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

AGENDA
October 23, 2019 at 7:00 P.M.

A. CALL TO ORDER:

B. ROLL CALL: Vacant ___ LEEHY_X_ HARRIS_X_
MIAZGA_X_ GUSTAFSON_X_

STAFF PRESENT: THONGVANH_X_

C. PRESENTATION

D. APPROVAL OF MINUTES:

1. October 9, 2019 City Council Meeting Minutes

Approved 4-0

E. PUBLIC HEARINGS:

1. Consider Amendment to City Code Sec. 113-211 Related to Amber Union Planned Unit Development (PUD)

City Administrator Thongvanh

Amber Union property at 1667 Snelling Avenue was rezoned in June 2019 to allow for a mixed-use of 106 apartments and retail space. They are now requesting an amendment to the PUD that would allow 128 apartments.

Pete Deanovic (Buhl GTA, LP)

The following changes to the existing PUD are:

- Increased number of affordable rental units from 106 units to 128.
 - Studio from 8 to 22
 - 1 Bedroom from 14 to 10
 - 2 Bedroom from 56 to 57
 - 3 Bedroom from 24 to 34
 - 4 Bedroom from 4 to 5

- Reduction of surface parking stalls to provide green space required by the State Historic Preservation Office. These parking stalls and additional stalls aimed at maintaining previously approved parking ratios are provided via an easement in the adjacent lot
- Commercial space size reduced from 1,973 square feet to 787 square feet.
- Number and size of window wells reduced from 6,460 square feet to 2,110 square feet.
- Reduced scope of rear entry addition.
- Removal of front ADA ramp which primary access point is on the inside of the chamfer.

We have received some bonds for the project. In addition, we would like to pursue the DEED and Met Council environmental remediation grants.

Council Member Miazga asked if the low-income percentage will increase because of the 128 units and where the 22 units are will be located. Pete stated that it would still be 100% affordable housing in terms of NAHA (National Affordable Housing Act) and applicants must comply with the criteria. Regarding the additional units, some will be in the old cafeteria on the top floor.

Council Member Leehy asked if the additional units will change the start date and Pete said it would not change. Regarding the reduction of the parking in front of the building, Council Member Harris asked if they would eliminate the parking by the bus stop. Pete answers that it will be reduce and will not extend north of the bus stop. The added row of parking that was introduced will remain in the planning.

Farook Meah (1597 Hollywood Court)

Asked for clarification on where the parking will be. Will it be west of Larpenteur or west by Underwood St? He is also concerned about the right turn on Larpenteur Ave during rush hour because it is horrible and the wait time is long.

Mayor Gustafson clarified that it is west of the current development.

Valetta Gyurci (1607 Hollywood Court)

Where is the retail going to be located and the parking for customers? Where are the entrances for residents and will parking be off the service road and Larpenteur Ave? Where will residents park during snow removal? The fence between Hollywood Court and the building towards the service road is a blind spot when turning from the alley and how will it be fixed?

Pete stated that the parking for the retail will be the parking lot off Larpenteur Ave W and the retail will be located in the annex building in the northwest corner. Customers can enter through the proposed amenity area and new addition off the chimney. The guest parking will be located near the green landscape area off Snelling Ave and Larpenteur Ave. Regarding the fence and snow removal, we will look into the fence issue, and the additional parking lot will help residents park while we remove or store snow in different parts of the area.

James Bykoski (1745 St. Mary's Street)

Shows concerns about the trees because they prevent floods. If the developer were to cut down the majority of the tree, then the street will be flooded. It will generate more water flow across Snelling Avenue, which will damage the park and delaying its use, and causing more problems.

City Engineer Freihammer stated that it would continue to flow south towards the fairgrounds into St. Paul and not towards the Curtiss Field Park.

Irene Gengler (1611 Hollywood Court)

Asked for clarification on the 60% of median income in regards to low-income restriction. Do they have to make at least make a certain amount or under? How can people afford it if they

have a low paying job? What happens if they reach the threshold of the income, will the residents have to leave or can they stay?

Pete clarified that the 60% area median income for a household of one will be \$47,000, which means that anyone living in one bedroom makes no more than \$47,000 as an individual. A household of 4 cannot make more than \$60,000 a year and if they make more, then at the end of their lease they will have to move to a different facility. This is the way affordable housing works throughout the metro area, and we have seen that based on the occupancy. The metro area is in need of affordable housing and this will serve the need in this community.

Council Member Leehy stated that there is a lack of affordable and Section 8 housing in Minnesota. Citizens have full time paying jobs but are not able to afford market-rate housing. The more we have, it can prevent homelessness. City Administrator Thongvanh added that the program is to help them and not sustain. Once you exceed the program, then it will help you move on to a permanent house. This will result in a new family moving in and take advantage of the program. It will create a cycle.

Nina Fan (1608 Hollywood Court)

The biggest concern is access during the state fair time and residents trying to enter Larpenteur Avenue and Snelling Ave from Hoyt Ave. It will create major traffic. Is it possible to open another access? Lastly, since they are removing the trees, what are the plans for landscaping on the green spaces?

City Engineer Freihammer stated that Larpenteur Avenue is a Ramsey County road and Snelling Avenue is a MnDOT road; therefore, the city does not have authority over it. The county and MnDOT will not allow additional access on the road because it is safer to have it where it currently is and adding more will create unsafe access.

Pete answered that the greenspace will get additional plantings. We are also planning to build a small rain garden with additional trees and preserve the existing healthy trees.

Scott Wilson, Planning Commissioner (1889 Snelling Ave)

The trees on the east side should not be torn down because it will give coverage. In addition, half of the bedrooms are internal with no windows will not have the income to bring in natural light features. This is a huge concern for future residents and me. Also, I have concerns about the retail square footage because it will decrease the dining room space.

Pete stated that they would increase the trees. One of the challenges in preserving a historical building is that units will not have natural light and to offset that is to have transit windows and sidelights from the living room and bedroom to space.

Roger Aiken (1589 Hollywood Court)

The access issue is very important. Residents will wait about 10-15 minutes to make a left turn during rush hour. The access is bad and I suggest having a patrol officer to help with traffic.

Gary Kwong (1700 Fry Street)

I support this project because every municipality has to go through its comprehensive plan and receives an allocation from the Met Council in terms of how much affordable housing the city needs. The news building on Larpenteur Ave is not affordable. I am positive the residents at 1550 will move to the building. They are currently living in a 2-bedroom building and having additional rooms will help them. I am happy to see this building will have 2+ bedroom units because it is not common. It is also hard to be on the waiting list to get the Section 8 voucher, yet and not many places accept them.

Council Member Leehy Moved to approve Planning Application, Planning Drawings, Ordinance 19-07 - PUD Amendment, and Exhibit A - Parking Easement.

Council Member Leehy 1st Moved
Council Member Miazga 2nd Moved
Approved 4-0

F. CONSENT AGENDA:

1. General Disbursements through: 10/08/19 \$10,854.02
Payroll through 10/15/19 \$19,661.56
2. Approval of City License(s)
3. Approve 2020 SCORE Grant (recycling)
4. Grant Application to State Fire Marshal for Gear Washer/Dryer Program
5. Cleaning Services-JAN-PRO
6. Grant Application to Department of Natural Resources (DNR) - Youth Programming
7. 2020 Sanitary Sewer Lining Project
8. Charitable/Lawful Gambling License Application - Falcon Heights Elementary PTA

City Engineer Jesse Freihammer

Ruggles Street was removed from lining to meet the budget. The cost on the lining on Snelling Avenue was anticipated higher than we expected. It will come back in 2021 or 2022. In addition, the sewers are on Snelling Avenue are more difficult to bypass with MnDOT permits and traffic controls.

Councilmember Harris will abstain from voting because her business is listed in the Consent Agenda - Approval of City License(s).

Council Member Harris abstained
Mayor Gustafson moved, Approved 3-0

G: POLICY ITEMS:

1. Approve Grant Applications for Amber Union Project

City Administrator Thongvanh

Buhl GTA, LLC is applying for grants for environmental cleanup at the Amber Union property (1667 Snelling Ave). The grants will go towards remediating asbestos and other contamination

associated with seventy-plus years of use at the site, soil vapor mitigation, and asbestos abatement.

Council Member Harris Moved, Approved 4-0

2. Approve Como Avenue Trail Lease with the City of Saint Paul

Jesse Freihammer, City Engineer

The City of St. Paul is planning to implement trail, sidewalk, and bikeway improvements along Como Avenue between Raymond Avenue and Hamline Avenue. A portion of the improvements along the south side of the Minnesota State Fair Grounds is within Falcon Heights' city limits. The entire improvements are within Ramsey County Right of Way.

A portion of the project will be in Falcon Heights; therefore, the city will need to enter an agreement with the City of St. Paul. The agreement describes who is responsible for the improvements during installation and long-term maintenance of the trail. In addition, it also states that St. Paul would pay all costs to install the improvements and maintain it. The agreement also protects Falcon Heights from financial costs associated with the project.

Council Member Miazga Moved, Approved 4-0

H. INFORMATION/ANNOUNCEMENTS:

Council Member Miazga

- The Taste of Northeast was two weeks ago and raised over \$25,000. I would like to thank everyone who attended and donated to the organization.
- Environment Commission met and we are working on 2020 plans.
- Tuesday, November 5, is Election Day. I encourage everyone to go out to vote. If you live west of Snelling, vote at City Hall, 2077 Larpenteur Ave W. If you live east of Snelling, vote at Falcon Heights United Church of Christ, 1795 Holton St.
- Early elections locations, hours, and absentee can be found at the Ramsey County website.

Council Member Leehy

- Monday, October 22 was my second meeting on the Criminal Justice Coordinating Council and our focus will be on bail reform and warrant reform.
- Ramsey County has a sexual violence services program and advocates for victims of sexual violence. In the future, we would like to have them make a presentation in Falcon Heights because it is new to our county. There is a 24-hour hotline if you know anyone who needs it and it is 651-266-1000.

Council Member Harris

- No announcements.

Mayor Gustafson

- The Communication Engagement Commission (CEC) met on Monday. I was not present because I was at the Crime Prevention Association in Duluth. Human Rights Day is on

Tuesday, December 10, and the focus will be on “Food Security & Child Hunger.” It will be at the city hall. Parks and Recreation Commission will help create some activities for schoolchildren at the event while parents are in the chambers.

- November 18, will be Cultivating a Caring Community “Gray Area Thinking” with Ellie Krug from 6pm - 8:30pm at city hall.
- Ramsey County Fright Farm is every Friday and Saturday night. The funds will go towards the youth programs.
- Remember to be safe during Halloween. Remember to travel in groups, wear bright costumes or carry a flashlight, and drivers please remember to slow down.

City Administrator Thongvanh

- The Cleveland Reconstruction Open House is on October 30, from 4:30pm to 6pm at city hall. The project was originally supposed to start in 2020 but has changed to 2021.
- The city is continuing to advertise the ice rink attendant position. The minimum age is 16, and if you know anyone interested, please apply on the city website and city hall. If you have questions about the position, please contact the city hall and the staff will help you.
- Next week, we will start street sweeping until the first snowfall. Also, it is illegal for residents to rake their leaves to the street. Staff will try their best to do a 24-hour notice to residents on email blasts and social media.
- Early voting information is on our weekly e-newsletter and city hall.
- The new website will launch in 2020, and it will look similar to the City of Eden Prairie.

I. COMMUNITY FORUM:

J. ADJOURNMENT: 8:55 P.M.

Randy Gustafson, Mayor

Dated this 23th day of October, 2019

Sack Thongvanh, City Administrator

CITY OF FALCON HEIGHTS
City Council Workshop
City Hall
2077 West Larpenteur Avenue

AGENDA

November 6, 2019
6:30 P.M.

A. CALL TO ORDER:

B. ROLL CALL: Vacant ___ LEEHY__X__ HARRIS__X__
MIAZGA__X__ GUSTAFSON__X__

STAFF PRESENT: THONGVANH__X__ LOR__X__ NANDKUMAR__X__

C. PRESENTATIONS:

1. Curtiss Field Signage Update - Air National Guard

Lieutenant Colonel Jamie Lindman and Staff Sergeant Taylor Nielson of the Minnesota Air National Guard made a presentation to the City Council to request the installation of a monument to mark the 100th Anniversary of Captain Ray Miller departing from Curtiss Field on a daring eight day trip to D.C. to lobby military generals and Us Congress to form the first Aviation unit in the country, with federal funding and approval.

- September 26, 2020, is the 100th anniversary and the group would like a monument placed at the park and a dedication ceremony. Minnesota Air National Guard Museum and Sponsors will cover the monument at Curtiss Field.
- On January 1921, Us Congress approved Captain Miller's request:
 - The first federally recognized Air Guard unit in the country!
 - Designated as the 109th Observation Squadron
 - \$500,000 was given to the state to purchase aircraft and build aircraft hangars

D. POLICY ITEMS:

1. Advertisement Policy for Mailed Newsletter

- The policy is a draft only and the final will be proposed in at future workshops.
- Local businesses will be given priority with a deadline then expanded to businesses in surrounding cities.
- Ads will only take 2 -3 pages and will be towards the end of the booklet.

2. Compost Site - Community Park

- Ramsey County will provide the compost and will have it monitored.
- Compost can be placed at the end of the trail at Community Park or City Hall parking lots.

- City Council will vote on the location at the regular meeting on November 13.
- Removal service can be 1-2 times a week or more depending on the compost
- Staff visited many compost sites and did not have a problem with smell

3. Parking Regulations and Signage

- The goal is to adopt the new regulations beginning of 2020.
- City Council agreed to change the citation fee from \$35 to \$50.
- City will add additional signs for State Fair, Back to the 50s, and alley parking regulations whereas vehicle must parked 5 feet away from the driveways.

4. 2020 Proposed Budget - Capital Fund

- City Administrator Thongvanh reviewed the funding requests, modifications, and changes. Council directed staff to move forward with what was presented.

E. INFORMATION/ANNOUNCEMENTS

F. ADJOURNMENT:

Randy Gustafson, Mayor

Dated this 6th day of November, 2019

Sack Thongvanh, City Administrator



The City That Soars!

REQUEST FOR COUNCIL ACTION

Meeting Date	November 13, 2019
Agenda Item	Public Hearing E1
Attachment	See Attached
Submitted By	Sack Thongvanh, City Administrator

Item	Proposal for a Housing Finance Program and the Issuance of Multi-Family Housing Revenue Bonds to Finance a Multi-family Housing Development
Description	Please see attached correspondence letter from Catherine Courtney of Briggs.
Budget Impact	The City will collect ¼ of 1% for the issuance of the bond.
Attachment(s)	<ul style="list-style-type: none"> • Letter - Briggs • Public Hearing Notice • Resolution 19-38 Authorizing the Issuance, Sale and Delivery of Multifamily Housing Revenue Note - Amber Union (\$3,622,377) • Pledge Agreement • Disbursing Agreement • Loan Agreement • Form of Note • Regulatory Note
Action(s) Requested	Staff recommends approval of attached resolution, pledge agreement, disbursing agreement, loan agreement, form of note, and regulatory note.

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

November 8, 2019

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

BY E-MAIL

Sack Thongvanh
City Administrator
City of Falcon Heights
2077 Larpenteur Ave. W
Falcon Heights, MN 55113-5551

Re: Issuance of Conduit Revenue Bonds by the City of Falcon Heights for Multifamily Affordable Housing Project at 1667 Snelling Avenue

Dear Mr. Thongvanh:

This letter is provided to follow-up on prior actions and discussions regarding the City of Falcon Heights (the “City” or “Issuer”) acting as the issuer of multifamily housing development bonds (the “Bonds”) to finance the acquisition and renovation of an existing historic office building into an approximately 128-unit multifamily housing facility, to be known as Amber Union Apartments, for low- and moderate-income individuals and families to be located at 1667 Snelling Avenue, which is on the southwest corner of Snelling Avenue and Larpenteur Avenue, in the City, at the request of Buhl GTA, LP, a Minnesota limited partnership (the “Borrower”), with Buhl GTA GP, LLC, a Minnesota limited liability company, as the general partner. Briggs and Morgan, Professional Association would act as bond counsel on the issuance of such Bonds. Dougherty & Company, LLC will act as underwriter or placement agent. For the first round of Bonds, Bridgewater Bank will be the purchaser.

State and federal laws allow local government units to enter into arrangements to issue bonds and loan the proceeds to private developers to finance or refinance affordable housing projects. This assistance reduces borrowing costs for such borrowers and enables them to provide affordable housing for the residents of the City more cost effectively. It is a fairly common means of obtaining necessary financing for such projects. Oftentimes such projects will also take advantage of low-income housing tax credits, which I believe is anticipated with this project.

To accomplish this purpose, the Issuer will enter into a Loan Agreement with the Borrower under which the Borrower will agree to pay all principal and interest on the Bonds. The Issuer will assign all of its rights to payments under the Loan Agreement to a lender (in this case, Bridgewater Bank) or trustee and loan the purchase price of the Bonds directly to the Borrower. The Issuer is merely a conduit and the money and obligations flow only between the lender or trustee and the Borrower.

November 8, 2019

Page 2

The Bonds and the resolutions adopted by the Issuer will recite that the Bonds, if and when issued, will not be payable from or charged upon any of the Issuer's funds, other than the revenues received under the Loan Agreement and pledged to the payment of the Bonds, and the Issuer is not subject to any liability on the Bonds. No holder of the Bonds will ever have the right to compel any exercise by the Issuer of its taxing powers to pay any of the principal of the Bonds or the interest or premium thereon, or to enforce payment of the Bonds against any property of the Issuer except the interests of the Issuer in payments to be made by the Borrower under the Loan Agreement. The Bonds will not constitute a charge, lien, or encumbrance, legal or equitable, upon any property of the Issuer, except the interests of the Issuer in payments to be made by the Borrower under the Loan Agreement. The Bonds are not moral obligations on the part of the State or its political subdivisions, including the Issuer, and the Bonds will not constitute a debt of the Issuer within the meaning of any constitutional or statutory limitation.

The issuance of the Bonds will not affect the Issuer's credit rating on bonds it issues for municipal purposes.

Unlike the 501(c)(3) bonds that the City is familiar with, multifamily housing development bonds are not applied against the City's \$10,000,000 calendar year-limit on bank-qualified bonds. Therefore, the City may issue the Bonds, while still maintaining its ability to issue up to \$10,000,000 of bank-qualified bonds for itself or 501(c)(3) organizations. The City's one-time issuer administration fee of $\frac{1}{4}$ of 1% would be calculated based on the principal amount of the Bonds actually issued.

The Bonds will be issued in accordance with Minnesota Statutes, Chapter 462C. The City Council previously approved the submission of an application for volume cap allocation, which was made to Minnesota Management and Budget ("MMB") earlier this summer. A partial allocation of \$3,622,377 (out of the \$40,000,000 requested) was received in early August, requiring closing on the Bonds by no later than December 3rd.

Having received the award of an allocation by MMB, the Issuer must also hold a public hearing on the housing program related to the project and the financing. The housing program was submitted to the Metropolitan Council for its review and the Metropolitan Council has provided favorable comment. A copy of that letter has been provided to the City.

The next step in the issuance of the Bonds is to hold the public hearing and to adopt a resolution, which has been provided to the City by Briggs and Morgan, that adopts the housing program and approves the issuance of the Bonds. It is proposed that this will occur at the City Council meeting on November 13th.

November 8, 2019
Page 3

As noted above, the Borrower received only a partial allocation of what was originally requested from MMB. This is because the availability of allocation was extremely limited due to oversubscription. Therefore, the Bonds that are being approved with this resolution are only temporary bonds. It is anticipated that another application for the remainder of the allocation needed to complete the project will be submitted to MMB in early January and another round of bonds will be issued next spring to refinance these Bonds and to fully finance the project. The resolution that the City initially adopted to approve the application to MMB will be sufficient for making the application in January. In addition, the public hearing to be held and resolution to the adopted on November 13th will be sufficient to approve the housing program for the entire project. So, there should be only one more resolution next spring to approve the last series of bonds to be issued for the project.

Please feel free to contact me if you have any further questions or comments.

Very truly yours,

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

Catherine J. Courtney

CJC
Enclosure

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NOTICE OF PUBLIC HEARING ON A PROPOSAL FOR A HOUSING FINANCE PROGRAM AND THE ISSUANCE OF MULTIFAMILY HOUSING REVENUE BONDS TO FINANCE A MULTIFAMILY HOUSING DEVELOPMENT

Notice is hereby given that the City Council of the City of Falcon Heights, Minnesota (the "City"), will meet in the City Council Chambers of City Hall, 2077 Larpenteur Avenue W, in the City of Falcon Heights, at 7:00 p.m. on Wednesday, November 13, 2019, to consider a housing finance program of the City and the proposal of Buhl GTA, LP, a Minnesota limited partnership (the "Borrower"), with Buhl GTA GP, LLC, a Minnesota limited liability company, as general partner, that the project described below be assisted by the issuance of housing revenue bonds under Minnesota Statutes, Chapter 462C (the "Bonds").

The "Project" consists of the acquisition and renovation of an existing historic office building into an approximately 106-unit multifamily housing development to be known as Amber Union Apartments located at 1667 Snelling Avenue, which is on the southwest corner of Snelling Avenue and Larpenteur Avenue, in the City. The Project will be owned and operated by the Borrower. The Project consists of approximately the following units:

<u>Units</u>	<u>Square Footage</u>	<u>Estimated Initial Rents</u>
8 – Studio	423	\$1,021
14 – 1-bedroom	736	\$1,094
56 – 2-bedroom	1,059	\$1,311
24 – 3-bedroom	1,344	\$1,515
4 – 4-bedroom	1,656	\$1,690

The maximum aggregate estimated principal amount of the Bonds or other obligations to be issued in one or more series to finance the Project pursuant to the housing finance program will not exceed \$40,000,000.

Subsequent to approval of a housing finance program, the City may issue revenue obligations to finance the housing finance program. The Bonds or other obligations, as and when issued, will not constitute a charge, lien, or encumbrance upon any property of the City except the Project and the revenues to be derived from the Project. Such Bonds or obligations will not be a charge against the City's general credit or taxing powers but are payable from sums to be paid by the Borrower pursuant to a revenue agreement.

A draft copy of the housing finance program is available for inspection at City Hall during normal business hours.

At the time and place fixed for the public hearing, the City Council of the City will give all persons who appear at the hearing an opportunity to express their views with respect to the housing finance program and proposal. Written comments will be considered if submitted at the above City office on or before the date of the hearing.

BY ORDER OF THE CITY COUNCIL OF THE
CITY OF FALCON HEIGHTS, MINNESOTA

By Sack Thongvanh
Its Administrator

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

Pursuant to due call and notice thereof, a regular meeting of the City Council of the City of Falcon Heights, Minnesota, was duly held at the City Hall in said City on Wednesday, the 13th day of November, 2019, at 7:00 p.m.

The following members were present:

and the following were absent:

Member _____ introduced the following resolution and moved its adoption:

RESOLUTION NO. 19-38

AUTHORIZING THE ISSUANCE, SALE, AND DELIVERY OF A MULTIFAMILY HOUSING REVENUE NOTE RELATING TO THE AMBER UNION APARTMENTS PROJECT PURSUANT TO MINNESOTA STATUTES, CHAPTER 462C; APPROVING THE FORMS OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF THE NOTE AND RELATED DOCUMENTS; PROVIDING FOR THE SECURITY, RIGHTS, AND REMEDIES WITH RESPECT TO THE NOTE; AND GRANTING APPROVAL FOR CERTAIN OTHER ACTIONS WITH RESPECT THERETO

The motion for the adoption of the foregoing resolution was duly seconded by member _____, and 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.

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**CITY OF FALCON HEIGHTS
COUNCIL RESOLUTION**

November 13, 2019

No. 19-38

**AUTHORIZING THE ISSUANCE, SALE, AND DELIVERY OF A
MULTIFAMILY HOUSING REVENUE NOTE RELATING TO THE AMBER
UNION APARTMENTS PROJECT PURSUANT TO MINNESOTA STATUTES,
CHAPTER 462C; APPROVING THE FORMS OF AND AUTHORIZING THE
EXECUTION AND DELIVERY OF THE NOTE AND RELATED DOCUMENTS;
PROVIDING FOR THE SECURITY, RIGHTS, AND REMEDIES WITH
RESPECT TO THE NOTE; AND GRANTING APPROVAL FOR CERTAIN
OTHER ACTIONS WITH RESPECT THERETO**

WHEREAS, the City of Falcon Heights, Minnesota (the "City"), is a municipal corporation duly organized and existing under the Constitution and laws of the State of Minnesota; and

WHEREAS, pursuant to Minnesota Statutes, Chapter 462C, as amended (the "Act"), the City is authorized to carry out the public purposes described in the Act by issuing revenue bonds or other obligations to finance or refinance multifamily housing developments located within the City and, as a condition to the issuance of such revenue bonds, adopt a housing program providing the information required by Section 462C.03, subdivision 1a, of the Act; and

WHEREAS, in the issuance of the City's revenue bonds and in the making of a loan to finance a multifamily housing development, the City may exercise, within its corporate limits, any of the powers that the Minnesota Housing Finance Agency may exercise under Minnesota Statutes, Chapter 462A, as amended, without limitation under the provisions of Minnesota Statutes, Chapter 475, as amended; and

WHEREAS, Buhl GTA, LP, a Minnesota limited partnership (the "Borrower"), has requested that the City issue its Multifamily Housing Revenue Note (Amber Union Apartments Project) Series 2019 (the "Note"), in one or more series, issued in an aggregate amount not to exceed \$3,622,377 to finance, in part, the acquisition and renovation of an existing historic office building into an approximately 128-unit multifamily rental housing development and functionally related facilities to be located at 1667 Snelling Avenue in the City (the "Project"); and

WHEREAS, on May 22, 2019, the City Council of the City (the "City Council") adopted Resolution No. 19-18 (the "Preliminary Resolution") which constitutes a reimbursement resolution and an official intent of the City to reimburse expenditures with respect to the Project from the proceeds of tax-exempt revenue bonds in accordance with the provisions of Treasury Regulations, Section 1.150-2; and

WHEREAS, also under the terms of the Preliminary Resolution, the City: (i) granted preliminary approval to the issuance of multifamily housing revenue obligations under the terms of the Act to finance the Project; (ii) authorized the submission of an application to the Minnesota Department of Management and Budget ("MMB") for an allocation of bonding authority under Minnesota Statutes, Chapter 474A, as amended (the "Allocation Act"), in a principal amount not to exceed \$40,000,000; and (iii) acknowledged the preparation of a housing program in accordance with the requirements of the Act; and

WHEREAS, the City received a certificate of allocation from Minnesota Management and Budget allocating volume cap bonding authority to the City in the amount of \$3,622,377 for the issuance of the Note; and

WHEREAS, the City has prepared a housing program (the "Housing Program") to authorize the issuance by the City of revenue bonds in the maximum principal amount of \$40,000,000 to finance the acquisition, construction, and equipping of the Project; and

WHEREAS, a notice of public hearing (the "Public Notice") was published in accordance with the Act and Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code"), with respect to: (i) the required public hearing under the Code; (ii) the required public hearing under Section 462C.04, subdivision 2, of the Act; (iii) the Housing Program; and (iv) approval of the issuance of the Note; and

WHEREAS, the Public Notice was published at least 15 days before the regularly scheduled meeting of the City Council, and on November 13, 2019, the City Council conducted a public hearing at which a reasonable opportunity was provided for interested individuals to express their views, both orally and in writing; and

WHEREAS, pursuant to Section 462C.04 of the Act, the City made timely submission of the Housing 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; and

WHEREAS, the Borrower has requested that the City issue, sell, and deliver the Note, in an original aggregate principal amount not to exceed \$3,622,377; and

WHEREAS, sufficient details of the Note and other aspects of the financing have been agreed to that this final bond resolution should be adopted on this date accepting a proposal for issuance of the Note.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF FALCON HEIGHTS, MINNESOTA, AS FOLLOWS:

SECTION 1. LEGAL AUTHORIZATION AND FINDINGS.

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

(a) The issuance and sale of the Note by the City, pursuant to the Act, is in the best interest of the City, and the City hereby determines to issue the Note and to sell the Note to Bridgewater Bank, a Minnesota banking corporation, or another bank selected by

the Borrower (the "Purchaser"). The City will loan the proceeds of the Note (the "Loan") to the Borrower in order to finance the Project.

(b) Pursuant to a Loan Agreement (the "Loan Agreement") to be entered into between the City and the Borrower, the City will loan to the Borrower the proceeds of the Note as set forth therein and the Borrower will agree to repay the Loan in specified amounts and at specified times sufficient to pay in full when due the principal of, premium, if any, and interest on the Note. In addition, the Loan Agreement contains provisions relating to the construction, 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 the financing of the Project.

(c) Pursuant to a Pledge Agreement between the City and the Purchaser (the "Pledge Agreement"), the City will pledge and grant a security interest in all of its rights, title, and interest in the Loan Agreement to the Purchaser (except for certain rights of indemnification and to reimbursement for certain costs and expenses).

(d) The proceeds of the Note will be disbursed pursuant to a Disbursing Agreement (the "Disbursing Agreement") by and between the Borrower and the Purchaser.

(e) Certain rental and occupancy requirements of federal and state law are set forth in a Regulatory Agreement (the "Regulatory Agreement") by and between the City, the Borrower, and the Purchaser.

(f) The Note will be a special, limited obligation of the City. No holder of the Note shall ever have the right to compel any exercise of the taxing power of the City to pay the Note or the interest thereon, nor to enforce payment thereof against any property of the City. The Note and the interest thereon: (i) shall be payable solely from the revenues pledged therefor under the Loan Agreement; (ii) shall not constitute a debt of the City within the meaning of any constitutional, charter, or statutory limitation; (iii) shall not constitute nor give rise to a pecuniary liability of the City or a charge against its general credit or taxing powers; (iv) shall not constitute a charge, lien, or encumbrance, legal or equitable, upon any property of the City other than the City's interest in the Loan Agreement, which will be assigned to the Purchaser under the Pledge Agreement; and (v) shall not constitute a general or moral obligation of the City.

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

(h) The Project constitutes a "qualified residential rental project" within the meaning of Section 142(d) of the Code, and a "multifamily housing development" authorized by the Act, and furthers the purposes of the Act.

(i) The purpose of the Project is, and the effect thereof will be, to promote the public welfare by the acquisition and construction of a facility for use as a multifamily

housing development designed primarily for occupancy by persons of low and moderate income.

(j) The Act authorizes (i) the acquisition and construction of the Project, (ii) the issuance and sale of the Note, (iii) the execution and delivery by the City of the Loan Agreement, Regulatory Agreement, and Pledge Agreement (the "City Agreements"), (iv) the performance of all covenants and agreements of the City contained in the City Agreements and any other documents reasonably necessary to effectuate the intent of this resolution, and (v) the performance of all other acts and things required under the constitution and laws of the State of Minnesota to make the City Agreements and the Note valid and binding special, limited obligations of the City in accordance with its terms.

(k) It is desirable that the Borrower be authorized, subject to the terms and conditions set forth in the Loan Agreement, which terms and conditions the City determines, based on representations of the Borrower, to be necessary, desirable, and proper, to complete the acquisition, construction, and installation of the Project by such means as shall be available to the Borrower and in the manner determined by the Borrower, and with or without advertisement for bids as required for the acquisition and installation of municipal facilities.

(l) The payments under the Loan Agreement are fixed to produce revenue sufficient to provide for the prompt payment of principal of, premium, if any, and interest on the Note when due, and the Loan Agreement also provides that the Borrower is required to pay all expenses of the operation and maintenance of the Project, including, but without limitation, adequate insurance thereon and insurance against all liability for injury to persons or property arising from the operation thereof, and all taxes and special assessments levied upon or with respect to the Project and payable during the term of the Loan Agreement.

(m) There is no litigation pending or, to the actual knowledge of the City, threatened against the City questioning the City's execution or delivery of the Note or the City Agreements or questioning the due organization of the City, or the powers or authority of the City to issue the Note and undertake the transactions contemplated hereby.

(n) The execution, delivery, and performance of the City's obligations under the Note and the City Agreements do not and will not violate any order against the City of any court or other agency of government, or any indenture, agreement, or other instrument to which the City is a party or by which it or any of its property is bound, or be in conflict with, result in a breach of, or constitute (with due notice or lapse of time or both) a default under any such indenture, agreement or other instrument.

(o) The City hereby finds, determines, and declares, based on representations of the Borrower, that it is in the public interest of the residents of the City that the Project be undertaken in order to further the public purpose by providing multifamily housing

developments for low or moderate income residents of the City and otherwise further the purposes and policies of the Act.

1.2 Authorization and Ratification of Project. The City has heretofore and does hereby authorize the Borrower, in accordance with the provisions of the Act and subject to the terms and conditions imposed by the Purchaser, to provide for the acquisition and construction of the Project by such means as shall be available to the Borrower and in the manner determined by the Borrower, and without advertisement for bids as may be required for the construction and acquisition of other municipal facilities; and the City hereby ratifies, affirms, and approves all actions heretofore taken by the Borrower consistent with and in anticipation of such authority.

SECTION 2. THE NOTE.

2.1 Authorized Maximum Amount and Form of Note and Interest Rate. The Note is hereby approved and shall be issued pursuant to this Resolution in substantially the form on file with the City 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 thereof; and the principal amount of the Note that may be outstanding hereunder is expressly limited to \$3,622,377, unless a duplicate Note is issued pursuant to Section 2.6. The actual amount of the Note shall be determined by the agreement of the Purchaser and the Borrower and any of the officers specified in Section 2.3 prior to the issuance of the Note. The Note will bear interest at the rates, mature in the years and amounts and be subject to redemption on the dates determined by the Borrower and the Purchaser and set forth in the Note executed by the Authorized Officers. The sale of the Note to the Purchaser at a purchase price equal to its stated amount is hereby accepted.

2.2 The Note. The Note shall be dated as of the date of delivery to the Purchaser, shall be payable at the time and in the manner and shall be subject to such other terms and conditions as are set forth therein.

2.3 Execution of Note. The Note shall be executed on behalf of the City by the Mayor and the City Administrator (the "Authorized Officers"). In case any Authorized Officer whose signature shall appear on the Note shall cease to be such officer before the delivery of the Note, such signature shall nevertheless be valid and sufficient for all purposes, the same as if such signatory had remained in office until delivery. In the event of the absence or disability of the Authorized Officer, 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 execute and deliver the Note.

2.4 Disposition of Note Proceeds. Upon delivery of the Note to the Purchaser, the Purchaser shall, on behalf of the City, disburse the purchase price thereof for payment of Project Costs in accordance with the terms of a Disbursing Agreement or the Purchaser shall advance the proceeds of the Note to the Borrower, on behalf of the City, pursuant to the terms of a Disbursing Agreement.

2.5 Registration of Transfer. The City will cause to be kept at the office of the City Administrator of the City 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 Note.

The Note shall be initially registered in the name of the Purchaser and shall be transferable upon the Note Register for such Note by the holder thereof in person or by its agent duly authorized in writing, upon surrender of such Note together with a written instrument of transfer satisfactory to the City Administrator, duly executed by the then holder thereof or its duly authorized agent. The City may require, as a precondition to any transfer, that the transferee provide evidence satisfactory to the City that the transferee is a financial institution or other accredited investor under the securities laws. The following form of assignment shall be sufficient for said purpose.

For value received _____ hereby sells, assigns, and transfers unto _____ the attached 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 Sections 2.5 and 2.8 of the Resolution authorizing the issuance of the Note.

