



Roseville Economic Development Authority (REDA)

July 10, 2017

Meeting 6:00 p.m.

City Council Chambers

- 1. Roll Call**
Voting & Seating Order: Willmus, Etten, McGehee,
Laliberte and Roe
- 2. Approve Agenda**
- 3. Public Comment**
- 4. Items Removed from Consent Agenda**
- 5. Business Items (Action Items)**
- 6. Approve Minutes**
- 7. Approve Consent Agenda**
 - a. Approve CRF Contract and Modification of Roseville Home Improvement Loan Interest Rate
 - b. Approve Amendment to Journey Home MN Development Agreement for 196 S. McCarrons Housing Replacement Program to Extend the Closing Date
- 8. Adjourn to City Council meeting**

All meetings at Roseville City Hall, 2660 Civic Center Drive, Roseville, MN unless otherwise noted.



REQUEST FOR ECONOMIC DEVELOPMENT AUTHORITY ACTION

Date: 7/10/2017

Item No.: 7.a

Department Approval

Executive Director Approval

Item Description: Authorize Contract Services with Community Reinvestment Fund, Inc. (CRF) for the Roseville Home Improvement Loan Program and Modify the Lending Interest Rate

BACKGROUND

At the Roseville Economic Development Authority (REDA) meeting on June 5, 2017, the Board authorized entering into a Contract with the Center for Energy and Environment (CEE). In addition, the Board was advised that a separate contract for loan administering/servicing would need to be authorized with Community Reinvestment Fund, Inc. (CRF) (Attachment A). CRF has been servicing all Roseville loans since 1998, but the contract for servicing was between CRF and the Greater Metropolitan Housing Corporation. (GMHC). This arrangement created challenges when trying to monitor loan performance and accounting needs related to maintaining the financial books and auditing of the loans.

CRF fees in the past have been \$10.00 for initial set-up of the loan and a monthly servicing fee of \$6.00, however, these rates have not been raised since 1998. CRF's current proposal is an initial set up fee of \$15.00 and a monthly servicing fee of \$10.00. They are also charging a one-time transfer fee for all current loans that they are servicing which is \$500. Upon satisfaction of the mortgages there is a \$35.00 charge for processing the document. At the end of each month all loan repayment account balances will be transferred to the City minus the loan servicing fees. The REDA staff did review if there are any other loan servicing organizations and found that there is only one other in the metro area. This organization is charging the same rates for loan servicing.

Based upon these increased costs, staff is recommending that the Roseville Home Improvement Loan Program modify the lending interest rate from 3% to 4% in order to cover the higher costs of administering/servicing the program. The 1% increase will still make the program affordable and competitive with other industry lender's such as the State program of 5.95% and prime which is currently at 4.25%.

POLICY OBJECTIVE

The Roseville Home Improvement Loan is a key tool in fighting blight and maintaining housing values across the City.

BUDGET IMPLICATIONS

Based upon the increased costs of the loan program an example of a \$10,000 construction loan would generate at a 4% interest rate over the 10 year term \$2,149.37 and would cost \$1800.00 for CEE to originate and CRF to administer/service. (See Attachment B).

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31 The recommendation to change the interest rate does cover the costs for administering/servicing of the
32 loan for the REDA Home Improvement Program.

33 **STAFF RECOMMENDATION**

34 Staff is recommending two motions:

- 35 1. The REDA enter into the attached contract for loan administering/servicing with CRF.
36 2. The REDA raise the Roseville Home Improvement Loan Interest Rate from 3% to 4%.

37 **REQUESTED EDA BOARD ACTION**

38 Make Motion to:

- 39 1. The REDA enter into the attached contract for loan administering/servicing with CRF.
40 2. The REDA raise the Roseville Home Improvement Loan Interest Rate from 3% to 4%.

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42 Prepared by: Jeanne Kelsey, Housing Economic Development Program Manager, 651-792-7086
Attachments: A: CRF Professional Service Agreement
B: Loan Interest Rate Charge on a 10 year loan.

Standard Agreement for Professional Services

This Agreement (“Agreement”) is made on the 1st day of July, 2017, between the Roseville Economic Development Authority, a public body corporate and politic and political subdivision of the state of Minnesota (hereinafter “REDA”), and Community Reinvestment Fund, a Minnesota Nonprofit Corporation (hereinafter “Consultant”).

Preliminary Statement

REDA desires to hire the Consultant to render certain legal, technical, and/or professional assistance in connection with REDA’s undertakings. The purpose of this Agreement is to set forth the terms and conditions for the performance of professional services by the Consultant.

REDA and Consultant agree as follows:

1. **Scope of Work Proposal.** The Consultant agrees to provide the professional services shown in Exhibit “A” attached hereto (“Work”) in consideration for the compensation set forth in Provision 3 below. The terms of this Agreement shall take precedence over and supersede any provisions and/or conditions in any proposal submitted by the Consultant.
2. **Term.** The term of this Agreement shall be effective upon the approval of the REDA Board of Commissioners and execution by the President and Executive Director, the date of signature by the parties notwithstanding, and continue through the earlier of December 31, 2017, or the date of termination by either party upon 30-day written notice thereof as provided in paragraph 7 hereof.
3. **Compensation for Services.** REDA agrees to pay the Consultant the compensation described in Exhibit B attached hereto for the Work. Fees shall be paid within 30 days following receipt of a monthly invoice for services performed on an as-needed basis. Consultant will also charge for reasonable out-of-pocket expenses such as reproductions, delivery services, long-distance telephone charges, and similar, subject to the following:
 - A. Any changes in the Work which may result in an increase to the compensation due the Consultant shall require prior written approval of REDA. REDA will not pay additional compensation for Work that does not have such prior written approval.
 - B. Third party independent contractors and/or subcontractors may be retained by the Consultant when required by the complex or specialized nature of the Work, but only when authorized in writing by REDA. The Consultant shall be responsible for and shall pay all costs and expenses payable to such third party contractors unless otherwise agreed to by the parties in writing.

