



CITY COUNCIL AGENDA

November 10, 2014

6:30 PM

*City of Norwood Young America,
310 West Elm Street, PO Box 59, NYA MN 55368
(952) 467-1800*

1. Call Meeting of City Council to Order

1.1 Pledge of Allegiance

2. Approve Agenda

3. Introductions, Presentations, Proclamations, Awards, and Public Comment (Individuals may address the City Council about any non-agenda item of concern. Speakers must state their name, address, and limit their remarks to three minutes. The City Council will not take official action on these items, but may refer the matter to staff for a future report or direct that the matter be scheduled for a future meeting agenda.)

4. Consent Agenda (NOTE TO THE PUBLIC: All those items listed as part of the Consent Agenda will be approved by a single motion, unless a request to discuss one of those items is made prior to that time. Anyone present at the meeting may request an item to be removed from the consent agenda. Please inform the Council when they approve the agenda for this meeting.)

4.1 Approve minutes of October 27, 2014

4.2 Approve payment of claims

4.3 Certify 11-4-2014 General Election results – Resolution 2014-36

4.4 Approve lawful gambling exempt permit for Catholic United Financial

4.5 Approve job description for custodian position

4.6 Authorize advertising for applications for part time custodian position

5. Public Hearing

5.1 Establishing TIF District 1-5 and Adoption of TIF Plan

6. Old Business

7. New Business

7.1 Peace Villa Easement Agreement

7.2 Peace Villa Vacancy Agreement

7.3 Peace Villa Development Loan Agreement

7.4 Resolution 2014-37, Issuance of Series 2014 Revenue Notes

7.5 Resolution 2014-38, Establishing TIF District No. 1-5 and Adopting TIF Plan

7.6 Resolution 2014-39, Contract for Private Development

7.7 Schedule City Council Workshop Meetings

8. Council Member Reports

9. Mayor's Report

10. Adjournment

***The following informational items have been included in the Council packet for informational purposes, council review and discussion. No action is required by the City Council:** October building permit report, October sheriff report

UPCOMING EVENTS

- | | |
|--------------------|---|
| November 13 | Senior Advisory Committee |
| November 17 | City Council Workshop – 6:30 p.m. |
| November 18 | Park and Rec Commission – 6:00 p.m.; Planning Commission – 7:00 p.m. |
| November 24 | EDA and City Council – 6:30 p.m. |

Norwood Young America City Council Minutes

October 27, 2014

Council Present: Mike McPadden, Jim Keller, Dick Stolz, Carol Lagergren

Council Absent: Tina Diedrick

City Staff Present: City Administrator Steve Helget, City Clerk/Treasurer Diane Frauendienst, Public Works Director Brent Aretz

Also Present: Planning Commission Rep Craig Heher, Girl Scout Troop 14221 Rachel Scott, Katie Patrin, and Riley Neubarth, Gerri Scott, Megan Neubarth

Acting Mayor Carol Lagergren called the meeting to order at 6:33 p.m.

Approve Agenda

Motion: JK/DS, all in favor to approve the agenda as presented.

Introductions, Presentations, Proclamations, Awards, and Public Comment: Girl Scout Troop 14221, Rachel Scott, Katie Patrin, and Riley Neubarth, along with Gerri Scott and Megan Neubarth informed the Council that they organized and performed their annual fall cleanup service project. There were 60 Girl Scouts and family members who raked up over 155 bags of leaves.

Consent Agenda

Motion: MM/JK, all in favor, to approve the consent agenda as presented.

Approve minutes of October 13, 2014

Approve payment of claims

Approve advertisement for seasonal on-call snowplow operator

Approve optional 2:00 a.m. closing liquor license for Unkle Thirsty's at 105 East Main Street

Old Business None

New Business

Snow Hauling Service Proposals: Public Works Director Brent Aretz is requesting approval to contract for snow removal assistance for the upcoming snow season. He stated that he received proposals from Molnau Trucking and Curfman Trucking for removal services.

Motion: MM/DS, all in favor to accept Curfman Trucking's proposal for snow hauling services on an as needed basis.

Council Member Reports

MM. No report.

DS. Reported that the Carver County Elected Leaders will meet on Tuesday, October 28.

JK. Reported that the Park and Recreation Commission met and continue to gather information on dog parks. He also reported that the Planning Commission met and is working on accessory structures regulations and a new CUP.

CL. Questioned whether a contract on the dugout project has been completed and signed yet.

Administrator Helget stated that he has received a contract from the City Attorney and will present it to the Central Softball Boosters for signatures.

She also thanked the Lions for the donation of the playground equipment at the Lions Park and reminded residents of the upcoming election on November 4. Voting for city residents is at the pavilion from 7:00 a.m. – 8:00 p.m.

Adjournment

Motion: MM/DS, all in favor to adjourn the meeting at 6:43 p.m.

Respectfully Submitted,

Diane Frauendienst
City Clerk-Treasurer

Mayor

CITY OF NORWOOD YOUNG AMERICA

**VOUCHER LIST / CLAIMS ROSTER
and CHECK SEQUENCE**

To Be Approved: November 10, 2014

Pre-Paid Claims (Check Sequence #502922-502940)	<u>\$31,767.92</u>
Claims Pending Payment (Check Sequence#23755-23800)	<u>\$45,856.99</u>
Grand Total	<u>\$77,624.91</u>

Pay Period 20, Supplemental Period 20.01, Supplemental Period 20.02

Check Number	Employee	Pay Period	Pay Group	Check Amount	Check Date	Status
502922	BARTHEL, JOLENE F.	20	SEMI-MONTHLY	\$191.12	31-Oct-14	Outstanding
502923	Hermann, Duane	20	SEMI-MONTHLY	\$611.38	31-Oct-14	Outstanding
502924	SCHRUPP, CHAD J.	20	SEMI-MONTHLY	\$841.69	31-Oct-14	Outstanding
502925	Schuler, Tamara	20	SEMI-MONTHLY	\$659.35	31-Oct-14	Outstanding
502926	ARETZ, BRENT R.	20	SEMI-MONTHLY	\$1,916.20	31-Oct-14	Outstanding
502927	FRAUENDIENST, DIANE J.	20	SEMI-MONTHLY	\$1,436.47	31-Oct-14	Outstanding
502928	HOEN, KEN D.	20	SEMI-MONTHLY	\$156.94	31-Oct-14	Outstanding
502929	KARELS, TODD	20	SEMI-MONTHLY	\$166.02	31-Oct-14	Outstanding
502930	KROELLS, RICHARD G.	20	SEMI-MONTHLY	\$263.18	31-Oct-14	Outstanding
502931	LENZ, DEBRA A.	20	SEMI-MONTHLY	\$1,239.89	31-Oct-14	Outstanding
502932	MENZEL, ALICIA	20	SEMI-MONTHLY	\$996.89	31-Oct-14	Outstanding
502933	SCHRUPP, JOHN O.	20	SEMI-MONTHLY	\$1,231.37	31-Oct-14	Outstanding
502934	STENDER, DANIEL H.	20	SEMI-MONTHLY	\$1,508.48	31-Oct-14	Outstanding
502935	Helgel, Steven P.	20	SEMI-MONTHLY	\$2,173.02	31-Oct-14	Outstanding
502936	KleinBank	20	Summary Check	\$13,392.00	31-Oct-14	
502937	KARELS, TODD	20.01	SEMI-MONTHLY	\$9,841.89	31-Oct-14	Outstanding
502938	KleinBank	20.01	Summary Check	\$9,841.89	31-Oct-14	
502939	KARELS, TODD	20.02	SEMI-MONTHLY	\$8,534.03	31-Oct-14	Outstanding
502940	KleinBank	20.02	Summary Check	\$8,534.03	31-Oct-14	

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			Check Amt	Invoice	Comment
10100 CHECKING					
Paid Chk#	023755	11/10/2014	ADOLPH KIEFER & ASSOCIATES		
E 101-49860-209	Swim Uniforms		\$332.55	431755	LIFEGUARD UNIFORMS
	Total ADOLPH KIEFER & ASSOCIATES		\$332.55		
Paid Chk#	023756	11/10/2014	ANCOMCOMMUNICATIONS, INC.		
E 101-42200-323	Radio Units		\$214.00	48862	NYLON CARRY CASE
	Total ANCOMCOMMUNICATIONS, INC.		\$214.00		
Paid Chk#	023757	11/10/2014	BOYER TRUCK PARTS		
E 101-43100-221	Repair/Maintenance Equipment		\$503.18	643055	T7 REPAIRS
	Total BOYER TRUCK PARTS		\$503.18		
Paid Chk#	023758	11/10/2014	BRYAN ROCK PRODUCTS, INC.		
E 101-43100-224	Street Maint Materials		\$304.66	5661	BALL DIAMOND
	Total BRYAN ROCK PRODUCTS, INC.		\$304.66		
Paid Chk#	023759	11/10/2014	BUSINESS FORMS & ACCOUNTING		
E 601-49400-200	Office Supplies (GENERAL)		\$347.29	049179	UTILITY BILLS
E 602-49450-200	Office Supplies (GENERAL)		\$347.29	049179	UTILITY BILLS
E 603-49500-200	Office Supplies (GENERAL)		\$347.30	049179	UTILITY BILLS
	Total BUSINESS FORMS & ACCOUNTING		\$1,041.88		
Paid Chk#	023760	11/10/2014	CARQUEST AUTO PARTS		
E 101-43100-221	Repair/Maintenance Equipment		\$6.23	5927-96202	BOBCAT OIL FILTER
E 101-43100-221	Repair/Maintenance Equipment		\$102.68	5927-96210	DT ATD8400
E 101-43100-221	Repair/Maintenance Equipment		\$135.62	5927-96335	LIGHTS AT SHOP
E 101-43100-221	Repair/Maintenance Equipment		\$7.25	5927-96353	LIGHTS AT SHOP
E 601-49400-221	Repair/Maintenance Equipment		\$11.59	5927-96569	TIRE GAUGE
E 602-49450-221	Repair/Maintenance Equipment		\$8.35	5927-97114	BELT
E 101-45200-221	Repair/Maintenance Equipment		\$2.36	5927-97370	FUSE
E 601-49400-221	Repair/Maintenance Equipment		\$76.49	5927-97558	FILTERS
E 602-49450-221	Repair/Maintenance Equipment		\$76.50	5927-97558	FILTERS
E 101-43100-221	Repair/Maintenance Equipment		\$21.39	5927-97897	AIR FILTER
	Total CARQUEST AUTO PARTS		\$448.46		
Paid Chk#	023761	11/10/2014	CARVER COUNTY		
E 101-41500-306	Assessor Fees		\$19,037.50	48109	2014 ASSESSMENT CONTRACT
	Total CARVER COUNTY		\$19,037.50		
Paid Chk#	023762	11/10/2014	CENTER POINT		
E 101-42200-383	Gas Utilities		\$10.83		
E 602-49450-383	Gas Utilities		\$410.52		
E 101-41940-383	Gas Utilities		\$80.24		
E 601-49400-383	Gas Utilities		\$51.82		
E 101-45200-383	Gas Utilities		\$159.60		
E 101-43100-383	Gas Utilities		\$126.20		
E 101-49860-383	Gas Utilities		\$20.18		

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			Check Amt	Invoice	Comment
Total CENTER POINT			\$859.39		
Paid Chk# 023763	11/10/2014	CENTRA HOMES			
G 101-22000	Deposits		\$900.00		880 FOX COURT 2011129
Total CENTRA HOMES			\$900.00		
Paid Chk# 023764	11/10/2014	CITY OF WATERTOWN			
E 602-49450-314	Contracts Payments		\$1,180.00	11314N	SHARED HOURS
Total CITY OF WATERTOWN			\$1,180.00		
Paid Chk# 023765	11/10/2014	CNA - GROUP LONG TERM CARE			
G 101-21711	Long-Term Care Ins		\$98.76	1458053	LONG TERM CARE INSURANCE
Total CNA - GROUP LONG TERM CARE			\$98.76		
Paid Chk# 023766	11/10/2014	DRULEY, MATT & CHRISSY			
G 101-22000	Deposits		\$900.00		860 BARNES LAKE DR
Total DRULEY, MATT & CHRISSY			\$900.00		
Paid Chk# 023767	11/10/2014	FRANCK S SANITATION INC			
E 101-41940-223	Repair/Maintenance Bldg/Ground		\$186.32		GARBAGE REMOVAL
Total FRANCK S SANITATION INC			\$186.32		
Paid Chk# 023768	11/10/2014	FRAUENDIENST, DIANE			
E 101-41400-331	Travel/Meeting Expense		\$50.00		MEAL REIMBURSEMENT
E 101-41400-331	Travel/Meeting Expense		\$198.80		MILEAGE REIMBURSEMENT
Total FRAUENDIENST, DIANE			\$248.80		
Paid Chk# 023769	11/10/2014	G & K SERVICES			
E 101-45200-417	Uniform		\$79.89		
E 602-49450-417	Uniform		\$46.61		
E 601-49400-417	Uniform		\$46.61		
E 101-43100-417	Uniform		\$186.40		
E 101-41940-223	Repair/Maintenance Bldg/Ground		\$544.25		
Total G & K SERVICES			\$903.76		
Paid Chk# 023770	11/10/2014	HILGERS PLUMBING & HEATING, IN			
E 101-41940-223	Repair/Maintenance Bldg/Ground		\$90.00	9627	HISTORY CENTER REPAIRS
Total HILGERS PLUMBING & HEATING, IN			\$90.00		
Paid Chk# 023771	11/10/2014	HILLYARD FLOOR CARE SUPPLY			
E 101-45200-210	Operating Supplies (GENERAL)		\$214.75	601361874	FOAMING SOAP
Total HILLYARD FLOOR CARE SUPPLY			\$214.75		
Paid Chk# 023772	11/10/2014	HOLIDAY FLEET			
E 101-43100-212	Motor Fuels		\$701.41		FUEL
Total HOLIDAY FLEET			\$701.41		
Paid Chk# 023773	11/10/2014	HOME SOLUTIONS			
E 101-45200-221	Repair/Maintenance Equipment		\$10.77		

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		Check Amt	Invoice	Comment
Total HOME SOLUTIONS		\$10.77		
Paid Chk#	023774	11/10/2014	JUNGCLAUS IMPLEMENT, INC.	
E 101-43100-221	Repair/Maintenance Equipment	\$230.41	01-12838	
E 101-45200-221	Repair/Maintenance Equipment	\$26.47	01-13081	CHAIN SAW CHAIN
E 101-45200-221	Repair/Maintenance Equipment	\$30.00	01-13282	SHARPEN CHAIN SAW
Total JUNGCLAUS IMPLEMENT, INC.		\$286.88		
Paid Chk#	023775	11/10/2014	KENNEDY & GRAVEN CHTD	
E 251-46331-310	Other Professional Services	\$1,942.50		PEACE VILLAGE TIF
Total KENNEDY & GRAVEN CHTD		\$1,942.50		
Paid Chk#	023776	11/10/2014	LANO EQUIPMENT	
E 253-49450-410	Rentals (GENERAL)	\$153.83	76680	BOBCAT RENTAL
E 101-43100-221	Repair/Maintenance Equipment	\$79.11	77043	LIGHT BULB, FLUID, FILTER
E 101-43100-221	Repair/Maintenance Equipment	\$62.56	77201	COUPLER
Total LANO EQUIPMENT		\$295.50		
Paid Chk#	023777	11/10/2014	LENZ, DEBRA	
E 101-41400-331	Travel/Meeting Expense	\$60.76		MILEAGE REIMBURSEMENT
Total LENZ, DEBRA		\$60.76		
Paid Chk#	023778	11/10/2014	LINDS HOMETOWN HARDWARE	
E 101-43100-221	Repair/Maintenance Equipment	\$216.14		
E 602-49450-221	Repair/Maintenance Equipment	\$44.32		
Total LINDS HOMETOWN HARDWARE		\$260.46		
Paid Chk#	023779	11/10/2014	LOFFLER COMPANIES, INC.	
E 101-41400-437	Maintenance Contract	\$296.31	16051151	COPIER
Total LOFFLER COMPANIES, INC.		\$296.31		
Paid Chk#	023780	11/10/2014	MINI BIFF	
E 101-45200-418	Other Rentals (Biffs)	\$69.78	A-57405	SPORTS COMPLEX
Total MINI BIFF		\$69.78		
Paid Chk#	023781	11/10/2014	MINNESOTA VALLEY TESTING LAB	
E 602-49450-217	Lab Fees	\$36.20	726400	PHOSPHORUS
Total MINNESOTA VALLEY TESTING LAB		\$36.20		
Paid Chk#	023782	11/10/2014	MN VALLEY ELECTRIC COOPERATIVE	
E 602-49450-381	Electric Utilities	\$29.50		LIFT STATION
E 101-43100-380	Street Lighting	\$95.39		STREET LIGHTS
E 601-49400-381	Electric Utilities	\$123.40		640 TACOMA BLVD
Total MN VALLEY ELECTRIC COOPERATIVE		\$248.29		
Paid Chk#	023783	11/10/2014	NCPERS 855401LIFE INS	
G 101-21705	PERA Life	\$4.00		LIFE INSURANCE
Total NCPERS 855401LIFE INS		\$4.00		

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			Check Amt	Invoice	Comment
Paid Chk# 023784	11/10/2014	NEC FINANCIAL SERVICES LLC			
E 101-41400-321	Telephone		\$385.85	1750324	PHONE RENTAL
Total		NEC FINANCIAL SERVICES LLC	\$385.85		
Paid Chk# 023785	11/10/2014	NEUBARTH, TIM			
E 201-45200-530	Improvements Other Than Bldgs		\$3,700.00		DUG OUTS AT SPORTS COMPLEX
Total		NEUBARTH, TIM	\$3,700.00		
Paid Chk# 023786	11/10/2014	NORTH AMERICAN SAFETY INC			
E 101-43100-226	Signs		\$671.26	8892	STREET SIGNS
Total		NORTH AMERICAN SAFETY INC	\$671.26		
Paid Chk# 023787	11/10/2014	NYA TIMES			
E 101-46500-350	Print/Publishing/Postage		\$390.60	153876	MANUFACTURERS WEEK
E 602-49450-350	Print/Publishing/Postage		\$105.00	154069	PU DIRECTOR
E 601-49400-350	Print/Publishing/Postage		\$105.00	154069	PU DIRECTOR
E 101-41410-350	Print/Publishing/Postage		\$38.43	155016	SAMPLE BALLOT
E 101-41110-350	Print/Publishing/Postage		\$71.82	155017	COUNCIL MINS
E 101-41320-350	Print/Publishing/Postage		\$26.46	155018	ORDINANCE 254
E 101-41400-350	Print/Publishing/Postage		\$64.26	155019	NYA
E 601-49400-350	Print/Publishing/Postage		\$105.00	156067	PU DIRECTOR
E 602-49450-350	Print/Publishing/Postage		\$105.00	158067	PU DIRECTOR
E 101-41410-350	Print/Publishing/Postage		\$38.43	157271	SAMPLE BALLOT
Total		NYA TIMES	\$1,050.00		
Paid Chk# 023788	11/10/2014	PRO AUTO & TRANSMISSION REPAIR			
E 101-42200-221	Repair/Maintenance Equipment		\$96.86	46470	LADDER TRUCK
E 101-42200-221	Repair/Maintenance Equipment		\$66.47	46773	UNIT 1220
Total		PRO AUTO & TRANSMISSION REPAIR	\$163.33		
Paid Chk# 023789	11/10/2014	QUILL CORPORATION			
E 601-49400-200	Office Supplies (GENERAL)		\$45.85	45.85	toner
E 101-41320-200	Office Supplies (GENERAL)		\$45.84	45.85	toner
E 602-49450-200	Office Supplies (GENERAL)		\$45.85	45.85	toner
E 602-49450-200	Office Supplies (GENERAL)		\$110.27	7113572	paper
E 101-41320-200	Office Supplies (GENERAL)		\$110.27	7113572	paper
E 101-41400-200	Office Supplies (GENERAL)		\$110.27	7113572	PAPER
E 101-43100-200	Office Supplies (GENERAL)		\$110.27	7113572	paper
E 601-49400-200	Office Supplies (GENERAL)		\$110.27	7113572	paper
Total		QUILL CORPORATION	\$688.89		
Paid Chk# 023790	11/10/2014	RAETHER, BRIANNA			
E 101-42200-331	Travel/Meeting Expense		\$89.60		MILEAGE REIMBURSEMENT
Total		RAETHER, BRIANNA	\$89.60		
Paid Chk# 023791	11/10/2014	RAETHER, KEVIN			
E 101-42200-331	Travel/Meeting Expense		\$67.08		MEAL REIMBURSEMENT
E 101-42200-331	Travel/Meeting Expense		\$75.60		MILEAGE REIMBURSEMENT