Dated: _____

Registered Owner

Upon such transfer the City Administrator shall note the date of registration and the name and address of the successor holder in the Note Register and in the registration blank appearing on the Note.

2.6 Mutilated, Lost or Destroyed Note. In case the Note 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 payment by the registered holder thereof of 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.

2.7 Ownership of Note. The City may deem and treat the person in whose name the Note is last registered in the Note 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.

2.8 Limitation on Note Transfers. The Note has been issued without registration under state or other securities laws, pursuant to an exemption for such issuance; and accordingly the Note may not be assigned or transferred in whole or part, nor may a participation interest in the Note be given pursuant to any participation agreement, except to a financial institution or other accredited investor and as an exempt security or as an exempt transaction and in principal amounts of at least \$100,000.

SECTION 3. MISCELLANEOUS.

3.1 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 contained herein invalid, inoperative, or unenforceable to any extent whatever. The invalidity of any one or more phrases, sentences, clauses or paragraphs contained in this Resolution shall not affect the remaining portions of this Resolution or any part thereof.

3.2 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 Note. 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.

3.3 Authorization to Execute Agreements. The forms of the proposed City Agreements are hereby approved in substantially the forms on file with the City, 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, and the Authorized Officers are authorized to execute the Note and the City Agreements in the name of and on behalf of the City, together with such other documents as Bond Counsel considers appropriate in connection with the issuance of the Note (collectively, the "Financing Documents"). In the event of the absence or disability of any of the Authorized Officers, such officers of the City as, in the opinion of the City Attorney for the City, may act in their behalf shall without further act or authorization of the City Council of the City 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.

3.4 Program. The City has established a governmental program of acquiring purpose investments for qualified residential rental projects. The governmental program is one in which the following requirements of §1.148-1(b) of the federal regulations relating to tax-exempt obligations shall be met:

(a) the program involves the origination or acquisition of purpose investments;

(b) at least 95% of the cost of the purpose investments acquired under the program represents one or more loans to a substantial number of persons representing the general public, states or political subdivisions, 501(c)(3) organizations, persons who provide housing and related facilities, or any combination of the foregoing;

(c) at least 95% of the receipts from the purpose investments are used to pay principal, interest, or redemption prices on issues that financed the program, to pay or reimburse administrative costs of those issues or of the program, to pay or reimburse anticipated future losses directly related to the program, to finance additional purpose investments for the same general purposes of the program, or to redeem and retire governmental obligations at the next earliest possible date of redemption;

(d) the program documents prohibit any obligor on a purpose investment financed by the program or any related party to that obligor from purchasing bonds of an issue that finances the program in an amount related to the amount of the purpose investment acquired from that obligor; and

(e) the City shall not waive the right to treat the investment as a program investment.

3.5 Housing Program. The Housing Program in substantially the form attached hereto as Exhibit A is hereby approved.

3.6 Costs; Indemnification by Borrower. The Borrower has agreed and it is hereby determined that any and all costs incurred by the City in connection with the financing and refinancing of the Project whether or not the Project is carried to completion will be paid by the Borrower. In addition, on or prior to the date of issuance of the Note, the Borrower will pay the City an administrative fee as provided in the Loan Agreement in connection with the issuance of the Note which will also constitute payment of the City's administrative fee with respect to a tax exempt financing issued to refund the Note. It is understood and agreed that the Borrower shall indemnify the City against all liabilities, losses, damages, costs, and expenses (including attorney's fees and expenses incurred by the City) arising with respect to the Project or the Note, as further provided for and agreed to by and between the Borrower and the City in the Loan Agreement.

3.7 Headings; Terms. Paragraph headings in this resolution are for convenience of reference only and are not a part hereof, and shall not limit or define the meaning of any provision hereof. Capitalized terms used, but not defined, herein shall have the meanings given them in, or pursuant to, the Loan Agreement.

SECTION 4. EFFECTIVE DATE.

This resolution shall be in full force and effect from and after its passage.

Adopted by the City Council of the City of Falcon Heights, Minnesota, on November 13, 2019.

Moved by:

Approved by: _____

Randy Gustafson
Mayor

VACANT
GUSTAFSON
HARRIS
LEEHY
MIAZGA

_____ In Favor
_____ Against

Attested by: _____
Sack Thongvanh
City Administrator

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Exhibit A

MULTI-FAMILY RENTAL HOUSING PROGRAM OF THE CITY OF FALCON HEIGHTS, MINNESOTA FOR AMBER UNION APARTMENTS PROJECT

November 13, 2019

Proposal; Authority. The City of Falcon Heights, Minnesota (the "City"), at the request of the Borrower (defined below), proposes to issue revenue bonds, in one or more series, to assist in financing the acquisition and construction of a multi-family rental housing project described herein (this "Program") pursuant to applicable authority conferred upon the City by the laws of the State of Minnesota, including without limitation Minnesota Statutes, Chapter 462C, as the same may be amended from time to time (collectively, the "Act").

Purposes. In creating this Program, the City is acting in furtherance of its findings that the preservation of the quality of life in the City is in part dependent upon the maintenance and provision of adequate, decent, safe, sanitary, and affordable housing stock; that accomplishing the goals of this Program is a public purpose and will benefit the residents of the City; that the need exists within the City to provide in a timely fashion additional affordable rental housing to and for the benefit of persons of low and moderate income and their families residing and expected to reside within the City; that there exist or are expected to exist persons and families within the City who are and will be able to benefit from and are in need of the Program; that the Program is necessary in view of the limited resources that may be available to such persons relative to the expenses involved in accomplishing the type of objectives outlined in this Program in the absence of one or more of the forms of assistance described herein or otherwise available pursuant to the Act; and that the City hereby finds that such forms of assistance are often necessary for the benefit of such persons, families, and goals and that, furthermore, the successful implementation of the objectives of the kind described in this Program has been found to provide impetus for the development of other housing in the City, as well as the general development of the City, by other persons who are not the beneficiaries of such governmentally sponsored or assisted activities.

Rental Housing Purposes. More particularly, the City finds that there exists a need for affordable multi-family rental housing for qualifying individuals and families, which need is not being filled by private enterprise alone due to a variety of factors, including that the cost of new construction of multi-family rental units may in many cases prove economically unfeasible, given the high costs of construction and prevailing area rental levels, and that therefore appropriate levels of public assistance may be helpful and necessary in bridging that gap.

General Description of the Program. This Program consists of the financing of the acquisition and renovation of an existing historic office building into an approximately 128-unit multi-family housing development known as Amber Union Apartments (the "Project"). The owner of the Project pursuant to the financing will be Buhl GTA, LP, a Minnesota limited partnership (the "Borrower"), with Buhl GTA GP, LLC, a Minnesota limited liability company, as general partner.

Location. This Program is limited to the Project. The Project is located at 1667 Snelling Avenue, in Falcon Heights, Minnesota.

Units. The Project is currently anticipated to consist of the following units:

<u>Units</u>	<u>Square Footage</u>	<u>Estimated Initial Rents</u>
22 – Studio	421	\$1,050
10 – 1-bedroom	596	\$1,125
57 – 2-bedroom	891	\$1,350
34 – 3-bedroom	1,147	\$1,560
5 – 4-bedroom	1,298	\$1,740

Revenue Bonds. The amount of revenue bonds required to finance this Program will not exceed \$40,000,000. The City preliminarily intends to finance the Program by issuing bonds, in one or more series. The proceeds will finance the acquisition and construction of the Project and pay costs of issuing the bonds. The revenue bonds are expected to be issued in 2019 and 2020, subject to final Council approval in its sole and absolute discretion.

Monitoring. The City expects to enter into suitable agreements with the Borrower, the purchaser of the bonds and/or others respecting the monitoring or implementation by participants to ensure that the Project will be consistent with this housing Program and its objectives, which for this purpose means providing affordable rental housing.

Meeting Needs; Methods. The Program will meet the need for rental housing for persons and families of low and moderate incomes by providing units at an affordable rent. The City believes that this Program will help meet the identified needs under this Program. The specific methods anticipated to be used include the issuance of revenue bonds under the Act to provide feasible financing for various aspects of the Program so undertaken.

Authorization. The Program is undertaken pursuant to Minnesota Statutes, Section 462C.05, Subdivision 2, for units affordable to persons and families of low and moderate income.

Limits on Gross Income. In connection with the issuance of the Bonds, the Borrower will be required to agree to limit the gross income of occupants of the Project in accordance with the requirements of Minnesota Statutes, Chapter 462C, and with the requirements relating to tax-exempt bonds for qualified residential rental projects.

Adopted and approved on November 13, 2019, by the City Council of the City of Falcon Heights, Minnesota.

STATE OF MINNESOTA
COUNTY OF RAMSEY
CITY OF FALCON HEIGHTS

I, the undersigned, being the duly qualified and acting Manager of the City of Falcon Heights, Minnesota, 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 of said City, duly called and held on the date therein indicated, insofar as such minutes related to a resolution approving issuance of a multifamily housing revenue note for the Amber Union Apartments Project.

WITNESS my hand this ____ day of November, 2019.

City Administrator

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PLEDGE AGREEMENT

This Pledge Agreement is made as of the ___ day of _____, 2019, between CITY OF FALCON HEIGHTS, MINNESOTA, a municipal corporation and political subdivision of the State of Minnesota (the “Issuer”) and BRIDGEWATER BANK, a Minnesota banking corporation, its successors and assigns (the “Purchaser”).

RECITALS

WHEREAS, BUHL GTA, LP, a Minnesota limited partnership (the “Borrower”), and the Issuer have entered into a Loan Agreement of even date herewith (the “Loan Agreement”), pursuant to which the Issuer will lend to the Borrower the proceeds of the Multifamily Housing Revenue Note (Amber Union Apartments Project), Series 2019 (the “Note”) to be expended to (i) finance the acquisition and renovation of an existing historic office building into an approximately 128-unit multifamily rental housing development and functionally related facilities to be located at 1667 Snelling Avenue in the City (the “Project”); (ii) fund one or more reserve funds to secure the timely payment of the Note, if necessary; (iii) pay interest on the Note during the construction of the Project, if necessary; and (iv) pay the costs of issuing the Note (the “Project”); and

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

NOW THEREFORE, as an inducement to the Purchaser to purchase the Note, and in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. In order to secure the due and punctual payment of the Note and all other sums due the Purchaser under the Loan Agreement, the Issuer does hereby pledge and assign to the Purchaser all of the Issuer’s right, title and interest in and to the Loan Agreement (including, without limitation, any right, title and interest of the Issuer in the Project Fund and the Reserve Fund, each, as defined in the Loan Agreement), except for those rights retained by the Issuer under the provisions of Section 7.9 of the Loan Agreement.

2. The Issuer hereby represents and warrants to the Purchaser that the Issuer has not assigned or encumbered its right, title and interest in the Loan Agreement other than by this Pledge Agreement.

3. The Issuer hereby authorizes the Purchaser to exercise, whether or not a default exists under the Note or an Event of Default has occurred under the Loan Agreement, either in the Issuer’s name or the Purchaser’s name, any and all rights or remedies available to the Issuer under the Loan Agreement. The Issuer agrees, on request of the Purchaser, to execute and deliver to the Purchaser such other documents or instruments as shall be deemed necessary or appropriate by the Purchaser at any time to confirm or perfect the security interest hereby granted. The Issuer hereby appoints the Purchaser 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 Purchaser 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 Purchaser hereunder) any of the same then due or to accrue in the future.

5. The Issuer expressly covenants and agrees that the Purchaser 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 Purchaser. The Purchaser covenants and agrees that all payments received by the Purchaser pursuant to the Loan Agreement shall be applied to the payment of principal and interest on the Note and any other amounts due and owing by the Borrower to the Purchaser under the Note or the Loan Agreement.

6. The Purchaser agrees to extend the Mandatory Purchase Date (as defined in the Note) at the request of the Borrower by 12 months, one time, upon payment by the Borrower to the Purchaser of an extension fee of \$25,000, provided there is not an Event of Default or an event with notice and passage of time would become an Event of Default. Thereafter any extension of the Mandatory Purchase Date, one or more times, to a date not later than _____, 2022 shall be only with the consent of the Purchaser and upon delivery to the Purchaser of an opinion of Bond Counsel to the effect that such extension will not adversely affect the tax exempt status of interest paid on the Note.

7. The Purchaser agrees to advance the purchase price of the Note on the Borrower's behalf into the Project Fund as provided in the Note, the Loan Agreement and the Disbursing Agreement. In accordance with Section 7.9 of the Loan Agreement, the Purchaser hereby assumes the Issuer's obligations to the Borrower thereunder.

8. If an Event of Default (as defined in the Loan Agreement) shall occur and be continuing, the Purchaser may exercise any one or more or all, 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 Purchaser may, without prior notice of any kind, declare the principal of and interest accrued on the Note immediately due and payable.

(b) The Purchaser 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 and the Disbursing Agreement related to the Note.

9. 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 Purchaser shall bind and inure to the benefit of the respective successors and assigns of such parties whether so expressed or not.

10. 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.

11. 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 Purchaser.

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

13. 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.

14. 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 is intentionally left blank.]

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

CITY OF FALCON HEIGHTS, MINNESOTA

By: _____
Its Mayor

By: _____
Its City Administrator

[Signature Page to Pledge Agreement]

S-1

BRIDGEWATER BANK

By _____
Tyler Manning
Its Vice President

[Signature Page to Pledge Agreement]

S-2

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DISBURSING AGREEMENT

This DISBURSING AGREEMENT is made as of _____, 2019 (the “Agreement”), by and between BUHL GTA, LP, a Minnesota limited partnership (the “Borrower”) and BRIDGEWATER BANK, a Minnesota banking corporation (the “Purchaser”).

RECITALS

WHEREAS, City of Falcon Heights, Minnesota (the “Issuer”) has provided for the issuance of its Multifamily Housing Revenue Note (Amber Union Apartments Project), Series 2019 (the “Note”), in the aggregate principal amount not to exceed \$3,622,377; and

WHEREAS, by a Loan Agreement dated as of the date hereof (the “Loan Agreement”), between the Issuer and the Borrower, the Issuer has agreed to lend the proceeds of its Note to the Borrower for use in a project consisting of (i) financing the acquisition and renovation of an existing historic office building into an approximately 128-unit multifamily rental housing development and functionally related facilities to be located at 1667 Snelling Avenue in the City of Falcon Heights, Minnesota (the “Project”); (ii) funding one or more reserve funds to secure the timely payment of the Note, if necessary; (iii) paying interest on the Note during the construction of the Project, if necessary; and (iv) paying the costs of issuing the Note; and

WHEREAS, by a Pledge Agreement dated as of the date hereof, between the Issuer and the Purchaser, the Issuer has assigned to the Purchaser the Issuer’s interest in the Loan Agreement (except for certain rights retained by the Issuer under the provisions of Section 7.9 of the Loan Agreement); and

WHEREAS, by a Regulatory Agreement dated as of the date hereof, among the Issuer, the Borrower and the Purchaser, the Borrower agrees to comply with certain rental and occupancy requirements of federal and state law set forth therein; and

WHEREAS, the Loan Agreement provides that the proceeds of the Note shall be disbursed from the Project Fund created hereunder to the Borrower in accordance herewith; and

NOW, THEREFORE, in consideration of the premises, the payment by the Borrower to the Purchaser of a fee (receipt of which is acknowledged by the Purchaser), and of the mutual covenants and agreements hereinafter set forth, it is agreed between the parties hereto as follows:

ARTICLE 1

DEFINITIONS

Section 1.01. Defined Terms. Any terms not defined herein shall have the meanings as defined in the Loan Agreement. As used in this Agreement, the following terms shall have the meanings set out respectively after each (such meanings to be equally applicable to both the singular and plural forms of the terms defined):

“Appraisal” – An acceptable appraisal of the market value of the completed Facility and the Land (a) addressed to the Purchaser, (b) prepared by an appraiser approved by the Purchaser

and (c) conforming to all laws applicable to the Purchaser and otherwise in a form satisfactory to the Purchaser.

“Architect” – The architect retained by the Borrower to design the Facility.

“Architect’s Contract” – The agreement between the Borrower and the Architect as to preparation of the Plans and Specifications and construction of the Facility.

“Borrower” – Buhl GTA, LP, a Minnesota limited partnership.

“Contractor” – Any person, including the General Contractor, who shall be engaged to work on, or to furnish materials and supplies for, the Facility.

“Construction Contract” – The agreement between the Borrower and the General Contractor pursuant to which the General Contractor agrees to construct the Facility in accordance with the Plans and Specifications for a fixed price or maximum cost.

“Disbursement” – A disbursement by the Purchaser from the Project Fund to the Borrower pursuant to Article II hereof.

“Draw Request” – A request for a Disbursement made on a form approved by the Purchaser and in accordance with Section 2.03 hereof.

“Event of Default” – One of the events of default specified in Section 6.01 hereof and the continuance of such event following the giving of any notice and the expiration of any cure period specified in Section 6.01.

“Facility” – An approximately 128-unit multifamily rental housing development and functionally related facilities to be located at 1667 Snelling Avenue in the City of Falcon Heights, Minnesota.

“General Contractor” – The general contractor retained by the Borrower to construct the Facility.

“General Partner” – Buhl GTA GP, LLC, a Minnesota limited liability company, its successors and assigns.

“Governing Authorities” – The Issuer and any other local, State or federal governing authority having jurisdiction over the Project.

“Guarantor” – Peter Deanovic.

“Guaranty” – the Guaranty, dated as of the date hereof, by the Guarantor in favor of the Purchaser, as it may be amended from time to time.

“Issuer” – City of Falcon Heights, Minnesota.

“Land” – The land in Falcon Heights, Minnesota, upon which the Facility is to be constructed.

“Loan” – The loan to be made to the Borrower pursuant to the terms of the Loan Agreement and to be disbursed in accordance with this Agreement.

“Loan Agreement” – Shall have the meaning given to that term in the recitals to this Agreement.

“Note” – Shall have the meaning given to that term in the recitals to this Agreement.

“Organizational Documents” – The following documents each of which shall be in form and substance acceptable to the Purchaser:

(i) complete and correct copies of the Certificate of Formation and Certificate of Limited Partnership of the Borrower as in effect on the date hereof, certified by the Secretary of State of Minnesota as of a current date, and a complete and correct copy of the Agreement of Limited Partnership;

(ii) complete and correct copies of the Certificate of Organization and Articles of Organization of the General Partner as in effect on the date hereof, certified by the Secretary of State of Minnesota as of a current date, as well as a complete and correct copy of the Operating Agreement, as in effect on the date hereof;

(iii) Certificates of Good Standing of the Borrower and the General Partner, duly issued as of a current date by the Minnesota Secretary of State; and

(iv) copies of the resolutions of the Borrower and the General Partner authorizing the execution, delivery and performance of those Loan Documents to which each is a party and the transactions contemplated thereby, duly certified by an officer thereof.

“Plans and Specifications” – The plans and specifications for the Facility prepared and signed by the Architect and approved by the Purchaser.

“Pledge Agreement” – Shall have the meaning given to that term in the recitals to this Agreement.

“Project” – The acquisition, construction, and equipping of the Facility.

“Project Costs” – The costs shown on the Total Project Cost Statement.

“Project Fund” – The fund created pursuant to Section 2.01 hereof.

“Purchaser” – Bridgewater Bank, a Minnesota banking corporation.

“Regulatory Agreement” – shall have the meaning given to that term in the recitals of this Agreement.

“Security Documents” – The Loan Agreement, the Pledge Agreement, the Guaranty, any mortgage, any assignment of leases and rents and any other security documents subsequently executed by the Borrower.

“Subcontractor” – Any person who contracts with the General Contractor to perform any of the work or supply any of the materials necessary to complete the Facility.

“Subcontract” – Any contract between the General Contractor and a Subcontractor.

“Sworn Construction Statement” – A sworn construction statement duly executed by the Borrower and the General Contractor showing all Contractors having contracts or subcontracts for specific portions of the work on the Facility and the amounts due or to become due each such Contractor, and including all costs and expenses of any kind incurred and to be incurred in constructing the Facility and fulfilling the obligations of the General Contractor under the terms of the Construction Contract.

“Title” – Such entity as the Borrower and Purchaser shall agree to prior to any disbursement under Section 3.02.

“Total Project Cost Statement” – A total project cost statement duly executed by the Borrower incorporating the Sworn Construction Statement and setting forth all costs and expenses of any kind incurred or to be incurred by the Borrower in connection with acquisition of the Land and construction and equipping of the Facility, including all so called “hard” and “soft” costs.

ARTICLE 2

COMMITMENT TO MAKE DISBURSEMENTS, DISBURSEMENT PROCEDURES AND DEPOSIT OF FUNDS

Section 2.01. The Project Fund. Pursuant to this Agreement, a Project Fund has been established and maintained in the Borrower’s name as a separate account with the Purchaser (the “Project Fund”). The Purchaser shall maintain the Project Fund for as long as the Purchaser is the holder of the Note. On the date of Closing (as defined in the Loan Agreement), \$50,001 of Note proceeds have been advanced under the Note and have been expended on the Issuance Expenses. Thereafter, with the consent of the Purchaser, proceeds of the Note shall be advanced and deposited into the Project Fund in the amount of each Disbursement. All amounts in the Project Fund shall earn interest at a variable per annum rate equal to that paid by the Purchaser on its business money market accounts or at such other rate as the Borrower and the Purchaser may agree, provided, however that any amounts remaining in the Project Fund from and after _____, 2021 shall not be invested at a Yield greater than the Yield on the Note (_____%). The Borrower hereby grants to the Purchaser a security interest in any and all amounts on deposit in the Project Fund as security for payment by the Borrower and performance of its other obligations under the Note and the Security Documents. Upon redemption of the Note and payment of the Note in full to the Purchaser, if any funds remain in the Project Fund, the Purchaser shall disburse such funds based on the written direction of the Borrower.

Section 2.02. The Disbursements. Subject to the conditions precedent for disbursement set forth in Article 3, the Purchaser agrees, on the terms and subject to the conditions hereinafter set forth, to make Disbursements from the Project Fund to the Borrower from time to time in an aggregate principal amount of up to and including the maximum amount of \$3,622,377. All Disbursements shall be used to pay Project Costs. The obligation of the Borrower to repay the Disbursements shall be evidenced by the Loan Agreement and the Note which contain terms relating to maturity, interest rate, payments, prepayment, acceleration and other matters.

Section 2.03. Disbursement Procedures.

(a) Whenever the Borrower desires a Disbursement, which shall be no more often than monthly, the Borrower shall submit to the Purchaser a Draw Request, duly executed on behalf of the Borrower, setting forth the information requested therein. Each Draw Request shall be submitted on or between the 1st day and the 15th day of the month in which a Disbursement is requested, and shall be filed at least 7 days before the date the Disbursement is desired. With respect to construction items (so called "hard costs") each Draw Request shall be limited to amounts equal to (i) the total of such costs actually incurred and paid or owing by the Borrower to the date of such Draw Request for work performed on the Project that the Purchaser has committed to finance pursuant to Section 2.02 hereof, plus (ii) the cost of materials and equipment not incorporated in the Project, but delivered to and suitably stored on the Land; less, (iii) 5.0% holdback with respect to labor and not materials (or such lesser holdback as is authorized by the Purchaser) and less prior Disbursements. Notwithstanding anything herein to the contrary, no Disbursements for materials stored on the Land will be made by the Purchaser unless the Borrower provides suitable security for such storage. With respect to all other costs (so called "soft costs") each Draw Request shall be limited to the total of such costs incurred by the Borrower to the date of such Draw Request, less prior Disbursements for such costs. Each Draw Request shall constitute a representation and warranty by the Borrower that all representations and warranties set forth in Article 4 are true and correct as of the date of such Draw Request.

(b) At the time of submission of each Draw Request, the Borrower shall also submit to the Purchaser and Title any materials required by Title, including (without limitation) a written lien waiver from each Contractor for work done and materials supplied by it which were paid for pursuant to the previous Draw Request.

(c) If on the date a Disbursement is desired, (i) the Borrower has performed all of its agreements and complied with all requirements therefor to be performed or complied with hereunder including satisfaction of all applicable conditions precedent contained in Article 3 hereof, (ii) the Borrower has performed all of its obligations hereunder, and (iii) the Purchaser receives a current construction report from the inspecting architect/engineer, if any, confirming the accuracy of the information set forth in the Draw Request, the Purchaser shall advance under the Note and disburse the amount of the requested Disbursement to or at the direction of the Borrower. Each Disbursement shall constitute an advance under the Note and shall bear interest at the rate provided in the Note from the date such Disbursement is disbursed by the Purchaser.

Section 2.04. Deposit of Funds by the Borrower. If the Purchaser shall at any time after the conditions set forth in Section 3.02 have been met in good faith determine that the undisbursed amount of the Note is less than the amount required to pay all unpaid costs and expenses of any kind which reasonably may be anticipated in connection with the completion of the Project, and shall thereupon send written notice thereof to the Borrower specifying the amount required to be deposited by the Borrower into the Project Fund to provide sufficient funds to pay all such costs and complete the Project, the Borrower agrees that it will, within 7 calendar days of receipt of any such notice, deposit into the Project Fund the amount of funds specified in the Purchaser's notice. The Borrower agrees that any such funds so deposited may be disbursed before any further disbursement of monies in the Project Fund, to pay any and all costs and expenses of any kind in connection with completion of the Project.

Section 2.05. Disbursements Without Receipt of Draw Request. Notwithstanding anything herein to the contrary, the Purchaser shall have the irrevocable right at any time and from time to time to apply monies in the Project Fund or Reserve Fund to pay interest on the Note as and when it becomes due, and to pay any and all of the expenses referred to in Section 7.04 hereof, all without receipt of a Draw Request from the Borrower.

ARTICLE 3

CONDITIONS OF ADVANCES

Section 3.01. Conditions Precedent to Initial Advance. The obligation of the Purchaser to make the initial advance of \$50,001 to pay certain costs of the Project shall not be subject to the requirements provided elsewhere in this Agreement (except as indicated in this Section 3.01), but shall be subject to the condition precedent that the Borrower shall be in compliance with the conditions contained in Section 3.03 and the further condition precedent that the Purchaser shall have received on or before the date of the initial advance under the Note, the following, each to be satisfactory to the Purchaser in form and substance:

- (a) The Loan Agreement duly executed by the Issuer and the Borrower;
- (b) The Note duly executed by the Issuer;
- (c) The Pledge Agreement duly executed by the Issuer and the Purchaser;
- (d) The Regulatory Agreement duly executed by the Issuer, Borrower and the Purchaser;
- (e) The Guaranty duly executed by the Guarantor;
- (f) The Organizational Documents;
- (g) A signed copy of a favorable opinion of counsel to the Borrower; and
- (h) An opinion of Briggs and Morgan, Professional Association, or other nationally-recognized bond counsel to the effect that interest on the Note is exempt from all federal and state income taxes.

Section 3.02. Conditions Precedent to Further Disbursements. The obligation of the Purchaser to make additional advances of the purchase price of the Note and Disbursements shall be subject to the conditions precedent that the Borrower shall have received the consent of the Purchaser and be in compliance with all the conditions contained in Section 3.03 and the further condition precedent that the Purchaser shall have received (unless waived in writing by the Purchaser) on or before the date of each further Disbursement, each of the following, each to be satisfactory to the Purchaser in form and substance:

- (a) A mortgage and assignment of leases and rents encumbering the Land;
- (b) An Assignment of Construction Contract duly executed by the Borrower and consented to by the General Contractor;
- (c) An Assignment of Architect's Contract duly executed by the Borrower and consented to by the Architect;
- (d) A copy of the Plans and Specifications;
- (e) Copies of the Construction Contract and the Architect's Contract;
- (f) Copies of such Subcontracts as the Purchaser may request, together with a letter from each Contractor under such Subcontracts permitting the Purchaser, upon its election to complete the Facility in accordance with the provisions of Section 6.02(c) hereof, to acquire the interest of the Contractor under such Subcontracts;
- (g) The Sworn Construction Statement;
- (h) The Appraisal;
- (i) An extended coverage ALTA Mortgagee's Policy of Title Insurance issued by Title (Form 1970 or Form 1992 Revised 10 23 92 with the exclusion for creditors rights and arbitration requirements deleted) and containing such endorsements as Purchaser may require including ALTA Form 9 Comprehensive Endorsement and ALTA Form 3.0 Zoning Endorsement. Such Policy shall be in an amount equal to the amount of the Loan and shall insure any mortgage as a first lien on a good and marketable fee simple title to the Facility and the Land, subject only to such encumbrances as shall be acceptable to the Purchaser. Without limiting the generality of the foregoing, such Policy shall insure the Purchaser against claims for mechanics' liens, rights of parties in possession and matters which would be disclosed by a comprehensive survey of the Land;
- (j) A boundary survey of the Land prepared and certified by a licensed or registered surveyor to the Purchaser in accordance with Minimum Standard Detail Requirements for a Class A Urban ALTA Land Survey (as most recently adopted by the ALTA/NSPS) including Items Nos. 1, 2, 3, 4, 6, 7(a), 7(b)(1), 8, 9, 10, and 13 of Table A of the Requirements and such other items as the Purchaser may reasonably require. The survey shall set forth the street address of the Facility and the Land along with the legal description and the number of square feet within said description. The survey shall be

“spotted” to show the proposed Facility according to the site plan prepared by the Architect and revised to show foundations when laid. Upon completion of the Facility the survey shall be recertified “as built”;

(k) A copy of the plat for the Project conforming to all platting requirements, or evidence that a plat is not required or has been waived by the appropriate Governing Authority;

(l) Appropriate searches conducted in the required offices in the State showing no tax liens, bankruptcies, judgments or other liens affecting the Borrower, the Facility or the Land, and Uniform Commercial Code searches conducted disclosing no security interests existing against the Project including the equipment, fixtures and personalty;

(m) The site plan prepared by the Architect showing the proposed Facility;

(n) A letter from the appropriate Governing Authority stating that the Facility when constructed in accordance with the Plans and Specifications will comply in all respects with all applicable ordinances, zoning, planned unit development, subdivision, platting, environmental and land use requirements, without special variance or exception, and such other evidence as the Purchaser shall request to establish that the Project and the contemplated use thereof are permitted by and comply with all applicable use or other restrictions and requirements in prior conveyances, zoning ordinances, environmental laws and regulations, water shed district regulations and all other applicable laws or regulations, and have been duly approved by the municipal and other governmental authorities having jurisdiction over the Project, and that all required permits for construction have been obtained;

(o) Soil reports describing the soil conditions and indicating any corrective action that may be necessitated because of such conditions, together with evidence that the Plans and Specifications incorporate such corrective action, if any;

(p) A Phase I Environmental Site Assessment, addressed and certified to the Borrower and the Purchaser and performed by a qualified licensed engineer or certified environmental/industrial hygienist in strict conformance with the Standard Practice for Environmental Site Assessment Process, ASTM Standard E1527 97 and a findings and conclusions section consistent with Section 11.6.1 thereof and any additional investigations and analysis necessary for the consultant to conclude there are no Recognized Environmental Conditions (as such term is used in Standard E1527) associated with the Project, or such have been remediated in accordance with applicable law;

(q) The Total Project Cost Statement;

(r) Letters from utility companies establishing that all utilities necessary for the construction and operation of the Facility are available at the boundaries of the Land, including without limitation water, sewer, electricity, gas and telephone, and that the Borrower has the right to connect to and use such utilities;

(s) Copies of the policies of builder's risk insurance (including business interruption insurance) and comprehensive general liability insurance and a certificate of the worker's compensation insurance, with all such insurance in full force and effect; and

(t) Such other documents as the Purchaser may require.

Section 3.03. Further Conditions Precedent to All Disbursements. The obligation of the Purchaser to make each subsequent Disbursement shall be subject to the condition precedent that the Borrower shall be in compliance with all conditions set forth in Sections 3.01 and 3.02, and the further conditions precedent that on the date of such Disbursement:

(a) No Event of Default hereunder, or event which would constitute an Event of Default but for the requirement that notice be given or that a period of cure or time elapse, shall have occurred and be continuing and all representations and warranties made by the Borrower in Article 4 shall continue to be true and correct as of the date of such Disbursement.

(b) No determination shall have been made by the Purchaser that the unadvanced amount of the Note is less than the amount required to pay all costs and expenses of any kind which reasonably may be anticipated in connection with the completion of the Project; or if such a determination has been made and notice thereof sent to the Borrower, the Borrower has deposited the necessary funds in the Project Fund in accordance with Section 2.04 hereof.

(c) The disbursement requirements of Section 2.03 hereof shall have been satisfied.

(d) If required by the Purchaser, the Purchaser shall be furnished with an updated statement of the Borrower and of any Contractor, in form and substance required by the Purchaser, setting forth the names, addresses and amounts due or to become due as well as the amounts previously paid to every Contractor, subcontractor, person, firm or corporation furnishing materials or performing labor in connection with the construction of any part of the Project.

(e) The Borrower shall have provided to the Purchaser such evidence of compliance with all of the provisions of this Agreement as the Purchaser may reasonably request.

(f) The Borrower shall have provided to the Purchaser copies of all building permits and such other licenses and permits as may be required to construct the Facility. No license or permit necessary for the construction of the Facility shall have been revoked or the issuance thereof subjected to challenge before any court or other Governing Authority.

Section 3.04. Conditions Precedent to the Final Disbursement. The obligation of the Purchaser to make the final Disbursement shall be subject to the condition precedent that the Borrower shall be in compliance with all conditions set forth in Sections 3.01, 3.02 and 3.03, and, further, that the following conditions shall have been satisfied:

(a) The Project, including all landscape and parking requirements, shall have been completed in accordance with the Plans and Specifications and the Purchaser shall have received a Certificate of Completion from the General Contractor and the Architect certifying that (i) work on the Project has been completed in accordance with the Plans and Specifications and all labor, services, materials and supplies used in such work have been paid for and (ii) the completed Project conforms with all applicable zoning, land use planning, building and environmental laws and regulations of all Governing Authorities.

(b) The Purchaser shall have received satisfactory evidence that all work requiring inspection by municipal or other Governing Authorities has been duly inspected and approved by such authorities, and that all requisite certificates of occupancy and any other approvals for occupancy and operation of the Project have been issued.

(c) The Purchaser and Title shall have received a final lien waiver from each Contractor for all work done and for all materials furnished by it for the Project or Title shall be reasonably satisfied that such lien waivers will be provided within 30 days and shall have provided its Policy of Title Insurance described in Section 3.02(i) with the mechanic's lien exception removed.

(d) The Purchaser shall have received an "as built" survey of the Land meeting all of the requirements set forth in Section 3.02(j) and showing that the Facility as completed is entirely within the exterior boundaries of the Land and any building setback or restriction lines and do not encroach upon any easements or right of way, and showing such other information as the Purchaser may reasonably request.

Section 3.05. No Waiver. The making of any Disbursement prior to fulfillment of any condition thereof shall not be construed as a waiver of such condition, and the Purchaser reserves the right to require fulfillment of any and all such conditions prior to making any subsequent Disbursements.

Section 3.06. Refunding of Note Prior to Completion of Project. It is the expectation of the Borrower and the Purchaser that the Borrower will refund the Note prior to completion of the Project. Notwithstanding the conditions precedent to disbursements set forth in Sections 3.02, 3.03, and 3.04, if (i) no Event of Default has occurred and is continuing hereunder, and (ii) the Borrower has secured financing or other available funds in an amount sufficient to immediately redeem and prepay the Note in full, the Purchaser agrees to fully advance the Note on the date the Note is scheduled to be refunded and deposit such funds to the Project Fund.