4. **Method of Payment.** The Consultant shall submit to REDA, on a monthly basis, an itemized invoice for Work performed under this Agreement. Invoices submitted shall be paid in the same manner as other claims made to REDA. Invoices shall contain the following:
- A. For Work reimbursed on an hourly basis, the Consultant shall indicate for each employee, his or her name, job title, the number of hours worked, rate of pay for each employee, a computation of amounts due for each employee, and the total amount due for each project task. The Consultant shall verify all statements submitted for payment in compliance with Minnesota Statutes Sections 471.38 and 471.391. For reimbursable expenses, if provided for in Exhibit A, the Consultant shall provide an itemized listing and such documentation of such expenses as is reasonably required by REDA. Each invoice shall contain REDA's project number and a progress summary showing the original (or amended) amount of the Agreement, current billing, past payments and unexpended balance due under the Agreement.
- B. To receive any payment pursuant to this Agreement, the invoice must include the following statement dated and signed by the Consultant: "I declare under penalty of perjury that this account, claim, or demand is just and correct and that no part of it has been paid."
5. **Standard of Care.** All Work performed by the Consultant under this Agreement shall be in accordance with the normal standard of care in Ramsey County, Minnesota, for professional services of like kind.
6. **Audit Disclosure.** Any reports, information, data and other written documents given to, or prepared or assembled by the Consultant under this Agreement which REDA requests to be kept confidential shall not be made available by the Consultant to any individual or organization without REDA's prior written approval. The books, records, documents and accounting procedures and practices of the Consultant or other parties relevant to this Agreement are subject to examination by REDA and either the Legislative Auditor or the State Auditor for a period of six (6) years after the effective date of this Agreement. The Consultant shall at all times abide by Minn. Stat. § 13.01 et seq. and the Minnesota Government Data Practices Act, to the extent the Act is applicable to data, documents, and other information in the possession of the Consultant.
7. **Termination.** This Agreement may be terminated at any time by either party, with or without cause, by delivering to the other party at the address of such party set forth in paragraph 22, a written notice at least thirty (30) days prior to the date of such termination. The date of termination shall be stated in the notice. Upon termination the Consultant shall be paid for services rendered (and reimbursable expenses incurred if required to be paid by REDA under this Agreement) by the Consultant through and until the date of termination so long as the Consultant is not in default under this Agreement. If however, REDA terminates the Agreement because the Consultant is in default of its obligations under this Agreement, no further payment shall be payable or due to the Consultant following the delivery of the termination notice, and REDA may, in addition

to any other rights or remedies it may have, retain another consultant to undertake or complete the Work to be performed hereunder.

8. ***Independent Consultant.*** At all times and for all purposes herein, the Consultant is an independent contractor and not an employee of REDA. No statement herein shall be construed so as to find the Consultant an employee of REDA.
9. ***Assignment.*** The Consultant shall not assign this Agreement, nor its rights and/or obligations hereunder, without the prior written consent of REDA.
10. ***Services Not Provided For.*** No claim for services furnished by the Consultant not specifically provided for herein shall be paid by REDA.
11. ***Compliance with Laws and Regulations.*** The Consultant shall abide with all federal, state and local laws, statutes, ordinances, rules and regulations in the performance of the Work. The Consultant and City, together with their respective agents and employees, agree to abide by the provisions of the Minnesota Data Practices Act, Minnesota Statutes Section 13, as amended, and Minnesota Rules promulgated pursuant to Chapter 13. Any violation by the Consultant of statutes, ordinances, rules and regulations pertaining to the Work to be performed shall constitute a material breach of this Agreement and entitle REDA to immediately terminate this Agreement.
12. ***Waiver.*** Any waiver by either party of a breach of any provisions of this Agreement shall not affect, in any respect, the validity of the remainder of this Agreement.
13. ***Indemnification.*** The parties shall indemnify and hold harmless each other and their officials, agents, and employees from any loss, claim, liability, and expense (including reasonable attorney's fees and expenses of litigation) arising out of any action constituting malfeasance or gross negligence of the respective parties in the performance of the service of this Agreement.
14. ***Insurance.***
 - a. During the term of this Agreement, the Consultant shall maintain, at a minimum, comprehensive general liability and professional liability insurance. Comprehensive general liability insurance shall have an aggregate limit of Two Million Dollars (\$2,000,000.00).
 - b. Upon request by REDA, the Consultant shall provide a certificate or certificates of insurance relating to the insurance required. Such insurance secured by the Contractor shall be issued by insurance companies licensed in Minnesota. The insurance specified may be in a policy or policies of insurance, primary or excess.
 - c. Such insurance shall be in force on the date of execution of this Agreement and shall remain continuously in force for the duration of the Agreement.

- 139 15. **Ownership of Documents.** All plans, diagrams, analysis, reports and information
140 generated in connection with the performance of this Agreement (“Information”) shall
141 become the property of REDA, but the Consultant may retain copies of such documents
142 as records of the services provided. REDA may use the Information for any reasons it
143 deems appropriate without being liable to the Consultant for such use. The Consultant
144 shall not use or disclose the Information for purposes other than performing the Work
145 contemplated by this Agreement without the prior consent of REDA.
146
- 147 16. **Dispute Resolution/Mediation.** Each dispute, claim or controversy arising from or
148 related to this Agreement or the relationships which result from this Agreement shall be
149 subject to mediation as a condition precedent to initiating arbitration or legal or equitable
150 actions by either party. Unless the parties agree otherwise, the mediation shall be in
151 accordance with the Commercial Mediation Procedures of the American Arbitration
152 Association then currently in effect. A request for mediation shall be filed in writing with
153 the American Arbitration Association and the other party. No arbitration or legal or
154 equitable action may be instituted for a period of 90 days from the filing of the request
155 for mediation unless a longer period of time is provided by agreement of the parties.
156 Cost of mediation shall be shared equally between the parties. Mediation shall be held in
157 the City of Roseville unless another location is mutually agreed upon by the parties. The
158 parties shall memorialize any agreement resulting from the mediation in a Mediated
159 Settlement Agreement, which Agreement shall be enforceable as a settlement in any
160 court having jurisdiction thereof.
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- 162 17. **Annual Review.** Prior to each anniversary of the date of this Agreement, REDA shall
163 have the right to conduct a review of the performance of the Work performed by the
164 Consultant under this Agreement. The Consultant agrees to cooperate in such review and
165 to provide such information as REDA may reasonably request. Following each
166 performance review the parties shall, if requested by REDA, meet and discuss the
167 performance of the Consultant relative to the remaining Work to be performed by the
168 Consultant under this Agreement.
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- 170 18. **Conflicts.** (a) No salaried officer or employee of REDA and no member of the Board of
171 REDA shall have a financial interest, direct or indirect, in this Agreement. (b) The
172 Consultant agrees to immediately inform, by written notice, the REDA Executive
173 Director of possible contractual conflicts of interest in representing REDA, as well as
174 property owners or developers, on the same project. Conflicts of interest may be grounds
175 for termination of this Agreement.
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- 177 19. **Governing Law.** This Agreement shall be controlled by the laws of the State of
178 Minnesota.
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- 180 20. **Counterparts.** This Agreement may be executed in multiple counterparts, each of which
181 shall be considered an original.
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21. **Severability.** The provisions of this Agreement are severable. If any portion hereof is, for any reason, held by a court of competent jurisdiction to be contrary to law, such decision shall not affect the remaining provisions of this Agreement.
22. **Notices.** All notices to be given hereunder shall be in writing and shall be deemed given on the earlier of receipt or three (3) business days after deposit in the United States mail, postage prepaid, addressed to:
- Roseville Economic Development Authority
Attn: Executive Director
2660 Civic Center Drive
Roseville, MN 55113
- Community Reinvestment Fund, USA
Director of Loan Operations
801 Nicollet Mall, Suite 1700W
Minneapolis, MN 55402
23. **Entire Agreement.** Unless stated otherwise in this Provision 26, the entire agreement of the parties is contained in this Agreement. All attachments referenced in this Agreement are attached to and incorporated into this Agreement, and are part hereof as though they were fully set forth in the body of this Agreement. This Agreement supersedes all prior oral agreements and negotiations between the parties relating to the subject matter hereof as well as any previous agreements presently in effect between the parties relating to the subject matter hereof. Any alterations, amendments, deletions, or waivers of the provisions of this Agreement shall be valid only when expressed in writing and duly signed by the parties, unless otherwise provided herein. The following agreements supplement and are a part of this Agreement: _____.

