

DEVELOPMENT AGREEMENT

BY AND BETWEEN

THE ECONOMIC DEVELOPMENT AUTHORITY IN AND FOR THE  
CITY OF MAPLE GROVE, MINNESOTA

AND

ARBOR LAKES 2 INDUSTRIAL OWNER, LLC

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## DEVELOPMENT AGREEMENT

THIS AGREEMENT, made as of the \_\_\_ day of March, 2023, by and between the Economic Development Authority in and for the City of Maple Grove, Minnesota (the "EDA"), a body corporate and politic duly organized and existing under the laws of the State of Minnesota, and Arbor Lakes 2 Industrial Owner, LLC, a Delaware limited liability company (the "Developer").

WITNESSETH:

WHEREAS, the EDA has created and established a Tax Increment Financing District referred to as Gravel Mining Area Tax Increment Financing District (the "TIF District") as a "soil deficiency district" pursuant to Minnesota Laws 2017, 1st Special Session, Chapter 1, Article 6, Section 12 (the "Special Legislation") within the Gravel Mining Project Area (the "Project Area") described in Resolution No. 17-102 of the City Council of the City of Maple Grove (the "City") adopted on August 21, 2017, and pursuant to the authority granted by Minnesota Statutes, Sections 469.090 to 469.1082 and Sections 469.174 through 469.1794 (the "Tax Increment Act"); and

WHEREAS, pursuant to the Acts and Special Law the EDA has adopted and the City has approved a tax increment financing plan (the "TIF Plan") to finance (i) a portion of the costs of correcting the soil deficiencies on the Development Property (the "Soil Deficiencies") and the additional cost of installing public improvements directly caused by the Soil Deficiencies and (ii) the acquisition of parcels on which the improvements described in item (i) will occur; and

WHEREAS, in order to achieve the objectives of the TIF Plan, the EDA has determined to provide substantial aid and assistance through the financing of a portion of the acquisition of properties that contain the Soil Deficiencies; and

WHEREAS, the Developer proposes to develop a commercial, office, industrial, warehouse and distribution, and/or manufacturing facility within the TIF District which the EDA has determined will promote and carry out the TIF Plan; and

WHEREAS, the development will not consist of retail trade or housing improvements; and

WHEREAS, the requirements of the Business Subsidy Law, Minnesota Statutes, Section 116J.993 through 116J.995, apply to this Agreement; and

WHEREAS, the EDA has adopted criteria for awarding business subsidies that comply with the Business Subsidy Law, after a public hearing for which notice was published; and

WHEREAS, the EDA has approved this Agreement as a subsidy agreement under the Business Subsidy Law; and

WHEREAS, the Developer will lease the Project to one or more tenants.

NOW, THEREFORE, in consideration of the premises and the mutual obligations of the parties hereto, each of them does hereby covenant and agree with the other as follows:

## ARTICLE I

### DEFINITIONS

Section 1.1. Definitions. All capitalized terms used and not otherwise defined herein shall have the following meanings unless a different meaning clearly appears from the context:

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

Assessment Agreement means the agreement, in substantially the form of the agreement contained in Exhibit D attached hereto and hereby made a part of this Agreement, between the Developer and the EDA and certified by the Assessor for the City, entered into pursuant to Article III of this Agreement;

Assessor's Minimum Market Value means the agreed minimum market value of the Development Property and Project and for calculation of real property taxes as determined by the Assessor for the City pursuant to the Assessment Agreement;

Business Day means any day except a Saturday, Sunday or a legal holiday or a day on which banking institutions in the City are authorized by law or executive order to close;

City means the City of Maple Grove, Minnesota;

Compliance Certificate means the Compliance Certificate in substantially the form attached hereto as Exhibit C;

Consultant means the EDA's municipal advisor.

County means Hennepin County, Minnesota;

Developer means Arbor Lakes 2 Industrial Owner, LLC, a Delaware limited liability company, its successors and assigns;

Development Property means the real property described in Exhibit A attached to this Agreement;

EDA means the Economic Development Authority in and for the City of Maple Grove, Minnesota;

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

Legal and Administrative Expenses means all the fees and expenses incurred by the Authority in connection with the review and analysis of the development proposed under this Agreement, the administration of the Tax Increment Financing Plan and the Tax Increment District, the preparation of this Agreement, the issuance of the Tax Increment Note, and the recording of the Assessment Agreement including, but not limited to, attorney and municipal advisor fees and expenses;

Note Payment Date means August 1, 2025, and each February 1 and August 1 of each year thereafter to and including February 1, 2034; provided, that if any such Note Payment Date should not be a Business Day, the Note Payment Date shall be the next succeeding Business Day;

Prime Rate means the rate of interest from time to time publicly announced by U.S. Bank National Association in St. Paul, Minnesota, as its "prime rate" or "reference rate" or any successor rate, which rate shall change as and when that rate or successor rate changes;

Project means the construction of an approximately 203,020 square foot building to be leased to one or more tenants for commercial, office, industrial, manufacturing and/or warehouse and distribution uses by the Developer on the Development Property;

Project Area means Gravel Mining Project Area, including the real property described in the Redevelopment Plan;

Redevelopment Plan means the Redevelopment Plan approved in connection with the Project Area;

Soil Deficiencies means the unusual terrain or soil deficiencies on the Development Property.

State means the State of Minnesota;

Tax Increments means 90% of the tax increments derived from the Development Property which have been received and retained by the EDA in accordance with Minnesota Laws 2017, 1st Special Session, Chapter 1, Article 6, Section 12 (the "Special Legislation") and the provisions of Minnesota Statutes, Section 469.177, which tax increments from the Development Property are calculated in the sole discretion of the EDA;

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

Tax Increment District means the Gravel Mining Area Tax Increment Financing District located within the Project Area, a description of which is set forth in the Tax Increment Financing Plan, which was qualified as a soil deficiency district under the Special Legislation;

Tax Increment Financing Plan means the tax increment financing plan approved for the Tax Increment District by the Board of Commissioners of the EDA and the City Council for the City on February 5, 2018, and any future amendments thereto;

Termination Date means the earlier of (i) February 1, 2034, (ii) the date the Note is paid as provided in the Note, (iii) the date on which the Tax Increment District expires or is otherwise terminated, or (iv) the date this Agreement is terminated or rescinded in accordance with its terms; and

TIF Note means the Tax Increment Revenue Note (Arbor Lakes Building 6 Project) to be executed by the EDA and delivered to the Developer pursuant to Article III hereof, the form of which is attached hereto as Exhibit B; and

Unavoidable Delays means delays, outside the control of the party claiming its occurrence, which are the direct result of strikes, other labor troubles, public health emergencies, pandemics, endemics, unusually severe or prolonged bad weather, acts of God, fire or other casualty to the Project, wars, blockades, insurrections, riots, litigation commenced by third parties which, by injunction or other similar judicial action or by the exercise of reasonable discretion, directly results in delays, or acts of any federal, state or local governmental unit (other than the EDA) which directly result in delays.