ARTICLE 4

REPRESENTATIONS AND WARRANTIES

Section 4.01. Representations and Warranties. The Borrower represents to the Purchaser and warrants as follows:

(a) The Borrower is a limited partnership, duly organized, validly existing and in good standing under the laws of the State of Minnesota, and has all requisite power and authority to enter into purchase agreements for and own the Land and construct the

Facility, and to execute and deliver and to perform all of its obligations under the Loan Agreement, this Agreement, the Note and the Security Documents and the execution and delivery thereof and the carrying out of the transactions contemplated thereby will not violate, conflict with or constitute a default under the terms of the Organizational Documents or under any note, bond, debenture or other evidence of indebtedness or any contract, loan agreement or lease to which the Borrower is a party or by which the Land is subject, or violate any law, regulation or order of any Governing Authority, or any court order or judgment in any proceeding to which the Borrower is or was a party or by which the property of the Borrower is bound.

(b) The execution, delivery and performance by the Borrower of the Loan Agreement, this Agreement, the Regulatory Agreement and the Security Documents have been duly authorized by the Borrower.

(c) This Agreement constitutes, and the Loan Agreement, the Regulatory Agreement, the Note and the Security Documents when delivered hereunder will constitute, legal, valid and binding obligations of the Borrower, enforceable against the Borrower in accordance with their respective terms.

(d) The Borrower has obtained or will obtain all necessary licenses and permits required for construction of the Facility and operation of the Project, except those which cannot be obtained until completion of the Project.

(e) The Project will be constructed in accordance with the Plans and Specifications; will be constructed entirely on the Land; and will not encroach upon or overhang any easement or right of way. The Project, both during construction and at the time of completion, and the contemplated use thereof, will not violate any applicable zoning or use statute, ordinance, building code, rule or regulation, or any covenant or agreement of record. The Borrower agrees that it will furnish to the Purchaser from time to time reasonably satisfactory evidence with respect thereto.

(f) Any and all financial statements of the Borrower heretofore delivered to the Purchaser by or on behalf of the Borrower are true and correct in all respects, have been prepared and fairly present the financial condition of the subject thereof as of the respective dates thereof. No materially adverse change has occurred in the financial conditions reflected therein since the respective dates thereof. None of the aforesaid financial statements or any certificate or statement furnished to the Purchaser by or on behalf of the Borrower in connection with the transactions contemplated hereby, and none of the representations and warranties in this Agreement, contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements contained therein or herein not misleading. To the best knowledge of the Borrower, there is no fact which materially adversely affects or in the future (so far as the Borrower can now foresee) may materially adversely affect the business or prospects or condition (financial or other) of the Borrower or any of its properties or assets, which has not been set forth herein or in a certificate or statement furnished to the Purchaser by the Borrower.

(g) There is no suit, action, proceeding or investigation pending or threatened against or affecting the Borrower (or any basis therefor) at law or in equity or by or before any court, arbitrator, administrative agency or other federal, state or local governmental authority which individually or in the aggregate, if adversely determined, might have a material adverse effect on, or affect the validity as to the Borrower of, any of the transactions contemplated by this Agreement or the ability of the Borrower to perform its obligations hereunder or as contemplated hereby.

(h) No consent, approval, order or authorization of or registration, declaration or filing with any governmental authority is required in connection with a valid execution and delivery of this Agreement, the Loan Agreement, the Regulatory Agreement, the Security Documents or of any and all other agreements and instruments herein mentioned to which the Borrower is a party or the carrying out or performance of any of the transactions required or contemplated thereby, or, if required, such consent, approval, order or authorization shall have been obtained or such registration, declaration or filing shall have been accomplished prior to the initial Disbursement.

(i) The principal amount of the Note, together with any other funds to be contributed toward the payment of Project Costs by the Borrower will be sufficient to pay the entire cost of acquiring, constructing, equipping and otherwise rendering the Project suitable for its intended use.

ARTICLE 5

ADDITIONAL COVENANTS OF THE BORROWER

Section 5.01. Affirmative Covenants. The Borrower agrees that:

(a) The Borrower will diligently proceed with the acquisition, construction and equipping of the Project in accordance with the Plans and Specifications and all applicable laws and ordinances, and will complete the Project by December 1, 2022 and will use the proceeds of the Note solely to pay Project Costs.

(b) The Borrower will use all reasonable efforts to require each Contractor to comply with all rules, regulations, ordinances and laws bearing on its conduct of work on the Project.

(c) The Borrower will provide and maintain at all times during construction of the Project (and, from time to time at the request of the Purchaser, furnish the Purchaser with proof of payment of premiums on) insurance on the Project.

(d) The Borrower shall maintain accurate and complete books, accounts and records pertaining to the Project. The Borrower will permit the Purchaser, acting by and through its officers, employees and agents during normal business hours and upon reasonable notice, to examine all books, records, contracts, plans, drawings, permits, bills and statements of account pertaining to the Project and to make extracts therefrom and copies thereof.

Section 5.02. Negative Covenants. The Borrower agrees that, without the prior written consent of the Purchaser, it will not voluntarily, involuntarily or by operation of law agree to, cause, suffer or permit (i) any sale, transfer, lease, sublease or conveyance of any interest of the Borrower, legal or equitable, in the Project, except in the ordinary course of the Borrower's business; (ii) any sale, transfer or encumbrance of any general or limited partnership or equity interests in the Borrower; or (iii) any mortgage, pledge, encumbrance or lien to be outstanding against the Project or any portion thereof, or any security interest to exist therein, except as created by the Security Documents, disclosed on those certain Commitments for Title Insurance issued by [**Commercial Partners Title, LLC as agent for Old Republic National Title Insurance Company**], commitment number _____ with an effective date of _____, 2019, as it may be amended or supplemented from time to time, or as explicitly permitted within the Security Documents, without, in each instance, the prior written consent of the Purchaser. If the Borrower breaches the foregoing covenant, the Purchaser may, at its election, refuse to make any future advances under the Loan pursuant to the Disbursing Agreement and/or declare all amounts owing under this Agreement, the Loan Agreement, the Note, the Guaranty and the other Security Documents to be immediately due and payable, without notice to the Borrower (which notice the Borrower hereby expressly waives), and upon such declaration all such amounts shall be immediately due and payable. Any transfer of an interest in the General Partner, including in accordance with the terms of the Partnership Agreement, shall require the consent of the Purchaser, which shall not be unreasonably withheld, delayed or conditioned.

No transfer, conveyance, lease, sale or other disposition shall relieve the Borrower from personal liability for its obligations hereunder or under the other Security Documents, whether or not the transferee assumes such obligations. The Purchaser may, without notice to the Borrower, deal with any successor owner of all or any portion of the Project in the same manner as with the Borrower, without in any way discharging the liability of the Borrower hereunder or under the Security Documents.

ARTICLE 6

EVENTS OF DEFAULT AND RIGHTS AND REMEDIES

Section 6.01. Events of Default. Each of the following shall constitute an Event of Default.

(a) The Borrower shall fail to pay, when due, interest or principal due under the Loan Agreement or the Note or, upon written notice to the Borrower, any other amounts due under the Loan Agreement and such failure shall continue for 10 calendar days;

(b) Any representation or warranty made by the Borrower herein, in the Security Documents or in any financial statement, certificate, report or Draw Request furnished pursuant to this Agreement or the Security Documents shall prove to have been untrue in any material respect as of the time such representation or warranty was made;

(c) The Borrower shall fail duly to observe or perform, any of the terms, conditions, covenants or agreements required to be observed or performed by the Borrower hereunder (other than terms, conditions, covenants or agreements otherwise specifically dealt with in this Article 6), and such failure shall continue for a period of 30 calendar days after written notice of such failure has been given by the Purchaser to the Borrower, provided that if the Borrower promptly commences and diligently pursues a cure but such default cannot reasonably be cured within 30 days, then the Borrower may have an additional 30 days within which to cure the default;

(d) The Borrower shall be in default under or in breach of any of the covenants contained in any of the Security Documents and such default or breach shall not be cured or waived within the period or periods of grace or time allowed to cure, if any, applicable thereto;

(e) An Event of Default as defined in the Loan Agreement shall occur and be continuing, and such Event of Default shall not be cured or waived within the period or periods of grace or time allowed to cure, if any, applicable thereto;

(f) The Facility shall be materially damaged or destroyed by fire or other casualty and the loss, in the reasonable judgment of the Purchaser, shall not be adequately covered by insurance actually collected or in the process of collection or by other funds available to the Borrower;

(g) The Purchaser shall have given notice to the Borrower pursuant to Section 2.04 hereof to deposit additional funds in the Project Fund and the Borrower shall have failed to do so within 7 calendar days;

(h) The Borrower shall fail to comply with any requirement of any Governing Authority within 30 days after notice in writing of such requirement shall be given to the Borrower by such Governing Authority, subject to any rights of the Borrower to contest such requirement as provided in the Security Documents;

(i) The Borrower shall fail to disclose to the Purchaser the names of all persons with whom the Borrower contracted or intends to contract for the construction of the Facility or the furnishing of labor or any materials therefor or shall fail to exhibit to the Purchaser, upon request, copies of all such contracts;

(j) A petition in bankruptcy or for reorganization or for an arrangement under any bankruptcy or insolvency law or for a custodian, receiver or trustee for any of its property shall be filed by the Borrower, or a petition in bankruptcy or for reorganization or for an arrangement under any bankruptcy or insolvency law or for a custodian, receiver or trustee of any of the Borrower's property shall be filed against the Borrower and shall not be dismissed within 90 days, or a custodian, receiver or trustee of any property of the Borrower shall be appointed and shall not be discharged within 90 days, or the Borrower shall make an assignment for the benefit of creditors or generally shall not pay its debts as they become due, or the Borrower shall be adjudged insolvent by any state or federal court of competent jurisdiction, or an attachment or execution shall be

levied against any substantial portion of the property of the Borrower and shall not be discharged within 90 days.

Section 6.02. Rights and Remedies. Upon the occurrence of an event which with the passage of time or the giving of notice or both would constitute an Event of Default and at any time thereafter, the Purchaser may by notice in writing to the Borrower, refrain from making any further Disbursements hereunder (but the Purchaser may make Disbursements after the occurrence of such an event or an Event of Default without thereby waiving its rights and remedies hereunder). Upon the occurrence of an Event of Default the Purchaser may, at its option, exercise any and all of the following rights and remedies (and any other rights and remedies available to it):

(a) The Purchaser may, by 10 days' written notice to the Borrower, declare immediately due and payable all unpaid principal and accrued interest owing under the Loan Agreement and the Note, together with all other sums payable thereunder (including any amounts due upon prepayment of the Loan or Note), and the same shall thereupon be immediately due and payable without presentment or other demand, protest, notice of dishonor or any other notice of any kind, all of which are hereby expressly waived.

(b) The Purchaser shall have the right, in addition to any other rights provided by law, to enforce its rights and remedies under the Loan Agreement and the other Security Documents.

(c) The Purchaser may pay any amount or take any other action necessary to remedy the Event of Default, and any amount so paid shall be repaid to the Purchaser by the Borrower on demand with interest at the rate provided for in the Note plus 5.0%.

(d) The Purchaser may at its option apply any amounts in the Project Fund or Reserve Fund (as defined in the Loan Agreement) to repay amounts owing under the Note or the Security Documents, or the Purchaser may use such amounts to pay the costs of completing the Project.

ARTICLE 7

MISCELLANEOUS

Section 7.01. Inspections. The Borrower and the Architect shall be responsible for making inspections of the Project during the course of the construction of the Facility and shall determine to their own satisfaction that the work done or materials supplied by the Contractors to whom payment is to be made out of each Disbursement has been properly done or supplied in accordance with the Construction Contract and the other applicable contracts with the Contractors. If any work done or materials supplied by a Contractor are not satisfactory to the Borrower and/or its Architect and the same is not remedied within 15 days of the discovery thereof; the Borrower will immediately notify the Purchaser in writing of such fact. It is expressly understood and agreed that the Purchaser and any inspecting architect/engineer engaged by the Purchaser may conduct such inspections of the Project as either may deem

necessary for the protection of the Purchaser's interest, and that any inspections which may be made of the Project by the Purchaser or such inspecting architect/engineer will be made, and all certificates issued by any inspecting architect/engineer will be issued, solely for the benefit and protection of the Purchaser, and that the Borrower will not rely thereon.

Section 7.02. Indemnification by the Borrower. The Borrower shall bear all loss, expense (including attorneys' fees) and damage in connection with, and agrees to indemnify and hold harmless the Purchaser, its agents, servants and employees from all claims, demands and judgments made or recovered against the Purchaser, its agents, servants and employees (the "Indemnified Partners"), because of bodily injuries, including death at any time resulting therefrom, and/or because of damages to property of the Purchaser or otherwise (including loss of use) from any cause whatsoever, except to the extent due to the gross negligence or willful misconduct of the Purchaser, arising out of, incidental to, or in connection with the construction of the Project, whether or not due to any act of omission or commission, including negligence of the Borrower or any Contractor of its or their employees, servants or agents, and whether or not due to any act of omission or commission of the Purchaser, its employees, servants or agents. The Borrower's liability hereunder shall not be limited to the extent of insurance carried by or provided by the Borrower or subject to any exclusions from coverage in any insurance policy. The obligations of the Borrower under this Section shall survive the payment of all amounts owing under the Loan Agreement and the Note.

Section 7.03. Additional Security Interest. In the event a Disbursement is to be made for materials then being fabricated or stored, or both, for later use in the completion of the Project but which are not then stored upon the Land or installed or incorporated into the Project, then such Disbursement shall be made only after the Borrower has given to the Purchaser such security instruments and insurance on such materials as the Purchaser may reasonably request.

Section 7.04. Fees and Expenses. Whether or not any Disbursement shall be made hereunder, the Borrower agrees to pay all fees of Title and the appraisal fees, survey fees, recording fees, license and permit fees and title insurance and other insurance premiums, and agrees to reimburse the Purchaser upon demand for all reasonable out of pocket expenses actually incurred by the Purchaser in connection with this Agreement or in connection with the transactions contemplated by this Agreement, including, but not limited to, any and all reasonable legal expenses and attorneys' fees sustained by the Purchaser in the exercise of any right or remedy available to it under this Agreement (whether or not suit is commenced) or otherwise by law or equity and all reasonable fees and disbursements of counsel for the Purchaser for the services performed by such counsel in connection with the preparation of this Agreement and the other documents and instruments contemplated hereby.

Section 7.05. Notices. All notices or other communications which are required or permitted hereunder shall be in writing and sufficient if (a) delivered personally or sent by telecopier or electronic mail, (b) sent by nationally recognized overnight courier or (c) sent by certified mail, postage prepaid, return receipt requested, addressed as follows:

(a) If to the Purchaser at:

Bridgewater Bank
370 Wabasha Street North, Suite 1500
St. Paul, MN 55102
Attn: Tyler Manning
Facsimile: (651) 605-2699
Email: tyler.manning@bwbn.com

With a copy to:

Messerli & Kramer, P.A.
1400 Fifth Street Towers
100 South Fifth Street
Minneapolis, MN 55402
Attn: Michelle Jester, Esq.
Facsimile: (612) 672-3777
Email: mjester@messerlikramer.com

(b) If to the Borrower at:

Buhl GTA, LP
5100 Eden Avenue, Suite 317
Edina, MN 55436
Attn: _____
Facsimile: _____
Email: _____

With a copy to: Winthrop & Weinstine, P.A.
Capella Tower
225 South Sixth Street, Suite 3500
Minneapolis, MN 55402-4629
Attn: **[John Stern and Scott Jahnke]**
Facsimile: (612) 604-6588
Email: **[jstern@winthrop.com
sjahnke@winthrop.com]**

or to such other addresses as the party to whom notice is to be given may have furnished to each other party by 10 days' advance notice in writing in accordance herewith. Any such communication shall be deemed to have been given (i) when delivered if personally delivered or sent by telecopier or email during a business day, (ii) on the business day after dispatch if sent by nationally recognized, overnight courier on other than during a business day, and (iii) on the third day after dispatch, if sent by mail.

Section 7.06. Time of Essence. Time is of the essence in the performance of this Agreement.

Section 7.07. Binding Effect and Assignment. This Agreement shall be binding upon and inure to the benefit of the Borrower and the Purchaser and their respective successors and assigns, except that the Borrower may not transfer or assign its rights hereunder without the prior written consent of the Purchaser, except as specifically provided in Section 5.02.

Section 7.08. Waivers. No waiver by the Purchaser of any default hereunder shall operate as a waiver of any other default or of the same default on a future occasion. No delay on the part of the Purchaser in exercising any right or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right or remedy preclude other or future exercise thereof or the exercise of any other right or remedy.

Section 7.09. The Purchaser's Remedies Cumulative. The rights and remedies hereby specified are cumulative and not exclusive of any rights or remedies which the Purchaser would otherwise have.

Section 7.10. Governing Law and Entire Agreement. This Agreement shall be governed by the laws of the State of Minnesota. This Agreement contains the entire agreement of the parties on the matters covered herein. No other agreement, statement or promise made by any party or by any employee, officer, or agent of any party that is not in writing and signed by all the parties to this Agreement shall be binding.

Section 7.11. Counterparts. This Agreement may be executed in any number of counterparts, each of which, when so executed and delivered, shall be an original, but such counterparts shall together constitute one and the same instrument.

Section 7.12. Inconsistency. In the event that any of the terms and provisions of this Agreement are inconsistent with any of the terms and provisions of the Loan Agreement or the other Security Documents, the terms and provisions of this Agreement shall govern.

Section 7.13. Conditions of Disbursements. All conditions of the obligation of the Purchaser to make Disbursements hereunder are imposed solely and exclusively for the benefit of the Purchaser, and no other person shall have standing to require satisfaction of such conditions in accordance with their terms or be entitled to assume that the Purchaser will refuse to make Disbursements in the absence of strict compliance with any or all thereof, and no other person shall, under any circumstances, be deemed to be a beneficiary of such conditions, any or all of which may be freely waived in whole or in part by the Purchaser at any time if the Purchaser, in its sole discretion, deems it advisable to do so.

Section 7.14. Amendments. Neither this Agreement nor any provision hereof may be amended, changed, waived, discharged or terminated orally, but only by an instrument in writing signed by the party against whom enforcement of the change, waiver, discharge or termination is sought.

Section 7.15. Jurisdiction. The Borrower hereby irrevocably agrees that any legal action or proceedings against it with respect to this Agreement may be brought in the Anoka County District Court in the State of Minnesota, or in any United States District Court in the State of Minnesota, and by the execution and delivery of this Agreement, the Borrower hereby irrevocably submits to the jurisdiction of each such court and hereby irrevocably waives any and

all objections that the Borrower may have as to jurisdiction or venue in any of such courts. The Borrower acknowledges that it has received sufficient consideration for any inconvenience which may be caused by any legal action brought in the State of Minnesota, and agrees that the enforcement of the provisions of this paragraph against the Borrower would not be unreasonable or unfair under all the circumstances of the Loan or this Agreement.

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

BORROWER:

BUHL GTA, LP, a Minnesota limited partnership

By: Buhl GTA GP, LLC, a Minnesota limited liability company
Its: General Partner

By: _____
Name: _____
Its: _____

Signature page to Disbursing Agreement

PURCHASER:

BRIDGEWATER BANK
Purchaser

By _____

Name: Tyler Manning

Title: Vice President

Signature page to Disbursing Agreement

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LOAN AGREEMENT
BETWEEN
CITY OF FALCON HEIGHTS, MINNESOTA
AND
BUHL GTA, LP

Dated as of _____, 2019

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

This instrument drafted by:
Briggs and Morgan, Professional Association (CJC)
80 South 8th Street, Suite 2200
Minneapolis, Minnesota 55402

ARTICLE 1	DEFINITIONS AND RULES OF INTERPRETATION	1
Section 1.1	Definitions.....	1
Section 1.2	Rules of Interpretation	4
ARTICLE 2	REPRESENTATIONS	5
Section 2.1	Representations by the Issuer.....	5
Section 2.2	Representations by the Borrower.....	5
ARTICLE 3	THE LOAN.....	7
Section 3.1	Amount and Source of Loan	7
Section 3.2	Documents Required Prior to Disbursement of the Loan	8
Section 3.3	Repayment	8
Section 3.4	Borrower’s Obligations Unconditional.....	9
Section 3.5	Disbursement of the Loan.....	9
Section 3.6	Administrative Fee and Expenses.....	9
Section 3.7	Loan Origination Fee	10
ARTICLE 4	BORROWER’S COVENANTS	10
Section 4.1	Indemnity	10
Section 4.2	Reports to Governmental Agencies	11
Section 4.3	Security for the Loan	11
Section 4.4	Preservation of Tax Exemption	11
Section 4.5	Lease or Sale of Facility	15
Section 4.6	Facility Operation and Maintenance Expenses.....	15
Section 4.7	Notification of Changes	16
Section 4.8	Financial Statements	16
Section 4.9	IRS Audit Expenses	16
Section 4.10	Reserve Fund	16
ARTICLE 5	PREPAYMENT OF LOAN.....	17
Section 5.1	Prepayment at Option of Borrower.....	17
Section 5.2	Other Prepayment Provisions	17
Section 5.3	Partial Prepayment.....	17
ARTICLE 6	EVENTS OF DEFAULT AND REMEDIES	17
Section 6.1	Events of Default	17
Section 6.2	Remedies.....	18
Section 6.3	Disposition of Funds.....	19
Section 6.4	Manner of Exercise.....	19
Section 6.5	Effect of Waiver.....	19
Section 6.6	Attorneys’ Fees and Expenses	19
ARTICLE 7	GENERAL.....	20
Section 7.1	Notices	20
Section 7.2	Binding Effect.....	21
Section 7.3	Severability	21
Section 7.4	Amendments, Changes and Modifications	21

Section 7.5	Execution Counterparts.....	21
Section 7.6	Limitation of Issuer’s Liability	21
Section 7.7	Issuer Attorneys’ Fees and Costs.....	22
Section 7.8	Release	22
Section 7.9	Assignment by Issuer and Survivorship of Obligations	22
Section 7.10	Required Approvals	23
Section 7.11	Termination Upon Retirement of Note	23

THIS LOAN AGREEMENT dated as of _____, 2019, between CITY OF FALCON HEIGHTS, MINNESOTA, a municipal corporation and political subdivision of the State of Minnesota (the “Issuer”) and BUHL GTA, LP, a Minnesota limited partnership (the “Borrower”), witnesses that:

RECITALS

WHEREAS, Minnesota Statutes, Chapter 462C, as amended (the “Act”), authorizes the Issuer to issue revenue obligations to finance the acquisition, construction, rehabilitation, and equipping of multifamily housing developments; and

WHEREAS, the Issuer will issue the Note pursuant to this Loan Agreement, a resolution adopted by the City Council of the Issuer on November 13, 2019 and the Act; and

WHEREAS, the Note will be purchased by Bridgewater Bank, a Minnesota banking corporation (the “Purchaser”); and

WHEREAS, the Borrower agrees to be absolutely and unconditionally obligated to repay the Loan together with interest thereon, at times and in amounts sufficient to pay when due the principal of and interest on the Note; and

NOW THEREFORE, 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 1

DEFINITIONS 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; any opinion of Bond Counsel shall be a written opinion signed by such Bond Counsel;

Borrower: Buhl GTA, LP, a Minnesota limited partnership, 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;

Borrower Tax Certificate: the Borrower Tax Certificate, dated the date of Closing, executed and delivered by the Borrower in connection with the issuance of the Note;

Business Day: any day other than a Saturday or Sunday or other day on which commercial banks in the city in which the principal office of the Purchaser is located are not open for business or other day on which the New York Stock Exchange is not open for business;

City: City of Falcon Heights, Minnesota;

Closing: the date there is physical delivery of the Note to the Purchaser;

Code: the Internal Revenue Code of 1986, as amended and the Treasury Regulations promulgated thereunder;

City Council: the City Council of the Issuer;

Counsel: an attorney designated by or acceptable to the Purchaser, 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: the meaning ascribed to it in Section 4.4(2) hereof;

Determination of Taxability: the meaning ascribed to it in Section 4.4(2) hereof;

Disbursing Agreement: the Disbursing Agreement dated as of the date hereof between the Borrower and the Purchaser providing for the disbursement to the Borrower of proceeds of the Note, as the same may from time to time be amended or supplemented as herein provided;

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

Facility: the approximately 128-unit multifamily rental housing development and functionally related facilities to be located at 1667 Snelling Avenue in the City of Falcon Heights, Minnesota;

General Partner: Buhl GTA GP, LLC, a Minnesota limited liability company, its successors and assigns;

Guarantor: Peter Deanovic;

Guaranty: the Guaranty, dated as of the date hereof, by the Guarantor in favor of the Purchaser, as it may be amended from time to time;

Issuance Expenses: 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 Purchaser, 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 Resolution, the Pledge Agreement, the Disbursing Agreement, the Regulatory Agreement, the Note and all other related documents, and all other expenses relating to the issuance, sale and delivery of the Note 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;

Land: the real property and any other easements and rights described in Exhibit A to the Regulatory Agreement;

Loan: the loan of Note proceeds from the Issuer to the Borrower in accordance with the terms of this Loan Agreement, as described in Section 3.1 of this Agreement;

Mandatory Purchase Date: means September 30, 2020, unless such date is extended as provided in Section 3.3;

Note: the \$3,622,377 Multifamily Housing Revenue Note (Amber Union Apartments Project), Series 2019, to be issued by the Issuer pursuant to the Resolution and this Agreement;

Note Documents: this Agreement, the Pledge Agreement, the Regulatory Agreement, the Disbursing Agreement and the Resolution;

Partnership Agreement: means the Limited Partnership Agreement of the Borrower, dated June 4, 2019, as amended, modified, supplemented or restated from time to time, or any agreement entered into in substitution therefor;

Person: any individual, corporation, partnership (general, limited, or limited liability), joint venture, association, trust, unincorporated organization, or government or any agency or political subdivision thereof;

Pledge Agreement: the Pledge Agreement of even date herewith between the Issuer and the Purchaser pledging and assigning the Issuer's interest in this Agreement to the Purchaser to the extent provided therein, as the same may be amended or supplemented from time to time;

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

Project: the financing of the acquisition, construction, and equipping of the Facility;

Project Costs: all direct costs authorized by the Act and paid or incurred by the Borrower, to carry out the Project, other than Issuance Expenses;

Project Fund: the fund created by the Disbursing Agreement from which funds are to be disbursed to the Borrower for payment of Project Costs and Issuance Expenses;

Purchaser: Bridgewater Bank, a Minnesota banking corporation, its successors and assigns;

Refunding: the issuance of revenue bonds to pay and refund the Note and finance the Project;

Regulatory Agreement: the Regulatory Agreement, dated as of the date hereof, between the Issuer, the Borrower, and the Purchaser, relating to the Project, as the same may be amended or supplemented from time to time;

Reserve Fund: the fund of such designation established under Section 4.10 hereof to be held by the Purchaser;

Resolution: the resolution of the Issuer adopted November 13, 2019, authorizing the issuance of the Note, together with any supplement or amendment thereto;

State: the State of Minnesota;

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

Yield: with reference to any obligation, that discount rate which, when computing the present value of all unconditionally payable payments of principal and interest paid and to be paid on such obligation, produces an amount equal to the present value of the issue price of the obligation.

Section 1.2 Rules of Interpretation.

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

(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 Borrower 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 Note as “tax-exempt” or to the “tax-exempt status of the Note” are to the exclusion of interest on the Note from gross income pursuant to Section 103(a) of the Code, except during any period the Note is held by a “substantial user” or “related person,”

irrespective of such forms of taxation as the alternative minimum tax or branch profits tax on foreign corporations, as is consistent with the approach taken in Section 59(i) of the Code.

ARTICLE 2

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 organized and existing under the Constitution and laws of the State and is authorized to issue the Note pursuant to the Act;

(2) There is no pending or, to the actual knowledge of the undersigned representatives of the Issuer, 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 the Note Documents, as applicable;

(3) To the actual knowledge of the undersigned, without inquiry or investigation, the execution and delivery of the Note Documents by the Issuer 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;

(4) No proceeding of the Issuer for the issuance, execution or delivery of the Note Documents has been repealed, rescinded, amended or revoked;

(5) The Note is issued as a "qualified residential rental bond" within the meaning of Section 142(a)(7) of the Code; and

(6) The Issuer has received an allocation of tax exempt bonding authority for the Note pursuant to Minnesota Statutes, Chapter 474A.

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 limited partnership duly organized under the laws of the State, is in good standing and duly authorized and qualified to conduct its business in the State, is duly authorized to conduct its business in all states where its activities require such authorization, has power to enter into this Agreement, the Regulatory Agreement and the Disbursing Agreement and to use the Facility for the purpose set forth in this Agreement and by proper corporate action has authorized the execution and delivery of this Agreement, the Regulatory Agreement, and the Disbursing Agreement;

(2) The General Partner is a limited liability company duly organized under the laws of the State, is in good standing and duly authorized and qualified to conduct its business in the State, is duly authorized to conduct its business in all states where its activities require such

authorization, and by proper corporate action is authorized to enter into the Partnership Agreement;

(3) The execution and delivery of this Agreement, the Regulatory Agreement, and the Disbursing Agreement, the consummation of the transactions contemplated hereby and 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 organizational documents, any restriction or any agreement or instrument to which the Borrower or any of its partners 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 Facility, 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) The design and plan of the Facility comprise a multifamily residential rental housing development, as contemplated by the Act; and subject to the other provisions of this Agreement, it is presently intended and reasonably expected that any equipment purchased from the proceeds of the Note will be permanently located and exclusively used on the Land and that the Borrower shall operate the Facility on the Land throughout the term of this Agreement in the normal conduct of the Borrower's business;

(5) As of the date hereof, the use of the Facility as designed and proposed to be operated complies or will comply, 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 and the respective agencies thereof and the political subdivisions in which the Facility is 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 Facility to operate the Facility and to enter into, execute and perform its obligations under this Agreement, the Regulatory Agreement and the Disbursing Agreement and, to the knowledge of the Borrower, no violation of any local ordinance, laws, regulation or requirement exists with respect to the Facility;

(6) The Facility, when constructed, will be located entirely within the boundaries of the City.

(7) The proceeds of the Note, together with any other funds to be contributed to the Project by the Borrower or otherwise in accordance with this Agreement, will be sufficient to pay the cost of the Project, and all costs and expenses incidental thereto, and the proceeds of the Note will be used only for the purposes contemplated hereby and allowable under the Act;

(8) 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;

(9) The Borrower is not in the trade or business of selling properties such as the Facility and is constructing the Facility for use in its operations, 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 Facility, except pursuant to a mortgage;

(10) There are no actions, suits, or proceedings pending or, to the knowledge of the Borrower, threatened against or affecting the Borrower or any property of the Borrower in any court or before any federal, state, municipal or other governmental agency, which, if decided adversely to the Borrower, would have a material adverse effect upon the Borrower or upon the business or properties of the Borrower, and the Borrower is not in default with respect to any order of any court or governmental agency;

(11) 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;

(12) The Borrower has filed all federal and state income tax returns which, to the knowledge of the General Partner of the Borrower, 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;

(13) The Borrower has approved the terms and conditions of the Note;

(14) The Borrower will comply with all provisions of the Act, including without limitation any notice and filing requirements imposed under the Act;

(15) The Borrower has not knowingly taken or permitted to be taken and will not knowingly take or permit to be taken any action which would have the effect, directly or indirectly, of causing interest on any of the Note to be included in the gross income of the owners thereof for purposes of federal income taxation; and

(16) The Note is to be issued within the exemption provided under Sections 142(a)(7) and 142(d) of the Code with respect to a “qualified residential rental project” (as defined in the Code), and at least 95% of the net proceeds of the Note will be used to provide for the acquisition, construction, reconstruction, or improvement of land or property of a character subject to the allowance for depreciation for an exempt facility within the meaning of Section 142 of the Code.

ARTICLE 3

THE LOAN

Section 3.1 Amount and Source of Loan. The Issuer has authorized the issuance of the Note in a principal amount not to exceed \$3,622,377 to provide funds to the Borrower for its use in the Project. The Issuer agrees to lend to the Borrower, upon the terms and conditions set forth herein and in the Note, the proceeds received from the Note by causing such sums to be advanced and deposited into the Project Fund upon satisfaction of all terms and conditions set

forth herein and in the Disbursing Agreement and such other supporting documentation as the Purchaser may reasonably require.

Section 3.2 Documents Required Prior to Disbursement of the Loan. Prior to any advance of amounts in the Project Fund, the Borrower shall deliver to the Purchaser executed copies of the following:

- (1) The Note.
- (2) This Agreement.
- (3) The Pledge Agreement.
- (4) The Disbursing Agreement.
- (5) The Regulatory Agreement.
- (6) The Guaranty.
- (7) The approving resolutions of the Borrower and the General Partner.
- (8) Certificate of good standing for the Borrower and the General Partner of recent date issued by the Secretary of State of Minnesota.
- (9) Copies of the organizational documents of the Borrower and the General Partner, certified by the Secretary of State of Minnesota, (together with copies of all amendments thereto) certified by the Borrower and the General Partner, to be true and correct copies of such instruments.
- (10) An opinion of Bond Counsel to the effect that the Issuer has duly authorized the Note and that the interest thereon is exempt from federal income taxation and subject to other conditions acceptable to the Purchaser.
- (11) Any other items required under the Disbursing Agreement or reasonably required by the Purchaser.

Section 3.3 Repayment. Subject to the prepayment provisions set forth in Article 5 hereof and in the Note, the Borrower agrees to repay the Loan by making all payments of principal, interest and any penalty or charge required to be made by the Issuer under the Note at the times and in the amounts provided therein, including without limitation, payment of the redemption price as provided in Section 8 of the Note; provided that the Mandatory Purchase Date shall be extended at the option of the Borrower (a) by 12 months, one time, by paying the Purchaser an extension fee of \$25,000, provided there is not an Event of Default or an event with notice and passage of time would become an Event of Default and (b) thereafter, one or more times, to a date not later than _____, 2022 with the consent of the Purchaser and upon delivery to the Purchaser of an opinion of Bond Counsel to the effect that such extension will not adversely affect the tax exempt status of interest paid on the Note. All payments shall be made directly to the Purchaser at its principal office for the account of the Issuer. The Borrower shall

also pay the reasonable fees and expenses of the Issuer, including the Issuer's administrative fee and reasonable fees and expenses of the Issuer's counsel in connection with the issuance of the Note and the Refunding.

Section 3.4 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 Facility, eviction by paramount title, commercial frustration of purpose, bankruptcy or insolvency of the Issuer or the Purchaser, change in the tax or other laws or administrative rulings or actions of the United States of America or of the State 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, the Pledge Agreement or the Note.

Section 3.5 Disbursement of the Loan.

(1) Pursuant to this Agreement and the Act, the Issuer has authorized the Borrower to provide directly for the financing of the Project in such manner as is determined by the Borrower and hereby authorizes the Purchaser to advance the proceeds of the Note to or at the direction of the Borrower in accordance with the Disbursing Agreement, including without limitation, advancing at Closing at least \$50,001 of the proceeds of the Note to pay the costs of issuing the Note.

(2) Interest earnings on the proceeds of the Note held in the Project Fund, if any, shall be disbursed to the Purchaser on or prior to each interest payment date and applied as a credit against Loan repayments.

(3) The Issuer authorizes and directs the Purchaser to disburse money from the Project Fund as further provided in the Disbursing Agreement.