IN WITNESS WHEREOF, the undersigned parties have entered into this Agreement as of the date set forth above.

ROSEVILLE ECONOMIC
DEVELOPMENT AUTHORITY

President

Executive Director

Community Reinvestment Fund, USA

By: _____

Its: _____

Exhibit A

Scope of Work

INVESTOR SETUP AND LOAN TRANSFER

- **Investor Setup-** Servicer will set up client in the servicing system so the software is able to assign loans and produce reports for the client.
- **Portal access-**Servicer will set up access on portal to client authorized personnel. Client will have the ability to access investor reports, any loan in the investor's portfolio as well as comments related to any loan.
- **Loan Transfer-**On determined date, loans will be transferred from current investor code GMHC to REDA.

NEW LOAN SET UP

- **Loan Boarding-** Servicer will receive loan information from Center for Energy and Environment in an agreed upon format for boarding the loan into the Servicer's servicing system. Within 3 days of receipt, Servicer will board the new loan using the information provided.
- **Quality Control Review-**the loan will be reviewed prior to activation to verify the servicing system matches the terms of the promissory note.
- **Welcome Letter-**A welcome letter will be sent to the borrower upon loan setup. This letter shall include the toll free customer service number as well as an email address that are available for the borrower to use should they have a question regarding their loan. Customer service is available from 8:00 AM to 4:30 PM Monday through Friday. An ACH form is included in the letter for the borrower to complete and return to CRF if they would like their payments drafted automatically. The letter will also contain instructions for the borrower to receive access to loan portal where they have access to all their loan information and ability to make payments.

STANDARD SERVICING

- **Billing-** Borrowers with loans that have regularly scheduled payments will receive billing statements on a monthly basis or appropriate frequency based on terms of the promissory note.
- **Collection of Loan payments-**Servicer shall collect payments of principal, interest and any appropriate fees. Funds will be held in a custodial account in the name of Roseville Economic Development Authority until the time it is distributed to REDA.
- **Customer Service-** Servicer shall provide customer service from 8:00AM – 4:30 PM CST. The customer service team is available through the toll free phone number or email at loanservicing@crfusa.com. Borrowers are able to view loan information on loan portal as well as schedule payments. Setup instructions are included in the Welcome letter.
- **Past Due Collections-** Servicer will make reasonable efforts to maintain loans in a current status and will deal promptly who are delinquent. Servicer will deal with loan defaults as directed by REDA.
- **Reporting-** Servicer will provide standard monthly reporting to client and Center for Energy and Environment on the 1st business day of the month. The standard reports are as listed:
 - o Loan Trial Balance

- 279 o Aged Delinquency
- 280 o Principal and Interest Collections
- 281 o New Loan
- 282 o Paid Loan

283 Special reports may be added at an additional cost for programming.

- 284 • IRS Reporting-Servicer shall provide borrowers with the required IRS annual tax reporting.
- 285 • Funds Remittance-Servicer shall remit collected funds less servicing fee to client by the 10th
- 286 business day of the month. Late charges will be retained by Servicer. Funds will be remitted via
- 287 ACH. An invoice will be distributed detailing the servicing fees.

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289 LIEN SATISFACTION PREPARATION

- 290 • Loan Payoffs-Servicer will process loan payoffs, issue payoff statements as requested by
- 291 authorized individuals within 48 hours and remit funds to client. Servicer shall draft mortgage
- 292 satisfactions 10 business days after loan is paid in full to ensure funds received are cleared.
- 293 Satisfaction is sent to client for signature. .

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Exhibit B**Compensation**

**Contract Loan Servicing Pricing
Selected Activities
Roseville Economic Development Authority**

Activity	Description	Pricing
Investor setup and loan transfer	Set up investor structure and transfer loan to new investor codes	\$500.00-One-time fee
New Loan Setup	Loan Boarded to servicing system and quality control review, welcome letter	\$15.00- One-time fee
Standard Servicing Activities	Payment processing, billing notices, customer service, investor reporting, early collections	\$10.00-per loan per month
Lien Satisfaction Preparation	Create mortgage/deed of trust satisfaction	\$35.00 One-time fee

Available Activities Roseville Economic Development Authority

Activity	Description	Pricing
Participation Servicing Activities	Remittance and reporting to a participant	\$25.00-per loan monthly in addition to \$10.00 wire fee per remittance
Subordination Preparation	Prepare and review subordination	\$200.00 per item (Borrower Paid)
Escrow Management	Maintain escrow accounts, pay taxes and/or insurance	\$10.00 per loan per month
Tax Monitoring	Verification of taxes if no escrow required	\$5.00 per loan per month
Insurance Monitoring	Verification of insurance if no escrow required	\$5.00 per loan per month
Lien Satisfaction Filing	File with appropriate county/state	\$25.00 plus filing fee
Final /Special Processing Transaction	For Charge-off, foreclosure, service release, loans not paid in full but no longer active on the servicing system	\$25.00 per transaction
Occupancy/Homestead Verification	Complete verification to determine if borrower still living in home if required per program loan documents	\$80.00 per hour
Special Report Programming	Special report creation not included in standard report package	\$150.00 per hour
Special Reporting Distribution	Monthly maintenance for special reports created for distribution	\$80.00 per hour, but fee will be set based on actual time determined and set to a fixed fee
Special Project work	Special requests, such as assistance in audit preparation, special mailings etc...	\$80.00 per hour plus any charges that may be incurred from 3 rd party vendor.
Non Standard Servicing Activities	Any additional activities required for servicing a loan not specified in contract	\$80.00 per hour, fee will be set based on time to complete task on a regular basis
Default Management	Example of activities: Repayment plan, Forbearance, Deferment, Extension	TBD based on specific event

