any time.

12. This Agreement and the security interest in the Collateral created hereby shall terminate when the Borrower has repaid the Secured Party the amount due on the Notes and all other indebtedness and liability from the Borrower or the Debtor to the Secured Party whether now existing or hereafter existing.
13. No waiver by the Secured Party of any default shall be effective unless in writing nor operate as a waiver of any other default or of the same default on a future occasion.
14. The Secured Party is hereby appointed the Debtor's attorney-in-fact to do all things and acts necessary to perfect and to continue to perfect the security interest in the Collateral and, following the occurrence and during the continuance of an Event of Default, to exercise its rights with respect to the Collateral.

[Signature page follows.]

IN WITNESS WHEREOF, the parties have signed this Agreement this ____ day of December, 2018.

SECURED PARTY:
BREMER BANK, NATIONAL
ASSOCIATION

By: _____
Its: Senior Vice President

Signature page to Security Agreement

DEBTOR:
HERITAGE APARTMENTS, INC.

By: _____

Its: _____

Signature page to Security Agreement

Exhibit A
Existing Security Interests

None

Extract of Minutes of a Meeting of the
City Council of the City of Falcon Heights

Pursuant to due call and notice thereof, a regular meeting of the City Council of the City of Falcon Heights was duly held in the City of Falcon Heights, Minnesota, on Wednesday, December 12, 2018, at 7:00 o'clock P.M.

The following members were present:

and the following were absent:

During said meeting _____ introduced the following resolution and moved its adoption:

RESOLUTION NO. 18-37

RESOLUTION APPROVING A HOUSING PROGRAM AND APPROVING
THE ISSUANCE AND SALE OF
SENIOR HOUSING AND HEALTH CARE REVENUE NOTES AND AUTHORIZING
THE EXECUTION OF DOCUMENTS RELATING THERETO
(HERITAGE APARTMENTS PROJECT)

WHEREAS,

(a) Minnesota Statutes, Chapter 462C, as amended (the "Act"), confers upon cities the power to issue revenue obligations to finance combined multifamily housing and health care developments;

(b) The City of Falcon Heights, Minnesota (the "City") desires to facilitate the selective development of the community, retain and improve the tax base and help to provide the range of services and employment opportunities required by the population, including senior housing and health care services; and the Project, as defined below, will assist the City in achieving those objectives and will enhance the image and reputation of the community;

(c) Heritage Apartments, Inc., a Minnesota nonprofit corporation (the "Borrower"), and an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"), has proposed that the City undertake a program to finance and refinance the Project through the issuance of revenue notes or other obligations, in one or more series (the "Notes"), pursuant to the Act, Minnesota Statutes, Section 471.656, and a Joint Powers Agreement (the "Joint Powers Agreement") between the City, the City of Lino Lakes, Minnesota ("Lino Lakes"), and the Housing and Redevelopment Authority of the City of Saint

Paul, Minnesota (the "Saint Paul HRA") and in an aggregate principal amount not to exceed \$5,000,000;

(d) The "Project" consists of: (i) financing, in part, the acquisition, construction, and equipping of a combined multifamily senior housing and health care facility, with approximately 103 independent living units, 34 assisted living units, 16 memory care units, 48 skilled nursing units, and 30 townhome units, totaling approximately 106,730 square feet, to be located at 6075 Hodgson Road in the City of Lino Lakes, Minnesota ("Lino Lakes") (the "Lino Lakes Project"); (ii) refinancing the Housing and Redevelopment Authority of the City of Saint Paul, Minnesota's Multifamily Housing Revenue Note, Series 2009B (Heritage Apartments Project), the proceeds of which were used to refinance the Housing and Redevelopment Authority of the City of Saint Paul, Minnesota's Multifamily Housing Revenue Bonds (Lyngblomsten Project), Series 1993B, which were originally issued to finance the acquisition, construction, and equipping of a 60-unit rental housing and assisted living facility for the elderly located at 1440 Midway Parkway in Saint Paul, Minnesota ("Saint Paul"), commonly known as The Heritage at Lyngblomsten (the "Heritage Apartments Project" and together with the Lino Lakes Project, the "Project"); and (iii) financing the costs of issuing the Notes. The Heritage Apartments Project is owned, operated, and managed by the Borrower, and the Lino Lakes Project will be owned, operated, and managed by Lyngblomsten Senior Housing, Inc., a Minnesota nonprofit corporation ("LSH"), and an organization described in Section 501(c)(3) of the Code, of which the Borrower is an affiliate;

(e) The City has been advised by representatives of the Borrower that conventional, commercial financing to pay the capital cost of the Project is available only on a limited basis and at such high costs of borrowing that the economic feasibility of operating the Project would be significantly reduced;

(f) Based on representations of the Borrower, no public official of the City has either a direct or indirect financial interest in the Project nor will any public official either directly or indirectly benefit financially from the Project;

(g) The Notes, as and when issued, will not constitute a charge, lien or encumbrance upon any property of the City, Lino Lakes, or Saint Paul and will not be a charge against the general credit or taxing powers of the City, Lino Lakes, or Saint Paul;

(h) As required by the Act and Section 147(f) of the Code, a notice of public hearing was published in the City's official newspaper and newspaper of general circulation, for a public hearing on the proposed issuance of the Notes by the City and the proposal of the Borrower to undertake and finance the Project;

(i) As required by the Act and Section 147(f) of the Code, the City Council has on this same date held a public hearing on a housing finance program and the issuance of the Notes by the City and the proposal by the Borrower to undertake and refinance the Project, at which hearing all those appearing who desired to speak were heard and written comments were accepted; and

(j) The City has been advised by representatives of the Borrower that, in accordance with Section 147(f) of the Code, the Board of Commissioners of the Saint Paul HRA, on behalf of the City of Saint Paul, held a public hearing on this same date on the Heritage Apartments Project and has given its approval to the Joint Powers Agreement and the issuance of the Notes by the City.

(k) The City has been advised by representatives of the Borrower that, in accordance with Section 147(f) of the Code, the City Council of Lino Lakes held a public hearing on December 10, 2018 on the Lino Lakes Project and has given its approval to the Joint Powers Agreement and the issuance of the Notes by the City.

(l) Pursuant to Section 462C.04 of the Act, the City made timely submission of the housing finance program to the Metropolitan Council for its review and comment, and the City has heretofore received favorable comment from the Metropolitan Council on such program.

BE IT RESOLVED by the City Council of the City of Falcon Heights, Minnesota (the "City"), as follows:

SECTION 1. LEGAL AUTHORIZATION AND FINDINGS.

1.1 Findings. The City hereby finds, determines and declares as follows:

(a) The City is a municipal corporation and a political subdivision of the State of Minnesota and is authorized under the Act to assist the Project referred to herein, and to issue and sell the Notes, as hereinafter defined, for the purpose, in the manner, and upon the terms and conditions set forth in the Act and in this Resolution.

(b) The issuance and sale of the Notes by the City, pursuant to the Act, is in the best interest of the City, and the City hereby determines to issue the Notes and to sell the Notes to Bremer Bank, National Association, Minneapolis, Minnesota, or another bank in Minnesota (the "Lender"). The City will loan the proceeds of the Notes (the "Loan") to the Borrower in order to finance and refinance the Project.

(c) Pursuant to a Loan Agreement (the "Loan Agreement") to be entered into between the City and the Borrower, the Borrower has agreed to repay the Notes in specified amounts and at specified times sufficient to pay in full when due the principal of, premium, if any, and interest on the Notes. In addition, the Loan Agreement contains provisions relating to the maintenance and operation of the Project, indemnification, insurance, and other agreements and covenants which are required or permitted by the Act and which the City and the Borrower deem necessary or desirable for their financing of the Project. A draft of the Loan Agreement has been submitted to the City Council.

(d) Pursuant to a Pledge Agreement (the "Pledge Agreement") to be entered into between the City and the Lender, the City has pledged and granted a security interest in all of its rights, title, and interest in the Loan Agreement to the Lender (except for certain rights of indemnification and to reimbursement for certain costs and expenses). A draft of the Pledge Agreement has been submitted to the City Council.

(e) Payments due under the Loan Agreement and Notes shall also be secured pursuant to a Security Agreement (the "Security Agreement") given by the Borrower to the Lender by granting a security interest in the property described therein. A draft of the Security Agreement has been submitted to the City Council.

(f) As additional security, the Borrower will grant a security interest in the Heritage Apartments Project pursuant to a Mortgage, Security Agreement and Fixture Financing Statement as amended by a First Amendment to Mortgage, Security Agreement and Fixture Financing Statement (the "Mortgage Amendment"). A draft of the Mortgage Amendment has been submitted to the City Council.

(g) The Notes will be special, limited obligations of the City. The Notes shall not be payable from or charged upon any funds other than the revenues pledged to the payment thereof, nor shall the City be subject to any liability thereon. No holder of the Notes shall ever have the right to compel any exercise of the taxing power of the City to pay the Notes or the interest thereon, nor to enforce payment thereof against any property of the City. The Notes shall not constitute a debt of the City within the meaning of any constitutional or statutory limitation.

(h) On the basis of information available to the City it appears, and the City hereby finds, that the Project constitutes properties, real and personal, used or useful in connection with senior housing and health care facilities within the meaning of the Act; that the Project furthers the purposes stated in the Act; that the availability of the financing under the Act and the willingness of the City to furnish such financing and refinancing will be a substantial inducement to the Borrower to undertake the Project, and that the effect of the Project, if undertaken, will be to assist in the prevention of the emergence of blighted and marginal land, to help prevent chronic unemployment, to help the surrounding area retain and eventually improve the tax base, to provide the range of service and employment opportunities required by the population, to help prevent the movement of talented and educated persons out of the state and to areas within the State where their services may not be as effectively used, and to promote more intensive development and use of land within the City and surrounding communities, and to provide available adequate senior housing and health care services to residents of the State at a reasonable cost.

(i) It is desirable, feasible, and consistent with the objects and purposes of the Act to issue the Notes, for the purpose of financing and refinancing the costs of the Project.

SECTION 2. THE NOTES.

2.1 Authorized Amount and Form of Notes. The Notes are hereby approved and shall be issued pursuant to this Resolution in substantially the forms submitted to the City Council with such appropriate variations, omissions and insertions as are necessary and appropriate and are permitted or required by this Resolution, and in accordance with the further provisions hereof; and the total aggregate principal amount of the Notes that may be outstanding hereunder

is expressly limited to \$5,000,000, unless a duplicate Note is issued pursuant to Section 2.7. The Notes shall bear interest at a rate or rates as set forth therein.

2.2 The Notes. The Notes shall be dated as of the date of delivery to the Lender, shall be payable at the times and in the manner, shall bear interest at the rate, and shall be subject to such other terms and conditions as are set forth therein.

2.3 Execution. The Notes shall be executed on behalf of the City by the signatures of its Mayor and the City Administrator and shall be sealed with the seal of the City; provided that the seal may be intentionally omitted as provided by law. In case any officer whose signature shall appear on the Notes shall cease to be such officer before the delivery of the Notes, such signature shall nevertheless be valid and sufficient for all purposes, the same as if had remained in office until delivery. In the event of the absence or disability of the Mayor or the City Administrator such officers of the City as, in the opinion of the City Attorney, may act in their behalf, shall without further act or authorization of the City Council execute and deliver the Notes.

2.4 Delivery of Initial Notes. Before delivery of the Notes there shall be filed with the Lender (except to the extent waived by the Lender) the following items:

- (1) an executed copy of each of the following documents:
 - (a) the Loan Agreement;
 - (b) the Pledge Agreement;
 - (c) the Security Agreement;
 - (d) the Mortgage Amendment; and
 - (e) the Joint Powers Agreement.
- (2) an opinion of Counsel for the Borrower and LSH as prescribed by the Lender and Bond Counsel;
- (3) the opinion of Bond Counsel as to the validity and tax exempt status of the Notes;
- (4) evidence that the Borrower and LSH are organizations described in Section 501(c)(3) of the Code and are exempt from income taxation under Section 501(c)(3) of the Code; and
- (5) such other documents and opinions as Bond Counsel may reasonably require for purposes of rendering its opinion required in subsection (3) above or that the Lender may reasonably require for the closing.

2.5 Disposition of Proceeds of the Notes. Upon delivery of the Notes to Lender, the Lender shall, on behalf of the City, disburse the proceeds of the Notes for financing and refinancing the Project in accordance with the terms of the Loan Agreement.

2.6 Registration of Transfer. The City will cause to be kept at the office of the City Administrator a Note Register in which, subject to such reasonable regulations as it may prescribe, the City shall provide for the registration of transfers of ownership of the Notes. The Notes shall be initially registered in the name of the Lender and shall be transferable upon the Notes Register by the Lender in person or by its agent duly authorized in writing, upon surrender of the Notes together with a written instrument of transfer satisfactory to the City Administrator, duly executed by the Lender or its duly authorized agent. The following form of assignment shall be sufficient for said purpose.

For value received _____ hereby sells, assigns and transfers unto _____ the within Note of the City of Falcon Heights, Minnesota, and does hereby irrevocably constitute and appoint _____ attorney to transfer said Note on the books of said City with full power of substitution in the premises. The undersigned certifies that the transfer is made in accordance with the provisions of Section 2.9 of the Resolution authorizing the issuance of the Notes.

Dated: _____

Registered Owner

Upon such transfer the City Administrator shall note the date of registration and the name and address of the new Lender in the applicable Note Register and in the registration blank appearing on the Notes.

2.7 Mutilated, Lost or Destroyed Note. In case the Notes issued hereunder shall become mutilated or be destroyed or lost, the City shall, if not then prohibited by law, cause to be executed and delivered, a new Note of like outstanding principal amount, number and tenor in exchange and substitution for and upon cancellation of such mutilated Note, or in lieu of and in substitution for such Note destroyed or lost, upon the Lender's paying the reasonable expenses and charges of the City in connection therewith, and in the case of a Note destroyed or lost, the filing with the City of evidence satisfactory to the City with indemnity satisfactory to it. If the mutilated, destroyed or lost Note has already matured or been called for redemption in accordance with its terms it shall not be necessary to issue a new Note prior to payment.

2.8 Ownership of Note. The City may deem and treat the person in whose name the Note is last registered in the Notes Register and by notation on the Note whether or not such Note shall be overdue, as the absolute owner of such Note for the purpose of receiving payment of or on account of the principal balance, redemption price or interest and for all other purposes whatsoever, and the City shall not be affected by any notice to the contrary.

2.9 Limitation on Note Transfers. The Notes will be issued to an "accredited investor" and without registration under state or other securities laws, pursuant to an exemption

for such issuance; and accordingly the Notes may not be assigned or transferred in whole or part, nor may a participation interest in the Notes be given pursuant to any participation agreement, except to another "accredited investor" or "financial institution" in accordance with an applicable exemption from such registration requirements and with full and accurate disclosure of all material facts to the prospective purchaser(s) or transferee(s).

2.10 Issuance of a New Note. Subject to the provisions of Section 2.9, the City shall, at the request and expense of the Lender, issue a new note, in aggregate outstanding principal amount equal to that of the Notes surrendered, and of like tenor except as to number, principal amount, and the amount of the periodic installments payable thereunder, and registered in the name of the Lender or such transferee as may be designated by the Lender.

SECTION 3. GENERAL COVENANTS.

3.1 Payment of Principal and Interest. The City covenants that it will promptly pay or cause to be paid the principal of and interest on the Notes at the place, on the dates, solely from the source and in the manner provided herein and in the Notes. The principal and interest are payable solely from and secured by revenues and proceeds derived from the Loan Agreement and the Pledge Agreement, which revenues and proceeds are hereby specifically pledged to the payment thereof in the manner and to the extent specified in the Notes, the Loan Agreement, and the Pledge Agreement; and nothing in the Notes or in this Resolution shall be considered as assigning, pledging, or otherwise encumbering any other funds or assets of the City.

3.2 Performance of and Authority for Covenants. The City covenants that it will faithfully perform at all times any and all covenants, undertakings, stipulations, and provisions contained in this Resolution, in the Notes executed, authenticated, and delivered hereunder and in all proceedings of the City Council pertaining thereto; that it is duly authorized under the Constitution and laws of the State of Minnesota including particularly and without limitation the Act, to issue the Notes authorized hereby, pledge the revenues and assign the Loan Agreement in the manner and to the extent set forth in this Resolution, the Notes, the Loan Agreement, and the Pledge Agreement that all action on its part for the issuance of the Notes and for the execution and delivery thereof has been duly and effectively taken; and that the Notes in the hands of the Lender are and will be valid and enforceable special limited obligations of the City according to the terms thereof.

3.3 Enforcement and Performance of Covenants. The City agrees to enforce all covenants and obligations of the Borrower under the Loan Agreement, upon request of the Lender and being indemnified to the satisfaction of the City for all expenses and claims arising therefrom, and to perform all covenants and other provisions pertaining to the City contained in the Notes and the Loan Agreement and subject to Section 3.4.

3.4 Nature of Security. Notwithstanding anything contained in the Notes, the Loan Agreement, the Pledge Agreement, the Security Agreement, the Mortgage Amendment, or any other document referred to in Section 2.4 to the contrary, under the provisions of the Act the Notes may not be payable from or be a charge upon any funds of the City other than the revenues and proceeds pledged to the payment thereof, nor shall the City be subject to any liability thereon, nor shall the Notes otherwise contribute or give rise to a pecuniary liability of the City

or, to the extent permitted by law, any of the City's officers, employees and agents. No holder of the Notes shall ever have the right to compel any exercise of the taxing power of the City to pay the Notes or the interest thereon, or to enforce payment thereof against any property of the City other than the revenues pledged under the Pledge Agreement; and the Notes shall not constitute a charge, lien or encumbrance, legal or equitable, upon any property of the City; and the Notes shall not constitute a debt of the City within the meaning of any constitutional or statutory limitation; but nothing in the Act impairs the rights of the Lender to enforce the covenants made for the security thereof as provided in this Resolution, the Loan Agreement, the Pledge Agreement, and the Security Agreement, and in the Act, and by authority of the Act the City has made the covenants and agreements herein for the benefit of the Lender; provided that in any event, the agreement of the City to perform or enforce the covenants and other provisions contained in the Notes, the Loan Agreement, the Pledge Agreement, the Security Agreement, and the Mortgage Amendment shall be subject at all times to the availability of revenues under the Loan Agreement sufficient to pay all costs of such performance or the enforcement thereof, and the City shall not be subject to any personal or pecuniary liability thereon.

3.5 Qualified Tax Exempt Obligation. In order to qualify the Notes as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended (the "Code"), the City hereby makes the following factual statements and representations:

(a) the Notes are not treated as "private activity bonds" under Section 265(b)(3) of the Code;

(b) the City hereby designates the Notes as qualified tax-exempt obligations for purposes of Section 265(b)(3) of the Code;

(c) the reasonably anticipated amount of tax-exempt obligations (other than obligations described in clause (ii) of Section 265(b)(3)(C) of the Code) which will be issued by the City (and all entities whose obligations will be aggregated with those of the City) during the calendar year 2018 will not exceed \$10,000,000;

(d) not more than \$10,000,000 of obligations issued by the City during the calendar year 2018 have been designated for purposes of Section 265(b)(3) of the Code; and

(e) the aggregate face amount of the Notes does not exceed \$10,000,000.

SECTION 4. MISCELLANEOUS.

4.1 Severability. If any provision of this Resolution shall be held or deemed to be or shall, in fact, be inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions or in all jurisdictions or in all cases because it conflicts with any provisions of any constitution or statute or rule or public policy, or for any other reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions herein contained invalid, inoperative, or unenforceable to any extent whatever. The invalidity of any

one or more phrases, sentences, clauses or paragraphs in this Resolution contained shall not affect the remaining portions of this Resolution or any part thereof.

4.2 Authentication of Transcript. The officers of the City are directed to furnish to Bond Counsel certified copies of this Resolution and all documents referred to herein, and affidavits or certificates as to all other matters which are reasonably necessary to evidence the validity of the Notes. All such certified copies, certificates and affidavits, including any heretofore furnished, shall constitute recitals of the City as to the correctness of all statements contained therein.

4.3 Authorization to Execute Agreements. The forms of the proposed Loan Agreement, the Pledge Agreement, and the Joint Powers Agreement are hereby approved in substantially the form presented to the City Council, together with such additional details therein as may be necessary and appropriate and such modifications thereof, deletions therefrom and additions thereto as may be necessary and appropriate and approved by Bond Counsel prior to the execution of the documents. The Mayor and the City Administrator of the City are authorized to execute the Loan Agreement, the Pledge Agreement, the Joint Powers Agreement, and such other documents as Bond Counsel consider appropriate in connection with the issuance of the Notes, in the name of and on behalf of the City. In the event of the absence or disability of the Mayor or the City Administrator such officers of the City as, in the opinion of the City Attorney, may act on their behalf, shall without further act or authorization of the City Council do all things and execute all instruments and documents required to be done or executed by such absent or disabled officers. The execution of any instrument by the appropriate officer or officers of the City herein authorized shall be conclusive evidence of the approval of such documents in accordance with the terms hereof.

4.4 Approval of Housing Program. The housing program in substantially the form attached hereto as Exhibit A is hereby approved.

Adopted by the City Council of the City of Falcon Heights, Minnesota, this 12th day of December, 2018.

After full discussion thereof and upon vote being taken thereon, the following voted in favor thereof:

and the following voted against the same:

whereupon said resolution was declared duly passed and adopted.

Moved by:

Approved by: _____

Peter Lindstrom
Mayor

LINDSTROM _____ In Favor
LEEHY
HARRIS _____ Against
GUSTAFSON
MIAZGA

Attested by: _____

Sack Thongvanh
City Administrator

EXHIBIT A

PROGRAM FOR FINANCING A COMBINED MULTIFAMILY SENIOR HOUSING AND HEALTH CARE FACILITY DEVELOPMENT

Proposal Authority. Minnesota Statutes, Section 471.59 et seq. (the "Joint Powers Act") provides that two or more governmental units, by agreement entered into through action of their governing bodies, may jointly or cooperatively exercise any power common to the contracting parties, and may provide for the exercise of such power by one of the participating governmental units. The City of Falcon Heights, Minnesota (the "City"), the City of Lino Lakes, Minnesota, and the Housing and Redevelopment Authority of the City of Saint Paul, Minnesota, on behalf of the City of Saint Paul, Minnesota, have entered into such an agreement (the "Agreement"), which Agreement authorizes the City to exercise the powers granted under the Joint Powers Act.

Minnesota Statutes, Chapter 462C (the "Act"), confers upon cities the authority to develop and administer programs of multifamily senior housing developments and health care facilities for seniors who need additional assisted living and special services under the circumstances and within the limitations set forth in the Act, specifically Minnesota Statutes, Section 462C.05, Subdivision 7. Minnesota Statutes, Section 462C.07 provides that such programs for Minnesota multifamily housing and health care developments may be financed by revenue bonds issued by a city. This Program for Financing a Combined Multifamily Senior Housing and Health Care Facility Development (this "Program") is undertaken by the City to finance, in part, a Project (as hereafter described) owned and operated by Lyngblomsten Senior Housing, Inc., a Minnesota nonprofit corporation ("Lyngblomsten"), of which Heritage Apartments, Inc., a Minnesota nonprofit corporation (the "Borrower") is an affiliate. The City expects to issue revenue notes (the "Notes") pursuant to the Act, in part, to assist in financing the Project, in part.