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			Check Amt	Invoice	Comment
Total RAETHER, KEVIN			\$142.68		
Paid Chk#	023792	11/10/2014	SEASONAL SERVICES		
E 101-43100-223	Repair/Maintenance Bldg/Ground		\$325.00	1260	REMOVE 6 STUMPS
Total SEASONAL SERVICES			\$325.00		
Paid Chk#	023793	11/10/2014	SMITH OIL CO		
E 101-42200-212	Motor Fuels		\$48.03		
E 601-49400-212	Motor Fuels		\$219.90		
E 602-49450-212	Motor Fuels		\$219.91		
E 101-43100-212	Motor Fuels		\$393.54		
E 101-45200-212	Motor Fuels		\$168.66		
E 101-42200-212	Motor Fuels		\$356.00		FIRE DEPT FUEL
Total SMITH OIL CO			\$1,406.04		
Paid Chk#	023794	11/10/2014	STENDER, DANIEL H		
E 602-49450-210	Operating Supplies (GENERAL)		\$30.00		GLOVES FOR SEWER PLANT
Total STENDER, DANIEL H			\$30.00		
Paid Chk#	023795	11/10/2014	TITLE MARK		
G 101-22000	Deposits		\$900.00		890 FOX COURT 2012006
G 101-22000	Deposits		\$900.00		885 FOX COURT 2012112
G 101-22000	Deposits		\$900.00		1000 FOX CROSSING 2013044
Total TITLE MARK			\$2,700.00		
Paid Chk#	023796	11/10/2014	US POSTAL SERVICE		
E 602-49450-350	Print/Publishing/Postage		\$134.78		NOVEMBER WATER BILLS
E 603-49500-350	Print/Publishing/Postage		\$134.78		NOVEMBER WATER BILLS
E 601-49400-350	Print/Publishing/Postage		\$134.78		NOVEMBER WATER BILLS
Total US POSTAL SERVICE			\$404.34		
Paid Chk#	023797	11/10/2014	UTILITY CONSULTANTS		
E 602-49450-217	Lab Fees		\$693.65	87537	CBOD TSS TESTING
Total UTILITY CONSULTANTS			\$693.65		
Paid Chk#	023798	11/10/2014	VERIZON WIRELESS		
E 101-42200-321	Telephone		\$210.06		FIRE DEPT IPADS
Total VERIZON WIRELESS			\$210.06		
Paid Chk#	023799	11/10/2014	WM MUELLER & SONS INC		
E 101-43100-224	Street Maint Materials		\$1,250.00	14-596	BITUMINOUS PATCHING
E 101-43100-224	Street Maint Materials		\$57.55	198094	CONCRETE
E 101-43100-224	Street Maint Materials		\$130.93	198271	1 1/2 CLEAR
E 101-43100-224	Street Maint Materials		\$55.18	198446	1/2 MINUS
Total WM MUELLER & SONS INC			\$1,493.66		
Paid Chk#	023800	11/10/2014	XCEL ENERGY		
E 101-45200-381	Electric Utilities		\$25.76		VETERANS PARK

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Total XCEL ENERGY	\$25.76		
10100 CHECKING	\$45,856.99		

Fund Summary

10100 CHECKING

101 GENERAL FUND	\$34,576.83
201 PARK DEDICATION FUND	\$3,700.00
251 HARBOR AT PEACE	\$1,942.50
253 2014 FLOODING EVENT	\$153.83
601 WATER FUND	\$1,378.00
602 SEWER FUND	\$3,623.75
603 STORM WATER UTILITY	\$482.08
	<u>\$45,856.99</u>



November 10, 2014

CITY COUNCIL MEMO

To: Honorable Mayor Diedrick and Members of the City Council

From: Diane Frauendienst, City Clerk

Cc: Steve Helget, City Administrator

Re: Resolution 2014-36 Canvas Election Results

The General Election for the City of Norwood Young America was held on November 4, 2014. When polls opened at 7:00 a.m. on Election Day, there were 1920 registered voters in the precinct. During the day, 116 new registrations were processed. This includes new residents, name changes, and/or address changes. 1,133 voters came to the poll to cast their votes, while 57 voters cast their ballots by absentee for a 61.98% voter turnout.

The Election Day activities at the poll were run by 19 hardworking and dedicated election judges. These individuals should be commended for their valuable contribution to the voting process.

Recommendation: **To adopt Resolution 2014-36, a resolution certifying election results of the general election of November 4, 2014 for mayor and two city council members.**

City of Norwood Young America

Tel: 952-467-1800
Fax: 952-467-1818

310 Elm Street West
NYA, MN 55368

www.cityofnya.com
cityclerk@cityofnya.com

RESOLUTION 2014-36

A RESOLUTION CERTIFYING ELECTION RESULTS OF THE GENERAL ELECTION OF NOVEMBER 4, 2014 FOR MAYOR AND TWO CITY COUNCIL MEMBERS

WHEREAS, pursuant to due published and posted notice thereof, an election was held November 4, 2014 in the City of Norwood Young America for the purpose of electing a mayor for a two (2) year term, and two (2) council members each for a four (4) year term;

WHEREAS, duly appointed judges did count the ballots cast and declare the following results:

For the Office of Mayor:

	Total Votes	
Tina Diedrick	959	96.09%
Write-Ins	39	3.91%

For the Office of Council Member (four year term-vote for two):

	Total Votes	
Carol Lagergren	792	44.97%
Francis Green	233	13.23%
James Keller	725	41.17%
Write-Ins	11	0.62%

NOW, THEREFORE BE IT RESOLVED, that the City Council hereby declares Tina Diedrick elected to Mayor of the City of Norwood Young America to serve a two (2) year term beginning January 2, 2015.

BE IT FURTHER RESOLVED, that the City Council hereby declares and elected to serve, Carol Lagergren and James Keller each a four (4) year term on the Norwood Young America City Council beginning January 2, 2015.

Adopted by the Council this 10th day of November 2014.

CITY OF NORWOOD YOUNG AMERICA

Mayor

ATTEST:

Diane Frauendienst, City Clerk-Treasurer



November 10, 2014

CITY COUNCIL MEMO

To: Honorable Mayor Diedrick and Members of the City Council

From: Diane Frauendienst, City Clerk

Cc: Steve Helget, City Administrator

Re: Lawful Gambling Exempt Permit - Bingo

The Catholic United Financial has submitted an application to Conduct Excluded Bingo. This permit authorizes the organization to conduct lawful gambling at 323 Reform Street, in the Church Social hall on December 7, 2014 by holding excluded bingo activity. The Minnesota Gambling Control Board requires the City Council to approve the permit application.

Recommendation: **A motion to approve a gambling permit for the Catholic United Financial to be held at 323 Reform Street, Norwood Young America on December 7, 2014.**

City of Norwood Young America

Tel: 952-467-1800
Fax: 952-467-1818

310 Elm Street West
NYA, MN 55368

www.cityofnya.com
cityclerk@cityofnya.com



November 10, 2014

CITY COUNCIL MEMO

To: Honorable Mayor Diedrick and Members of the City Council

CC: Steve Helget, City Administrator

From: Diane Frauendienst, City Clerk-Treasurer

RE: Approve Job Description for Custodian Positions & Approve Advertising for Part time Custodian

The Personnel Committee has received a request from Richard and Edna Neubarth for additional help for cleaning the Pavilion, Clay Building, Lion Shelter, and Legion Park. Currently the buildings are cleaned after every rental and cleaned before 9:00 a.m. It is common to have all of the buildings rented out at the same time. Neubarth stated that the additional help would allow for a schedule of working every other weekend.

Currently there is no city job description for custodian service for these city buildings. Attached is revised Custodian Job Description. The revision includes duties required for the Pavilion, Lions' Shelter, Clay Building and Legion Park Buildings. The Personnel Committee is recommending the Council approve the revised Custodian Job Description.

The Personnel Committee is also requesting that the Council authorize advertising for part time custodian services to clean city buildings.

Recommendations:

1. **A motion to approve the job description for the custodian position.**
2. **A motion to authorize advertising for applications for the part time custodian position.**

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CUSTODIAN

Position Title: Custodian Worker
Department: Administration
Supervisor: City Administrator

Pay Grade: 1
FLSA Status: Non-exempt
Work Status: Part-time

PURPOSE

Performs custodian cleaning services at City Buildings, including Oak Grove City Center, the Pavilion, Clay Building, Lion's Shelter, and Legion Park Shelter to maintain clean and safe buildings and grounds.

WORK SCHEDULE: The typical work hours for this position are 5 to 15 hours per week with duties being performed in the mornings, evenings and/or weekends. Additional hours may be required as assigned.

RELATIONSHIPS:

IMMEDIATE SUPERVISOR

City Administrator

SUPERVISES

None

EMPLOYEE CONTACTS

Some contact with City employees.

OUTSIDE CONTACTS

Some contact with Public Library and County Sheriff Deputy staff, and public.

ESSENTIAL FUNCTIONS

NOTE: The job duties listed are typical examples of the work performed by positions in this job classification. Not all duties assigned to every position are included, nor is it expected that all positions will be assigned every duty.

Performs all tasks associated with custodian cleaning services at the Pavilion.

- Open Area: return tables and chairs to storage racks as needed; sweep and mop floors; vacuum carpets and floor mats; clean walls, doors, and windows as needed.
- Restrooms: clean and sanitize toilets, fixtures, and mirrors; spot clean walls, partitions, and doors as needed; sweep and wet mop floor surface; clean and re-stock dispensers; and empty trash as needed and replace liners.
- Kitchen: clean floors, chairs, tables, and counters as needed.

Performs all tasks associated with custodian cleaning services at the Clay Building, Lion's Shelter, Legion Park Shelter.

- Open Area: return tables and chairs to storage racks as needed; sweep and mop floors; vacuum carpets and floor mats; clean walls, doors, and windows as needed.
- Restrooms: clean and sanitize toilets, fixtures, and mirrors; spot clean walls, partitions, and doors as needed; sweep and wet mop floor surface; clean and re-stock dispensers; and empty trash as needed and replace liners.
- Kitchen: clean floors, chairs, tables, and counters as needed.

Performs all tasks associated with custodian cleaning services at the City Hall.

CUSTODIAN

- Lobby, Hallway, and Vestibules: sweep and mop floors; vacuum carpets and floor mats; empty trash and recycling containers; clean walls, doors, and windows as needed; and clean and disinfect front counter.
- Restrooms: clean and sanitize toilets, fixtures, and mirrors; spot clean walls, partitions, and doors as needed; sweep and wet mop floor surface; clean and re-stock dispensers; and empty trash and replace liners.
- City Council Chambers and Small Meeting Rooms: vacuum carpets; clean chairs, tables, and counters as needed; and empty trash and replace liners.
- Offices: vacuum carpets and office chairs; empty trash and recycling containers and replace liners; clean walls, doors, and light switch plates as needed.

Performs all tasks associated with custodian cleaning services at the Public Library.

- Vestibules: sweep and mop floors; vacuum floor mats; clean walls, doors, and windows as needed.
- Restrooms: clean and sanitize toilets, fixtures, and mirrors; spot clean walls, partitions, and doors as needed; sweep and wet mop floor surface; clean and re-stock dispensers; and empty trash and replace liners.
- Small Conference/Study Rooms: vacuum carpets; and spot clean chairs, tables, and counters as needed.
- Common Areas: vacuum carpet; clean computer station tables; vacuum, brush, or wipe furniture and dust chair bases as needed; empty trash and recycling containers and replace liners; clean walls, doors, and light switch plates as needed; clean inside surface of windows; and clean drinking fountains.
- Offices: vacuum carpets and office chairs; sweep and wet mop chair mats; empty trash and recycling containers and replace liners; clean walls, doors, and light switch plates as needed.

Performs all tasks associated with custodian cleaning services at the Sheriff Deputy's Office.

- Office: vacuum carpets and office chairs; empty trash and recycling containers and replace liners; clean walls, doors, and light switch plates as needed.
- Restroom: clean and sanitize toilets, fixtures, and mirrors; spot clean walls, partition, and door as needed; sweep and wet mop floor surface; clean and re-stock dispenser; and empty trash and replace liner.
- Small Meeting Rooms: vacuum carpets; and clean chairs, table, door, and walls as needed.

OTHER DUTIES AND RESPONSIBILITIES

- Identify need and purchase cleaning products. Notify city office of any violations as soon as possible

MINIMUM QUALIFICATIONS

- High school degree or equivalent.
- Knowledge of custodian and cleaning services and products.
- Valid Minnesota Driver's License.

PREFERRED QUALIFICATIONS

- Three to five years custodian/cleaning service experience.

CONDITIONS OF EMPLOYMENT

- Satisfactory completion of a background examination and other pre-employment requirements as identified in the City's Employee Handbook.

CUSTODIAN

- Must comply with appropriate local, state, and federal safety rules, regulations, and statutes.
- Must comply with organizational and departmental policies.

PHYSICAL DEMANDS/WORK ENVIRONMENT

- Requires employee to work inside, in confined areas, alone, with others, around others, and have contact with the public.
- Activities that occur continuously (more than 3 hours) are: hearing; use of near vision; use of depth perception, accommodation, color vision, and field of vision/peripheral vision.
- Activities that occur frequently (from 3 to 5 hours) are: bending/stooping; squatting; crouching; crawling; kneeling; twisting; handling; use of left and right feet independently and/or together; talking; and use of smell.
- Activities that occur occasionally (from 1 to 3 hours) are: pushing; pulling; reaching at, above and/or below shoulder level with both arms together and/or independent of one another; use of fingers and hands for repetitive, non-repetitive, or consistent actions; fine manipulating with fingers; and using sense of touch.
- Activities that occur infrequently (up to 60 minutes) are: lifting and/or carrying up to 20 pounds.
- Activities that may occasionally occur, but not on a daily basis, include lifting and/or carrying up to 40 pounds.

The physical demands described here are representative of those that must be met by an employee to successfully perform the essential functions of this job. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions.

The duties listed above are intended only as illustrations of the various types of work that may be performed. The omission of specific statements of duties does not exclude them from the position if the work is similar, related or a logical assignment to the position.

EQUIPMENT/MATERIALS

Vacuum, broom, mop, dusting, cleaning and sanitizing products.

The job description does not constitute an employment agreement between the employer and the employee and is subject to change by the employer as the needs of the employer and requirements of the job change.

Approved: November 10, 2014

TO: Honorable Mayor Diedrick and City Council Members

FROM: Steve Helget, City Administrator

DATE: November 7, 2014

SUBJECT: Resolution 2014-38, Establishing TIF District No. 1-5 & Adopting TIF Plan

A public hearing is scheduled for approximately 6:30 p.m. for the purpose of taking public comment on the proposed establishment of Tax Increment Financing District No. 1-5 (a housing TIF District) and the proposed adoption of the Tax Increment Financing Plan. The creation of TIF District No. 1-5 will facilitate the expansion of Peace Villa's senior living with the addition of a 37-unit assisted living and memory care facility. This District is structured as a pay-as-you-go which means Peace Villa will be reimbursed a majority of the property taxes they pay during the 13-year term of the District. The first tax increments Peace Villa would receive are expected to be in 2017.

Nick Anhut of Ehlers will be present to review the establishment of TIF District No. 1-5 and the TIF Plan.

Suggested Motion:

Motion to approve Resolution 2014-38.



Tax Increment Financing District Overview

City of Norwood Young America

Tax Increment Financing District No. 1-5

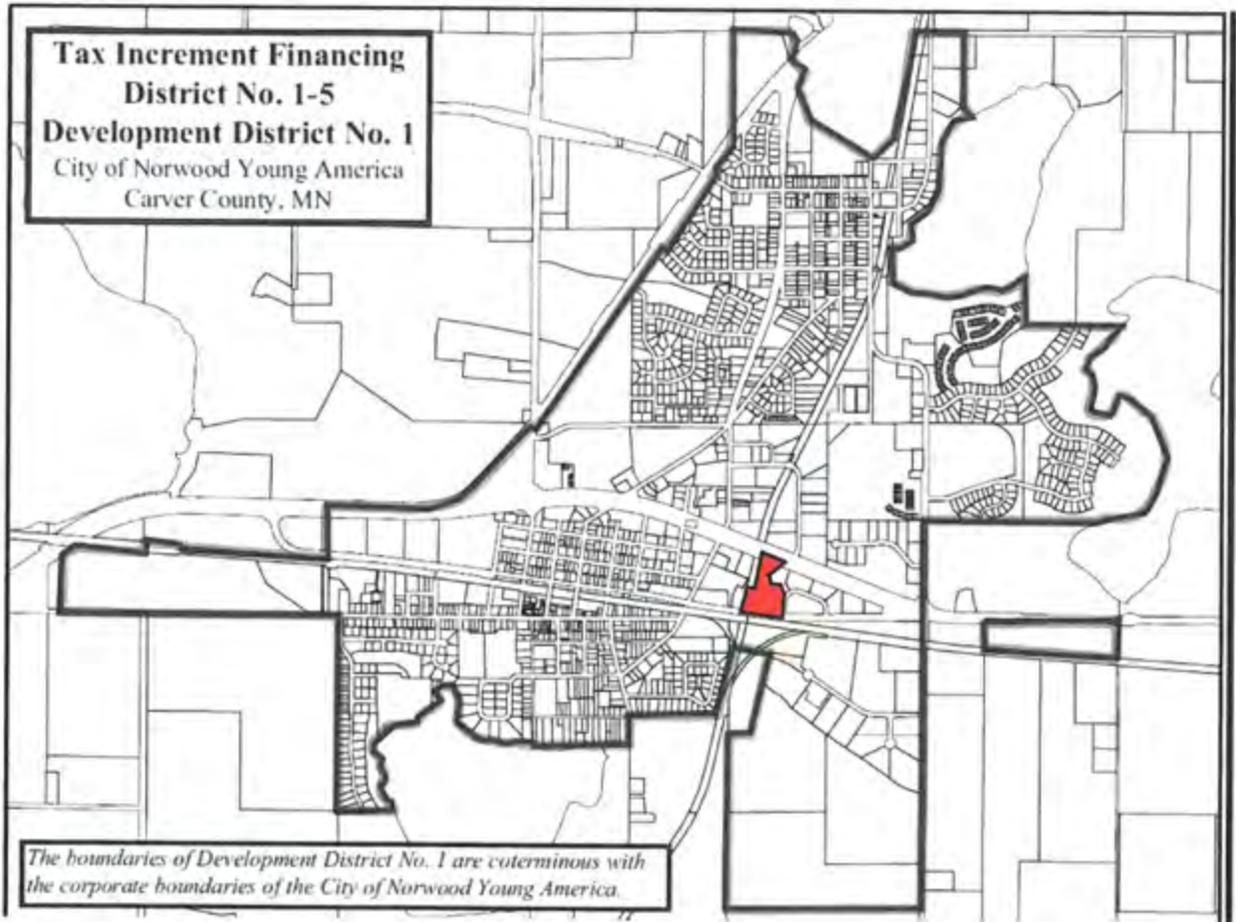
The following summary contains an overview of the basic elements of the Tax Increment Financing Plan for Tax Increment Financing District No. 1-5. More detailed information on each of these topics can be found in the complete Tax Increment Financing Plan.