Costs for 4% 10 year amortizing \$10,000 loan

4%

	Loan Balance	Interest	Principal	Ending Balance
1	\$10,000.00	\$384.88	\$830.12	\$9,169.95
2	\$9,169.95	\$351.07	\$863.93	\$8,306.08
3	\$8,306.08	\$315.87	\$899.13	\$7,407.02
4	\$7,407.02	\$279.25	\$935.75	\$6,471.33
5	\$6,471.33	\$241.12	\$973.88	\$5,497.52
6	\$5,497.52	\$201.44	\$1,013.56	\$4,484.03
7	\$4,484.03	\$160.17	\$1,054.83	\$3,429.25
8	\$3,429.25	\$117.18	\$1,097.82	\$2,331.50
9	\$2,331.50	\$72.47	\$1,142.53	\$1,189.02
10	\$1,189.02	\$25.92	\$1,189.08	\$0
Total Interest Paid		\$2,149.37		

CRF Cost to service loan \$1,250.00

CEE Origination Costs \$550.00**Total Costs for Loan \$1,800.00**



REQUEST FOR ECONOMIC DEVELOPMENT AUTHORITY ACTION

Date: 7/10/2017

Item No.: 7.b

Department Approval

Executive Director Approval

Item Description: Adopt a Resolution Approving an Amendment to the Purchase and Development Agreement with Journey Home, MN

BACKGROUND

On May 8, 2017 the Roseville Economic Development Authority (REDA) approved a Purchase and Development Agreement with Journey Home, MN for the sale of 196 S. McCarrons Boulevard. The Purchase and Development Agreement is being modified to establish a new closing date to on or before September 1, 2017. The additional 60 days most likely should be sufficient to remove existing structures and for Journey Home to provide documents that are required for close on the property. The new closing date is accommodating the time that Journey Home, MN was doing for additional due-diligence on the utility easement that runs on the property.

POLICY OBJECTIVE

The acquisition of 196 S. McCarrons Boulevard was determined to meet the guidelines of the Housing Replacement Program that strives to bring new investment and improvements to the City's neighborhoods.

BUDGET IMPLICATIONS

The project will not result in any budget implications other than Attorney costs for drafting a resolution and reviewing the proposed amendment to the Purchase and Development Agreement.

STAFF RECOMMENDATION

Staff is recommending the REDA adopt the resolution approving the amendment to the Purchase and Development Agreement with Journey Home, MN.

REQUESTED EDA BOARD ACTION

Make motion to Adopt a Resolution Approving an Amendment to the Purchase and Development Agreement with Journey Home MN.

Prepared by: Jeanne Kelsey, Housing Economic Development Program Manager, 651-792-7086
Attachments: A: Purchase and Development Agreement adopted May 8, 2017
B: Amendment to Purchase and Development Agreement
B: Resolution Approving Amendment to Purchase and Development Agreement

PURCHASE AND DEVELOPMENT CONTRACT

Between

ROSEVILLE ECONOMIC DEVELOPMENT AUTHORITY

and

JOURNEY HOME MINNESOTA

for property located at

196 McCarrons Boulevard South, Roseville MN 55113

This Instrument Drafted by:

KENNEDY & GRAVEN, Chartered (MNI)
470 US Bank Plaza
Minneapolis, Minnesota 55402
Telephone: 612-337-9300

Section 1.1. Definitions. In this Agreement, the following terms have the meaning given below unless the context clearly requires otherwise:

Building Plans. Detailed plans for the Improvements to be constructed on the Property, as required by the local building official for issuance of a building permit.

Construction Plans. The construction plans approved by the Authority pursuant to Section 4.1 of this Agreement. The Construction Plans include a schedule for construction of the Improvements, preliminary plans and schematics of the Improvements to be constructed, and a landscaping plan.

Development. The Property and the Improvements to be constructed thereon according to the Construction Plans approved by the Authority.

Event of Default. Event of Default has the meaning given such term in Section 8.1.

Guidelines. The Roseville Lot/Sale Replacement Program Overview, approved May 21, 2013 and as it may be amended, attached as Exhibit B to this Agreement.

Homeowner. The individual person or persons purchasing the Property from Developer and who will be living in the home following purchase, and who must meet the requirements of Developer's Journey Home USA Guidelines, which are attached to this Agreement as Exhibit F and incorporated by reference.

Improvements. Each and all of the structures and site improvements constructed on the Property by the Developer, as specified in the Construction Plans to be approved by the Authority.

Letter of Credit. The Letter of Credit or cash escrow required to be provided by the Developer at closing on the Property, pursuant to Section 5.1.

Minimum Market Value. \$425,000, which is the minimum market value for the land and Improvements as confirmed by the Ramsey County Assessor.

Mortgage. A mortgage granted by a third party lender, or by the Authority, to the Developer in accordance with Sections 3.1 and 7.2 of this Agreement.

Property. The real property legally described as:

The South ½ of the Northwest ¼ of the Southeast ¼ of the Southeast ¼ of Section 13, Township 29, Range 23, County of Ramsey, State of Minnesota, except the West 600 feet thereof, and except the South 256.42 feet thereof; and the east 39 Feet of the North 90 feet of the South 256.42 feet of the East ½ of the Northwest ¼ of the Southeast ¼ of the Southeast ¼ of said Section 13 and that part of the East ½ of the Southeast ¼ of the Southeast ¼ of said Section 13 lying Southwesterly of the center of McCarrons Boulevard

(a) The Developer has the legal authority and power to enter into this Agreement and has duly authorized the execution, delivery and performance of this Agreement by action of its board of directors;

(b) The Developer has the necessary equity capital or has obtained commitments for financing necessary for construction of the Improvements;

(c) The Developer will construct the Improvements in accordance with the terms of this Agreement and all local, state and federal laws and regulations;

(d) The Developer will obtain, in a timely manner, all required permits, licenses and approvals, and will meet, in a timely manner, the requirements of all local, state and federal laws and regulations which must be obtained or met before the Improvements may be constructed;

(e) The plans for the Improvements have been prepared by a qualified draftsman or architect; and

(f) The Developer has read and understands the Guidelines and agrees to be bound by them.