General Description of the Project and Location. The Project is located at 6075 Hodgson Road in Lino Lakes. The City anticipates loaning the proceeds of the Notes to the Borrower, in part, to finance, in part, the acquisition, construction, and equipping of a combined multifamily senior housing and health care facility, totaling approximately 106,730 square feet (the "Project"). The living units of the Project are expected to include:

<u>Units</u>	<u>Number of Units</u>	<u>Approximate Square Footage Per Unit</u>	<u>Estimated Initial Rents Per Unit</u>
<u>Independent Living:</u>			
One Bedroom	38	730	\$ 1,800
One Bedroom & Den	33	900	\$ 2,100
Two Bedroom	32	1,120	\$ 2,650
<u>Assisted Living:</u>			
Studio	16	485	\$ 2,975
One Bedroom	18	575	\$ 3,275
<u>Memory Care:</u>			
Memory Care	16	515	\$ 3,400
<u>Skilled Nursing Units:</u>			
One Bedroom (MA/PVT)	24	350	\$ 267/day
One Bedroom (Medicare/HMO)	24	350	\$ 475/day
<u>Townhomes:</u>			
Two Bedroom	30	1,800	\$ 3,000

Operation of the Project. Lyngblomsten will operate the Project in accordance with applicable development restrictions, and all construction was and is subject to applicable state and local building codes. The Project is and will be available for rental to the general public. Lyngblomsten is and will be required to operate the Project in accordance with state and local anti-discrimination laws and ordinances.

Revenue Notes. The Borrower has indicated that the amount of Notes required to finance the Project, in part, is not to exceed \$5,000,000 and will mature in approximately 20 years. The proceeds will, in part, finance the Project, in part, and pay certain costs of issuing the Notes.

Allocation of Issuance Authority. Because the Borrower is a nonprofit entity and an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, no allocation of authority to issue tax-exempt bonds is required pursuant to Minnesota Statutes, Chapter 474A. The Notes will be issued pursuant to Section 462C.05, Subd. 1 of the Act and shall be payable primarily from revenues of the Program. Issuance of the Notes is anticipated to occur in December, 2018.

Monitoring. The Borrower expects to enter into suitable agreements with necessary parties to ensure consistent compliance with the objectives of this Program, as well as with the requirements of applicable law.

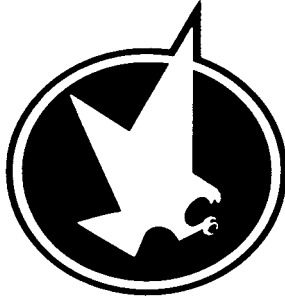
Use of Note Proceeds. The proceeds of the Notes will be loaned to the Borrower pursuant to a revenue agreement (the "Loan Agreement") by and between the City and the Borrower. The Borrower will be required, pursuant to the Loan Agreement, to make payments sufficient to pay when due the principal of, premium, if any, and interest on the Notes.

STATE OF MINNESOTA
COUNTY OF RAMSEY
CITY OF FALCON HEIGHTS

I, the undersigned, being the duly qualified and acting City Administrator of the City of Falcon Heights, DO HEREBY CERTIFY that I have compared the attached and foregoing extract of minutes with the original thereof on file in my office, and that the same is a full, true and complete transcript of the minutes of a meeting of the City Council duly called and held on the date therein indicated, insofar as such minutes relate to a resolution authorizing the issuance of senior housing and health care revenue notes.

WITNESS my hand this ____ day of December, 2018.

City Administrator



The City That Soars!

REQUEST FOR COUNCIL ACTION

Meeting Date	December 12, 2018
Agenda Item	Public Hearing E2
Attachment	Resolutions(s)
Submitted By	Sack Thongvanh, City Administrator

Item	Payable 2019 Truth in Taxation Hearing to Adopt Tax Levy and 2019 Budget																																	
Description	<p>Each year the City Council is required to adopt a budget and tax levy to fund City operations. This action must be completed before the end of the year, and the adopted levy is then provided to Ramsey County so they can produce property tax statements for each parcel in the County. On September 26th, the City Council adopted a preliminary levy and established December 12th as the date at which the public would be given an opportunity to address the Council about the proposed budget and tax levy.</p> <p>Before the Council, are a proposed property tax levy of \$1,980,918 and a General Fund Budget of \$2,668,698. The levy and budget with a comparison to previous years is detailed below:</p> <table border="1" style="width: 100%; border-collapse: collapse; margin: 10px 0;"> <thead> <tr> <th style="width: 25%;"></th> <th style="width: 25%;">2017 Levy</th> <th style="width: 25%;">2018 Levy</th> <th style="width: 25%;">Proposed 2019 Levy</th> <th style="width: 20%;">% Increase (Decrease)/ 2017 to 2018</th> </tr> </thead> <tbody> <tr> <td>Ad Valorem</td> <td style="text-align: right;">\$1,152,646</td> <td style="text-align: right;">\$1,487,059</td> <td style="text-align: right;">\$1,747,260</td> <td style="text-align: right;">17.5%</td> </tr> <tr> <td>Debt Service</td> <td style="text-align: right;">\$125,585</td> <td style="text-align: right;">\$98,330</td> <td style="text-align: right;">\$233,658</td> <td style="text-align: right;">137.6%</td> </tr> <tr> <td>Total</td> <td style="text-align: right;">\$1,278,231</td> <td style="text-align: right;">\$1,585,389</td> <td style="text-align: right;">\$1,980,918</td> <td style="text-align: right;">24.0%</td> </tr> </tbody> </table> <table border="1" style="width: 100%; border-collapse: collapse; margin: 10px 0;"> <thead> <tr> <th style="width: 25%;"></th> <th style="width: 25%;">2017 General Fund Budget</th> <th style="width: 25%;">2018 General Fund Budget</th> <th style="width: 25%;">Proposed 2019 General Fund Budget</th> <th style="width: 20%;">% Increase 2018 to 2019</th> </tr> </thead> <tbody> <tr> <td></td> <td style="text-align: right;">\$2,022,555</td> <td style="text-align: right;">\$2,405,810</td> <td style="text-align: right;">\$2,668,698</td> <td style="text-align: right;">10.9%</td> </tr> </tbody> </table> <p>The impact of this proposed levy on a median valued home, which in 2018 is assessed at \$281,100 (5.5% increase over 2018), is estimated to result in an increase of \$198, in the City portion of the homeowner's taxes.</p>					2017 Levy	2018 Levy	Proposed 2019 Levy	% Increase (Decrease)/ 2017 to 2018	Ad Valorem	\$1,152,646	\$1,487,059	\$1,747,260	17.5%	Debt Service	\$125,585	\$98,330	\$233,658	137.6%	Total	\$1,278,231	\$1,585,389	\$1,980,918	24.0%		2017 General Fund Budget	2018 General Fund Budget	Proposed 2019 General Fund Budget	% Increase 2018 to 2019		\$2,022,555	\$2,405,810	\$2,668,698	10.9%
	2017 Levy	2018 Levy	Proposed 2019 Levy	% Increase (Decrease)/ 2017 to 2018																														
Ad Valorem	\$1,152,646	\$1,487,059	\$1,747,260	17.5%																														
Debt Service	\$125,585	\$98,330	\$233,658	137.6%																														
Total	\$1,278,231	\$1,585,389	\$1,980,918	24.0%																														
	2017 General Fund Budget	2018 General Fund Budget	Proposed 2019 General Fund Budget	% Increase 2018 to 2019																														
	\$2,022,555	\$2,405,810	\$2,668,698	10.9%																														

	<p>A full presentation with more details will be presented at the City Council meeting and will be available on the City’s website. In addition, attached to this report is the budget cover letter which goes into more detail about specific budget line items, factors influencing the proposed budget, and historical information.</p>
Budget Impact	<p>This budget preserves the core functions of the City’s current operations.</p>
Attachment(s)	<ul style="list-style-type: none"> · Resolutions 18-38 Approving 2019 Tax Levy · Resolution 18-39 Approving 2019 City Budget <p>Due to the size and cost of printing the 2019 Budget, the document is available on the City’s website and at City Hall.</p> <p>2019 Budget: https://www.falconheights.org/vertical/Sites/%7BA88B3088-FA03-4D5D-9D04-CCC9EF496399%7D/uploads/2019_Budget.pdf</p>
Action(s) Requested	<p>Staff recommends that the Falcon Heights City Council hold a public hearing and receive comment. Once the hearing is closed, staff recommends that the City Council adopt attached resolutions regarding the 2019 Tax Levy and regarding the 2019 City of Falcon Heights Budget.</p>



2019 Truth and Taxation Hearing

Sack Thongvanh, City Administrator
Roland Olson, Finance Director



Factors That Affect Taxes

Changes in the tax levy (or spending decision) made by the city, county, school, or special taxing authority

Changes in the market value of your property

Legislative changes

New taxes approved by referendum are applied to market value (not tax capacity)

Ramsey County Tax Statement

RAMSEY COUNTY

50 First Ebd West • Saint Paul, MN
651-265-2000 • AskPropertyTaxes@ramseycounty.us
ramsaycounty.us/property

PROPERTY OWNER



PIN/Property Address/Abbreviated Tax Description

CITY OF FALCON HEIGHTS

CURRENT STEP

Step 1

Step 2

Step 3

2019 Proposed Property Tax

This is NOT a bill - DO NOT PAY

Valuation and classification

Tax Payable Year	2018	2019
Estimated Market Value	\$276,300	\$291,400
Green Acres Value	0	0
Plot Deferral	0	0
This Old House Exclusion	0	0
Qualified Arts Value	0	0
Exclusion	0	0
Homestead Market Value Exclusion	12,400	11,000
Taxable Market Value	\$263,900	\$280,400
Property Classification	Res Hom	Res Hom

Proposed Tax Notice

Property Taxes after credit \$4,310.00

! The time to provide feedback on proposed levies is now. The only way to appeal your value at this time is by going to tax court. Please see insert for more information.

Property Tax Statement

Coming March 2019

PROPOSED PROPERTY TAXES AND MEETINGS BY JURISDICTION FOR YOUR PROPERTY

Contact Information	Column 1 2018 Tax - Actual	Column 2 2019 Tax - Proposed	Tax and Budget Meetings and Locations
Ramsey County Regional Railroad Authority	1,304.88 101.06	1,355.67 108.49	November 26, 2018 at 6:30 p.m. Union Depot - Red Cap Room 214 4th St. E. Saint Paul, MN 55101
County Library Ramsey County 15 W. Kellogg Blvd., Suite 250 Saint Paul, MN 55102 651-265-2000	118.47	120.62	
Falcon Heights City of Falcon Heights 2077 Larperleur Ave W Falcon Heights, MN 55113 (651) 792-7600	838.67	1,046.08	December 12, 2018 at 7:00 PM Falcon Heights City Hall 2077 Larperleur Ave W Falcon Heights, MN 55113
State General Tax ISO 8623 651-793 1251 County Road B2 W Roseville, MN 55113 (651) 635-1600 a. Voter approved levies b. Other local levies	0.00 841.21 673.00	0.00 863.85 674.13	No Meeting Required December 18, 2018 at 6:00 PM District Service Center 1251 County Road B2 W Roseville, MN 55113
Metropolitan Special Taxing Districts Metropolitan Council 390 Robert St. N. Saint Paul, MN 55101 651-602-1738	68.42	70.38	December 12, 2018 at 6 p.m. Council Chambers 390 Robert St. N. Saint Paul, MN 55101
Other special taxing districts	70.27	71.79	No Meeting Required
Tax increment	0.00	0.00	No Meeting Required
Fiscal disparity	0.00	0.00	No Meeting Required
Total Tax excluding special assessments	\$4,816.50	\$4,310.00	
Percent of Tax Change		7.3%	

Your local units of government have proposed the amount of property taxes that they will need for 2019. Any upcoming referendums, legal judgments, natural disasters, voter approved levy limit increases, or special assessments could change these amounts.

Column 1 above shows your actual 2018 property taxes. Column 2 above shows what your 2019 property taxes will be if your local jurisdictions approve the property tax amounts they are now considering.



Your county commissioners, school board, city council and metropolitan special taxing districts will soon be holding public meetings to discuss their proposed 2019 budgets and proposed 2019 property taxes. The school board will discuss the 2018 budget. You are invited to attend these meetings to share your feedback. The meeting places and times are listed above. Also shown are the addresses and telephone numbers for these local units of government if you have comments or questions concerning the proposed property tax amounts shown on this notice. No meeting is required if your city has a population of less than 500 people. There is also no public hearing on the state general tax.

This is NOT a bill - Do not pay

For additional information about this notice, visit: ramseycounty.us/property. Please see the back of this notice for more information on available appeals and programs that may reduce your property tax.



Market Value Exclusion

In 2011, State eliminated Market Value Homestead Credit (MVHC) and replaced it with Market Value Exclusion.

Taxable Market Value is what is used to calculate your taxes.

Benefit to properties decreases as values rise

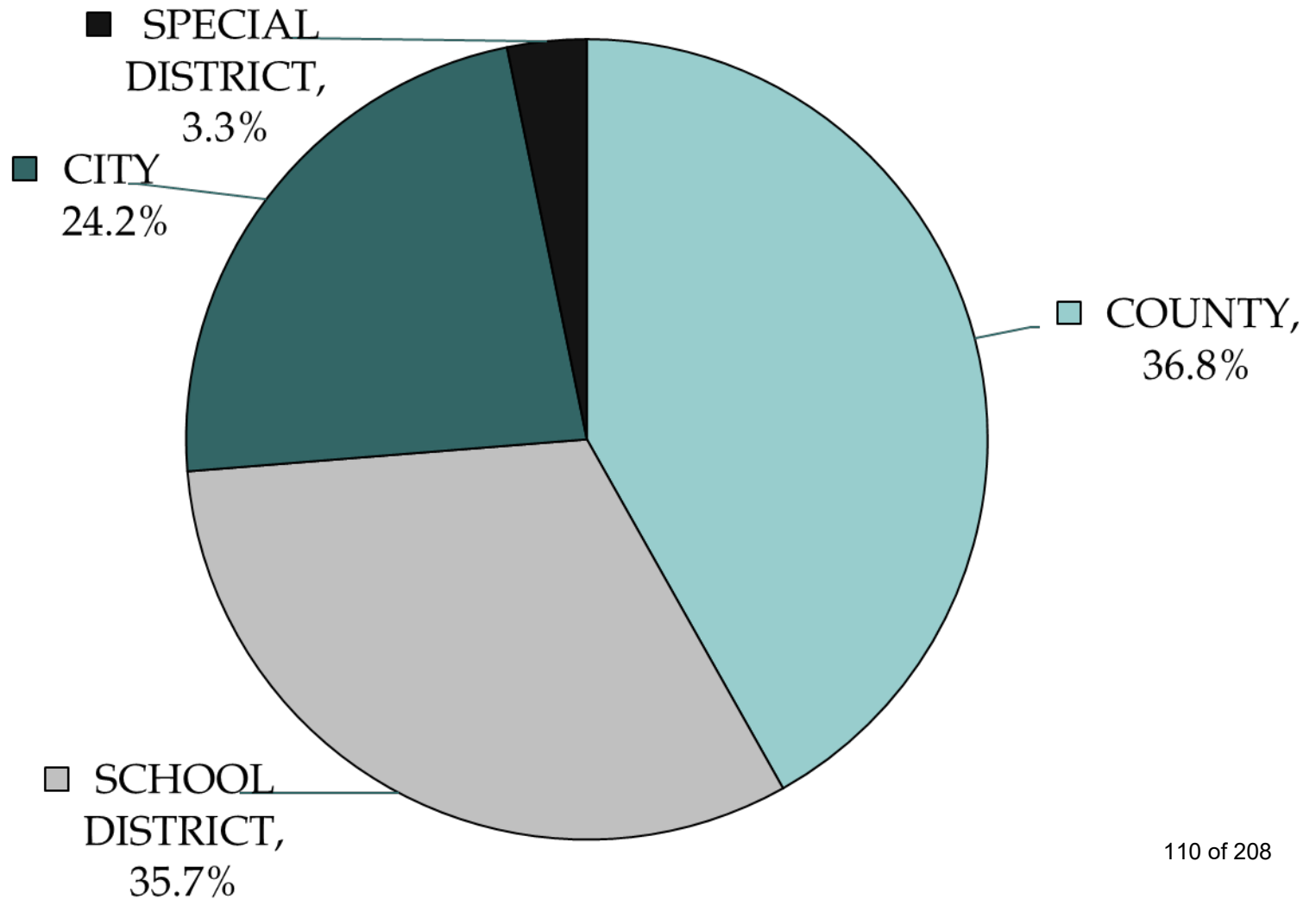
Only applies to homesteaded properties

Ramsey County Median Values

	2019 Median Value	2018 Median Value	% Change
Arden Hills	\$346,900	\$333,800	3.9%
Falcon Heights	\$281,100	\$266,600	5.4%
Gem Lake	\$283,800	\$262,850	8.0%
Lauderdale	\$206,300	\$189,100	9.1%
Little Canada	\$255,800	\$240,800	6.2%
Maplewood	\$222,500	\$209,600	6.2%
Mounds View	\$219,100	\$197,300	11.0%
New Brighton	\$264,500	\$242,400	9.1%
North St. Paul	\$185,200	\$172,800	7.2%
Roseville	\$254,900	\$236,900	7.6%
St. Paul	\$186,200	\$173,900	7.1%
Shoreview	\$303,800	\$289,800	4.8%
Vadnais Heights	\$269,400	\$246,200	9.4%
White Bear Lake	\$222,500	\$208,400	6.8%

True 2019 TAXABLE market value of median valued home is \$ 269,159. 100 of 208

2019 Property Tax Allocation

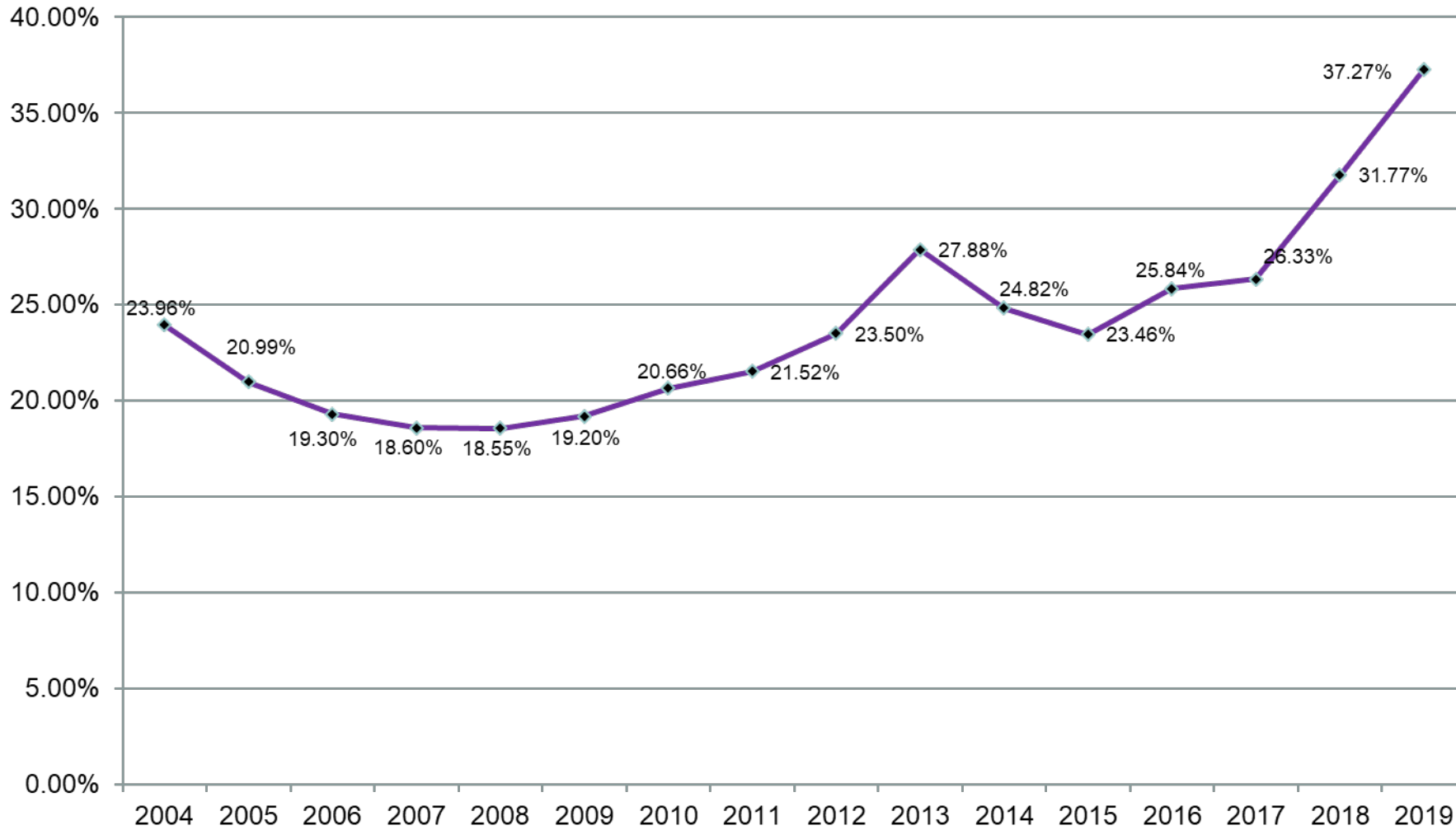




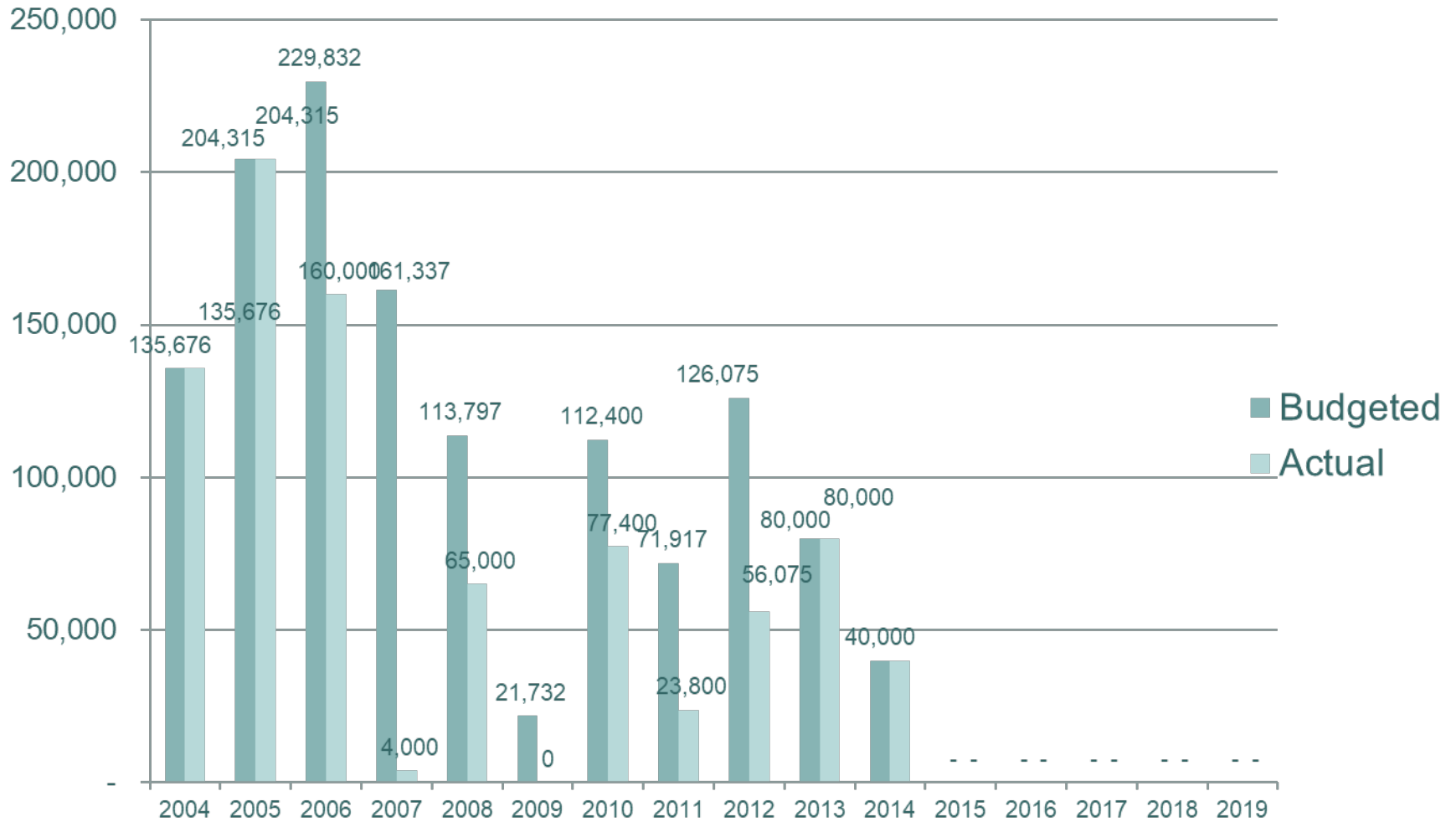
Ramsey County Tax Rates

City	Proposed 2019 City Tax Rate
St. Paul	50.558%
North St. Paul	45.685%
Maplewood	44.406%
New Brighton	42.793%
Falcon Heights	37.271%
Mounds View	37.908%
Roseville	37.160%
Shoreview	33.193%
Arden Hills	25.696%
Lauderdale	29.024%
Little Canada	26.191%
Vadnais Heights	24.029%