Section 3.6 Administrative Fee and Expenses. The Borrower agrees to pay to the Issuer an administrative fee of \$9,055.94 (equal to 0.25% of the principal amount of the Note) on the date of Closing, with respect to the Note and the obligation to be issued in connection with the Refunding. The administrative fee is not pledged to payment of the Note and may be used by the Issuer for any proper purpose. In addition to any other payments required hereunder, the Borrower shall pay the following amounts to the Issuer in immediately available funds on the due date thereof (or, if there is no due date with respect to such payment, then upon demand of the Issuer): (i) all reasonable expenses paid or incurred by the Issuer in connection with the transactions contemplated by the Note and the Note Documents and the obligation to be issued in connection with the Refunding, including any legal, accounting, financial, or other costs paid or incurred by the Issuer; (ii) all costs and expenses, including without limitation, attorneys' fees, paid or incurred by the Issuer in connection with (A) the discussion, negotiation, preparation, approval, execution and delivery, and amendments or modifications of the Note, the Note Documents, and the documents and instruments related hereto or thereto, (B) 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 foregoing documents, or any document, instrument, or agreement related hereto or thereto, and (C) an audit, random or otherwise, by the Internal Revenue Service, the Minnesota Department of Revenue, or another department or office of the State with respect to the Note, the Borrower, or the Project.

Section 3.7 Loan Origination Fee. The Borrower agrees to pay the Purchaser a loan origination fee of \$25,000 on the date of Closing with respect to the Note and the purchase thereof.

ARTICLE 4

BORROWER'S COVENANTS

Section 4.1 Indemnity.

(1) The Borrower will indemnify, defend, and hold harmless the Purchaser, the Issuer and its officers, commissioners, employees and agents, from and against any and all claims by or on behalf of any Person, firm, corporation or other entity arising from the conduct, operation or management of, or from, any work or thing done on the Facility during the term of this Agreement, including, without limitation, (i) any condition of the Facility; (ii) any breach or default on the part of the Borrower in the performance of any of its obligations under this Agreement; (iii) any act of negligence of the Borrower or of any of its agents, contractors, servants, employees or licensees or (iv) any act of negligence of any assignee or lessee of the Borrower, or of any agents, contractors, servants, employees or licensees of any assignee or lessee of the Borrower. The Borrower shall indemnify and save the Purchaser and Issuer harmless from any such claim arising as aforesaid, or in connection with any action or proceeding brought thereon, and upon notice from the Purchaser or Issuer, the Borrower shall defend them or either of them in any such action or proceeding.

(2) The Borrower agrees to indemnify, defend and hold harmless the Issuer and Purchaser and their respective employees, commissioners, officers and agents ("Indemnified Parties") against any and all losses, claims, damages or liability to which the Indemnified Parties may become subject under any law in connection with the issuance and sale of the Note, the carrying out of the transactions contemplated by this Agreement and the conduct of any activity in connection with the Project or the Facility, including claims for which the Indemnified Parties may be or may be claimed to be liable unless such liability is due to the gross negligence or willful misconduct of such Indemnified Party, and to reimburse the Indemnified Parties for any out-of-pocket legal and other expenses (including reasonable counsel fees) incurred by the Indemnified Parties in connection with investigating any such losses, claims, damages or liabilities, or in connection with defending any actions relating thereto. The Indemnified Parties agree, at the request and expense of the Borrower, to cooperate in the making of any investigation in defense of any such claim and promptly to assert any or all of the rights and privileges and defenses identified in writing by the Borrower which may be available to the Indemnified Parties. These provisions shall survive payment of the Note and termination of this Agreement.

(3) If 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, defend, 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 for all other costs and expenses, including, without limitation, attorneys' fees paid or incurred by the Issuer, in connection with: (i) the discussion, negotiation, preparation, approval, execution and delivery of this Agreement and the documents and instruments related thereto; (ii) any amendments or modifications thereto and any document, instrument or agreement related thereto and the discussion, negotiation, preparation, approval, execution and delivery of any and all documents necessary or desirable to effect such amendments or modification; and (iii) the enforcement by the Issuer during the term of this Agreement or thereafter of any of the rights or remedies of the Issuer under this Agreement or any document, instrument or agreement related thereto, including, without limitation, costs and expenses of collection in the event of default, whether or not suit is filed with respect thereto.

(4) The Borrower acknowledges and agrees that the Issuer shall not be liable to the Borrower, and releases and discharges the Issuer from any liability, for any and all losses, costs, expenses (including reasonable 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 Issuer with respect to this Agreement or the documents and transaction related thereto, including, without limitation, the exercise by the Issuer of any of its rights or remedies pursuant to this Agreement or any related document and instrument.

Section 4.2 Reports to Governmental Agencies. The Borrower shall furnish to agencies of the State, including but not limited to the Minnesota Housing Finance Agency, such periodic reports or statements as are required under the Act or Minnesota Statutes, Chapter 474A, as amended, 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; provided, however, the Issuer shall promptly notify the Borrower of any reports or statements being required by agencies of the State of which the Issuer has received notice to allow the Borrower a reasonable and adequate amount of time to prepare and submit any such reports or statements. Copies of such reports shall be provided, upon request, to the Issuer and, upon request, to the Purchaser.

Section 4.3 Security for the Loan. As additional security for the Loan, and to induce the Issuer to issue and deliver the Note, the Borrower agrees to execute and deliver such other documents requested by the Purchaser, in such places and in such manner as the Purchaser deems necessary or desirable to perfect or protect the security interest of the Purchaser in and to the Facility and other collateral referred to in such documents. Furthermore, the Borrower agrees to cause the Guarantor to execute and deliver the Guaranty and agrees to cause the Guarantor to meet all of its obligations under the Guaranty, which shall remain in effect until all payments required hereunder have been made.

Section 4.4 Preservation of Tax Exemption.

(1) In order to ensure that interest on the Note shall at all times be excludable from gross income for federal income tax purposes, the Borrower represents, warrants, and covenants

with the Issuer and the Purchaser that it shall comply with applicable provisions of Section 103 and Sections 141 through 150 of the Code and applicable Treasury Regulations promulgated thereunder as follows:

(a) The Borrower shall have entered into an agreement to purchase the Land on or before the date of delivery of the Note and no more than 25% of the net proceeds of the Note shall be allocated to the acquisition of the Land; the Facility shall continue to be owned and operated by the Borrower, except as provided in Section 4.6, and in no event shall the Facility be managed in a manner that would cause interest on the Note to be included in gross income for federal income tax purposes.

(b) The Borrower shall fulfill all continuing conditions specified in Section 142 of the Code and Section 1.103-8(b) of the Treasury Regulations applicable thereunder, to qualify the Note as an “exempt facility bond” issued to provide a “qualified residential rental project” thereunder and to qualify the Facility as a “qualified residential rental project” thereunder; and the Borrower shall fulfill its obligations under the Regulatory Agreement.

(c) The Borrower covenants and agrees that it will not (i) use or permit the use of any of the funds provided by the Issuer hereunder or any other funds of the Borrower, directly or indirectly, in such manner as would, (ii) enter into, or allow any “related person” (as defined in Section 147(a)(2) of the Code) to enter into, any arrangement, formal or informal, for the purchase of the Note that would, or (iii) take or omit to take any other action that would, in each case cause the Note to be an “arbitrage bond” within the meaning of Section 148 of the Code.

(d) The Borrower understands that the Code imposes a penalty for failure to file with the Secretary of the Treasury an annual certification of compliance with low income occupancy requirements (currently under an Annual Certification of a Residential Rental Project, Form 8703 (Rev. September 2013)), and if the requirements for a “qualified residential rental project” are not met, does not allow deduction for interest paid on the Note which accrues during the period beginning on the first day of the taxable year in which the Facility ceases to meet such requirements and ending on the date the Facility again meets such requirements.

(e) In order to qualify the Note and this Agreement under the “governmental program” provisions of Section 1.148-2(d)(2)(iii) of the Treasury Regulations, the Borrower (and any “related person” thereto) shall take no action the effect of which would be to disqualify this Agreement as a “program investment” under Section 1.148-1(b), including but not limited to entering into any arrangement, formal or informal, for the Borrower or any related person to purchase any obligations that finance the program in an amount related to the amount of the Agreement. Notwithstanding the foregoing, the Issuer understands that the Borrower has an obligation to repurchase the Note from the Purchaser on or before the Mandatory Purchase Date, which may be extended by the Borrower as provided in the Note, and if the Borrower is unable to find replacement financing, the Borrower may be the holder of the Note for a period of time after the Mandatory Purchase Date.

(f) The Borrower has not paid or incurred any costs to be reimbursed from proceeds of the Note before the date 60 days before May 15, 2019, the date of adoption by the Issuer of a written declaration of official intent which complies with the provisions of Treasury Regulations, Section 1.150-2(d) and (e), except for “preliminary expenditures” (within the meaning of Treasury Regulations, Section 1.150-2(f)(2)) for the Project, including engineering or architectural expenses and similar preparatory expenses, which in the aggregate do not exceed 20% of the aggregate “issue price” of the Note, or expenditures in the de minimis amount of \$100,000 (as defined in Treasury Regulations, Section 1.150-2(f)(1)).

(g) The weighted average maturity of the Note shall not exceed the estimated economic life of the Facility by more than 20%, all within the meaning of Section 147(b) of the Code.

(h) While the Note remains outstanding, no portion of the proceeds of the Note shall 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.

(i) Any Issuance Expenses financed by the Note shall not exceed 2% of the proceeds of the Note. Except as permitted by Treasury Regulations 1.148-6(d)(3)(ii), none of the proceeds of the Note will be used for working capital purposes.

(j) The Borrower shall not use the proceeds of the Note in such manner as to cause the Note to be an “arbitrage bond” within the meaning of Section 148 of the Code and applicable Treasury Regulations.

(k) The Borrower, on behalf of the Issuer, shall pay to the United States, as a rebate, an amount equal to the sum of (A) the excess of (i) the aggregate amount earned on all nonpurpose investments (other than investments attributable to an excess described in this clause), over (ii) the amount which would have been earned if all nonpurpose investments were invested at a rate equal to the yield on the Note, plus (B) any income attributable to the excess described in clause (A), at the times and in the amounts required by Section 148(f) of the Code and applicable Treasury Regulations, all within the meaning of Section 148(f) of the Code and applicable Treasury Regulations. The Borrower shall maintain records of the interest rate borne by the Note and earnings thereon in adequate detail to enable the Borrower to calculate the amount of any rebate required to be made to the United States at times and in installments which satisfy Section 148(f) of the Code and applicable Treasury Regulations, at least once every 5 years and within 60 days after the day on which the Note is paid in full. Calculations of the amount to be rebated shall be made at least once every 5 years (or at such other times as may be required by Section 148(f) of the Code and applicable Treasury Regulations) and the Purchaser shall be furnished with such calculations within 60 days of the time they are made. If the Purchaser is not furnished with such calculations, the Purchaser may undertake to have such calculations made at the expense of the Borrower. Such calculations shall be retained until 6 years after the Note is paid in full. The rebate shall be calculated as provided in Section 148(f) of the Code and Treasury Regulations,

Sections 1.148-0 through 1.148-9, including taking into account the gain or loss on the disposition of nonpurpose investments. The Borrower shall acquire, and shall cause the Purchaser to acquire, all nonpurpose investments at their fair market value in arm's length transactions.

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

(m) In addition to the Note, no other obligations have been or shall be issued under Section 103 of the Code which are sold at substantially the same time as the Note under a common plan of marketing and at substantially the same rate of interest as the Note and which are payable in whole or part by the Borrower or otherwise have with the Note 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 Note under Treasury Regulations, Section 1.50-1(c)(1).

(n) The Borrower shall observe the requirements of this Agreement with respect to the obligations imposed by applicable provisions of the Code and the representations, warranties, covenants, and requirements of the Borrower Tax Certificate.

(o) No proceeds of the Note shall be invested in investments which cause the Note to be federally guaranteed within the meaning of Section 149(b) of the Code.

(p) The Borrower shall 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 Note, 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 Note, (ii) monitoring the expenditures of Note proceeds (and keep detailed records thereof), (iii) monitoring the use of the Project in order to ensure that the Note continues to qualify as an exempt facility bond within the meaning of Section 142 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.

(q) The Borrower shall not otherwise use the proceeds of the Note, or take or fail to take any action, the effect of which would be to impair the exclusion of interest on the Note from gross income for federal income tax purposes.

(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 the interest payable on the Note is included, for federal income tax purposes under Section 103 of the Code, in the gross income of the Purchaser or any other holder or prior holder of the Note, if the period, if any, for contest or appeal of such action, ruling, or decision by the Borrower or Purchaser or any other interested party has expired without any such contest or appeal having been properly instituted by the Purchaser, 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 Purchaser 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 Note becomes includable in the gross income of the Purchaser or any other holder or prior holder of the Note, as the case may be, for federal income tax purposes.

(3) If the Purchaser receives notice of a “Determination of Taxability” with respect to the Note and delivers to the Borrower a copy of that notice, the rate of interest on the Note shall be automatically adjusted and additional charges shall be paid as provided in the Note and the Borrower shall be obligated to pay the same as provided in Section 3.3 herein.

(4) If the Borrower becomes aware of a Determination of Taxability it shall promptly give notice of such Determination of Taxability to the Issuer and the Purchaser.

Section 4.5 Lease or Sale of Facility. The Borrower shall not lease, sell, convey or otherwise transfer the Facility in whole or part, nor sell the Facility in whole or part, without first securing the written consent of the Purchaser; provided that in no event shall any lease, transfer, assignment, or sale be permitted if the effect thereof would be to cause the Note to be deemed issued in violation of any requirement under Section 142(a) of the Code, and the Treasury Regulations promulgated thereunder, that substantially all of the net proceeds of the Note be used to provide a qualified residential rental project, or under the Act that no portion of the Facility to be financed from proceeds of the Note be acquired in whole or part for sale, nor shall any such transaction be permitted if the effect thereof would otherwise be to impair the validity or the tax exempt status of the Note, nor shall any such transaction release the Borrower of any of its obligations under this Agreement. The Borrower shall promptly notify the Issuer and the Purchaser of any such sale, transfer, assignment, or lease. Nothing contained in this Section shall prohibit the Borrower from (a) entering into leases with residential tenants in the ordinary course of business, or (b) entering into easement or other agreements necessary for the operation of the Facility. Any transfer of any interest in the Borrower shall require the consent of the Purchaser, which shall not be unreasonably withheld, delayed or conditioned.

Section 4.6 Facility Operation and Maintenance Expenses.

(1) The Borrower shall pay all expenses of the operation and maintenance of the Facility including, but without limitation, adequate insurance thereon and insurance against all liability for injury to persons or property arising from the operation thereof, and all taxes and special assessments levied upon or with respect to the Facility and payable during the term of this Agreement.

(2) The 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, handicap, ethnic origin, age or marital status.

Section 4.7 Notification of Changes. The Borrower covenants and agrees that it will promptly notify the Purchaser of:

- (a) any litigation which might materially and adversely affect the Borrower or the Facility;
- (b) the occurrence of any Event of Default under this Agreement or under any other loan agreement, debenture, note, 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; and
- (c) any material adverse change in the operations, business, properties, assets or conditions, financial or otherwise, of the Borrower.

Section 4.8 Financial Statements. The Borrower will cause to be prepared annual financial statements for the Borrower and the General Partner and a personal financial statement for the Guarantor (including a balance sheet, statement of income and statement of changes in financial position which may be done on a consolidating basis) and certified by an independent certified public accountant, and within 90 days of the close of each fiscal year will furnish a copy to the Purchaser along with a copy of annual filed tax returns containing all schedules and exhibits within 30 days of the Borrower, the General Partner, and the Guarantor filing such tax returns annually, which shall be no later than October 25th of each year. The Borrower shall furnish to the Purchaser a rent roll with respect to the Facility within 90 days of the close of each fiscal year.

Section 4.9 IRS Audit Expenses. The Borrower agrees to pay any costs incurred by the Issuer or the Purchaser as a result of the Issuer's or the Purchaser's compliance with an audit, random or otherwise, by the Internal Revenue Service or the Minnesota Department of Revenue with respect to the Note or the Project.

Section 4.10 Reserve Fund. The Borrower shall maintain a Reserve Fund in the amount of \$50,001. The Borrower shall make the initial deposit of \$50,001 into the Reserve Fund on the date of Closing with equity of the Borrower. Amounts in the Reserve Fund may be used to make up any deficiencies in debt service payments on the Note when due and the Reserve Fund shall be collateral for the Loan held by the Purchaser.

If at any time the amount in the Reserve Fund is less than \$50,001, the Purchaser shall request the amount of deficiency from the Borrower for deposit to the Reserve Fund. Within 10 days of the Purchaser's written request to replenish the Reserve Fund, the Borrower shall make a deposit to replenish the full amount of the deficiency in the Reserve Fund. All income derived from the investment of amounts on hand in the Reserve Fund shall remain in and be credited as received to the Reserve Fund until such time as the balance therein (valued at the outstanding stated

principal amount of investments therein) is equal to \$50,001. Thereafter all such investment income shall be transferred as received to the Borrower. Amounts in the Reserve Fund, if not previously used as aforesaid, shall be applied against the final installments of principal of and interest due on the Note.

ARTICLE 5

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, by prepaying a like amount of the Principal Balance of the Note, but only in the manner, at the times and under the conditions provided in the Note.

Section 5.2 Other Prepayment Provisions. The Loan shall also be subject to prepayment if and to the extent the Note is subject to prepayment other than as described in Section 5.1.

Section 5.3 Partial Prepayment. If the Loan is prepaid hereunder only in part, the Purchaser shall apply any prepayment first against reasonable attorneys' fees and collection costs, second against accrued interest due under the Note, and then against the Principal Balance due under the Note; and the Borrower shall continue to pay in full the monthly payments due under the Note until the entire Principal Balance and accrued interest due on the Note and any other charges or premiums due hereunder or under the Note have been paid.

ARTICLE 6

EVENTS OF DEFAULT AND REMEDIES

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

(1) If the Borrower shall fail to make (a) any payments required under Section 3.3 of this Agreement on the date due, or (b) any other payment due under this Agreement (except for payments required under Section 3.3) on or before the date that the payment is due, and such default continues for 10 days after written notice given to the Borrower by the Issuer or the Purchaser as provided in the Note.

(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 30 days after written notice (a "Default Notice"), specifying such default and requesting that it be remedied, is given to the Borrower by the Issuer or the Purchaser, unless the Purchaser shall agree in writing to an extension of such time prior to its expiration, or 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, but not exceeding 60 days after the Default Notice is given.

(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 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 90 days after the filing thereof, or a receiver, trustee or liquidator of the Borrower or of all or substantially all of the assets of the Borrower or of the Facility shall be appointed in any proceeding brought against the Borrower and shall not be discharged within 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 Facility or a part thereof shall be levied upon or attached in any proceeding and such process shall not be vacated or discharged within 90 days after such levy or attachment; if the Borrower shall be dissolved or liquidated or shall be merged with or be acquired by another business entity in violation of Section 4.5.

(4) If the Partnership Agreement shall expire or be annulled; if the Partnership Agreement shall be amended or modified without the consent of the Purchaser, which shall not be unreasonably delayed, withheld or conditioned; or if the Borrower shall be dissolved or liquidated (other than when a new entity assumes the obligations of the Borrower under the conditions permitting such action contained in Section 4.5).

(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 Purchaser 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 the Disbursing Agreement, the Regulatory Agreement, the Note, or any other document securing the Note, and such failure continues beyond the period set forth in such documents during which the Borrower may cure the default.

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 Purchaser (except that rights arising under the sections listed in Section 7.9 hereof may not require such consent in order to be exercised by the Issuer) or by the Purchaser itself:

(1) The Issuer, upon written direction of the Purchaser, or the Purchaser may declare, upon 10 days' written notice to the Borrower, all installments of the Loan (being an amount equal to that necessary to pay in full the Principal Balance of plus accrued interest on the Note, assuming acceleration of the Note 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.

(2) The Issuer, upon written direction of the Purchaser (except as otherwise provided in Section 7.9 herein), or the Purchaser (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.

(3) The Purchaser's obligation to advance any further amounts under the Disbursing Agreement, if any, may terminate. Notwithstanding anything to the contrary contained herein or in any other instrument evidencing or securing the Loan, the Purchaser 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 cure or time elapse.

(4) The Purchaser may disburse any amounts remaining in the Project Fund and Reserve Fund first towards payment of accrued interest owing on the Note and then to the Principal Balance of the Note in accordance with the terms of the Note.

(5) The Purchaser may exercise its rights under the Guaranty.

In addition, the Purchaser will have such remedies as are provided in the Pledge Agreement and the Disbursing Agreement upon an Event of Default under this Agreement.

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, shall, after deducting all expenses incurred in collecting the same, be applied as a prepayment of the Note in accordance with Section 5.1.

Section 6.4 Manner of Exercise. No remedy herein conferred upon or reserved to the Issuer or Purchaser 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 Purchaser 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 Effect of Waiver. In the event any agreement contained in this Agreement should be breached by either party and the breach 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.

Section 6.6 Attorneys' Fees and Expenses. In the event the Borrower should default under any of the provisions of this Agreement and the Issuer or the Purchaser 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 Purchaser the reasonable fees and costs of such attorneys and such other expenses so incurred.

ARTICLE 7

GENERAL

Section 7.1 Notices. All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when (a) delivered personally or sent by telecopier or electronic mail, (b) sent by nationally recognized overnight courier, or (c) sent by certified mail, postage prepaid, return receipt requested, with proper address as indicated below. The Issuer, the Borrower and the Purchaser may, by 10 days' 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
Falcon Heights City Hall
2077 Larpenteur Avenue W
Falcon Heights, MN 55113-5551
Attn: City Administrator
Facsimile: _____
Email: sack.thongvanh@falconheights.org

To the Purchaser: Bridgewater Bank
370 Wabasha Street North, Suite 1500
St. Paul, MN 55102
Attn: Tyler Manning, Vice President
Facsimile: (651) 605-2699
Email: tyler.manning@bwbn.com

With a copy to: Messerli & Kramer P.A.
1400 Fifth Street Towers
100 South Fifth Street, Suite 1400
Minneapolis, MN 55402-1217
Attn: Michelle Jester
Facsimile: (612) 672-3777
Email: mjester@messerlikramer.com.

To the Borrower: Buhl GTA, LP
5100 Eden Avenue, Suite 317
Edina, MN 55436
Attn: _____
Facsimile: _____
Email: _____

With a copy to:

Winthrop & Weinstine, P.A.
Capella Tower
225 South Sixth Street, Suite 3500
Minneapolis, MN 55402-4629
Attn: [John Stern and Scott Jahnke]
Facsimile: (612) 604-6588
Email: [jstern@winthrop.com
sjahnke@winthrop.com.]

Any such communication shall be deemed to have been given (i) when delivered if personally delivered or sent by telecopier or email during a business day, (ii) on the business day after dispatch if sent by nationally recognized, overnight courier on other than during a business day, and (iii) on the third day after dispatch, if sent by mail.

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, subsequent to the initial issuance of the Note and before the Note is satisfied and discharged in accordance with its terms, this Agreement may not be effectively amended, changed, modified, altered, or terminated without the written consent of the Purchaser.

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. No covenant, provision or agreement of the Issuer herein or in the Note or in any other document executed by the Issuer (or any other party) in connection with the issuance, sale and delivery of the Note, or any obligation herein or therein imposed upon the Issuer or respecting the breach thereof, shall give rise to a pecuniary liability of the Issuer, its officers, employees or agents, or a charge against the Issuer's general credit or taxing powers or shall obligate the Issuer, its officers, employees or agents, financially in any way except with respect to this Agreement and the application of revenues herefrom and the proceeds of the Note. The Note shall be and constitutes only a special and limited revenue obligation of the Issuer, payable solely from the revenues pledged to the payment thereof pursuant to this Agreement and the Pledge Agreement, and the Note does not now and shall never constitute an indebtedness, a general or moral obligation or a loan of the credit of the Issuer, the State or any political subdivision thereof or a lien, charge or encumbrance, legal or equitable, against the Issuer's general credit or taxing powers or any of the Issuer's property. No failure of the Issuer to comply with any term, condition, covenant or agreement therein shall subject the Issuer, its officers, employees or agents, to liability for any claim for damages, costs or other financial or pecuniary charges except to the extent that the same can be paid or recovered from this Agreement or revenues therefrom or proceeds of the Note. No execution on

any claim, demand, cause of action or judgment shall be levied upon or collected from the general credit, general funds or taxing powers of the Issuer. In making the agreements, provisions and covenants set forth herein, the Issuer has not obligated itself except with respect to this Agreement and the application of revenues hereunder as hereinabove provided. It is further understood and agreed by the Borrower and the Purchaser that the Issuer, its officers, employees or agents shall incur no pecuniary liability hereunder and shall not be liable for any expenses related hereto, all of which the Borrower agrees to pay. If, notwithstanding the provisions of this Section, the Issuer, its officers, employees or agents incurs any expense, or suffers any losses, claims or damages or incurs any liabilities, the Borrower will indemnify and hold harmless the Issuer, its officers, employees or agents from the same and will reimburse the Issuer, its officers, employees or agents for any legal or other expenses incurred by the Issuer, its officers, employees or agents in relation thereto, and this covenant to indemnify, hold harmless and reimburse the Issuer, its officers, employees or agents shall survive delivery of and payment for the Note and expiration or termination of this Agreement. The liability of the Issuer is further restricted as provided in the Act.

Section 7.7 Issuer Attorneys' Fees and Costs. The Borrower shall reimburse the Issuer and the Purchaser, upon demand, for all costs and expenses, including without limitation attorneys' fees, paid or incurred by the Issuer and the Purchaser in connection with (i) the discussion, negotiation, preparation, approval, execution and delivery of the Note, this Agreement, and the documents and instruments related hereto or thereto; (ii) any amendments or modifications to any of the foregoing documents, instruments or agreements and the discussion, negotiation, preparation, approval, execution and delivery of any and all documents necessary or desirable to effect such amendments or modifications; (iii) the servicing and administration of the Loan during the term hereof or thereafter; and (iv) the enforcement by the Issuer and the Purchaser during the term hereof or hereafter of any of the rights or remedies of the Issuer and the Purchaser hereunder or under the foregoing documents, 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 and the Purchaser shall not be liable to the Borrower, and hereby releases and discharges the Issuer and the Purchaser 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 any party with respect to the Note, this Agreement, or the documents and transactions related hereto or thereto or contemplated hereby or thereby, including, without limitation, the exercise by any third party of any of its rights or remedies pursuant to any of such documents.

Section 7.9 Assignment by Issuer and Survivorship of Obligations. The Issuer may assign its rights under this Agreement and any related documents to the Purchaser to secure payment of the principal of and interest on the Note, conditioned upon the Purchaser's assumption of the Issuer's and Purchaser's obligations to the Borrower hereunder, 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: Sections 3.4, 3.6, 4.1, 4.2, 4.4, 4.9, 6.6, 7.6, 7.7, 7.8 and 7.9.

Upon any such 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 Purchaser (if appropriate), provided that the Issuer shall have the right to enforce any retained rights without the approval of the Purchaser, but only if the Purchaser 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 for the purpose of preserving the tax exempt status of the Note or otherwise for the Issuer's benefit under the foregoing Sections shall survive repayment of the Note and interest thereon.

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

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

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]

S-1

BUHL GTA, LP, a Minnesota limited partnership

By: Buhl GTA GP, LLC, a Minnesota limited liability company

Its: General Partner

By: _____

Name: _____

Its: _____

Signature Page to Loan Agreement

UNITED STATES OF AMERICA
STATE OF MINNESOTA
COUNTY OF RAMSEY

**CITY OF FALCON HEIGHTS, MINNESOTA
MULTIFAMILY HOUSING REVENUE NOTE
(AMBER UNION APARTMENTS PROJECT)
SERIES 2019**

<u>Principal Amount</u>	<u>Dated Date</u>	<u>Number</u>
\$3,622,377	_____, 2019	R-1

For value received the CITY OF FALCON HEIGHTS, MINNESOTA, a municipal corporation and political subdivision of the State of Minnesota (the "Issuer"), hereby promises to pay to BRIDGEWATER BANK, a Minnesota banking corporation, its successors or registered assigns (the "Purchaser"), solely from the source and in the manner hereinafter provided, the principal sum of Three Million Six Hundred Twenty-Two Thousand Three Hundred Seventy-Seven and no/100 Dollars (\$3,622,377), or so much thereof as has been advanced hereunder and remains unpaid from time to time (the "Principal Balance"), with interest thereon at the rate of one percent (1.00%) per annum or at such higher rate as may be hereinafter provided in Section 1(b), 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. (a) Interest shall accrue on the advanced and outstanding Principal Balance from and after the date hereof. Interest only on the advanced and outstanding Principal Balance of the Note shall be due and payable on _____, 20__ (unless extended with the consent of the Purchaser) and monthly thereafter through and including _____, 2061, (the "Final Maturity Date") or any earlier prepayment date at which time the entire remaining Principal Balance and accrued interest shall be fully due and payable.

(b) If the interest on this Note should become subject to federal income taxation pursuant to a "Determination of Taxability" as that term is defined in Section 4.4(2) of the Loan Agreement (the "Loan Agreement") of even date herewith between the Issuer and Buhl GTA, LP, a Minnesota limited partnership (the "Borrower"), and the Purchaser delivers to the Borrower a copy of the notice of the "Determination of Taxability," the interest rate shall be immediately adjusted to be equal to the rate of 1.50% per annum and each monthly installment thereafter payable shall be accordingly adjusted. In addition, the Purchaser shall be entitled to receive upon demand an amount equal to the aggregate difference between (i) the monthly payments theretofore made to the Purchaser on this Note between the "Date of Taxability," as that term is defined in Section 4.4(2) of the Loan Agreement, and the date of receipt by the Borrower of notice of such "Determination of Taxability" and (ii) the monthly payments which would have been made during such period if the adjusted rate had been in effect throughout such period.

2. In any event, the payments hereunder shall be sufficient to pay all principal and interest due, as such principal and interest become due, at maturity, upon redemption, or otherwise. Interest shall be computed on the basis of a 360-day year but shall be payable on the actual days elapsed.

3. Principal and interest due hereunder shall be payable at the office of the Purchaser set forth in the attached Note register, or at such other place as the Purchaser may designate in writing.

4. This Note is issued by the Issuer to provide funds for a project, as defined in Minnesota Statutes, Section 462C, as amended, consisting of the acquisition, construction, and equipping of an approximately 128-unit multifamily rental housing development and functionally related facilities to be located at 1667 Snelling Avenue in the City of Falcon Heights, Minnesota (the "Project"), and this Note is issued pursuant to and in full compliance with the Constitution and laws of the State of Minnesota, particularly Minnesota Statutes, Chapter 462C, as amended, and pursuant to a resolution of the governing body of the Issuer duly adopted on November 13, 2019 (the "Resolution").

5. This Note is secured by a Pledge Agreement dated as of the date hereof between the Issuer and the Purchaser (the "Pledge Agreement"). As security for the Borrower's obligations under the Loan Agreement, Peter Deanovic, will execute and deliver to the Purchaser a Guaranty, dated as of the date hereof (the "Guaranty"). Amounts held by the Purchaser relating to the Note shall be disbursed pursuant to the Disbursing Agreement dated as of the date hereof between the Borrower and the Purchaser (the "Disbursing Agreement"). The Purchaser shall authorize disbursements from the Project Fund to or at the order of the Borrower upon compliance with the terms and conditions of the Disbursing Agreement. The Borrower, the Purchaser and the Issuer have entered into a Regulatory Agreement dated as of the date hereof (the "Regulatory Agreement") requiring compliance with certain requirements of federal and state law relating to the construction and operation of the Project as a residential rental housing project.

6. The Issuer, for itself, its successors and assigns, hereby waives demand, presentment, protest and notice of dishonor, and to the extent permitted by law, the Purchaser may extend the due date of interest and/or principal of this Note, or release any part or parts of the property and interest subject to any 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.

7. In lieu of providing for a balloon maturity of this Note prior to the Maturity Date, the Purchaser has agreed to the terms of this paragraph. At the option of the Purchaser, this Note is subject to mandatory purchase at a purchase price equal to the entire outstanding Principal Balance hereof plus accrued interest thereon (the "Purchase Price") by the Borrower, or another purchaser selected by the Borrower and approved by the Issuer, on any date on or after September 30, 2020, unless such date is extended as provided below (the "Mandatory Purchase Date") upon notice, written or printed, delivered, at least 60 days prior to such Mandatory Purchase Date, to the Borrower at the address provided in the Loan Agreement or by telex or

other means of written or printed instantaneous communication (the “Tender Notice”) stating: (1) the Mandatory Purchase Date, (2) the Purchaser’s intent to require the purchase of this Note on the Mandatory Purchase Date and (3) the then outstanding Principal Balance of this Note. Upon the giving of such notice the entire Purchase Price shall be due and payable in full by the Borrower on the applicable Mandatory Purchase Date and the Purchaser shall deliver the Note to the Borrower, or its designee, on the Mandatory Purchase Date. If this Note is not purchased from the Purchaser by or on behalf of the Borrower on the Mandatory Purchase Date, the failure to purchase this Note shall constitute an event of default under this Note and an “Event of Default” under the Loan Agreement, and the Purchaser may exercise its remedies for default, including acceleration of this Note.

8. This Note may be prepaid in whole on any date at the option of the Borrower, upon 10 days’ prior written notice to the Purchaser, at a redemption price equal to the Principal Balance of the Note plus accrued interest thereon, plus any reasonable attorneys’ fees and costs.

9. This Note is subject to extraordinary mandatory redemption or purchase in lieu of redemption in whole but not in part, at a redemption price equal to the Principal Balance of the Note plus accrued interest thereon, without premium, without notice, on the earlier of (i) the Mandatory Purchase Date, unless such date is extended as provided below or (ii) the date the Purchaser transfers this Note to another person through assignment or purchase, unless such date is extended as provided below, if the Refunding (as defined in the Loan Agreement) of the Note has not occurred on or before such date. The Mandatory Purchase Date shall be extended at the option of the Borrower (a) by 12 months, one time, by paying the Purchaser an extension fee of \$25,000, provided, there is not an Event of Default or an event with notice and passage of time would become an Event of Default and (b) thereafter, one or more times, to a date not later than _____, 2022 with the consent of the Purchaser and upon delivery to the Purchaser of an opinion of Bond Counsel to the effect that such extension will not adversely affect the tax exempt status of interest paid on this Note.

10. In the event of prepayment of this Note, the Purchaser shall apply any such prepayment first against reasonable attorneys’ fees and collection costs, second against the accrued interest on the Principal Balance and then against the principal amounts due under the 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 regardless of any partial prepayment made hereunder unless otherwise agreed to by the Purchaser.

11. All of the agreements, conditions, covenants, provisions and stipulations contained in the Resolution, the Loan Agreement, the Disbursing Agreement, the Guaranty and the Pledge Agreement 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.

12. This Note and interest thereon are payable solely from the revenues and proceeds derived from the Loan Agreement, the Pledge Agreement, the Guaranty and the Disbursing Agreement and do not constitute a debt of the Issuer within the meaning of any constitutional or statutory limitation, are not payable from or a charge upon any funds of the Issuer other than the revenues and proceeds pledged to the payment thereof, and do not give rise to a pecuniary

liability of the Issuer 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 Issuer to pay this Note or the interest thereon, or to enforce payment thereof against any property of the Issuer, and this Note does not constitute a charge, lien or encumbrance, legal or equitable, upon any property of the Issuer, and the agreement of the Issuer 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.