## ARTICLE II

### REPRESENTATIONS AND WARRANTIES

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

(1) EDA is a public body, corporate and politic of the State and has the power to enter into this Agreement and carry out its obligations hereunder.

(2) The Tax Increment District is a "soil deficiency district" within the meaning of the Special Legislation, and was created, adopted and approved in accordance with the terms of the Special Legislation and the Tax Increment Act.

(3) The development contemplated by this Agreement is in conformance with the development objectives set forth in the Redevelopment Plan and Tax Increment Financing Plan.

(4) To finance certain costs within the Tax Increment District, the EDA proposes, subject to the further provisions of this Agreement, to apply Tax Increments to reimburse the Developer for a portion of the costs of the acquisition of the Development Property, which contains the Soil Deficiencies, as further provided in this Agreement.

(5) The EDA makes no representation or warranty, either expressed or implied, as to the Development Property or its condition or the soil conditions thereon, or that the Development Property shall be suitable for the Developer's purposes or needs.

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

(1) The Developer is a Delaware limited liability company and has the power and authority to enter into this Agreement and to perform its obligations hereunder and doing so will not violate its articles of organization, member control agreement or operating agreement, or the laws of the State and by proper action has authorized the execution and delivery of this Agreement.

(2) The Developer shall cause the Project to be constructed in accordance with the terms of this Agreement, the Redevelopment Plan, and all applicable local, state and federal laws and regulations (including, but not limited to, environmental, zoning, energy conservation, building code and public health laws and regulations).

(3) The construction of the Project would not be undertaken by the Developer, and in the opinion of the Developer would not have been or be economically feasible within the reasonably foreseeable future, without the assistance and benefit to the Developer provided for in this Agreement.

(4) Neither the execution and delivery of this Agreement, the consummation of the transactions contemplated hereby, nor the fulfillment of or compliance with the terms and conditions of this Agreement is prevented, limited by or conflicts with or results in a breach of,

the terms, conditions or provision of any contractual restriction, evidence of indebtedness, agreement or instrument of whatever nature to which the Developer is now a party or by which it is bound, or constitutes a default under any of the foregoing.

(5) The Developer will cooperate fully with the EDA with respect to any litigation commenced with respect to the Project.

(6) The Developer will cooperate fully with the EDA in resolution of any traffic, parking, trash removal or public safety problems which may arise in connection with the construction and operation of the Project.

(7) The construction of the Project shall commence no later than December 31, 2023 and barring Unavoidable Delays, will be substantially completed by December 31, 2024.

(8) The Developer will obtain, or cause to be obtained, in a timely manner, all required permits, licenses and approvals, and will meet, in a timely manner, all requirements of all applicable local, state, and federal laws and regulations which must be obtained or met before the Project may be lawfully constructed.

(9) The Developer acknowledges that Tax Increment projections contained in the Tax Increment Financing Plan are estimates only and the Developer acknowledges that it shall place no reliance on the amount of projected Tax Increments and the sufficiency of such Tax Increments to reimburse the Developer for a portion of the costs of the acquisition of the Development Property as provided in Article III.

(10) The Developer shall complete the correction of the Soil Deficiencies on the Development Property by December 31, 2024.

## ARTICLE III

### UNDERTAKINGS BY DEVELOPER AND EDA

#### Section 3.1. Acquisition of Development Property and Legal and Administrative Expenses.

(1) The parties agree that the acquisition of the Development Property is essential to the successful completion of the Project. The costs of the acquisition of the Development Property shall be paid by the Developer. The EDA shall reimburse the Developer for the lesser of (a) \$958,000, or (b) the actual costs of the acquisition of the Development Property actually incurred and paid (the "Reimbursement Amount").

(2) The Developer shall pay the Legal and Administrative Expenses incurred by the EDA.

Section 3.2. Limitations on Undertaking of the EDA. Notwithstanding the provisions of Sections 3.1, the EDA shall have no obligation to the Developer under this Agreement to reimburse the Developer for the costs of the acquisition of the Development Property, if the EDA, at the time or times such payment is to be made, is entitled under Section 4.2 to exercise any of the remedies set forth therein as a result of an Event of Default which has not been cured.

Section 3.3. Reimbursement: TIF Note. The EDA shall reimburse the costs identified in Section 3.1(1) through the issuance of the EDA's TIF Note in substantially the form attached to this Agreement as Exhibit B, subject to the following conditions.

(1) The TIF Note shall be dated, issued and delivered when the Developer shall have demonstrated in writing to the reasonable satisfaction of the EDA that (i) the construction of the Project has been completed; (ii) the correction of the Soil Deficiencies has been completed; and (iii) that the Developer has incurred and paid the costs of the acquisition of the Development Property, as described in and limited by Section 3.1(1) and shall have submitted a settlement statement or other evidence of payment of the costs of the Development Property. The principal amount of the TIF Note shall equal the lesser of (a) \$958,000, or (b) the actual costs of the acquisition of the Development Property actually incurred and paid.

(2) The unpaid principal of the TIF Note shall bear simple non-compounding interest from the date of issuance of the TIF Note, at the lesser of 6.00% per annum or the interest rate on the financing that the Developer obtains for the construction of the Project. Interest shall be computed on the basis of a 360-day year consisting of twelve (12) 30-day months.

(3) The principal amount of the TIF Note and the interest thereon shall be payable solely from the Tax Increments.

(4) On each Note Payment Date and subject to the provisions of the TIF Note, the EDA shall pay, against the principal and interest outstanding on the TIF Note, Tax Increments received by the EDA during the preceding six (6) months. All such payments shall be applied first to accrued interest and then to reduce the principal of the TIF Note.

(5) The TIF Note shall be a special and limited obligation of the EDA and not a general obligation of the EDA, and only Tax Increments shall be used to pay the principal and interest on the TIF Note. If, on any Note Payment Date, the Tax Increments for the payment of the accrued and unpaid interest on the TIF Note are insufficient for such purposes, the difference shall be carried forward, with interest accruing thereon, and shall be paid if and to the extent that on a future Note Payment Date there are Tax Increments in excess of the amounts needed to pay the accrued interest then due on the TIF Note.

(6) The EDA's obligation to make payments on the TIF Note on any Note Payment Date or any date thereafter shall be conditioned upon the requirements that: (A) there shall not at that time be an Event of Default that has occurred and is continuing under this Agreement and in such event the EDA's obligation to make payments shall be suspended until such Event of Default is cured or this Agreement has been terminated, and (B) this Agreement shall not have been rescinded pursuant to Section 4.2.