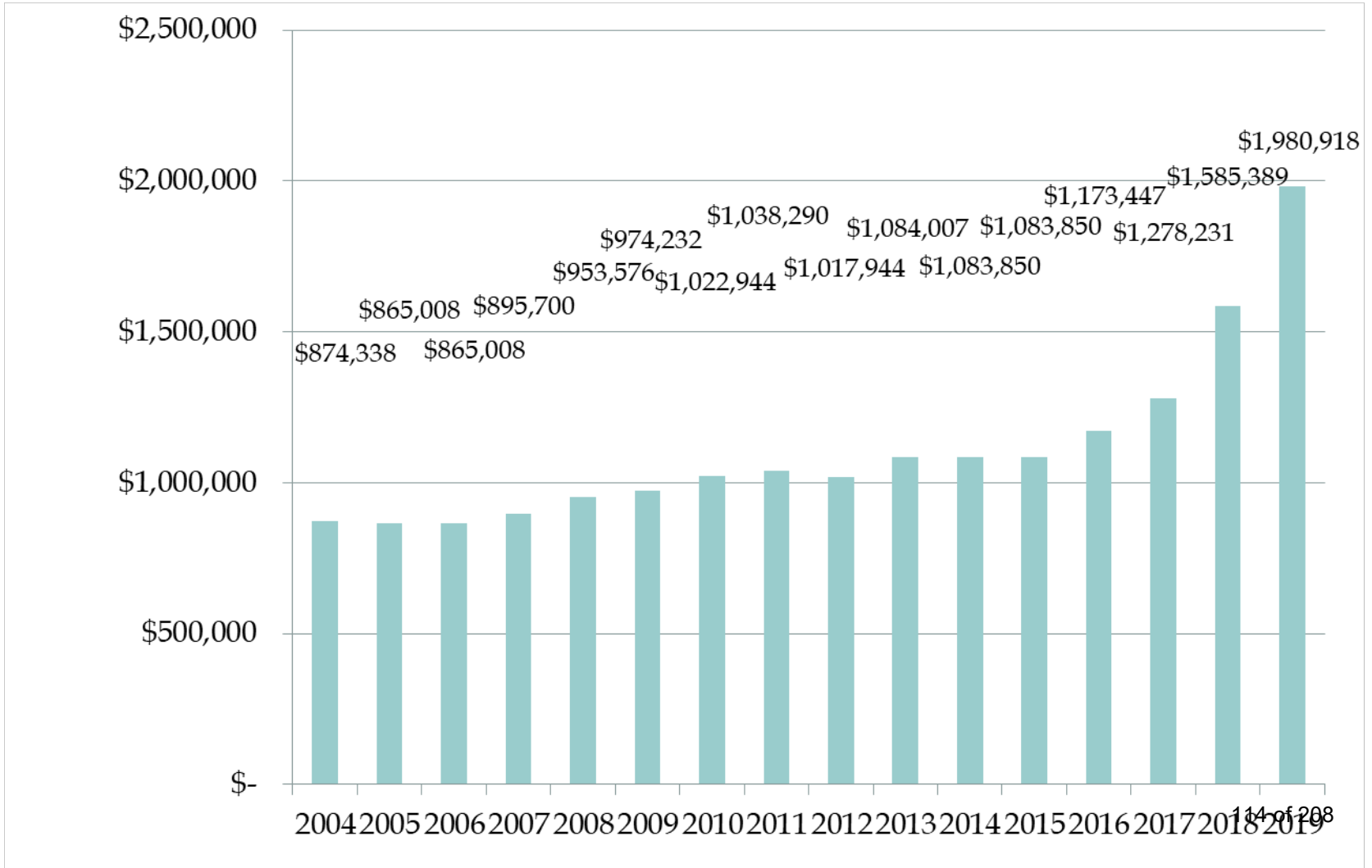
City Tax Rate History



History of Transfer of Reserves to General Fund



History of Property Tax Levy





History of Property Tax Levy, cont.

Overall levy has increased by \$1,106,580 since 2004 with a **\$329,150** increase for 2018 and a **\$395,529** increase for 2019 included. Primarily due to the increase in police service costs and increases to the debt levy portion due to street projects..

No transfers from Reserves to General Fund operations since 2014. However, in 2017 there was a \$150,000 transfer to lower the debt levy for 2018.

Since 2014 to 2017, the average city portion tax increase on a median value home was \$22 per year. However, for 2018, the increase on a median value home was \$177 and for 2019 the increase was \$198 primarily due to increased costs of police services and debt service levy increase due to street projects.



Property Tax Impacts

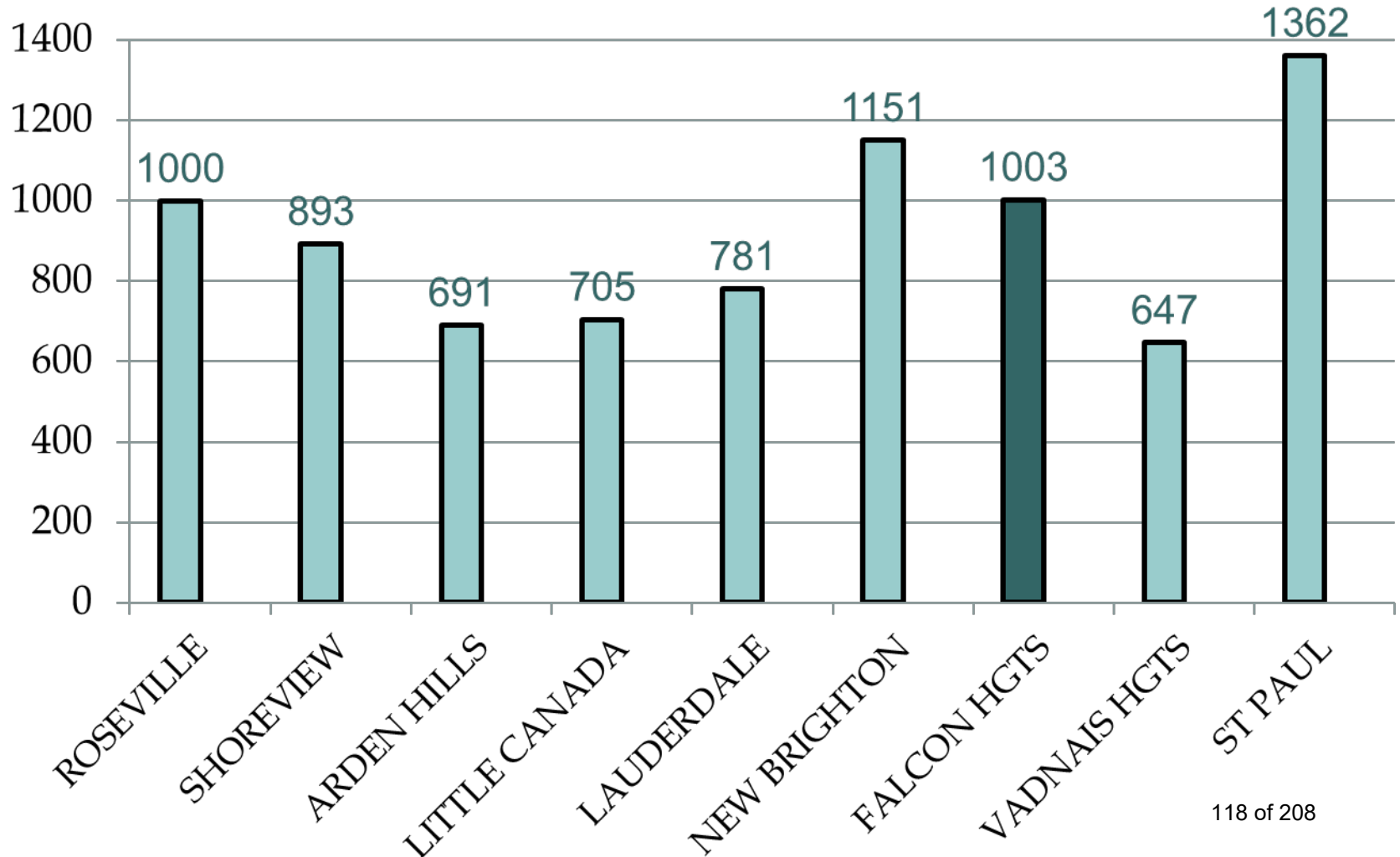
	Payable 2019	Payable 2018	Payable 2017	Payable 2016	Payable 2015
Median Valued Home	\$281,100	\$266,600	\$252,600	\$247,700	\$251,500
Taxable Median Value after Exclusion	\$269,159	\$253,354	\$238,094	\$232,753	\$236,895
Tax Capacity (1% of value)	2691	2534	2381	2328	2369
City Tax Rate	37.271%	31.780%	26.334%	25.840%	23.459%
City Taxes	1003	805	627	601	\$556
Net Change Prior Year	\$198 Increase	\$177 Increase	\$26 Increase	\$45 Increase	\$41 Increase

\$487 increase since 2015 for an average of \$97 per year for the last 5 years 116 of 208

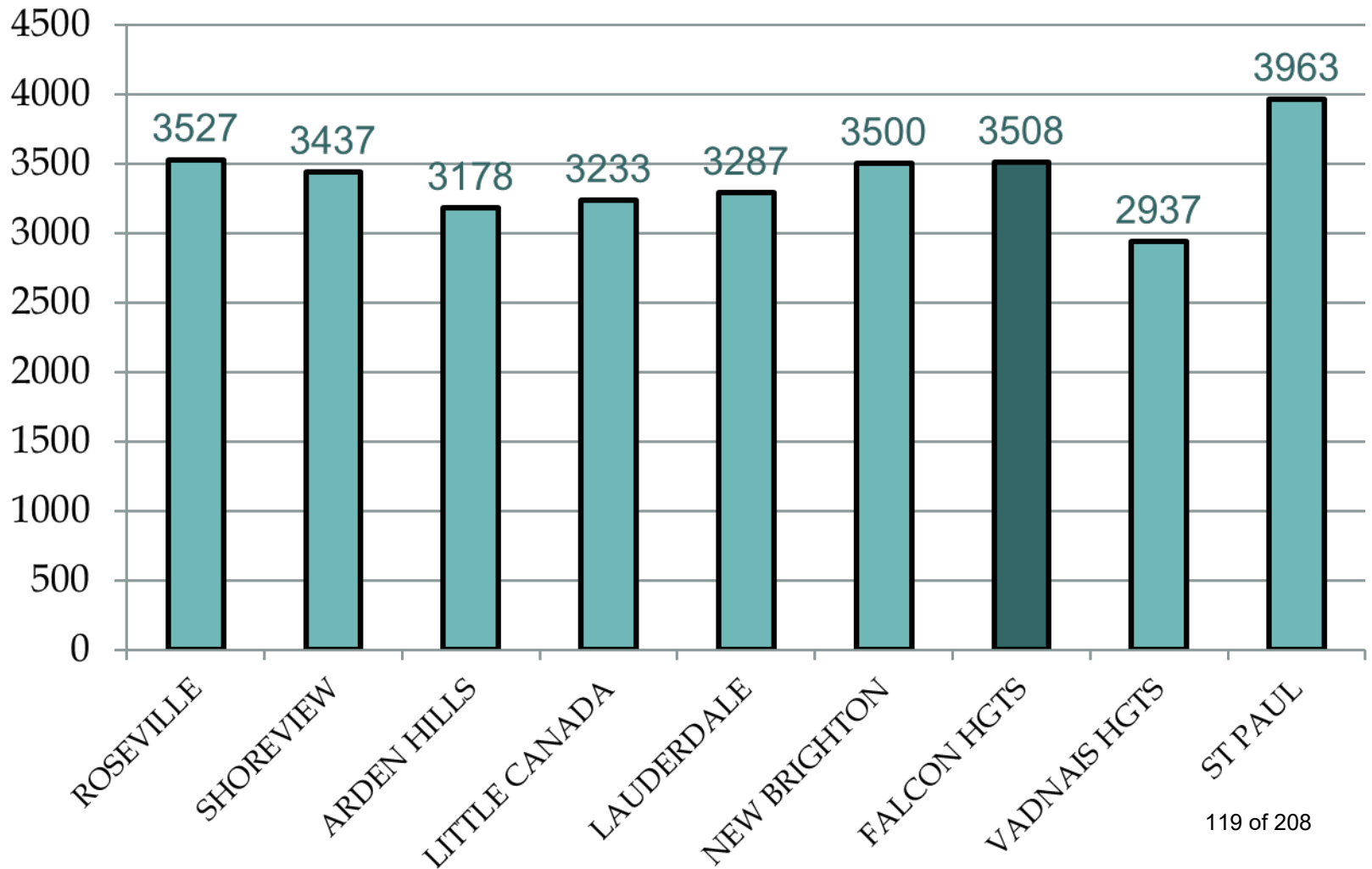
Estimated Percentage Change in 2019 Property Tax On Median Value Single Family Properties (as of 10/26/18)

City	School	Payable 2018 City Median Estimated Value	Payable 2019 City Median Estimated Value	% Change in Median Value	% Change in Tax on Median Valued Home					Estimated Change From 2018 Total Tax
					County	City	School	Other	Total	
Arden Hills	621	\$333,800	\$346,900	3.9%	1.8%	5.0%	-2.5%	4.1%	1.0%	\$46
	623	"	"	"	1.8%	5.0%	-0.2%	4.1%	1.8%	83
Falcon Heights	623	266,600	281,100	5.4%	3.7%	24.6%	1.6%	4.5%	7.3%	281
Gem Lake	624	262,850	283,800	8.0%	6.5%	10.0%	16.3%	6.4%	10.6%	390
Lauderdale	623	189,100	206,300	9.1%	8.4%	7.8%	5.9%	9.3%	7.3%	188
Little Canada	623	240,800	255,800	6.2%	4.7%	5.4%	2.5%	3.0%	3.8%	129
	624	"	"	"	4.7%	5.4%	14.3%	3.0%	8.0%	249
Maplewood	622	209,600	222,500	6.2%	4.8%	3.7%	2.4%	3.1%	3.6%	112
	623	"	"	"	4.8%	3.7%	2.6%	3.1%	3.6%	117
	624	"	"	"	4.8%	3.7%	14.3%	3.1%	7.2%	220
Mounds View	621	197,300	219,100	11.0%	10.6%	13.3%	5.2%	13.1%	9.7%	264
New Brighton	282	242,400	264,500	9.1%	7.9%	10.3%	4.2%	10.3%	7.1%	266
	621	"	"	"	7.9%	10.3%	2.9%	10.3%	7.0%	236
North Oaks	621	558,400	585,650	4.9%	3.4%	9.4%	-1.3%	5.2%	2.1%	146
	624	"	"	"	3.4%	9.4%	13.0%	5.2%	7.8%	521
North St. Paul	622	172,800	185,200	7.2%	6.3%	15.2%	3.7%	5.2%	8.0%	201
Roseville	621	236,900	254,900	7.6%	6.2%	5.7%	1.4%	8.6%	4.6%	155
	623	"	"	"	6.2%	5.7%	3.9%	8.6%	5.4%	191
St. Anthony	282	278,700	289,950	4.0%	2.1%	4.8%	-1.1%	4.2%	2.1%	111
St. Paul	625	173,900	186,200	7.1%	6.3%	10.2%	5.5%	8.0%	7.3%	184
Shoreview	621	289,800	303,800	4.8%	2.9%	4.2%	-1.6%	8.7%	2.0%	83
	623	"	"	"	2.9%	4.2%	0.9%	8.7%	2.8%	118
Spring Lake Park	621	188,300	215,750	14.6%	14.9%	6.0%	8.9%	17.5%	10.4%	291
Vadnais Heights	621	246,200	269,400	9.4%	8.3%	7.2%	3.2%	10.2%	6.3%	196
	624	"	"	"	8.3%	7.2%	18.0%	6.5%	11.3%	357
White Bear Lake	624	208,400	222,500	6.8%	5.5%	14.3%	15.0%	3.8%	10.1%	252
White Bear Town	624	255,400	265,900	4.1%	2.2%	17.9%	11.8%	0.6%	8.1%	259

2019 City Taxes on a Median Value Home in Ramsey County



2019 Total Property Taxes on a Median Value Home in Ramsey County

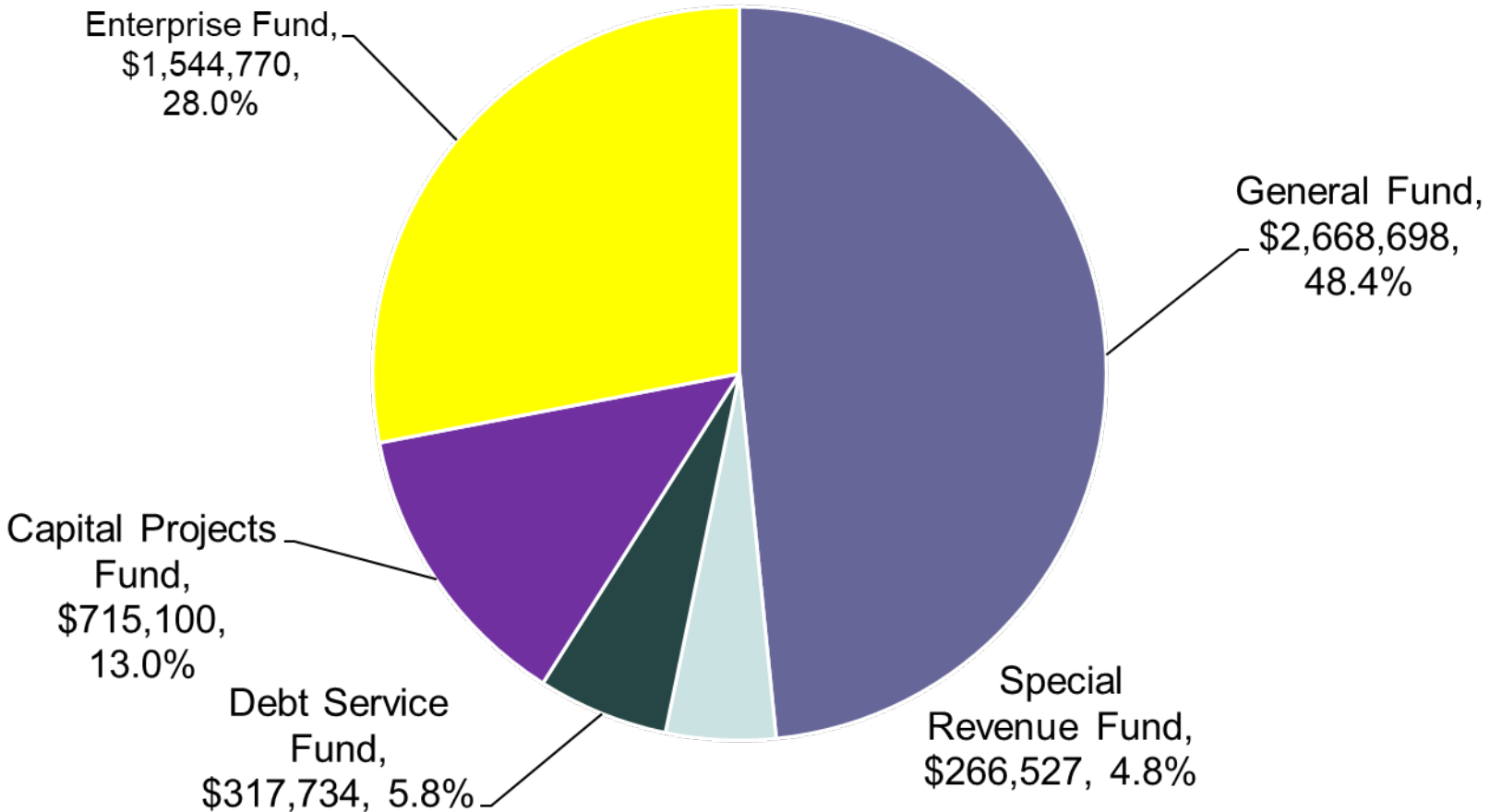




Stratified Change Property Taxes 2019

TOTAL # PARCELS IN FALCON HEIGHTS:		1299		
			% of Total	Cumulative % of total
Decrease or "0"	157		12%	12%
\$1 to \$100	321		25%	37%
\$101 to \$200	118		9%	46%
\$201 to \$300	229		18%	64%
\$301 to \$400	171		13%	77%
\$401 to \$500	118		9%	86%
> \$500	185		14%	100%
Total:	1299		100%	