Proposed action:	<ul style="list-style-type: none">➤ Establishment of Tax Increment Financing District No. 1-5 (District) and the adoption of a Tax Increment Financing Plan (TIF Plan).➤ Modification to the Development Program for Development District No. 1 includes the establishment of Tax Increment Financing District No. 1-5, which represents a continuation of the goals and objectives set forth in the Development Program for Development District No. 1.
Type of TIF District:	A housing district
Parcel Numbers:	A portion of 58.0145150 58.5300010
	Both of these parcels are in the process of being replatted and new parcel numbers will be assigned by Carver County early in 2015.
Proposed Development:	The City of Norwood Young America is creating the District to facilitate the expansion of the Peace Village senior living facility which would provide an additional 25 assisted living and 12 memory care units in the City. Please see Appendix A of the TIF Plan for a more detailed project description.
Maximum duration:	The date of receipt by the City of the first tax increment is expected to be 2017. It is estimated that the District, including any modifications of the TIF Plan for subsequent phases or other changes, would terminate after December 31, 2041, or when the TIF Plan and/or contract for private development is satisfied.
Estimated annual tax increment:	Up to \$84,838



Authorized uses:	The TIF Plan contains a budget that authorizes the maximum amount that may be expended:																
	<table> <tr> <td>Land/Building Acquisition.....</td> <td>\$260,000</td> </tr> <tr> <td>Site Improvements/Preparation.....</td> <td>\$400,000</td> </tr> <tr> <td>Utilities.....</td> <td>\$0</td> </tr> <tr> <td>Other Qualifying Improvements.....</td> <td>\$437,117</td> </tr> <tr> <td><u>Administrative Costs (up to 10%).....</u></td> <td><u>\$56,195</u></td> </tr> <tr> <td>PROJECT COSTS TOTAL.....</td> <td>\$1,153,312</td> </tr> <tr> <td><u>Interest.....</u></td> <td><u>\$907,162</u></td> </tr> <tr> <td>PROJECT COSTS TOTAL.....</td> <td>\$2,060,474</td> </tr> </table>	Land/Building Acquisition.....	\$260,000	Site Improvements/Preparation.....	\$400,000	Utilities.....	\$0	Other Qualifying Improvements.....	\$437,117	<u>Administrative Costs (up to 10%).....</u>	<u>\$56,195</u>	PROJECT COSTS TOTAL.....	\$1,153,312	<u>Interest.....</u>	<u>\$907,162</u>	PROJECT COSTS TOTAL.....	\$2,060,474
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<u>Interest.....</u>	<u>\$907,162</u>																
PROJECT COSTS TOTAL.....	\$2,060,474																
	See the TIF Plan for the full budget authorization.																
Form of financing:	The project is proposed to be financed by a pay-as-you-go note.																
Administrative fee:	Up to 10% of annual increment, if costs are justified.																
Interfund Loan Requirement:	If the City wants to pay for administrative expenditures from a tax increment fund, it is recommended that a resolution authorizing a loan from another fund be passed <i>PRIOR</i> to the issuance of the check.																
4 Year Activity Rule (§ 469.176 Subd. 6)	<p>After four years from the date of certification of the District one of the following activities must have been commenced on each parcel in the District:</p> <ul style="list-style-type: none"> • Demolition • Rehabilitation • Renovation • Other site preparation (not including utility services such as sewer and water) <p>If the activity has not been started by approximately the end of calendar year 2018, no additional tax increment may be taken from that parcel until the commencement of a qualifying activity.</p>																

MAP OF TAX INCREMENT FINANCING DISTRICT NO. 1-5



**CITY OF NORWOOD YOUNG AMERICA
CARVER COUNTY
STATE OF MINNESOTA**

Council member _____ introduced the following resolution and moved its adoption:

RESOLUTION NO. 2014-38

RESOLUTION ADOPTING A MODIFICATION TO THE DEVELOPMENT PROGRAM FOR DEVELOPMENT DISTRICT NO. 1 AND ESTABLISHING TAX INCREMENT FINANCING DISTRICT NO. 1-5 THEREIN AND ADOPTING A TAX INCREMENT FINANCING PLAN THEREFOR.

BE IT RESOLVED by the City Council (the "Council") of the City of Norwood Young America, Minnesota (the "City"), as follows:

Section 1. Recitals.

1.01. The City Council of the City of Norwood Young America (the "City") has heretofore established Development District No. 1 (the "Project") and adopted a Development Program therefor. It has been proposed by the City that the City adopt a Modification to the Development Program for Development District No. 1 (the "Development Program Modification") and establish Tax Increment Financing District No. 1-5 (the "District") therein and adopt a Tax Increment Financing Plan (the "TIF Plan") therefor (the Development Program Modification and the TIF Plan are referred to collectively herein as the "Program and Plan"); all pursuant to and in conformity with applicable law, including Minnesota Statutes, Sections 469.124 to 469.133 and Sections 469.174 to 469.1794, all inclusive, as amended, (the "Act") all as reflected in the Program and Plan, and presented for the Council's consideration.

1.02. The City has investigated the facts relating to the Program and Plan and has caused the Program and Plan to be prepared.

1.03. The City has performed all actions required by law to be performed prior to the establishment of the District and the adoption and approval of the proposed Program and Plan, including, but not limited to, notification of Carver County and Independent School District No. 108 having taxing jurisdiction over the property to be included in the District, a review of and written comment on the Program and Plan by the City Planning Commission, and the holding of a public hearing upon published notice as required by law.

1.04. Certain written reports (the "Reports") relating to the Program and Plan and to the activities contemplated therein have heretofore been prepared by staff and consultants and submitted to the Council and/or made a part of the City files and proceedings on the Program and Plan. The Reports include data, information and/or substantiation constituting or relating to the basis for the other findings and determinations made in this resolution. The Council hereby confirms, ratifies and adopts the Reports, which are hereby incorporated into and made as fully a part of this resolution to the same extent as if set forth in full herein.

1.05. The City is not modifying the boundaries of the Project, but is however, modifying the Development Program therefor.

Section 2. Findings for the Adoption and Approval of the Development Program Modification.

2.01. The Council approves the Development Program Modification, and specifically finds that: (a) the land within the Project would not be available for development without the financial aid to be sought under the Development Program; (b) the Development Program, as modified, will afford maximum opportunity, consistent with the needs of the City as a whole, for the development of the Project by private enterprise; and (c) that the Development Program, as modified, conforms to the general plan for the development of the City as a whole.

Section 3. Findings for the Establishment of Tax Increment Financing District No. 1-5.

3.01. The Council hereby finds that Tax Increment Financing District No. 1-5 is in the public interest and is a "housing district" under Minnesota Statutes, Section 469.174, Subd. 11 of the Act.

3.02. The Council further finds that the proposed development would not occur solely through private investment within the reasonably foreseeable future, that the Program and Plan conform to the general plan for the development or redevelopment of the City as a whole; and that the Program and Plan will afford maximum opportunity consistent with the sound needs of the City as a whole, for the development or redevelopment of the District by private enterprise.

3.03. The Council further finds, declares and determines that the City made the above findings stated in this Section and has set forth the reasons and supporting facts for each determination in writing, attached hereto as Exhibit A.

Section 4. Public Purpose.

4.01. The adoption of the Program and Plan conforms in all respects to the requirements of the Act and will help fulfill a need to develop an area of the City which is already built up, to provide housing opportunities, to improve the tax base and to improve the general economy of the State and thereby serves a public purpose. For the reasons described in Exhibit A, the City believes these benefits directly derive from the tax increment assistance provided under the TIF Plan. A private developer will receive only the assistance needed to make this development financially feasible. As such, any private benefits received by a developer are incidental and do not outweigh the primary public benefits.

Section 5. Approval and Adoption of the Program and Plan.

5.01. The Program and Plan, as presented to the Council on this date, including without limitation the findings and statements of objectives contained therein, are hereby approved, ratified, established, and adopted and shall be placed on file in the office of the City Administrator.

5.02. The staff of the City, the City's advisors and legal counsel are authorized and directed to proceed with the implementation of the Program and Plan and to negotiate, draft, prepare and present to this Council for its consideration all further plans, resolutions, documents and contracts necessary for this purpose.

5.03. The Auditor of Carver County is requested to certify the original net tax capacity of the District, as described in the Program and Plan, and to certify in each year thereafter the amount by which the original net tax capacity has increased or decreased; and the City of Norwood Young America is authorized and directed to forthwith transmit this request to the County Auditor in such form and content

as the Auditor may specify, together with a list of all properties within the District, for which building permits have been issued during the 18 months immediately preceding the adoption of this resolution.

5.04. The City Administrator is further authorized and directed to file a copy of the Program and Plan with the Commissioner of the Minnesota Department of Revenue and the Office of the State Auditor pursuant to Minnesota Statutes 469.175, Subd. 4a.

The motion for the adoption of the foregoing resolution was duly seconded by Council member _____, and upon a vote being taken thereon, the following voted in favor thereof:

and the following voted against the same:

Adopted by the City Council this 10th day of November 2014.

CITY OF NORWOOD YOUNG AMERICA

Tina Diedrick, Mayor

ATTEST:

Diane Frauendienst, City Clerk-Treasurer

EXHIBIT A
RESOLUTION NO. 2014-38

The reasons and facts supporting the findings for the adoption of the Tax Increment Financing Plan for Tax Increment Financing District No. 1-5, as required pursuant to Minnesota Statutes, Section 469.175, Subdivision 3 are as follows:

1. *Finding that Tax Increment Financing District No. 1-5 is a housing district as defined in M.S., Section 469.174, Subd. 11.*

TIF District No. 1-5 consists of two parcels which are being re-platted with new parcel numbers to be assigned by Carver County. The development will consist of 37 units of rental housing. At least 20 percent of the units receiving assistance will have incomes at or below 50 percent of statewide median income. No more than 20% of the square footage of the assisted living rental housing facility will consist of commercial, retail, or other non-residential uses. Appendix E of the TIF Plan contains background for the above finding.

2. *Finding that the proposed development, in the opinion of the City Council, would not reasonably be expected to occur solely through private investment within the reasonably foreseeable future.*

The proposed development, in the opinion of the City, would not reasonably be expected to occur solely through private investment within the reasonably foreseeable future: This finding is supported by the fact that the development proposed in this plan is a housing district that meets the City's objectives for development and redevelopment. The cost of land acquisition, site and public improvements and other qualifying improvements makes this housing development infeasible without City assistance. Due to the high cost of building affordable new housing in the City and the cost of financing the proposed public improvements, this project is feasible only through assistance, in part, from tax increment financing. The developer provided a pro forma as justification that the developer would not have gone forward without tax increment assistance.

The increased market value of the site that could reasonably be expected to occur without the use of tax increment financing would be less than the increase in market value estimated to result from the proposed development after subtracting the present value of the projected tax increments for the maximum duration of the District permitted by the TIF Plan: This finding is justified on the grounds that the costs of land acquisition, site and public improvements and utilities add to the total development cost. Historically, site development costs in this area have made development of any sort infeasible without tax increment assistance. This site has remained undeveloped for over 10 years and is likely to remain undeveloped for any purpose without tax increment assistance.

3. *Finding that the TIF Plan for Tax Increment Financing District No. 1-5 conforms to the general plan for the development or redevelopment of the municipality as a whole.*

The Planning Commission reviewed the TIF Plan and found that the TIF Plan conforms to the general development plan of the City.

4. *Finding that the TIF Plan for Tax Increment Financing District No. 1-5 will afford maximum opportunity, consistent with the sound needs of the City as a whole, for the development or redevelopment of Development District No. 1 by private enterprise.*

Through the implementation of the TIF Plan, the City will provide an impetus for additional senior residential development, which is desirable and necessary for a growing population of seniors and an increased need for life-cycle housing within the City.



*As of November 4, 2014
Draft for Public Hearing*

**Modification to the Development Program
for Development District No. 1**

and the

Tax Increment Financing Plan

for the establishment of

**Tax Increment Financing District No. 1-5
(a housing district)**

within

Development District No. 1

City of Norwood Young America
Carver County
State of Minnesota

Public Hearing: November 10, 2014
Adopted:



EHLERS

Prepared by: EHLERS & ASSOCIATES, INC.
3060 Centre Pointe Drive, Roseville, Minnesota 55113-1105
651-697-8500 fax: 651-697-8555 www.ehlers-inc.com

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(for reference purposes only)

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***Section 1 - Modification to the Development Program
for Development District No. 1***

Foreword

The following text represents a Modification to the Development Program for Development District No. 1. This modification represents a continuation of the goals and objectives set forth in the Development Program for Development District No. 1. Generally, the substantive changes include the establishment of Tax Increment Financing District No. 1-5.

For further information, a review of the Development Program for Development District No. 1 is recommended. It is available from the City Administrator at the City of Norwood Young America. Other relevant information is contained in the Tax Increment Financing Plans for the Tax Increment Financing Districts located within Development District No. 1.

Section 2 - Tax Increment Financing Plan for Tax Increment Financing District No. 1-5

Subsection 2-1. Foreword

The City of Norwood Young America (the "City"), staff and consultants have prepared the following information to expedite the establishment of Tax Increment Financing District No. 1-5 (the "District"), a housing tax increment financing district, located in Development District No. 1.

Subsection 2-2. Statutory Authority

Within the City, there exist areas where public involvement is necessary to cause development or redevelopment to occur. To this end, the City has certain statutory powers pursuant to *Minnesota Statutes ("M.S."), Sections 469.124 to 469.133*, inclusive, as amended, and *M.S., Sections 469.174 to 469.1794*, inclusive, as amended (the "Tax Increment Financing Act" or "TIF Act"), to assist in financing public costs related to this project.

This section contains the Tax Increment Financing Plan (the "TIF Plan") for the District. Other relevant information is contained in the Modification to the Development Program for Development District No. 1.

Subsection 2-3. Statement of Objectives

The District currently consists of two parcels of land and adjacent and internal rights-of-way. The District is being created to facilitate the expansion of the Peace Village senior living facility which would provide an additional 25 assisted living and 12 memory care units in the City. Please see Appendix A for further District information. The City is currently negotiating an agreement with Peace Villa Inc., a Minnesota Non-Profit Corporation, as owner of the property, or its designated limited liability entity. Development is likely to begin in 2015. This TIF Plan is expected to achieve many of the objectives outlined in the Development Program for Development District No. 1.

The activities contemplated in the Modification to the Development Program and the TIF Plan do not preclude the undertaking of other qualified development or redevelopment activities. These activities are anticipated to occur over the life of Development District No. 1 and the District.

Subsection 2-4. Development Program Overview

1. Property to be Acquired - Selected property located within the District may be acquired by the City and is further described in this TIF Plan.
2. Relocation - Relocation services, to the extent required by law, are available pursuant to *M.S., Chapter 117* and other relevant state and federal laws.
3. Upon approval of a developer's plan relating to the project and completion of the necessary legal requirements, the City may sell to a developer selected properties that it may acquire within the District or may lease land or facilities to a developer.
4. The City may perform or provide for some or all necessary acquisition, construction, relocation, demolition, and required utilities and public street work within the District.

Subsection 2-5. Description of Property in the District and Property To Be Acquired

The District encompasses all property and adjacent rights-of-way and abutting roadways identified in Appendix C of this TIF Plan. Please also see the map in Appendix B for further information on the location of the District.

The City may acquire any parcel within the District including interior and adjacent street rights of way. Any properties identified for acquisition will be acquired by the City only in order to accomplish one or more of the following: storm sewer improvements; provide land for needed public streets, utilities and facilities; carry out land acquisition, site improvements, clearance and/or development to accomplish the uses and objectives set forth in this plan. The City may acquire property by gift, dedication, condemnation or direct purchase from willing sellers in order to achieve the objectives of this TIF Plan. Such acquisitions will be undertaken only when there is assurance of funding to finance the acquisition and related costs.

Subsection 2-6. Classification of the District

The City, in determining the need to create a tax increment financing district in accordance with *M.S., Sections 469.174 to 469.1794*, as amended, inclusive, finds that the District, to be established, is a housing district pursuant to *M.S., Section 469.174, Subd. 11 and M.S., Section 469.1761* as defined below:

M.S., Section 469.174, Subd.11:

"Housing district" means a type of tax increment financing district which consists of a project, or a portion of a project, intended for occupancy, in part, by persons or families of low and moderate income, as defined in chapter 462A, Title II of the National Housing Act of 1934, the National Housing Act of 1959, the United States Housing Act of 1937, as amended, Title V of the Housing Act of 1949, as amended, any other similar present or future federal, state, or municipal legislation, or the regulations promulgated under any of those acts, and that satisfies the requirements of M.S., Section 469.1761. Housing project means a project, or portion of a project, that meets all the qualifications of a housing district under this subdivision, whether or not actually established as a housing district.

M.S., Section 469.1761:

Subd. 1. Requirement imposed.

(a) In order for a tax increment financing district to qualify as a housing district:

(1) the income limitations provided in this section must be satisfied; and

(2) no more than 20 percent of the square footage of buildings that receive assistance from tax increments may consist of commercial, retail, or other nonresidential uses.

(b) The requirements imposed by this section apply to property receiving assistance financed with tax increments, including interest reduction, land transfers at less than the Authority's cost of acquisition, utility service or connections, roads, parking facilities, or other subsidies. The provisions of this section do not apply to districts located within a targeted area as defined in Section 462C.02 Subd 9, clause (e).

(c) For purposes of the requirements of paragraph (a), the authority may elect to treat an addition to an existing structure as a separate building if:

(1) construction of the addition begins more than three years after construction of the existing structure was completed; and

(2) for an addition that does not meet the requirements of paragraph (a), clause (2), if it is treated as a separate building, the addition was not contemplated by the tax increment financing plan which includes the existing structure.

Subd. 2. Owner occupied housing.

For owner occupied residential property, 95 percent of the housing units must be initially purchased and occupied by individuals whose family income is less than or equal to the income requirements for qualified mortgage bond projects under section 143(f) of the Internal Revenue Code.

Subd. 3. Rental property.

For residential rental property, the property must satisfy the income requirements for a qualified residential rental project as defined in section 142(d) of the Internal Revenue Code. The requirements of this subdivision apply for the duration of the tax increment financing district.

Subd. 4. Noncompliance; enforcement.

Failure to comply with the requirements of this section is subject to M.S., Section 469.1771.

In meeting the statutory criteria the City relies on the following facts and findings:

- The District consists of two parcels. The City is currently working with the land owner to plat a portion of one parcel into two parcels, one of which will remain in the District.
- The development will consist of 25 assisted living rental units and 12 memory care rental units.
- 20% of the units will be occupied by person with incomes less than 50% of median income

Pursuant to *M.S., Section 469.176, Subd. 7*, the District does not contain any parcel or part of a parcel that qualified under the provisions of *M.S., Sections 273.111 or 273.112 or Chapter 473H* for taxes payable in any of the five calendar years before the filing of the request for certification of the District.

Subsection 2-7. Duration and First Year of Tax Increment of the District

Pursuant to *M.S., Section 469.175, Subd. 1, and Section 469.176, Subd. 1*, the duration and first year of tax increment of the District must be indicated within the TIF Plan. The City elects to receive the first tax increment in 2017, which is no later than four years following the year of approval of the District. The City also elects that the District, including any modifications of the TIF Plan for subsequent phases or other changes, would terminate after 2041, or when the TIF Plan is satisfied, which is less than 25 years after receipt of the first increment by the City pursuant to *M.S., Section 469.176, Subd. 1b*. The City reserves the right to decertify the District prior to the legally required date.

Subsection 2-8. Original Tax Capacity, Tax Rate and Estimated Captured Net Tax Capacity Value/Increment and Notification of Prior Planned Improvements

Pursuant to *M.S., Section 469.174, Subd. 7 and M.S., Section 469.177, Subd. 1*, the Original Net Tax Capacity (ONTC) as certified for the District will be based on the market values placed on the property by the assessor in 2014 for taxes payable 2015.

Pursuant to *M.S., Section 469.177, Subds. 1 and 2*, the County Auditor shall certify in each year (beginning

in the payment year 2017) the amount by which the original value has increased or decreased as a result of:

1. Change in tax exempt status of property;
2. Reduction or enlargement of the geographic boundaries of the district;
3. Change due to adjustments, negotiated or court-ordered abatements;
4. Change in the use of the property and classification;
5. Change in state law governing class rates; or
6. Change in previously issued building permits.

In any year in which the current Net Tax Capacity (NTC) value of the District declines below the ONTC, no value will be captured and no tax increment will be payable to the City.

The original local tax rate for the District will be the local tax rate for taxes payable 2015, assuming the request for certification is made before June 30, 2015. The ONTC and the Original Local Tax Rate for the District appear in the table below.

Pursuant to *M.S., Section 469.174 Subd. 4 and M.S., Section 469.177, Subd. 1, 2, and 4*, the estimated Captured Net Tax Capacity (CTC) of the District, within Development District No. 1, upon completion of the projects within the District, will annually approximate tax increment revenues as shown in the table below. The City requests 100 percent of the available increase in tax capacity for repayment of its obligations and current expenditures, beginning in the tax year payable 2017. The Project Tax Capacity (PTC) listed is an estimate of values when the projects within the District are completed.

Project Estimated Tax Capacity upon Completion (PTC)	\$64,598	
Original Estimated Net Tax Capacity (ONTC)	\$1,918	
Estimated Captured Tax Capacity (CTC)	\$62,680	
Original Local Tax Rate	1.35350059	Pay 2014
Estimated Annual Tax Increment (CTC x Local Tax Rate)	\$84,837	
Percent Retained by the City	100%	

Tax capacity includes a 1% inflation factor for the duration of the District. The tax capacity included in this chart is the estimated tax capacity of the District in year 25. The tax capacity of the District in year one is estimated to be \$50,875.

Pursuant to *M.S., Section 469.177, Subd. 4*, the City shall, after a due and diligent search, accompany its request for certification to the County Auditor or its notice of the District enlargement pursuant to *M.S., Section 469.175, Subd. 4*, with a listing of all properties within the District or area of enlargement for which building permits have been issued during the eighteen (18) months immediately preceding approval of the TIF Plan by the municipality pursuant to *M.S., Section 469.175, Subd. 3*. The County Auditor shall increase the original net tax capacity of the District by the net tax capacity of improvements for which a building permit was issued.