(7) The TIF Note shall be governed by and payable pursuant to the additional terms thereof, as set forth in Exhibit B. In the event of any conflict between the terms of the TIF Note and the terms of this Section 3.3, the terms of the TIF Note shall govern. The issuance of the TIF Note pursuant and subject to the terms of this Agreement, and the taking by the EDA of such additional actions as bond counsel for the TIF Note may require in connection therewith, are hereby authorized and approved by the EDA.

Section 3.4. Rental; Compliance. The Developer shall rent the Project to tenants who will use the leased space solely for commercial, office, industrial, manufacturing and/or warehouse distribution purposes and space necessary for and related to commercial, office, industrial, manufacturing and/or warehousing and distribution (the "Use Restrictions"). The Developer shall include language in the lease agreement which requires the tenants to comply with the Use Restrictions. The Developer shall annually submit on or before May 1 of each year commencing May 1, 2025 a Compliance Certificate that all tenants of the Project are in compliance with this Section.

Section 3.5. Business Subsidies Act.

(1) In order to satisfy the provisions of Minnesota Statutes, Sections 116J.993 to 116J.995 (the "Business Subsidies Act"), the Developer acknowledges and agrees that the amount of the "Business Subsidy" granted to the Developer under this Agreement is \$958,000 which is the reimbursement amount for the acquisition of the Development Property and that the Business Subsidy is needed because the Project is not sufficiently feasible for the Developer to undertake without the Business Subsidy. The Tax Increment District is soil deficiency district and the public purpose of the Business Subsidy is to encourage the construction of commercial, office, industrial, manufacturing and/or warehouse and distribution facilities. The Developer agrees that it will cause tenants of the Project to meet the following goals (the "Goals") in connection with the development of the Development Property: to create at least 100 full time equivalent jobs having wage levels of at least 150% of the State of Minnesota minimum wage, exclusive of benefits within two years from the "Benefit Date", which is the earlier of the date the Developer completes construction of the Project or the first tenant occupies the Project. The Developer shall include in its leases with tenants the requirement that the tenants shall provide

wage and job information to the Developer and the EDA so that the Developer can comply with the provisions of this Section.

(2) If no Goals are met, the Developer agrees to repay all of the Business Subsidy to the EDA, plus interest ("Interest") set at the implicit price deflator defined in Minnesota Statutes, Section 275.70, Subdivision 2, accruing from and after the Benefit Date, compounded semiannually. If the Goals are met in part, the Developer will repay a portion of the Business Subsidy (plus Interest) determined by multiplying the Business Subsidy by a fraction, the numerator of which is the number of jobs in the Goals which were not created at the wage level set forth above and the denominator of which is 100 (i.e. number of jobs set forth in the Goals).

(3) The Developer agrees to (i) report on the progress of the tenants on achieving the Goals to the EDA until the later of the date the Goals are met or two years from the Benefit Date, or, if the Goals are not met, until the date the Business Subsidy is repaid, (ii) include in the report the information required in Minnesota Statutes, Section 116J.994, Subdivision 7 on forms developed by the Minnesota Department of Employment and Economic Development, and (iii) send completed reports to the EDA. The Developer agrees to file these reports no later than March 1 of each year commencing March 1, 2025, and within 30 days after the deadline for meeting the Goals. The EDA agrees that if it does not receive the reports, it will mail the Developer a warning within one week of the required filing date. If within 14 days of the post marked date of the warning the reports are not made, the Developer agrees to pay to the EDA a penalty of \$100 for each subsequent day until the report is filed up to a maximum of \$1,000.

(4) The Developer agrees to continue operations within the City for at least five (5) years after the Benefit Date.

(5) There are no other state or local government agencies providing financial assistance for the Project other than the EDA.

(6) There is no parent corporation of the Developer.

(7) The Developer certifies that it does not appear on the Minnesota Department of Employment and Economic Development's list of recipients that have failed to meet the terms of a business subsidy agreement.

Section 3.6. Execution of Assessment Agreement. Simultaneously with the execution of this Agreement, the Developer and the EDA shall execute an Assessment Agreement pursuant to the provisions of Minnesota Statutes, Section 469.177, Subdivision 8, specifying the Assessor's Minimum Market Value for the Development Property and the Project for calculation of real property taxes. Specifically, the Developer shall agree to a market value for the Development Property and the Project which will result in a market value as of (1) January 2, 2025 of not less than \$18,300,000 until the Termination Date (such minimum market value at the time applicable is herein referred to as the "Assessor's Minimum Market Value"). Nothing in the Assessment Agreement shall limit the discretion of the Assessor to assign a market value to the property in excess of such Assessor's Minimum Market Value nor prohibit the Developer from seeking through the exercise of legal or administrative remedies a reduction in such market value for property tax purposes, provided however, that the Developer shall not seek a reduction of

such market value below the Assessor's Minimum Market Value in any year so long as the Assessment Agreement shall remain in effect. The Assessment Agreement shall remain in effect until the earlier of (1) termination of the Development Agreement or (2) December 31, 2032. The Assessment Agreement shall be certified by the Assessor for the City as provided in Minnesota Statutes, Section 469.177, Subdivision 8, upon a finding by the Assessor that the Assessor's Minimum Market Value represents a reasonable estimate based upon the plans and specifications for the Project to be constructed on the Development Property and the market value previously assigned to the Development Property. Pursuant to Minnesota Statutes, Section 469.177, Subdivision 8, the Assessment Agreement shall be filed for record in the office of the county recorder or registrar of titles of Hennepin County, and such filing shall constitute notice to any subsequent encumbrancer or purchaser of the Development Property (or part thereof), whether voluntary or involuntary, and such Assessment Agreement shall be binding and enforceable in its entirety against any such subsequent purchaser or encumbrancer, including the holder of any mortgage recorded against the Development Property.

Section 3.7. Action to Reduce Taxes. Developer may seek through petition or other means to have the market value of the Development Property reduced, provided however, that the Developer shall not seek a reduction of such market value below the Assessor's Minimum Market Value. Until the final Payment Date of the TIF Note (February 1, 2034), such activity must be preceded by written notice from the Developer to the EDA indicating its intention to do so. Upon receiving such notice, or otherwise learning of the Developer's intentions, the EDA may suspend payments due under the TIF Note until the actual amount of the reduction is determined, whereupon the EDA will make the suspended payments less any amount that the EDA is required to repay the County as a result of any reduction in market value of the Development Property. During the period that the payments are subject to suspension the EDA may make partial payments on the TIF Note if it determines, in its sole and absolute discretion that the amount retained will be sufficient to cover any repayment which the County may require. The EDA's suspension of payments on the TIF Note pursuant to this Section shall not be considered a default under this Agreement.