2019 Expenditures



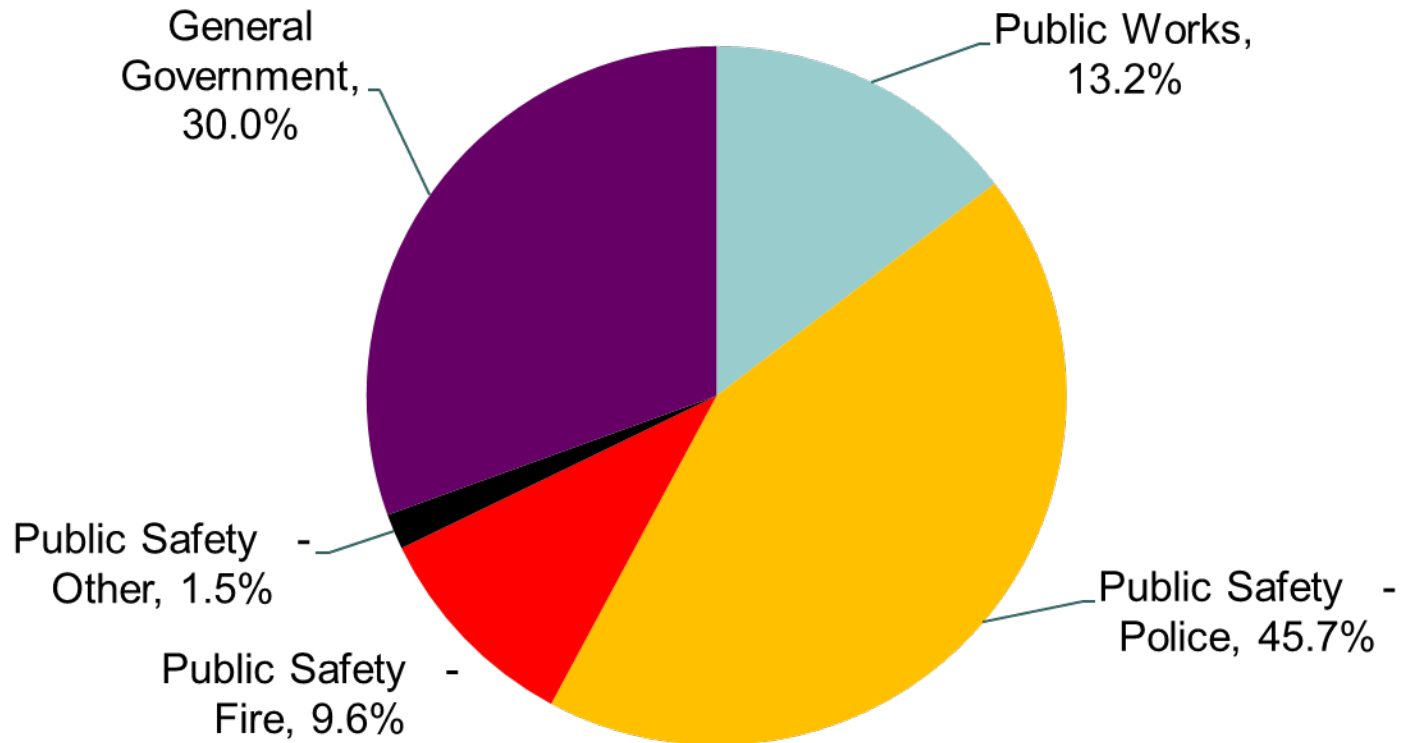


Cities Receive Sales Tax Exemption

Effective 2014

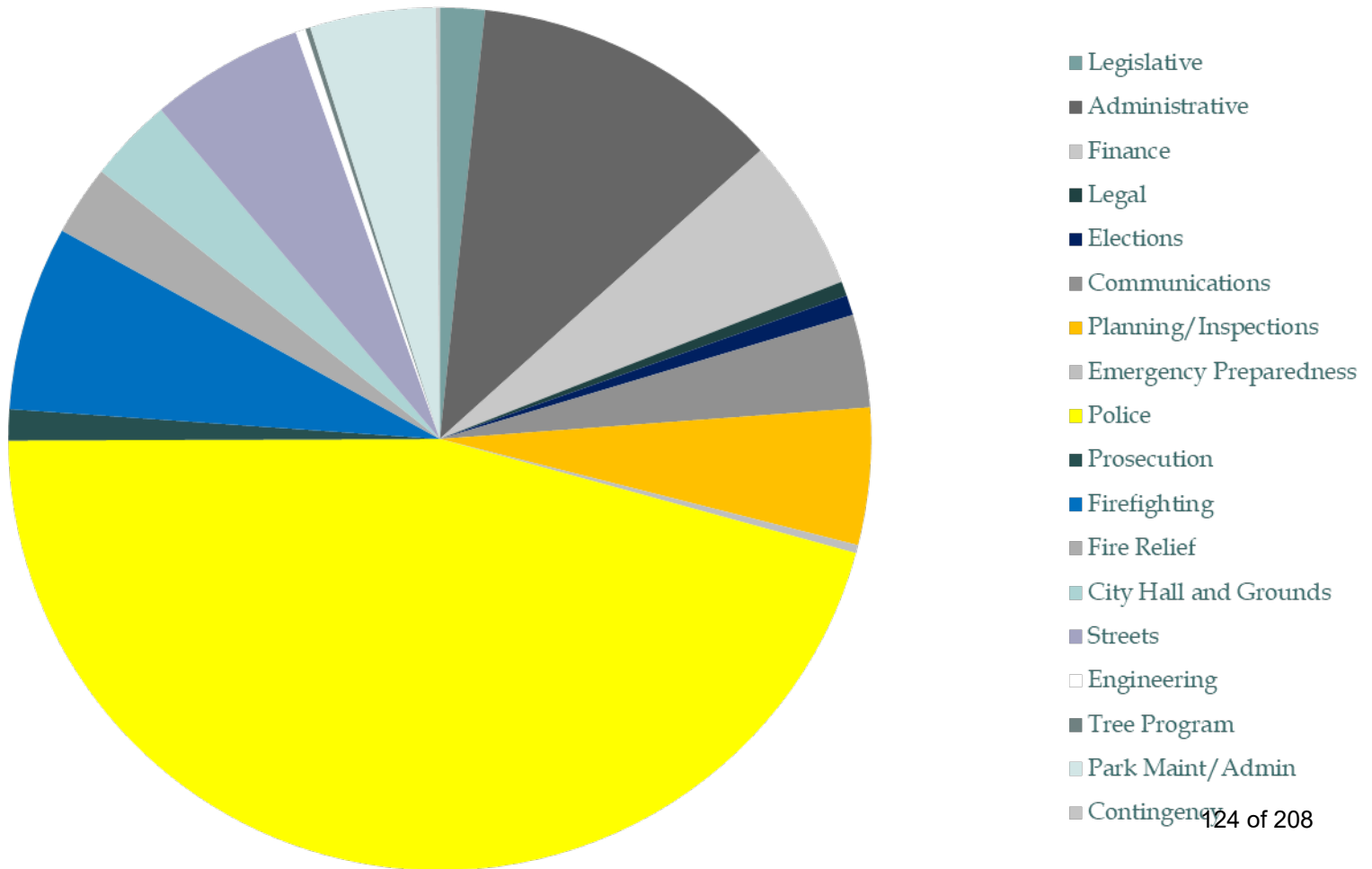
- 2013 MN State Legislature passed State Law changes exempting cities from sales taxes
- General Fund operational expenditure savings are estimated at around \$5,500 yearly

2019 Budgeted General Fund Expenditures By Dept.



2019 General Fund Expenditures by Department

% of Total Expenditures by Department





Levy Comparisons

	2014	2015	2016	2017	2018	Proposed 2019	% Change
Ad valorem levy	\$944,570	\$1,014,116	\$1,046,183	\$1,152,646	\$1,487,059	\$1,747,260	+\$260,201 +17%
Debt levy	\$139,280	\$69,734 *	\$127,264	\$125,585	\$98,330 *	\$233,658	+\$135,328 +138%
Total levy	\$1,083,850	\$1,083,850	\$1,173,447	\$1,278,231	\$1,585,389	\$1,980,918	+\$395,529 +24%

* In 2017 a transfer of \$150,000 from reserves to decrease debt levy. 125 of 208

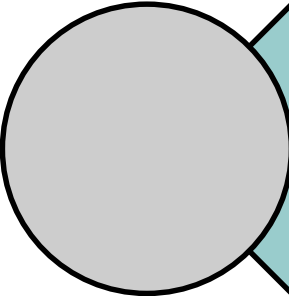


2019 Proposed Budget

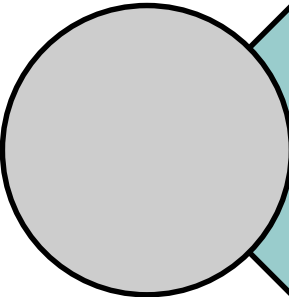
- Police Services budget increased by **\$ 179,459**.
- 3.5% renewal rate estimated for health insurance through PEIP
- Expect license and permit revenues comparable to 2018 levels. Possible apartment complex built in 2019.



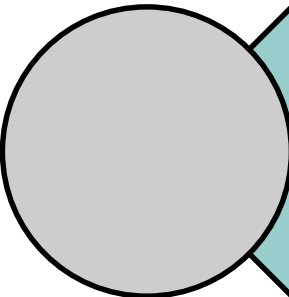
2019 Proposed Budget, cont.



There will be no transfer of reserve funds for general operating budget



LGA receipts from State of MN increased \$2,941. Fiscal Disparities increased \$69,339



Overall, general fund expenditures and revenues are \$2,668,698, or 10.9%, higher than the 2018 operating budget.



Additional Information

- ⌘ Ramsey County Proposed Budget and Levy Hearing – Held Nov 26th – 6:30 pm – Union Depot-Red Cap Room 214 4th Street E St. Paul.
- ⌘ Roseville School District Proposed Budget and Levy Hearing – Held Dec 18th – 6:00 pm - District Service Center – 1251 Cty Rd B2 W, Roseville
- ⌘ State of Minnesota Property Tax Refund Programs
 - | www.taxes.state.mn.us
 - | Regular Refund – based on income
 - | Circuit Breaker – if taxes increased over 12% and \$100
 - | Senior Citizen Tax Deferral through City & Ramsey County
 - | Disabled Veteran Market Value Exclusion
- ⌘ To contest your property valuation to be used for 2020 property taxes – watch for notices in the mail during March 2019.



For More Information:

- ⌘ Visit: www.falconheights.org
- ⌘ Call Sack Thongvanh, City Administrator at (651)792-7600
- ⌘ E-mail: Sack.Thongvanh@falconheights.org

BLANK PAGE

**CITY OF FALCON HEIGHTS
COUNCIL RESOLUTION**

December 12, 2018

No. 18-38

**RESOLUTION ADOPTING THE 2019 TAX LEVY FOR THE CITY OF FALCON
HEIGHTS, COUNTY OF RAMSEY, STATE OF MINNESOTA**

BE IT RESOLVED by the Mayor and City Council of the City of Falcon Heights, County of Ramsey, State of Minnesota, that the following sums of money be levied for the taxes payable 2019, upon the taxable property in the City of Falcon Heights, for the following purposes:

	CERTIFIED LEVY
GENERAL FUND	\$1,747,260
DEBT SERVICE (G.O. Fire Truck Bond, Series 2013B)	\$233,658
TOTAL LEVY	\$1,980,918

BE IT FURTHER RESOLVED that the City Administrator is hereby directed to transmit a certified copy of this Resolution to the County Auditor and should extend the tax levy in the amount of \$1,980,918 to be collected for the year 2019.

Moved by:

Approved by: _____

Peter Lindstrom
Mayor

LINDSTROM _____ In Favor
GUSTAFSON
HARRIS _____ Against
LEEHY
MIAZGA

Attested by: _____

Sack Thongvanh
City Administrator

BLANK PAGE

**CITY OF FALCON HEIGHTS
COUNCIL RESOLUTION**

December 12, 2018

No. 18-39

RESOLUTION ADOPTING THE 2019 BUDGET

BE IT RESOLVED by the City Council of the City of Falcon Heights that the General Fund Operating Budget for the year 2019 in the amount of \$2,668,698 and other Fund Budgets as listed are adopted.

Fund Name	Fund Number	Amount (\$)
Park Program Fund	201	35,790
Charitable Gambling		600
Community Garden	203	1,000
Water Fund	204	14,582
Recycling Fund	206	96,590
Community Development Fund	208	37,365
Street Light Utility	209	39,950
Community Inclusion	210	38,650
GO Improvement Cert. Series 2013A	311	74,337
GO Equipment Cert. Series 2013 B	312	97,882
GO Improvement Street Series 2017A	316	145,475
General Capital Improvements	401	9,350
Public Safety Capital	402	9,350
Parks Recreation/Public Facilities Capital	403	216,30
TIF District #1-3	414	269,850
Infrastructure Capital	419	156,350
Street Improvements 2017	427	53,850

Moved by:

Approved by: _____
Peter Lindstrom
Mayor

LINDSTROM ___ In Favor
GUSTAFSON
HARRIS ___ Against
LEEHY
MIAZGA

Attested by: _____
Sack Thongvanh
City Administrator

BLANK PAGE



The City That Soars!

REQUEST FOR COUNCIL ACTION

Meeting Date	December 12, 2018
Agenda Item	Consent F1
Attachment	General Disbursements and Payroll
Submitted By	Roland Olson, Finance Director

Item	General Disbursements and Payroll
Description	General Disbursements through: 12/05/18 \$170,406.01 Payroll through: 11/30/18 \$36,228.17
Budget Impact	The general disbursements and payroll are consistent with the budget.
Attachment(s)	· General Disbursements and Payroll
Action(s) Requested	Staff recommends that the Falcon Heights City Council approve general disbursements and payroll.

BLANK PAGE

-----ID-----			GROSS	P.O. #		
POST DATE	BANK CODE	-----DESCRIPTION-----	DISCOUNT	G/L ACCOUNT	-----ACCOUNT NAME-----	DISTRIBUTION
01		AMANDA LOR				
I-201811166931		MILEAGE REIMBURSEMENT	17.53			
11/16/2018	APBNK	DUE: 11/16/2018 DISC: 11/16/2018		1099: N		
		MILEAGE REIMBURSEMENT		101 4112-86010-000	MILEAGE & PARKING	17.53
		=== VENDOR TOTALS ===	17.53			
01-00089		ARTEM ANDERSON				
I-201811166929		FLYER, SIGNS BANNER DESIGN	287.50			
11/16/2018	APBNK	DUE: 11/16/2018 DISC: 11/16/2018		1099: N		
		FLYER, SIGNS BANNER DESIGN		210 4210-70420-000	NEWSLETTER/COMMUNICATION	287.50
		=== VENDOR TOTALS ===	287.50			
01-05289		BLOOMINGTON EMBROIDERY				
I-41493		SNAG-PROOF POLOS, RAGLAN TEES	1,764.00			
11/16/2018	APBNK	DUE: 11/16/2018 DISC: 11/16/2018		1099: N		
		SNAG-PROOF POLOS, RAGLAN TEES		101 4124-77000-000	CLOTHING	1,764.00
		=== VENDOR TOTALS ===	1,764.00			
01-03110		CENTURY LINK				
I-201811166930		LANDLINES- NOV SS	166.66			
11/16/2018	APBNK	DUE: 11/16/2018 DISC: 11/16/2018		1099: N		
		LANDLINES- NOV SS		601 4601-85011-000	TELEPHONE - LANDLINE	166.66
		=== VENDOR TOTALS ===	166.66			
01-03302		D.R.S.				
I-15954		PW RANDOM DRUG TESTING	150.00			
11/16/2018	APBNK	DUE: 11/16/2018 DISC: 11/16/2018		1099: N		
		PW RANDOM DRUG TESTING		101 4132-89000-000	MISCELLANEOUS	150.00
		=== VENDOR TOTALS ===	150.00			
01-05119		GFOA				
I-201811166933		GFOA ANNUAL CONFERENCE-ROLAND	445.00			
11/16/2018	APBNK	DUE: 11/16/2018 DISC: 11/16/2018		1099: N		
		GFOA ANNUAL CONFERENCE-ROLAND		101 4113-86100-000	CONFERENCES/EDUCATION/AS	445.00
		=== VENDOR TOTALS ===	445.00			

-----ID-----			GROSS	P.O. #		
POST DATE	BANK CODE	-----DESCRIPTION-----	DISCOUNT	G/L ACCOUNT	-----ACCOUNT NAME-----	DISTRIBUTION
01		MED-COMPASS				
I-34507		SCBA MEDICAL EXAM, FIT TEST	108.00			
11/16/2018	APBNK	DUE: 11/16/2018 DISC: 11/16/2018		1099: N		
		SCBA MEDICAL EXAM, FIT TEST		101 4124-86200-000	MEDICAL EXAMINATIONS	108.00
		=== VENDOR TOTALS ===	108.00			
01-05794		MINNESOTA EQUIPMENT				
I-P79028		EQUIPMENT PARTS:SPROCKET CHAI	166.95			
11/16/2018	APBNK	DUE: 11/16/2018 DISC: 11/16/2018		1099: N		
		EQUIPMENT PARTS:SPROCKET CHAIN		101 4132-87000-000	REPAIR EQUIPMENT	166.95
		=== VENDOR TOTALS ===	166.95			
01-05743		MN DEPT OF AGRICULTURE				
I-201811166932		19 TREE CARE REGISTRY RENEWAL	25.00			
11/16/2018	APBNK	DUE: 11/16/2018 DISC: 11/16/2018		1099: N		
		19 TREE CARE REGISTRY RENEWAL		101 4134-70110-000	SUPPLIES	25.00
		=== VENDOR TOTALS ===	25.00			
01-05273		MN PUBLIC EMPLOYEES INSURANCE				
I-765423		DEC HEALTH INSURANCE	7,600.16			
11/16/2018	APBNK	DUE: 11/16/2018 DISC: 11/16/2018		1099: N		
		DEC HEALTH INSURANCE		101 4112-89000-000	MISCELLANEOUS	7,600.16
		=== VENDOR TOTALS ===	7,600.16			
01-07263		NEXTEL COMMUNICATIONS, INC				
2868921-164		FD CELL PHONE SEP27-OCT26	19.66			
11/16/2018	APBNK	DUE: 11/16/2018 DISC: 11/16/2018		1099: N		
		FD CELL PHONE SEP27-OCT26		101 4124-85015-000	CELL PHONE	19.66
		=== VENDOR TOTALS ===	19.66			
01-05676		OFFICE DEPOT				
I-227564209001		DESKPADS, BINDERS, STAMPS, ET	179.48			
11/16/2018	APBNK	DUE: 11/16/2018 DISC: 11/16/2018		1099: N		
		DESKPADS, BINDERS, STAMPS, ETC		101 4112-70100-000	SUPPLIES	179.48
I-229582814001		CABLE HDMI, BIN MODULAR	54.05			
11/16/2018	APBNK	DUE: 11/16/2018 DISC: 11/16/2018		1099: N		
		CABLE HDMI, BIN MODULAR		101 4112-70100-000	SUPPLIES	54.05
		=== VENDOR TOTALS ===	233.53			

PACKET: 01872 PAYABLES NOV 16
VENDOR SET: 01 City of Falcon Heights
SEQUENCE : ALPHABETIC
DUE TO/FROM ACCOUNTS SUPPRESSED

POST DATE	BANK CODE	DESCRIPTION	GROSS DISCOUNT	P.O. # G/L ACCOUNT	ACCOUNT NAME	DISTRIBUTION
=====						
01		OLSON,ROLAND				
I-201811166928		FLEX PAYMENT REIMB- ROLAND	37.49			
11/16/2018	APBNK	DUE: 11/16/2018 DISC: 11/16/2018		1099: N		
		FLEX PAYMENT REIMB- ROLAND		101 21712-000	MEDICAL FLEX SAVINGS PAY	31.12
		FLEX PAYMENT REIMB- ROLAND		201 21712-000	MEDICAL FLEX SAVINGS PAY	5.62
		FLEX PAYMENT REIMB- ROLAND		602 21712-000	MEDICAL FLEX SAVINGS PAY	0.75
		=== VENDOR TOTALS ===	37.49			
=====						
01-06024		ON SITE SANITATION				
I-683195		STANDARD CONSTRUCTION RESTROO	75.00			
11/16/2018	APBNK	DUE: 11/16/2018 DISC: 11/16/2018		1099: N		
		STANDARD CONSTRUCTION RESTROOM		601 4601-85080-000	PORTABLE TOILET PARKS	75.00
I-683196		PORTABLE RESTROOM, SANITIZERS	160.00			
11/16/2018	APBNK	DUE: 11/16/2018 DISC: 11/16/2018		1099: N		
		PORTABLE RESTROOM, SANITIZERS		601 4601-85080-000	PORTABLE TOILET PARKS	160.00
		=== VENDOR TOTALS ===	235.00			
=====						
01-06185		RAMSEY COUNTY				
I-FLEET- 000425		REISSUE CHECK 88029-DUMP TRUC	2,189.43			
11/16/2018	APBNK	DUE: 11/16/2018 DISC: 11/16/2018		1099: N		
		DUMP TRUCK REPAIR		101 4132-87000-000	REPAIR EQUIPMENT	2,189.43
		=== VENDOR TOTALS ===	2,189.43			
=====						
01-06184		RAMSEY COUNTY - POLICE AND 911				
I-SHRPL001738		NOV POLICE SERVICES	82,692.72			
11/16/2018	APBNK	DUE: 11/16/2018 DISC: 11/16/2018		1099: N		
		NOV POLICE SERVICES		101 4122-81000-000	POLICE SERVICES	82,692.72
		=== VENDOR TOTALS ===	82,692.72			
=====						
01-06464		SAFE STEP LLC				
I-3117		141 SIDEWALK RESURFACING	17,150.00			
11/16/2018	APBNK	DUE: 11/16/2018 DISC: 11/16/2018		1099: N		
		141 SIDEWALK RESURFACING		419 4419-92005-000	SIDEWALK IMPROVEMENTS	17,150.00
		=== VENDOR TOTALS ===	17,150.00			

PACKET: 01872 PAYABLES NOV 16
VENDOR SET: 01 City of Falcon Heights
SEQUENCE : ALPHABETIC
DUE TO/FROM ACCOUNTS SUPPRESSED

-----ID-----			GROSS	P.O. #		
POST DATE	BANK CODE	-----DESCRIPTION-----	DISCOUNT	G/L ACCOUNT	-----ACCOUNT NAME-----	DISTRIBUTION
01		TRI-STATE BOBCAT INC				
I-A50272		STUD, NUT, CLIP	63.66			
11/16/2018	APBNK	DUE: 11/16/2018 DISC: 11/16/2018		1099: N		
		STUD, NUT, CLIP		101 4132-70120-000	SUPPLIES	63.66
		=== VENDOR TOTALS ===	63.66			
01-07194	ZARNOTH	BRUSH WORKS				
I-0064431		DISPOSABLE GUTTER BROOMS	279.70			
11/16/2018	APBNK	DUE: 11/16/2018 DISC: 11/16/2018		1099: N		
		DISPOSABLE GUTTER BROOMS		602 4602-83025-000	SWEEPER PARTS/SUPPLIES	279.70
		=== VENDOR TOTALS ===	279.70			
		=== PACKET TOTALS ===	113,631.99			

-----ID-----			GROSS	P.O. #		
POST DATE	BANK CODE	-----DESCRIPTION-----	DISCOUNT	G/L ACCOUNT	-----ACCOUNT NAME-----	DISTRIBUTION
01-0000	0	ABLE HOSE & RUBBER				
I-211526-001		BALL SEAT BRASS, MPT BRASS	39.54			
11/20/2018	APBNK	DUE: 11/20/2018 DISC: 11/20/2018		1099: N		
		BALL SEAT BRASS, MPT BRASS		101 4131-70110-000	SUPPLIES	39.54
		=== VENDOR TOTALS ===	39.54			
01-03103		CANON FINANCIAL SERVICES				
I-19441161		COPIER CONTRACT CHARGE NOV	122.39			
11/20/2018	APBNK	DUE: 11/20/2018 DISC: 11/20/2018		1099: N		
		COPIER CONTRACT CHARGE NOV		101 4131-87010-000	CITY HALL MAINTENANCE	122.39
		=== VENDOR TOTALS ===	122.39			
01-03089		CASH				
I-201811206938		PETTY CASH EXPENSES	124.62			
11/20/2018	APBNK	DUE: 11/20/2018 DISC: 11/20/2018		1099: N		
		NOTARY FEE		101 4112-86110-000	MEMBERSHIPS	20.00
		INCLUSION TRAINING		210 4210-86105-000	INCLUSION TNG EXERCISES	29.46
		POTHOLE PATCH, DUAL LOCK TAPE		101 4131-70110-000	SUPPLIES	50.46
		POSTAGE		101 4112-70500-000	POSTAGE	24.70
		=== VENDOR TOTALS ===	124.62			
01-03110		CENTURY LINK				
I-201811206939		CELL PHONES	62.12			
11/20/2018	APBNK	DUE: 11/20/2018 DISC: 11/20/2018		1099: N		
		CELL PHONES		101 4141-85011-000	TELEPHONE - LANDLINE	62.12
		=== VENDOR TOTALS ===	62.12			
01-03143		F & M TRUCKING INC				
I-5450		GRANITE ROCK FOR CITY HALL	467.04			
11/20/2018	APBNK	DUE: 11/20/2018 DISC: 11/20/2018		1099: N		
		GRANITE ROCK FOR CITY HALL		101 4131-87010-000	CITY HALL MAINTENANCE	467.04
I-5454		GRANITE ROCK FOR CITY HALL	66.72			
11/20/2018	APBNK	DUE: 11/20/2018 DISC: 11/20/2018		1099: N		
		GRANITE ROCK FOR CITY HALL		101 4131-87010-000	CITY HALL MAINTENANCE	66.72
		=== VENDOR TOTALS ===	533.76			