13. It is agreed that time is of the essence of this Note. If an Event of Default (as that term is defined in the Disbursing Agreement or the Loan Agreement) shall occur, then the Issuer, upon written direction of the Purchaser, or the Purchaser shall have the right and option to declare the Principal Balance and accrued interest thereon, immediately due and payable, whereupon the same shall be due and payable, but solely from sums made available under the Loan Agreement, the Pledge Agreement, the Guaranty and the Disbursing Agreement. Failure to exercise such option at any time shall not constitute a waiver of the right to exercise the same at any subsequent time.

14. The remedies of the Purchaser, as provided herein and in the Loan Agreement, the Pledge Agreement, the Guaranty and the Disbursing Agreement, are not exclusive and shall be cumulative and concurrent and may be pursued singly, successively or together, at the sole discretion of the Purchaser, and may be exercised as often as occasion therefore shall occur; and the failure to exercise any such right or remedy shall in no event be construed as a waiver or release thereof.

15. The Purchaser 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 Purchaser, 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.

16. As provided in the Resolution and subject to certain limitations set forth therein, this Note is only transferable upon the books of the Issuer at the office of the City Administrator, by the Purchaser in person or by its agent duly authorized in writing, at the Purchaser's expense, upon surrender hereof together with a written instrument of transfer satisfactory to the City Administrator, duly executed by the Purchaser 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 Issuer may deem and treat the person in whose name the Note is last registered upon the books of the Issuer with such registration noted on the Note, as the absolute owner hereof, for the purpose of receiving payment of or on the account of the Principal Balance or interest, whether or not overdue, and for all other purposes, and all such payments so made to the Purchaser or upon its 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 Issuer shall not be affected by any notice to the contrary.

17. This Note has been issued without registration under state or federal or other securities laws, pursuant to an exemption for such issuance; and accordingly the Note may not be

assigned or transferred in whole or part, nor may a participation interest in the Note be given pursuant to any participation agreement, except in accordance with the Resolution and an applicable exemption from such registration requirements.

18. THIS NOTE, INTEREST HEREON, AND ANY PENALTY OR CHARGE OR ANY AMOUNTS PAYABLE HEREUNDER, OR HOWEVER DESIGNATED, IS A SPECIAL LIMITED OBLIGATION OF THE ISSUER PAYABLE SOLELY FROM THE REVENUES AND PROCEEDS PLEDGED HERETO. THIS NOTE AND THE INTEREST HEREON DO NOT CONSTITUTE OR GIVE RISE TO A PECUNIARY LIABILITY, GENERAL OR MORAL OBLIGATION OR A PLEDGE OF THE FULL FAITH AND CREDIT OR TAXING POWER OF THE ISSUER, THE STATE OF MINNESOTA, OR ANY POLITICAL SUBDIVISION OF THE STATE OF MINNESOTA WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY LIMITATIONS AND ARE NOT PAYABLE FROM OR A CHARGE UPON ANY FUNDS OF THE ISSUER OTHER THAN THE REVENUES AND PROCEEDS PLEDGED BY THE ISSUER TO THE PAYMENT HEREOF AND DO NOT GIVE RISE TO A PECUNIARY LIABILITY OF THE ISSUER OR 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 ISSUER OR THE STATE OR ANY OF ITS POLITICAL SUBDIVISIONS TO PAY THIS NOTE OR TO ENFORCE PAYMENT HEREOF AGAINST ANY PROPERTY OF THE ISSUER OR ANY POLITICAL SUBDIVISION OF THE STATE OF MINNESOTA. THIS NOTE DOES NOT CONSTITUTE A CHARGE, LIEN OR ENCUMBRANCE, LEGAL OR EQUITABLE, UPON ANY PROPERTY OF THE ISSUER, AND THE AGREEMENT OF THE ISSUER 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 HEREOF. NEITHER THE STATE OF MINNESOTA NOR THE ISSUER NOR ANY OTHER POLITICAL SUBDIVISION OF THE STATE OF MINNESOTA SHALL BE OBLIGATED TO PAY THE PRINCIPAL OF THIS NOTE OR INTEREST HEREON OR OTHER COSTS INCIDENT HERETO EXCEPT FROM REVENUES PLEDGED THEREFOR UNDER THE LOAN AGREEMENT AND THE PLEDGE AGREEMENT, AS MORE FULLY SET FORTH IN THOSE DOCUMENTS. NEITHER THE FULL FAITH AND CREDIT NOR THE TAXING POWER, IF ANY, OF THE ISSUER, THE STATE OF MINNESOTA, NOR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF THIS NOTE OR INTEREST HEREON OR OTHER COSTS INCIDENT HERETO. THIS NOTE IS NOT A DEBT OF THE UNITED STATES OF AMERICA OR ANY OTHER AGENCY THEREOF AND IS NOT GUARANTEED BY THE FULL FAITH AND CREDIT OF THE UNITED STATES OF AMERICA. THIS NOTE IS NEITHER A MORAL NOR AN ANNUAL APPROPRIATION OBLIGATION OF THE ISSUER, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF. THE PROVISIONS OF THIS PARAGRAPH SHALL, FOR PURPOSES OF THIS NOTE, BE CONTROLLING AND SHALL BE GIVEN FULL FORCE AND EFFECT, ANYTHING ELSE TO THE CONTRARY IN THIS NOTE NOTWITHSTANDING.

IT IS HEREBY CERTIFIED AND RECITED that all conditions, acts and things required to exist, happen, and 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.

IN WITNESS WHEREOF, the Issuer has caused this Note to be duly executed in its name by the manual signatures of its Mayor and City Administrator the corporate seal having been intentionally omitted as permitted by law, and has caused this Note to be dated as of the date first written above.

CITY OF FALCON HEIGHTS, MINNESOTA

By: _____
Its: Mayor

By: _____
Its: City Administrator

CERTIFICATE OF 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.

Date of Registration	Name and Address Registered Owner	Signature of City Administrator
, 2019	Bridgewater Bank [7831 Bush Lake Road, Suite 300 Bloomington, MN 55439]	

REGULATORY AGREEMENT

between

CITY OF FALCON HEIGHTS, MINNESOTA
as Issuer

BRIDGEWATER BANK
as Purchaser

and

BUHL GTA, LP,
as Borrower

Dated _____, 2019

This instrument drafted by:
Briggs and Morgan, Professional Association (CJC)
80 South 8th Street, Suite 2200
Minneapolis, Minnesota 55402

TABLE OF CONTENTS

	Page
Section 1.	Definitions 1
Section 2.	Representations by the Borrower..... 4
Section 3.	Qualified Residential Rental Project..... 6
Section 4.	Low Income Tenants 8
Section 5.	Restrictions Imposed by Minnesota Statutes, Chapter 474A..... 10
Section 6.	Covenants Run with the Land..... 11
Section 7.	Indemnification..... 11
Section 8.	Consideration 12
Section 9.	Reliance 12
Section 10.	Sale or Transfer of the Project 12
Section 11.	Term..... 12
Section 12.	Burden and Benefit 13
Section 13.	Enforcement..... 14
Section 14.	The Purchaser and the Issuer 14
Section 15.	Amendment..... 15
Section 16.	Right of Access to the Project and Records..... 15
Section 17.	No Conflict with Other Documents 15
Section 18.	Severability 15
Section 19.	Notices 15
Section 20.	Governing Law 16
Section 21.	Payment of Fees..... 16
Section 22.	Limited Liability 17
Section 23.	Actions of Issuer 17
Section 24.	Counterparts..... 18
Section 25.	Recording and Filing 18
EXHIBIT A	LEGAL DESCRIPTION OF LAND A-1
EXHIBIT B-1	FORM OF INITIAL INCOME CERTIFICATION..... B-1-1
EXHIBIT B-2	FORM OF INCOME RECERTIFICATION B-2-1
EXHIBIT C	CERTIFICATE OF CONTINUING PROGRAM COMPLIANCE C-1

REGULATORY AGREEMENT

THIS REGULATORY AGREEMENT, dated _____, 2019 (this “Regulatory Agreement”), is made and entered into between the CITY OF FALCON HEIGHTS, MINNESOTA, a municipal corporation and political subdivision of the State of Minnesota (the “Issuer”), BRIDGEWATER BANK a Minnesota banking corporation (the “Purchaser”), and BUHL GTA, LP, a Minnesota limited partnership (the “Borrower”).

RECITALS

The Issuer is authorized to issue bonds or other obligations to provide financing for multifamily housing developments in accordance with the terms of Minnesota Statutes, Chapter 462C, as amended.

For the purpose of financing the acquisition and renovation of an existing historic office building into an approximately 128-unit multifamily rental housing development and functionally related facilities to be located at 1667 Snelling Avenue in the City of Falcon Heights, Minnesota (the “Project”); on the real property described on EXHIBIT A attached hereto (the “Land”), funding one or more reserve funds to secure the timely payment of the Note, if necessary; paying interest on the Note during the construction of the Project, if necessary; and paying the costs of issuing the Note, the Issuer will issue its Multifamily Housing Revenue Note (Amber Union Apartments Project), Series 2019 (the “Note”), in the original aggregate principal amount of \$3,622,377, in accordance with the terms of Resolution No. _____, adopted by the City Council of the Issuer on November 13, 2019.

The Issuer will loan the proceeds derived from the sale of the Note to the Borrower pursuant to the terms of a Loan Agreement, dated the date hereof, between the Issuer and the Borrower, to finance the Project.

For good and valuable consideration, the Borrower, the Purchaser, and the Issuer have determined to enter into this Regulatory Agreement in order to assure compliance with certain requirements of the Code (hereinafter defined) and of the Act (hereinafter defined) applicable to the Project.

NOW, THEREFORE, the Borrower, the Purchaser, and the Issuer do hereby impose upon the Project the following covenants, restrictions, charges, and easements, which shall run with the land and shall be binding and a burden upon the Project and all portions thereof, and upon any purchaser, grantee, owner, or lessee of any portion of the Project and any other person or entity having any right, title, or interest therein and upon the respective heirs, executors, administrators, devisees, successors, and assigns of any purchaser, grantee, owner, or lessee of any portion of the Project and any other person or entity having any right, title, or interest therein, for the length of time that this Regulatory Agreement shall be in full force and effect:

Section 1. Definitions. Unless otherwise expressly provided herein or unless the context clearly requires otherwise, the terms defined above shall have the meanings set forth above and the following terms shall have the respective meanings set forth below for the purposes hereof. Capitalized terms used but not defined herein shall have the meanings assigned to such terms in the Loan Agreement.

“*Act*” means Minnesota Statutes, Chapters 462A, 462C and 474A, as amended.

“*Adjusted Income*” means the adjusted income of a person (together with the adjusted income of all persons of the age of 18 years or older who intend to reside with such person in one Dwelling Unit), as calculated in the manner prescribed under Section 142(d)(2)(B) of the Code.

“*Bond Counsel*” means Briggs and Morgan, Professional Association, or any other attorney at law or firm of attorneys, of nationally-recognized standing in matters pertaining to the federal tax exemption of interest on bonds and other obligations issued by states and political subdivisions thereof, duly admitted to practice law before the highest court of any state of the United States of America.

“*Borrower*” means Buhl GTA, LP, a Minnesota limited partnership, its successors and assigns, to the extent permitted by the Loan Agreement.

“*Certificate of Continuing Program Compliance*” means the document substantially in the form of EXHIBIT C hereto.

“*Code*” means the Internal Revenue Code of 1986, as amended, and all applicable regulations (whether proposed, temporary or final) under the Code and the statutory predecessor of the Code, and any official rulings and judicial determinations under the foregoing applicable to the Note.

“*County*” means Ramsey County in the State.

“*Dwelling Units*” means the units of multifamily residential rental housing comprising the Project.

“*Event of Default*” has the meaning specified in Section 13 hereof.

“*Functionally Related and Subordinate*” shall mean and include facilities for use by tenants, for example, laundry facilities, parking areas, and recreational facilities, provided that the same is of a character and size commensurate with the character and size of the Project.

“*Housing Act*” means the United States Housing Act of 1937, as amended, codified as 42 U.S.C. Sections 1401 et seq.

“*Issuer*” means the City of Falcon Heights, Minnesota, a municipal corporation and political subdivision of the State.

“*Loan*” means the loan of the proceeds of the Note provided by the Issuer to the Borrower pursuant to the Loan Agreement to provide financing for the Project.

“*Loan Agreement*” means the Loan Agreement, dated as of the date hereof, between the Issuer and the Borrower, as it may be amended and supplemented from time to time.

“*Low Income Tenants*” means persons or families with Adjusted Income which does not exceed 60% of the Median Income for the Area adjusted for household size. In no event will the

occupants of a unit be considered to be Low Income Tenants if all of such occupants are students (as defined in Section 152(f)(2) of the Code), unless the unit is occupied:

(i) by an individual who is (A) a student and receiving assistance under Title IV of the Social Security Act, (B) a student who was previously under the care and placement responsibility of the State agency responsible for administering a plan under Part B or Part E of Title IV of the Social Security Act, or (C) enrolled in a job training program receiving assistance under the Job Training Partnership Act or under other similar federal, State, or local laws; or

(ii) entirely by full-time students if such students are (A) single parents and their children and such parents are not dependents (as defined in Section 152 of the Code, determined without regard to subsections (b)(1), (b)(2), and (d)(1)(B) thereof) of another individual and such children are not dependents (as defined in Section 152 of the Code, determined without regard to subsections (b)(1), (b)(2), and (d)(1)(B) thereof) of another individual other than a parent of such children, or (B) married and entitled to file a joint return.

“*Low Income Units*” means the Dwelling Units in the Project designated for occupancy by Low Income Tenants pursuant to Section 4(a) of this Regulatory Agreement.

“*Median Income for the Area*” means the median yearly income for households of an applicable size in the applicable Primary Metropolitan Statistical Area as most recently determined by the Secretary of Housing and Urban Development under Section 8(f)(3) of the Housing Act, or, if such figures are no longer available, the method of calculation is substantially altered, or the programs under Section 8(f) are terminated, the Issuer shall provide the Borrower with another income determination that is reasonably similar to the method used by the Secretary prior to such termination.

“*Note*” means the Issuer’s Multifamily Housing Revenue Note (Amber Union Apartments Project), Series 2019, issued in the original aggregate principal amount of \$3,622,377.

“*Pledge Agreement*” means the Pledge Agreement, dated as of the date hereof, between the Issuer and the Purchaser, as it may be amended and supplemented from time to time.

“*Project*” has the meaning assigned to such term in the recitals to this Regulatory Agreement.

“*Purchaser*” means Bridgewater Bank, a Minnesota banking corporation, or any successor or assign.

“*Qualified Project Period*” means the period beginning on the later of the date of issuance of the Note and the first day on which 10% of the Dwelling Units in the Project are occupied and ending on the latest of:

(i) the date which is 15 years after the date on which 50% of the Dwelling Units in the Project are occupied;

(ii) the first day on which no tax-exempt private activity bond issued with respect to the Project is outstanding, or

(iii) the date on which any assistance provided with respect to the Project under Section 8 of the United States Housing Act of 1937 terminates.

“*Regulatory Agreement*” means this Regulatory Agreement, together with any amendments or supplements hereto.

“*Resolution*” means Resolution No. _____, adopted by the City Council of the Issuer on November 13, 2019, authorizing the issuance of the Note.

“*Section 474A Penalty*” means the penalty described in Minnesota Statutes, Section 474A.047, subdivision 3, as applied to the Project.

“*State*” means the State of Minnesota.

“*Treasury Regulations*” means the regulations promulgated or proposed by the Department of the Treasury pursuant to the Code from time to time or pursuant to any predecessor statute to the Code.

Unless the context clearly requires otherwise, as used in this Regulatory Agreement words of the masculine, feminine or neuter gender shall be construed to include each other gender when appropriate, and words of the singular number shall be construed to include the plural number, and vice versa, when appropriate. This Regulatory Agreement and all of the terms and provisions hereof shall be construed to effectuate the purposes set forth herein and to sustain the validity hereof.

Section 2. Representations by the Borrower. The Borrower covenants, represents, and warrants that:

(a) The Borrower is a limited partnership organized and existing under the laws of the State. The Borrower is in good standing in the State and has duly authorized, by proper action, the execution and delivery of this Regulatory Agreement. The Borrower is duly authorized by the laws of the State to transact business in the State and to perform all of its duties hereunder.

(b) Neither the execution and delivery of this Regulatory Agreement or any other document in connection with the financing of the Project, the consummation of the transactions contemplated hereby and thereby nor the fulfillment of or compliance with the terms and conditions hereof and thereof conflicts with or results in a breach of any of the terms, conditions, or provisions of any agreement or instrument to which the Borrower is now a party or by which it is bound or constitutes a default (with due notice or the passage of time or both) under any of the foregoing or results in the creation or imposition of any prohibited lien, charge, or encumbrance whatsoever upon any of the property or assets of the Borrower under the terms of any instrument or agreement to which the Borrower is now a party or by which it is bound.

(c) The execution, delivery, and performance of this Regulatory Agreement and all other documents to be delivered by the Borrower in connection with the consummation of the transactions contemplated hereby will not conflict with, or constitute a breach of or default under, any indenture, mortgage, deed of trust, lease, commitment, agreement, or other instrument or obligation to which the Borrower is a party or by which the Borrower or any of its property is bound, or under any law, rule, regulation, judgment, order, or decree to which the Borrower is subject or by which the Borrower or any of its property is bound.

(d) To the best of the Borrower's knowledge, there is no action, suit, proceeding, inquiry, or investigation by or before any governmental agency, public board, or body pending or threatened against the Borrower (nor to the best of its knowledge is there any basis therefor), which:

(i) affects or seeks to enjoin, prohibit, or restrain the issuance, sale, or delivery of the Note or the use of the proceeds of the Note to finance the acquisition, construction, and equipping of the Project or the execution and delivery of this Regulatory Agreement,

(ii) affects or questions the validity or enforceability of the Note or this Regulatory Agreement,

(iii) questions the tax exempt status of the Note, or

(iv) questions the power or authority of the Borrower to own, acquire, construct, equip, or operate the Project or to execute, deliver, or perform the Borrower's obligations under this Regulatory Agreement.

(e) The Project will be located wholly within the boundaries of the City of Falcon Heights, Minnesota.

(f) As of the date on which the Note is executed and delivered to the Purchaser, the Borrower has entered into an agreement to purchase the Land and prior to any advance from the Project Fund will have title to the Land sufficient to carry out the purposes of this Regulatory Agreement, and the Borrower will not transfer its interest in the Land, except as otherwise permitted by this Regulatory Agreement.

(g) The Project consists and will consist of those facilities described herein, which generally are described as a residential apartment building and related facilities situated on the real property described in EXHIBIT A hereto. The Borrower shall make no changes to the Project or to the operation thereof which would affect the qualification of the Project under the Act or impair the exemption from federal income taxation of the interest on the Note. The Borrower will utilize and operate the Project as a multifamily rental housing project during the term of the Note in accordance with all applicable federal, State, and local laws, rules, and regulations applicable to the Project.

(h) The Borrower has obtained, or will obtain on or before the date required therefor, all necessary certificates, approvals, permits, and authorizations with respect to the operation of the Project.

(i) The Borrower does not currently own and does not intend to own the Note. The Borrower acknowledges and understands that if the Borrower or a “substantial user” of the Project financed with the proceeds of the Note or a “related person,” as those terms are employed in Section 147(a) of the Code, owns the Note, or any portion thereof, interest on the Note during such period of ownership will not be excludable from gross income for federal income tax purposes.

(j) The Borrower does not own any buildings or structures which are proximate to the Project other than those buildings or structures which comprise the Project, which are being financed pursuant to a common plan under which the Project is also being financed.

(k) The statements made in the various certificates delivered by the Borrower to the Issuer or the Purchaser on the date of issuance of the Note are true and correct.

Section 3. Qualified Residential Rental Project. The Borrower shall acquire, construct, equip, own, manage, and operate the Project as a “qualified residential rental project,” as such phrase is utilized in Section 142(d) of the Code, on a continuous basis during the Qualified Project Period. To that end, the Borrower hereby represents, warrants, and covenants as follows:

(a) that a qualified residential rental project will be acquired and constructed on the property described in EXHIBIT A hereto, and the Borrower shall own, manage and operate the Project as a qualified residential rental project containing Dwelling Units and facilities Functionally Related and Subordinate to such Dwelling Units, in accordance with Section 142(a)(7) and Section 142(d) of the Code and all applicable Treasury Regulations promulgated thereunder, as the same may be amended from time to time;

(b) that all of the Dwelling Units of the Project will be similarly constructed and each Dwelling Unit in the Project will contain complete facilities for living, sleeping, eating, cooking, and sanitation for a single person or a family;

(c) that:

(i) none of the Dwelling Units in the Project shall at any time in the future be utilized on a transient basis;

(ii) that none of the Dwelling Units in the Project shall at any time in the future be leased or rented for a period of less than 30 days; and

(iii) that neither the Project nor any portion thereof shall be used as a hotel, motel, dormitory, fraternity house, sorority house, rooming house, hospital, nursing home, sanitarium, rest home, or trailer park or trailer court for use on a transient basis, or by a cooperative housing corporation (as defined in Section 216(b)(1) of the Code);

(d) that once available for occupancy:

- (i) each Dwelling Unit in the Project must be rented or available for rental on a continuous basis to members of the general public during the Qualified Project Period; and
- (ii) the Borrower shall not give preference in renting Dwelling Units in the Project to any particular class or group of persons, other than Low Income Tenants as provided herein or as otherwise permitted by law;
- (e) that the Dwelling Units in the Project shall be leased and rented to members of the general public in compliance with this Regulatory Agreement, except for any Dwelling Unit for a resident manager or maintenance personnel;
- (f) that the Project consists of one or more discrete edifices and other man made construction, each consisting of an independent foundation, outer walls and roof, all of which will be (i) owned by the same person for federal tax purposes, (ii) located on a common tract of land or two or more parcels of land which are contiguous except for being separated only by a road, street, stream, or a similar property and (iii) financed by the Loan or otherwise pursuant to a common plan of financing, and which consists entirely of:
 - (i) units which are similar in quality and type of construction and amenities; and
 - (ii) property Functionally Related and Subordinate in purpose and size to the Project, e.g., parking areas, laundries, swimming pools, tennis courts, and other recreational facilities (none of which may be unavailable to any person because such person is a Low Income Tenant) and other facilities which are reasonably required for the Project, e.g., heating and cooling equipment, trash disposal equipment, or units for residential managers or maintenance personnel;
- (g) that no portion of the Project shall be used to provide any health club facility, any facility primarily used for gambling, or any store the principal business of which is the sale of alcoholic beverages for consumption off premises;
- (h) that the Project shall not include a Dwelling Unit in a building where all Dwelling Units in such building are not also included in the Project;
- (i) that the Borrower shall not convert the Project to condominium or cooperative ownership;
- (j) that no Dwelling Unit in the Project shall be occupied by any partner of the Borrower (or any person related to a partner of the Borrower or to any related person to the Borrower within the meaning of Section 147(a)(2) of the Code) at any time unless such person resides in a Dwelling Unit in a building or structure which contains at least five Dwelling Units and unless the resident of such Dwelling Unit is a resident manager or other necessary employee (e.g., maintenance and security personnel);
- (k) that the Note will not be “federally guaranteed,” as defined in Section 149(b) of the Code;

(l) that the Project shall at all times be used and operated as a “multifamily housing development,” as defined in the Act; and

(m) that the Borrower shall not discriminate on the basis of race, creed, color, sex, sexual preference, source of income (e.g., AFDC or SSI), physical disability, national origin, or marital status in the rental, lease, use, or occupancy of the Project or in connection with the employment or application for employment of persons for the operation and management of the Project.

Section 4. Low Income Tenants. Pursuant to the requirements of the Act and Section 142(d) of the Code, the Borrower hereby represents, warrants, and covenants as follows:

(a) Upon completion of the Project, at least 40% of the units in the Project will be occupied or held for occupancy by Low Income Tenants. Throughout the Qualified Project Period, not less than 40% of the completed units in the Project shall be continuously occupied or held for occupancy by Low Income Tenants. The Borrower will designate the Low Income Units and will make any revisions to such designations as necessary to comply with the applicable provisions of the Code and the Treasury Regulations. As set forth in paragraph (e) below, the Borrower shall advise the Issuer and the Purchaser by delivery of a certificate in writing of the status of the occupancy of the Project with respect to Low Income Tenants on an annual basis for the term of this Regulatory Agreement. An Annual Certification of a Residential Rental Project, Form 8703 (Rev. September 2013), or successor form, shall be prepared annually by the Borrower and filed with the United States Secretary of the Treasury pursuant to Section 142(d)(7) of the Code (currently with the Internal Revenue Service Center, Ogden, Utah 84201), with a copy to be filed by the Borrower with the Issuer and the Purchaser. The percentage of units is measured by number of units, and not square footage of units.

For purposes of satisfying the occupancy requirements set forth above, a unit occupied by a person or family who at the commencement of their occupancy qualified as a Low Income Tenant shall be treated as occupied by a Low Income Tenant until such time as any recertification of such tenant’s income in accordance with subsections (c) and (h) below demonstrates that such tenant’s income exceeds 140% of the income limitation applicable to Low Income Tenants or the tenant vacates the unit.

A unit occupied by a Low Income Tenant shall be deemed, upon the termination of such tenant’s occupancy, to be continuously occupied by a Low Income Tenant until reoccupied, other than for a temporary period (not to exceed 60 days), at which time the character of the unit shall be redetermined.

(b) The Borrower will notify the Issuer on an annual basis of any vacancy of any Low Income Units.

(c) The Borrower will obtain, complete, and maintain on file income certifications from each Low Income Tenant, obtained immediately prior to the initial occupancy of such tenant in the Project, and thereafter re-obtain in any year in which a unit in the Project is occupied by a new resident whose income exceeds the applicable income limit, income certifications (based upon their then current income), from each Low Income Tenant,

substantially in the form of the income certification set forth in EXHIBIT B hereto or another form approved by Bond Counsel (the "Income Certification") and will provide such additional information as may be required by Section 142(d) of the Code, as the same may be amended from time to time, or in such other form and manner as may be required by applicable rules, rulings, policies, procedures, Treasury Regulations now or hereafter promulgated, proposed or made by the Department of the Treasury or the Internal Revenue Service applicable to the Note. Such Income Certification shall be obtained prior to initial occupancy. If requested by the Purchaser or Issuer, a copy of such Income Certification shall be filed with the Purchaser and the Issuer prior to occupancy by the tenant whenever possible but in no event more than one month after initial occupancy by the tenant. A copy of each re-certification of income shall be attached to each report filed with the Issuer and the Purchaser pursuant to Section 4(a) above. The Borrower shall make a good-faith effort to verify that the income reported by an applicant in an income certification is accurate by taking at least one of the following steps as a part of the verification process: (1) obtain a pay stub for the most recent pay period, (2) obtain an income tax return for the most recent tax year, (3) conduct a credit or similar search, (4) obtain an income verification form from the applicant's current employer, (5) obtain an income verification form from the Social Security Administration if the applicant receives assistance from such agency, or (6) if the applicant is unemployed and has no such tax return, obtain another form of independent verification. If the Low Income Tenant is a Section 8 Certificate Holder, the Borrower shall retain a copy of the certificate or voucher for verification of income in lieu of an income verification.

The Borrower understands that failure to file the Annual Certification of a Residential Rental Project, Form 8703 (Rev. September 2013), or successor form, as required by Section 142(d)(7) of the Code at the times stated therein may subject it to the penalty described in Section 6652(j) of the Code.

(d) The Borrower will maintain complete and accurate records pertaining to the Low Income Units and will permit, upon reasonable prior notice, any duly authorized representative of the Issuer, the Purchaser, the Department of the Treasury, or the Internal Revenue Service to inspect the books and records of the Borrower pertaining to the Project, including those records pertaining to the occupancy of the Low Income Units. This section is not intended to create any additional duties to inspect records.

(e) The Borrower will prepare and submit to the Issuer and the Purchaser, on or before December 1 of each year during the Qualified Project Period, beginning the first December 1 following commencement of the Qualified Project Period, a Continuing Program Compliance Certificate in the form of EXHIBIT C attached hereto and executed by the Borrower, and, if requested by the Purchaser or Issuer the Income Certifications described in Section 4(c) above.

(f) The Borrower, upon becoming aware of an Event of Default, will notify the Issuer and the Purchaser, in writing, of the occurrence of any such Event of Default hereunder or any event which, with the passage of time or service of notice, or both, would constitute an Event of Default hereunder, specifying the nature and period of existence of such event and the actions being taken or proposed to be taken with respect thereto. Such notice shall be given promptly and in no event longer than 10 Business Days after the Borrower receives notice or gains

knowledge of the occurrence of any such event. The Borrower further agrees that it will give prompt written notice to the Purchaser if insurance proceeds or condemnation awards are received with respect to the Project and are not used to repair or replace the Project, which notice shall state the amount of such proceeds or award.

(i) Except as provided in (ii) below, the Borrower shall accept as tenants on the same basis as all other prospective tenants Low Income Tenants who are recipients of federal certificates for rent subsidies pursuant to the existing program under Section 8 of the Housing Act or its successor and shall not apply selection criteria to Section 8 certificate/voucher holders that are more burdensome than the criteria applied to all other prospective tenants.

(ii) The Borrower agrees to modify the leases for units in the Project as necessary to allow the rental of Low Income Units to Section 8 certificate/voucher holders.

(g) Each lease pertaining to a Low Income Unit shall contain a provision to the effect that the Borrower has relied on the income certification and supporting information supplied by the Low Income Tenant in determining qualification for occupancy of the Low Income Unit and that any material misstatement in such certification (whether or not intentional) will be cause for immediate termination of such lease.

(h) Throughout the Qualified Project Period, the Borrower shall re-certify each Low Income Tenant's income on or before the anniversary of the Low Income Tenant's tenancy, in any year in which a unit in the Project is occupied by a new resident whose income exceeds the applicable income limit, by obtaining a completed Income Certification. In the event the re-certification demonstrates that any such tenant's household income exceeds 140% of the applicable income limit, the Borrower shall hold the next available unit or units of comparable or smaller size in the Project available for rental by new Low Income Tenants.

The Borrower in its sole discretion may notify, in writing, each tenant who is no longer a Low Income Tenant of such fact, and that the rent of such tenant(s) is subject to increase 30 days after receipt of such notice. The Borrower shall be entitled to so increase any such tenant's rent only if Borrower complies with any law applicable thereto and only after the Borrower has rented the next available unit or units in the Project on a one-for-one basis to a Low Income Tenant, or holds units vacant and available for occupancy by Low Income Tenants.

The Borrower agrees to inform all prospective Low Income Tenants of the requirements for re-certification of income and of the provisions of the preceding paragraph.

Section 5. Restrictions Imposed by Minnesota Statutes, Chapter 474A. Because the Note is issued by the Issuer as a residential rental project bond, as defined in Minnesota Statutes, Chapter 474A, as amended ("Chapter 474A"), and has received an allocation of tax exempt bonding authority pursuant to applicable provisions of Chapter 474A, the restrictions imposed by Chapter 474A apply to the Project as described below.

(a) In addition to any other restrictions on rent or the income of tenants set forth in this Regulatory Agreement, during the Qualified Project Period, the Borrower shall restrict rents

on at least 20% of the units in the Project (which may consist of the same units as meet the requirements of Section 4) to an amount not exceeding the area fair market rents or exception fair market rents, as applicable, for existing housing as established by the federal Department of Housing and Urban Development from time to time, which units shall be occupied, or held for occupancy, by Low Income Tenants. The rental rates of units in a residential rental project for which rental assistance payments are made are deemed to be within the rent limitations of this clause if the amount paid by the tenants is less than the fair market rents.

(b) The annual certifications required to be made by the Borrower hereunder shall conform to the requirements of Section 474A.047, subdivision 3, and the Issuer shall have the authority to impose upon the Borrower any and all penalties described in Section 474A.047, subdivision 3, from time to time, in addition to any remedies otherwise available under this Regulatory Agreement.

(c) The Borrower must satisfy the requirements of Section 474A.047, subdivision 1(a), during the Qualified Project Period. The Borrower must annually certify to the Issuer over the term of this Regulatory Agreement that the rental rates for the rent-restricted units are within the limitations under Section 474A.047, subdivision 1(a), of Chapter 474A. The Issuer may request individual certification of the income of residents of the income-restricted units. The Commissioner of Minnesota Management and Budget may request from the Issuer a copy of the annual certification prepared by the Borrower. The Commissioner of Minnesota Management and Budget may require the Issuer to request individual certification of all residents of the income-restricted units.

Section 6. Covenants Run with the Land. The Borrower hereby declares its express intent that the covenants, restrictions, charges, and easements set forth herein shall be deemed covenants running with the Land and shall, except as otherwise provided in this Regulatory Agreement, pass to and be binding upon the Borrower's successors in title including any purchaser, grantee, owner, or lessee of any portion of the Project and any other person or entity having any right, title, or interest therein and upon the respective heirs, executors, administrators, devisees, successors, and assigns of any purchaser, grantee, owner, or lessee of any portion of the Project and any other person or entity having any right, title, or interest therein. Except as otherwise provided in this Regulatory Agreement, each and every contract, deed, or other instrument hereafter executed covering or conveying the Project or any portion thereof or interest therein shall contain an express provision making such conveyance subject to the covenants, restrictions, charges, and easements contained herein; provided, however, that any such contract, deed, or other instrument shall conclusively be held to have been executed, delivered, and accepted subject to such covenants, regardless of whether or not such covenants are set forth or incorporated by reference in such contract, deed, or other instrument.

Section 7. Indemnification. The Borrower hereby covenants and agrees that it shall indemnify and hold harmless the Issuer and its officers, agents, and employees (the "Indemnified Parties") and the Purchaser and its officers, agents, members, directors, officials, and employees as provided in the Loan Agreement. All provisions of the Loan Agreement relating to indemnification are incorporated by reference herein and are considered provisions of this Regulatory Agreement, as if expressly set out herein.

Section 8. Consideration. The Issuer has issued the Note in part to provide funds to make the Loan to finance the acquisition, construction, and equipping of the Project all for the purpose, among others, of inducing the Borrower to acquire, construct, equip, and operate the Project. In consideration of the issuance of the Note by the Issuer, the Borrower has entered into this Regulatory Agreement and has agreed to restrict the uses to which the Project can be put on the terms and conditions set forth herein.

Section 9. Reliance. The Issuer and the Borrower hereby recognize and agree that the representations and covenants set forth herein may be relied upon by all persons interested in the legality and validity of the Note and in the exemption from federal income taxation of the interest on the Note. In performing their duties and obligations hereunder, the Issuer and the Purchaser may rely upon statements and certificates of the Borrower and the tenants and upon audits of the books and records of the Borrower pertaining to the Project. In addition, the Issuer and the Purchaser may consult with counsel, and the written opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by the Issuer or the Purchaser hereunder in good faith and in conformity with such written opinion. A copy of any such opinion shall be furnished by the Issuer or the Purchaser to the Borrower upon written request. In determining whether any default or lack of compliance by the Borrower exists under this Regulatory Agreement, the Purchaser shall not be required to conduct any investigation into or review of the operations or records of the Borrower and may rely solely on any notice or certificate delivered to the Purchaser by the Borrower or the Issuer with respect to the occurrence or absence of a default unless it knows, or in the exercise of reasonable care should have known, that the notice or certificate is erroneous or misleading.

The Purchaser shall be under no duty to make any investigation or inquiry as to any statements or other matters contained or referred to in any documents or any instruments delivered to it in accordance with this Regulatory Agreement, but it may receive and accept the same as conclusive evidence of the truth and accuracy of such statements.