Section 2.2. By the Authority. The Authority makes the following representations as the basis for the undertaking on its part herein contained:

(a) The Authority is authorized by law to enter into this Agreement and to carry out its obligations hereunder; and

(b) The Authority will, in a timely manner, subject to all notification requirements, review and act upon all submittals and applications of the Developer and will cooperate with the efforts of the Developer to secure the granting of any permit, license, or other approval required to allow the construction of the Improvements.

ARTICLE III.

ACQUISITION OF PROPERTY; CONVEYANCE TO DEVELOPER

Section 3.1. Purchase of Property by Developer. The Authority agrees to sell the Property to Developer and the Developer agrees to purchase the Property from the Authority in an "as-is" condition. As provided in the Guidelines, the Developer has paid the Authority an application fee of \$500 for payment of administrative costs related to this Agreement. The Authority agrees to convey the Property to the Developer by Quit Claim Deed in the general form of Exhibit C. The Authority's deed to the Developer will contain the right of reverter required in Section 8.3. The purchase price for the Property will be \$115,000 ("Purchase Price"). There will be no payment of earnest money. The Developer will provide the Authority with a promissory note (the "Note") secured by a Mortgage, both in substantially the form attached hereto as Exhibit E, for the Purchase Price (\$115,000) at Closing. The Authority's Mortgage may be

provisions of the Guidelines contained in Exhibit B. If a Homeowner is identified, it is anticipated that the Developer will involve the Homeowner in the various activities required under the Guidelines so that the Homeowner will have an opportunity to contribute suggestions concerning development of the Property.

Section 3.7. Closing. Closing shall take place on or before July 1, 2017 ("Closing Date"), or such other date as may be agreed to by the Developer and Authority in writing. At Closing, the Developer must comply with the provisions of Section 5.1, in addition to providing the Note and Mortgage for the Purchase Price.

Section 3.8. Closing Costs. The Developer will pay: (a) the closing fees charged by its title insurance company or other closing agent, if any, utilized to close the transaction for Developer; (b) title services chosen by Developer pursuant to Section 3.2 above, including the premium for title insurance policy, if any, and (c) the recording fees for this Agreement and the deed transferring title to the Developer. Authority will pay all other fees normally paid by sellers, including (a) any transfer taxes, and (b) fees and charges related to the filing of any instrument required to make title marketable. Each party shall pay its own attorney fees.

Section 3.9. Sewer and Water. Authority warrants that city water is available at the lot line and city sewer is available at the curb.

Section 3.10. ISTS Disclosure. Authority is **not** aware of any individual sewage treatment system on the property. Buyer is responsible for all costs of removing any individual sewage treatment system that may be discovered on the Property.

Section 3.11. Well Disclosure. Authority's knowledge of wells on the Property is disclosed in Exhibit D.

ARTICLE IV.

CONSTRUCTION OF IMPROVEMENTS

Section 4.1. Construction of Improvements. The Developer shall construct the Improvements on the Property in accordance with the Guidelines and the Construction Plans, shall cause the Improvements to meet or exceed the Minimum Market Value specified in Section 1.1, and shall maintain, preserve and keep the Improvements in good repair and condition. The Developer shall provide his or her proposed construction plans to the Authority for review; if the proposed construction plans are in conformity with this Agreement and the Guidelines, the Authority will approve the Construction Plans following review and comment by the Homeowner, if identified.

Section 4.2. Construction Plans. No building permit will be issued by the City unless the Building Plans are in conformity with the Guidelines, the Construction Plans, the Developer's Minimum Market Value, any other requirements contained in this Agreement, and all local, state and federal regulations. The Developer shall provide the Authority with a set of

Section 4.5. Failure to Construct. In the event that construction of the Improvements is not completed as provided in Section 4.3 of this Agreement, an Event of Default shall be deemed to have occurred, and the Authority may proceed with its remedies under Section 8.2.

ARTICLE V.

REDEVELOPMENT ASSISTANCE

Section 5.1. Issuance of the Letter of Credit. (a) Developer acknowledges that although it is purchasing the Property at its fair market value as raw land, the Authority has incurred significant costs in acquiring and preparing the Property for development by Developer. At Closing, Developer will deliver to the Authority a Letter of Credit in the principal amount of \$10,000 (the "Letter of Credit"). The Letter of Credit will be in a form, contain provisions and be issued by a banking institution acceptable to the Authority. The obligation to pay the \$10,000 will be forgiven, and the Letter of Credit will be released if: (i) the Developer receives a Certificate of Completion; and (ii) the Developer is not otherwise in default of any of its obligations hereunder. If such have not occurred, an Event of Default shall be deemed to have occurred and the Authority may exercise its remedies under Section 8.2.

(b) In the alternative to a Letter of Credit, if mutually agreed by the parties to this Agreement, Developer will deliver to the Authority \$10,000 to be placed in a non-interest bearing escrow account pursuant to an Escrow Agreement, dated as of the date hereof, between Developer and Authority. The obligation to pay the \$10,000 to the Authority will be forgiven, and the cash in the escrow account will be returned to Developer if: (i) the Developer receives a Certificate of Completion; and (ii) the Developer is not otherwise in default of any of its obligations hereunder. If such have not occurred, an Event of Default shall be deemed to have occurred and the Authority may exercise its remedies under Section 8.2.

ARTICLE VI.

FINANCING

Section 6.1. Financing. Authority acknowledges that Developer has submitted evidence of financing for the Improvements in compliance with the provisions of Section 2.1(b) of this Agreement. Developer must notify Authority immediately of any changes to or withdrawal of the approved financing. Authority shall have 10 days to approve or disapprove changes in financing. If the Authority rejects a change in the approved financing or if the approved financing is withdrawn, the Developer shall have 30 days or such additional period of time as the Developer may reasonably require from the date of the Authority's notification to submit evidence of financing satisfactory to the Authority. If the Developer fails to submit such evidence or fails to use due diligence in pursuing financing, the Authority may terminate this Agreement and both parties shall be released from any further obligation or liability hereunder. Closing shall not take place until Developer has provided Authority with acceptable evidence of financing for construction of the Improvements.

(b) This provision shall not be deemed as preventing the Developer from entering into a Purchase Agreement for the sale of the Property to a Homeowner.