The City has reviewed the area to be included in the District and found no parcels for which building permits have been issued during the 18 months immediately preceding approval of the TIF Plan by the City.

Subsection 2-9. Sources of Revenue/Bonds to be Issued

The costs outlined in the Uses of Funds will be financed primarily through the annual collection of tax

increments. The City reserves the right to incur bonds or other indebtedness as a result of the TIF Plan. As presently proposed, the projects within the District will be financed by a pay-as-you-go note to reimburse eligible costs paid for by Peace Villa Inc. Any refunding amounts will be deemed a budgeted cost without a formal TIF Plan Modification. This provision does not obligate the City to incur debt. The City will issue bonds or incur other debt only upon the determination that such action is in the best interest of the City.

The total estimated tax increment revenues for the District are shown in the table below:

<u>SOURCES OF FUNDS</u>	<u>TOTAL</u>
Tax Increment	\$1,873,158
<u>Interest</u>	<u>\$187,316</u>
TOTAL	\$2,060,474

The City may issue bonds (as defined in the TIF Act) secured in whole or in part with tax increments from the District in a maximum principal amount of \$1,153,311. Such bonds may be in the form of pay-as-you-go notes, revenue bonds or notes, general obligation bonds, or interfund loans. This estimate of total bonded indebtedness is a cumulative statement of authority under this TIF Plan as of the date of approval.

Subsection 2-10. Uses of Funds

Currently under consideration for the District is a proposal to facilitate the expansion of the Peace Village senior living facility which would provide an additional 25 assisted living and 12 memory care units in the City. The City has determined that it will be necessary to provide assistance to the project(s) for certain District costs, as described. The City has studied the feasibility of the development or redevelopment of property in and around the District. To facilitate the establishment and development or redevelopment of the District, this TIF Plan authorizes the use of tax increment financing to pay for the cost of certain eligible expenses. The estimate of public costs and uses of funds associated with the District is outlined in the following table.

<u>USES OF TAX INCREMENT FUNDS</u>	<u>TOTAL</u>
Land/Building Acquisition	\$260,000
Site Improvements/Preparation	\$400,000
Utilities	\$0
Other Qualifying Improvements	\$437,117
<u>Administrative Costs (up to 10%)</u>	<u>\$56,195</u>
PROJECT COST TOTAL	\$1,153,312
<u>Interest</u>	<u>\$907,162</u>
PROJECT AND INTEREST COSTS TOTAL	\$2,060,474

The total project cost, including financing costs (interest) listed in the table above does not exceed the total projected tax increments for the District as shown in Subsection 2-9.

Estimated costs associated with the District are subject to change among categories without a modification to this TIF Plan. The cost of all activities to be considered for tax increment financing will not exceed, without formal modification, the budget above pursuant to the applicable statutory requirements. The City may expend funds for qualified housing activities outside of the District boundaries.

Subsection 2-11. Business Subsidies

Pursuant to *M.S., Section 116J.993, Subd. 3*, the following forms of financial assistance are not considered a business subsidy:

- (1) A business subsidy of less than \$150,000;
- (2) Assistance that is generally available to all businesses or to a general class of similar businesses, such as a line of business, size, location, or similar general criteria;
- (3) Public improvements to buildings or lands owned by the state or local government that serve a public purpose and do not principally benefit a single business or defined group of businesses at the time the improvements are made;
- (4) Redevelopment property polluted by contaminants as defined in *M.S., Section 116J.552, Subd. 3*;
- (5) Assistance provided for the sole purpose of renovating old or decaying building stock or bringing it up to code and assistance provided for designated historic preservation districts, provided that the assistance is equal to or less than 50% of the total cost;
- (6) Assistance to provide job readiness and training services if the sole purpose of the assistance is to provide those services;
- (7) Assistance for housing;
- (8) Assistance for pollution control or abatement, including assistance for a tax increment financing hazardous substance subdistrict as defined under *M.S., Section 469.174, Subd. 23*;
- (9) Assistance for energy conservation;
- (10) Tax reductions resulting from conformity with federal tax law;
- (11) Workers' compensation and unemployment compensation;
- (12) Benefits derived from regulation;
- (13) Indirect benefits derived from assistance to educational institutions;
- (14) Funds from bonds allocated under chapter 474A, bonds issued to refund outstanding bonds, and bonds issued for the benefit of an organization described in section 501 (c) (3) of the Internal Revenue Code of 1986, as amended through December 31, 1999;
- (15) Assistance for a collaboration between a Minnesota higher education institution and a business;
- (16) Assistance for a tax increment financing soils condition district as defined under *M.S., Section 469.174, Subd. 19*;
- (17) Redevelopment when the recipient's investment in the purchase of the site and in site preparation is 70 percent or more of the assessor's current year's estimated market value;
- (18) General changes in tax increment financing law and other general tax law changes of a principally technical nature;
- (19) Federal assistance until the assistance has been repaid to, and reinvested by, the state or local government agency;
- (20) Funds from dock and wharf bonds issued by a seaway port authority;
- (21) Business loans and loan guarantees of \$150,000 or less;
- (22) Federal loan funds provided through the United States Department of Commerce, Economic Development Administration; and
- (23) Property tax abatements granted under *M.S., Section 469.1813* to property that is subject to valuation under Minnesota Rules, chapter 8100.

The City will comply with *M.S., Sections 116J.993 to 116J.995* to the extent the tax increment assistance under this TIF Plan does not fall under any of the above exemptions.

Subsection 2-12. Fiscal Disparities Election

Pursuant to *M.S., Section 469.177, Subd. 3*, the City may elect one of two methods to calculate fiscal disparities. If the calculations pursuant to *M.S., Section 469.177, Subd. 3, clause a*, (outside the District) are followed, the following method of computation shall apply:

- (1) The original net tax capacity and the current net tax capacity shall be determined before the application of the fiscal disparity provisions of Chapter 276A or 473F. Where the original net tax capacity is equal to or greater than the current net tax capacity, there is no captured net tax capacity and no tax increment determination. Where the original net tax capacity is less than the current net tax capacity, the difference between the original net tax capacity and the current net tax capacity is the captured net tax capacity. This amount less any portion thereof which the authority has designated, in its tax increment financing plan, to share with the local taxing districts is the retained captured net tax capacity of the authority.*
- (2) The county auditor shall exclude the retained captured net tax capacity of the authority from the net tax capacity of the local taxing districts in determining local taxing district tax rates. The local tax rates so determined are to be extended against the retained captured net tax capacity of the authority as well as the net tax capacity of the local taxing districts. The tax generated by the extension of the lesser of (A) the local taxing district tax rates or (B) the original local tax rate to the retained captured net tax capacity of the authority is the tax increment of the authority.*

The City will choose to calculate fiscal disparities by clause a. It is not anticipated that the District will contain commercial/industrial property. As a result, there should be no impact due to the fiscal disparities provision on the District.

According to *M.S., Section 469.177, Subd. 3*:

- (c) The method of computation of tax increment applied to a district pursuant to paragraph (a) or (b) shall remain the same for the duration of the district, except that the governing body may elect to change its election from the method of computation in paragraph (a) to the method in paragraph (b).*

Subsection 2-13. County Road Costs

Pursuant to *M.S., Section 469.175, Subd. 1a*, the county board may require the City to pay for all or part of the cost of county road improvements if the proposed development to be assisted by tax increment will, in the judgment of the county, substantially increase the use of county roads requiring construction of road improvements or other road costs and if the road improvements are not scheduled within the next five years under a capital improvement plan or within five years under another county plan.

If the county elects to use increments to improve county roads, it must notify the City within forty-five days of receipt of this TIF Plan. In the opinion of the City and consultants, the proposed development outlined in this TIF Plan will have little or no impact upon county roads, therefore the TIF Plan was not forwarded to the county 45 days prior to the public hearing. The City is aware that the county could claim that tax increment should be used for county roads, even after the public hearing.

Subsection 2-14. Estimated Impact on Other Taxing Jurisdictions

The estimated impact on other taxing jurisdictions assumes that the redevelopment contemplated by the TIF Plan would occur without the creation of the District. However, the City has determined that such development or redevelopment would not occur "but for" tax increment financing and that, therefore, the fiscal impact on other taxing jurisdictions is \$0. The estimated fiscal impact of the District would be as follows if the "but for" test was not met:

IMPACT ON TAX BASE			
	2013/Pay 2014 Total Net Tax Capacity	Estimated Captured Tax Capacity (CTC) Upon Completion	Percent of CTC to Entity Total
Carver County	95,306,820	62,680	0.0658%
City of Norwood Young America	1,923,165	62,680	3.2592%
Norwood Public School District ISD No. 108	7,010,185	62,680	0.8941%

IMPACT ON TAX RATES				
	Pay 2014 Extension Rates	Percent of Total	CTC	Potential Taxes
Carver County	0.452105	33.40%	62,680	28,338
City of Norwood Young America	0.640862	47.35%	62,680	40,169
Norwood Public School District ISD No. 108	0.202877	14.99%	62,680	12,716
Other	0.057656	4.26%	62,680	3,614
Total	1.353501	100.00%		84,837

The estimates listed above display the captured tax capacity when all construction is completed. The tax rate used for calculations is the actual Pay 2014 rate. The total net capacity for the entities listed above are based on actual Pay 2014 figures. The District will be certified under the actual Pay 2015 rates, which were unavailable at the time this TIF Plan was prepared.

Pursuant to *M.S. Section 469.175 Subd. 2(b)*:

- (1) Estimate of total tax increment. It is estimated that the total amount of tax increment that will be generated over the life of the District is \$1,873,158;
- (2) Probable impact of the District on city provided services and ability to issue debt. An impact of the District on police protection is expected. The City currently contracts with the Carver County Sheriff's Office for police services. With any addition of new residents or businesses, police calls for service will be increased. New developments add an increase in traffic, and additional overall demands to the call load. The City does not expect that the proposed development, in and of itself, will necessitate new capital investment in vehicles or require that the City expand its contract with

Carver County.

The probable impact of the District on fire protection is not expected to be significant. Typically new buildings generate few calls, if any, and are of superior construction.

The impact of the District on public infrastructure is expected to be minimal. The development is not expected to significantly impact any traffic movements in the area. The current infrastructure for sanitary sewer, storm sewer and water will be able to handle the additional volume generated from the proposed development. Based on the development plans, there are no additional costs associated with street maintenance, sweeping, plowing, lighting and sidewalks. The development in the District is expected to contribute an estimated \$88,804 in sanitary sewer (SAC) and water (WAC) connection fees as well as \$85,000 in City water and sewer trunk charges..

The probable impact of any District general obligation tax increment bonds on the ability to issue debt for general fund purposes is expected to be minimal. It is not anticipated that there will be any general obligation debt issued in relation to this project, therefore there will be no impact on the City's ability to issue future debt or on the City's debt limit.

- (3) Estimated amount of tax increment attributable to school district levies. It is estimated that the amount of tax increments over the life of the District that would be attributable to school district levies, assuming the school district's share of the total local tax rate for all taxing jurisdictions remained the same, is \$280,786;
- (4) Estimated amount of tax increment attributable to county levies. It is estimated that the amount of tax increments over the life of the District that would be attributable to county levies, assuming the county's share of the total local tax rate for all taxing jurisdictions remained the same, is \$625,635;
- (5) Additional information requested by the county or school district. The City is not aware of any standard questions in a county or school district written policy regarding tax increment districts and impact on county or school district services. The county or school district must request additional information pursuant to *M.S. Section 469.175 Subd. 2(b)* within 15 days after receipt of the tax increment financing plan.

No requests for additional information from the county or school district regarding the proposed development for the District have been received.

Subsection 2-15. Supporting Documentation

Pursuant to *M.S. Section 469.175, Subd. 1 (a), clause 7* the TIF Plan must contain identification and description of studies and analyses used to make the findings are required in the resolution approving the District. Following is a list of reports and studies on file at the City that support the City's findings:

- A list of applicable studies will be listed here prior to the public hearing.

Subsection 2-16. Definition of Tax Increment Revenues

Pursuant to *M.S., Section 469.174, Subd. 25*, tax increment revenues derived from a tax increment financing district include all of the following potential revenue sources:

1. Taxes paid by the captured net tax capacity, but excluding any excess taxes, as computed under *M.S., Section 469.177*;

2. The proceeds from the sale or lease of property, tangible or intangible, to the extent the property was purchased by the Authority with tax increments;
3. Principal and interest received on loans or other advances made by the Authority with tax increments;
4. Interest or other investment earnings on or from tax increments; and
5. Repayments or return of tax increments made to the Authority under agreements for districts for which the request for certification was made after August 1, 1993.

Subsection 2-17. Modifications to the District

In accordance with *M.S., Section 469.175, Subd. 4*, any:

1. Reduction or enlargement of the geographic area of the District, if the reduction does not meet the requirements of *M.S., Section 469.175, Subd. 4(e)*;
2. Increase in amount of bonded indebtedness to be incurred;
3. A determination to capitalize interest on debt if that determination was not a part of the original TIF Plan;
4. Increase in the portion of the captured net tax capacity to be retained by the City;
5. Increase in the estimate of the cost of the District, including administrative expenses, that will be paid or financed with tax increment from the District; or
6. Designation of additional property to be acquired by the City,

shall be approved upon the notice and after the discussion, public hearing and findings required for approval of the original TIF Plan.

Pursuant to *M.S. Section 469.175 Subd. 4(f)*, the geographic area of the District may be reduced, but shall not be enlarged after five years following the date of certification of the original net tax capacity by the county auditor. If a housing district is enlarged, the reasons and supporting facts for the determination that the addition to the district meets the criteria of *M.S., Section 469.174, Subd. 11* must be documented. The requirements of this paragraph do not apply if (1) the only modification is elimination of parcel(s) from the District and (2) (A) the current net tax capacity of the parcel(s) eliminated from the District equals or exceeds the net tax capacity of those parcel(s) in the District's original net tax capacity or (B) the City agrees that, notwithstanding *M.S., Section 469.177, Subd. 1*, the original net tax capacity will be reduced by no more than the current net tax capacity of the parcel(s) eliminated from the District.

The City must notify the County Auditor of any modification to the District. Modifications to the District in the form of a budget modification or an expansion of the boundaries will be recorded in the TIF Plan.

Subsection 2-18. Administrative Expenses

In accordance with *M.S., Section 469.174, Subd. 14*, administrative expenses means all expenditures of the City, *other than*:

1. Amounts paid for the purchase of land;
2. Amounts paid to contractors or others providing materials and services, including architectural and engineering services, directly connected with the physical development of the real property in the District;
3. Relocation benefits paid to or services provided for persons residing or businesses located in the District; or
4. Amounts used to pay principal or interest on, fund a reserve for, or sell at a discount bonds issued pursuant to *M.S., Section 469.178*; or
5. Amounts used to pay other financial obligations to the extent those obligations were used to finance

costs described in clauses (1) to (3).

For districts for which the request for certification were made before August 1, 1979, or after June 30, 1982, and before August 1, 2001, administrative expenses also include amounts paid for services provided by bond counsel, fiscal consultants, and planning or economic development consultants. Pursuant to *M.S., Section 469.176, Subd. 3*, tax increment may be used to pay any **authorized and documented** administrative expenses for the District up to but not to exceed 10 percent of the total estimated tax increment expenditures authorized by the TIF Plan or the total tax increments, as defined by *M.S., Section 469.174, Subd. 25, clause (1)*, from the District, whichever is less.

For districts for which certification was requested after July 31, 2001, no tax increment may be used to pay any administrative expenses for District costs which exceed ten percent of total estimated tax increment expenditures authorized by the TIF Plan or the total tax increments, as defined in *M.S., Section 469.174, Subd. 25, clause (1)*, from the District, whichever is less.

Pursuant to *M.S., Section 469.176, Subd. 4h*, tax increments may be used to pay for the County's actual administrative expenses incurred in connection with the District and are not subject to the percentage limits of *M.S., Section 469.176, Subd. 3*. The county may require payment of those expenses by February 15 of the year following the year the expenses were incurred.

Pursuant to *M.S., Section 469.177, Subd. 11*, the County Treasurer shall deduct an amount (currently .36 percent) of any increment distributed to the City and the County Treasurer shall pay the amount deducted to the State Commissioner of Management and Budget for deposit in the state general fund to be appropriated to the State Auditor for the cost of financial reporting of tax increment financing information and the cost of examining and auditing authorities' use of tax increment financing. This amount may be adjusted annually by the Commissioner of Revenue.

Subsection 2-19. Limitation of Increment

The tax increment pledged to the payment of bonds and interest thereon may be discharged and the District may be terminated if sufficient funds have been irrevocably deposited in the debt service fund or other escrow account held in trust for all outstanding bonds to provide for the payment of the bonds at maturity or redemption date.

Pursuant to *M.S., Section 469.176, Subd. 6*:

if, after four years from the date of certification of the original net tax capacity of the tax increment financing district pursuant to M.S., Section 469.177, no demolition, rehabilitation or renovation of property or other site preparation, including qualified improvement of a street adjacent to a parcel but not installation of utility service including sewer or water systems, has been commenced on a parcel located within a tax increment financing district by the authority or by the owner of the parcel in accordance with the tax increment financing plan, no additional tax increment may be taken from that parcel and the original net tax capacity of that parcel shall be excluded from the original net tax capacity of the tax increment financing district. If the authority or the owner of the parcel subsequently commences demolition, rehabilitation or renovation or other site preparation on that parcel including qualified improvement of a street adjacent to that parcel, in accordance with the tax increment financing plan, the authority shall certify to the county auditor that the activity has commenced and the county auditor shall certify the net tax capacity thereof as most recently certified by the commissioner of revenue and add it to the original net tax capacity of the tax increment financing district. The county auditor must enforce the provisions of this

subdivision. The authority must submit to the county auditor evidence that the required activity has taken place for each parcel in the district. The evidence for a parcel must be submitted by February 1 of the fifth year following the year in which the parcel was certified as included in the district. For purposes of this subdivision, qualified improvements of a street are limited to (1) construction or opening of a new street, (2) relocation of a street, and (3) substantial reconstruction or rebuilding of an existing street.

The City or a property owner must improve parcels within the District by approximately November 2018 and report such actions to the County Auditor.

Subsection 2-20. Use of Tax Increment

The City hereby determines that it will use 100 percent of the captured net tax capacity of taxable property located in the District for the following purposes:

1. To pay the principal of and interest on bonds issued to finance a project;
2. To finance, or otherwise pay the capital and administration costs of Development District No. 1 pursuant to *M.S., Sections 469.124 to 469.133*;
3. To pay for project costs as identified in the budget set forth in the TIF Plan;
4. To finance, or otherwise pay for other purposes as provided in *M.S., Section 469.176, Subd. 4*;
5. To pay principal and interest on any loans, advances or other payments made to or on behalf of the City or for the benefit of Development District No. 1 by a developer;
6. To finance or otherwise pay premiums and other costs for insurance or other security guaranteeing the payment when due of principal of and interest on bonds pursuant to the TIF Plan or pursuant to *M.S., Chapter 462C, M.S., Sections 469.152 through 469.165*, and/or *M.S., Sections 469.178*; and
7. To accumulate or maintain a reserve securing the payment when due of the principal and interest on the tax increment bonds or bonds issued pursuant to *M.S., Chapter 462C, M.S., Sections 469.152 through 469.165*, and/or *M.S., Sections 469.178*.

Revenues derived from tax increment from a housing district must be used solely to finance the cost of housing projects as defined in *M.S., Sections 469.174, Subd. 11 and 469.1761*. The cost of public improvements directly related to the housing projects and the allocated administrative expenses of the City may be included in the cost of a housing project.

These revenues shall not be used to circumvent any levy limitations applicable to the City nor for other purposes prohibited by *M.S., Section 469.176, Subd. 4*.

Tax increments generated in the District will be paid by Carver County to the City for the Tax Increment Fund of said District. The City will pay to the developer(s) annually an amount not to exceed an amount as specified in a developer's agreement to reimburse the costs of land acquisition, public improvements, demolition and relocation, site preparation, and administration. Remaining increment funds will be used for City administration (up to 10 percent) and for the costs of public improvement activities outside the District.

Subsection 2-21. Excess Increments

Excess increments, as defined in *M.S., Section 469.176, Subd. 2*, shall be used only to do one or more of the following:

1. Prepay any outstanding bonds;
2. Discharge the pledge of tax increment for any outstanding bonds;
3. Pay into an escrow account dedicated to the payment of any outstanding bonds; or

4. Return the excess to the County Auditor for redistribution to the respective taxing jurisdictions in proportion to their local tax rates.

The City must spend or return the excess increments under paragraph (c) within nine months after the end of the year. In addition, the City may, subject to the limitations set forth herein, choose to modify the TIF Plan in order to finance additional public costs in Development District No. 1 or the District.