Section 3.8. Look Back and Reduction of TIF Assistance. The financial assistance to be provided to the Developer pursuant to this Agreement is based on certain assumptions regarding the projected costs and expenses associated with constructing the Project (as provided in the Pro Forma submitted to the EDA by the Developer and attached as Exhibit E). The EDA and Developer agree that those assumptions will be reviewed at the time of completion of construction of the Project and stabilization of the Project, or, if earlier, at the time of any sale of the Project. Once the review in Section 3.9 has occurred and, if applicable, the TIF Note has been reduced, thereafter Section 3.9 will not apply, in other words, at most there will be only one reduction in the TIF Note pursuant to Section 3.9. Once the review in Section 3.10 has occurred and, if applicable, the TIF Note has been reduced, thereafter Section 3.10 will not apply, in other words, at most there will be only one reduction in the TIF Note pursuant to Section 3.10. At the time of completion of construction of the Project, if the aggregate amount of the total development costs of the Project incurred is less than the aggregate amount of the total development costs of the Project projected in Exhibit E, the TIF assistance for the costs of the Development Property will be reduced on a dollar for dollar basis in the amount of such deficiency and the principal amount of the TIF Note will be adjusted accordingly.

Section 3.9. Property Stabilization. When the Project is 97% leased, the Developer agrees to provide to the Consultant certified cost and revenue information related to the Project and income and expenses for the period from the date of this Agreement through when the Project is 97% leased. The cost and revenue information will be prepared in accordance with generally accepted accounting principles and in accordance with Exhibit E. If the Consultant determines, based on such review, that the actual net operating income realized by the Developer has exceeded a 6.0% Cash on Cost Return ("COC") in any given year during that period (to be calculated in a manner comparable to the sample attached as Exhibit E), then 50% of the excess amount of such net operating income over the 6.0% COC in that year will be applied to reduce the amount payable under the TIF Note and the principal amount of the TIF Note will be reduced accordingly. Such reduction will be effective upon delivery to Developer of a written notice stating the amount of such excess net operating income as determined by the EDA in accordance with this Section, accompanied by the Consultant's report.

Section 3.10. Property Sale. If the Developer sells the Project to an unrelated third party during the first 6 years of the term of this Agreement, the Developer agrees to provide to the Consultant certified cost (if sold before stabilization, but not necessary if after the lookback is performed under Section 3.9 as those costs will have been certified to the Consultant) and revenue information (inclusive of the annual tax increment payments for that year) related to the Project and expenses for the year in which the sale takes place. If the sale takes place prior to year-end, current revenue and expenses shall be provided and will be utilized for purposes of projecting forward to determine total expenses for that year. If the sale is prior to stabilization, revenue and expense assumptions will include revenue and expenses to date which will then be utilized to project revenue and expenses as if the project were stabilized. The expense and revenue information will be prepared in accordance with generally accepted accounting principles. If the Consultant determines, based on such review, that the COC as calculated in Exhibit E exceeds 6.0% in any given year, then 50% of the excess amount of such net operating income over the 6.0% COC in that year will be applied to reduce the amount payable under the TIF Note and the principal amount of the TIF Note will be reduced accordingly. Such reduction will be effective upon delivery to Developer of a written notice stating the amount of such excess profit as determined by the EDA in accordance with this Section, accompanied by the Consultant's report.





## ARTICLE IV

### EVENTS OF DEFAULT

Section 4.1. Events of Default Defined. The following shall be "Events of Default" under this Agreement and the term "Event of Default" shall mean whenever it is used in this Agreement any one or more of the following events:

(1) Failure by the Developer to timely pay any ad valorem real property taxes and special assessments levied against the Development Property and all public utility or other City payments due and owing with respect to the Development Property.

(2) Failure by the Developer to cause the Project to be completed pursuant to the terms, conditions and limitations of this Agreement.

(3) Failure of the Developer to observe or perform any other covenant, condition, obligation or agreement on its part to be observed or performed under this Agreement.

(4) The holder of any mortgage on the Development Property or any improvements thereon, or any portion thereof, commences foreclosure proceedings as a result of any default under the applicable mortgage documents.

(5) If the Developer shall:

(a) file any petition in bankruptcy or for any reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief under the United States Bankruptcy Act of 1978, as amended or under any similar federal or state law; or

(b) make an assignment for the benefit of its creditors; or

(c) admit in writing its inability to pay its debts generally as they become due;  
or

(d) be adjudicated as bankrupt or insolvent; or if a petition or answer proposing the adjudication of the Developer as bankrupt or its reorganization under any present or future federal bankruptcy act or any similar federal or state law shall be filed in any court and such petition or answer shall not be discharged or denied within sixty (60) days after the filing thereof; or a receiver, liquidator or trustee of the Developer, or of the Project, or part thereof, shall be appointed in any proceeding brought against the Developer, and shall not be discharged within sixty (60) days after such appointment, or if the Developer, shall consent to or acquiesce in such appointment.

Section 4.2. Remedies on Default. Whenever any Event of Default referred to in Section 4.1 occurs and is continuing, the EDA, as specified below, may take any one or more of the following actions after the giving of thirty (30) days' written notice to the Developer, but only if the Event of Default has not been cured within said thirty (30) days or, if such Event of Default cannot reasonably be cured by the Developer within thirty (30) days, then within an additional

sixty (60) days if Developer has commenced curing the Event of Default within the initial thirty (30) day period.:

(1) The EDA may suspend its performance under this Agreement and the TIF Note until it receives assurances from the Developer, deemed adequate by the EDA, that the Developer will cure its default and continue its performance under this Agreement.

(2) The EDA may cancel and rescind the Agreement and the TIF Note.

(3) The EDA may take any action, including legal or administrative action, in law or equity, which may appear necessary or desirable to enforce performance and observance of any obligation, agreement, or covenant of the Developer under this Agreement.

Section 4.3. No Remedy Exclusive. No remedy herein conferred upon or reserved to the EDA is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient.

Section 4.4. No Implied Waiver. In the event any agreement contained in this Agreement should be breached by any party and thereafter waived by any other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other concurrent, previous or subsequent breach hereunder.

Section 4.5. Agreement to Pay Attorney's Fees and Expenses. Whenever any Event of Default occurs and the EDA shall employ attorneys or incur other expenses for the collection of payments due or to become due or for the enforcement or performance or observance of any obligation or agreement on the part of the Developer herein contained, the Developer agrees that it shall, on demand therefor, pay to the EDA the reasonable fees of such attorneys and such other expenses so incurred by the EDA.

Section 4.6. Indemnification of EDA.