-----ID-----			GROSS	P.O. #		
POST DATE	BANK CODE	-----DESCRIPTION-----	DISCOUNT	G/L ACCOUNT	-----ACCOUNT NAME-----	DISTRIBUTION
01-9	H&L MESABI					
I-201811206934		INSERTED CURB RUNNER X 2	440.00			
11/20/2018	APBNK	DUE: 11/20/2018 DISC: 11/20/2018		1099: N		
		INSERTED CURB RUNNER X 2		101 4132-70120-000	SUPPLIES	440.00
		=== VENDOR TOTALS ===	440.00			
01-05509	LEAGUE OF MN CITIES					
I-284186		REGIONAL MEETINGS	45.00			
11/20/2018	APBNK	DUE: 11/20/2018 DISC: 11/20/2018		1099: N		
		REGIONAL MEETINGS		101 4111-86130-000	MEETINGS	45.00
		=== VENDOR TOTALS ===	45.00			
01-05582	MENARDS					
I-201811206937		FIRE DEPT&CITY HALL SUPPLIES	176.55			
11/20/2018	APBNK	DUE: 11/20/2018 DISC: 11/20/2018		1099: N		
		MOP HANGER, MOP HEAD, ETC		101 4124-70100-000	SUPPLIES	120.59
		HAND RIVETER, STEEL RIVETS.		101 4131-70110-000	SUPPLIES	55.96
		=== VENDOR TOTALS ===	176.55			
01-06185	RAMSEY COUNTY					
I-PRRRV000990		TIF ADMIN FEES	705.58			
11/20/2018	APBNK	DUE: 11/20/2018 DISC: 11/20/2018		1099: N		
		TIF ADMIN FEES		414 4414-89000-000	MISC:TIF ADMIN FEES RAMS	705.58
		=== VENDOR TOTALS ===	705.58			
01-2	SORENSEN CONSULTING					
I-COPH.4.18		LEADERSHIP SELECT ASSESSMENEN	1,900.00			
11/20/2018	APBNK	DUE: 11/20/2018 DISC: 11/20/2018		1099: N		
		LEADERSHIP SELECT ASSESSMENT		101 4112-80330-000	CONSULTANT	1,900.00
		=== VENDOR TOTALS ===	1,900.00			
01-05870	XCEL ENERGY					
I-201811206936		ST LIGHT& AUTO PROTECT LIGHT	2,201.12			
11/20/2018	APBNK	DUE: 11/20/2018 DISC: 11/20/2018		1099: N		
		AUTO PROTECTIVE LIGHT		101 4141-85020-000	ELECTRIC/GAS	15.15
		SNELLING&HOYT SIGN AREA		209 4209-85020-000	STREET LIGHTING POWER	14.81
		STREET LIGHTING ELECT		209 4209-85020-000	STREET LIGHTING POWER	2,113.25
		STREET LIGHTING ELECT		209 4209-85020-000	STREET LIGHTING POWER	57.91
		=== VENDOR TOTALS ===	2,201.12			
		=== PACKET TOTALS ===	6,350.68			

POST DATE	BANK CODE	DESCRIPTION	GROSS DISCOUNT	P.O. # G/L ACCOUNT	ACCOUNT NAME	DISTRIBUTION
01-03122 CASH						
I-201811276942		POINSETTIA DECORATN-CITY HALL	12.73			
11/27/2018	APBNK	DUE: 11/27/2018 DISC: 11/27/2018		1099: N		
		POINSETTIA DECORATN-CITY HALL		101 4131-70110-000	SUPPLIES	12.73
=== VENDOR TOTALS ===			12.73			
01-03122 CITY OF ST PAUL						
I-IN00029881		JUNE EQUIP&LABOR FOR LT REPAI	2,074.00			
11/27/2018	APBNK	DUE: 11/27/2018 DISC: 11/27/2018		1099: N		
		JUNE EQUIP&LABOR FOR LT REPAIR		427 4427-92098-000	2017 STREET PROJECT - GR	2,074.00
I-IN00029882		JUNE EQUIP&LABOR FOR LT REPAI	334.96			
11/27/2018	APBNK	DUE: 11/27/2018 DISC: 11/27/2018		1099: N		
		JUNE EQUIP&LABOR FOR LT REPAIR		427 4427-92098-000	2017 STREET PROJECT - GR	334.96
=== VENDOR TOTALS ===			2,408.96			
01-04019 EMMANUEL GUTIERREZ-BROTHER'S G						
I-201811276943		COMMUNITY INCLUSION-FOOD TRUC	184.00			
11/27/2018	APBNK	DUE: 11/27/2018 DISC: 11/27/2018		1099: N		
		COMMUNITY INCLUSION-FOOD TRUCK		210 4210-70100-000	SUPPLIES	184.00
=== VENDOR TOTALS ===			184.00			
01-05088 JMJ ROCKS COME TO THE TABLE						
I-201811276945		COMMUNITY INCLUSION-FOOD TRUC	234.00			
11/27/2018	APBNK	DUE: 11/27/2018 DISC: 11/27/2018		1099: N		
		COMMUNITY INCLUSION-FOOD TRUCK		210 4210-70100-000	SUPPLIES	234.00
=== VENDOR TOTALS ===			234.00			
01-05555 MEDICS TRAINING						
I-10305		EMT/EMR TRAINING	550.00			
11/27/2018	APBNK	DUE: 11/27/2018 DISC: 11/27/2018		1099: N		
		EMT/EMR TRAINING		101 4124-86020-000	TRAINING	550.00
=== VENDOR TOTALS ===			550.00			

PACKET: 01877 NOV 27 PAYABLES
 VENDOR SET: 01 City of Falcon Heights
 SEQUENCE : ALPHABETIC
 DUE TO/FROM ACCOUNTS SUPPRESSED

-----ID-----			GROSS	P.O. #		
POST DATE	BANK CODE	-----DESCRIPTION-----	DISCOUNT	G/L ACCOUNT	-----ACCOUNT NAME-----	DISTRIBUTION
=====						
01-	3	NEXTEL COMMUNICATIONS, INC				
=====						
I-610189225-185		OCT15-NOV14 CELL PHONES CITY	124.08			
11/27/2018	APBNK	DUE: 11/27/2018 DISC: 11/27/2018		1099: N		
		OCT15-NOV14 CELL PHONES CITY		101 4131-85015-000	CELL PHONE	124.08
		=== VENDOR TOTALS ===	124.08			
=====						
01-05676		OFFICE DEPOT				
=====						
I-229582373001		USB, HIGH SPEED HD	64.14			
11/27/2018	APBNK	DUE: 11/27/2018 DISC: 11/27/2018		1099: N		
		USB, HIGH SPEED HD		101 4112-70100-000	SUPPLIES	64.14
=====						
I-229976456001		CAN, COUNTER	13.49			
11/27/2018	APBNK	DUE: 11/27/2018 DISC: 11/27/2018		1099: N		
		CAN, COUNTER		101 4112-70100-000	SUPPLIES	13.49
=====						
I-229976689001		TONER HP	257.65			
11/27/2018	APBNK	DUE: 11/27/2018 DISC: 11/27/2018		1099: N		
		TONER HP		101 4112-70100-000	SUPPLIES	257.65
=====						
I-232099744001		TAPE, LABELER	120.88			
11/27/2018	APBNK	DUE: 11/27/2018 DISC: 11/27/2018		1099: N		
		TAPE, LABELER		101 4112-70100-000	SUPPLIES	120.88
		=== VENDOR TOTALS ===	456.16			
=====						
01-00935		ST PAUL REGIONAL WATER SERVICE				
=====						
I-201811276941		CITY HALL& COMMUNITY PARK	544.81			
11/27/2018	APBNK	DUE: 11/27/2018 DISC: 11/27/2018		1099: N		
		CITY HALL WATER		101 4131-85040-000	WATER	8.74
		CITY HALL WATER SS		101 4131-85070-000	SEWER	1.96
		COMMUNITY PARK WATER		101 4141-85040-000	WATER	327.13
		COMMUNITY PARK SS		101 4141-85070-000	SEWER	206.98
		=== VENDOR TOTALS ===	544.81			
=====						
01-05195		TYLER TECHNOLOGIES				
=====						
I-025-242642		ANNUAL SOFTWARE MAIN-PREPAID	6,565.78			
11/27/2018	APBNK	DUE: 11/27/2018 DISC: 11/27/2018		1099: N		
		ANNUAL SOFTWARE MAIN-PREPAID		101 15500-000	PREPAID EXPENDITURES	6,565.78
		=== VENDOR TOTALS ===	6,565.78			
		=== PACKET TOTALS ===	11,080.52			

-----ID-----			GROSS	P.O. #		
POST DATE	BANK CODE	-----DESCRIPTION-----	DISCOUNT	G/L ACCOUNT	-----ACCOUNT NAME-----	DISTRIBUTION

01-03025	COLIN CALLAHAN					
I-201811306946		FLEX PAYMENT	4,374.93			
11/30/2018	APBNK	DUE: 11/30/2018 DISC: 11/30/2018		1099: N		
		FLEX PAYMENT		101 21712-000	MEDICAL FLEX SAVINGS PAY	1,793.72
		FLEX PAYMENT		601 21712-000	MEDICAL FLEX SAVINGS PAY	2,056.22
		FLEX PAYMENT		602 21712-000	MEDICAL FLEX SAVINGS PAY	524.99
		=== VENDOR TOTALS ===	4,374.93			

01-05058	JOSH JORDAN					
I-201811306948		TAE KWON DO INSTRUCTOR JUN-DE	2,178.40			
11/30/2018	APBNK	DUE: 11/30/2018 DISC: 11/30/2018		1099: Y		
		TAE KWON DO INSTRUCTOR JUN-DEC		201 4201-87700-000	INSTRUCTOR-SPECIALTY CLA	2,178.40
		=== VENDOR TOTALS ===	2,178.40			

01-05843	MN NCPERS LIFE INSURANCE					
I-201811306947		DEC LIFE INSURANCE	64.00			
11/30/2018	APBNK	DUE: 11/30/2018 DISC: 11/30/2018		1099: N		
		DEC LIFE INSURANCE		101 21709-000	OTHER PAYABLE	36.64
		DEC LIFE INSURANCE		201 21709-000	OTHER PAYABLE	4.00
		DEC LIFE INSURANCE		204 21709-000	OTHER PAYABLE	1.60
		DEC LIFE INSURANCE		601 21709-000	OTHER PAYABLE	15.52
		DEC LIFE INSURANCE		602 21709-000	OTHER PAYABLE	6.24
		=== VENDOR TOTALS ===	64.00			

01-06628	SACK THONGVANH					
I-201811306949		NOV& DEC CELL PHONE REIMB	120.00			
11/30/2018	APBNK	DUE: 11/30/2018 DISC: 11/30/2018		1099: N		
		NOV& DEC CELL PHONE REIMB		101 4131-85015-000	CELL PHONE	60.00
		NOV& DEC CELL PHONE REIMB		601 4601-85015-000	CELL PHONE	60.00
		=== VENDOR TOTALS ===	120.00			
		=== PACKET TOTALS ===	6,737.33			

POST DATE	BANK CODE	DESCRIPTION	GROSS DISCOUNT	P.O. # G/L ACCOUNT	ACCOUNT NAME	DISTRIBUTION
-----ID-----						
01-0		AMERIPRIDE SERVICES				
I-1004317337		TOWEL COLLECTION, LAUNDRY SER	53.15			
11/30/2018	APBNK	DUE: 11/30/2018 DISC: 11/30/2018		1099: N		
		TOWEL COLLECTION, LAUNDRY SERV		101 4124-82011-000	LINEN CLEANING	53.15
=== VENDOR TOTALS ===			53.15			
-----ID-----						
01-05422	BP					
I-201811306952		STREET TRUCKS FUEL	427.32			
11/30/2018	APBNK	DUE: 11/30/2018 DISC: 11/30/2018		1099: N		
		STREET TRUCKS FUEL		101 4132-74000-000	MOTOR FUEL & LUBRICANTS	427.32
I-201811306953		FIRE DEPARTMENT FUEL	221.32			
11/30/2018	APBNK	DUE: 11/30/2018 DISC: 11/30/2018		1099: N		
		FIRE DEPARTMENT FUEL		101 4124-74000-000	MOTOR FUEL & LUBRICANTS	221.32
I-201811306954		STREET SWEEPING FUEL	799.49			
11/30/2018	APBNK	DUE: 11/30/2018 DISC: 11/30/2018		1099: N		
		STREET SWEEPING FUEL		602 4602-74000-000	FUEL & LUBRICANTS	799.49
=== VENDOR TOTALS ===			1,448.13			
-----ID-----						
01-06290	CITY OF ROSEVILLE					
I-225286		NOV IT SERVICES	2,431.00			
11/30/2018	APBNK	DUE: 11/30/2018 DISC: 11/30/2018		1099: N		
		NOV IT SERVICES		101 4116-85070-000	TECHNICAL SUPPORT	1,337.05
		NOV IT SERVICES		101 4124-85070-000	NETWORK/TECH SUPPORT(I-N	875.16
		NOV IT SERVICES		101 4132-85070-000	NETWORK/TECH SUPPORT(I-N	218.79
I-225321		NOV PHONE SERVICES	315.81			
11/30/2018	APBNK	DUE: 11/30/2018 DISC: 11/30/2018		1099: N		
		NOV PHONE SERVICES		101 4116-85010-000	TELEPHONE	315.81
=== VENDOR TOTALS ===			2,746.81			
-----ID-----						
01-05418	JUSTIN MARKON					
I-201811306950		MILEAGE REIMB&CELL PHONE REIM	28.72			
11/30/2018	APBNK	DUE: 11/30/2018 DISC: 11/30/2018		1099: N		
		MILEAGE REIMB&CELL PHONE REIMB		101 4112-86010-000	MILEAGE & PARKING	8.72
		MILEAGE REIMB&CELL PHONE REIMB		101 4131-85015-000	CELL PHONE	20.00
=== VENDOR TOTALS ===			28.72			
=== PACKET TOTALS ===			4,276.81			

PACKET: 01883 DEC 5 PAYABLES

VENDOR SET: 01 City of Falcon Heights

SEQUENCE : ALPHABETIC

DUE TO/FROM ACCOUNTS SUPPRESSED

-----ID-----			GROSS	P.O. #		
I DATE	BANK CODE	-----DESCRIPTION-----	DISCOUNT	G/L ACCOUNT	-----ACCOUNT NAME-----	DISTRIBUTION

01-00222 ALLEGRA PRINT & IMAGING

I-155581		PRINTING ON DIVIDERS FOR BGT	94.54			
12/05/2018	APBNK	DUE: 12/05/2018 DISC: 12/05/2018		1099: N		
		PRINTING ON DIVIDERS FOR BGT		101 4113-70100-000	SUPPLIES	94.54
=== VENDOR TOTALS ===			94.54			

01-00255 AMERICAN OFFICE PRODUCTS

I-5219		BUSINESS CARDS AND ENVELOPES	348.00			
12/05/2018	APBNK	DUE: 12/05/2018 DISC: 12/05/2018		1099: N		
		BUSINESS CARDS AND ENVELOPES		101 4112-70100-000	SUPPLIES	348.00
=== VENDOR TOTALS ===			348.00			

01-00875 BHE COMMUNITY SOLAR, LLC

I-9042775		NOV CITY HALL SOLAR ELECT	773.32			
12/05/2018	APBNK	DUE: 12/05/2018 DISC: 12/05/2018		1099: N		
		NOV CITY HALL SOLAR ELECT		101 4131-85025-000	SOLAR ELECTRIC	773.32
=== VENDOR TOTALS ===			773.32			

01-01034 BRAKE AND EQUIPMENT WAREHOUSE

I-1-127317		BRAKE PADS AND ROTOR F-250	163.21			
12/05/2018	APBNK	DUE: 12/05/2018 DISC: 12/05/2018		1099: N		
		BRAKE PADS AND ROTOR F-250		101 4132-87000-000	REPAIR EQUIPMENT	163.21
=== VENDOR TOTALS ===			163.21			

01-03025 COLIN CALLAHAN

I-201812056960		FLEX REIMBURSEMENT	208.33			
12/05/2018	APBNK	DUE: 12/05/2018 DISC: 12/05/2018		1099: N		
		FLEX REIMBURSEMENT		101 21712-000	MEDICAL FLEX SAVINGS PAY	85.42
		FLEX REIMBURSEMENT		601 21712-000	MEDICAL FLEX SAVINGS PAY	97.91
		FLEX REIMBURSEMENT		602 21712-000	MEDICAL FLEX SAVINGS PAY	25.00
=== VENDOR TOTALS ===			208.33			

01-03089 CASH

I-201812046958		TIRE DISPOSAL	27.50			
12/04/2018	APBNK	DUE: 12/04/2018 DISC: 12/04/2018		1099: N		
		TIRE DISPOSAL		101 4131-70110-000	SUPPLIES	27.50
=== VENDOR TOTALS ===			27.50			

PACKET: 01883 DEC 5 PAYABLES

VENDOR SET: 01 City of Falcon Heights

SEQUENCE : ALPHABETIC

DUE TO/FROM ACCOUNTS SUPPRESSED

-----ID-----		GROSS	P.O. #		
I DATE	BANK CODE	-----DESCRIPTION-----	DISCOUNT	G/L ACCOUNT	-----ACCOUNT NAME----- DISTRIBUTION

01-07169 FALCON HEIGHTS UNITED CHURCH

I-201812046956		CEC HUMAN RIGHTS DAY	50.00		
12/04/2018	APBNK	DUE: 12/04/2018 DISC: 12/04/2018		1099: N	
		CEC HUMAN RIGHTS DAY		208 4208-89000-000	MISCELLANEOUS 50.00
=== VENDOR TOTALS ===			50.00		

01-05115 GOPHER STATE ONE CALL

I-8110372		NOV LOCATES	31.05		
12/05/2018	APBNK	DUE: 12/05/2018 DISC: 12/05/2018		1099: N	
		NOV LOCATES		601 4601-88030-000	LOCATES 31.05
=== VENDOR TOTALS ===			31.05		

01-05243 HINRICHS,RICH

I-201812056961		RAPID FIRE OFFICER TNG	774.52		
12/05/2018	APBNK	DUE: 12/05/2018 DISC: 12/05/2018		1099: N	
		TRAINING PROJECTOR		101 4124-70100-000	SUPPLIES 708.62
		RAPID FIRE OFFICER TNG MATERIA		101 4124-70100-000	SUPPLIES 65.90
=== VENDOR TOTALS ===			774.52		

01-05235 JAN-PRO CLEANING SYSTEMS

I-80399		DEC REGULAR JANITORIAL SVC	205.00		
12/05/2018	APBNK	DUE: 12/05/2018 DISC: 12/05/2018		1099: N	
		DEC REGULAR JANITORIAL SVC		101 4131-87010-000	CITY HALL MAINTENANCE 205.00
=== VENDOR TOTALS ===			205.00		

01-07272 LILLIE SUBURBAN NEWSPAPER

I-201812056959		LEGAL 1550 LARPENTEUR	20.13		
12/05/2018	APBNK	DUE: 12/05/2018 DISC: 12/05/2018		1099: N	
		LEGAL 1550 LARPENTEUR		101 4111-70410-000	LEGAL NOTICES 20.13
=== VENDOR TOTALS ===			20.13		

01-07263 NEXTEL COMMUNICATIONS, INC

I-201812046957		FIRE CELL PHONE OCT 27 TO NOV	16.96		
12/04/2018	APBNK	DUE: 12/04/2018 DISC: 12/04/2018		1099: N	
		FIRE CELL PHONE OCT 27 TO NOV		101 4124-85015-000	CELL PHONE 16.96
=== VENDOR TOTALS ===			16.96		

PACKET: 01883 DEC 5 PAYABLES

VENDOR SET: 01 City of Falcon Heights

SEQUENCE : ALPHABETIC

DUE TO/FROM ACCOUNTS SUPPRESSED

-----ID-----		GROSS	P.O. #			
DATE	BANK CODE	-----DESCRIPTION-----	DISCOUNT	G/L ACCOUNT	-----ACCOUNT NAME-----	DISTRIBUTION
=====						
01-06030	OLSON,ROLAND					
I-201812056965		OCT/NOV MILEAGE REIMB	35.97			
12/05/2018	APBNK	DUE: 12/05/2018 DISC: 12/05/2018		1099: N		
		OCT/NOV MILEAGE REIMB		101 4113-86010-000	MILEAGE	35.97
		=== VENDOR TOTALS ===	35.97			
=====						
01-06053	OREILLY AUTO PARTS					
I-201812056964		TPMS PART AND MOTOR OIL	168.63			
12/05/2018	APBNK	DUE: 12/05/2018 DISC: 12/05/2018		1099: N		
		TPMS PART FOR F-250		101 4132-87000-000	REPAIR EQUIPMENT	48.70
		MOTOR OIL		101 4132-70120-000	SUPPLIES	119.93
		=== VENDOR TOTALS ===	168.63			
=====						
01-06185	RAMSEY COUNTY					
I-EMCOM 007313		NOV RADIO FLEET SUPPORT	84.24			
12/04/2018	APBNK	DUE: 12/04/2018 DISC: 12/04/2018		1099: N		
		NOV RADIO FLEET SUPPORT		101 4124-86800-000	RADIO MESB/FLEET SUPPORT	84.24
I-EMCOM 007345		NOV 911 DISPATCH	2,557.68			
12/04/2018	APBNK	DUE: 12/04/2018 DISC: 12/04/2018		1099: N		
		NOV 911 DISPATCH		101 4122-81200-000	911 DISPATCH FEES	2,557.68
I-EMCOM 007362		NOV CAD	499.10			
12/04/2018	APBNK	DUE: 12/04/2018 DISC: 12/04/2018		1099: N		
		NOV CAD		101 4122-81200-000	911 DISPATCH FEES	499.10
		=== VENDOR TOTALS ===	3,141.02			
=====						
01-05374	TENNIS SANITATION LLC					
I-2255855		NOV RECYCLING	5,769.00			
12/05/2018	APBNK	DUE: 12/05/2018 DISC: 12/05/2018		1099: N		
		NOV RECYCLING		206 4206-82030-000	RECYCLING CONTRACTS	3,657.00
		NOV RECYCLING		206 4206-82030-000	RECYCLING CONTRACTS	2,112.00
I-2255856		NOV COMMON RAMSEY CEC	66.50			
12/05/2018	APBNK	DUE: 12/05/2018 DISC: 12/05/2018		1099: N		
		NOV COMMON RAMSEY CEC		206 4206-82030-000	RECYCLING CONTRACTS	66.50
		=== VENDOR TOTALS ===	5,835.50			

PACKET: 01883 DEC 5 PAYABLES

VENDOR SET: 01 City of Falcon Heights

SEQUENCE : ALPHABETIC

DUE TO/FROM ACCOUNTS SUPPRESSED

-----ID-----		GROSS	P.O. #			
DT DATE	BANK CODE	DISCOUNT	G/L ACCOUNT	-----ACCOUNT NAME-----		DISTRIBUTION

01-07314 VALLEY PAVING INC

I-201812056967		FINAL PAY EST # 9	16,045.93			
12/05/2018	APBNK	DUE: 12/05/2018 DISC: 12/05/2018		1099: N		
		FINAL PAY EST # 9		427 4427-92098-000	2017 STREET PROJECT - GR	8,971.44
		FINAL PAY EST # 9		602 4602-92600-000	GROVE STORM IMPROVEMENTS	1,593.55
		FINAL PAY EST # 9		601 4601-92400-000	GROVE ST PROJECT	348.31
		FINAL PAY EST # 9		412 4412-92040-000	GROVE STREET IMPROVEMENTS	5,132.63
=== VENDOR TOTALS ===			16,045.93			