Subsection 2-22. Requirements for Agreements with the Developer

The City will review any proposal for private development to determine its conformity to the Development Program and with applicable municipal ordinances and codes. To facilitate this effort, the following documents may be requested for review and approval: site plan, construction, mechanical, and electrical system drawings, landscaping plan, grading and storm drainage plan, signage system plan, and any other drawings or narrative deemed necessary by the City to demonstrate the conformance of the development with City plans and ordinances. The City may also use the Agreements to address other issues related to the development.

Pursuant to *M.S., Section 469.176, Subd. 5*, no more than 10 percent, by acreage, of the property to be acquired in the District as set forth in the TIF Plan shall at any time be owned by the City as a result of acquisition with the proceeds of bonds issued pursuant to *M.S., Section 469.178* to which tax increments from property acquired is pledged, unless prior to acquisition in excess of 10 percent of the acreage, the City concluded an agreement for the development of the property acquired and which provides recourse for the City should the development not be completed.

Subsection 2-23. Assessment Agreements

Pursuant to *M.S., Section 469.177, Subd. 8*, the City may enter into a written assessment agreement in recordable form with the developer of property within the District which establishes a minimum market value of the land and completed improvements for the duration of the District. The assessment agreement shall be presented to the County Assessor who shall review the plans and specifications for the improvements to be constructed, review the market value previously assigned to the land upon which the improvements are to be constructed and, so long as the minimum market value contained in the assessment agreement appears, in the judgment of the assessor, to be a reasonable estimate, the County Assessor shall also certify the minimum market value agreement.

The City does not expect to enter into any assessment agreements in connection with the proposed development.

Subsection 2-24. Administration of the District

Administration of the District will be handled by the City Administrator.

Subsection 2-25. Annual Disclosure Requirements

Pursuant to *M.S., Section 469.175, Subs. 5, 6, and 6b* the City must undertake financial reporting for all tax increment financing districts to the Office of the State Auditor, County Board and County Auditor on or before August 1 of each year. *M.S., Section 469.175, Subd. 5* also provides that an annual statement shall be published in a newspaper of general circulation in the City on or before August 15.

If the City fails to make a disclosure or submit a report containing the information required by *M.S., Section 469.175 Subd. 5 and Subd. 6*, the OSA will direct the County Auditor to withhold the distribution of tax

increment from the District.

Subsection 2-26. Reasonable Expectations

As required by the TIF Act, in establishing the District, the determination has been made that the anticipated development would not reasonably be expected to occur solely through private investment within the reasonably foreseeable future. In making said determination, reliance has been placed upon written representation made by the developer to such effects and upon City staff awareness of the feasibility of developing the project site(s) within the District.

Subsection 2-27. Other Limitations on the Use of Tax Increment

1. General Limitations. All revenue derived from tax increment shall be used in accordance with the TIF Plan. The revenues shall be used to finance, or otherwise pay the capital and administration costs of Development District No. 1 pursuant to *M.S., Sections 469.124 to 469.133*. Tax increments may not be used to circumvent existing levy limit law. No tax increment may be used for the acquisition, construction, renovation, operation, or maintenance of a building to be used primarily and regularly for conducting the business of a municipality, county, school district, or any other local unit of government or the state or federal government. This provision does not prohibit the use of revenues derived from tax increments for the construction or renovation of a parking structure.
2. Housing District Exceptions to Restriction on Pooling; Five Year Limit. Pursuant to *M.S., Section 469.1763*, (1) At least 80% of the tax increment derived from the District must be expended on Public Costs incurred within said district, and up to 20% of said tax increments may be spent on Public Costs incurred outside of the District but within Development District No. 1; provided that in the case of a housing district, a housing project, as defined in *M.S., Section 469.174, Subd. 11*, is deemed to be an activity in the District, even if the expenditure occurred after five years.

Subsection 2-28. Summary

The City of Norwood Young America is establishing the District to provide an impetus for residential development and provide safe and decent life cycle housing in the City. The TIF Plan for the District was prepared by Ehlers & Associates, Inc., 3060 Centre Pointe Drive, Roseville, Minnesota 55113-1105, telephone (651) 697-8500.

Appendix A

Project Description

The City of Norwood America continues to pursue options for providing senior assisted living facilities with an affordable component in the City. The City Council has made assisted living a priority for the economic development of the City as a way to attract and retain citizens. The proposed project is an expansion of an existing senior housing complex owned by a local non-profit corporation, Peace Villa Inc.

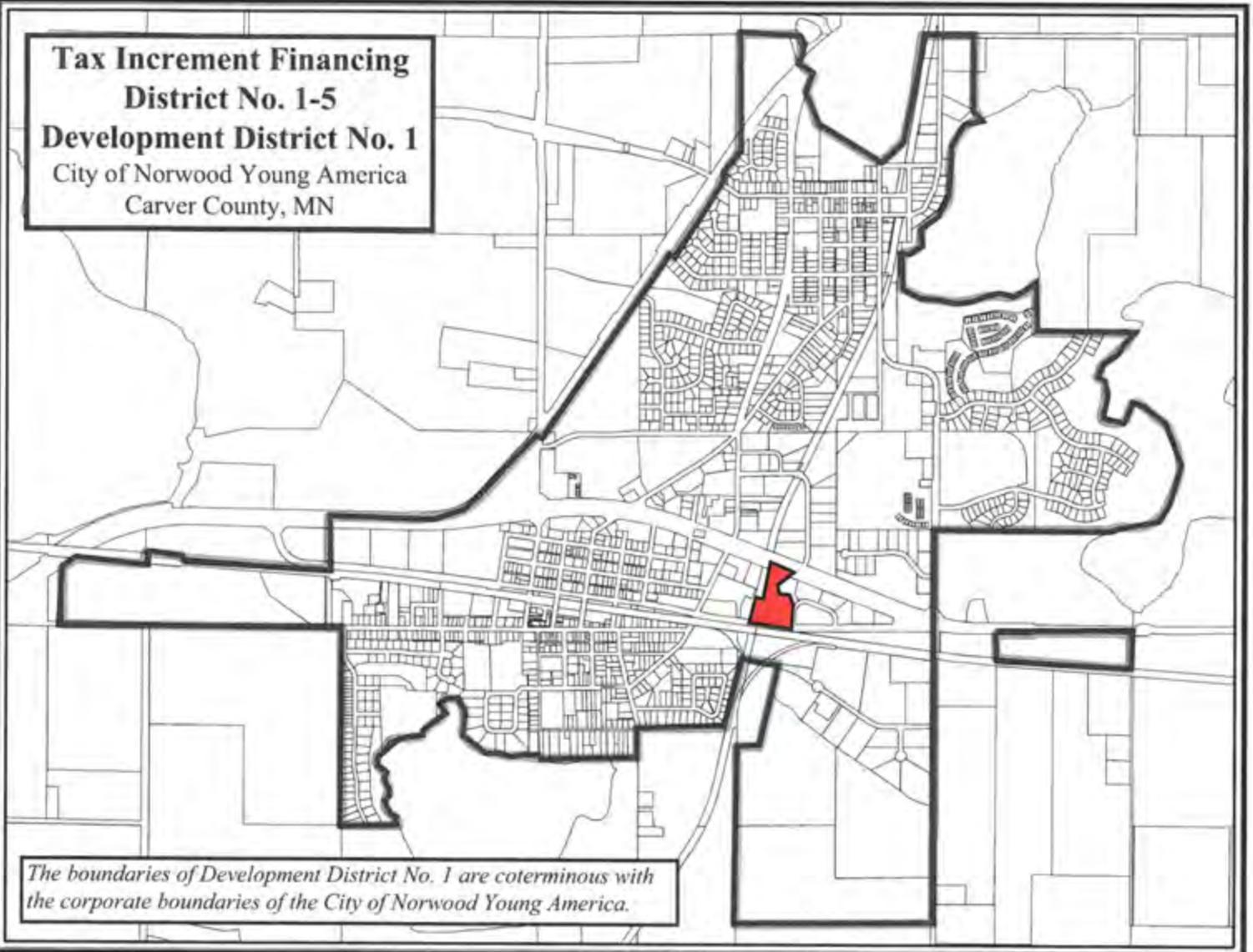
The proposed project will consist of a 37-unit rental housing facility for seniors comprised of approximately 25 assisted living and 12 memory-care units, located at 600 Railroad Drive in the City. The project will consist of two separate buildings for assisted living and memory-care, with connections to the existing Villa at Peace Village (61 unit independent living senior rental housing) and Harbor at Peace Village (36-unit, catered living, senior rental housing) facilities. Assisted living units are expected to be 600 square feet, and memory-care at approximately 400 square feet per unit. Ecumen, the non-profit senior housing and aging services provider of the Harbor at Peace Village, will manage the new facility. Construction of the project is expected to commence in the Spring of 2015.

Total construction cost is estimated at \$6,900,000. Construction of the project is expected to be financed through the issuance of housing revenue bonds with a first mortgage lien on the property. Permanent financing is expected to be completed with a USDA Rural Development loan.

Appendix B

Map of Development District No. 1 and the District

**Tax Increment Financing
District No. 1-5
Development District No. 1**
City of Norwood Young America
Carver County, MN



The boundaries of Development District No. 1 are coterminous with the corporate boundaries of the City of Norwood Young America.

Appendix C

Description of Property to be Included in the District

The District encompasses all property and adjacent rights-of-way and abutting roadways identified by the parcels listed below.

<u>Original Parcel Numbers</u>	<u>Original Address</u>	<u>Owner</u>
a portion of 58.0145150*		Lakeview Clinic Bldg Corp
58.5300010*	600 Railroad Drive	NYA Developers LLC

* These parcels are in the process of being replatted and new parcel numbers will be assigned by Carver County. Final parcel numbers will be provided prior to certification of the District.

Appendix D

Estimated Cash Flow for the District



2014 Peace Villa (The Haven at Peace Village)

City of Norwood Young America

25 assisted living & 12 memory care units

ASSUMPTIONS AND RATES

DistrictType:	Housing
District Name/Number:	
County District #:	
First Year Construction or Inflation on Value	2015
Existing District - Specify No. Years Remaining	
Inflation Rate - Every Year:	1.00%
Interest Rate:	5.00%
Present Value Date:	1-Feb-15
First Period Ending:	1-Aug-15
Tax Year District was Certified:	Pay 2015
Cashflow Assumes First Tax Increment For Development:	2017
Years of Tax Increment:	25
Assumes Last Year of Tax Increment:	2041
Fiscal Disparities Election (Outside (A), Inside (B), or NA)	Outside(A)
Incremental or Total Fiscal Disparities:	Incremental
Fiscal Disparities Contribution Ratio:	35.639%
Fiscal Disparities Metro-Wide Tax Rate:	163.1210%
Maximum Frozen Local Tax Rate:	135.350%
Current Local Tax Rate: (Use lesser of Current or Max.):	135.350%
State-wide Tax Rate (Comm./Ind. only used for total taxes):	52.1600%
Market Value Tax Rate (Used for total taxes):	0.13149%

Tax Rates		
Exempt Class Rate (Exempt)		0.00%
Commercial Industrial Preferred Class Rate (C/I Pref.)		
First \$150,000		1.50%
Over \$150,000		2.00%
Commercial Industrial Class Rate (C/I)		2.00%
Rental Housing Class Rate (Rental)		1.25%
Affordable Rental Housing Class Rate (Aff. Rental)		
First \$100,000		0.75%
Over \$100,000		0.25%
Non-Homestead Residential (Non-H Res. 1 Unit)		
First \$500,000		1.00%
Over \$500,000		1.25%
Homestead Residential Class Rate (Hmstd. Res.)		
First \$500,000		1.00%
Over \$500,000		1.25%
Agricultural Non-Homestead		1.00%

BASE VALUE INFORMATION (Original Tax Capacity)

Map #	PID	Owner	Address	Land Market Value	Building Market Value	Total Market Value	Percentage Of Value Used for District	Original Market Value	Tax Year Original Market Value	Property Tax Class	Current Original Tax Capacity	Class After Conversion	After Conversion Orig. Tax Cap.	Area/Phase
	58 0145150			60,600	0	60,600	50%	30,300	Pay 2015	CR	606	Rental		379
	58 5300010			123,100	0	123,100	100%	123,100	Pay 2015	CR	2,462	Rental	1,530	
				183,700	0	183,700		153,400			3,068		1,918	

Note:

Base values are based upon review of County websites on 9/29/2014



2014 Peace Villa (The Haven at Peace Village)
 City of Norwood Young America
 25 assisted living & 12 memory care units

PROJECT INFORMATION (Project Tax Capacity)													
Area/Phase	New Use	Estimated Market Value Per Sq. Ft./Unit	Taxable Market Value Per Sq. Ft./Unit	Total Sq. Ft./Units	Total Taxable Market Value	Property Tax Class	Project Tax Capacity	Project Tax Capacity/Unit	Percentage Completed 2015	Percentage Completed 2016	Percentage Completed 2017	Percentage Completed 2018	First Year Full Taxes Payable
	Assisted Living	110,000	110,000	37	4,070,000	Rental	50,875	1,375	100%	100%	100%	100%	2017
TOTAL					4,070,000		50,875						
Subtotal Residential				37	4,070,000		50,875						
Subtotal Commercial/Ind.				0	0		0						

Note:
 1. Market values are based upon estimates from the developer.

TAX CALCULATIONS									
New Use	Total Tax Capacity	Fiscal Disparities Tax Capacity	Local Tax Capacity	Local Property Taxes	Fiscal Disparities Taxes	State-wide Property Taxes	Market Value Taxes	Total Taxes	Taxes Per Sq. Ft./Unit
Assisted Living	50,875	0	50,875	68,858	0	0	5,352	74,211	2,005.70
TOTAL	50,875	0	50,875	68,858	0	0	5,352	74,211	2,005.70

Note:
 1. Taxes and tax increment will vary significantly from year to year depending upon values, rates, state law, fiscal disparities and other factors which cannot be predicted.

WHAT IS EXCLUDED FROM TIF?	
Total Property Taxes	74,211
less State-wide Taxes	0
less Fiscal Disp. Adj.	0
less Market Value Taxes	(5,352)
less Base Value Taxes	(2,595)
Annual Gross TIF	66,264

MARKET VALUE BUT / FOR ANALYSIS	
Current Market Value - Est.	153,400
New Market Value - Est.	4,070,000
Difference	3,916,600
Present Value of Tax Increment	241,826
Difference	2,674,774
Value likely to occur without Tax Increment is less than:	2,674,774

Appendix E

Housing Qualifications for the District

INCOME RESTRICTIONS - ADJUSTED FOR FAMILY SIZE (HOUSING DISTRICT) - Carver County Carver County MEDIAN INCOME: \$82,900		
No. of Persons	50% of Median Income	60% of Median Income
1-person	\$29,400	\$35,280
2-person	\$33,600	\$40,320
3-person	\$37,800	\$45,360
4-person	\$42,000	\$50,400

Source: Department of Housing and Urban Development and Minnesota Housing Finance Agency

The two options for income limits on a housing district comprising rental property are 20% of the units at 50% of median income or 40% of the units at 60% of median income. These limits apply for the duration of the District.

***PLEASE NOTE: THESE NUMBERS ARE ADJUSTED ANNUALLY. ALL INCOME FIGURES REPORTED ON THIS PAGE ARE FOR 2014. UPDATED NUMBERS FOR THE YEAR 2015 WILL BE AVAILABLE IN FEBRUARY OR MARCH OF 2015.

Appendix F

Findings for the District

The reasons and facts supporting the findings for the adoption of the Tax Increment Financing Plan for Tax Increment Financing District No. 1-5, as required pursuant to Minnesota Statutes, Section 469.175, Subdivision 3 are as follows:

1. *Finding that Tax Increment Financing District No. 1-5 is a housing district as defined in M.S., Section 469.174, Subd. 11.*

TIF District No. 1-5 consists of two parcels which are being replatted with new parcel numbers to be assigned by Carver County. The development will consist of 37 units of rental housing. At least 20 percent of the units receiving assistance will have incomes at or below 50 percent of statewide median income. No more than 20% of the square footage of the assisted living rental housing facility will consist of commercial, retail, or other non-residential uses. Appendix E of the TIF Plan contains background for the above finding.

2. *Finding that the proposed development, in the opinion of the City Council, would not reasonably be expected to occur solely through private investment within the reasonably foreseeable future.*

The proposed development, in the opinion of the City, would not reasonably be expected to occur solely through private investment within the reasonably foreseeable future: This finding is supported by the fact that the development proposed in this plan is a housing district that meets the City's objectives for development and redevelopment. The cost of land acquisition, site and public improvements and other qualifying improvements makes this housing development infeasible without City assistance. Due to the high cost of building affordable new housing in the City and the cost of financing the proposed public improvements, this project is feasible only through assistance, in part, from tax increment financing. The developer provided a pro forma as justification that the developer would not have gone forward without tax increment assistance.

The increased market value of the site that could reasonably be expected to occur without the use of tax increment financing would be less than the increase in market value estimated to result from the proposed development after subtracting the present value of the projected tax increments for the maximum duration of the District permitted by the TIF Plan: This finding is justified on the grounds that the costs of land acquisition, site and public improvements and utilities add to the total development cost. Historically, site development costs in this area have made development of any sort infeasible without tax increment assistance. This site has remained undeveloped for over 10 years and is likely to remain undeveloped for any purpose without tax increment assistance.

3. *Finding that the TIF Plan for Tax Increment Financing District No. 1-5 conforms to the general plan for the development or redevelopment of the municipality as a whole.*

The Planning Commission reviewed the TIF Plan and found that the TIF Plan conforms to the general development plan of the City.

4. *Finding that the TIF Plan for Tax Increment Financing District No. 1-5 will afford maximum opportunity, consistent with the sound needs of the City as a whole, for the development or redevelopment of Development District No. 1 by private enterprise.*

Through the implementation of the TIF Plan, the City will provide an impetus for residential development, which is desirable and necessary for a growing population of seniors and an increased

need for life-cycle housing within the City.

TO: Honorable Mayor Diedrick and City Council Members

FROM: Steve Helget, City Administrator

DATE: November 7, 2014

SUBJECT: Peace Villa Easement Agreement

Enclosed is an Easement Agreement between the City and Peace Villa which grants Peace Villa a non-exclusive easement to construct a walkway from The Haven building and attach it to The Harbor building. Essentially, Peace Villa is requesting to encroach onto City property and attach the walkway to The Harbor. The purpose of the walkway is to allow egress/ingress between the two buildings for residents, staff, guests, and other individuals. As stated in Paragraph 2.1 of the Agreement, Peace Villa will be responsible for constructing and maintaining the walkway.

At the time of this memo, Peace Villa had not provided a legal description of the easement area. Jay Squires, City Attorney, suggests approving the Easement Agreement subject to establishment of the legal description.

Suggested Motion:

Motion to approve the Easement Agreement with Peace Villa subject to the establishment of a legal description for the easement.

Prepared by and when recorded return to:
Eric B. Brever
WORNSON GOGGINS
119 E. Main St
New Prague, MN 56071
(952) 758-4161

EASEMENT AGREEMENT

THIS EASEMENT AGREEMENT (this "Agreement") is made as of November __, 2014 by and between Peace Villa, Inc., a Minnesota nonprofit corporation, ("Peace Villa") and the City of Norwood Young America, a Minnesota municipal corporation, (the "City").

RECITALS

A. The City is the owner of certain real property legally described on Exhibit A attached hereto located in the City of Norwood Young America, Carver County, Minnesota;

B. Peace Villa shall benefit and be burdened by the easements created by this Agreement.

NOW THEREFORE, in consideration of the foregoing Recitals and other good and valuable consideration, the receipt of which is hereby acknowledged, the City and Peace Villa hereby agree as follows:

ARTICLE 1 DEFINITIONS

1.1 **Recitals.** Terms defined in the recitals of this Agreement shall have the meanings set forth therein.

1.2 **Definitions.** As used in this Agreement, the following terms shall have the following meanings:

“**Easement Area or Easement Areas**” means individually or collectively, as the context indicates, the Access Easement Area and the Utility Easement Area.

“**Governmental Authorities**” means all federal, state, county, municipal and local governments, and all departments, commissions, boards, bureaus and officers thereof when acting with the force of law.

“**Insurance Requirements**” means all terms of any insurance policy covering or applicable to the Properties or any part thereof, all requirements of the issuer of any such policy, and all orders, rules, regulations and other requirements of the National Board of Fire Underwriters (or any other body exercising similar functions) applicable to or affecting the Properties or any part thereof.

“**Legal Requirements**” means all laws, statutes, codes, acts, ordinances, directions and requirements of all Governmental Authorities, and all judicial orders, judgments, decrees and injunctions, which now or at any time hereafter may be applicable to or required in connection with the Properties or any part thereof, or any use or condition of the Properties or any part thereof.