(1) The Developer (a) releases the EDA and its governing body members, officers, agents, including the independent contractors, consultants and legal counsel, servants and employees (collectively, the "Indemnified Parties") from, (b) covenants and agrees that the Indemnified Parties shall not be liable for, and (c) agrees to indemnify and hold harmless the Indemnified Parties against, any claim, cause of action, suit or liability for loss or damage to property or any injury to or death of any person occurring at or about or resulting from any defect in the Project or on the Development Property.

(2) Except for any willful misrepresentation or any willful or wanton misconduct of the Indemnified Parties, the Developer agrees to protect and defend the Indemnified Parties, now and forever, and further agrees to hold the aforesaid harmless from any claim, demand, suit, action or other proceeding whatsoever by any person or entity whatsoever arising or purportedly arising from the actions or inactions of the Developer (or if other persons acting on its behalf or

under its direction or control) under this Agreement, or the transactions contemplated hereby or the acquisition, construction, installation, ownership, and operation of the Project; provided, that this indemnification shall not apply to the warranties made or obligations undertaken by the EDA in this Agreement or to any actions undertaken by the EDA which are not contemplated by this Agreement but shall, in any event and without regard to any fault on the part of the EDA, apply to any pecuniary loss or penalty (including interest thereon from the date the loss is incurred or penalty is paid by the EDA at a rate equal to the Prime Rate) as a result of the Project causing the Tax Increment District to not qualify or cease to qualify as a "soil deficiency district" under the Special Legislation or to violate limitations as to the use of Tax Increments as set forth in the Special Legislation.

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

## ARTICLE V

### DEVELOPER'S OPTION TO TERMINATE AGREEMENT

Section 5.1. The Developer's Option to Terminate. This Agreement may be terminated by the Developer, if (i) the Developer is in compliance with all material terms of this Agreement and no Event of Default has occurred; and (ii) the EDA fails to comply with any material term of this Agreement, and, after written notice by the Developer of such failure, the EDA has failed to cure such noncompliance within ninety (90) days of receipt of such notice, or, if such noncompliance cannot reasonably be cured by the EDA within ninety (90) days, of receipt of such notice, the EDA has not provided assurances, reasonably satisfactory to the Developer, that such noncompliance will be cured as soon as reasonably possible.

Section 5.2. Action to Terminate. Termination of this Agreement pursuant to Section 5.1 must be accomplished by written notification by the Developer to the EDA within sixty (60) days after the date when such option to terminate may first be exercised. A failure by the Developer to terminate this Agreement within such period constitutes a waiver by the Developer of its rights to terminate this Agreement due to such occurrence or event.

Section 5.3. Effect of Termination. If this Agreement is terminated pursuant to this Article V, this Agreement shall be from such date forward null and void and of no further effect; provided, however, the termination of this Agreement shall not affect the rights of either party to institute any action, claim or demand for damages suffered as a result of breach or default of the terms of this Agreement by the other party, or to recover amounts which had accrued and become due and payable as of the date of such termination. Upon termination of this Agreement pursuant to this Article V, the Developer shall be free to proceed with the Project at its own expense and without regard to the provisions of this Agreement; provided, however, that the EDA shall have no further obligations to the Developer with respect to reimbursement of the expenses set forth in Section 3.2; or to make any further payments on the TIF Note.

## ARTICLE VI

### ADDITIONAL PROVISIONS

Section 6.1. Restrictions on Use. Until termination of this Agreement, the Developer agrees for itself, its successors and assigns and every successor in interest to the Development Property, or any part thereof, that the Developer and such successors and assigns shall operate, or cause to be operated, the Project as commercial, office, industrial, manufacturing and/or warehouse and distribution facilities and/or for research and development purposes related to such commercial, office, industrial, manufacturing, warehouse or distribution facilities, and/or for space necessary for and related to the above activities, and shall devote the Development Property to, and in accordance with, the uses specified in this Agreement.

Section 6.2. Conflicts of Interest. No member of the governing body or other official of the EDA shall have any financial interest, direct or indirect, in this Agreement, the Development Property or the Project, or any contract, agreement or other transaction contemplated to occur or be undertaken thereunder or with respect thereto, nor shall any such member of the governing body or other official participate in any decision relating to the Agreement which affects his or her personal interests or the interests of any corporation, partnership or association in which he or she is directly or indirectly interested. No member, official or employee of the EDA shall be personally liable to the EDA in the event of any default or breach by the Developer or successor or on any obligations under the terms of this Agreement.

Section 6.3. Titles of Articles and Sections. Any titles of the several parts, articles and sections of the Agreement are inserted for convenience of reference only and shall be disregarded in construing or interpreting any of its provisions.

Section 6.4. Notices and Demands. Except as otherwise expressly provided in this Agreement, a notice, demand or other communication under this Agreement by any party to any other shall be sufficiently given or delivered if it is dispatched by registered or certified mail, postage prepaid, return receipt requested, delivered personally or sent via email, and

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

Arbor Lakes 2 Industrial Owner, LLC  
Attention: Josh Budish  
[josh@endeavorshield.com](mailto:josh@endeavorshield.com)  
200 Southdale Center  
Minneapolis, MN 55435

- (2) in the case of the EDA is addressed to or delivered personally to the EDA at:

Economic Development Authority in and for the City of Maple Grove, Minnesota  
Attention: Secretary  
12800 Arbor Lakes Parkway N.  
Maple Grove, MN 55311

with a copy to:  
Taft Stettinius & Hollister LLP  
Attention: Mary Ippel  
2200 IDS Center  
80 South 8th Street  
Minneapolis, MN 55402

or at such other address with respect to any such party as that party may, from time to time, designate in writing and forward to the other, as provided in this Section.

Section 6.5. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall constitute one and the same instrument.

Section 6.6. Law Governing. This Agreement will be governed and construed in accordance with the laws of the State.

Section 6.7. Expiration. This Agreement shall expire on the Termination Date.

Section 6.8. Provisions Surviving Rescission or Expiration. Sections 4.5 and 4.6 shall survive any rescission, termination or expiration of this Agreement with respect to or arising out of any event, occurrence or circumstance existing prior to the date thereof.

Section 6.9. Transfer of Project; Assignability of Agreement and TIF Note. The Project can only be transferred and the Agreement may be assigned only with the consent of the EDA, which consent shall not be unreasonably withheld, delayed or conditioned. The TIF Note may only be assigned pursuant to the terms of the TIF Note.

IN WITNESS WHEREOF, the EDA has caused this Agreement to be duly executed in its name and on its behalf and the Developer has caused this Agreement to be duly executed in its name and on its behalf, on or as of the date first above written.