(c) This provision does not prohibit conveyances that are only by way of security for, and only for the purpose of obtaining financing necessary to enable the Developer or any successor in interest to the Property, or any part thereof, to perform its obligations with respect to the Development under this Agreement, and any other purpose authorized by this Agreement. Any Mortgage provided to the Developer by a third-party lender must be disclosed to the Authority, and must be subordinate to this Agreement. The Developer must provide the Authority with an address for the holder of the Mortgage for purposes of providing notices as may be required by this Agreement.

ARTICLE VIII.

EVENTS OF DEFAULT

Section 8.1. Events of Default Defined. The following shall be deemed Events of Default under this Agreement and the term shall mean, whenever it is used in this Agreement, unless the context otherwise provides, any one or more of the following events:

(a) Failure by the Developer to pay when due the payments required to be paid or secured under any provision of this Agreement;

(b) Failure by the Developer to observe and substantially perform any covenant, condition, obligation or agreement on its part to be observed or performed hereunder, including the time for such performance;

(c) If the Developer shall admit in writing its inability to pay its debts generally as they become due, or shall file a petition in bankruptcy, or shall make an assignment for the benefit of its creditors, or shall consent to the appointment of a receiver of itself or of the whole or any substantial part of the Property;

(d) If the Developer, on a petition in bankruptcy filed against it, be adjudicated as bankrupt, or a court of competent jurisdiction shall enter an order or decree appointing, without the consent of the Developer, a receiver of the Developer or of the whole or substantially all of its property, or approve a petition filed against the Developer seeking reorganization or arrangement of the Developer under the federal bankruptcy laws, and such adjudication, order or decree shall not be vacated or set aside or stayed within 60 days from the date of entry thereof; or

(e) If the Development is in default under any Mortgage and has not entered into a work-out agreement with the holder of the Mortgage.

Section 8.2. Remedies on Default. Whenever any Event of Default occurs, the Authority may, in addition to any other remedies or rights given the Authority under this

(d) There is, in violation of Article VII of this Agreement, any transfer of the Property or any part thereof; or

(e) The Developer fails to comply with any of its covenants under this Agreement,

then the Authority shall have the right upon 30 days' written notice to Developer and the Developer's failure to cure within such 30 days period, to re-enter and take possession of the Property and to terminate and revest in the Authority the interest of the Developer in the Property; provided, however, that such reversion of title shall be subject to the lien of any prior encumbrance permitted under this Agreement, or any right of a Homeowner pursuant to a valid Purchase Agreement authorized by this Agreement.

Section 8.4. No Remedy Exclusive. No remedy herein conferred upon or reserved to the Authority is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Authority or the Developer to exercise any remedy reserved to it, it shall not be necessary to give notice, other than such notice as may be required in this Article VIII.

Section 8.5. No Additional Waiver Implied by One Waiver. In the event of the occurrence of any Event of Default by either party, which Event of Default is thereafter waived by the other party, such waiver shall be limited to the particular Event of Default so waived and shall not be deemed to waive any other concurrent, previous or subsequent Event of Default.

ARTICLE IX.

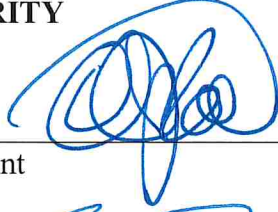
ADDITIONAL PROVISIONS

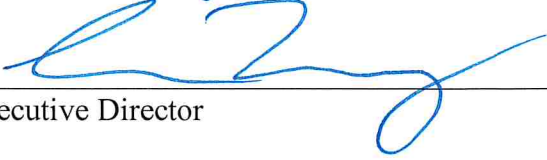
Section 9.1. Conflict of Interests; Representatives Not Individually Liable. No Authority officer who is authorized to take part in any manner in making this Agreement in his or her official capacity shall voluntarily have a personal financial interest in this Agreement or benefit financially there from. No member, official, or employee of the Authority shall be personally liable to the Developer, or any successor in interest, for any Event of Default by the Authority or for any amount which may become due to the Developer or successor or on any obligations under the terms of this Agreement.

Section 9.2. Non-Discrimination. The provisions of Minnesota Statutes Section 181.59, which relate to civil rights and non-discrimination, and any affirmative action program of the City shall be considered a part of this Agreement and binding on the Developer as though fully set forth herein.

Authority Signature Page to Purchase and Development Contract

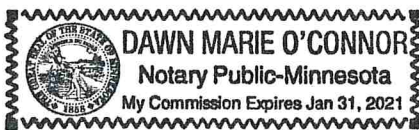
ROSEVILLE ECONOMIC DEVELOPMENT
AUTHORITY

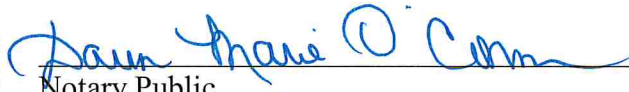
By 
Its President

By 
Its Executive Director

STATE OF MINNESOTA)
) SS
COUNTY OF RAMSEY)

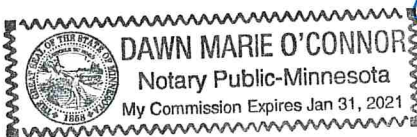
The foregoing instrument was acknowledged before me this 9th day of May, 2017, by Dan Roe, the President of the Roseville Economic Development Authority, a public body corporate and politic under the laws of Minnesota, on behalf of the authority.




Notary Public

STATE OF MINNESOTA)
) SS
COUNTY OF RAMSEY)

The foregoing instrument was acknowledged before me this 10th day of May, 2017, by Patrick Trudgeon, the Executive Director of the Roseville Economic Development Authority, a public body corporate and politic under the laws of Minnesota, on behalf of the authority.




Notary Public

EXHIBIT A**FORM OF CERTIFICATE OF COMPLETION**

The undersigned hereby certifies that Journey Home Minnesota (the "Developer") has fully and completely complied with its obligations under that document entitled "Purchase and Development Contract" between the Roseville Economic Development Authority and the Developer, dated _____, filed in the office of the Ramsey County Recorder as Document No. _____ (the "Contract"), and that the Developer is released and forever discharged from its obligations under such Contract.

DATED: _____

ROSEVILLE ECONOMIC
DEVELOPMENT AUTHORITY

By: _____
Its: Executive Director

STATE OF MINNESOTA)
)
COUNTY OF RAMSEY) SS

The foregoing instrument was acknowledged before me this ____ day of _____, 20__, by _____ the Executive Director of the Roseville Economic Development Authority, a public body corporate and politic under the laws of the State of Minnesota, on behalf of the authority.