Section 10. Sale or Transfer of the Project. The Borrower hereby covenants and agrees not to sell, transfer, or otherwise dispose of the Project, or any portion thereof, except as permitted under the terms of the Loan Agreement. Any attempted sale, transfer, or disposition which would cause or result in the violation of any of these covenants, provisions, reservations, restrictions, charges, or easements shall be null and void ab initio and of no force and effect. Nothing herein shall prohibit the transfer, sale, or assignment of the interests in the Borrower or any direct or indirect ownership interests in the Borrower's partners, except as may be prohibited under the Loan Agreement.

Section 11. Term. This Regulatory Agreement and the terms hereof shall become effective upon its execution and delivery and shall remain in full force and effect for a term and period equal to the Qualified Project Period, it being expressly agreed and understood that the provisions hereof are intended to survive the retirement of the Note and termination of the Loan Agreement and the Loan if the Qualified Project Period has not expired at the time of such retirement and expiration. Notwithstanding anything in this Regulatory Agreement to the contrary:

(a) The Project may be transferred pursuant to a foreclosure, exercise of power of sale, or deed in lieu of foreclosure, or comparable proceedings under a mortgage or similar instrument without the consent of or fee of any kind payable to the Issuer or compliance with the provisions of this Regulatory Agreement. In connection with any such foreclosure, deed in lieu of foreclosure, or other proceedings, this Regulatory Agreement may, at the option of the Purchaser, be terminated upon completion of the foreclosure and expiration of the applicable redemption period, or recording of a deed in lieu of foreclosure.

(b) The requirements of this Regulatory Agreement shall terminate and be of no further force and effect in the event of involuntary noncompliance with the provisions of this Regulatory Agreement caused by fire or other casualty, seizure, requisition, foreclosure, transfer of title by deed in lieu of foreclosure, change in a federal law, or an action of a federal agency after the date of this Regulatory Agreement, which prevents the Issuer and the Purchaser from enforcing such provisions, or condemnation or a similar event, but only if, within a reasonable period, either the Note is retired or amounts received as a consequence of such event are used to provide a project that meets the requirements hereof (this shall be deemed met if the Note has been previously retired); provided, however, that the preceding provisions of this sentence shall cease to apply and the restrictions contained herein shall be reinstated if, at any time subsequent to the termination of such provisions as the result of the foreclosure, or the delivery of a deed in lieu of foreclosure, or a similar event, the Borrower or any related person (within the meaning of Section 1.103-10(e) of the Treasury Regulations) obtains an ownership interest in the Project for federal income tax purposes. The Borrower hereby agrees that, following any foreclosure, transfer of title by deed in lieu of foreclosure, or similar event, neither the Borrower nor any such related person as described above will obtain an ownership interest in the Project for federal tax purposes.

(c) This Regulatory Agreement, or any of the provisions or sections hereof, may be terminated upon agreement by the Issuer and the Borrower, and if the Note is then outstanding, the Purchaser, upon receipt of an opinion of Bond Counsel to the effect that such termination will not cause interest on the Note to become included in gross income for federal income tax purposes or cause interest on the Note to become included in the net taxable income of individuals, trusts, and estates for State income tax purposes.

Upon the termination of the terms of this Regulatory Agreement, the parties hereto agree to execute, deliver, and record appropriate instruments of release and discharge of the terms hereof; provided, however, that the execution and delivery of such instruments shall not be necessary or a prerequisite to the termination of this Regulatory Agreement in accordance with its terms.

Section 12. Burden and Benefit. The Issuer and the Borrower hereby declare their understanding and intent that the burden of the covenants set forth herein touch and concern the Land in that the Borrower's legal interest in the Project is rendered less valuable thereby. The Issuer and the Borrower hereby further declare their understanding and intent that the benefit of such covenants touch and concern the Land by enhancing and increasing the enjoyment and use of the Project by Low Income Tenants, the intended beneficiaries of such covenants, reservations, and restrictions, and by furthering the public purposes for which the Note was issued. Notwithstanding the foregoing, the Low Income Tenants are not intended to be third

party beneficiaries of this Regulatory Agreement and shall have no rights to enforce any provision herein.

Section 13. Enforcement. If the Borrower defaults in the performance or observance of any covenant, agreement, or obligation of the Borrower set forth in this Regulatory Agreement, and if such default remains uncured for a period of 60 days after written notice thereof shall have been given by the Issuer or the Purchaser to the Borrower, then the Issuer or the Purchaser, acting on its own behalf or on behalf of the Issuer, may declare an “Event of Default” to have occurred hereunder and, at its option, may take any one or more of the following steps:

(a) by mandamus or other suit, action, or proceeding at law or in equity require the Borrower to perform its obligations and covenants hereunder or enjoin any acts or things which may be unlawful or in violation of the rights of the Issuer or the Purchaser hereunder;

(b) have access to and inspect, examine, and make copies of all the books and records of the Borrower pertaining to the Project;

(c) take such other action at law or in equity as may appear necessary or desirable to enforce the obligations, covenants, and agreements of the Borrower hereunder; or

(d) with the Purchaser’s consent, declare a default under the Loan, accelerate the indebtedness evidenced by the Loan, and proceed to redeem the Note in accordance with its terms.

Notwithstanding anything to the contrary contained herein, the Issuer and the Purchaser hereby agree that any cure of any default made or tendered by one or more of the Borrower’s partners or by the Purchaser shall be deemed to be a cure by Borrower and shall be accepted or rejected on the same basis as if made or tendered by Borrower.

The Purchaser shall have the right (but not the obligation), in accordance with this Section 13, without the consent or approval of the Issuer, to exercise any or all of the rights or remedies of the Issuer hereunder, provided that prior to taking any such act the Purchaser shall give the Issuer written notice of its intended action. All fees, costs, and expenses of the Purchaser or the Issuer incurred in taking any action pursuant to this Section 13 shall be the sole responsibility of the Borrower and shall be paid to the Purchaser or the Issuer, as the case may be, on demand.

After the Note has been discharged, the Issuer may act on its own behalf to declare an “Event of Default” to have occurred and to take any one or more of the steps specified hereinabove to the same extent and with the same effect as if taken by the Purchaser.

Section 14. The Purchaser and the Issuer. The Purchaser, in its discretion, may act as the agent of and on behalf of the Issuer where requested by the Issuer to do so. The Purchaser is entering into this Regulatory Agreement in its capacity as the purchaser of the Note. The Issuer may, at all times, assume the Borrower’s compliance with this Regulatory Agreement unless otherwise notified in writing by the Purchaser (but the Purchaser shall have no obligation to so notify the Issuer), or unless the Issuer has actual knowledge of noncompliance. The

Purchaser can rely on the accuracy of any certificates, instruments, opinions, or reports delivered to it by the Borrower. If the Note is discharged and terminated prior to the expiration of the Qualified Project Period: (i) all obligations, rights, and duties of the Purchaser under this Regulatory Agreement will terminate and be of no further force and effect; (ii) all actions required by the Purchaser will instead be undertaken by the Issuer; and (iii) all notices to be delivered to the Purchaser will instead be delivered to the Issuer and all notices to be delivered by the Purchaser will instead be delivered by the Issuer.

Section 15. Amendment. The provisions hereof shall not be amended or revised prior to the stated term hereof except by an instrument in writing duly executed by the Issuer, the Purchaser (so long as the Note is outstanding), and the Borrower and duly recorded in the same manner as this Regulatory Agreement. The Issuer's and the Purchaser's consent to any such amendment or revision (whether or not the Note shall then be outstanding) shall be given only upon receipt of an opinion of Bond Counsel addressed to the Issuer and Purchaser that such amendment or revision will not adversely affect the exemption from federal income taxation of interest on the Note. Neither the Issuer nor the Purchaser shall have a duty to prepare any such consent, amendment, or revision.

Section 16. Right of Access to the Project and Records. The Borrower agrees that during the term of this Regulatory Agreement, the Issuer, the Purchaser, and the duly authorized agents of either of them shall have the right at all reasonable times, and upon reasonable notice of at least 24 hours, to enter upon the site of the Project during normal business hours to examine and inspect the Project and to have access to the books and records of the Borrower with respect to the Project, a copy of which shall be maintained at the site of the Project.

Section 17. No Conflict with Other Documents. The Borrower warrants that it has not executed and will not execute any other agreement with provisions contradictory to, or in opposition to, the provisions hereof.

Section 18. Severability. The invalidity of any clause, part, or provision of this Regulatory Agreement shall not affect the validity of the remaining portions thereof.

Section 19. Notices. All notices to be given pursuant to this Regulatory Agreement shall be in writing and shall be deemed given when sent by unsecured e-mail, facsimile transmission or other similar unsecured electronic methods or when mailed by certified or registered mail, return receipt requested, to the parties hereto at the addresses set forth below, or to such other place as a party may from time to time designate in writing:

To the Issuer: City of Falcon Heights, Minnesota
Falcon Heights City Hall
2077 Larpenteur Avenue W
Falcon Heights, MN 55113-5551
Attn: City Administrator
Facsimile: _____
Email: sack.thongvanh@falconheights.org

To the Purchaser: Bridgewater Bank
370 Wabasha Street North, Suite 1500
St. Paul, MN 55102
Attention: Tyler Manning
Facsimile: (651) 605-2699
Email: tyler.manning@bwbn.com

With a copy to: Messerli & Kramer, P.A.
1400 Fifth Street Towers
100 South Fifth Street
Minneapolis, MN 55402
Attn: Michelle Jester, Esq.
Facsimile: (612) 672-3777
Email: mjester@messerlikramer.com

To the Borrower: Buhl GTA, LP

Attn: _____
Facsimile: _____
Email: _____

With a copy to: Winthrop & Weinstine, P.A.
Capella Tower
225 South Sixth Street, Suite 3500
Minneapolis, MN 55402-4629
Attn: [John Stern and Paul Markwardt]
Facsimile: (612) 604-6588
Email: [jstern@winthrop.com
pmarkwardt@winthrop.com]

Section 20. Governing Law. This Regulatory Agreement shall be governed by and construed in accordance with the laws and judicial decisions of the State of Minnesota, without regard to its conflicts of laws principles, except as such laws may be preempted by any federal rules, regulations, and laws.

Section 21. Payment of Fees. Notwithstanding payment of the Loan, the termination of the Loan Agreement, and the defeasance or discharge of the Note, throughout the term of the Qualified Project Period, the Borrower shall continue to pay:

(a) to the Purchaser, its reasonable and customary fees and expenses for reviewing and, if necessary, enforcing compliance by the Borrower with the terms of this Regulatory Agreement;

(b) to the Issuer, reimbursement for all reasonable fees and expenses, including, but not limited to, financial advisory and legal fees and expenses necessary for the Issuer's

reviewing and, if necessary, enforcing compliance by the Borrower with the terms of this Regulatory Agreement; and

(c) the fees and expenses of any entity or person designated by the Purchaser or Issuer to perform the review of the Borrower's compliance with this Regulatory Agreement; provided that such fees and expenses are not duplicative of any fees and expenses paid under (a) and (b) above.

Section 22. Limited Liability. Notwithstanding anything to the contrary in this Regulatory Agreement, it is understood and agreed by the Borrower and the Purchaser that no covenant, provision or agreement of the Issuer herein or in the Note or in any other document executed by the Issuer in connection with the issuance, sale and delivery of the Note, or any obligation herein or therein imposed upon the Issuer or breach thereof, shall give rise to a pecuniary liability of the Issuer or a charge against its general credit or taxing powers or shall obligate the Issuer financially in any way except with respect to the Loan Agreement and the application of revenues therefrom and the proceeds of the Note. No failure of the Issuer to comply with any term, condition, covenant or agreement herein or therein shall subject the Issuer to liability for any claim for damages, costs or other financial or pecuniary charges except to the extent that the same can be paid or recovered from the Loan Agreement or revenues therefrom or proceeds of the Note. No execution on any claim, demand, cause of action or judgment shall be levied upon or collected from the general credit, general funds or taxing powers of the Issuer. In making the agreements, provisions and covenants set forth herein, the Issuer has not obligated itself except with respect to the Loan Agreement and the application of revenues thereunder as therein provided. The Note constitutes a special, limited obligation of the Issuer, payable solely from the revenues pledged to the payment thereof pursuant to the Loan Agreement and the Related Documents, and do not now and shall never constitute an indebtedness or a loan of the credit of the Issuer, the State of Minnesota or any political subdivision thereof or a charge against the Issuer's general taxing powers within the meaning of any constitutional or statutory provision whatsoever. It is further understood and agreed by the Borrower and the Purchaser that the Issuer shall incur no pecuniary or moral liability hereunder and shall not be liable for any expenses related hereto. If, notwithstanding the provisions of this Section, the Issuer incurs any expense, or suffers any losses, claims or damages or incurs any liabilities, the Borrower will indemnify and hold harmless the Issuer from the same and will reimburse the Issuer for any legal or other expenses incurred by the Issuer in relation thereto, and this covenant to indemnify, hold harmless and reimburse the Issuer shall survive delivery of and payment for the Note.

Section 23. Actions of Issuer. The Issuer shall be entitled to rely conclusively on an opinion of counsel in the exercise or non-exercise of any of the rights or powers vested in the Issuer by virtue of this Regulatory Agreement or any other agreement or instrument executed in connection with the issuance of the Note; it being the intent of the parties hereto that the Issuer, and any and all present and future trustees, members, commissioners, officers, employees, attorneys, and agents of the Issuer shall not incur any financial or pecuniary liability for the exercise or non-exercise of any rights or powers vested in the Issuer by this Regulatory Agreement or any other instrument or agreement executed in connection with the issuance of the Note; or for the performance or nonperformance of any obligation under, or the failure to assert any right, power, or privilege under this Regulatory Agreement, the Pledge Agreement, the Note, the Loan Agreement, or any other instrument or agreement executed in connection with the

issuance of the Note. If the Issuer's consent or approval is required under this Regulatory Agreement, or any other agreement or instrument executed in connection with the issuance of the Note, the Issuer shall be entitled to rely conclusively on an opinion of counsel and shall not be responsible for any loss or damage resulting from any action or inaction in reliance upon such opinion.

Section 24. Counterparts. This Regulatory Agreement may be executed in any number of counterparts, each of which, when so executed and delivered, shall be an original; but such counterparts shall together constitute but one and the same Regulatory Agreement, and, in making proof of this Regulatory Agreement, it shall not be necessary to produce or account for more than one such counterpart.

Section 25. Recording and Filing. Prior to any advance of the proceeds of the Note under Section 3.03 of the Disbursing Agreement, the Borrower shall cause this Regulatory Agreement and all amendments and supplements hereto and thereto to be recorded and filed in the real property records of the County, the State, and in such other places as the Issuer or the Purchaser may reasonably request. The Borrower shall pay all fees and charges incurred in connection with any such recording.

(The remainder of this page is intentionally left blank.)

IN WITNESS WHEREOF, the parties have caused this Regulatory Agreement to be signed by their respective duly authorized representatives as of the day and year first written above.

CITY OF FALCON HEIGHTS, MINNESOTA

By: _____
Its: Mayor

By: _____
Its: City Administrator

STATE OF MINNESOTA)
) SS
COUNTY OF RAMSEY)

The foregoing instrument was acknowledged before me this ____ day of _____, 2019, by Peter Lindstrom and Sack Thongvanh, the Mayor and City Administrator, respectively, of the City of Falcon Heights, Minnesota, a municipal corporation and a political subdivision under the laws of the State of Minnesota, on behalf of said City.

Notary Public

Execution page of the Borrower to the Regulatory Agreement.

BUHL GTA, LP, a Minnesota limited partnership

By: Buhl GTA GP, LLC, a Minnesota limited liability company

Its: General Partner

By: _____

Name: _____

Its: _____

STATE OF MINNESOTA)
) SS
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____ day of _____, 2019, by _____, the _____ of Buhl GTA GP, LLC, a Minnesota limited liability company and the General Partner of Buhl GTA, LP, a Minnesota limited partnership, on behalf of said limited partnership.

Notary Public

Execution page of the Purchaser to the Regulatory Agreement.

BRIDGEWATER BANK
Purchaser

By _____
Tyler Manning
Its Vice President

STATE OF MINNESOTA)
) SS
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____ day of _____, 2019, by Tyler Manning, the Vice President of Bridgewater Bank, a Minnesota banking corporation, on behalf of the corporation.

Notary Public

EXHIBIT A

LEGAL DESCRIPTION OF LAND

The Land described in this Regulatory Agreement is located in Ramsey County, Minnesota, and is legally described as follows:

[Winthrop to provide]

**EXHIBIT B-1
FORM OF INITIAL INCOME CERTIFICATION**

TENANT INCOME CERTIFICATION <input type="checkbox"/> Initial Certification <input type="checkbox"/> Recertification <input type="checkbox"/> Other _____	Effective Date: _____ Move-in Date: _____ (MM/DD/YY): _____
--	---

PART I. DEVELOPMENT DATA

Property Name: Lexington Apartments Address: _____, Lexington, Minnesota	County: Ramsey Unit Number: _____	BIN #: _____ # Bedrooms: _____
---	--------------------------------------	-----------------------------------

PART II. HOUSEHOLD COMPOSITION

HH Br #	Last Name	First Name & Middle Initial	Relationship to Head of Household	Date of Birth (MM/DD/YY)	F/T Student (Y or N)	Social Security or Alien Reg. No.
1			HEAD			
2						
3						
4						
5						
6						

PART III. GROSS ANNUAL INCOME (USE ANNUAL AMOUNTS)

HH Br #	(A) Employment or Wages	(B) Soc. Security / Pensions	(C) Public Assistance	(D) Other Income
TOTAL	\$	\$	\$	\$
Add totals from (A) through (D) above			TOTAL INCOME (E):	\$

PART IV. INCOME FROM ASSETS

HH Mbr#	(F) Type of Asset	(G) C/I	(H) Cash Value of Asset	(I) Annual Income from Asset
TOTALS:			\$	\$
Enter Column (H) Total		Passbook Rate		
if over \$5,000	\$ _____	x 2.00 %	=	(J) Imputed Income
				\$
Enter the greater of the total column I, or J: imputed income			TOTAL INCOME FROM ASSETS (K)	\$
(L) Total Annual Household Income from all sources [Add (E) + (K)]				\$

HOUSEHOLD CERTIFICATION & SIGNATURES

The information on this form will be used to determine maximum income eligibility. I/we have provided for each person(s) set forth in Part II acceptable verification of current anticipated annual income. I/we agree to notify the landlord immediately upon any member of the household moving out of the unit or any new member moving in. I/we agree to notify the landlord immediately upon any member becoming a full-time student.

Under penalties of perjury, I/we certify that the information presented in this Certification is true and accurate to the best of my/our knowledge and belief. The undersigned further understands that providing false representations herein constitutes an act of fraud. False, misleading or incomplete information may result in the termination of the lease agreement.

Signature (Date) Signature (Date)

Signature (Date) Signature (Date)

PART V. DETERMINATION OF INCOME ELIGIBILITY

TOTAL ANNUAL HOUSEHOLD INCOME FROM ALL SOURCES From Item (L) on page 1

\$

Household Meets Income Restriction at:

- 60% 50%
 40% 30%
 ___%

RECERTIFICATION ONLY:

Current Income Limit x 140%

\$ _____

Household income exceeds 140% at recertification:

- Yes No

Current Income Limit per Family Size: \$ _____

Household Income at Move-in \$ _____

Household Size at Move-in: _____

PART VI. RENT

Tenant Paid Rent \$ _____

Rent Assistance: \$ _____

Utility Allowance \$ _____

Other non-optional charges: \$ _____

GROSS RENT FOR UNIT:

\$

Tenant paid rent plus Utility Allowance and other non-optional charges

Unit Meets Rent Restriction at:

- 60% 50% 40% 30% ___%

Maximum Rent Limit for this unit: \$ _____

PART VII. STUDENT STATUS

ARE ALL OCCUPANTS FULL-TIME STUDENTS?

- yes no

If yes, enter student explanation** (also attach documentation)

Enter 1-4

Student explanation:

1. TANF assistance
2. Job training program
3. Single parent/dependent child
4. Married/joint return*

***Exception for married/joint return is the only exception available for units necessary to qualify tax-exempt bonds.**

PART VIII. PROGRAM TYPE

Mark the program(s) listed below (a. through e.) for which this household's unit will be counted toward the property's occupancy requirements. Under each program marked, indicate the household's income status as established by this certification/recertification

- a. Tax Credit b. HOME c. Tax Exempt d. AHDP e. _____
 (Name of Program)

See Part V above.

<i>Income Status</i>	<i>Income Status</i>	<i>Income Status</i>	<i>Income Status</i>
<input type="checkbox"/> ≤ 50% AMGI	<input type="checkbox"/> 50% AMGI	<input type="checkbox"/> ≤ 50% AMGI	<input type="checkbox"/> _____
<input type="checkbox"/> ≤ 60% AMGI	<input type="checkbox"/> 60% AMGI	<input type="checkbox"/> ≤ 80% AMGI	<input type="checkbox"/> _____
<input type="checkbox"/> ≤ 80% AMGI	<input type="checkbox"/> 80% AMGI	<input type="checkbox"/> ≤ OI **	<input type="checkbox"/> ≤ OI **
<input type="checkbox"/> ≤ OI **	<input type="checkbox"/> OI **		

** Upon recertification, household was determined over income (OI) according to eligibility requirements of the program(s) marked above.

SIGNATURE OF OWNER / REPRESENTATIVE

Based on the representations herein and upon the proofs and documentation required to be submitted, the individual(s) named in Part II of this Tenant Income Certification is/are eligible under the provisions of Section 42 of the Internal Revenue Code, as amended, and the Regulatory Agreement (if applicable), to live in a unit in this Project.

SIGNATURE OF OWNER / REPRESENTATIVE

DATE

**INSTRUCTIONS FOR COMPLETING
TENANT INCOME CERTIFICATION**

This form is to be completed by the owner or an authorized representative.

Part I – Development Data

Check the appropriate box for Initial Certification (move-in), Recertification (annual recertification), or Other. If Other, designate the purpose of the recertification (i.e., a unit transfer, a change in household composition, or other state-required recertification).

- Move-in Date Enter the date the tenant has or will take occupancy of the unit.
- Effective Date Enter the effective date of the certification. For move-in, this should be the move-in date. For annual recertification, this effective date should be no later than one year from the effective date of the previous (re)certification.
- Property Name Enter the name of the development.
- County Enter the county (or equivalent) in which the building is located.
- BIN # Enter the Building Identification Number (BIN) assigned to the building (from IRS Form 8609).
- Address Enter the unit number.
- Unit Number Enter the unit number.
- # Bedrooms Enter the number of bedrooms in the unit.

Part II – Household Composition

List all occupants of the unit. State each household member’s relationship to the head of the household by using one of the following coded definitions:

- | | | | |
|---|-------------------|---|---------------------|
| H | Head of household | S | Spouse |
| A | Adult co-tenant | O | Other family member |
| C | Child | F | Foster child |
| L | Live-in caretaker | N | None of the above |

Enter the date of birth, student status, and Social Security number or alien registration number for each occupant.

If there are more than seven occupants, use an additional sheet of paper to list the remaining household members and attach it to the certification.

Part III – Annual Income

See HUD Handbook 4350.3 for complete instructions on verifying and calculating income, including acceptable forms of verification.

From the third party verification forms obtained from each income source, enter the gross amount anticipated to be received for the 12 months from the effective date of the (re)certification. Complete a separate line for each income-earning member. List the respective household member number from Part II.

- Column (A) Enter the annual amount of wages, salaries, tips, commissions, bonuses, and other income from employment; distributed profits and/or net income from a business.
- Column (B) Enter the annual amount of Social Security, Supplemental Security Income, pensions, military retirement, etc.
- Column (C) Enter the annual amount of income received from public assistance (i.e., TANF, general assistance, disability, etc.)
- Column (D) Enter the annual amount of alimony, child support, unemployment benefits, or any other income regularly received by the household.
- Row (E) Add the totals from columns (A) through (D) above. Enter this amount.

Part IV – Income from Assets

See HUD Handbook 4350.3 for complete instructions on verifying and calculating income from assets, including acceptable forms of verification.

From the third party verification forms obtained from each asset source, list the gross amount anticipated to be received during the 12 months from the effective date of the certification. List the respective household member number from Part II and complete a separate line for each member.

- Column (F) List the type of asset (i.e., checking account, savings account, etc.)
- Column (G) Enter C (for current, if the family currently owns or holds the asset), or I (for imputed, if the family has disposed of the asset for less than fair market value within two years of the effective date of (re)certification).
- Column (H) Enter the cash value of the respective asset.
- Column (I) Enter the anticipated annual income from the asset (i.e., savings account balance multiplied by the annual interest rate).
- TOTALS Add the total of Column (H) and Column (I), respectively.

If the total in Column (H) is greater than \$5,000, you must do an imputed calculation of asset income. Enter the Total Cash Value, multiply by 2% and enter the amount in (J), Imputed Income.

Row (K) Enter the Greater of the total in Column (I) or (J)

Row (L) Total Annual Household Income from All Sources Add (E) and (K) and enter the total

HOUSEHOLD CERTIFICATION AND SIGNATURES

After all verifications of income and/or assets have been received and calculated, each household member age 18 or older must sign and date the Tenant Income Certification. For move-in, it is recommended that the Tenant Income Certification be signed no earlier than five days prior to the effective date of the certification.

Part V – Determination of Income Eligibility

Total Annual Household Income from all sources Enter the number from item (L).

Current Income Limit per Family Size Enter the Current Move-in Income Limit for the household size.

Household income at move-in Household size at move-in For recertifications only. Enter the household income from the move-in certification. On the adjacent line, enter the number of household members from the move-in certification.

Household Meets Income Restriction Check the appropriate box for the income restriction that the household meets according to what is required by the set-aside(s) for the project.

Current Income Limit x 140% For recertification only. Multiply the Current Maximum Move-in Income Limit by 140% and enter the total. Below, indicate whether the household income exceeds that total. If the Gross Annual Income at recertification is greater than 140% of the current income limit, then the available unit rule must be followed.

Part VI – Rent

Tenant Paid Rent Enter the amount the tenant pays toward rent (not including rent assistance payments such as Section 8).

Rent Assistance Enter the amount of rent assistance, if any.

Utility Allowance Enter the utility allowance. If the owner pays all utilities, enter zero.

Other non-optional charges Enter the amount of non-optional charges, such as mandatory garage rent, storage lockers, charges for services provided by the development, etc.

Gross Rent for Unit Enter the total of Tenant Paid Rent plus Utility Allowance and other non-optional charges.

Maximum Rent Limit for this unit Enter the maximum allowable gross rent for the unit.

Unit Meets Rent Restriction at ___% Check the appropriate rent restriction that the unit meets according to what is required by the set-aside(s) for the project.

Part VII – Student Status

If all household members are full-time* students, check “yes.” If at least one household member is not a full-time student, check “no.”

If “yes” is checked, the appropriate exemption must be listed in the box to the right. If none of the exemptions apply, the household is ineligible to rent the unit.

** Full time is determined by the school the student attends.*

Part VIII – Program Type

Mark the program(s) for which this unit will be counted toward the property’s occupancy requirements. Under each program marked, indicate the household’s income status as established by this certification/recertification. If the property does not participate in the HOME, Tax-Exempt Bond, Affordable Housing Disposition, or other housing program, leave those sections blank.

Tax Credit See Part V above.

HOME If the property participates in the HOME program and the unit this household will occupy will count towards the HOME program set-asides, mark the appropriate box indicating the household’s designation.

Tax Exempt If the property participates in the Tax Exempt Bond program, mark the appropriate box indicating the household’s designation.

AHDP If the property participates in the Affordable Housing Disposition Program (AHDP), and this household’s unit will count towards the set-aside requirements, mark the appropriate box indicating the household’s designation.

Other If the property participates in any other affordable housing program, complete the information as appropriate.

SIGNATURE OF OWNER / REPRESENTATIVE

It is the responsibility of the owner or the owner’s representative to sign and date this document immediately following execution by the resident(s).

The responsibility of documenting and determining eligibility (including completing and signing the Tenant Income Certification form) and ensuring such documentation is kept in the tenant file is extremely important and should be conducted by someone well-trained in tax credit compliance.

These instructions should not be considered a complete guide on tax credit compliance. The responsibility for compliance with federal program regulations lies with the owner of the building(s) for which the credit is allowable.

**EXHIBIT B-2
FORM OF INCOME RECERTIFICATION**

INCOME CERTIFICATION

Initial Certification Recertification Other* _____

Effective Date: _____

Move-in Date: _____
(MM/DD/YYYY)

*Transfer from Unit: _____

PART I - DEVELOPMENT DATA

Property Name: _____ County: _____
Unit Number: _____ # Bedrooms: _____

PART II. HOUSEHOLD COMPOSITION

HH Mbr #	Last Name	First Name & Middle Initial	Relationship to Head of Household	Date of Birth (MM/DD/YYYY)	Last 4 digits of Social Security Number
1			HEAD		
2					
3					
4					
5					
6					
7					

PART III. GROSS ANNUAL INCOME (USE ANNUAL AMOUNTS)

HH Mbr #	(A) Employment/Wages	(B) Soc. Security/Pensions	(C) Public Assistance	(D) Other Income
TOTALS	\$ _____	\$ _____	\$ _____	\$ _____
Add totals from (A) through (D) above			TOTAL INCOME (E):	\$ _____

PART IV. INCOME FROM ASSETS

HH Mbr #	(F) Type of Asset	(G) C/I	(H) Cash Value of Asset	(I) Annual Income from Asset
TOTALS:			\$ _____	\$ _____

TOTAL INCOME FROM ASSETS (K)

\$ _____

(L) Total Annual Household Income from all Sources [Add (E) + (K)]

\$ _____

HOUSEHOLD CERTIFICATION & SIGNATURES

The information on this form will be used to determine maximum income eligibility. I/we have provided for each person(s) set forth in Part II acceptable verification of current anticipated annual income. I/we agree to notify the landlord immediately upon any member of the household moving out of the unit or any new member moving in.

Under penalties of perjury, I/we certify that the information presented in this Certification is true and accurate to the best of my/our knowledge and belief. The undersigned further understands that providing false representations herein constitutes an act of fraud. False, misleading or incomplete information may result in the termination of the lease agreement.

_____ Signature	_____ (Date)	_____ Signature	_____ (Date)
_____ Signature	_____ (Date)	_____ Signature	_____ (Date)

PART V. RENT

A. Tenant Paid Rent:	\$	_____
B. Rent Assistance:	\$	_____
C. Other non-optional charges and mandatory fees:	\$	_____
D. Gross Rent For Unit (See Instructions):	\$	_____

PART VI. DETERMINATION OF INCOME ELIGIBILITY

TOTAL ANNUAL HOUSEHOLD INCOME FROM ALL SOURCES From Item (L) on page 1	\$ 	Household Meets Income Restriction at:	RECERTIFICATION ONLY: Current Income Limit x 140%
Current Income Limit per Family Size: \$ _____		<input type="checkbox"/> 60% <input type="checkbox"/> 50%	\$ _____
Household Income at Move-in \$ _____		<input type="checkbox"/> 40% <input type="checkbox"/> 30%	Household income exceeds 140% at recertification:
		<input type="checkbox"/> __%	<input type="checkbox"/> Yes <input type="checkbox"/> No
			Household Size at Move-in: _____

SIGNATURE OF OWNER/REPRESENTATIVE

Based on the representations herein and upon the proofs and documentation required to be submitted, the individual(s) named in Part II of this Tenant Income Certification is/are eligible under the provisions of program's rules, regulations and the Regulatory Agreement, to live in a unit in this Project.

_____ SIGNATURE OF OWNER/REPRESENTATIVE	_____ DATE
--	---------------

PART VIII. HOUSEHOLD DEMOGRAPHICS

Please complete for each household member. See below for Ethnicity, Race, and Other codes that characterize the household composition.

HH Mbr #	Sex – enter M or F	Ethnicity	Race <i>Enter up to 5 categories</i>	Disabled
1				
2				
3				
4				
5				
6				
7				

The Minnesota Housing Finance Agency is required to comply with HUD’s reporting requirements; however, you are not required to provide this information. You may not be discriminated against on the basis of this information, or on whether or not you choose to furnish it. If you do not wish to furnish this information, please initial below.

RESIDENT/APPLICANT: I do not wish to furnish information regarding ethnicity, race, sex, and disability status.
(Initials) _____

Ethnicity:	Enter each household member’s ethnicity by using one of the following coded definitions:	<ol style="list-style-type: none"> 1. Hispanic or Latino 2. Not Hispanic or Latino 3. Tenant did not respond
Race:	Enter each household member’s race by using, at least one, of the following coded definitions (<i>up to 5 categories may be selected</i>):	<ol style="list-style-type: none"> 1. White 2. Black/African American 3. American Indian/Alaska Native 4. Select from the following: <ol style="list-style-type: none"> 4a Asian India 4b Chinese 4c Filipino 4d Japanese 4e Korean 4f Vietnamese 4g Other Asian 5. Select from the following: <ol style="list-style-type: none"> 5a Native Hawaiian 5b Guamanian or Chamorro 5c Samoan 5d Other Pacific Islander 6. Other 7. Tenant did not respond
Disabled:	Check yes if any member of the household is disabled according to Fair Housing Act definition for handicap (disability): <ul style="list-style-type: none"> • A physical or mental impairment which substantially limits one or more major life activities; a record of such an impairment; or being regarded as having such an impairment. For a definition of “physical or mental impairment” and other terms used in this definition, please see 24 CFR 100.201, available at http://www.fairhousing.com/index.cfm?method=page.display&pagename=regs_fhr_100-201. • “Handicap” does not include current, illegal use of or addiction to a controlled substance. 	<ol style="list-style-type: none"> 1. Yes 2. No 3. Tenant did not respond

EXHIBIT C

CERTIFICATE OF CONTINUING PROGRAM COMPLIANCE

(DATE)

TO: City of Falcon Heights, Minnesota
Falcon Heights City Hall
2077 Larpenteur Avenue W
Falcon Heights, MN 55113-5551
Attn: City Administrator

and (prior to the discharge of the Note (hereinafter defined))

Bridgewater Bank
370 Wabasha Street North, Suite 1500
St. Paul, MN 55102
Attn: Tyler Manning, Vice President

Re: Multifamily Housing Revenue Note (Amber Union Apartments Project), Series 2019 (the "Note")

The undersigned, an authorized representative for Buhl GTA, LP, a Minnesota limited partnership (the "Owner"), hereby certifies, represents, and warrants that:

1. The Owner owns the multifamily housing project located in Falcon Heights, Minnesota and known as the Amber Union Apartments Project (the "Project").

2. The undersigned and the Owner have read and are thoroughly familiar with the provisions of (1) the Regulatory Agreement, dated _____, 2019 (the "Regulatory Agreement"), between the Owner, the City of Falcon Heights, Minnesota (the "Issuer"), and Bridgewater Bank (the "Purchaser"); and (2) the Loan Agreement, dated _____, 2019 (the "Agreement"), between the Issuer and the Owner. The Regulatory Agreement was executed, delivered, and recorded against the Project in connection with the issuance of the Note.

3. A review of the activities of the Owner and of the Owner's performance under the Regulatory Agreement and the Loan Agreement during the year ending _____ has been made under the supervision of the undersigned.

4. The Project's Qualified Project Period commenced on _____ (the date on which 10% of the residential units in the Project were occupied), and will end on the latest of:

(i) _____, ____ (the date which is 15 years after the date on which 50% of the residential units in the Project were occupied);

(ii) the first day on which no tax-exempt private activity bond issued with respect to the Project is outstanding, or

(iii) the date on which any assistance provided with respect to the Project under Section 8 of the United States Housing Act of 1937 terminates.