01-05870 XCEL ENERGY

I-201812056962		ELCTRIC	389.07			
12/05/2018	APBNK	DUE: 12/05/2018 DISC: 12/05/2018		1099: N		
		CIVIL DEFENSE SIREN ELECTRIC		101 4121-85020-000	ELECTRIC	12.42
		SNELLING AND HOYT		209 4209-85020-000	STREET LIGHTING POWER	3.50
		ST LIGHTING		209 4209-85020-000	STREET LIGHTING POWER	15.29
		ST LIGHTING		209 4209-85020-000	STREET LIGHTING POWER	30.01
		PARKS LIGHTING		101 4141-85020-000	ELECTRIC/GAS	327.85
=== VENDOR TOTALS ===			389.07			
=== PACKET TOTALS ===			28,328.68			

EMP #	NAME	AMOUNT
0005	SACK THONGVANH	3,198.63
01-1020	AMANDA P LOR	1,270.70
01-1136	ROLAND O OLSON	2,518.68
01-1021	JUSTIN M MARKON	1,478.59
01-0040	KEVIN ANDERSON	217.92
01-0085	DANIEL S JOHNSON-POWERS	181.61
01-0086	RICHARD H HINRICH S	163.93
01-0087	MICHAEL A MCKAY	88.52
01-0095	MICHAEL J POESCHL	1,403.00
01-0097	PATRICK GAFFNEY	243.00
01-0105	ANTON M FEHRENBACH	511.96
01-0106	SCOTT A TESCH	107.50
01-0123	BRYAN R SULLIVAN	129.94
01-0124	MICHAEL D KRUSE	183.65
01-0126	BENJAMIN J SMITH	167.81
01-0132	ANDREW K TEMME	194.13
01-0135	MORGAN B MCCANN	146.86
01-0136	SCHLIZ S SAWYERS	82.10
01-0137	DANIEL J WATTENHOFER	118.35
01-0138	GRANT W HEITMAN	182.92
01-0139	WILLIAM M RAVEN	261.95
01-2172	MICHAEL W ARCAND	157.78
01-1030	TIMOTHY J PITTMAN	2,062.95
01-1033	DAVE TRET SVEN	1,626.64
01-1143	COLIN B CALLAHAN	1,614.32
TOTAL PRINTED:	25	18,313.44

PAGE: 1
PAYROLL DATE: 11/08/2018

11-08-2018 10:14 AM
PAYROLL NO: 01 City of Falcon Heights

PAYROLL CHECK REGISTER

EMP NO	EMPLOYEE NAME	TYPE	CHECK DATE	CHECK AMOUNT	CHECK NO.
1161	JINZE, LI	R	11/08/2018	281.20	088031

PAGE: 2
PAYROLL DATE: 11/08/2018

11-08-2018 10:14 AM
PAYROLL NO: 01 City of Falcon Heights

PAYROLL CHECK REGISTER

*** REGISTER TOTALS ***

REGULAR CHECKS:	1	281.20
DIRECT DEPOSIT REGULAR CHECKS:	25	18,313.44
MANUAL CHECKS:		
PRINTED MANUAL CHECKS:		
DIRECT DEPOSIT MANUAL CHECKS:		
VOIDED CHECKS:		
NON CHECKS:		
TOTAL CHECKS:	26	18,594.64

EMP #	NAME	AMOUNT
0 013	PETER C LINDSTROM	304.93
01-J016	PAMELA M HARRIS	277.05
01-0022	RANDALL C GUSTAFSON	262.05
01-0023	MELANIE M LEEHY	262.05
01-0024	MARK J MIAZGA	262.05
01-1005	SACK THONGVANH	3,198.63
01-1020	AMANDA P LOR	1,366.40
01-1136	ROLAND O OLSON	2,518.68
01-1021	JUSTIN M MARKON	1,478.59
01-0086	RICHARD H HINRICHS	884.82
01-0095	MICHAEL J POESCHL	271.34
01-0097	PATRICK GAFFNEY	128.61
01-0105	ANTON M FEHRENBACH	347.91
01-0123	BRYAN R SULLIVAN	92.24
01-0124	MICHAEL D KRUSE	126.40
01-1030	TIMOTHY J PITTMAN	2,062.95
01-1033	DAVE TRETSVEN	1,626.64
01-1143	COLIN B CALLAHAN	1,614.32

TOTAL PRINTED: 18 17,085.66

11-27-2018 8:56 AM PAYROLL CHECK REGISTER
PAYROLL NO: 01 City of Falcon Heights

PAGE: 1
PAYROLL DATE: 11/27/2018

EMP NO	EMPLOYEE NAME	TYPE	CHECK DATE	CHECK AMOUNT	CHECK NO.
11	JINZE, LI	R	11/27/2018	442.82	088080
0034	KURHAJETZ, CLEMENT	R	11/27/2018	105.05	088081

11-27-2018 8:56 AM PAYROLL CHECK REGISTER
PAYROLL NO: 01 City of Falcon Heights

PAGE: 2
PAYROLL DATE: 11/27/2018

*** REGISTER TOTALS ***

REGULAR CHECKS:	2	547.87
DIRECT DEPOSIT REGULAR CHECKS:	18	17,085.66
MANUAL CHECKS:		
PRINTED MANUAL CHECKS:		
DIRECT DEPOSIT MANUAL CHECKS:		
VOIDED CHECKS:		
NON CHECKS:		
TOTAL CHECKS:	20	17,633.53

*** NO ERRORS FOUND ***

** END OF REPORT **



The City That Soars!

REQUEST FOR COUNCIL ACTION

Meeting Date	December 12, 2018
Agenda Item	Consent F2
Attachment	N/A
Submitted By	Amanda Lor, Administrative Coordinator

Item	Approval of City Licenses
Description	<p>The following individuals have applied for a <u>Municipal Business License</u> for 2019. Staff has received the necessary documents for licensure.</p> <ol style="list-style-type: none"> 1. Golden Tailor 2. Peterson Dental 3. Spire Credit Union 4. Hair Designs Unlimited 5. Twin Cities Laboratories 6. Young Spa 7. The F.I.T. Lab 8. Otto Law P.A. 9. Eighty Eight Notes School of Music 10. Warner's Stellian 11. Falcon Heights Gas Convenience, Inc 12. TIES/Sourcewell Techonology 13. American Family Insurance 14. Cox Insurance Associates 15. Get Pressed Dry Cleaning & Laundry 16. John A Knutson & Co., PLLP 17. H1 HH MN INC dba Honest 1 Auto Care Hamline Hoyt 18. The Good Acre 19. DZ LLC dba Snap Fitness 20. DM Massage/ Coffman Ct. 21. Merwin Liquors 22. Bie Grand Enterprises Inc dba Hermes Floral <p>The following individuals have applied for <u>Liquor Licensure</u> for 2019. Staff has received the necessary documents for licensure.</p> <ol style="list-style-type: none"> 1. Stouts Pub 2. Dino's Gyros 3. New Fresh Wok, Inc (background check) 4. Merwin Liquors (background check) <p>The following individuals have applied for a <u>Restaurant License</u> for 2019. Staff has received the necessary documents for licensure.</p>

1. Dino's Gyros
2. Stouts Pub
3. New Fresh Wok, Inc
4. Piper D, LLC dba Toppers Pizza

The following individuals have applied for a Cigarette License for 2019. Staff has received the necessary documents for licensure.

1. Falcon Heights Gas Convenience, Inc
2. Merwin Liquors

The following individuals have applied for a Refuse License for 2019. Staff has received the necessary documents for licensure.

1. Tennis Sanitation
2. Curbside Waste Inc
3. Gene's Disposal
4. Aspen Waste Systems Inc
5. Republic Services
6. Walter's Recycling & Refuse

The following individuals have applied for a Gas Station License for 2019. Staff has received the necessary documents for licensure.

1. Falcon Heights Gas Convenience, Inc

The following individuals have applied for a Retail Grocery License for 2019. Staff has received the necessary documents for licensure.

1. Falcon Heights Gas Convenience, Inc

The following individuals have applied for a Massage License for 2019. Staff has received the necessary documents for licensure.

1. Hair Designs Unlimited (background check)
2. DM Massage/ Coffman Ct. (background check)

The following individuals have applied for a Home Occupation License for 2019. Staff has received the necessary documents for licensure.

1. Pamela M. Harris, PLLC
2. The Touch-Up Artist, Inc

The following individuals have applied for a Tree Sales License for 2018. Staff has received the necessary documents for licensure.

1. Falcon Heights Lauderdale Lions
2. University of MN Forestry Club
- 3.

The following individuals have applied for a Bus Benches License for 2019. Staff has received the necessary documents for licensure.

1. United States Bench Corporation

	<p>The following individuals have applied for a <u>Tree Trimmers License</u> for 2019. Staff has received the necessary documents for licensure.</p> <ol style="list-style-type: none"> 1. Landscape and Tree, Inc 2. Three Trees Horticulture 3. The Davey Tree Expert Company dba S&S Tree and Horticultural Specialists Inc. 4. Northern Arborists 5. Northeast Tree, Inc. <p>The following individuals have applied for a <u>Carwash License</u> for 2019. Staff has received the necessary documents for licensure.</p> <ol style="list-style-type: none"> 1. Falcon Heights Gas Convenience, Inc
Budget Impact	N/A
Attachment(s)	N/A
Action(s) Requested	Staff recommends that the Falcon Heights City Council approve the 2019 City License Applications contingent on background checks as required by each permit.

BLANK PAGE



The City That Soars!

REQUEST FOR COUNCIL ACTION

Meeting Date	December 12, 2018
Agenda Item	Consent F3
Attachment	N/A
Submitted By	Sack Thongvanh, City Administrator

Item	Designation of Prosecuting Attorney
Description	Each year the City of Falcon Heights designates a prosecuting attorney. This person works closely with the St. Anthony Police Department and City Staff in prosecuting all misdemeanor and felony level offenses as well as Ordinance Violations. For several years our prosecuting attorney has been Katrina Joseph. She also serves as the attorney for the City of Lauderdale.
Budget Impact	The monthly retainer will not change and has been included in the 2019 operating budget.
Attachment(s)	N/A
Action(s) Requested	Staff recommends that the Falcon Heights City Council approve Katrina Joseph and the law firm of Hughes and Costello as the City's prosecuting attorneys for 2019.

BLANK PAGE



The City That Soars!

REQUEST FOR COUNCIL ACTION

Meeting Date	December 12, 2018
Agenda Item	Consent F4
Attachment	N/A
Submitted By	Sack Thongvanh, City Administrator

Item	Appointment of City Attorney
Description	Falcon Heights has used the law firm of Campbell Knutson, P.A. for Civil Attorney services for many years. Roger Knutson is the main contact, but the City uses various attorneys in the firm for our daily needs.
Budget Impact	Funds have been allocated in the 2019 Budget.
Attachment(s)	N/A
Action(s) Requested	Staff recommends that the Falcon Heights City Council approve the law firm of Campbell Knutson, P.A. for civil legal services for 2019.

BLANK PAGE



The City That Soars!

REQUEST FOR COUNCIL ACTION

Meeting Date	December 12, 2018
Agenda Item	Consent F5
Attachment	N/A
Submitted By	Sack Thongvanh, City Administrator

Item	Appointment of City Engineer
Description	For several years the City has contracted with the City of Roseville for engineering services. Staff is seeking to continue this relationship and appoint Roseville's City Engineer, Jesse Freihammer, as the City Engineer for 2019.
Budget Impact	Funds have been allocated in the 2019 Budget.
Attachment(s)	N/A
Action(s) Requested	Staff recommends the approval of Jesse Freihammer and the City of Roseville Engineering Department as City of Falcon Heights' Engineer for 2019.

BLANK PAGE



The City That Soars!

REQUEST FOR COUNCIL ACTION

Meeting Date	December 12, 2018
Agenda Item	Consent F6
Attachment	N/A
Submitted By	Sack Thongvanh, City Administrator

Item	Appointment of City Auditor
Description	Each year the City is required to have an independent firm audit our financial records. For the past several years, we have used Kern-DeWenter-Viere as our auditors, and we have been very satisfied with their services.
Budget Impact	Funds have been allocated in the 2019 Budget.
Attachment(s)	
Action(s) Requested	Staff recommends the approval of KDV, Kern-DeWenter-Viere, as the City Auditor for 2019.

BLANK PAGE



The City That Soars!

REQUEST FOR COUNCIL ACTION

Meeting Date	December 12, 2018
Agenda Item	Consent F7
Attachment	N/A
Submitted By	Sack Thongvanh, City Administrator

Item	Designation of Official Newspaper
Description	<p>State statute requires that a city designate a legal newspaper of general circulation in the city. This newspaper is used when the city is required to publish legal notification regarding public hearings, elections and city financial matters. There are two local papers that service Falcon Heights: the Park Bugle and the Roseville Review.</p> <p>Staff recommends that the City designate the Roseville Review as its legal newspaper in 2019 for the following reasons.</p> <ul style="list-style-type: none"> · The Roseville Review circulates to most households in Falcon Heights. · The Roseville Review is a weekly publication. A monthly publication such as The Park Bugle would not suit the City's needs, as the City Council meets twice a month and legal notices must be published on a more timely schedule.
Budget Impact	Funds have been allocated in the 2019 Budget for any costs associated with public notices.
Attachment(s)	N/A
Action(s) Requested	Designate the Roseville Review as the City's legal newspaper for 2019.

BLANK PAGE



The City That Soars!

REQUEST FOR COUNCIL ACTION

Meeting Date	December 12, 2018
Agenda Item	Consent F8
Attachment	N/A
Submitted By	Sack Thongvanh, City Administrator

Item	2019 Cost of Living Adjustments (COLA)
Description	As part of the 2019 Budget process, employee salaries are adjusted based on various factors, one of which is a cost-of-living adjustment (COLA). Incorporated into the approved 2019 budget is a three(3) percent increase for full time employees, including the City Administrator. The three(3) percent increase will also apply to on-call and drill pay for the Fire Department.
Budget Impact	The three percent COLA is incorporated into the approved 2019 Budget.
Attachment(s)	N/A
Action(s) Requested	Staff recommends that the Falcon Heights City Council approve a three percent cost of living adjustment for all full time city employees for 2019 as reflected in the approved 2019 Budget.

BLANK PAGE



The City That Soars!

REQUEST FOR COUNCIL ACTION

Meeting Date	December 12, 2018
Agenda Item	Consent F9
Attachment	City's Charitable Gambling Application
Submitted By	Sack Thongvanh, City Administrator

Item	Charitable/Lawful Gambling License for Falcon Heights Elementary PTA
Description	<p>For the past several years the Falcon Heights Elementary PTA has held a fundraising raffle a part of their annual carnival event. Because the total value of the prizes is expected to be over \$1,500, an exempt permit to conduct lawful gambling activity is required. The PTA is requesting that the City approve their application with no waiting period. They are making the request now for the carnival in February of 2018 so that they can begin printing and selling raffle tickets as soon as possible.</p> <p>If Council chooses to approve the charitable gambling application, the City would then need to sign the LG220 Application Form completed by the applicant and forward it to the Minnesota Gambling Control Board for review and final approval.</p>
Budget Impact	N/A
Attachment(s)	N/A
Action(s) Requested	Staff recommends that Council approve the exemption charitable gambling application for Falcon Heights Elementary PTA to conduct lawful gambling activity at their annual carnival and authorize the City Administrator to execute all necessary documents.

BLANK PAGE



The City That Soars!

REQUEST FOR COUNCIL ACTION

Meeting Date	December 12, 2018
Agenda Item	Consent F10
Attachment	N/A
Submitted By	Roland Olson, Finance Director

Item	2018 Year End Budget Amendments
Description	<p>Sometimes, at the end of the year, budget amendments need to be made to improve the financial statements for year end. Staff recommends the following amendments:</p> <p>The Emerald Ash Borer Grant Fund (205) is to be closed during 2018 when the grant was completed. The balance is to be transferred to the Infrastructure Fund. Staff recommends increasing the budget line item 205-4205-97000 by \$1,000 additional to allow for additional funds transferred to Infrastructure and completing transfers to close the fund.</p> <p>In the 2013B G. O. General Obligation Equipment Certificates Bond Fund (312) the arbitrage calculation requirement for the bond and yearly bond fees will result in increased costs for the bond fee line item 312-4312-94900. Staff recommends amending the line item an additional \$2,000.</p> <p>There has been a balance in TIF District #51 Fund (412) of \$5,132.63 that per Ehlers and Associates can be spent on the 2017 Grove Street Improvement Project. Staff recommends establishing a budget line item of \$6,000 for 412-4412-92040 in Fund 412 and using the funds to help pay for the final pay estimate for the Grove project.</p> <p>The Grove Street Improvement Fund (427) also needs a budget amendment. The original 2017 budget line item was inadvertently understated by \$150,000. An additional budget amendment needs to be made for the expenses on account 427-4427-92098 for \$150,000. Some of the expenses are first paid out this account and then reimbursed from other sources like the expenses for the water line improvements.</p>
Budget Impact	Amend budget line items as explained above.

Attachment(s)	NA
Action(s) Requested	Staff recommends amending the budget line items as recommended above and transferring as recommended.



The City That Soars!

REQUEST FOR COUNCIL ACTION

Meeting Date	December 12, 2018
Agenda Item	Consent F11
Attachment	Award Letter
Submitted By	Sack Thongvanh, City Administrator

Description	Grant Application to Target Corporate – Soccer Application
Background	<p>The City of Falcon Heights regularly explores grant funding opportunities to enhance Parks and Recreation throughout the city. An opportunity to enhance our soccer programming through a Target Corporate grant application was presented to staff by a local resident in May at the Spring Together event.</p> <p>The effort of the grant is to primarily enhance our scholarship program. This program provides Parks and Recreation programming to low-income families who are residents of the City of Falcon Heights.</p> <p>Over the years, the scholarship program has received donations from various sources including individuals, local businesses and other grant opportunities.</p> <p>At the June 4th, 2018 Parks and Recreation Commission meeting, the commission voted unanimously to submit this application.</p> <p>At the June 27th, 2018 City Council meeting, the Council voted unanimously to submit this application as recommended by the Park and Recreation Commission.</p>
Budget Impact	The grant funding will be spread over two years and would benefit up to 40 participants. The check will be mailed in mid-December from Scholarship America’s office in Minnesota.
Attachment(s)	N/A
Action(s) Requested	Staff recommends that the Falcon Heights City Council accept the awarded grant amount of \$1,000 from Target Corporation for Park and Recreation Programming to enhance the scholarship program for 2019 and 2020.

BLANK PAGE



The City That Soars!

REQUEST FOR COUNCIL ACTION

Meeting Date	December 12, 2018
Agenda Item	Consent F12
Attachment	Resolution
Submitted By	Sack Thongvanh, City Administrator

Item	Removal of Hibo Ali from the Community Engagement Commission
Description	Ms. Hibo Ali was appointed to the Community Engagement Commission on February 28, 2018.
Budget Impact	N/A
Attachment(s)	<ul style="list-style-type: none"> · Resolution 18-40 Removal of Hibo Ali from the Community Engagement Commission
Action(s) Requested	Staff recommend approval of attached resolution to remove Hibo Ali from the Community Engagement Commission.

BLANK PAGE

**CITY OF FALCON HEIGHTS
COUNCIL RESOLUTION**

December 12, 2018

No. 18-40

RESOLUTION REMOVING HIBO ALI FROM THE COMMUNITY ENGAGEMENT COMMISSION

WHEREAS, the City Council consolidated the Human Rights Commission with the Neighborhood Commission to establish the Community Engagement Commission in 2015;

WHEREAS, The community engagement commission shall serve in an advisory capacity to the city council regarding the effective, meaningful and equal involvement of Falcon Heights residents in their community. The commission will identify opportunities to collaborate with community, educational, business and social services groups and organizations; identify ways to improve the city’s public participation, identify under-represented groups, remove any barriers, and engage and promote increased participation for all residents, businesses, community and neighborhood organizations; review and recommend ways to improve the city’s communications efforts so as to facilitate effective two-way communication between the city and all residents, businesses, community and neighborhood organizations; review and recommend ways to help improve resident emergency preparedness and crime prevention programs.

The commission shall review complaints of alleged human rights violations occurring within the city and secure equal opportunity for all residents of the city regarding public services, public accommodations, housing, employment and education.

WHEREAS, Ms. Hibo Ali has missed a numbers of meetings and can no longer commit to the needs of the Commission; and

WHEREAS, City Staff, and Commission Chair recommended removal of Hibo Ali from Falcon Heights Community Engagement Commission.

NOW THEREFORE BE IT RESOLVED by the City Council of the City of Falcon Heights, Minnesota:

1. That the removal is approved and adopted by the City Council of the City of Falcon Heights.
-

Moved by:

Approved by: _____

Peter Lindstrom
Mayor

LINDSTROM ___ In Favor
GUSTAFSON
HARRIS ___ Against
LEEHY
MIAZGA

Attested by: _____

Sack Thongvanh
City Administrator

BLANK PAGE



The City That Soars!

REQUEST FOR COUNCIL ACTION

Meeting Date	December 12, 2018
Agenda Item	Consent F13
Attachment	Resolution and Resignation Letter
Submitted By	Justin Markon, Community Development Coordinator

Item	Resignation of Stephen Sunderland from the Planning Commission
Description	Mr. Stephen Sunderland was first appointed to the Planning Commission in 2017. He has served two years on the Commission and was the Secretary in 2018. His position on the Commission will be filled in early 2019.
Budget Impact	No changes
Attachment(s)	<ul style="list-style-type: none"> · Resolution 18-41 Accepting the resignation of Stephen Sunderland from the Planning Commission · Resignation Letter
Action(s) Requested	Staff recommend approval of attached resolution to accept the resignation of Stephen Sunderland from the Planning Commission.

BLANK PAGE

**CITY OF FALCON HEIGHTS
COUNCIL RESOLUTION**

December 12, 2018

No. 18-41

**RESOLUTION ACCEPTING THE RESIGNATION OF STEPHEN SUNDERLAND
FROM THE CITY OF FALCON HEIGHTS PLANNING COMMISSION**

WHEREAS, the City appointed Stephen Sunderland in 2017 as a member of the City of Falcon Heights Planning Commission; and

WHEREAS, on December 3, 2018, Stephen Sunderland submitted his letter of resignation with a last day of service being the Planning Commission meeting of December 3, 2018;

NOW THEREFORE BE IT RESOLVED by the City Council of the City of Falcon Heights, Minnesota:

1. That the "Letter of Resignation" is accepted by the City Council of the City of Falcon Heights.

Moved by:

Approved by: _____
Peter Lindstrom
Mayor

LINDSTROM _____ In Favor
GUSTAFSON
HARRIS _____ Against
LEEHY
MIAZGA

Attested by: _____
Sack Thongvanh
City Administrator

BLANK PAGE

Justin Markon

From: Stephen
Sent: Monday, December 03, 2018 7:59 PM
To: Justin Markon
Subject: RE: Planning Commission

Justin:

I should have made my decision earlier. I will not be able to continue as commissioner on the planning commission.

Best of luck to you.