ECONOMIC DEVELOPMENT AUTHORITY  
IN AND FOR THE CITY OF MAPLE  
GROVE, MINNESOTA

By \_\_\_\_\_  
Its President

By \_\_\_\_\_  
Its Secretary

This is a signature page to the Development Agreement by and between the Economic Development Authority in and for the City of Maple Grove, Minnesota and Arbor Lakes 2 Industrial Owner, LLC.

ARBOR LAKES 2 INDUSTRIAL OWNER,  
LLC

By \_\_\_\_\_  
Its \_\_\_\_\_

This is a signature page to the Development Agreement by and between the Economic Development Authority in and for the City of Maple Grove, Minnesota and Arbor Lakes 2 Industrial Owner, LLC.



## EXHIBIT A

### DESCRIPTION OF DEVELOPMENT PROPERTY

Property located in the City of Maple Grove, Hennepin County, Minnesota with the following legal description:

Lot 2, Block 1, Arbor Lakes Business Park 4<sup>th</sup> Addition, according to the recorded plat thereof, Hennepin County, Minnesota

EXHIBIT B

FORM OF TIF NOTE

No. R-1

\$ \_\_\_\_\_

UNITED STATES OF AMERICA  
STATE OF MINNESOTA  
COUNTY OF HENNEPIN  
ECONOMIC DEVELOPMENT AUTHORITY IN AND FOR THE CITY OF MAPLE GROVE,  
MINNESOTA

TAX INCREMENT REVENUE NOTE  
(ARBOR LAKES BUSINESS PARK IV PROJECT)

The Economic Development Authority in and for the City of Maple Grove, Minnesota (the "EDA"), hereby acknowledges itself to be indebted and, for value received, hereby promises to pay the amounts hereinafter described (the "Payment Amounts") to Arbor Lakes 2 Industrial Owner, LLC (the "Developer") or its registered assigns (the "Registered Owner"), but only in the manner, at the times, from the sources of revenue, and to the extent hereinafter provided.

The principal amount of this Note shall equal from time to time the principal amount stated above, as reduced to the extent that such principal installments shall have been paid in whole or in part pursuant to the terms hereof; provided that the sum of the principal amount listed above shall in no event exceed \$958,000 as provided in that certain Development Agreement, dated as of March \_\_, 2023, as the same may be amended from time to time (the "Development Agreement"), by and between the EDA and the Developer. The unpaid principal amount hereof shall bear interest from the date of this Note at the simple non-compounded rate of 6.00 % per annum. Interest shall be computed on the basis of a 360-day year consisting of twelve (12) 30-day months.

The amounts due under this Note shall be payable on August 1, 2025, and on each February 1 and August 1 thereafter to and including February 1, 2034, or, if the first should not be a Business Day (as defined in the Development Agreement), the next succeeding Business Day (the "Payment Dates"). On each Payment Date the EDA shall pay by check or draft mailed to the person that was the Registered Owner of this Note at the close of the last business day of the EDA preceding such Payment Date an amount equal to the sum of the Tax Increments (hereinafter defined) received by the EDA during the six-month period preceding such Payment Date. All payments made by the EDA under this Note shall first be applied to accrued interest and then to principal. This Note is prepayable by the EDA, in whole or in part, on any date.

The Payment Amounts due hereon shall be payable solely from 90% of tax increments (the "Tax Increments") from the Development Property (as defined in the Development Agreement) within the City of Maple Grove's Gravel Mining Area Tax Increment Financing District (the "Tax Increment District") within its Gravel Mining Project Area which are paid to the EDA and which the EDA is entitled to retain pursuant to Minnesota Laws 2017, 1st Special Session, Chapter 1, Article 6, Section 12 (the "Special Legislation") and the provisions of

Minnesota Statutes, Sections 469.174 through 469.1794, as the same may be amended or supplemented from time to time (the "Tax Increment Act"). This Note shall terminate and be of no further force and effect following the last Payment Date defined above, on any date upon which the EDA shall have terminated the Development Agreement under Section 4.2(2) thereof or the Developer shall have terminated the Development Agreement under Article V thereof, on the date the Tax Increment District is terminated, or on the date that all principal and interest payable hereunder shall have been paid in full, whichever occurs earliest.

The Tax Increment District includes properties other than the Development Property and Hennepin County remits Tax Increment to the EDA on the basis of the captured tax capacity of the entire Tax Increment District. For purposes of this Tax Increment Revenue Note, the EDA will determine Tax Increment generated from the Development Property and improvements thereon in its sole discretion.

The EDA makes no representation or covenant, expressed or implied, that the Tax Increments will be sufficient to pay, in whole or in part, the amounts which are or may become due and payable hereunder.

The EDA's payment obligations hereunder shall be further conditioned on the fact that no Event of Default under the Development Agreement shall have occurred and be continuing at the time payment is otherwise due hereunder, but such unpaid amounts shall become payable if said Event of Default shall thereafter have been cured; and, further, if pursuant to the occurrence of an Event of Default under the Development Agreement the EDA elects to cancel and rescind the Development Agreement, the EDA shall have no further debt or obligation under this Note whatsoever. Reference is hereby made to all of the provisions of the Development Agreement, including without limitation Section 3.3 thereof, for a fuller statement of the rights and obligations of the EDA to pay the principal of this Note, and said provisions are hereby incorporated into this Note as though set out in full herein.

This Note is a special, limited revenue obligation and not a general obligation of the EDA and is payable by the EDA only from the sources and subject to the qualifications stated or referenced herein. This Note is not a general obligation of the City of Maple Grove, Minnesota (the "City") and neither the full faith and credit nor the taxing powers of the City are pledged to the payment of the principal of this Note and no property or other asset of the EDA, save and except the above-referenced Tax Increments, is or shall be a source of payment of the EDA's obligations hereunder.

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

This Note may be assigned only with the consent of the EDA which consent shall not be unreasonably withheld. In order to assign the Note, the assignee shall surrender the same to the EDA either in exchange for a new fully registered note or for transfer of this Note on the registration records for the Note maintained by the EDA. Each permitted assignee shall take this Note subject to the foregoing conditions and subject to all provisions stated or referenced herein.

IT IS HEREBY CERTIFIED AND RECITED that all acts, conditions, and things required by the Constitution and laws of the State of Minnesota to be done, to have happened, and to be performed precedent to and in the issuance of this Note have been done, have happened, and have been performed in regular and due form, time, and manner as required by law; and that this Note, together with all other indebtedness of the EDA outstanding on the date hereof and on the date of its actual issuance and delivery, does not cause the indebtedness of the EDA to exceed any constitutional or statutory limitation thereon.