Notary Public

This instrument was drafted by:

Kennedy & Graven, Chartered
470 U.S. Bank Plaza
200 South Sixth Street
Minneapolis, MN 55402

Housing Design and Site Criteria

- Home design must comply with all federal, state, and local building codes.
- Construction on the home must commence within six months after closing. The project must be 100% complete one year after closing.
- All building plans must have been prepared in consultation with an architect or qualified draftsman. All requirements by the Building Inspections Division must be met.
- Home shall be single-family and owner-occupied.
- A minimum of three bedrooms is required. A fourth bedroom or a den is preferred; two full bathrooms are preferred. A home design with 1½ baths will be considered.
- A two-car garage with a paved, hard surface driveway is required.
- Exterior materials (siding, soffit, doors and windows) should be low maintenance and durable. Brick, aluminum, vinyl and fiber cement siding are preferred. Natural cedar lap is acceptable if properly stained or painted. Hardboard panels or hardboard lap siding materials are not acceptable. Roof valleys must have metal valleys and not be woven.
- A full basement shall be provided unless the selected design results in a split-level or walkout basement.
- All air conditioning units must be located in the rear yard of the house.
- Utility meters shall be screened from street view, and the meter locations identified on the plans.
- Unit height and mass of new home shall be compatible with the scale of the surrounding neighborhood. The house building lines, variable roof lines, door and window placement used to minimize wall mass, and house orientation to street must present a balanced and pleasing view from all sides.
- The dominance of the garage door must be minimized through placement, architectural detail, door design and/or utilization and design of windows and must adhere to City Code Chapter 1004.05(A). Garage sidewalls facing the street should appear to contain habitable space. This can be accomplished by incorporating windows and other design elements into the garage wall that are in character with the rest of the dwelling.
- The entire grounds shall be landscaped to be aesthetically pleasing in all seasons. Land forms and plant materials shall be used to define the site and blend with adjoining properties. Specific lot line blending requirements may be required, as appropriate, for specific sites.
- A Tree Preservation Plan (City Code Chapter 1011.04) should be completed and existing trees shall be preserved when possible. Care should also be taken to preserve existing root systems. Construction fencing around root system must be provided on trees directly adjacent to active grading and construction areas.
- Site drainage shall be accommodated on the site so that water is directed away from the new home and the neighborhood properties. The builder must comply with any federal, state or local drainage requirements. Construction of the finished structure must not have a detrimental impact on storm water drainage patterns on the adjoining properties. Roof gutters will be required.

APPLICATION PROCESS

1. **Interested Applicant** (*a builder with an identified buyer OR a buyer with an identified builder OR a builder without an identified buyer*) **contacts HRA Staff to receive information about the process and criteria.**
2. **The Applicant submits a Preliminary Application, which is reviewed by HRA Staff for suitability then forwarded to the HRA Board. The Preliminary Application includes the following:**
 - Application Form & \$500 Fee (*to be returned if application is not approved by HRA Board*)
 - Copy of signed contract or letter of intent between Builder and Homeowner (*if applicable*)
 - Proposed lot
 - Description of Green Community features and certification program (*projects with LEED, MN GreenStar, or MN Green Communities certification may receive a \$5000 rebate from the City*)
 - Name and experience of builder
 - Preliminary house plans including elevations, number of bedrooms, baths, garage stalls; square footage; materials; expected market value, and any unique features of the proposed house
 - Plan for identifying a buyer (applies only to Applicants without an identified buyer)
3. **Preliminary Application is given to HRA Staff in a prearranged meeting to ensure Application is ready for review.**
 - The Preliminary Application will be reviewed within 5 working days by HRA Staff. Concerns that arise during the review will be discussed with the Applicant. HRA Staff has the sole discretion to reject or accept an application. If more than 1 application is submitted for the same lot during the five-working-day review period, both applications will be reviewed and the application that best meets the program guidelines will be selected. The rejected application and fee will be returned.
 - If the Preliminary Application is accepted, it will be placed on the HRA's agenda to be reviewed for approval. A public hearing will also be scheduled regarding the sale of the property.
 - If the Preliminary Application is rejected, the Applicant receives the application and fee back.
4. **Once the HRA Staff accepts a Preliminary Application, the HRA Board will hold a public hearing at its next regular meeting to consider the sale of the property where the house will be built.**
 - If the HRA approves the sale of the property, they will then review and take action on the application. If the proposal is by a builder without an identified buyer, the builder must attend the HRA meeting to present the proposal. If approved, the HRA extends a Contract for Private Development to the Builder/Applicant. The contract is a standard form that includes conditions for acquisition and development of the property. The Contract will also establish a minimum required end-value for the property based on construction estimates provided by the Applicant. The Builder or Buyer is expected to agree to the Contract terms prior to the closing.
 - If the HRA rejects the Preliminary Application, the Applicant receives the application and fee back
5. **Upon HRA approval of a Preliminary Application, Applicant will asked to submit a Final Application.**
 - The lot will be reserved for 30 calendar days; no additional applications will be accepted for the proposed lot while a Final Application is being prepared. Applicants using an architect, HRA may grant additional development time.
6. **When all Final Application documents have been received, the HRA Staff will do a Final review.**
 - The Final Application review will occur within 5 working days and will ensure that the project conforms to all Housing Design and Site Development Requirements.

Preliminary Application			
Complete	Incomplete	N/A	
☐	☐	☐	Application Form
☐	☐	☐	\$500 Application fee
☐	☐	☐	Copy of signed contract or letter of intent between Builder and Homeowner
☐	☐	☐	Proposed lot
☐	☐	☐	Preliminary house plans, including elevations
☐	☐	☐	Description of Green Community features & name of certification program. <i>Projects that obtain LEED, MN GreenStar, or Minnesota Green Communities certification will receive a \$5,000 rebate from the City.</i>
☐	☐	☐	Name and experience of builder
☐	☐	☐	Number of bedrooms, baths, & garage stalls; square footage; materials; value
☐	☐	☐	Any unique features of the proposed house
☐	☐	☐	Plan for identifying a buyer (<i>applies only to Builders without identified buyer</i>)
Final Application Documents			
☐	☐	☐	Floor Plans (three 11" x 17" copies to scale)
☐	☐	☐	Elevations (three 11" x 17" copies to scale)
☐	☐	☐	Site plan (three 11" x 17" copies to scale)
☐	☐	☐	Landscaping plan (three 11" x 17" copies to scale)
☐	☐	☐	List of materials
☐	☐	☐	Construction timeline
☐	☐	☐	Signed contract between Builder and end-buyer
☐	☐	☐	<u>Financial Capability Statement</u> <i>Homeowners:</i> A statement from a financial institution indicating willingness to provide construction and/or permanent financing. <i>Builders:</i> A statement from a financial institution indicating a willingness to provide sufficient construction capital to complete the project.
☐	☐	☐	<u>Builder References</u> - o 5 satisfied customers - o Building inspectors from two cities where the Builder has constructed new housing within the past 3 years - o Previous positive experience working with the Roseville HRA (if applicable) - o Builder/Developer Only: Inventory of all homes currently under construction
☐	☐	☐	Proof of Builder's Comprehensive General Liability with Property Damage Protection and proof of sufficient worker's compensation insurance coverage by Builder
☐	☐	☐	Proof of sufficient worker's compensation insurance coverage by the Builder
☐	☐	☐	Written warranty program (to be shared with the Buyer, which guarantees, at a minimum, warranted repairs as required by Minnesota State Statute)