Stephen Sunderland

From: Justin Markon [mailto:justin.markon@falconheights.org]
Sent: Monday, December 3, 2018 3:14 PM
To: Stephen Sunderland
Subject: Planning Commission

Hi Stephen,

I hope you're doing well. We have missed you at the last couple Planning Commission meetings, and I am emailing to see if you plan to continue serving on the Commission. I heard from John Larkin that you may not be able to continue. I would appreciate a response soon so that we can continue to have a full Commission roster.

Thanks much!
-Justin

Justin Markon

Community Development Coordinator
City of Falcon Heights
Office: 651-792-7613
Fax: 651-792-7610

*"The City that Soars"
"Families, Fields and Fair"*

BLANK PAGE



The City That Soars!

REQUEST FOR COUNCIL ACTION

Meeting Date	December 12, 2018
Agenda Item	Consent F14
Attachment	Resolution
Submitted By	Justin Markon, Community Development Coordinator

Item	Appointment of Scott Wilson to the Planning Commission
Description	<p>City Staff and the Chair for the Planning Commission interviewed Mr. Scott Wilson for the Planning Commission. Mr. Wilson was forwarded to Mayor Lindstrom for final recommendation to the City Council.</p> <p><u>Appication</u> Name: Scott Wilson Street Address: 1889 Snelling Ave N City, State, Zip Code: Falcon Heights MN 55113</p> <p><u>How Long at Above Address?:</u> 6 years</p> <p><u>In Which Capacity Would You Like to Serve?:</u> I am interested in joining the Planning Commission.</p> <p><u>What is the Reason You Would Like to Serve?:</u> I have always been very interested in development and historic preservation. Since moving to Falcon Heights and living adjacent to the U of M Experimental Farm Plots I have become very diligent in following development news on campus. I have built relationships with the agriculture school department heads and the manager of the experimental plots, which I feel could be of value to the Planning Commission. Recently I have worked with members of the Planning Commission revising some of the 2040 Comprehensive Land Plan. I have been very impressed by their professionalism and wiliness to listen to concerned residents of Falcon Heights. I am a very proud and passionate resident of Falcon Heights and feel I could be an asset to the Planning Commission.</p> <p><u>Other Relevant Background (Other Comments):</u> I have a lot of experience with committee and commission work through my job at Minnesota Medical Association. I staff a number of our committees, which includes recruitment, scheduling & managing meetings and following up with meeting minutes. I feel this experience is relevant for working on the Planning Commission.</p>
Budget Impact	N/A

Attachment(s)	<ul style="list-style-type: none">· Resolution 18-42 Appointment of Scott Wilson to the Planning Commission
Action(s) Requested	Staff recommend approval of attached resolution appointing Scott Wilson to the Planning Commission.

**CITY OF FALCON HEIGHTS
COUNCIL RESOLUTION**

December 12, 2018

No. 18-42

**RESOLUTION APPOINTING SCOTT WILSON TO THE
FALCON HEIGHTS PLANNING COMMISSION**

WHEREAS, the Planning Commission serves in an advisory capacity to the City Council on all policy matters relating to City planning, zoning, and land use;

WHEREAS, City Staff and the Commission Chair have interviewed Scott Wilson and recommend appointment to the Falcon Heights Planning Commission.

NOW THEREFORE BE IT RESOLVED by the City Council of the City of Falcon Heights, Minnesota:

1. That the appointment is approved and adopted by the City Council of the City of Falcon Heights.

Moved by:

Approved by: _____

Peter Lindstrom
Mayor

LINDSTROM ___ In Favor
HARRIS
GUSTAFSON ___ Against
LEEHY
MIAZGA

Attested by: _____

Sack Thongvanh
City Administrator

BLANK PAGE



The City That Soars!

REQUEST FOR COUNCIL ACTION

Meeting Date	December 12, 2018
Agenda Item	Policy G1
Attachment	Final Payment & Resolution
Submitted By	Jesse Freihammer, City Engineer

Item	Approve Final Payment to Valley Paving, Inc. for the 2017 Pavement Management Project
Description	<p>On March 22, 2017, the City Council awarded the 2017 Pavement Management Project (PMP) to Valley Paving, Inc. All work on the project is completed and the contractor has requested final payment.</p> <p>Change order #8 documents a deduct of \$2,408.96 from the contract for damage done to infrastructure of St Paul's lighting system on Hoyt Avenue.</p> <p>Payment #9 is the final payment and is in the amount of \$16,045.93 and includes the following work:</p> <ul style="list-style-type: none"> · Pavement patching · Retainage <p>With this pay estimate, the total amount paid to date on this project is \$1,475,928.49.</p> <p>The following streets and alleys were a part of the 2017 PMP.</p> <ul style="list-style-type: none"> · Folwell Avenue, Fulham Stree – Hoyt Avenue · Vincent Street, Hoyt Avenue – Folwell Avenue · Northrop Street, Hoyt Avenue – Folwell Avenue · Burton Street, Hoyt Avenue – Folwell Avenue · Coffman Street, Hoyt Avenue to Larpentuer Avenue
Budget Impact	<p>The final contract amount, \$1,012,714.53 is less than the original contract amount of \$1,033,858.22. Final paid contract amount will be \$1,007,714.53.</p> <p>Final project funding is from the following sources:</p> <ul style="list-style-type: none"> · Special Assessments - \$204,571.02 · Municipal State Aid (MSA) dollars - \$200,000 · City funds (infrastructure, utility) - \$600,157.01 · Saint Paul Regional Water Services – \$471,200.45

Attachment	<ul style="list-style-type: none">· Resolution 18-43 Accepting Work and Authorizing Final Payment for 2017 Pavement Management Project (PMP)· Change Order #8· Payment #9 Final
Action(s) Requested	Approve Change Order #8 for the 2017 Pavement Management Project. Approve a Resolution to accept the work completed, authorize final payment, and commence the one-year warranty period for the 2017 Pavement Management Project.

**CITY OF FALCON HEIGHTS
COUNCIL RESOLUTION**

December 12, 2018

No. 18-43

**RESOLUTION ACCEPTING WORK AND AUTHORIZING FINAL PAYMENT
2017 PAVEMENT MANAGEMENT PROJECT**

WHEREAS, pursuant to a written contract signed with the City on March 22, 2017, Valley Paving Inc., of Shakopee, Minnesota, has satisfactorily completed the improvements associated with the 2017 Pavement Management Project contract.

NOW THEREFORE BE IT RESOLVED by the Council of the City of Falcon Heights, Minnesota:

1. That the work completed under said contract is hereby accepted and approved; and
2. That the City Administrator is hereby directed to issue a proper order for the final payment of such contract, taking the contractor's receipt in full; and
3. That the one year warranty period as specified in the contract shall commence on December 12, 2018; and

Moved by:

Approved by: _____

Peter Lindstrom
Mayor

LINDSTROM _____ In Favor
HARRIS
GUSTAFSON _____ Against
LEEHY
MIAZGA

Attested by: _____

Sack Thongvanh
City Administrator

BLANK PAGE

STATE AID FOR LOCAL TRANSPORTATION
CHANGE ORDER

City/County of Falcon Heights

Change Order No. 8

FEDERAL PROJECT NO.	STATE PROJECT NO. SAP 124-050-011	LOCAL PROJECT NO. 17-07	CONTRACT NO. 17-07
CONTRACTOR NAME AND ADDRESS Valley Paving Inc 8800 13th Ave E Shakopee, MN 55379		LOCATION OF WORK	
		TOTAL CHANGE ORDER AMOUNT (\$2,408.96)	

WILL BE PAID WITH 100% LOCAL FUNDS WHEREAS: This Contract provides for, among other things, compensation for Contractor down time during the water shutdown process by others. WHEREAS: The Contractor has provided the City with unit prices for this work. WHEREAS: Costs incurred for this additional work shall be paid for with local funds only. NOW THEREFORE, IT IS HEREBY MUTUALLY AGREED AND UNDERSTOOD THAT: 1. The Contractor will complete this work. 2. Payment for this work listed above will be by unit prices. 3. Contract time is unchanged. 4. This Change Order covers the known and anticipated costs and contract time adjustment (if any) attributable to the work covered by this Change Order. If the Contractor incurs unknown and unanticipated additional work that affects costs or impacts the critical path, the Contractor reserves the right to request an adjustment to the Contract amount or Contract time in accordance with MnDOT 1402.

COST BREAKDOWN

Item No.	Item	Unit	Unit Price	Quantity	Amount
Funding Category No. 010					
2545.501	CONDUIT SYSTEM	LS	(\$2,408.96)	1	(\$2,408.96)
Funding Category No. 010 Total:					(\$2,408.96)
Change Order No. 8 Total:					(\$2,408.96)

* Funding category is required for federal projects.

CHANGE IN CONTRACT TIME (check one)	
Due to this change the Contract Time:	
a. <input type="checkbox"/> Is Increased by _____ Working Days	b. <input checked="" type="checkbox"/> Is Not Changed
<input type="checkbox"/> Is Decreased by _____ Working Days	
<input type="checkbox"/> Is Increased by _____ Calendar Days	c. <input type="checkbox"/> May be revised if work affected the controlling operation
<input type="checkbox"/> Is Decreased by _____ Calendar Days	

Approved By Project Engineer: Jesse Freihammer	Approved By Contractor: Valley Paving Inc
Signed _____	Signed _____
Date: _____ Phone: (651) 792-7042	Date: _____ Phone: (952) 445-8615

The State of Minnesota is not a participant in this contract. Signature by the District State Aid Engineer is for FUNDING PURPOSES ONLY and for compliance with State and Federal Aid Rules/Policy. Eligibility does not guarantee funds will be available.	
This work is eligible for: _____ Federal Funding	_____ State Aid Funding _____ Local funds
District State Aid Engineer: _____	Date: _____



CITY OF ROSEVILLE

2660 Civic Center Dr
Roseville, MN 55113

Project SAP 124-050-011 [17-07] - 2017 Falcon Heights PMP
Contract Final Pay Request No. 9

Contractor: Valley Paving Inc
8800 13th Ave E
Shakopee, MN 55379

Contract No. 17-07
Vendor No. N/A
For Period: 6/22/2018 - 11/27/2018
Warrant # _____ Date _____

Contract Amounts

Original Contract	\$1,414,816.38
Contract Changes	\$89,869.20
Revised Contract	\$1,504,685.58

Funds Encumbered

Original	\$1,414,816.38
Additional	N/A
Total	\$1,414,816.38

	Work Certified This Request	Work Certified To Date	Less Amount Retained	Less Previous Payments	Amount Paid This Request	Total Amount Paid To Date
SAP 124-050-011 [17-07]	\$1,299.64	\$1,475,928.49	\$0.00	\$1,459,882.56	\$16,045.93	\$1,475,928.49
Percent Retained: 0.0000%						
Contract 17-07	\$1,299.64	\$1,475,928.49	\$0.00	\$1,459,882.56	\$16,045.93	\$1,475,928.49
Percent Retained: 0.0000%						
Amount Paid This Contract Final Pay Request					\$16,045.93	

I hereby certify that a Final Examination has been made of the noted Contract, that the Contract has been completed, that the entire amount of Work Shown in this Final Voucher has been performed and the Total Value of the Work Performed in accordance with, and pursuant to, the terms of the Contract is as shown in this Final Voucher.

Approved By

Approved By Valley Paving Inc

Approved By

City Engineer

Contractor

Public Works Director

Date

Date

Date

CITY OF ROSEVILLE
 2660 Civic Center Dr
 Roseville, MN 55113
 Project No. SAP 124-050-011 [17-07]
 Contract Final Pay Request No. 9

Contract Payment Summary

From Date	To Date	Work Certified Per Period	Amount Retained Per Period	Amount Paid Per Period	Amount Paid To Date
04/24/2017	04/30/2017	\$98,451.00	\$4,922.55	\$93,528.45	\$93,528.45
05/01/2017	05/31/2017	\$201,692.78	\$10,084.64	\$191,608.14	\$285,136.59
06/01/2017	06/30/2017	\$340,568.34	\$17,028.42	\$323,539.92	\$608,676.51
07/01/2017	07/31/2017	\$296,735.58	\$14,836.78	\$281,898.80	\$890,575.31
08/01/2017	08/31/2017	\$187,725.77	\$9,386.28	\$178,339.49	\$1,068,914.80
09/01/2017	10/05/2017	\$120,934.99	\$6,046.75	\$114,888.24	\$1,183,803.04
10/06/2017	12/06/2017	\$43,102.48	\$2,155.13	\$40,947.35	\$1,224,750.39
12/07/2017	06/21/2018	\$185,417.91	(\$49,714.26)	\$235,132.17	\$1,459,882.56
06/22/2018	11/27/2018	\$1,299.64	(\$14,746.29)	\$16,045.93	\$1,475,928.49
Totals: \$1,475,928.49			\$0.00	\$1,475,928.49	

SAP 124-050-011 [17-07] Payment Summary

No.	From Date	To Date	Work Certified Per Request	Amount Retained Per Request	Amount Paid Per Request
1	04/24/2017	04/30/2017	\$98,451.00	\$4,922.55	\$93,528.45
2	05/01/2017	05/31/2017	\$201,692.78	\$10,084.64	\$191,608.14
3	06/01/2017	06/30/2017	\$340,568.34	\$17,028.42	\$323,539.92
4	07/01/2017	07/31/2017	\$296,735.58	\$14,836.78	\$281,898.80
5	08/01/2017	08/31/2017	\$187,725.77	\$9,386.28	\$178,339.49
6	09/01/2017	10/05/2017	\$120,934.99	\$6,046.75	\$114,888.24
7	10/06/2017	12/06/2017	\$43,102.48	\$2,155.13	\$40,947.35
8	12/07/2017	06/21/2018	\$185,417.91	(\$49,714.26)	\$235,132.17
9	06/22/2018	11/27/2018	\$1,299.64	(\$14,746.29)	\$16,045.93
Totals: \$1,475,928.49			\$0.00	\$1,475,928.49	



CITY OF ROSEVILLE

2660 Civic Center Dr
Roseville, MN 55113

Project SAP 124-050-011 [17-07] - 2017 Falcon Heights PMP
Final Pay Request No. 9

Contractor:	Valley Paving Inc 8800 13th Ave E Shakopee, MN 55379
-------------	--

Contract No.	17-07
Vendor No.	N/A
For Period:	6/22/2018 - 11/27/2018
Warrant # _____	Date _____

Contract Amounts

Original Contract	\$1,414,816.38
Contract Changes	\$89,869.20
Revised Contract	\$1,504,685.58

Funds Encumbered

Original	\$1,414,816.38
Additional	N/A
Total	\$1,414,816.38

Work Certified To Date

Base Bid Items	\$1,382,078.33
Backsheet	\$0.00
Change Order	\$72,550.20
Supplemental Agreement	\$21,299.96
Work Order	\$0.00
Material On Hand	\$0.00
Total	\$1,475,928.49

	Work Certified This Request	Work Certified To Date	Less Amount Retained	Less Previous Payments	Amount Paid This Request	Total Amount Paid To Date
SAP 124-050-011 [17-07]	\$1,299.64	\$1,475,928.49	\$0.00	\$1,459,882.56	\$16,045.93	\$1,475,928.49
Percent Retained: 0.0000%						
Amount Paid This Final Pay Request					\$16,045.93	

CITY OF ROSEVILLE
2660 Civic Center Dr
Roseville, MN 55113
Project No. SAP 124-050-011 [17-07]
Final Pay Request No. 9

SAP 124-050-011 [17-07] Payment Summary

No.	From Date	To Date	Work Certified Per Request	Amount Retained Per Request	Amount Paid Per Request
1	04/24/2017	04/30/2017	\$98,451.00	\$4,922.55	\$93,528.45
2	05/01/2017	05/31/2017	\$201,692.78	\$10,084.64	\$191,608.14
3	06/01/2017	06/30/2017	\$340,568.34	\$17,028.42	\$323,539.92
4	07/01/2017	07/31/2017	\$296,735.58	\$14,836.78	\$281,898.80
5	08/01/2017	08/31/2017	\$187,725.77	\$9,386.28	\$178,339.49
6	09/01/2017	10/05/2017	\$120,934.99	\$6,046.75	\$114,888.24
7	10/06/2017	12/06/2017	\$43,102.48	\$2,155.13	\$40,947.35
8	12/07/2017	06/21/2018	\$185,417.91	(\$49,714.26)	\$235,132.17
9	06/22/2018	11/27/2018	\$1,299.64	(\$14,746.29)	\$16,045.93
Totals: \$1,475,928.49			\$0.00	\$1,475,928.49	

SAP 124-050-011 [17-07] Funding Category Report

Funding Category No.	Work Certified To Date	Less Amount Retained	Less Previous Payments	Amount Paid This Request	Total Amount Paid To Date
001	190,937.96	0.00	188,978.27	1,959.69	190,937.96
002	294,631.66	0.00	289,459.36	5,172.30	294,631.66
003	68,277.24	0.00	67,594.47	682.77	68,277.24
004	79,491.26	0.00	78,696.35	794.91	79,491.26
005	53,107.38	0.00	51,242.84	1,864.54	53,107.38
006	119,433.32	0.00	118,177.24	1,256.08	119,433.32
007	159,354.51	0.00	157,760.96	1,593.55	159,354.51
008	471,200.45	0.00	466,488.45	4,712.00	471,200.45
009	34,831.03	0.00	34,482.72	348.31	34,831.03
010	4,663.67	0.00	7,001.90	-2,338.23	4,663.67
Totals: \$1,475,928.48		\$0.00	\$1,459,882.56	\$16,045.92	\$1,475,928.48

SAP 124-050-011 [17-07] Funding Source Report

Accounting No.	Funding Source	Amount Paid This Request	Revised Contract Amount	Funds Encumbered To Date	Paid To Contractor To Date
1	Municipal (MSAS > 5000) - Falcon Heights	10,474.22	632,497.47	620,132.47	686,445.50
2	Local	-1,082.15	115,770.33	100,225.59	124,096.99
3	Local - Storm Sewer - Falcon Heights	1,593.55	202,461.17	148,088.29	159,354.51
4	Water Utility Fund	4,712.00	521,616.81	514,030.23	471,200.45
5	Sanitary Sewer - Falcon Heights	348.31	32,339.80	32,339.80	34,831.03
Totals: \$16,045.93		\$1,504,685.58	\$1,414,816.38	\$1,475,928.48	

CITY OF ROSEVILLE
 2660 Civic Center Dr
 Roseville, MN 55113
 Project No. SAP 124-050-011 [17-07]
 Final Pay Request No. 9

SAP 124-050-011 [17-07] Project Item Status									
Line	Item	Description	Units	Unit Price	Contract Quantity	Quantity This Request	Amount This Request	Quantity To Date	Amount To Date
ALTERNATE 1									
84	2104.501	REMOVE SEWER PIPE (STORM)	L F	\$20.76	179	0	\$0.00	179	\$3,716.04
85	2501.515	"24" RC PIPE APRON"	EACH	\$3,337.81	1	0	\$0.00	1	\$3,337.81
86	2503.511	24" RC PIPE SEWER CLASS V (SPECIAL)	L F	\$139.08	179	0	\$0.00	153	\$21,279.24
87	2506.502	CONSTRUCT MANHOLE TYPE C	L F	\$562.53	7	0	\$0.00	7	\$3,937.71
88	2506.516	MANHOLE CASTING R-3067-V	EACH	\$882.15	1	0	\$0.00	1	\$882.15
89	2511.501	RANDOM RIPRAP CLASS III - GRANITE	C Y	\$93.41	60	0	\$0.00	32	\$2,989.12
90	2571.502	"DECIDUOUS TREE 2.5" CAL B&B"	TREE	\$1,000.00	1	0	\$0.00	0	\$0.00
Totals For Section ALTERNATE 1:							\$0.00		\$36,142.07
Base Bid									
1	2021.501	MOBILIZATION	LS	\$50,742.00	1	0	\$0.00	1	\$50,742.00
2	2101.502	CLEARING	TREE	\$1,027.50	1	0	\$0.00	18	\$18,495.00
3	2101.507	GRUBBING	TREE	\$1,027.50	1	0	\$0.00	18	\$18,495.00
4	2104.501	REMOVE SEWER PIPE (STORM)	L F	\$8.30	251	0	\$0.00	299	\$2,481.70
5	2104.501	REMOVE CURB AND GUTTER	L F	\$7.87	7430	0	\$0.00	6285	\$49,462.95
6	2104.505	REMOVE CONCRETE WALK	S Y	\$9.45	966	0	\$0.00	1397	\$13,201.65
7	2104.505	REMOVE CONCRETE DRIVEWAY PAVEMENT	S Y	\$9.00	615	0	\$0.00	530	\$4,770.00
8	2104.505	REMOVE BITUMINOUS PAVEMENT	S Y	\$6.28	1980	0	\$0.00	2601	\$16,334.28
9	2104.509	REMOVE PIPE APRON	EACH	\$259.47	1	0	\$0.00	1	\$259.47
10	2104.509	REMOVE MANHOLE OR CATCH BASIN	EACH	\$415.15	8	0	\$0.00	9	\$3,736.35
11	2104.511	SAWING CONCRETE PAVEMENT (FULL DEPTH)	L F	\$3.50	1690	0	\$0.00	1992	\$6,972.00
12	2104.513	SAWING BITUMINOUS PAVEMENT (FULL DEPTH)	L F	\$3.00	735	0	\$0.00	654	\$1,962.00

SAP 124-050-011 [17-07] Project Item Status									
Line	Item	Description	Units	Unit Price	Contract Quantity	Quantity This Request	Amount This Request	Quantity To Date	Amount To Date
13	2104.523	SALVAGE CASTING	EACH	\$204.98	3	0	\$0.00	3	\$614.94
14	2105.501	COMMON EXCAVATION	C Y	\$27.65	100	0	\$0.00	1479	\$40,894.35
15	2105.507	SUBGRADE EXCAVATION	C Y	\$21.28	100	0	\$0.00	1004	\$21,365.12
16	2105.522	SELECT GRANULAR BORROW (LV)	C Y	\$25.26	100	0	\$0.00	1003	\$25,335.78
17	2112.501	AGGREGATE GRADING AND COMPACTION	STA	\$161.12	74	0	\$0.00	52.75	\$8,499.08
18	2123.610	STREET SWEEPER (WITH PICKUP BROOM)	HOUR	\$114.61	50	0	\$0.00	34	\$3,896.74
19	2130.501	WATER	MGAL	\$25.00	20	0	\$0.00	32	\$800.00
20	2211.503	AGGREGATE BASE (CV) CLASS 5	C Y	\$19.30	100	0	\$0.00	325	\$6,272.50
21	2215.501	FULL DEPTH RECLAMATION	S Y	\$1.02	15750	0	\$0.00	15750	\$16,065.00
22	2231.501	BITUMINOUS PATCHING MIXTURE	TON	\$175.00	50	9	\$1,575.00	120.43	\$21,075.25
23	2331.603	SAW AND SEAL CONTROL JOINT IN BITUMINOUS PAVEMENT	L F	\$3.93	3690	0	\$0.00	0	\$0.00
24	2331.607	HAUL BITUMINOUS PAVEMENT RECLAMATION (LV)	C Y	\$12.69	1910	0	\$0.00	2222	\$28,197.18
25	2357.502	BITUMINOUS MATERIAL FOR TACK COAT	GAL	\$1.98	1260	0	\$0.00	904	\$1,789.92
26	2360.501	TYPE SPWEA240B WEARING COURSE MIX PATHWAY	TON	\$68.01	430	0	\$0.00	519.56	\$35,335.28
27	2360.501	TYPE SPWEA330C WEARING COURSE MIX	TON	\$25.90	2500	0	\$0.00	1960	\$50,764.00
28	2360.501	TYPE SPWEA330C WEARING COURSE MIX (2018)	TON	\$89.00	1500	0	\$0.00	1760	\$156,640.00
29	2451.609	GRANULAR BACKFILL	TON	\$10.14	7130	0	\$0.00	1167	\$11,833.38
30	2503.511	"12" RC PIPE SEWER CLASS V"	L F	\$38.40	33	0	\$0.00	40	\$1,536.00
31	2503.511	"18" RC PIPE SEWER CLASS V"	L F	\$47.74	54	0	\$0.00	181	\$8,640.94
32	2503.511	"24" RC PIPE SEWER CLASS V"	L F	\$76.80	191	0	\$0.00	176	\$13,516.80