IN WITNESS WHEREOF, Economic Development Authority in and for the City of Maple Grove, Minnesota, by its Board of Commissioners, has caused this Note to be executed by the manual signatures of its President and Secretary and has caused this Note to be dated as of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
Secretary

\_\_\_\_\_  
President

**DO NOT EXECUTE UNTIL PAID INVOICES, A SETTLEMENT STATEMENT OR OTHER EVIDENCE OF PAYMENT FOR LAND ACQUISITION ARE GIVEN TO THE EDA - REFER TO SECTION 3.3(1).**

**CERTIFICATION OF REGISTRATION**

It is hereby certified that the foregoing Note was registered in the name of Arbor Lakes 2 Industrial Owner, LLC, and that, at the request of the Registered Owner of this Note, the undersigned has this day registered the Note in the name of such Registered Owner, as indicated in the registration blank below, on the books kept by the undersigned for such purposes.

<u>NAME AND ADDRESS OF REGISTERED OWNER</u>	<u>DATE OF REGISTRATION</u>	<u>SIGNATURE OF SECRETARY</u>
Arbor Lakes 2 Industrial Owner, LLC Attention: Josh Budish 200 Southdale Center <u>Minneapolis, MN 55435</u>	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

EXHIBIT C

COMPLIANCE CERTIFICATE

The undersigned Arbor Lakes 2 Industrial Owner, LLC, does hereby certify that as of the date of this Certificate and for the previous twelve (12) months prior to the execution of this Certificate as follows:

The following are the tenants of the Project as defined in the Development Agreement dated as of March \_\_, 2023 between the Economic Development Authority in and for the City of Maple Grove, Minnesota and Arbor Lakes 2 Industrial Owner, LLC:

[insert tenant names]

and that the foregoing tenants are operating the leased space for the following purposes:

[insert tenant name and function]

Dated this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

ARBOR LAKES 2 INDUSTRIAL OWNER,  
LLC

By \_\_\_\_\_  
Its \_\_\_\_\_

## EXHIBIT D

### FORM OF ASSESSMENT AGREEMENT

THIS AGREEMENT, dated as of this \_\_\_ day of March, 2023, is by and among the Economic Development Authority in and for the City of Maple Grove, Minnesota (the "EDA"), and Arbor Lakes 2 Industrial Owner, LLC, a Delaware limited liability company (the "Developer").

#### WITNESSETH

WHEREAS, the EDA and the Developer have entered into a Development Agreement dated as of March \_\_, 2023 (the "Development Agreement") regarding certain real property (the "Development Property") located in the City of Maple Grove (the "City") which property is legally described on Exhibit A attached hereto and made a part hereof.

WHEREAS, it is contemplated that pursuant to said Agreement, the Developer will construct a Project on the Development Property as described in the Development Agreement.

WHEREAS, the EDA and Developer desire to establish a minimum market value for the Development Property and the improvements constructed or to be constructed thereon, pursuant to Minnesota Statutes, Section 469.177, Subdivision 8.

WHEREAS, the Developer has acquired the Development Property.

WHEREAS, the Assessor for the City (the "Assessor") has reviewed the plans and specifications for the improvements and the market value previously assigned to the land upon which the improvements are to be constructed, and that the "minimum market value" as set forth below is reasonable.

NOW, THEREFORE, the parties to this Agreement, in consideration of the promises, covenants and agreements made by each to the other, do hereby agree as follows:

1. As of January 2, 2025 through and thereafter until December 31, 2033 the minimum market value which shall be assessed for the Development Property and the Project shall be not less than \$18,300,000.

2. The minimum market value herein established shall be of no further force and effect and this Agreement shall terminate on the earlier of: (i) December 31, 2033; or (ii) the date of termination of the Development Agreement.

3. This Agreement shall be recorded by the Developer with the County Recorder of Hennepin County, Minnesota. The Developer shall pay all costs of recording.

4. Neither the preamble nor provisions of this Agreement are intended to, or shall they be construed as, modifying the terms of the Agreement between the EDA and the Developer.

5. This Agreement shall inure to the benefit of and be binding upon the successors and assigns of the parties.

IN WITNESS WHEREOF, the EDA, the Developer and the Assessor have caused this Agreement to be executed in their names and on their behalf all as of the date set forth above.

ECONOMIC DEVELOPMENT AUTHORITY  
IN AND FOR THE CITY OF MAPLE  
GROVE, MINNESOTA

By \_\_\_\_\_  
Its President

By \_\_\_\_\_  
Its Secretary

STATE OF MINNESOTA )  
  ) ss  
COUNTY OF HENNEPIN )

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 2023, by \_\_\_\_\_, the President, and \_\_\_\_\_, the Secretary of the Economic Development Authority in and for the City of Maple Grove, Minnesota on behalf of said EDA.

\_\_\_\_\_  
Notary Public

Signature page for Assessment Agreement by and between the Economic Development Authority in and for the City of Maple Grove, Minnesota and Arbor Lakes 2 Industrial Owner, LLC.



ARBOR LAKES 2 INDUSTRIAL OWNER,  
LLC

By \_\_\_\_\_  
Its \_\_\_\_\_

STATE OF )  
) ss.  
COUNTY OF )

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_,  
2023, by \_\_\_\_\_, the \_\_\_\_\_ of Arbor Lakes 2  
Industrial Owner, LLC, a Delaware limited liability company, on behalf of said company.

\_\_\_\_\_  
Notary Public

Signature page for Assessment Agreement by and between the Economic Development  
Authority in and for the City of Maple Grove, Minnesota and Arbor Lakes 2 Industrial Owner,  
LLC.

CERTIFICATION BY CITY ASSESSOR

The undersigned, having reviewed certain construction plans for the Project, and the market value assigned to the Project and the Development Property, as described in the Assessment Agreement, dated as of March \_\_, 2023, by and between the Economic Development Authority in and for the City of Maple Grove, Minnesota, and Arbor Lakes 2 Industrial Owner, LLC, to which this certification is attached, states as follows:

Legal Description of Property: Lot 2, Block 1, Arbor Lakes Business Park 4<sup>th</sup> Addition, according to the recorded plat thereof, Hennepin County, Minnesota.

The undersigned assessor, being legally responsible for the assessment of the above described property, certifies that the market values assigned to the land and Project are reasonable.

Nothing herein shall limit the discretion of the undersigned assessor or any other public official or body having the duty to determine the market value of the above-described Project and Development Property for ad valorem tax purposes, to assign to such Project and Development Property a market value in excess of the minimum market value specified above and in the Assessment Agreement.

All capitalized but undefined terms herein are assigned definitions as provided in that certain Development Agreement, dated as of March \_\_, 2023, by and between the Economic Development Authority in and for the City of Maple Grove, Minnesota, and Arbor Lakes 2 Industrial Owner, LLC.