STATE OF MINNESOTA

} ss.

COUNTY OF RAMSEY

The foregoing was acknowledged before me this ____ day of _____, 20____, by _____, the Chairperson of the Roseville Economic Development Authority, a public body corporate and politic under the laws of Minnesota, on behalf of the corporation, Grantor.

NOTARIAL STAMP OR SEAL (OR OTHER TITLE OR RAK)

STATE OF MINNESOTA

} ss.

COUNTY OF RAMSEY

The foregoing was acknowledged before me this _____ day of _____, 20____, by _____, the Executive Director, of Roseville Economic Development Authority, a public body corporate and politic under the laws of the State of Minnesota, on behalf of the corporation, Grantor.

NOTARIAL STAMP OR SEAL (OR OTHER TITLE OR RAK)

SIGNATURE OF PERSON TAKING ACKNOWLEDGMENT

SIGNATURE OF PERSON TAKING ACKNOWLEDGMENT

Check here if part or all of the land is Registered (Torrens) ☐

Tax Statements for the real property described in this instrument should be sent to (include name and address of Grantee):

This instrument drafted by:

Kennedy & Graven, Chartered
470 U.S. Bank Plaza
200 South Sixth Street
Minneapolis, MN 55402

EXHIBIT E

Form of Promissory Note and Mortgage

/

EXHIBIT F

JOURNEY HOME USA GUIDELINES

- **Must have lived in Minnesota for at least the past one-year**
- **Must acknowledge and agree to be a good partner with Journey Home USA**
- **Earn 40%-100% Area Median Income**
- **Ability to pay up to 30% Income**
- **Perfect credit is not required. Coaching to reach your financial goals and meet underwriting criteria for ownership can be arranged.**
- **Income sources can include: employment, public assistance of cash, social security, disability etc.**
- **Criminal Background checks will be completed and reviewed for compatibility.**

FIRST AMENDMENT TO PURCHASE AND DEVELOPMENT CONTRACT

This Amendment is made as of July 10, 2017, by and between the Roseville Economic Development Authority, a public body corporate and politic and political subdivision of the State of Minnesota (the “Authority”) and Journey Home Minnesota, a Minnesota nonprofit corporation (the “Developer”).

WHEREAS, the Authority and the Developer entered into that certain Purchase and Development Contract dated as of May 8, 2017 (the “Agreement”) providing, among other things, for the construction of certain improvements (the “Improvements”) on the property legally described within the Agreement (the “Property”); and

WHEREAS, due to unanticipated delays experienced by the Developer in the construction process for the Improvements, the parties have determined to extend the date of closing for the Property and construction of the Improvements.

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:

1. Amendment to Section 3.7 of the Agreement. Section 3.7 of the Agreement is amended as follows:

Section 3.7. Closing. Closing shall take place on or before September 1, 2017 (the “Closing Date”), or such other date as may be agreed to by the Developer and Authority in writing. At Closing, the Developer must comply with the provisions of Section 5.1, in addition to providing the Note and Mortgage for the Purchase Price.

2. Miscellaneous. Except as amended by this Amendment, the Agreement shall remain in full force and effect.

(Remainder of this page intentionally left blank.)

Dated this 10th day of July, 2017.

DEVELOPER:
JOURNEY HOME MINNESOTA

AUTHORITY:
ROSEVILLE ECONOMIC
DEVELOPMENT AUTHORITY

By: _____
Its President

By: _____
Its Executive Director

THIS DOCUMENT DRAFTED BY:

Kennedy & Graven, Chartered
470 US Bank Plaza
200 South Sixth Street
Minneapolis, MN 55402
(612) 337-9300

**EXTRACT OF MINUTES OF MEETING
OF THE
ROSEVILLE ECONOMIC DEVELOPMENT AUTHORITY**

* * * * *

Pursuant to due call and notice thereof, a special meeting of the Board of Commissioners (the “Board”) of the Roseville Economic Development Authority (“REDA”) was duly held on the 10th day of July, 2017, immediately following the meeting of the City Council of the City of Roseville.

The following members were present:

and the following were absent: .

Member introduced the following resolution and moved its adoption:

RESOLUTION No. 10

**RESOLUTION APPROVING FIRST AMENDMENT TO
PURCHASE AND DEVELOPMENT CONTRACT
BETWEEN THE ROSEVILLE ECONOMIC
DEVELOPMENT AUTHORITY AND JOURNEY HOME
MINNESOTA**

WHEREAS, REDA and Journey Home Minnesota (the “Developer”) executed a certain Purchase and Development Contract, dated as of May 8, 2017 (the “Agreement”), whereunder REDA agreed to convey certain property described in the Agreement (the “Property”) to the Developer in connection with the construction of a single-family home intended for owner-occupancy (the “Minimum Improvements”) on the Property; and

WHEREAS, due to unanticipated delays, the Developer has requested and REDA has agreed to amend the Agreement to extend the date for closing on the transfer of the Property from REDA to the Developer;

NOW, THEREFORE, BE IT RESOLVED, that the First Amendment to Purchase and Development Contract (the “Amendment”) as presented to the Board is hereby in all respects approved, subject to modifications that do not alter the substance of the transaction and that are approved by the President and Executive Director, provided that execution of the Amendment by such officials shall be conclusive evidence of approval. The President and Executive Director are hereby authorized to execute, on behalf of REDA, the Amendment.

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The motion for the adoption of the foregoing resolution was duly seconded by Member

, and upon a 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.