“**Owner**” or “**Owners**” means the City or Premises or Peace Villa, individually or collectively, their successors and assigns, as the context indicates.

“**Property**” or “**Properties**” means the Peace Villa Properties or the City Property, individually or collectively, as the context indicates.

ARTICLE 2 GRANT OF EASEMENTS

2.1 **Access Easement.** The City hereby grants a permanent, non-exclusive, rent-free, easement to Peace Villa over, under and across the area described in Exhibit A (the “Access Easement Area”) hereto for the purposes of constructing and maintaining an attached enclosed walkway attached to the Harbor at Peace Village and Haven at Peace Village buildings permitting and allowing access and ingress/egress between the Harbor at Peace Village and Haven at Peace Village buildings by residents, staff, guests and other individuals.

2.2 **Utility Easement.** The City hereby grants over and across the Access Easement Area a utility easement for the connection and servicing of any necessary utilities for the benefit of the Properties. The specific location of the utilities shall be referred to as the “Utility Easement Area”.

2.3 Obstruction of Easement Areas. No permanent or temporary structures or obstacles will be erected that interfere with the use of easements granted in the Easement Areas pursuant to this Agreement except for those structures constructed pursuant to plans and specifications approved by each owner.

ARTICLE 3

OPERATION AND MAINTENANCE OF IMPROVEMENTS

3.1 Responsibility. Except as otherwise provided herein, the construction, operation, maintenance, and repair of any improvements located on the City Property shall be the responsibility of Peace Villa. The City and Peace Villa agree that such construction, operation and maintenance shall be performed in compliance with all applicable Legal Requirements and the provisions of this Agreement. Prior to any construction of any improvements on the City Property, Peace Villa shall provide to the City, for the City's review and approval, plans and specifications for the improvements.

3.2 Utility Easement Area Improvements. The installation, operation and maintenance of any utility facilities constructed in the Utility Easement Area shall be the responsibility of the respective user and to the extent any of such utility facilities are used by both Owners, the responsibility for the installation, operation and maintenance thereof shall be shared. The Owners agree that such installation, operation and maintenance shall be performed in compliance with all applicable Legal Requirements and the provisions of this Agreement.

3.3 Taxes and Assessments. Each Owner shall pay all taxes, charges, levies or assessments now or hereafter imposed on its Property.

ARTICLE 4

LEGAL COMPLIANCE, ETC.

4.1 Compliance With Laws. The Easement Areas shall be used and occupied in a safe, careful and proper manner in full compliance with applicable Legal Requirements and Insurance Requirements, whether now in force or hereinafter enacted or promulgated, except that an Owner may at its expense contest in good faith any such Legal Requirement and/or any such Insurance Requirement.

4.2 Debris. An Owner shall not place, leave or permit or suffer to be placed or left in or upon any part of the Easement Areas, any debris, garbage or refuse, except as deposited in areas indicated by each Owner and in adequate and proper receptacles supplied and placed for that purpose by such Owner.

4.3 Nuisance. An Owner shall not (and shall not permit their respective tenants, guests and invitees to) use, keep or permit in or about any part of the Easement Areas, any goods, provisions, equipment or materials of an offensive odor or noxious nature or anything which could create an unreasonable fire hazard or undue load on

electrical circuits or cause unreasonable vibration or undue heat or noise and will not cause or maintain any nuisance in or about the Easement Areas.

4.4 Hazardous Materials; Storage of Materials. An Owner, and its respective employees, agents, tenants, guests and invitees, shall not store, generate or dispose of any hazardous substances in or on any part of the Easement Area, except those typically used in connection with the use of the improvements thereon and so long as such hazardous substances are used in accordance with all Legal Requirements.

ARTICLE 5 INSURANCE/INDEMNITY

5.1 Property Insurance. Each Owner shall maintain its own property insurance. Peace Villa shall also be responsible for providing and maintaining "All Risk" or equivalent Builder's Risk policy insuring against losses resulting during the construction of any improvements on the City Property by Peace Villa under this Agreement. The "All Risk" or Builder's Risk limit of liability shall be equal to the estimated cost of the improvements.

5.2 Liability Insurance. Each Owner shall obtain and keep in full force and effect, each at its sole cost and expense, a policy of comprehensive public or general liability insurance with respect to their respective Property, written by a responsible casualty or indemnity company authorized to do business in Minnesota on an "occurrence basis" not a "claims basis", of appropriate amounts as determined from time to time by the Owners. Peace Villa shall name the City as an additional insured on its liability policy. Liability insurance shall be in at least the limits of municipal tort liability set forth in Minnesota Statutes Chapter 466.

5.3 Evidence of Insurance. Each Owner shall provide the other Owner with evidence that the insurance coverage required hereunder is in full force and effect upon request. In the event that any such insurance renews or is terminated, the insured Owner shall promptly provide the other Owner with evidence that such coverage will be renewed or replaced upon termination with insurance that complies with these provisions.

5.4 Performance and Payment Bond. Prior to the undertaking of any improvements on City Property, Peace Villa shall post a Performance Bond and a Labor and Material Payment Bond. The Performance Bond shall be in an amount equal to 100% of the cost of the improvements as security for the faithful performance of the construction contract for the improvements, and the Labor and Material Payment Bond shall be in the same amount as security for the payment of all persons performing labor and furnishing materials in connection with the improvements.

5.5 Indemnity. Peace Villa shall defend, indemnify, and hold harmless the City and its agents, officers, and employees from and against any claims, damages, losses, and expenses, including but not limited to attorney's fees, arising out of or related in any way to the construction or maintenance of the improvements on City property. Such indemnity obligation shall not require Peace Villa to indemnify the City or their agents, officers, or employees for their own negligent or wrongful acts.

ARTICLE 6 GENERAL PROVISIONS

6.1 Remedies; Waiver. The following shall constitute an event of default under this Agreement: (i) an Owner interferes with the easement rights granted to the other Owner under this Agreement and the interfering Owner fails to cure such default within twenty-four (24) hours after receiving written notice of the default from the aggrieved Owner; or (ii) an Owner defaults in any other manner under this Agreement and fails to cure such default within fifteen (15) days after receiving written notice of the default from the aggrieved Owner. If the defaulting Owner fails to cure the default within the applicable cure period set forth in the immediately preceding sentence, the aggrieved Owner may exercise one or more of the following remedies:

6.1.1 cure the default and charge the cost thereof, including reasonable attorneys' fees, to the defaulting Owner, and all such costs shall be payable upon demand; and

6.1.2 institute an action for specific enforcement, injunctive relief, damages, or any other remedy available at law or in equity.

Any action seeking one or more forms of relief shall not be a bar to an action at the same or subsequent time seeking other forms of relief. The costs of any such action, including reasonable attorneys' fees of the prevailing Owner, shall be paid by the Owner not prevailing. Any delay in realizing, or failure to realize, on any remedy herein for a default hereunder shall not be deemed a waiver of that default or any subsequent default of a similar or different kind, and no waiver or any right or remedy hereunder shall be effective unless in writing and signed by the person against whom the waiver is claimed.

6.2 Covenants to Run with Land. The Owners hereby declare that the Properties are, and shall be, held, transferred, sold, conveyed and occupied subject to the easements, restrictions and covenants of this Agreement, which easements, restrictions and covenants (i) are for the purpose of protecting the value, desirability and amenities of the Properties; and (ii) shall operate as equitable covenants, restrictions and reservations, which shall run with the Properties and which shall be binding on all parties having any right, title or interest in the same, their heirs, successors and assigns, and shall inure to the benefit of each of such other parties; and (iii) are imposed upon each Property, as a servitude in favor of the other Property.

6.3 No Dedication. Nothing herein contained shall be deemed to be a gift or dedication of any portion of Properties to the general public.

6.4 Condemnation. If a Property is taken by eminent domain, the Owner of the Property shall not be entitled to any award which is payable as the result of an easement or license granted by this Agreement unless such award is a payment in addition to, rather than a part of or in reduction of, the payment to which the Owner of the servient Property would have been entitled if the easement or license in question had not been in effect.

6.5 Relationship of Owners. No provision of this Agreement and no action taken pursuant hereto shall create any relationship between the Owners other than as specifically set forth herein.

6.6 Headings. The headings to the Articles and Sections of this Agreement are incorporated for convenience only and shall have no effect upon the construction or interpretation of this Agreement.

6.7 Notices. Any notice from an Owner to the another Owner shall be in writing and shall be given by hand delivery, registered or certified mail addressed to the Owner at the address of the Property, or such other address as may be designated in writing by the Owner. Any notice given by registered or certified mail shall be deemed to have been given on the date received as evidenced by the customary registered or certified mail receipt.

6.8 Time. Time is of the essence of this Agreement and each and all of its provisions.

6.9 Amendment or Modification. This Agreement and any of the rights, licenses and easements created hereby may not be amended, modified or terminated without the written consent the parties hereto.

6.10 Consents. Where any consent or approval is required pursuant to this Agreement, such consent or approval shall not be unreasonably withheld or delayed, except where another standard for granting such consent or approval is specified.

6.11 Law Applicable. This Agreement shall be governed by and construed under the laws of the state of Minnesota.

6.12 Counterparts. This Agreement may be executed in counterparts, each of which shall constitute an original and all of which together shall constitute one and the same instrument.

REMAINDER OF THIS PAGE INTENTIONALLY BLANK

SIGNATURE PAGE TO EASEMENT AGREEMENT

IN WITNESS WHEREOF, the undersigned has caused this Agreement to be made as of the day and year first above written.

PEACE VILLA, INC.
a Minnesota nonprofit corporation

By: _____
Name: Brenda Schmitz
Its: Chief Executive Officer

STATE OF MINNESOTA)
) ss
COUNTY OF CARVER)

The foregoing instrument was acknowledged before me this ___ day of November, 2014, by Brenda Schmitz, the Chief Executive Officer of Peace Villa, Inc., a Minnesota nonprofit corporation, on behalf of nonprofit corporation.

Notary Public

EXHIBIT A
Legal Description of Easement

TO: Honorable Mayor Diedrick and City Council Members

FROM: Steve Helget, City Administrator

DATE: November 7, 2014

SUBJECT: Peace Villa Vacancy Agreement

Enclosed is a Vacancy Agreement between the City and Peace Villa which sets terms and conditions ensuring that the marketing of The Haven at Peace Village will not cause excess vacancies at The Harbor. Section 2.2 of the Agreement outlines the procedures for addressing vacancies at both facilities.

When the Harbor was developed, the City entered an agreement with Peace Villa that upon the retirement of the bonded debt established with the construction of the facility, the City would sell the Harbor to Peace Villa for \$1.00. The final payments on the debt obligations are scheduled to occur in 2040. In relation, as identified in Section 2.5, the term of the agreement will run until Peace Villa takes ownership of the Harbor which is estimated to be January, 2041.

Suggested Motion:

Motion to approve the Vacancy Agreement with Peace Villa.

VACANCY AGREEMENT

THIS AGREEMENT, made as of the ____ day of November, 2014, by and between the CITY OF NORWOOD YOUNG AMERICA, a Minnesota municipal corporation (the "City"), as owner of the "Harbor at Peace Village" and PEACE VILLA, INC., a Minnesota nonprofit corporation (the "Peace Villa"), as owner of the "Villa at Peace Village".

WITNESSETH:

WHEREAS, the Harbor at Peace Village and the Villa at Peace Village are physically connected senior living communities specializing in independent and assisted affordable senior housing; and,

WHEREAS, Peace Villa is developing an adjoining property to construct additional affordable housing in the form of approximately 37 assisting living and memory care rental units known as the "Haven at Peace Village," which will be connected to both the Harbor at Peace Village and the Villa at Peace Village by enclosed walkway; and,

WHEREAS, the City is providing substantial financing and funding for the Haven at Peace Village, and by this Agreement is ensuring that such new development does not materially and substantially harm its Harbor at Peace Village property; and,

WHEREAS, the City and Peace Villa desire to set forth terms and conditions ensuring that the development and marketing of the Haven at Peace Village will not cause excess vacancies at the Harbor at Peace Village.

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. In this Agreement, unless a different meaning clearly appears from the context:

“Affected Community” means the Harbor at Peace Village or the Haven at Peace Village, or both, whose Vacancy Rate is greater than 10%.

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

“City” means the City of Norwood Young America, Minnesota, a Minnesota municipal corporation.

“Event of Default” means an action by Peace Villa listed in Article II of this Agreement.

“Facility” means a residential community subject to this agreement, either the Villa at Peace Village, the Harbor at Peace Village, or the Haven at Peace Village.

“Haven” means the development and operation of the residential real estate complex currently referred to as the “Haven at Peace Village” on the real property described in Schedule A of this Agreement.

“Manager” means the operational management company responsible for marketing, operating, and staffing the Haven.

“Peace Villa” means Peace Villa, Inc., a Minnesota nonprofit corporation.

“Peace Village” means the residential development consisting of the Harbor at Peace Village, the Villa at Peace Village, and the Haven at Peace Village communities.

“State” means the State of Minnesota.

“Vacancy Agreement Date” means that date beginning two (2) years after the closing of the initial loan provided by the United States Department of Agriculture that will fund the construction of the Haven by paying off all bond costs and any other construction and development costs. For purposes of this agreement, it is estimated that the Vacancy Agreement Date will be in April, 2018.

“Vacancy Rate” means that percentage of unrented but available-to-rent units divided by the total number of occupiable residential units in a facility.

ARTICLE II

Marketing and Operations

Section 2.1 Marketing Arrangement. The City and Peace Villa shall continue to jointly market the Peace Village residences upon completion of the Haven development, and each shall require their Manager to cooperatively market each Peace Village residence to prospective tenants by informing such individuals of all available units at each residence.

Section 2.2 Vacancy Differential. Commencing on the Vacancy Agreement Date, in the case that there exists a Vacancy Rate of greater than 10% in the Harbor at Peace Village or the Haven at Peace Village residence, Peace Villa shall instruct its Managers to direct marketing efforts with prospective tenants to leases in the Affected Community until such time as the Vacancy Rate at the Affected Community is reduced to less than 10%. If a Vacancy Rate of greater than 10% exists at both the Harbor at Peace Village and the Haven at Peace Village, Peace Villa shall instruct its Managers to direct marketing efforts at the Affected Community that has the higher Vacancy Rate. If the Vacancy Rates of the Harbor at Peace Village and the Haven at Peace Village exceed 10%, but are equal, Peace Villa shall instruct its Managers to direct marketing efforts to Harbor at Peace Village. The parties agree to meet on an annual basis, beginning on the first anniversary of the Vacancy Agreement date, to evaluate the direct marketing efforts in the prior year and share and discuss, in good faith, any changes to the efforts that may be needed.

Section 2.3 Limitations. In no way shall the conditions described in Section 2.2 prohibit or restrict Peace Villa from entering leases with existing or new tenants, provided that, for new tenants, Peace Villa affirmatively provides the option of available rental units in the Harbor at Peace Village community first. Nothing herein provides any right of approval or determination as to rental prices between the parties.

Section 2.4 Application. The benefits of this Article are intended to be reserved for the Harbor at Peace Village and the Haven at Peace Village and are not intended to be reciprocal or applied to Peace Villa or the Villa at Peace Village except as specifically provided above.

Section 2.5 Term. The term of this Agreement shall begin at the time of execution and run until such time as Peace Villa takes ownership of The Harbor facility which is estimated to be January, 2041. This agreement shall be sooner terminated if:

- a. The parties mutually agree in writing as to the termination of this Agreement;
- b. Either the City or Peace Villa acquires the other party's interest in the Peace Village development; in which case the interest shall merge into the other;
- c. Upon the foreclosure of the City's interest in the Peace Village development, or upon the transfer of the City's interest in the Harbor at Peace Village to any third party without the written consent of Peace Villa.

Section 2.6 Default. In the event that Peace Villa fails to comply with the terms of Section 2.2, the City shall have the right to require compliance by Peace Villa by injunction if, such compliance does not occur within 30 days after written notice of noncompliance is delivered by the City to Peace Villa. Any attorney's fees incurred by the City as a result of Peace Villa's defaulting under this section shall be paid by Peace Villa.

ARTICLE III

Additional Provisions

Section 3.1. Consistency with other agreements. The parties agree that this Agreement is intended to compliment other agreements between the parties, and the terms of this Agreement shall supersede any existing agreements only as specifically provided herein.

Section 3.2 Amendments. This is the entire agreement between the parties with regard to the subject matter contained herein, and shall not be amended or supplemented except in a writing executed by both parties.

Section 3.3. 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 3.4. Notices and Demands. Except as otherwise expressly provided in this Agreement, a notice, demand, or other communication under the Agreement by either party to the other shall be sufficiently given or delivered if it is dispatched by registered or certified mail, postage prepaid, return receipt requested, or delivered personally; and

(a) in the case of Peace Villa, is addressed to or delivered personally to the Developer at 308 North Faxon Road, Norwood Young America, Minnesota, 55368, Attn: Housing Manager; and,

(b) in the case of the City, is addressed to or delivered personally to the City at City Hall, PO Box 59, Norwood Young America, Minnesota 55368, Attn: City Administrator;

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

Section 3.5. Mutual Discussion. Upon written notice from the other party, each party agrees to consider modifications, alterations or adjustments to this Agreement in good faith by appointing a representative authorized to consider any such changes within a reasonable time, subject to approval by each party.

Section 3.6. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall constitute one and the same instrument.

Section 3.7 Governance. This Agreement shall be construed in accordance with the laws of the State of Minnesota.

IN WITNESS WHEREOF, the City has caused this Agreement to be duly executed in its name and behalf and its seal to be hereunto duly affixed and the Developer has caused this Agreement to be duly executed in its name and behalf as of the date first above written.

CITY OF NORWOOD YOUNG AMERICA,
MINNESOTA

By _____
Its Mayor

By _____
Its City Administrator

STATE OF MINNESOTA)
) SS.
COUNTY OF CARVER)

The foregoing instrument was acknowledged before me this _____ day of November, 2014 by Tina Diedrick and Steven Helget, the Mayor and City Administrator of the City of Norwood Young America, on behalf of the City.

Notary Public

SCHEDULE A
Legal Description

(PARCEL 1)

Part of the Northwest Quarter and the Northeast Quarter of Section 14, Township 115, Range 26, Carver County, Minnesota, and part of Lot 1, Block 34, ROTHFORK'S ADDITION to the Village of Norwood, Minnesota, according to the recorded plat thereof, described as follows: Commencing at the southwest corner of said Northeast Quarter of Section 14; thence on an assumed bearing of North along the West line of said Northeast Quarter a distance of 150.43 feet to a point on the northerly right-of-way of Old Trunk Highway 212, said point being the point of beginning of the tract to be described; thence South 82 degrees 12 minutes 00 seconds East along said northerly right-of-way line of Old Trunk Highway 212 a distance of 35.88 feet; thence North 05 degrees 04 minutes 43 seconds East 178.37 feet; thence North 26 degrees 08 minutes 49 seconds East 135.03 feet; thence South 63 degrees 42 minutes 25 seconds East 79.26 feet; thence North 26 degrees 43 minutes 16 seconds East 149.82 feet; thence North 68 degrees 41 minutes 12 seconds West parallel with the southerly right-of-way of Old trunk Highway 212 a distance of 532.63 feet to the easterly line of the Young America-Faxon Road as now located; thence South 26 degrees 28 minutes 00 seconds West along said Easterly line of Young America-Faxon Road a distance of 390 feet; thence South 84 degrees 53 minutes 40 seconds East a distance of 198.92 feet; thence North 85 degrees 57 minutes 00 seconds East a distance of 162.47 feet; thence southerly along a tangential curve, concave to the southwest, having a radius of 41.69 feet and a central angle of 88 degrees 22 minutes 30 seconds a distance of 64.30 feet; thence South 02 degrees 25 minutes 30 seconds East a distance of 190.24 feet to said northerly right-of-way line of the Old Trunk Highway 212; thence South 82 degrees 12 minutes 00 seconds East along said northerly right-of-way of Old Trunk Highway 212 a distance of 8.00 feet to the point of beginning.