SAP 124-050-011 [17-07] Project Item Status									
Line	Item	Description	Units	Unit Price	Contract Quantity	Quantity This Request	Amount This Request	Quantity To Date	Amount To Date
33	2503.602	SANITARY SEWER SERVICE REPAIR	EACH	\$90.30	49	0	\$0.00	20	\$1,806.00
34	2503.602	CONNECT TO EXISTING STRUCTURE	EACH	\$596.78	5	0	\$0.00	3	\$1,790.34
35	2503.602	INSPECTION HOLE	EACH	\$882.20	12	0	\$0.00	1	\$882.20
36	2504.602	REPAIR SERVICE CURB STOP BOX	EACH	\$103.79	20	0	\$0.00	6	\$622.74
37	2504.602	ADJUST SERVICE CURB STOP BOX	EACH	\$51.89	6	0	\$0.00	1	\$51.89
38	2504.602	REPAIR VALVE BOX	EACH	\$238.71	7	0	\$0.00	5	\$1,193.55
39	2504.602	ADJUST VALVE BOX	EACH	\$387.78	24	0	\$0.00	23	\$8,918.94
40	2504.602	REPLACE VALVE BOX	EACH	\$624.80	2	0	\$0.00	4	\$2,499.20
41	2504.602	WATER UTILITY HOLE	EACH	\$2,387.12	5	0	\$0.00	4	\$9,548.48
42	2504.602	EXCAVATION FOR WATER MAIN OFFSET OR REPLACEMENT	EACH	\$2,594.70	2	0	\$0.00	2	\$5,189.40
43	2504.602	HYDRANT INSTALLATION	EACH	\$5,789.29	8	0	\$0.00	8	\$46,314.32
44	2504.602	"6" GATE VALVE AND BOX"	EACH	\$1,359.53	4	0	\$0.00	4	\$5,438.12
45	2504.602	"8" GATE VALVE AND BOX"	EACH	\$1,932.53	15	0	\$0.00	14	\$27,055.42
46	2504.603	6" DI WATER MAIN REPLACEMENT	L F	\$51.89	60	0	\$0.00	89	\$4,618.21
47	2504.603	8" DI WATER MAIN REPLACEMENT	L F	\$60.20	2840	0	\$0.00	2663	\$160,312.60
48	2504.603	WATER SYSTEM REMOVALS	L F	\$10.38	568	0	\$0.00	190	\$1,972.20
49	2504.603	1" CP WATER SERVICE REPLACEMENT	L F	\$46.70	89	0	\$0.00	80	\$3,736.00
50	2504.603	2" CP WATER SERVICE REPLACEMENT	L F	\$58.12	24	0	\$0.00	207	\$12,030.84
51	2504.603	2" CP WATER SERVICE REPLACEMENT - PIPE WORK ONLY	L F	\$64.35	195	0	\$0.00	0	\$0.00
52	2504.604	"2" INSULATION"	S Y	\$19.72	56	0	\$0.00	4	\$78.88
53	2504.604	"4" POLYSTYRENE INSULATION"	S Y	\$34.25	70	0	\$0.00	4	\$137.00
54	2504.608	DUCTILE AND GREY IRON FITTINGS	LB	\$2.08	1465	0	\$0.00	1780	\$3,702.40

SAP 124-050-011 [17-07] Project Item Status									
Line	Item	Description	Units	Unit Price	Contract Quantity	Quantity This Request	Amount This Request	Quantity To Date	Amount To Date
55	2506.502	CONSTRUCT CATCH BASIN TYPE B	L F	\$451.48	17	0	\$0.00	14	\$6,320.72
56	2506.502	CONSTRUCT CATCH BASIN TYPE A	L F	\$365.33	3	0	\$0.00	0	\$0.00
57	2506.502	CONSTRUCT MANHOLE TYPE B OVER EXISTING PIPE	L F	\$532.43	5	0	\$0.00	0	\$0.00
58	2506.502	CONSTRUCT MANHOLE TYPE C	L F	\$518.94	10	0	\$0.00	10	\$5,189.40
59	2506.502	CONSTRUCT MANHOLE TYPE B	L F	\$236.64	10	0	\$0.00	9	\$2,129.76
60	2506.516	MANHOLE CASTING R-1733	EACH	\$331.47	21	0	\$0.00	21	\$6,960.87
61	2506.516	MANHOLE CASTING R-3067-V	EACH	\$488.48	6	0	\$0.00	5	\$2,442.40
62	2506.521	FURNISH AND INSTALL CASTING ASSEMBLY FOR DRIVEWAY	EACH	\$127.94	6	0	\$0.00	0	\$0.00
63	2506.522	ADJUST CATCH BASIN FRAME AND RING	EACH	\$590.41	11	0	\$0.00	0	\$0.00
64	2506.522	ADJUST MANHOLE FRAME & RING	EACH	\$961.04	39	0	\$0.00	37	\$35,558.48
65	2506.603	REHABILITATE MANHOLE OR CATCH BASIN (INTERIOR)	EACH	\$181.63	9	0	\$0.00	0	\$0.00
66	2511.501	RANDOM RIPRAP CLASS III - GRANITE	C Y	\$98.60	60	0	\$0.00	0	\$0.00
67	2521.501	"4" CONCRETE WALK"	S F	\$4.62	9430	0	\$0.00	11746	\$54,266.52
68	2521.501	"6" CONCRETE WALK"	S F	\$7.96	2985	0	\$0.00	3285.75	\$26,154.57
69	2531.501	CONCRETE CURB AND GUTTER DESIGN B618	L F	\$22.07	4680	0	\$0.00	1704	\$37,607.28
70	2531.501	CONCRETE CURB AND GUTTER DESIGN B618 (MACHINE LAID)	L F	\$17.39	2750	0	\$0.00	3956	\$68,794.84
71	2531.507	"6" CONCRETE DRIVEWAY PAVEMENT"	S Y	\$50.25	615	0	\$0.00	636.4	\$31,979.10
72	2531.604	"8" CONCRETE VALLEY GUTTER"	S Y	\$74.83	90	27	\$2,020.41	98	\$7,333.34

SAP 124-050-011 [17-07] Project Item Status									
Line	Item	Description	Units	Unit Price	Contract Quantity	Quantity This Request	Amount This Request	Quantity To Date	Amount To Date
73	2531.618	TRUNCATED RADIUS DOMES	S F	\$51.89	184	0	\$0.00	86	\$4,462.54
74	2531.618	TRUNCATED DOMES	S F	\$51.89	120	0	\$0.00	384	\$19,925.76
75	2563.601	TRAFFIC CONTROL	LS	\$43,745.23	1	0	\$0.00	1	\$43,745.23
76	2573.502	SILT FENCE, TYPE HI	L F	\$3.09	200	0	\$0.00	20	\$61.80
77	2573.530	STORM DRAIN INLET PROTECTION	EACH	\$85.76	32	0	\$0.00	37	\$3,173.12
78	2573.533	SEDIMENT CONTROL LOG TYPE COMPOST	L F	\$2.61	1200	0	\$0.00	630	\$1,644.30
79	2573.550	EROSION CONTROL SUPERVISOR	LS	\$500.00	1	0	\$0.00	0.5	\$250.00
80	2574.525	BOULEVARD TOPSOIL BORROW	C Y	\$38.88	610	0	\$0.00	460.54	\$17,905.80
81	2575.505	SODDING TYPE SALT TOLERANT	S Y	\$6.03	7060	0	\$0.00	4682.2	\$28,233.67
82	2575.604	HYDROSEED	SY	\$2.31	500	49	\$113.19	1422.1	\$3,285.05
83	2582.502	"4" SOLID LINE EPOXY"	L F	\$1.54	330	0	\$0.00	408	\$628.32
Totals For Section Base Bid:							\$3,708.60		\$1,345,936.26
Change Order 1									
97	2104.501	REMOVE FENCE	L F	\$12.00	56	0	\$0.00	56	\$672.00
98	2557.603	INSTALL FENCE	L F	\$20.00	56	0	\$0.00	53	\$1,060.00
Totals For Change Order 1:							\$0.00		\$1,732.00
Change Order 2									
101	2506.602	CONTRACTOR DOWN TIME DURING THE WATER SHUT DOWN PROCESS	L S	\$1,736.58	1	0	\$0.00	1	\$1,736.58
Totals For Change Order 2:							\$0.00		\$1,736.58
Change Order 3									
104	2571.502	"DECIDUOUS TREE 2" CAL B&B"	TREE	\$650.00	13	0	\$0.00	13	\$8,450.00
Totals For Change Order 3:							\$0.00		\$8,450.00
Change Order 4									
109	2211.501	INSTALL AGGREGATE BASE AS TEMPORARY PATCH AT CATCH BASINS	L S	\$458.22	1	0	\$0.00	1	\$458.22
107	2411.901	RETAINING WALLS	LS	\$284.94	1	0	\$0.00	1	\$284.94
111	2506.516	MANHOLE CASTING R-3290-A	EACH	\$485.00	1	0	\$0.00	1	\$485.00

SAP 124-050-011 [17-07] Project Item Status									
Line	Item	Description	Units	Unit Price	Contract Quantity	Quantity This Request	Amount This Request	Quantity To Date	Amount To Date
108	2540.618	INSTALL 1" CLEAR ROCK AT CATCH BASINS	L S	\$2,417.27	1	0	\$0.00	1	\$2,417.27
105	2540.618	INSTALL DRIVEWAY PAVERS	L S	\$597.13	1	0	\$0.00	1	\$597.13
106	2575.604	INSTALL LANDSCAPING PEA ROCK	L S	\$807.76	1	0	\$0.00	1	\$807.76
110	2575.604	LANDSCAPING REPLACEMENT	L S	\$3,015.03	1	0	\$0.00	1	\$3,015.03
Totals For Change Order 4:							\$0.00		\$8,065.35
Change Order 5									
112	2506.602	REHABILITATE MANHOLE OR CATCH BASIN INTERIOR	L S	\$34,375.00	1	0	\$0.00	1	\$34,375.00
Totals For Change Order 5:							\$0.00		\$34,375.00
Change Order 6									
114	2104.507	REMOVE SEWER ROCK AND PLACE CLASS 5 AGGREGATE	L S	\$2,672.24	1	0	\$0.00	1	\$2,672.24
113	2506.602	INSTALL LOW PROFILE CASTING ON NEW CATCH BASIN	LS	\$580.36	1	0	\$0.00	1	\$580.36
Totals For Change Order 6:							\$0.00		\$3,252.60
Change Order 7									
115	2232.504	MILL BITUMINOUS SURFACE	L S	\$7,072.63	1	0	\$0.00	1	\$7,072.63
117	2506.522	ADJUST GATE VALVE (FITTED STEEL RING)	EACH	\$75.00	32	0	\$0.00	32	\$2,400.00
116	2506.522	ADJUST MANHOLE (FITTED STEEL RING)	EACH	\$225.00	35	0	\$0.00	35	\$7,875.00
Totals For Change Order 7:							\$0.00		\$17,347.63
Change Order 8									
118	2545.501	CONDUIT SYSTEM	LS	(\$2,408.96)	1	1	(\$2,408.96)	1	(\$2,408.96)
Totals For Change Order 8:							(\$2,408.96)		(\$2,408.96)
Supplemental Agreement 1									
100	2101.511	CLEARING AND GRUBBING	LS	\$1,650.00	1	0	\$0.00	1	\$1,650.00
99	2506.502	CATCH BASIN MODIFICATION	EACH	\$880.00	4	0	\$0.00	4	\$3,520.00
Totals For Supplemental Agreement 1:							\$0.00		\$5,170.00
Supplemental Agreement 2									

SAP 124-050-011 [17-07] Project Item Status									
Line	Item	Description	Units	Unit Price	Contract Quantity	Quantity This Request	Amount This Request	Quantity To Date	Amount To Date
102	2531.501	CONCRETE CURB AND GUTTER DESIGN B624	L F	\$33.33	300	0	\$0.00	462	\$15,398.46
103	2575.513	SHREDDED HARDWOOD MULCH	CY	\$41.80	50	0	\$0.00	17.5	\$731.50
Totals For Supplemental Agreement 2:							\$0.00		\$16,129.96
Project Totals:							\$1,299.64		\$1,475,928.49

SAP 124-050-011 [17-07] Contract Changes					
No.	Type	Date	Explanation	Estimated Amount	Amount Paid To Date
CO1	Change Order	6/9/2017	In accordance with the terms of this contract, you are hereby authorized and instructed to perform the work as altered by the following provisions. WILL BE PAID WITH 100% LOCAL FUNDS WHEREAS: This Contract provides for, among other things, the removal of an existing fence; WHEREAS: This Contract provides for the reinstallation of the existing fence; WHEREAS: The Contractor has provided the City with unit prices to remove and reinstall the existing fence; WHEREAS: Costs incurred for this additional work shall be paid for with local funds only. NOW THEREFORE, IT IS HERBY MUTUALLY AGREED AND UNDERSTOOD THAT: 1. The Contractor will complete this work. 2. Payment for this work listed above will be by negotiated unit prices. 3. Contract time is unchanged. 4. This Change Order covers the known and anticipated costs and contract time adjustment (if any) attributable to the work covered by this Change Order. If the Contractor incurs unknown and unanticipated additional work that affects costs or impacts the critical path, the Contractor reserves the right to request an adjustment to the Contract amount or Contract time in accordance with MnDOT 1402.	\$1,792.00	\$1,732.00
SA1	Supplemental Agreement	6/15/2017	WILL BE PAID WITH 100% LOCAL FUNDS WHEREAS: This Contract provides for, among other things, modifications to new storm sewer catch basins and the clearing and grubbing of brush and small trees. WHEREAS: The Contractor has provided the City with unit prices to do this work. WHEREAS: Costs incurred for this additional work shall be paid for with local funds only. NOW, THEREFORE, IT IS HERBY MUTUALLY AGREED AND UNDERSTOOD THAT: 1. The Contractor will complete this work. 2. Payment for this work listed above will be by contract unit prices. 3. Contract time is unchanged. 4. This Supplemental Agreement covers the known and anticipated costs and contract time adjustment (if any) attributable to the work covered by this Supplemental Agreement. If the contractor incurs unknown and unanticipated additional work that affects costs or impacts the critical path, the Contractor reserves the right to request an adjustment to the Contract amount or Contract time in accordance with MnDOT 1402.	\$5,170.00	\$5,170.00

SAP 124-050-011 [17-07] Contract Changes					
No.	Type	Date	Explanation	Estimated Amount	Amount Paid To Date
CO2	Change Order	6/20/2017	WILL BE PAID WITH 100% LOCAL FUNDS WHEREAS: This Contract provides for, among other things, compensation for Contractor down time during the water shutdown process by others. WHEREAS: The Contractor has provided the City with unit prices for this work. WHEREAS: Costs incurred for this additional work shall be paid for with local funds only. NOW THEREFORE, IT IS HEREBY MUTUALLY AGREED AND UNDERSTOOD THAT: 1. The Contractor will complete this work. 2. Payment for this work listed above will be by unit prices. 3. Contract time is unchanged. 4. This Change Order covers the known and anticipated costs and contract time adjustment (if any) attributable to the work covered by this Change Order. If the Contractor incurs unknown and unanticipated additional work that affects costs or impacts the critical path, the Contractor reserves the right to request an adjustment to the Contract amount or Contract time in accordance with MnDOT 1402.	\$1,736.58	\$1,736.58
SA2	Supplemental Agreement	8/14/2017	WHEREAS: This contract provides for, among other things, the addition of B624 Concrete Curb and Gutter. WHEREAS: This contract provides for, among other things, the addition of Shredded Hardwood Mulch. WHEREAS: The Contractor has provided the City with unit prices to do this work. NOW, THEREFORE, IT IS HEREBY MUTUALLY AGREED AND UNDERSTOOD THAT: 1. The Contractor will complete this work. 2. Payment for this work listed above will be by contract unit prices. 3. Contract time is unchanged. 4. This Supplemental Agreement covers the known and anticipated costs and contract time adjustment (if any) attributable to the work covered by this Supplemental Agreement. If the contractor incurs unknown and unanticipated additional work that affects costs or impacts the critical path, the Contractor reserves the right to request an adjustment to the Contract amount or Contract time in accordance with MnDOT 1402.	\$12,089.00	\$16,129.96
CO3	Change Order	9/15/2017	In accordance with the terms of this Contract, you are hereby authorized and instructed to perform the work as altered by the following provisions. WILL BE PAID WITH 100% LOCAL FUNDS. WHEREAS: This Contract provides for a renegotiated unit price for Deciduous tree, 2.0" caliber, balled and bur lapped. WHEREAS: Costs incurred for this work shall be paid for with local funds only. NOW THEREFORE, IT IS HEREBY MUTUALLY AGREED AND UNDERSTOOD THAT: 1. The Contractor will complete this work. 2. Payment for this work listed above will be by renegotiated unit prices. 3. Contract time is unchanged. 4. This Change Order covers the known and anticipated costs and contract time adjustment (if any) attributable to the work covered by this Change Order. If the Contractor incurs unknown and unanticipated additional work that affects costs or impacts the critical path, the Contractor reserves the right to request an adjustment to the Contract amount or Contract time in accordance with MnDOT 1402.	\$8,450.00	\$8,450.00

SAP 124-050-011 [17-07] Contract Changes					
No.	Type	Date	Explanation	Estimated Amount	Amount Paid To Date
CO4	Change Order	9/19/2017	<p>WILL BE PAID FOR WITH 100% LOCAL FUNDS. WHEREAS: This Contract provides for, among other things, the installation of driveway pavers. WHEREAS: This Contract provides for the installation of landscaping pea rock at 2121 Folwell Ave. WHEREAS: This Contract provides for the placement of new retaining wall blocks along sidewalk edge at house #2099 Folwell Ave. WHEREAS: This Contract provides for the placement of fabric and 1 inch clear rock in front of 7 catch basins along Roselawn Ave. WHEREAS: This Contract provides for the placement of aggregate base material in the pathway as a temporary patch in the catch basin repair areas along Roselawn Ave. WHEREAS: This Contract provides for the additional landscaping work in between house #2121 and house # 2129 Folwell Ave. WHEREAS: This Contract provides for 1 new storm sewer casting, R-3290-A. NOW THEREFORE, IT IS MUTUALLY AGREED AND UNDERSTOOD THAT: 1. The Contractor will complete this work. 2. Payment for this work listed above will be by negotiated unit prices. 3. Contract time is unchanged. 4. This Change Order covers the known and anticipated costs and contract time adjustment, if any, attributable to the work covered by this Change Order. If the Contractor incurs unknown and unanticipated additional work that affects costs or impacts the critical path, the Contractor reserves the right to request an adjustment to the Contract amount or Contract time in accordance with MnDOT 1402.</p>	\$8,065.35	\$8,065.35
CO5	Change Order	9/20/2017	<p>WILL BE PAID WITH 100% LOCAL FUNDS WHEREAS: This Contract provides for, among other things, rehabilitation work on 7 existing catch basins along Roselawn Ave. between Cleveland Ave and Fairview Ave. WHEREAS: The Contract has provided the City with unit prices to rehabilitate the existing storm sewer catch basins. WHEREAS: Costs incurred for this additional work shall be paid for with local funds only. NOW THEREFORE, IT IS HEREBY, MUTUALLY AGREED AND UNDERSTOOD THAT: 1. The Contractor will complete this work. 2. Payment for this work listed above will be by negotiated unit prices. 3. Contract time is unchanged. 4. This Change Order covers the known and anticipated costs and contract time adjustment, if any, attributable to the work covered by this Change Order. If the Contractor incurs unknown and unanticipated additional work that affects costs or impacts the critical path, the contractor reserves the right to request an adjustment to the Contract amount or Contract time in accordance with MnDOT 1402.</p>	\$34,375.00	\$34,375.00

SAP 124-050-011 [17-07] Contract Changes					
No.	Type	Date	Explanation	Estimated Amount	Amount Paid To Date
CO6	Change Order	11/28/2017	WILL BE PAID WITH 100% LOCAL FUNDS WHEREAS: This Contract provides for the purchase and installation of a low profile catch basin casting. WHEREAS: This Contract provides for the removal of sewer drainage rock and the placement of Class 5 gravel for patching at the 7 catch basins on Roselawn Ave. WHEREAS: The Contractor has provided the City with unit prices to do this work. WHEREAS: Costs incurred for this additional work will be paid for with local funds only. NOW THEREFORE, IT IS HEREBY MUTUALLY AGREED AND UNDERSTOOD THAT: 1. The Contractor will complete this work. 2. Payment for this work listed above will be by negotiated unit prices. 3. Contract time is unchanged. 4. This Change Order covers the known and anticipated costs and contract time adjustment, if any, attributable to the work covered by this Change Order. If the Contractor incurs unknown and unanticipated additional work that affects costs or impacts the critical path, the Contractor reserves the right to request an adjustment to the contract amount or contract time in accordance with MnDOT 1402.	\$3,252.60	\$3,252.60
CO7	Change Order	6/6/2018	In accordance with the terms of this Contract, you are hereby authorized and instructed to perform the work as altered by the following provisions. WILL BE PAID WITH 100% LOCAL FUNDS WHEREAS: This Contract provides for milling of temporary winter bituminous ramps and milling of various intersections along Hoyt Ave. to ensure proper sloping and drainage. WHEREAS: This Contract provides for the installation of fitted steel manhole rings and gate valve rings. WHEREAS: Costs incurred for this additional work will be paid for with local funds only. NOW THEREFORE, IT IS HEREBY MUTUALLY AGREED AND UNDERSTOOD THAT: 1. The Contractor will complete this work. 2. Payment for this work listed above will be by negotiated unit prices. 3. Contract time is unchanged. 4. This Change Order covers the known and anticipated costs and contract time adjustment, if any, attributable to the work covered by this Change Order. If the Contractor incurs unknown and unanticipated additional work that affects costs or impacts the critical path, the Contractor reserves the right to request an adjustment to the contract amount or contract time in accordance with MnDOT 1402.	\$17,347.63	\$17,347.63
CO8	Change Order	11/27/2018	WILL BE PAID WITH 100% LOCAL FUNDS WHEREAS: This Contract provides for, among other things, compensation for Contractor down time during the water shutdown process by others. WHEREAS: The Contractor has provided the City with unit prices for this work. WHEREAS: Costs incurred for this additional work shall be paid for with local funds only. NOW THEREFORE, IT IS HEREBY MUTUALLY AGREED AND UNDERSTOOD THAT: 1. The Contractor will complete this work. 2. Payment for this work listed above will be by unit prices. 3. Contract time is unchanged. 4. This Change Order covers the known and anticipated costs and contract time adjustment (if any) attributable to the work covered by this Change Order. If the Contractor incurs unknown and unanticipated additional work that affects costs or impacts the critical path, the Contractor reserves the right to request an adjustment to the Contract amount or Contract time in accordance with MnDOT 1402.	(\$2,408.96)	(\$2,408.96)

CITY OF ROSEVILLE
 2660 Civic Center Dr
 Roseville, MN 55113
 Project No. SAP 124-050-011 [17-07]
 Final Pay Request No. 9

SAP 124-050-011 [17-07] Contract Changes					
No.	Type	Date	Explanation	Estimated Amount	Amount Paid To Date
Contract Change Totals:				\$89,869.20	\$93,850.16