5. As of the date of this Certificate, the following percentages of completed residential units in the Project are (i) occupied by Low Income Tenants or (ii) currently vacant and being held available for occupancy by Low Income Tenants and have been so held continuously since the date a Low Income Tenant vacated such unit, as indicated:

Occupied by Low Income Tenants _____ % Units Nos. _____

Continuously held vacant for occupancy by Low Income Tenants since last occupied by Low Income Tenants _____ % Units Nos. _____

6. At no time since the date of filing of the last Continuing Program Compliance Certificate (or since the issuance of the Note, if this is the first such certificate) has less than _____ units representing 40% of the completed units in the Project been occupied by or were last occupied by Low Income Tenants.

7. As of the date of this Certificate, at least 40% of the units in the Project are (i) occupied by persons or families with Adjusted Income which does not exceed 60% of the Median Income for the Area adjusted for household size; or (ii) held vacant for occupancy for persons or families with Adjusted Income which does not exceed 60% of the Median Income for the Area adjusted for household size. Project Units occupied or held vacant for persons or families with Adjusted Income which does not exceed 60% of the Median Income for the Area adjusted for household size include Unit numbers _____.

8. At all times since the date of filing of the last Continuing Program Compliance Certificate rent on at least 20% of the units in the Project has been equal to or less than applicable area fair market rents or exception for fair market rents, established from time to time by the United States Department of Housing and Urban Development.

9. To the knowledge of the undersigned, after due inquiry, all units were rented or available for rental on a continuous basis during the immediately preceding year to members of the general public, and the Owner is not now and has not been in default under the terms of the Regulatory Agreement and the Loan Agreement and, to the knowledge of the undersigned, no Determination of Taxability has occurred with respect to the Note.

10. [**CHOOSE ONE:** None/One or more] of the Tenants in the Project are currently receiving assistance under Section 8 of the United States Housing Act of 1937.

11. Unless otherwise expressly provided herein or unless the context requires otherwise, the capitalized terms used but not defined herein shall have the meaning assigned to such terms in the Regulatory Agreement.

12. The Owner has not transferred any interest in the Project since the date of submission of the Continuing Program Compliance Certificate last submitted to the Purchaser and the Issuer with respect to the Project. **(If the Owner has transferred any interest in the Project, such transfer should be detailed here.)**

Signature page of the Borrower to the Certificate of Continuing Program Compliance.

Dated: _____, _____.

BUHL GTA, LP, a Minnesota limited partnership

By: Buhl GTA GP, LLC, a Minnesota limited liability
company, its General Partner

By: _____

Its: _____



The City That Soars!

REQUEST FOR COUNCIL ACTION

Meeting Date	November 13, 2019
Agenda Item	Consent F1
Attachment	General Disbursements and Payroll
Submitted By	Roland Olson, Finance Director

Item	General Disbursements and Payroll
Description	General Disbursements through: 11/04/19 \$140,831.31 Payroll through: 10/31/19 \$18,046.65
Budget Impact	The general disbursements and payroll are consistent with the budget.
Attachment(s)	<ul style="list-style-type: none"> • General Disbursements and Payroll
Action(s) Requested	Staff recommends that the Falcon Heights City Council approve general disbursements and payroll.

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PACKET: 02031 OCT 18 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

01-00255 AMERICAN OFFICE PRODUCTS

I-5696		ENVELOPES, INK, PRINTING	316.00			
10/18/2019	APBNK	DUE: 10/18/2019 DISC: 10/18/2019		1099: N		
		ENVELOPES, INK, PRINTING		101 4112-70100-000	SUPPLIES	316.00
=== VENDOR TOTALS ===			316.00			

01-05685 CARPENTER, KATIE

I-201910187333		REFUND	33.00			
10/18/2019	APBNK	DUE: 10/18/2019 DISC: 10/18/2019		1099: N		
		REFUND		201 34310-000	RECREATION FEES	33.00
=== VENDOR TOTALS ===			33.00			

01-03110 CENTURY LINK

I-201910187317		LIFT STATION AUTO DIALER	69.34			
10/18/2019	APBNK	DUE: 10/18/2019 DISC: 10/18/2019		1099: N		
		LIFT STATION AUTO DIALER		601 4601-85011-000	TELEPHONE - LANDLINE	69.34
I-201910187318		LANDLINES - SEP 7 TO NOV 6	127.59			
10/18/2019	APBNK	DUE: 10/18/2019 DISC: 10/18/2019		1099: N		
		LANDLINES - SEP 7 TO NOV 6		101 4141-85011-000	TELEPHONE - LANDLINE	127.59
=== VENDOR TOTALS ===			196.93			

01-06290 CITY OF ROSEVILLE

I-226912		ENGINEERING SERVICES	11,616.23			
10/18/2019	APBNK	DUE: 10/18/2019 DISC: 10/18/2019		1099: N		
		ENGINEERING SERVICES		601 4601-80100-000	ENGINEERING	11,616.23
=== VENDOR TOTALS ===			11,616.23			

01-04000 EHLERS AND ASSOCIATES

I-81629		1ST HALF DEVELOPER PAYMENT	195.00			
10/18/2019	APBNK	DUE: 10/18/2019 DISC: 10/18/2019		1099: N		
		1ST HALF DEVELOPER PAYMENT		414 4414-81900-000	OTHER PROFESSIONAL SERVI	195.00
=== VENDOR TOTALS ===			195.00			

PACKET: 02031 OCT 18 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

01-05375		FERGUSON WATERWORKS				
I-344883		SEE HYD MARK RFLCT	157.74			
10/18/2019	APBNK	DUE: 10/18/2019 DISC: 10/18/2019		1099: N		
		SEE HYD MARK RFLCT		101 4141-70100-000	SUPPLIES	157.74
		=== VENDOR TOTALS ===	157.74			

01-04570		JOSEPH, KATERINA E.				
I-0093		SEP PROSECUTIONS	2,500.00			
10/18/2019	APBNK	DUE: 10/18/2019 DISC: 10/18/2019		1099: Y		
		SEP PROSECUTIONS		101 4123-80200-000	LEGAL FEES	2,500.00
		=== VENDOR TOTALS ===	2,500.00			

01-05450		LEAGUE MN CITIES INS TRST				
I-14920		WORKERS COMP CLAIM-CALLAHAN	328.28			
10/18/2019	APBNK	DUE: 10/18/2019 DISC: 10/18/2019		1099: N		
		WORKERS COMP CLAIM-CALLAHAN		101 4192-89000-000	MISCELLANEOUS	328.28
		=== VENDOR TOTALS ===	328.28			

01-07272		LILLIE S BURBAN NEWSPAPER				
I-201910187319		LEGAL NOTICE HEARING & ORDER	36.13			
10/18/2019	APBNK	DUE: 10/18/2019 DISC: 10/18/2019		1099: N		
		LEGAL NOTICE HEARING & ORDER		101 4111-70410-000	LEGAL NOTICES	36.13
		=== VENDOR TOTALS ===	36.13			

01-05440		LOFFLER COMPANIES, INC				
I-3230399		SEP COPIER OVERAGE CHARGE	119.05			
10/18/2019	APBNK	DUE: 10/18/2019 DISC: 10/18/2019		1099: N		
		SEP COPIER OVERAGE CHARGE		101 4112-87000-000	REPAIR OFFICE EQUIPMENT	119.05
		=== VENDOR TOTALS ===	119.05			

01-05646		M-R SIGN COMPANY INC				
I-206114		RESPECT LANDOWNERS SIGNS	365.75			
10/18/2019	APBNK	DUE: 10/18/2019 DISC: 10/18/2019		1099: N		
		RESPECT LANDOWNERS SIGNS		101 4132-75100-000	STREET SIGNS	365.75
		=== VENDOR TOTALS ===	365.75			

PACKET: 02031 OCT 18 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
01-05564	MED-	KPASS				
I-36463		FIT TEST, MEDICAL EXAM	1,420.00			
10/18/2019	APBNK	DUE: 10/18/2019 DISC: 10/18/2019		1099: N		
		FIT TEST, MEDICAL EXAM		101 4124-86200-000	MEDICAL EXAMINATIONS	1,420.00
=== VENDOR TOTALS ===			1,420.00			

01-05582	MENARIS					
I-20191117012		SUPPLIERS	70.91			
10/18/2019	APBNK	DUE: 10/18/2019 DISC: 10/18/2019		1099: N		
		SUPPLIERS		101 4131-70110-000	SUPPLIES	70.91
I-201910187323		SHOP	186.56			
10/18/2019	APBNK	DUE: 10/18/2019 DISC: 10/18/2019		1099: N		
		SHOP		101 4131-70110-000	SUPPLIES	186.56
I-318122519063190		SUPPLIERS	2.97			
10/18/2019	APBNK	DUE: 10/18/2019 DISC: 10/18/2019		1099: N		
		SUPPLIERS		101 4141-70100-000	SUPPLIES	2.97
I-318124119037289		HOLLAND PAVER	4.68			
10/18/2019	APBNK	DUE: 10/18/2019 DISC: 10/18/2019		1099: N		
		HOLLAND PAVER		101 4132-70120-000	SUPPLIES	4.68
I-318127319083136		SUPPLIERS	277.79			
10/18/2019	APBNK	DUE: 10/18/2019 DISC: 10/18/2019		1099: N		
		SUPPLIERS		101 4141-70100-000	SUPPLIES	277.79
I-318127519084307		SUPPLIERS	70.35			
10/18/2019	APBNK	DUE: 10/18/2019 DISC: 10/18/2019		1099: N		
		SUPPLIERS		101 4124-70100-000	SUPPLIES	70.35
=== VENDOR TOTALS ===			613.26			

01-05263	MID CITY SERVICES-	INDUSTRIAL				
I-120670		FLOOR MATS	41.07			
10/18/2019	APBNK	DUE: 10/18/2019 DISC: 10/18/2019		1099: N		
		FLOOR MATS		101 4131-70110-000	SUPPLIES	41.07
=== VENDOR TOTALS ===			41.07			

PACKET: 02031 OCT 18 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

01-05273 MN PUBLIC EMPLOYEES INSURANCE

I-886637		NOV HEALTH INS	10,410.40			
10/18/2019	APBNK	DUE: 10/18/2019 DISC: 10/18/2019		1099: N		
		NOV HEALTH INS		101 4112-89000-000	MISCELLANEOUS	10,410.40
=== VENDOR TOTALS ===			10,410.40			

01-05973 NORTH STAR NEAN ACCESS CORPORAT

I-2019-172		WEBSTREAMING SEP	165.56			
10/18/2019	APBNK	DUE: 10/18/2019 DISC: 10/18/2019		1099: N		
		WEBSTREAMING SEP		101 4116-85060-000	WEB SITE	165.56
I-2019-520		Q3 CITY CONTRIBUTION TO NSCC	2,769.17			
10/18/2019	APBNK	DUE: 10/18/2019 DISC: 10/18/2019		1099: N		
		Q3 CITY CONTRIBUTION TO NSCC		101 4116-85050-000	CABLE TV	2,769.17
I-201910187324		PRODUCTION SVCS/CABLE CASTING	179.54			
10/18/2019	APBNK	DUE: 10/18/2019 DISC: 10/18/2019		1099: N		
		PRODUCTION SVCS/CABLE CASTING		101 4116-85050-000	CABLE TV	179.54
=== VENDOR TOTALS ===			3,114.27			

01-05676 OFFICE DEPOT

I-201910187326		PENS, PAPER, BINDER	456.55			
10/18/2019	APBNK	DUE: 10/18/2019 DISC: 10/18/2019		1099: N		
		PENS, PAPER, BINDER		101 4112-70100-000	SUPPLIES	456.55
=== VENDOR TOTALS ===			456.55			

01-06024 ON SITE SANITATION

I-201910187326		HAND SANITIZERS & STD RESTROO	235.00			
10/18/2019	APBNK	DUE: 10/18/2019 DISC: 10/18/2019		1099: N		
		HAND SANITIZERS & STD RESTROOM		601 4601-85080-000	PORTABLE TOILET PARKS	235.00
=== VENDOR TOTALS ===			235.00			

01-06053 OREILLY AUTO PARTS

I-3243218329		BATTERY	252.14			
10/18/2019	APBNK	DUE: 10/18/2019 DISC: 10/18/2019		1099: N		
		BATTERY		101 4124-70100-000	SUPPLIES	252.14
=== VENDOR TOTALS ===			252.14			

PACKET: 02031 OCT 18 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

01-05367 QUILL CORPORATION

I-1932883		TAPES, FOLDERS	58.55			
10/18/2019	APBNK	DUE: 10/18/2019 DISC: 10/18/2019		1099: N		
		TAPES, FOLDERS		101 4112-70100-000	SUPPLIES	58.55
=== VENDOR TOTALS ===			58.55			

01-06185 RAMSEY COUNTY

I-PRRRV-001220		Q4 ELECTION SERVICES 2019	3,893.00			
10/18/2019	APBNK	DUE: 10/18/2019 DISC: 10/18/2019		1099: N		
		Q4 ELECTION SERVICES 2019		101 4115-80300-000	ELECTION CONTRACT	3,893.00
=== VENDOR TOTALS ===			3,893.00			

01-06184 RAMSEY COUNTY - POLICE AND 911

I-EMCOM-007971		SEP RADIO FLEET SUPPORT	84.24			
10/18/2019	APBNK	DUE: 10/18/2019 DISC: 10/18/2019		1099: N		
		SEP RADIO FLEET SUPPORT		101 4124-86800-000	RADIO MESB/FLEET SUPPORT	84.24

I-EMCOM-008003		SEP 911 DISPATCH	2,530.14			
10/18/2019	APBNK	DUE: 10/18/2019 DISC: 10/18/2019		1099: N		
		SEP 911 DISPATCH		101 4122-81200-000	911 DISPATCH FEES	2,530.14

I-EMCOM-008020		SEP CAD	518.59			
10/18/2019	APBNK	DUE: 10/18/2019 DISC: 10/18/2019		1099: N		
		SEP CAD		101 4122-81200-000	911 DISPATCH FEES	518.59

=== VENDOR TOTALS === 3,132.97

01-06301 SAMS CITY SYNCB

I-201910187320		SCANNRE UPGRADE/PLANTS/EVENT	1,587.99			
10/18/2019	APBNK	DUE: 10/18/2019 DISC: 10/18/2019		1099: N		
		CEC EVENT EXPS		101 4131-70110-000	SUPPLIES	157.60
		SUSTAINABLE ACTIONS FAIAR		101 4116-89010-000	SPECIAL EVENTS	250.00
		PLANTS AT CITY AHLL		101 4131-70110-000	SUPPLIES	434.13
		SCANNER UPGRADE		101 4131-70110-000	SUPPLIES	746.26

=== VENDOR TOTALS === 1,587.99

PACKET: 02031 OCT 18 PAYABLES

VENDOR SET: 01 City of Falcon Heights

SEQUENCE : ALPHABETIC

DUE TO/FROM ACCOUNTS SUPPRESSED

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

01-06525	SUBURBAN ACE HARDWARE				
I-201910187328		170.33			
10/18/2019	APBNK		1099: N		
				101 4131-70110-000 SUPPLIES	170.33
		170.33		=== VENDOR TOTALS ===	

01-05784	UPPER CUT TREE SERVICES				
I-201910187329		8,900.00			
10/18/2019	APBNK		1099: N		
				419 4419-85000-000 TREE REMOVAL	8,900.00
		8,900.00		=== VENDOR TOTALS ===	

01-05870	KCEL ENERGY				
I-201910187330		2,086.52			
10/18/2019	APBNK		1099: N		
				209 4209-85020-000 STREET LIGHTING POWER	2,086.52
I-201910187331		28.98			
10/18/2019	APBNK		1099: N		
				101 4141-85020-000 ELECTRIC/GAS	28.98
I-201910187332		28.02			
10/18/2019	APBNK		1099: N		
				101 4141-85020-000 ELECTRIC/GAS	28.02
		2,143.52		=== VENDOR TOTALS ===	
		52,293.16		=== PACKET TOTALS ===	

PACKET: 02034 OCT 25 PAYABLES
 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
-----ID-----						
01-0		CENTURY LINK				
I-201910257344		CENTURY LINK	63.76			
10/25/2019	APBNK	DUE: 10/25/2019 DISC: 10/25/2019		1099: N		
		CENTURY LINK		101 4141-85011-000	TELEPHONE - LANDLINE	63.76
=== VENDOR TOTALS ===			63.76			

01-04099		F.I.R.E.				
I-4215		LIVE BURN SIMULATOR	1,350.00			
10/25/2019	APBNK	DUE: 10/25/2019 DISC: 10/25/2019		1099: N		
		LIVE BURN SIMULATOR		101 4124-86020-000	TRAINING	1,350.00
=== VENDOR TOTALS ===			1,350.00			

01-05063		PATRICK GAFFNEY				
I-201910257335		REIMBURSEMENT-BATTERIES	63.34			
10/25/2019	APBNK	DUE: 10/25/2019 DISC: 10/25/2019		1099: N		
		REIMBURSEMENT-BATTERIES		101 4124-61550-000	OFFICER COMPENSATION	63.34
=== VENDOR TOTALS ===			63.34			

01-05688		GOLDEN TAILOR				
I-201910257338		REFUND	50.00			
10/25/2019	APBNK	DUE: 10/25/2019 DISC: 10/25/2019		1099: N		
		REFUND		101 32140-000	MISC BUSINESS LICENSE	50.00
=== VENDOR TOTALS ===			50.00			

01-05889		HAIR DESIGNS UNLIMITED				
I-1910257337		REFUND	50.00			
10/25/2019	APBNK	DUE: 10/25/2019 DISC: 10/25/2019		1099: N		
		REFUND		101 32140-000	MISC BUSINESS LICENSE	50.00
=== VENDOR TOTALS ===			50.00			

01-05058		JOSH JORDAN				
I-201910257336		TAE KWON DO AUG 6 TO OCT 22	1,144.80			
10/25/2019	APBNK	DUE: 10/25/2019 DISC: 10/25/2019		1099: Y		
		TAE KWON DO AUG 6 TO OCT 22		201 4201-87700-000	INSTRUCTOR-SPECIALTY CLA	1,144.80
=== VENDOR TOTALS ===			1,144.80			

-----ID-----			GROSS	P.O. #		
POST DATE	BANK CODE	-----DESCRIPTION-----	DISCOUNT	G/L ACCOUNT	-----ACCOUNT NAME-----	DISTRIBUTION
01-05722		MID CITY SERVICES- INDUSTRIAL				
I-122021		FLOOR MATS	41.07			
10/25/2019	APBNK	DUE: 10/25/2019 DISC: 10/25/2019		1099: N		
		FLOOR MATS		101 4131-70110-000	SUPPLIES	41.07
		=== VENDOR TOTALS ===	41.07			
01-05722		NEWTON BONDING				
I-14181		PUBLIC OFFICIAL SCHEDULE	350.00			
10/25/2019	APBNK	DUE: 10/25/2019 DISC: 10/25/2019		1099: N		
		PUBLIC OFFICIAL SCHEDULE		101 4113-89000-000	MISCELLANEOUS	350.00
		=== VENDOR TOTALS ===	350.00			
01-05535		OTTO LAW PA				
I-201910257343		REFUND	50.00			
10/25/2019	APBNK	DUE: 10/25/2019 DISC: 10/25/2019		1099: N		
		REFUND		101 32140-000	MISC BUSINESS LICENSE	50.00
		=== VENDOR TOTALS ===	50.00			
01-06138		PETERSON DENTAL				
I-201910257339		REFUND	50.00			
10/25/2019	APBNK	DUE: 10/25/2019 DISC: 10/25/2019		1099: N		
		REFUND		101 32140-000	MISC BUSINESS LICENSE	50.00
		=== VENDOR TOTALS ===	50.00			
01-06985		PREMIER HEALTH OF ROSEVILLE				
I-1910257342		REFUND	50.00			
10/25/2019	APBNK	DUE: 10/25/2019 DISC: 10/25/2019		1099: N		
		REFUND		101 32140-000	MISC BUSINESS LICENSE	50.00
		=== VENDOR TOTALS ===	50.00			
01-05367		QUILL CORPORATION				
I-2001004		QUILL CORPORATION	257.96			
10/25/2019	APBNK	DUE: 10/25/2019 DISC: 10/25/2019		1099: N		
		QUILL CORPORATION		101 4112-70100-000	SUPPLIES	257.96
		=== VENDOR TOTALS ===	257.96			

10/25/2019 3:04 PM
 PACKET: 02034 OCT 25 PAYABLES
 VENDOR SET: 01 City of Falcon Heights
 SEQUENCE : ALPHABETIC
 DUE TO/FROM ACCOUNTS SUPPRESSED

A/P Regular Open Item Register

-----ID-----			GROSS	P.O. #		
POST DATE	BANK CODE	-----DESCRIPTION-----	DISCOUNT	G/L ACCOUNT	-----ACCOUNT NAME-----	DISTRIBUTION
01		SPIRE CREDIT UNION				
I-201910257341		REFUND	50.00			
10/25/2019	APBNK	DUE: 10/25/2019 DISC: 10/25/2019		1099: N		
		REFUND		101 32140-000	MISC BUSINESS LICENSE	50.00
		=== VENDOR TOTALS ===	50.00			
01-05870		XCEL ENERGY				
I-201910257345		CURTIS FIELD GAZEBO ELECT	60.03			
10/25/2019	APBNK	DUE: 10/25/2019 DISC: 10/25/2019		1099: N		
		CURTIS FIELD GAZEBO ELECT		101 4141-85020-000	ELECTRIC/GAS	60.03
		=== VENDOR TOTALS ===	60.03			
01-07905		YOUNG SPA				
I-201910257340		REFUND	50.00			
10/25/2019	APBNK	DUE: 10/25/2019 DISC: 10/25/2019		1099: N		
		REFUND		101 32140-000	MISC BUSINESS LICENSE	50.00
		=== VENDOR TOTALS ===	50.00			
		=== PACKET TOTALS ===	3,680.96			

-----ID-----			GROSS	P.O. #		
POST DATE	BANK CODE	-----DESCRIPTION-----	DISCOUNT	G/L ACCOUNT	-----ACCOUNT NAME-----	DISTRIBUTION
01	30	AMERIPRIDE SERVICES				
I-1004624705		TOWEL COLLECTION, LAUNDRY	59.30			
11/01/2019	APBNK	DUE: 11/01/2019 DISC: 11/01/2019		1099: N		
		TOWEL COLLECTION, LAUNDRY		101 4124-82011-000	LINEN CLEANING	59.30
		=== VENDOR TOTALS ===	59.30			
01-05422	BP					
I-201911017346		TRUCKS, MOWERS, BOBCATS	425.58			
11/01/2019	APBNK	DUE: 11/01/2019 DISC: 11/01/2019		1099: N		
		TRUCKS, MOWERS, BOBCATS		101 4132-74000-000	MOTOR FUEL & LUBRICANTS	425.58
		=== VENDOR TOTALS ===	425.58			
01-00911	CITY OF NEW BRIGHTON					
I-19-0001342		3RD QUARTER HAZMAT SERVICE	247.50			
11/01/2019	APBNK	DUE: 11/01/2019 DISC: 11/01/2019		1099: N		
		3RD QUARTER HAZMAT SERVICE		101 4124-87025-000	HAZMAT EQUIPMENT MAINT	247.50
		=== VENDOR TOTALS ===	247.50			
01-06290	CITY OF ROSEVILLE					
I-227052		IT SUPPORT SERVICES WIFI	279.00			
11/01/2019	APBNK	DUE: 11/01/2019 DISC: 11/01/2019		1099: N		
		IT SUPPORT SERVICES WIFI		101 4116-85070-000	TECHNICAL SUPPORT	279.00
		=== VENDOR TOTALS ===	279.00			
01-05153	HOME DEPOT CRC/GECF					
I-1911017347		UTILITY BLADES & TOILET REPAI	39.67			
11/01/2019	APBNK	DUE: 11/01/2019 DISC: 11/01/2019		1099: N		
		UTILITY BLADES & TOILET REPAIR		101 4131-70110-000	SUPPLIES	39.67
		=== VENDOR TOTALS ===	39.67			
01-06233	MERWIN LIQUORS FALCON HEIGHTS					
I-201911017348		MERWIN LIQUORS FALCON HEIGHTS	50.00			
11/01/2019	APBNK	DUE: 11/01/2019 DISC: 11/01/2019		1099: N		
		MERWIN LIQUORS FALCON HEIGHTS		101 32140-000	MISC BUSINESS LICENSE	50.00
		=== VENDOR TOTALS ===	50.00			

-----ID-----			GROSS	P.O. #		
POST DATE	BANK CODE	-----DESCRIPTION-----	DISCOUNT	G/L ACCOUNT	-----ACCOUNT NAME-----	DISTRIBUTION
01	3	MID CITY SERVICES- INDUSTRIAL				
I-201911017349		FLOOR MATS	40.82			
11/01/2019	APBNK	DUE: 11/01/2019 DISC: 11/01/2019		1099: N		
		FLOOR MATS		101 4131-70110-000	SUPPLIES	40.82
		=== VENDOR TOTALS ===	40.82			
01-05731		MN DEPARTMENT OF LABOR INDUSTR				
I-1230152019		3RD QUARTER SURCHARGE	726.24			
11/01/2019	APBNK	DUE: 11/01/2019 DISC: 11/01/2019		1099: N		
		3RD QUARTER SURCHARGE		101 20801-000	DUE TO OTHER GOVERNMENTS	726.24
		=== VENDOR TOTALS ===	726.24			
01-05797		MN STATE FIRE DEPT. ASSOC				
I-201911017350		2020 MEMBERSHIP DUES	290.00			
11/01/2019	APBNK	DUE: 11/01/2019 DISC: 11/01/2019		1099: N		
		2020 MEMBERSHIP DUES		101 4124-86110-000	MEMBERSHIPS	290.00
		=== VENDOR TOTALS ===	290.00			
01-07263		NEXTEL COMMUNICATIONS, INC				
I-610189225-196		OCT 15 TO NOV 14	101.83			
11/01/2019	APBNK	DUE: 11/01/2019 DISC: 11/01/2019		1099: N		
		OCT 15 TO NOV 14		101 4131-85015-000	CELL PHONE	101.83
		=== VENDOR TOTALS ===	101.83			
01-06186		RAMSEY COUNTY SHERRIFF,S OFFIC				
RFL-001827		LAW ENFORCEMENT SEPTEMBER	76,081.26			
11/01/2019	APBNK	DUE: 11/01/2019 DISC: 11/01/2019		1099: N		
		LAW ENFORCEMENT SEPTEMBER		101 4122-81000-000	POLICE SERVICES	76,081.26
		=== VENDOR TOTALS ===	76,081.26			
01-00935		ST PAUL REGIONAL WATER SERVICE				
I-201911017351		COMMUNITY PARK WATER	204.32			
11/01/2019	APBNK	DUE: 11/01/2019 DISC: 11/01/2019		1099: N		
		COMMUNITY PARK WATER		101 4141-85040-000	WATER	49.23
		WATER CITY HALL		101 4131-85040-000	WATER	155.09
		=== VENDOR TOTALS ===	204.32			

-----ID-----			GROSS	P.O. #		
POST DATE	BANK CODE	-----DESCRIPTION-----	DISCOUNT	G/L ACCOUNT	-----ACCOUNT NAME-----	DISTRIBUTION
01 16		STOUT'S PUB LLC				
I-201911017352		REFUND	100.00			
11/01/2019	APBNK	DUE: 11/01/2019 DISC: 11/01/2019		1099: N		
		REFUND		101 32140-000	MISC BUSINESS LICENSE	100.00
		=== VENDOR TOTALS ===	100.00			
01-06581		TRI-STATE BOBCAT INC				
I-164436		HYD FLUID	638.77			
11/01/2019	APBNK	DUE: 11/01/2019 DISC: 11/01/2019		1099: N		
		HYD FLUID		101 4132-70120-000	SUPPLIES	87.20
		THERMO SWITCH		101 4132-70120-000	SUPPLIES	100.43
		MUFFLER, GASKET		101 4132-70120-000	SUPPLIES	451.14
		=== VENDOR TOTALS ===	638.77			
01-05870		XCEL ENERGY				
I-201911017353		STREET LIGHTING ELECT	14.82			
11/01/2019	APBNK	DUE: 11/01/2019 DISC: 11/01/2019		1099: N		
		STREET LIGHTING ELECT		209 4209-85020-000	STREET LIGHTING POWER	14.82
		=== VENDOR TOTALS ===	14.82			
		=== PACKET TOTALS ===	79,299.11			

-----ID-----			GROSS	P.O. #		
DATE	BANK CODE	-----DESCRIPTION-----	DISCOUNT	G/L ACCOUNT	-----ACCOUNT NAME-----	DISTRIBUTION
01-03103 CANON FINANCIAL SERVICES						
I-20665423		COPIER CHARGE OCT	122.39			
11/04/2019	APBNK	DUE: 11/04/2019 DISC: 11/04/2019		1099: N		
		COPIER CHARGE OCT		101 4131-87010-000	CITY HALL MAINTENANCE	122.39
=== VENDOR TOTALS ===			122.39			
01-06290 CITY OF ROSEVILLE						
I-227025		SEP ENGINEERING	379.92			
11/04/2019	APBNK	DUE: 11/04/2019 DISC: 11/04/2019		1099: N		
		SEP ENGINEERING		101 4133-80100-000	ENGINEERING SERVICES	156.32
		CLEVELAND PROJECT		419 4419-92035-000	CLEVELAND 20-01 PROJECT	223.60
=== VENDOR TOTALS ===			379.92			
01-03583 DELL MARKETING L.P.						
I-10347477947		DELL MONITOR & OPTIPLEX 7070	741.40			
11/04/2019	APBNK	DUE: 11/04/2019 DISC: 11/04/2019		1099: N		
		DELL MONITOR & OPTIPLEX 7070		401 4401-90100-000	FURNITURE & EQUIPMENT	741.40
=== VENDOR TOTALS ===			741.40			
01-05115 GOPHER STATE ONE CALL						
I-9100383		OCTOBER LOCATES	71.55			
11/04/2019	APBNK	DUE: 11/04/2019 DISC: 11/04/2019		1099: N		
		OCTOBER LOCATES		601 4601-88030-000	LOCATES	71.55
=== VENDOR TOTALS ===			71.55			
01-05843 MN NCPERS LIFE INSURANCE						
I-458800112019		REIMBURSEMENT	47.84			
11/04/2019	APBNK	DUE: 11/04/2019 DISC: 11/04/2019		1099: N		
		MILEAGE REIMB		101 4117-86010-000	MILEAGE	27.84
		CELL PHONE REIMB		101 4117-85015-000	CELL PHONE	20.00
=== VENDOR TOTALS ===			47.84			
I-458800112019		SEP LIFE INSURANCE	48.00			
11/04/2019	APBNK	DUE: 11/04/2019 DISC: 11/04/2019		1099: N		
		SEP LIFE INSURANCE		101 21709-000	OTHER PAYABLE	24.64
		SEP LIFE INSURANCE		204 21709-000	OTHER PAYABLE	1.60
		SEP LIFE INSURANCE		601 21709-000	OTHER PAYABLE	15.52
		SEP LIFE INSURANCE		602 21709-000	OTHER PAYABLE	6.24
=== VENDOR TOTALS ===			48.00			

-----ID-----			GROSS	P.O. #		
DATE	BANK CODE	-----DESCRIPTION-----	DISCOUNT	G/L ACCOUNT	-----ACCOUNT NAME-----	DISTRIBUTION
01-05979	NORTH SUBURBAN	TOBACCO COMPLIA				
I-087-102019B		TOBACCO COMPLIANCE	171.00			
11/04/2019	APBNK	DUE: 11/04/2019 DISC: 11/04/2019		1099: N		
		TOBACCO COMPLIANCE		101 4122-81000-000	POLICE SERVICES	171.00
		=== VENDOR TOTALS ===	171.00			
01-06030	OLSON,ROLAND					
I-201911047355		REIMBURSEMENT	31.23			
11/04/2019	APBNK	DUE: 11/04/2019 DISC: 11/04/2019		1099: N		
		MILEAGE REIMB SEP TO OCT		101 4113-86010-000	MILEAGE	31.23
		=== VENDOR TOTALS ===	31.23			
01-06185	RAMSEY COUNTY					
I-PRRRV-001246		TIF ADMIN FEES 2018	802.13			
11/04/2019	APBNK	DUE: 11/04/2019 DISC: 11/04/2019		1099: N		
		TIF ADMIN FEES 2018		414 4414-89000-000	MISC:TIF ADMIN FEES RAMS	802.13
		=== VENDOR TOTALS ===	802.13			
01-06141	SHI INTERNATIONAL GROUP					
I-B10743094		2019 MS OFFICE, WINDOWS	268.00			
11/04/2019	APBNK	DUE: 11/04/2019 DISC: 11/04/2019		1099: N		
		2019 MS OFFICE, WINDOWS		101 4112-70100-000	SUPPLIES	268.00
		=== VENDOR TOTALS ===	268.00			
01-06152	UNIVERSAL TRUCK SERVICE LLC					
I-30656		REPAIR DUMP TRUCK	2,584.58			
11/04/2019	APBNK	DUE: 11/04/2019 DISC: 11/04/2019		1099: N		
		REPAIR DUMP TRUCK		101 4132-87012-000	REPAIR TRUCK	2,584.58
		=== VENDOR TOTALS ===	2,584.58			
01-05737	VERIZON WIRELESS					
I-9840824452		CELL PHONE	60.38			
11/04/2019	APBNK	DUE: 11/04/2019 DISC: 11/04/2019		1099: N		
		CELL PHONE		101 4131-85015-000	CELL PHONE	60.38
		=== VENDOR TOTALS ===	60.38			

11/04/2019 2:31 PM
 PACKET: 02038 NOV 4 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
01-00070	XCEL ENERGY					
I-201911047357		ELECT, GAS, SIREN	229.66			
11/04/2019	APBNK	DUE: 11/04/2019 DISC: 11/04/2019		1099: N		
		STREET LIGHTING ELECT		209 4209-85020-000	STREET LIGHTING POWER	53.67
		CURTISS FIELD ELECT		101 4141-85020-000	ELECTRIC/GAS	44.39
		COMM PARK GAS		101 4141-85030-000	NATURAL GAS	72.27
		AUTO PROTECTIVE LIGHT		101 4141-85020-000	ELECTRIC/GAS	56.33
		CIVIL DEFENSE SIREN		101 4121-85020-000	ELECTRIC	3.00
		=== VENDOR TOTALS ===	229.66			
		=== PACKET TOTALS ===	5,558.08			

MP #	NAME	AMOUNT
016	PAMELA M HARRIS	277.05
J022	RANDALL C GUSTAFSON	393.07
1-0023	MELANIE M LEEHY	262.05
1-0024	MARK J MIAZGA	262.05
1-1005	SACK THONGVANH	3,555.36
1-1020	AMANDA P LOR	1,360.28
1-1022	NALISHA NANDKUMAR	1,608.36
1-1136	ROLAND O OLSON	2,649.53
1-1021	JUSTIN M MARKON	1,581.55
1-0095	MICHAEL J POESCHL	978.58
1-0097	PATRICK GAFFNEY	128.61
1-0105	ANTON M FEHRENBACH	358.44
1-0123	BRYAN R SULLIVAN	92.35
1-0124	MICHAEL D KRUSE	126.51
1-1030	TIMOTHY J PITTMAN	2,094.07
1-1033	DAVE TRETSVEN	1,681.32
1-1143	COLIN B CALLAHAN	386.24

TOTAL PRINTED: 17 17,795.42

0-25-2019 7:35 AM PAYROLL CHECK REGISTER
 PAYROLL NO: 01 City of Falcon Heights

PAGE: 1
 PAYROLL DATE: 10/25/2019

MP NO	EMPLOYEE NAME	TYPE	CHECK DATE	CHECK AMOUNT	CHECK NO.
16	ZHOU, ZHINING	R	10/25/2019	195.82	089017
262	TWOHY, MICHAEL K	R	10/25/2019	55.41	089018

10-25-2019 7:35 AM PAYROLL CHECK REGISTER
 PAYROLL NO: 01 City of Falcon Heights

PAGE: 2
 PAYROLL DATE: 10/25/2019

*** REGISTER TOTALS ***

REGULAR CHECKS:	2	251.23
DIRECT DEPOSIT REGULAR CHECKS:	17	17,795.42
MANUAL CHECKS:		
PRINTED MANUAL CHECKS:		
DIRECT DEPOSIT MANUAL CHECKS:		
VOIDED CHECKS:		
NON CHECKS:		
TOTAL CHECKS:	19	18,046.65

*** NO ERRORS FOUND ***



The City That Soars!