ALSO

(PARCE 2)

Part of the Southwest Quarter of the Northeast Quarter of Section 14, Township 115, Range 26, Carver County, Minnesota, also being part of the record plat of ROTHFORK'S ADDITION TO NORWOOD, described as follows: Commencing at the southwest corner of said Northeast Quarter of Section 14; thence on an assumed bearing of North 00 degrees 00 minutes 00 seconds East along the West line of said Northeast Quarter 150.43 feet to a point on the northerly right-of-way of Old Trunk Highway 212; thence South 82 degrees 12 minutes 00 seconds East along the northerly right-of-way of Old Trunk Highway 212 a distance of 179.30 feet to a point on the westerly right-of-way of the now abandoned Railroad, said point being the point of beginning of the tract to be described; thence North 12 degrees 42 minutes 00 seconds East along said westerly right-of-way line 419.30 feet; thence South 79 degrees 20 minutes 00 seconds East 100.06 feet to the easterly right-of-way of the now abandoned Railroad and the westerly line of Lot 1 of Block 1 of the plat of METRO WEST INDUSTRIAL PARK, said plat being of record and on file at the Carver County Recorder's Office, Carver County, Minnesota; thence South 12 degrees 42 minutes 00 seconds West along said Easterly right-of-way line of the now abandoned Railroad and said westerly line of the plat of METRO WEST INDUSTRIAL PARK a distance of 414.28 feet to the northerly right-of-way line of Old Trunk

Highway 212; thence North 82 degrees 12 minutes 00 seconds West along said northerly right-of-way line 100.37 feet to the point of beginning.

ALSO

(PARCE 3)

Lot 1 of Block 1 of the METRO WEST INDUSTRIAL PARK, City of Norwood Young America, Minnesota, said plat being of record and on file at the Carver County Recorder's Office; Carver County, Minnesota.

TO: Honorable Mayor Diedrick and City Council Members

FROM: Steve Helget, City Administrator

DATE: November 7, 2014

SUBJECT: Peace Villa Development Loan Agreement

Enclosed is a Development Loan Agreement between the City and Peace Villa which sets out terms for the repayment of the monies the City loaned Peace Villa for its preliminary costs associated with The Haven project. Originally the monies were to be paid back utilizing the proceeds from Peace Villa's USDA Rural Development Loan. Unfortunately, USDA would not include monies in their loan to Peace Villa, stating the City should contribute the monies to the project. The agreement between the City and Peace Villa was for the monies to be repaid and Peace Villa plans to honor that agreement.

In respect to the Loan Agreement, it states in the Promissory Note located in Exhibit A that loan payments will not commence until 730 days after the date Peace Villa closes on their USDA Rural Development Loan which is estimated to occur in April, 2016. The significance of the two years is to allow The Haven time to reach 100% occupancy and time for the facility to reach financial stability. Proposed is amortize the loan over five years at 3.5% interest.

Suggested Motion:

Motion to approve the Development Loan Agreement with Peace Villa.

DEVELOPMENT LOAN AGREEMENT

THIS AGREEMENT, made as of the ____ day of November, 2014, by and between the CITY OF NORWOOD YOUNG AMERICA, a Minnesota municipal corporation (the "City"), as owner of the "Harbor at Peace Village" and PEACE VILLA, INC., a Minnesota nonprofit corporation (the "Peace Villa"), as owner of the "Villa at Peace Village".

WITNESSETH:

WHEREAS, the Harbor at Peace Village and the Villa at Peace Village are physically connected senior living communities specializing in independent and assisted affordable senior housing; and,

WHEREAS, Peace Villa is developing an adjoining property to construct additional affordable housing in the form of approximately 37 assisting living and memory care rental units known as the "Haven at Peace Village," which will be connected to both the Harbor at Peace Village and the Villa at Peace Village by enclosed walkway; and,

WHEREAS, the City is providing substantial financing and funding for the Haven at Peace Village, and has loaned to Peace Villa, as of the date of this Agreement, the sum of seventy-one thousand twenty-three dollars and sixty-two cents (\$71,023.62) in start-up funds and development costs to advance the development of the Haven at Peace Village Development; and,

WHEREAS, the City and Peace Villa desire to set forth terms and conditions of Peace Villa's repayment of the start-up funds and development costs.

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

ARTICLE I

Definitions

Section 1.1. Definitions. In this Agreement, 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.

“City” means the City of Norwood Young America, Minnesota, a Minnesota municipal corporation.

“City Representative” means the City Administrator or person designated in writing by the City Administrator to act as the City Representative of the City of Norwood Young America.

“County” means the County of Carver, Minnesota.

“Event of Default” means an action by Peace Villa listed in Article II of this Agreement.

“Facility” means a residential community subject to this agreement, either the Villa at Peace Village, the Harbor at Peace Village, or the Haven at Peace Village.

“Haven” means the development and operation of the residential real estate complex currently referred to as the “Haven at Peace Village” on the real property described in Schedule A of this Agreement.

“Loan” refers to that certain seventy-one thousand twenty-three dollars and sixty-two cents (\$71,023.62) paid on behalf of Peace Villa by the City for development costs and start-up funds for the Haven.

“Note” means that certain promissory note attached as and incorporated by reference herein to as Exhibit A.

“Peace Villa” means Peace Villa, Inc., a Minnesota nonprofit corporation.

“Peace Village” means the residential development consisting of the Harbor at Peace Village, the Villa at Peace Village, and the Haven at Peace Village communities.

“State” means the State of Minnesota.

“Closing Date” means that date of the closing of the initial loan provided by the United States Department of Agriculture that will fund the construction of the Haven by paying off all bond costs and any other construction and development costs. For purposes of this agreement, it is estimated that the Closing Date will be in April, 2016.

ARTICLE II

Conditions

Section 2.1 Committed Amount. Subject to the terms and conditions of this Agreement, Peace Villa agrees that the City has provided a loan to Peace Villa in the amount of seventy-one thousand twenty-three dollars and sixty-two cents (\$71,023.62).

Section 2.2 Note. The Loan is evidenced by that promissory note substantially in the form as attached as Exhibit A hereto in the amount of seventy-one thousand twenty-three dollars and sixty-two cents (\$71,023.62).

Section 2.3 Security. The City shall have no security for payment of this Loan, and no security interest shall be created by this Agreement.

ARTICLE III

Covenants of Peace Villa

Section 3.1. Existence. Peace Villa is validly existing and in good standing under the laws of the state of Minnesota as a nonprofit corporation. Peace Villa has all requisite power and authority to conduct its business, own its properties and execute and perform all of its obligations under this Agreement.

Section 3.2. Performance. The execution and performance of this Agreement and the documents provided herein and the borrowings hereunder by Peace Villa have been duly authorized by all necessary corporate action and do not and will not:

- a. Require any further consent or approval of the board of Peace Villa.
- b. Violate any provision of any law, rule or regulation.
- c. Result in the breach of any other agreement, credit or otherwise, to which Peace Villa is a party.

Section 3.3. Legal Obligation. This Agreement and the borrowings hereunder will constitute the legal, valid and binding obligation of Peace Villa and will be enforceable against Peace Villa.

Section 3.4. Litigation. There are no actions, suits or proceedings pending, unsatisfied judgments or any tax liens in any court, state or federal, against Peace Villa that would materially impact its ability to repay the Loan.

Section 3.5 Notice of Change in Condition. Peace Villa will give the City prompt notice of any action or proceeding which, if determined adversely to Peace Villa, would have a material adverse effect on the financial condition, properties or operations of Peace Villa.

Section 3.6 Compliance with Law. Peace Villa will, in good faith, comply with all laws, ordinances, and regulations, now or hereafter in effect, of all governmental authorities applicable to the conduct of Peace Villa's properties, businesses and operations.

Section 3.7. Sale of Assets. Peace Villa will not sell, lease, assign, transfer or otherwise dispose of all or a substantial part of its assets other than in the ordinary course of business or with the consent of the City, which shall not be unreasonably withheld.

ARTICLE IV

Events of Default

Section 4.1 Events of Default. "Events of Default", whenever used herein, means any one of the following events:

- a. Peace Villa shall fail to pay when due any interest or principal amount on the Notes.
- b. Default in the payment of any fees required under this Agreement when the same shall become due and payable and the continuance of such default for a period of thirty days.
- c. Any representation or warranty made by Peace Villa in this Agreement shall prove to be incorrect in any material respect.
- d. Default in the performance or breach of any covenant or agreement of Peace Villa in this Agreement and the continuance of such default or breach for a period of thirty days after there has been given a written notice specifying such default and requiring it to be remedied.
- e. Peace Villa shall voluntarily file or have filed against it involuntarily a petition for liquidation, reorganization or adjustment of debt or similar relief under the Federal Bankruptcy Code or any other present or future federal or state bankruptcy or insolvency law; or a trustee, receiver or liquidator shall be appointed of it or of all or substantially par of its assets.
- f. Default under any note or other evidence of indebtedness of Peace Villa, including to the City, or default in the performance or observance of any other agreement, term or condition contained in any such agreement under which such obligation is created or secured as would cause or permit the holders of such evidence of indebtedness to cause such evidence of indebtedness to become due prior to its stated maturity.
- g. Peace Villa fails to comply with or to perform any other term, obligation, covenant or condition contained in this Note or in any of the related documents or to comply with or to perform any term, obligation, covenant or condition contained in any other agreement between the City and Peace Villa.

- h. Peace Villa defaults under any loan, extension of credit, security agreement, purchase or any other agreement in favor of any other creditor or person that may materially affect Peace Villa's ability to repay this Note or perform Peace Villa's obligations under this Note or any of the related documents.
- i. Any warranty, representation or statement made or furnished to the City by Peace Villa under this Note or the related documents is false or misleading in any material respect, either now or at the time made or furnished or becomes false or misleading at any time thereafter.
- j. The dissolution or termination of Peace Villa's existence as a going business, the insolvency of Peace Villa, the appointment of a receiver for any part of Peace Villa's property, any assignment for the benefit of creditors, any type of creditor workout, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Peace Villa.
- k. Commencement of foreclosure or forfeiture proceedings, whether by judicial proceeding, self-help, repossession or any other method, by any creditor of Peace Villa or by any governmental agency against any collateral securing the loan. However, this Event of Default shall not apply if there is a good faith dispute by Peace Villa as to the validity or reasonableness of the claim which is the basis of the creditor or forfeiture proceeding.
- l. The merger, dissolution, reorganization, end of any business or existence, or the acquisition of, by a third party, substantially all of the assets of Peace Villa; a material change the legal structure, management, ownership or financial condition; or effect or enter into a domestication, conversion or interest exchange of Peace Villa.
- m. Peace Villa fails to perform any condition or to keep any promise or covenant of the Note.

Section 4.2. Rights and Remedies. Upon the occurrence of an Event of Default or at any time thereafter, until such Event of Default is cured to the written satisfaction of the City, the City may exercise any or all of the following rights and remedies:

- a. The City may, by notice to Peace Villa, declare this Agreement to be terminated.
- b. The City may declare all indebtedness of every type or description owed by Peace Villa to the City to be immediately due and payable, without any presentment or other demand, protest, notice or dishonor or any notice of any kind, all of which are hereby waived.
- c. The City may, without notice and without further action, apply any and all monies owing by the City to Peace Villa to the payment of all indebtedness owed to the City by Peace Villa, whether such indebtedness is then due.
- d. In the event of an occurrence of an Event of Default, the City may charge Peace Villa, as additional rent, all of its costs and expenses incurred in responding to the Event of

Default, including but not limited to staff time, consultant expenses, attorney's fees, and other out-of-pocket costs.

ARTICLE V

General

Section 5.1. Consistency with other agreements. The parties agree that this Agreement is intended to compliment other agreements between the parties, and the terms of this Agreement shall supersede any existing agreements only as specifically provided herein.

Section 5.2 Amendments. No amendment, modification, termination or waiver of any provision of this Agreement or any document provided for herein shall be effective unless the same shall be in writing and signed by the City, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which it was given. No notice to or demand on Peace Villa in any case shall entitle the Peace Villa to any other or future notice or demand in similar or other circumstances.

Section 5.3. Cumulative Remedies. No waiver or delay on the part of the City in exercising any right, power or remedy hereunder or under any security agreement shall operate as a waiver thereof. The remedies of the City are cumulative and not exclusive of any remedies provided by law or other agreement

Section 5.4. 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 5.4. Notices and Demands. Except as otherwise expressly provided in this Agreement, a notice, demand, or other communication under the Agreement by either party to the other shall be sufficiently given or delivered if it is dispatched by registered or certified mail, postage prepaid, return receipt requested, or delivered personally; and

(a) in the case of Peace Villa, is addressed to or delivered personally to the Developer at 308 North Faxon Road, Norwood Young America, Minnesota, 55368, Attn: Brenda Schmitz; and,

(b) in the case of the City, is addressed to or delivered personally to the City at City Hall, PO Box 59, Norwood Young America, Minnesota 55368, Attn: City Administrator;

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

Section 5.5. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall constitute one and the same instrument.

Section 5.6 Governance. This Agreement shall be construed in accordance with the laws of the State of Minnesota.

IN WITNESS WHEREOF, the City has caused this Agreement to be duly executed in its name and behalf and its seal to be hereunto duly affixed and the Developer has caused this Agreement to be duly executed in its name and behalf as of the date first above written.

CITY OF NORWOOD YOUNG AMERICA,
MINNESOTA

By _____
Its Mayor

By _____
Its City Administrator

STATE OF MINNESOTA)
) SS.
COUNTY OF CARVER)

The foregoing instrument was acknowledged before me this this ____ day of November, 2014 by Tina Diedrick and Steven Helget, the Mayor and City Administrator of the City of Norwood Young America, on behalf of the City.

Notary Public

EXHIBIT A

PROMISSORY NOTE

U.S. \$71,023.62

November __, 2014
Norwood Young America, MN

FOR VALUE RECEIVED, PEACE VILLA, INC., a Minnesota Nonprofit Corporation ("Borrower") hereby promises to pay to the order of the CITY OF NORWOOD YOUNG AMERICA, a Minnesota municipal corporation ("Lender"), the principal amount of seventy-one thousand twenty-three dollars and sixty-two cents (\$71,023.62), together with interest on the principal balance outstanding hereunder, in accordance with the following terms and conditions:

1. **Payments.** The principal amount shall be due and payable beginning on a date 730 days after the date of closing of the United States Department of agriculture loan that will fund the construction of the Haven at Peace Village project ("Loan Commencement Date"):
 - a. **Interest.** Interest shall accrue beginning on the Loan Commencement Date and be payable at the rate of three point five percent (3.5%) per annum, calculated based on the actual number of days elapsed over a year of 365 days, but in no event at a rate of interest greater than that permitted by applicable law ("Interest").
 - b. **Fees.** Any fees incurred by Lender in collection of the Loan, including, but not limited to, attorney's fees, title examination, filing fees and other money availability costs.

Borrower agrees to pay any additional rate of interest resulting from the application of the Default Interest Rate as described herein.

2. **Default Interest Rate.** The Default Interest Rate shall be a per annum rate equal to the Stated Interest Rate described in Section 1a. plus 4 ½ percentage points. The principal balance outstanding hereunder from time to time shall bear interest at the Default Interest Rate from the date of the occurrence of an Event of Default (as hereinafter defined) hereunder until the earlier of: (a) the date on which the principal balance outstanding hereunder, together with all accrued interest and other amounts payable hereunder, are paid in full; or (b) the date on which such Event of Default is timely cured in a manner satisfactory to Lender. (i) if Borrower is specifically granted a right to cure such Event of Default in any of the Loan Documents (as hereinafter defined) or (ii) if no such right to cure is specifically granted, then Lender, in its sole and absolute discretion, permits such Event of Default to be cured.

3. **Payment Schedule and Maturity Date.** Repayment of the Loan shall be made consistent with the amortization schedule attached hereto as Exhibit B.

4. **Application and Place of Payments.** Payments received by Lender with respect to the indebtedness evidenced hereby shall be first be applied to accrued and unpaid interest at the Stated Interest Rate and, to the extent applicable, the Default Interest Rate, next to the principal balance then outstanding hereunder, and the remainder to any Additional Sums or other costs or added charges provided for herein or in any of the Loan Documents. Payments hereunder shall be made at the address for Lender as Lender may specify to Borrower in writing.

5. **Prepayments.** Payments of principal hereof may be made at any time, or from time to time, in whole or in part, provided that all previously matured interest and other charges accrued to the date of prepayment are also paid in full. Notwithstanding any partial prepayment of principal hereof, there will be no change in the due date or amount of scheduled payments due hereunder unless Lender, in its sole and absolute discretion, agrees in writing to such change.

6. **Reimbursement of Costs, Expenses and Taxes.** Concurrently with the execution of this Note, Borrower shall reimburse to Lender, in immediately available funds, all costs and expenses incurred by Lender in connection with preparation or review of this Note and the related Vacancy and Easement Agreements, including without limitation, the legal fees and expenses of Lender's counsel, filing, recording, or stamp fees or taxes. At the sole discretion of Lender, such costs, expenses or taxes may be added to the principal amounts outstanding under this Note.

7. **Events of Default; Acceleration.** The occurrence of any one or more of the following events shall constitute an "Event of Default" hereunder, and upon such Event of Default, the entire principal balance outstanding hereunder, together with all accrued interest and other amounts payable hereunder, at the election of Lender, shall become immediately due and payable, without any notice to Borrower:

(a) Nonpayment of principal, interest or other amounts if not paid within five (5) days of when the same shall become due and payable hereunder;

(b) The failure of Borrower to comply with any provision of this Note (other than a payment default), and failure by Borrower to correct such default ten (10) days after Lender provides Borrower notice of such default;

(c) The failure of Borrower to comply with any provision of any document, instrument or agreement executed in connection with the indebtedness evidenced hereby including, without limitation, any mortgage agreement, or any other security document executed in connection with this Note (collectively, the "Loan Documents");

(d) The death, incapacity, dissolution, winding-up or termination of the existence of any Borrower or any other person or entity who is or may become liable hereunder;

(e) The calling of a meeting of the creditors of Borrower or any other person or entity who is or may become liable hereunder;

(f) The making by Borrower or any other person or entity who is or may

become liable hereunder of an assignment for the benefit of its creditors;

(g) The appointment of (or application for appointment of) a receiver of Borrower or any other person or entity who is or may become liable hereunder, or the involuntary filing against or voluntary filing by Borrower, or any other person or entity who is or may become liable hereunder, of a petition or application for relief under federal bankruptcy law or any similar state or federal law, or the issuance of any writ of garnishment, execution or attachment for service with respect to Borrower or any person or entity who is or may become liable hereunder, or any property of Borrower or property of any person or entity who is or may become liable hereunder;

(h) The occurrence of any material adverse change in the condition (financial or otherwise) of Borrower or any person or entity who is or may become liable hereunder;

(i) Borrower transfers any right or obligation under this Note or any asset secured in the Loan Documents without Lender's prior written consent;

(j) Any statement, representation or warranty contained herein or in the Loan Documents shall be false; or

(k) Lender shall in good faith deem itself reasonably insecure or believe that the prospect for payment or performance is impaired.

8. **Additional Sums.** Borrower understands and believes that this lending transaction complies with the usury laws of the State of Minnesota; however, if any interest or other charges in connection with this lending transaction are ever determined to exceed the maximum amount permitted by law, then Borrower agrees that (a) the amount of interest or charges payable pursuant to this lending transaction shall be reduced to the maximum amount permitted by law; and (b) any excess amount previously collected from Borrower in connection with this lending transaction that exceeded the maximum amount permitted by law, will be credited against the principal balance then outstanding hereunder. If the outstanding principal balance hereunder has been paid in full, the excess amount paid will be refunded to Borrower.

9. **Waivers.** Except as set forth in this Note or the Loan Documents, to the extent permitted by applicable law, Borrower, and each person who is or may become liable hereunder, severally waive and agree not to assert: (a) any homestead or exemption rights; (b) demand, diligence, grace, presentment for payment, protest, notice of nonpayment, nonperformance, extension, dishonor, maturity, protest and default; and (c) recourse to guaranty or suretyship defenses (including, without limitation, the right to require the Lender to bring an action on this Note). Lender may extend the time for payment of or renew this Note, release collateral as security for the indebtedness evidenced hereby or release any party from liability hereunder, and any such extension, renewal, release or other indulgence shall not alter or diminish the liability of Borrower or any other person or entity who is or may become liable on this Note except to the extent expressly set forth in a writing evidencing or constituting such extension, renewal, release or other indulgence.

10. **Costs of Collection.** Borrower agrees to pay all costs of collection not otherwise included in the making of this Note, including, without limitation, attorneys' fees, whether or not suit is filed, and all costs of suit and preparation for suit (whether at trial or appellate level), in the event any payment of principal, interest or other amount is not paid when due, in the event of any other Event of Default, or in case it becomes necessary to protect the collateral which is security for the indebtedness evidenced hereby, or to exercise any other right or remedy hereunder or in the Loan Documents, or in the event Lender is made party to any litigation because of the existence of the indebtedness evidenced hereby, or if at any time Lender should incur any attorneys' fees in any proceeding under any federal bankruptcy law (or any similar state or federal law) in connection with the indebtedness evidenced hereby. In the event of any court proceeding, attorneys' fees shall be set by the court and not by the jury and shall be included in any judgment obtained by Lender.

11. **No Waiver by Lender.** No delay or failure of Lender in exercising any right hereunder shall affect such right, nor shall any single or partial exercise of any right preclude further exercise thereof.