\_\_\_\_\_  
Assessor  
City of Maple Grove, Minnesota

STATE OF MINNESOTA    )  
  ) ss.  
COUNTY OF HENNEPIN    )

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 2023, by \_\_\_\_\_, the Assessor for the City of Maple Grove, Minnesota.

\_\_\_\_\_  
Notary Public

CONSENT TO ASSESSMENT AGREEMENT

\_\_\_\_\_, \_\_\_\_\_, of \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_ (the "Bank"), does hereby consent to all terms, conditions and provisions of the foregoing Assessment Agreement and agrees that, in the event it purchases the Development Property at a foreclosure sale or acquires the Development Property through a deed in lieu of foreclosure or otherwise in satisfaction of the indebtedness owed by the Developer, it and its respective successors and assigns, shall be bound by all terms and conditions of the Assessment Agreement, including but not limited to the provision which requires that the minimum market value of the Development Property and the Project shall be not less than the amounts set forth in the Assessment Agreement.

IN WITNESS WHEREOF, we have caused this Consent to Assessment Agreement to be executed in its name and on its behalf as of this \_\_\_\_ day of \_\_\_\_\_, 2023.

\_\_\_\_\_

By \_\_\_\_\_

Its \_\_\_\_\_

STATE OF \_\_\_\_\_ )  
 ) ss.  
COUNTY OF \_\_\_\_\_ )

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 2023, by \_\_\_\_\_, the \_\_\_\_\_ of \_\_\_\_\_, a \_\_\_\_\_ banking corporation on behalf of the corporation.

\_\_\_\_\_  
Notary Public

EXHIBIT A TO ASSESSMENT AGREEMENT

LEGAL DESCRIPTION OF DEVELOPMENT PROPERTY

Lot 2, Block 1, Arbor Lakes Business Park 4<sup>th</sup> Addition, according to the recorded plat thereof,  
Hennepin County, Minnesota

# EXHIBIT E

## PRO FORMA



City of Maple Grove, MN  
GMA Endeavor Bldgs 6  
Industrial

15-year operating Proforma

ASSUMPTIONS	
Rental Revenue Inflation	2.50%
Inflation on Expenses	2.50%
Vacancy Rate	3.00%

	Stabilized Year											
	2024 Year 1	2025 Year 2	2026 Year 3	2027 Year 4	2028 Year 5	2029 Year 6	2030 Year 7	2031 Year 8	2032 Year 9	2033 Year 10	2034 Year 11	2035 Year 12
<b>Income</b>												
<b>Commercial Income</b>	1,491,580	1,528,869	1,567,091	1,606,268	1,646,425	1,687,585	1,729,775	1,773,019	1,817,345	1,862,779	1,909,348	1,957,082
Less: Vacancy	-745,790	-229,330	-47,013	-48,188	-49,393	-50,628	-51,893	-53,191	-54,520	-55,883	-57,280	-58,712
Less: Expense on Vacancy	-304,404	-91,321	-18,264	-18,264	-18,264	-18,264	-18,264	-18,264	-18,264	-18,264	-18,264	-18,264
<b>Total Commercial Income</b>	<b>441,386</b>	<b>1,208,218</b>	<b>1,501,814</b>	<b>1,539,816</b>	<b>1,578,768</b>	<b>1,618,694</b>	<b>1,659,618</b>	<b>1,701,565</b>	<b>1,744,561</b>	<b>1,788,631</b>	<b>1,833,804</b>	<b>1,880,105</b>
<b>Effective Gross income</b>	<b>441,386</b>	<b>1,208,218</b>	<b>1,501,814</b>	<b>1,539,816</b>	<b>1,578,768</b>	<b>1,618,694</b>	<b>1,659,618</b>	<b>1,701,565</b>	<b>1,744,561</b>	<b>1,788,631</b>	<b>1,833,804</b>	<b>1,880,105</b>

	Stabilized Year											
	2024 Year 1	2025 Year 2	2026 Year 3	2027 Year 4	2028 Year 5	2029 Year 6	2030 Year 7	2031 Year 8	2032 Year 9	2033 Year 10	2034 Year 11	2035 Year 12
<b>Expenses</b>												
Landlord Expenses	3,729	3,822	3,918	4,016	4,116	4,219	4,324	4,433	4,543	4,657	4,773	4,893
Reserves	20,294	20,294	20,294	20,294	20,294	20,294	20,294	20,294	20,294	20,294	20,294	20,294
<b>Total Expenses</b>	<b>24,023</b>	<b>24,116</b>	<b>24,212</b>	<b>24,310</b>	<b>24,410</b>	<b>24,513</b>	<b>24,618</b>	<b>24,727</b>	<b>24,837</b>	<b>24,951</b>	<b>25,067</b>	<b>25,187</b>
<b>Net Operating Income</b>	<b>417,363</b>	<b>1,184,102</b>	<b>1,477,602</b>	<b>1,515,506</b>	<b>1,554,358</b>	<b>1,594,181</b>	<b>1,634,999</b>	<b>1,676,838</b>	<b>1,719,723</b>	<b>1,763,680</b>	<b>1,808,736</b>	<b>1,854,918</b>
<b>TIF Payments</b>	<b>0</b>	<b>38,725</b>	<b>130,451</b>	<b>167,141</b>	<b>167,141</b>	<b>167,141</b>	<b>167,141</b>	<b>167,141</b>	<b>167,141</b>	<b>167,141</b>	<b>0</b>	<b>0</b>
<b>Adjusted Net Operating Income</b>	<b>417,363</b>	<b>1,222,827</b>	<b>1,608,053</b>	<b>1,682,647</b>	<b>1,721,499</b>	<b>1,761,322</b>	<b>1,802,140</b>	<b>1,843,979</b>	<b>1,886,864</b>	<b>1,930,821</b>	<b>1,808,736</b>	<b>1,854,918</b>

Returns Analysis												
Cash on Cost Annual Return - With TIF	1.52%	4.45%	5.86%	6.13%	6.27%	6.41%	6.56%	6.71%	6.87%	7.03%	6.59%	6.75%
Cash on Cost Annual Return - Without TIF	1.52%	4.31%	5.38%	5.52%	5.66%	5.80%	5.95%	6.11%	6.26%	6.42%	6.59%	6.75%
Year	0	1	2	3	4	5	6	7	8	9	10	11

		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	TOTAL	PV
		<b>Lookback Calculation Example</b>	<b>TIF Provided</b>	38,725	130,451	167,141	167,141	167,141	167,141	167,141	167,141	167,141
	<b>TIF Needed for 6% Difference</b>	38,725	130,451	133,000	94,000	53,000	14,000	0	0	0	\$ 463,175	300,000
	<b>50% Reduction</b>										\$ -	\$ (329,000)
	<b>New TOTAL TIF</b>										\$ 629,000	