REQUEST FOR COUNCIL ACTION

Meeting Date	November 13, 2019
Agenda Item	Consent F2
Attachment	N/A
Submitted By	Amanda Lor, Administrative Coordinator

Item	Approval of City License(s)
Description	<p>The following individuals have applied for a <u>Christmas Tree Sales License</u> for 2019. Staff has received the necessary documents for licensure.</p> <ol style="list-style-type: none"> 1. Falcon Heights - Lauderdale Tree Sales <p>The following individuals have applied for a <u>Municipal Business License</u> for 2020. Staff has received the necessary documents for licensure.</p> <ol style="list-style-type: none"> 1. Hermes Floral 2. Speedway 3. John A Knutson & Co., PLLP 4. Merwin Liquor (Pending Background Check) 5. Phone Swap LLC 6. Eighty Eight Notes School of Music <p>The following individuals have applied for a <u>Home Occupation License</u> for 2020. Staff has received the necessary documents for licensure.</p> <ol style="list-style-type: none"> 1. The Touch Up Artist, Inc. <p>The following individuals have applied for a <u>Refuse License</u> for 2020. Staff has received the necessary documents for licensure.</p> <ol style="list-style-type: none"> 1. Aspen Waste Systems Inc 2. Republic Services <p>The following individuals have applied for a <u>Tree Trimmers License</u> for 2020. Staff has received the necessary documents for licensure.</p> <ol style="list-style-type: none"> 1. The Davey Tree Expert Company's 2. Three Trees Horticulture <p>The following individuals have applied for a <u>Liquor License</u> for 2020. Staff has received the necessary documents for licensure.</p> <ol style="list-style-type: none"> 1. Stout's Pub (Pending Background Check) 2. Merwin Liquor (Pending Background Check) <p>The following individuals have applied for a <u>Restaurant License</u> for 2020. Staff</p>

	<p>has received the necessary documents for licensure.</p> <ol style="list-style-type: none"> 1. Spin the Planet Enterprise - Jimmy Johns 2. Stout's Pub (Pending Background Check) <p>The following individuals have applied for a <u>Bench License</u> for 2020. Staff has received the necessary documents for licensure.</p> <p>The following individuals have applied for a <u>Multifamily Rental License</u> for 2020. Staff has received the necessary documents for licensure.</p> <ol style="list-style-type: none"> 1. 1490 Larpenteur Ave 2. 1504 Larpenteur Ave (Edwards Family Real Estate /Larpenteur Apartments) <p>The following individuals have applied for a <u>Gasoline License</u> for 2020. Staff has received the necessary documents for licensure.</p> <ol style="list-style-type: none"> 1. Speedway <p>The following individuals have applied for a <u>Retail Grocery License</u> for 2020. Staff has received the necessary documents for licensure.</p> <ol style="list-style-type: none"> 1. Speedway <p>The following individuals have applied for a <u>Cigarette License</u> for 2020. Staff has received the necessary documents for licensure.</p> <ol style="list-style-type: none"> 1. Speedway 2. Merwin Liquor (Pending Background Check) <p>The following individuals have applied for a <u>Therapeutic Massage License</u> for 2020. Staff has received the necessary documents for licensure.</p>
Budget Impact	N/A
Attachment(s)	N/A
Action(s) Requested	Staff recommends that the Falcon Heights City Council approve the City License Applications contingent on background checks as required by each permit.



The City That Soars!

REQUEST FOR COUNCIL ACTION

Meeting Date	November 13, 2019
Agenda Item	Consent F3
Attachment	Resolution
Submitted By	Justin Markon, Community Development Coordinator

Item	Amber Union DEED Grant - Authorizing Grant Application
Description	At the October 23, 2019 City Council meeting, the application was approved for a contamination cleanup grant through the state Department of Employment and Economic Development. The resolution approving the grant was missing some of the required information. A new resolution is attached and will be sent to DEED upon its approval.
Budget Impact	N/A
Attachment(s)	<ul style="list-style-type: none"> Resolution 19-39 Authorizing DEED Grant Application
Action(s) Requested	Staff recommend approval of attached resolution.

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**CITY OF FALCON HEIGHTS
COUNCIL RESOLUTION**

November 13, 2019

No. 19-39

**A RESOLUTION AUTHORIZING GRANT APPLICATION FOR MINNESOTA
DEPARTMENT OF EMPLOYMENT AND ECONOMIC DEVELOPMENT
CONTAMINATION CLEANUP GRANT FOR REDEVELOPMENT PROJECT AT
1667 SNELLING AVENUE**

WHEREAS, the City of Falcon Heights has identified a contamination cleanup project within the City that meets the Contamination Cleanup grant purposes; and

WHEREAS, the City finds that the required contamination cleanup will not occur through private or other public investment within the reasonably foreseeable future without Contamination Cleanup grant funding; and

WHEREAS, the site currently experiences contaminating conditions based on the following reasons and supporting facts:

- A portion of the site was formerly used as a filling station and recognized environmental concerns have been identified that require environmental remediation and stabilization in order to attract apartment and retail tenants
- Portions of the site are currently vacant or were occupied by tax-exempt entities, making little contribution to the tax base and renovation will create new business opportunities to meet the needs of the marketplace
- Portions of the site were constructed in 1946 and 1956 with asbestos containing material, thus requiring environmental remediation in order to attract employers that will provide permanent living wage jobs for the region

NOW THEREFORE BE IT RESOLVED THAT, the City of Falcon Heights has approved the Contamination Cleanup grant application submitted to the Department of Employment and Economic Development (DEED) on November 1, 2019, by Buhl GTA, LP for the Amber Union site.

BE IT FURTHER RESOLVED that the City of Falcon Heights is located within the seven county metropolitan area defined in section 473.121, subdivision 2, and is participating in the local housing incentives program under section 473.254.

BE IT FURTHER RESOLVED that Buhl GTA, LP acts as the legal sponsor for project(s) contained in the Contamination Cleanup Grant Program to be submitted on November 1, 2019 and that the City Administrator is hereby authorized to apply to the Department of Employment and Economic Development for funding of this project on behalf of Buhl GTA, LP.

BE IT FURTHER RESOLVED that Buhl GTA, LP has the legal authority to apply for financial assistance, and the institutional, managerial, and financial capability to ensure adequate project administration.

BE IT FURTHER RESOLVED that the sources and amounts of the local match identified in the application are committed to the project identified.

BE IT FURTHER RESOLVED that Buhl GTA, LP has not violated any Federal, State or local laws pertaining to fraud, bribery, graft, kickbacks, collusion, conflict of interest or other unlawful or corrupt practice.

BE IT FURTHER RESOLVED that upon approval of its application by the state, Buhl GTA, LP may enter into an agreement with the State of Minnesota for the above-referenced project(s), and that Buhl GTA, LP certifies that it will comply with all applicable laws and regulation as stated in all contract agreements.

NOW, THEREFORE BE IT FINALLY RESOLVED that the Mayor and the City Clerk/Administrator are hereby authorized to execute such agreements as are necessary to implement the project on behalf of the applicant.

Adopted by the Falcon Heights City Council this 13th day of November, 2019.

Moved by:

Approved by: _____

Randy Gustafson
Mayor

VACANT _____ In Favor
GUSTAFSON _____
HARRIS _____ Against
LEEHY _____
MIAZGA _____

Attested by: _____

Sack Thongvanh
City Administrator

I certify that the above resolution was adopted by the City Council of Falcon Heights on November 13, 2019.

Signed: _____

Name: Sack Thongvanh
Title: City Administrator
Date: November 13, 2019

Witnessed by: _____

Name: Justin Markon
Title: Community Development Coordinator
Date: November 13, 2019

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The City That Soars!

REQUEST FOR COUNCIL ACTION

Meeting Date	November 13, 2019
Agenda Item	Policy G1
Attachment	Results & Resolution
Submitted By	Sack Thongvanh, City Administrator

Item	Canvassing Election Results																																			
Description	<p>The City is required to hold a meeting to accept and approve election results for the years that the City holds an election. I have attached a resolution to accept the results with certified results provided by Ramsey County Elections.</p> <table border="1" data-bbox="407 802 1526 1241"> <thead> <tr> <th>Candidate(s)</th> <th>Totals</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td colspan="3">Mayor (Elect 1)</td> </tr> <tr> <td>Dave Thomas</td> <td>299</td> <td>31.9%</td> </tr> <tr> <td>Randy Gustafson</td> <td>633</td> <td>67.6%</td> </tr> <tr> <td>Write-In</td> <td>4</td> <td>.004%</td> </tr> <tr> <td colspan="3">Council Member at Large (Elect 2)</td> </tr> <tr> <td>Yakasah Wehyee</td> <td>760</td> <td>44.4%</td> </tr> <tr> <td>Adam Sychia</td> <td>196</td> <td>11.5%</td> </tr> <tr> <td>Kay Andrews</td> <td>738</td> <td>43.2%</td> </tr> <tr> <td>Write-In</td> <td>16</td> <td>.009%</td> </tr> <tr> <td colspan="3">Voters Registered: 3163</td> </tr> </tbody> </table>			Candidate(s)	Totals	Percentage	Mayor (Elect 1)			Dave Thomas	299	31.9%	Randy Gustafson	633	67.6%	Write-In	4	.004%	Council Member at Large (Elect 2)			Yakasah Wehyee	760	44.4%	Adam Sychia	196	11.5%	Kay Andrews	738	43.2%	Write-In	16	.009%	Voters Registered: 3163		
Candidate(s)	Totals	Percentage																																		
Mayor (Elect 1)																																				
Dave Thomas	299	31.9%																																		
Randy Gustafson	633	67.6%																																		
Write-In	4	.004%																																		
Council Member at Large (Elect 2)																																				
Yakasah Wehyee	760	44.4%																																		
Adam Sychia	196	11.5%																																		
Kay Andrews	738	43.2%																																		
Write-In	16	.009%																																		
Voters Registered: 3163																																				
Budget Impact	N/A																																			
Attachment(s)	<ul style="list-style-type: none"> • Certified Results from Ramsey County Elections • Resolution 19-40 Approving the 2020 Election Results 																																			
Action(s) Requested	Staff would recommend approval of attached resolution and Abstract.																																			

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Abstract of Votes Cast
In the Precincts of the City of Falcon Heights
State of Minnesota
at the Municipal and School District General Election
Held Tuesday, November 5, 2019

as compiled from the official returns.

Summary of Totals
City of Falcon Heights
Tuesday, November 5, 2019 Municipal and School District General Election

Number of persons registered as of 7 a.m.	3163
Number of persons registered on Election Day	23
Number of accepted regular, military, and overseas absentee ballots and mail ballots	59
Number of federal office only absentee ballots	0
Number of presidential absentee ballots	0
Total number of persons voting	960

Summary of Totals
City of Falcon Heights
Tuesday, November 5, 2019 Municipal and School District General Election

KEY TO PARTY ABBREVIATIONS

NP - Nonpartisan

Mayor (Falcon Heights)

NP Dave Thomas 299	NP Randy Gustafson 633	WI WRITE-IN** 4
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Council Member at Large (Falcon Heights) (Elect 2)

NP Yakasah Wehyee 760	NP Adam Sychla 196	NP Kay Andrews 738	WI WRITE-IN** 16
-----------------------------	--------------------------	--------------------------	------------------------

Detail of Election Results
City of Falcon Heights
Tuesday, November 5, 2019 Municipal and School District General Election

Precinct	Persons Registered as of 7 A.M.	Persons Registered on Election Day	Total Number of Persons Voting
62 0060 : FALCON HEIGHTS P-1	1428	8	411
62 0070 : FALCON HEIGHTS P-2	1735	15	549
City of Falcon Heights Total:	3163	23	960

Detail of Election Results
 City of Falcon Heights
 Tuesday, November 5, 2019 Municipal and School District General Election

Office Title: Mayor (Falcon Heights)

Precinct	NP Dave Thomas	NP Randy Gustafson	WI WRITE-IN**
62 0060 : FALCON HEIGHTS P-1	107	292	0
62 0070 : FALCON HEIGHTS P-2	192	341	4
Total:	299	633	4

Office Title: Council Member at Large (Falcon Heights) (Elect 2)

Precinct	NP Yakasah Wehyee	NP Adam Sychla	NP Kay Andrews	WI WRITE-IN**
62 0060 : FALCON HEIGHTS P-1	326	101	315	0
62 0070 : FALCON HEIGHTS P-2	434	95	423	16
Total:	760	196	738	16

We, the legally constituted county canvassing board, certify that we have herein specified the names of the persons receiving votes and the number of votes received by each office voted on, and have specified the number of votes for and against each question voted on, at the Municipal and School District General Election held on Tuesday, November 5, 2019

As appears by the returns of the election precincts voting in this election, duly returned to, filed, opened, and canvassed, and now remaining on file in the office of the City of Falcon Heights Clerk. Witness our official signature at _____ in _____ County this _____ day of _____, 2019.

Member of canvassing board

Member of canvassing board

Member of canvassing board

Member of canvassing board

Member of canvassing board

Member of canvassing board

Member of canvassing board

State of Minnesota
City of Falcon Heights

I, _____, Clerk of the City of Falcon Heights do hereby certify the within and foregoing _____ pages to be a full and correct copy of the original abstract and return of the votes cast in the City of Falcon Heights Municipal and School District General Election held on Tuesday, November 5, 2019.

Witness my hand and official seal of office this _____ day of _____, 2019.

**CITY OF FALCON HEIGHTS
COUNCIL RESOLUTION**

November 13, 2019

No. 19-40

**RESOLUTION APPROVING ABSTRACT OF VOTES CAST IN THE PRECINCTS
OF THE CITY OF FALCON HEIGHTS STATE OF MINNESOTA AT THE
GENERAL ELECTION HELD TUESDAY, NOVEMBER 5, 2019**

WHEREAS, the City of Falcon Heights held a municipal election on November 5, 2019;
and

WHEREAS, the abstract of votes cast are attached and incorporated into this resolution;

NOW, THEREFORE, BE IT RESOLVED that the Falcon Heights City Council, sitting as
members of the canvassing board, approve the abstract of votes cast attached to this
resolution.

Passed and Adopted by the Council on this 13th day of November 2019.

Moved by:

Approved by: _____

Randy Gustafson
Mayor

VACANT _____ In Favor
GUSTAFSON
HARRIS _____ Against
LEEHY
MIAZGA

Attested by: _____

Sack Thongvanh
City Administrator

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The City That Soars!

REQUEST FOR CITY COUNCIL ACTION

Meeting Date	November 13, 2019
Agenda Item	Policy G2
Attachment	MOA, information
Submitted By	Justin Markon, Community Development Coordinator

Item	Consider Organics Recycling Coordination with Ramsey County
Description	<p>Ramsey County is exploring ways to expand organics recycling (compost) for residential use. The county promotes increased organics recycling for a variety of reasons. State law requires metro counties to achieve a 75% recycling goal by 2030, and estimates show that approximately 25% of waste streams include food waste. There are essentially three models for organics collections:</p> <ul style="list-style-type: none"> - Curbside collections - some communities have explored this concept, which either requires a certain level of participation through contractual services, and/or is a service subsidized by the city. Falcon Heights is not currently exploring this option. - Single stream (as a part of refuse disposal) - this technology does not exist locally, and it will not be available in Ramsey County earlier than 2021. - Organics collection sites <p>The county currently operates organics collection sites at seven yard waste sites, which are limited in hours and seasons. Additionally, there are four organics sites operated 24/7, which are located in denser areas. For the past six months, staff have provided organics starter kits to residents at no charge, which has generated requests for disposal bins. During visits to sites by city staff and discussions with staff at other 24/7 collection sites, city staff believe locating an organics collection site in Falcon Heights is appropriate.</p> <p>Ramsey County would oversee construction, signage, and ongoing maintenance of the site. Hauling of the organics would be coordinated by the county. The city would be responsible for snow removal and making sure access to the site is maintained. Additionally, the city has \$1,225 to use for promotion or other costs associated with the collection site through the SCORE grant.</p> <p>Based on feedback from the November 6 city council workshop, staff recommend approving the siting of the collection site at one of two locations:</p> <ul style="list-style-type: none"> Option 1 - Community Park, south-west corner of parking lot Option 2 - City Hall, south-west corner of parking lot

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Option 1



Option 2



<p>Budget Impact</p>	<p>Most of this project is funded by Ramsey County. Up to \$1,255 in SCORE grant funds may be used for promoting the site.</p>
<p>Attachment(s)</p>	<ul style="list-style-type: none"> • Memorandum of Agreement • Information on organics collection from Ramsey County • Pictures of other nearby organics collection sites
<p>Action(s) Requested</p>	<p>Staff recommend approving the attached memorandum of agreement with Ramsey County for ongoing organics collection enclosures and placing the collection site at either Community Park or City Hall.</p>

**MEMORANDUM OF AGREEMENT
FOR ONGOING ORGANICS COLLECTION ENCLOSURES**

This Agreement is made between Ramsey County, a political subdivision of the State of Minnesota, through its Public Health, Environmental Health Division (“County”) and the City of Falcon Heights (“City”), a municipal corporation under the laws of the State of Minnesota.

WHEREAS, the County shall construct a Source Separated Organics (SSO) collection site that will serve as a public drop off location for residential SSO and be available free of charge to all Ramsey County residents that will operate in accordance with State and local laws, rules and ordinances;

WHEREAS, the County and the City will have ongoing responsibilities related to the maintenance and performance of the SSO program;

THEREFORE, the parties enter into this Agreement for the purpose of setting forth the role of each party in relation to providing the SSO program site, monitoring performance, promoting the program, and performing ongoing maintenance.

I. RESPONSIBILITIES OF THE PARTIES

Each party will participate, as designated, to provide the following:

1. Siting and Design:
 - a. The City will work with the County to identify a SSO collection site location.
 - b. The City and County will agree on a final location prior to construction.
Considerations for siting will include, but not be limited to:
 - 1) Compatibility with local zoning and permitting.
 - 2) Accessibility to residents and the SSO hauler.
 - 3) Security
 - a) Visibility
 - b) Lighting
 - 4) Surfacing (hard surface required).
 - 5) Available nearby parking.
 - 6) Compatibility with existing city services/operations.
 - c. The County and City will agree on a final design prior to construction.
 - d. The County will be responsible for development of final design plans.
2. Construction and Maintenance:
 - a. The County will procure and oversee construction of the collection site.
 - b. The County will make direct payment to site construction contractor(s) following build completion.
 - c. The County will be responsible for ongoing maintenance costs of the collection site.
3. Signs:
 - a. The County and the City will agree on a final design for collection site signs including directional signs.

- b. The County will develop and pay for collection site signage including directional signs.
 - c. The County will install collection site signage and directional signs.
4. Compostable Bags:
- a. The County will purchase and provide the City with compostable bags that meet ASTM D6400 standards and are certified by the Biodegradable Products Institute (BPI).
 - b. The City will provide at least one distribution site for compostable bags. Compostable bags will be available free of charge to Ramsey County residents.
5. Promotion:
- a. The County will actively promote the SSO collection site to Ramsey County residents utilizing current County recycling messages and resources.
 - b. The City will promote the SSO collection site locally.
6. SSO Hauling:
- a. The County will procure and pay for SSO hauling from the collection site.
 - b. The City will monitor site capacity and hauling and inform The County of any issues such as missed service on the collection container(s) or need for added capacity or an increase in the hauling service interval.
 - c. The County will coordinate SSO hauling services and directly address any issues with the SSO hauling vendor.
7. Designated Employees:
- a. The County and the City will assign one or more persons to serve as direct contact(s) for the SSO collection site. These individuals will coordinate efforts in the siting, development, and ongoing maintenance of the SSO collection site. These employees shall assure the site operates effectively and operates in conformance with all applicable laws, rules and ordinances.
8. Snow Removal:
- a. The City will be responsible for snow removal, sanding/salting and other means necessary to maintain access to the SSO collection site by residents and the SSO hauling vendor.
9. Administration:
- a. The County will keep ongoing record of:
 - 1) SSO hauling costs.
 - 2) Weight or volume of SSO collected as reported by vendor on biannual waste audits.

II. LIABILITY

Each party agrees that it will be responsible for its own acts and the results thereof to the extent authorized by law and shall not be responsible for the acts of the other party and the results thereof.

a. TERM OF AGREEMENT

This Agreement is in effect when fully executed by both parties, and shall remain in effect until terminated by either party. This Agreement may be terminated immediately by either party in the event of any violations of the material terms or conditions of this Agreement by the other party, with a follow-up letter confirming termination delivered to the other party within seven (7) days. Either party may terminate this Agreement without cause upon giving at least thirty (30) calendar days written notice thereof to the other party.

b. RECOVERY OF MATERIALS

Upon termination of this Agreement the County reserves the right, but is not obligated, to retain materials and signage used in the construction of the SSO enclosure. In such an event the County will be responsible for deconstruction and hauling of materials off site.

c. FINANCIAL CONSIDERATION

The County and the City each agree to bear their own costs associated with this Agreement and that no payment is required by either the County or the City to the other party.

d. CHANGES OR ADDITIONS TO THE AGREEMENT

Any changes or additions to this Agreement must be in writing and signed by authorized representatives of each party.

e. MINNESOTA GOVERNMENT DATA PRACTICES ACT

The parties understand that all data collected, created, received, maintained or disseminated for any purpose in connection with this Agreement is subject to the provisions of the Minnesota Government Data Practices Act, Minn. Stat. Ch. 13, any other applicable state statutes, and state rules adopted to implement the Act and statutes, as well as federal statutes and regulations on data privacy.

In signing this Memorandum of Agreement, we agree to work together to fulfill the purposes identified in this Agreement.

CITY

COUNTY

Signed: _____

Signed: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

DRAFT

Organics Recycling drop-off program: Frequently Asked Questions



S A I N T P A U L – R A M S E Y C O U N T Y P U B L I C H E A L T H

Who can use this program?

The organics recycling drop-off program is for Ramsey County residents who are recycling organics from their home.

How do I start organic waste recycling?

Step 1. Pick up a free organics recycling starter kit and/or free compostable bags. Available at Ramsey County yard waste collection sites.

Step 2. Fill your bin lined with compostable bag with organic waste.

View a short video on organics sorting: [English](#) | [Spanish](#) | [Somali](#) | [Hmong](#)

Step 3. Bring your bagged organics to a [drop-off site](#).

View a short video on organics drop-offs: [English](#) | [Spanish](#) | [Somali](#) | [Hmong](#)

What materials can I recycle as organics recycling?

- All food waste (including dairy).
- Egg shells.
- Food soiled paper products.
- Fruit/vegetable scraps.
- Grains.
- Meats, including bones.
- Nut shells.
- Paper towels.
- Tissues.

Visit [RamseyRecycles.com/OR](https://www.ramseyrecycles.com/OR) for more items.

How do I set up collection in my home?

Use the caddy from your starter kit or find a bin the fits the free compostable bag from the county drop-off site. If you're using your own compostable bags, make sure the bag, or the box in which it came, has the "compostable" logo from the Biodegradable Products Institute (BPI). You will want to use a bin with a preferably tight lid.

Add compostable items such as food scraps and non-recyclable paper. Since your trash volume will be greatly reduced, a small bathroom sized trash bin could now be used for materials that are not compostable such as plastic food wrappers. You may find it convenient to also have a small pail lined with a 2.5-gallon compostable bag to collect kitchen scraps as you prepare or clean up after meals, as well as one in the bathroom for tissue, paper tubes and more. Keep a cover on the pail when not in use to reduce odors.

How are the organic materials recycled?

The organics collected are recycled at a local facility and turned into compost.

Is the compost from this program made available to residents?

Compost produced from this program will be the property of the composting company that accepts it from the county. It may be available locally for purchase but will not be available for free at the yard waste sites.

Organics Recycling drop-off program: Frequently Asked Question

What are the benefits of recycling organics?

Organic waste is the largest portion of what remains in our trash after recycling. Recycling these organics keeps waste out of landfills and converts it to a resource - compost. Residents can also save money on trash bills as organics recycling is not subject to the [County Environmental Charge](#) (tax).

How often can I drop off organics from my home?

You can visit the drop-off sites at any time during site hours.

How many bags of organics from my home can I bring in?

There is no limit on the number of bags of organics recycling brought from your home. You may also arrange to bring in bags for your neighbors.

Does the material have to be bagged in a compostable bag?

Yes, organics recycling must be inside a "BPI certified" compostable bag. Paper bags containing organics are acceptable if they are intact.

How long can I store organics in a compostable plastic bag?

Compostable bags are designed to breakdown over time under certain conditions, so it is recommended to check them regularly after one week.

How many free compostable bags can I get?

When you bring a full organics bag to a drop-off site, you will receive an empty one in exchange.

What sizes of bags are available?

12-gallon and 2.5-gallon compostable bags are available for free at drop-off sites. Check local stores for other sizes, but make sure they are "BPI certified" on the box.

Do you accept organics for recycling from businesses?

No, Ramsey County yard waste sites are not accepting organics from businesses. Visit BizRecycling.com for information on business recycling.

Will this smell and attract pests?

Odors will be similar to regular trash and will not attract pests if managed properly. To minimize odors and pests, do not store longer than one week. Keep full bags in areas that are enclosed, cool or even cold, if possible, and not accessible to pets or wild animals.

Can I put yard waste in with my organics recycling?

No, yard waste and organic waste are managed separately. Please place your yard waste such as leaves, grass, garden plants, and brush (trees and shrubs) in the appropriate pile at a [Ramsey County yard waste site](#). Soft plant materials are accepted at all sites. Arden Hills, Frank and Sims, Midway and White Bear Township collection sites accept brush.

Why can't I put my organics out on the curb for recycling?

This may be an option in the future as organics recycling markets develop, but for now, organics for recycling must be deposited at a drop-off site.

FREE DROP-OFF LOCATIONS

Open to Ramsey County residents only.

- 📍 **ARDEN HILLS**
3530 Hudson Ave., Arden Hills
- 📍 **BATTLE CREEK**
389 S. Winthrop St., Saint Paul
- 📍 **COMO PARK** (Open 24/7)
1149 Beulah Lane, Saint Paul
- 📍 **FRANK AND SIMS**
1150 Sims Ave., Saint Paul
- 📍 **MIDWAY**
1943 Pierce Butler Route, Saint Paul
- 📍 **MOUNDS VIEW**
8307 Long Lake Road, Mounds View
- 📍 **SAINT ANTHONY** (Open 24/7)
3301 Silver Lake Rd. NE, Saint Anthony
- 📍 **SUMMIT HILL**
870 Pleasant Ave., Saint Paul
- 📍 **WHITE BEAR TOWNSHIP**
5900 Sherwood Road, White Bear Township

COLLECTION SITE HOURS

APRIL - NOVEMBER

Monday: 11 a.m. - 7 p.m.
Tuesday: closed
Wednesday: 11 a.m. - 7 p.m.
Thursday: closed
Friday: 11 a.m. - 7 p.m.
Saturday: 9 a.m. - 5 p.m.
Sunday: 11 a.m. - 5 p.m.

DECEMBER - MARCH

Monday - Friday: closed
Saturday: 9 a.m. - 5 p.m.
Sunday: 11 a.m. - 5 p.m.

View the collection site map and holiday closures at [RamseyRecycles.com/OR](https://www.ramseyrecycles.com/OR)

Get Started With



ORGANICS RECYCLING



[RamseyRecycles.com](https://www.RamseyRecycles.com)

651-633-EASY (3279)

Answered 24/7

180 of 186


RAMSEY
COUNTY

REDUCE YOUR TRASH

Recycle food waste and other organics
in 3 easy steps!

1

Pick up a free compostable bag from a county yard waste site or 24/7 drop-off site.



2

Place organics recycling items into a compostable organics bag inside your bin.



3

Bring your compostable organics bag to a yard waste collection site or 24/7 drop-off site.



ACCEPTED ITEMS



Food scraps



Meat and bones



Dairy



Coffee grounds and filters



Tissues and paper towels



Delivery pizza boxes



Paper egg cartons



Paper cups and plates (unlined/uncoated)



Animal and pet food

Visit RamseyRecycles.com/OR for full list.

NOT ACCEPTED ITEMS



Plastic bags

Only compostable bags accepted



Dog, cat or animal waste of any kind



Trash



Diapers, liquids, wood or other items that cannot be composted



Grass, leaves or yard waste of any kind



Plastic, metal or glass of any kind

YARD WASTE & ORGANICS RECYCLING COLLECTION SITES

Free and open to Ramsey County residents only.
Photo ID required.

Items Accepted	Leaves & Grass	Shrubs & Branches	Organics Recycling
1 ARDEN HILLS 3530 Hudson Ave. Arden Hills	✓	✓	✓
2 BATTLE CREEK 389 S. Winthrop St. Saint Paul	✓		✓
3 COMO PARK - 24/7 1149 Beulah Ln. Saint Paul			✓
4 FRANK AND SIMS 1150 Sims Ave. Saint Paul	✓	✓	✓
5 MIDWAY 1943 Pierce Butler Rt. Saint Paul	✓	✓	✓
6 MOUNDS VIEW 8307 Long Lake Rd. Mounds View	✓		✓
7 SAINT ANTHONY - 24/7 3301 Silver Lake Rd. NE St. Anthony			✓
8 SUMMIT HILL 870 Pleasant Ave. Saint Paul	✓		✓
9 WHITE BEAR TWP 5900 Sherwood Rd. White Bear Township	✓	✓	✓

April - November

Weather Permitting

Mon., Wed., Fri.: 11 a.m. – 7 p.m.

Saturday: 9 a.m. – 5 p.m.

Sunday: 11 a.m. – 5 p.m.

Tues. and Thurs.: closed

December - March

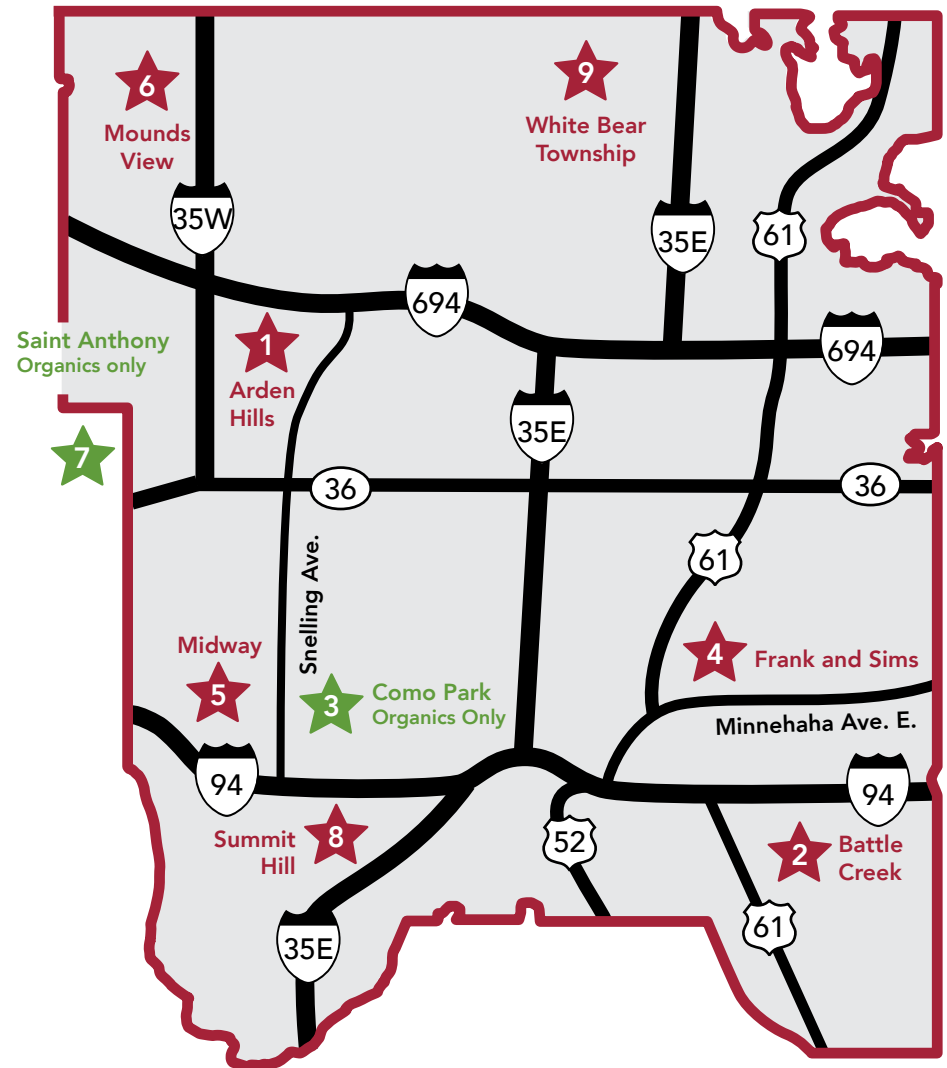
Weather Permitting

Saturday: 9 a.m. – 5 p.m.

Sunday: 11 a.m. – 5 p.m.

Mon. - Fri.: closed

Closed: Memorial Day, Independence Day, Labor Day and Christmas Day.



Existing Organics Collection Sites



Vadnais Heights



St. Anthony

Proposed location at Falcon Heights Community Park



Corners of collection area marked with green flags.

Park sign to be moved to other side of trail.



The City That Soars!

REQUEST FOR CITY COUNCIL ACTION

Meeting Date	November 13, 2019
Agenda Item	Policy G3
Attachment	N/A
Submitted By	Justin Markon, Community Development Coordinator

Item	Consider Parking Regulations on Prior Avenue
Description	<p>Between Maple Ct and the Garden Ave walkway, north of City Hall, the west side of Prior Ave is signed for reserved parking. Staff believe these signs were authorized by prior staff, but there are no permits. It is thought that staff from the two office buildings and some university students park in this area. Staff recommend formally adopting permitted parking for this area with NO PARKING stipulations, with the same signs used on Garden Ave north of city hall. Staff also recommend allowing residents of Maple Ct and employees of the two office buildings to purchase permits. Parking is not allowed at any time on the east side of Prior Avenue.</p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  <p>Existing on Prior Ave</p> </div> <div style="text-align: center;">  <p>Proposed for Prior Ave</p> </div> </div>

Proposed parking area on Prior Avenue.



Budget Impact

None. Existing signs are in-stock.

Attachment(s)

N/A

Action(s) Requested

Staff recommend approving changes to parking regulations on Prior Avenue to stipulate No Parking allowed 8 AM to 4 PM except Saturdays, Sundays, & Holidays and allow parking permits for residents of Maple Court and the business at 1755 and 1781 Prior Avenue.