12. **Governing Law.** This Note shall be construed in accordance with and governed by the laws of the State of Minnesota, without regard to the choice of law rules of the State of Minnesota.

13. **Jurisdiction and Venue.** Borrower hereby expressly agrees that in the event any actions or other legal proceedings are initiated by or against Borrower or Lender involving any alleged breach or failure by any party to pay, perform or observe any sums, obligations or covenants to be paid, performed or observed by it under this Note or the Loan Documents, or involving any other claims or allegations arising out of the transactions evidenced or contemplated by this Note or the Loan Documents, regardless of whether such actions or proceedings shall be for damages, specific performance or declaratory relief or otherwise, such actions, in the sole and absolute discretion of Lender, may be required to be brought in Carver County, Minnesota; and Borrower hereby submits to the jurisdiction of the State of Minnesota for such purposes and agrees that the venue of such actions or proceedings shall properly lie in Carver County, Minnesota; and Borrower hereby waives any and all defenses in such jurisdiction and venue.

14. **Joint and Several Liability.** If Borrower is comprised of more than one person or entity, the obligations of each of the persons or entities of which Borrower is comprised shall be joint and several.

15. **Time of Essence.** Time is of the essence of this Note and each and every provision hereof

16. **Conflicts; Inconsistency.** In the event of any conflict or inconsistency between the provisions of this Note and the provisions of any one or more of the Loan Documents, the provisions of this Note shall govern and control to the extent necessary to resolve such conflict or inconsistency.

17. **Amendments.** No amendment, modification, change, waiver, release or discharge hereof and hereunder shall be effective unless evidenced by an instrument in writing and signed by the party against whom enforcement is sought.

18. **Severability.** If any provision hereof is invalid or unenforceable, the other provisions hereof shall remain in full force and effect and shall be liberally construed in favor of Lender in order to effectuate the other provisions hereof.

19. **Binding Nature.** The provisions of this Note shall be binding upon Borrower and the heirs, personal representatives, successors and assigns of Borrower, and shall inure to the benefit of Lender and any subsequent holder of all or any portion of this Note, and their respective successors and assigns. Lender may from time to time transfer all or any part of its interest in this Note and the Loan Documents, without notice to Borrower.

20. **Notice.** Any notice or other communication with respect to this Note shall: (a) be in writing; (b) be effective on the day of hand delivery thereof to the party to whom directed, one day following the day of deposit thereof with delivery charges prepaid, with a national overnight delivery service, or two days following the day of deposit thereof with postage prepaid, with the United States Postal Service, by regular first class, certified or registered mail; (c) if directed to Lender, be addressed to Lender at the office of Lender set forth above, or to such other address as Lender shall have specified to Borrower by like notice; and (d) if directed to Borrower, be addressed to Borrower at the address for Borrower set forth below Borrower's name, or to such other address as Borrower shall have specified by like notice.

21. **Section Headings.** The section headings set forth in this Note are for convenience only and shall not have substantive meaning hereunder or be deemed part of this Note.

22. **Construction.** This Note shall be construed as a whole, in accordance with its fair meaning, and without regard to or taking into account any presumption or other rule of law requiring construction against the party preparing this Note.

IN WITNESS WHEREOF, Borrower has executed this Note as of the date first set forth above.

BORROWER

PEACE VILLA, INC.

By _____
Its _____

STATE OF MINNESOTA)
) SS.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____ day of November, 2014 by _____, the _____ of Peace Villa, Inc., a Minnesota nonprofit corporation, on behalf of the corporation.

Notary Public

SCHEDULE A

(PARCEL 1)

Part of the Northwest Quarter and the Northeast Quarter of Section 14, Township 115, Range 26, Carver County, Minnesota, and part of Lot 1, Block 34, ROTHFORK'S ADDITION to the Village of Norwood, Minnesota, according to the recorded plat thereof, described as follows: Commencing at the southwest corner of said Northeast Quarter of Section 14; thence on an assumed bearing of North along the West line of said Northeast Quarter a distance of 150.43 feet to a point on the northerly right-of-way of Old Trunk Highway 212, said point being the point of beginning of the tract to be described; thence South 82 degrees 12 minutes 00 seconds East along said northerly right-of-way line of Old Trunk Highway 212 a distance of 35.88 feet; thence North 05 degrees 04 minutes 43 seconds East 178.37 feet; thence North 26 degrees 08 minutes 49 seconds East 135.03 feet; thence South 63 degrees 42 minutes 25 seconds East 79.26 feet; thence North 26 degrees 43 minutes 16 seconds East 149.82 feet; thence North 68 degrees 41 minutes 12 seconds West parallel with the southerly right-of-way of Old trunk Highway 212 a distance of 532.63 feet to the easterly line of the Young America-Faxon Road as now located; thence South 26 degrees 28 minutes 00 seconds West along said Easterly line of Young America-Faxon Road a distance of 390 feet; thence South 84 degrees 53 minutes 40 seconds East a distance of 198.92 feet; thence North 85 degrees 57 minutes 00 seconds East a distance of 162.47 feet; thence southerly along a tangential curve, concave to the southwest, having a radius of 41.69 feet and a central angle of 88 degrees 22 minutes 30 seconds a distance of 64.30 feet; thence South 02 degrees 25 minutes 30 seconds East a distance of 190.24 feet to said northerly right-of-way line of the Old Trunk Highway 212; thence South 82 degrees 12 minutes 00 seconds East along said northerly right-of-way of Old Trunk Highway 212 a distance of 8.00 feet to the point of beginning.

ALSO

(PARCE 2)

Part of the Southwest Quarter of the Northeast Quarter of Section 14, Township 115, Range 26, Carver County, Minnesota, also being part of the record plat of ROTHFORK'S ADDITION TO NORWOOD, described as follows: Commencing at the southwest corner of said Northeast Quarter of Section 14; thence on an assumed bearing of North 00 degrees 00 minutes 00 seconds East along the West line of said Northeast Quarter 150.43 feet to a point on the northerly right-of-way of Old Trunk Highway 212; thence South 82 degrees 12 minutes 00 seconds East along the northerly right-of-way of Old Trunk Highway 212 a distance of 179.30 feet to a point on the westerly right-of-way of the now abandoned Railroad, said point being the point of beginning of the tract to be described; thence North 12 degrees 42 minutes 00 seconds East along said westerly right-of-way line 419.30 feet; thence South 79 degrees 20 minutes 00 seconds East 100.06 feet to the easterly right-of-way of the now abandoned Railroad and the westerly line of Lot 1 of Block 1 of the plat of METRO WEST INDUSTRIAL PARK, said plat being of record and on file at the Carver County Recorder's Office; Carver County, Minnesota; thence South 12 degrees 42 minutes 00 seconds West along said Easterly right-of-way line of the now abandoned Railroad and said westerly line of the plat of METRO WEST INDUSTRIAL PARK a distance of 414.28 feet to the northerly right-of-way line of Old Trunk Highway 212; thence North 82 degrees 12 minutes 00 seconds West along said northerly right-of-way line 100.37 feet to the point of beginning.

ALSO

(PARCE 3)

Lot 1 of Block 1 of the METRO WEST INDUSTRIAL PARK, City of Norwood Young America, Minnesota, said plat being of record and on file at the Carver County Recorder's Office; Carver County, Minnesota.

SCHEDULE B

NYA/Peace Villa

Compound Period Monthly
 Nominal Annual Rate 3.5 %
 Effective Annual Rate 3.557 %
 Periodic Rate 0.2917 %
 Daily Rate 0.00959 %

Event	Start Date	Amount	Number	Period	End Date
1 Loan	4/1/2018	71023.62		1	
2 Payment	5/1/2018	1292.04		60 Monthly	4/1/2023

AMORTIZATION SCHEDULE - Normal Amortization

#	Date	Payment	Interest	Principal	Balance
Loan	4/1/2018				71023.62
1	5/1/2018	1292.04	207.15	1084.89	69938.73
2	6/1/2018	1292.04	203.99	1088.05	68850.68
3	7/1/2018	1292.04	200.81	1091.23	67759.45
4	8/1/2018	1292.04	197.63	1094.41	66665.04
5	9/1/2018	1292.04	194.44	1097.6	65567.44
6	10/1/2018	1292.04	191.24	1100.8	64466.64
7	11/1/2018	1292.04	188.03	1104.01	63362.63
8	12/1/2018	1292.04	184.81	1107.23	62255.4
2018 Totals		10336.32	1568.1	8768.22	
9	1/1/2019	1292.04	181.58	1110.46	61144.94
10	2/1/2019	1292.04	178.34	1113.7	60031.24
11	3/1/2019	1292.04	175.09	1116.95	58914.29
12	4/1/2019	1292.04	171.83	1120.21	57794.08
13	5/1/2019	1292.04	168.57	1123.47	56670.61
14	6/1/2019	1292.04	165.29	1126.75	55543.86
15	7/1/2019	1292.04	162	1130.04	54413.82
16	8/1/2019	1292.04	158.71	1133.33	53280.49
17	9/1/2019	1292.04	155.4	1136.64	52143.85
18	10/1/2019	1292.04	152.09	1139.95	51003.9
19	11/1/2019	1292.04	148.76	1143.28	49860.62
20	12/1/2019	1292.04	145.43	1146.61	48714.01
2019 Totals		15504.48	1963.09	13541.39	
21	1/1/2020	1292.04	142.08	1149.96	47564.05
22	2/1/2020	1292.04	138.73	1153.31	46410.74
23	3/1/2020	1292.04	135.36	1156.68	45254.06
24	4/1/2020	1292.04	131.99	1160.05	44094.01
25	5/1/2020	1292.04	128.61	1163.43	42930.58
26	6/1/2020	1292.04	125.21	1166.83	41763.75
27	7/1/2020	1292.04	121.81	1170.23	40593.52
28	8/1/2020	1292.04	118.4	1173.64	39419.88
29	9/1/2020	1292.04	114.97	1177.07	38242.81
30	10/1/2020	1292.04	111.54	1180.5	37062.31
31	11/1/2020	1292.04	108.1	1183.94	35878.37

	32	12/1/2020	1292.04	104.65	1187.39	34690.98
2020 Totals			15504.48	1481.45	14023.03	
	33	1/1/2021	1292.04	101.18	1190.86	33500.12
	34	2/1/2021	1292.04	97.71	1194.33	32305.79
	35	3/1/2021	1292.04	94.23	1197.81	31107.98
	36	4/1/2021	1292.04	90.73	1201.31	29906.67
	37	5/1/2021	1292.04	87.23	1204.81	28701.86
	38	6/1/2021	1292.04	83.71	1208.33	27493.53
	39	7/1/2021	1292.04	80.19	1211.85	26281.68
	40	8/1/2021	1292.04	76.65	1215.39	25066.29
	41	9/1/2021	1292.04	73.11	1218.93	23847.36
	42	10/1/2021	1292.04	69.55	1222.49	22624.87
	43	11/1/2021	1292.04	65.99	1226.05	21398.82
	44	12/1/2021	1292.04	62.41	1229.63	20169.19
2021 Totals			15504.48	982.69	14521.79	
	45	1/1/2022	1292.04	58.83	1233.21	18935.98
	46	2/1/2022	1292.04	55.23	1236.81	17699.17
	47	3/1/2022	1292.04	51.62	1240.42	16458.75
	48	4/1/2022	1292.04	48	1244.04	15214.71
	49	5/1/2022	1292.04	44.38	1247.66	13967.05
	50	6/1/2022	1292.04	40.74	1251.3	12715.75
	51	7/1/2022	1292.04	37.09	1254.95	11460.8
	52	8/1/2022	1292.04	33.43	1258.61	10202.19
	53	9/1/2022	1292.04	29.76	1262.28	8939.91
	54	10/1/2022	1292.04	26.07	1265.97	7673.94
	55	11/1/2022	1292.04	22.38	1269.66	6404.28
	56	12/1/2022	1292.04	18.68	1273.36	5130.92
2022 Totals			15504.48	466.21	15038.27	
	57	1/1/2023	1292.04	14.97	1277.07	3853.85
	58	2/1/2023	1292.04	11.24	1280.8	2573.05
	59	3/1/2023	1292.04	7.5	1284.54	1288.51
	60	4/1/2023	1292.04	3.53	1288.51	0
2023 Totals			5168.16	37.24	5130.92	
Grand Totals			77522.4	6498.78	71023.62	

Last interest amount decreased by 0.23 due to rounding.



310 Elm Street West · P.O. Box 59 · Norwood Young America MN 55368

Phone: (952) 467-1800 · Fax: (952) 467-1818 · email: info@cityofnya.com · Internet: www.cityofnya.com

TO: Honorable Mayor Diedrick and City Council Members
FROM: Steve Helget, City Administrator
DATE: November 7, 2014
SUBJECT: Resolution 2014-37, Issuance of Series 2014 Revenue Notes

Enclosed is Resolution 2014-37 authorizing the issuance of the 2014 Revenue Notes for the purpose of assisting Peace Villa with short-term financing for their "37-unit assisted living and memory care facility "The Haven" project. With adoption of Resolution 2014-37, the City is allowing Peace Villa to utilize its bonding authority and tax exempt status. The Revenue Notes are not backed by full-faith and credit of property taxes and there is no financial risk to the City in the event of default.

Martha Ingram of Kennedy & Graven will be present to review the Series 2014 Revenue Notes and Resolution 2014-37.

Suggested Motion:

Motion to approve Resolution 2014-37.



Offices in
Minneapolis
Saint Paul
St. Cloud

470 U.S. Bank Plaza
200 South Sixth Street
Minneapolis, MN 55402
(612) 337-9300 telephone
(612) 337-9310 fax
www.kennedy-graven.com
Affirmative Action, Equal Opportunity Employer

Wednesday, November 5, 2014

Steve Helget
City Administrator
City of Norwood Young America
310 Elm Street West
Norwood Young America, Minnesota 55368

Re: Norwood Young America, Minnesota, Healthcare and Housing Revenue Bond Anticipation Notes (The Haven at Peace Village Project), Series 2014A
Norwood Young America, Minnesota, Taxable Healthcare and Housing Revenue Bond Anticipation Notes (The Haven at Peace Village Project), Series 2014B

Mr. Helget:

Delivered to you today with this letter is a resolution (the "Resolution") to be considered by the City Council of the City of Norwood Young America (the "City") at its meeting on Monday, November 10, 2014, with respect to the above-referenced obligations (the "Series 2014A Notes" and the "Series 2014B Notes" and, collectively, the "Series 2014 Notes"). The Resolution authorizes the issuance of the Series 2014 Notes and authorizes the Mayor and the City Administrator of the City to execute and deliver the Series 2014 Notes to Dougherty & Company LLC (the "Underwriter"). The Series 2014 Notes are to be issued under the terms of the Resolution and under the terms and conditions of an Indenture of Trust, dated as of December 1, 2014 (the "Indenture"), between the City, Peace Villa, Inc. (the "Corporation"), and U.S. Bank National Association, as trustee (the "Trustee"). The Resolution approves the Indenture and authorizes the execution and delivery of the Indenture by the Mayor and the City Administrator.

The Series 2014 Notes are to be purchased by the Underwriter in accordance with the terms and conditions of a Purchase Agreement, dated on or after December 1, 2014 (the "Purchase Agreement"), by and between the City, the Corporation, and the Underwriter. The Purchase Agreement is approved by the Resolution and is authorized to be executed and delivered by the Mayor and the City Administrator.

The Series 2014 Notes will be offered for sale by the Underwriter to the public under a Preliminary Official Statement and an Official Statement (collectively, the "Official Statement"). The City has consented to the distribution and use of the Official Statement by the Underwriter in connection with the offer and sale of the Series 2014 Notes, but the City has not participated in, and will not participate in, the preparation of the Official Statement. In addition, the City assumes no responsibility for the sufficiency, accuracy, or completeness of the information in the Official Statement (except for limited information regarding the City and the absence of pending or threatened litigation against the City).

The proceeds derived from the sale of the Series 2014 Notes are to be transferred to the Trustee and deposited in the funds and accounts established under the terms of the Indenture. The proceeds of the Series 2014 Notes will be disbursed by the Trustee as the request and direction of the Corporation and applied to the capital costs (including costs of issuance and interest on the Series 2014 Notes during construction) of the acquisition, construction, and equipping of The Haven at Peace Village, a thirty-

seven-unit, multifamily rental housing development for seniors to be located at 600 Railroad Drive in the City (the "Project"). The Project will be comprised of twenty-five assisted-living units and twelve memory-care units. The proceeds of the Series 2014 Notes will be disbursed by the Trustee in accordance with the provisions of the Indenture and the terms and conditions of a Disbursing Agreement, dated as of December 1, 2014 (the "Disbursing Agreement"), by and between the Corporation, the Trustee, and Guaranty Commercial Title, Inc., as title insurance company and disbursing agent. The Disbursing Agreement is approved by the Resolution.

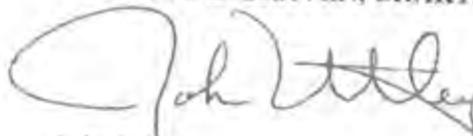
The Series 2014 Notes have a two-year term and are expected to be paid in full on or before December 1, 2016, from the proceeds of a permanent loan to be made to the Corporation by Rural Development of the United States Department of Agriculture ("USDA-RD") in an amount sufficient to pay the entire principal of the Series 2014 Notes. The Series 2014 Notes are secured by a pledge of the proceeds of the USDA-RD loan (the "USDA-RD Loan"). The Series 2014 Notes are further secured by a Mortgage, dated as of December 1, 2014 (the "Mortgage"), from the Corporation, as mortgagor, to the Trustee, as mortgagee. The Mortgage is approved by the Resolution.

The Series 2014 Notes do not constitute general or moral obligations of the City. The Series 2014 Notes are payable solely from the revenues and assets expressly pledged to payment of the Series 2014 Notes under the terms of the Resolution and the Indenture and are secured solely by the proceeds of the Series 2014 Notes, the proceeds of the USDA-RD Loan, and the Mortgage. In the event that the Project encounters financial difficulties or the USDA-RD Loan is not funded, the holders of the Series 2014 Notes may look only to the pledged security for payment of the Series 2014 Notes. No holder of the Series 2014 Notes shall ever have the right to compel any exercise by the City of its taxing powers to pay the debt service on the Series 2014 Notes or to enforce payment on the Series 2014 Notes against any property of the City (except the proceeds of the Series 2014 Notes).

The Resolution designates the Series 2014A Notes as qualified tax-exempt obligations, more commonly known as "bank-qualified bonds."

Please contact the undersigned with any questions with respect to the foregoing.

KENNEDY & GRAVEN, CHARTERED



John Utley

CITY OF NORWOOD YOUNG AMERICA, MINNESOTA

RESOLUTION NO. 2014-37

AUTHORIZING THE ISSUANCE, SALE, AND DELIVERY OF HEALTHCARE AND HOUSING REVENUE BOND ANTICIPATION NOTES UNDER MINNESOTA STATUTES, CHAPTER 462C, AS AMENDED, TO FINANCE A MULTIFAMILY HOUSING DEVELOPMENT FOR THE BENEFIT OF PEACE VILLA, INC.; APPROVING THE FORMS OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF THE NOTES AND RELATED DOCUMENTS; AND AUTHORIZING CERTAIN OTHER ACTIONS WITH RESPECT THERETO

WHEREAS, the City of Norwood Young America, Minnesota (the "Issuer" or the "City") is a statutory city duly organized and existing under the Constitution and laws of the State of Minnesota; and

WHEREAS, under Minnesota Statutes, Chapter 462C, as amended (the "Housing Act"), any statutory or home rule charter city may issue revenue bonds or obligations to make a loan to finance a multifamily housing development, including the preparation and construction of a new development and the improvement of an existing building and site by a nonprofit corporation which will operate the building as a multifamily housing development for rental primarily to elderly or disabled persons; and

WHEREAS, the Housing Act also provides that a multifamily housing development may consist of a combination of a multifamily housing development and a new or existing health care facility if: (i) the multifamily housing development is designed and intended to be used for rental occupancy; (ii) the multifamily housing development is designed and intended to be used primarily by elderly or physically disabled persons; and (iii) nursing, medical, personal care, and other health-related assisted living services are available on a 24-hour basis in the multifamily housing development to the residents; and

WHEREAS, in the making of a multifamily housing development loan and the issuance of revenue bonds or other obligations under the Housing Act, a city may exercise within its corporate limits any of the powers the Minnesota Housing Finance Agency may exercise under the terms of the Housing Finance Agency Act, Minnesota Statutes, Chapter 462A, as amended; and

WHEREAS, Peace Villa Inc., a Minnesota nonprofit corporation (the "Corporation"), is proposing to enter into a loan transaction with Rural Development of the United States Department of Agriculture ("USDA-RD") to provide permanent financing for the development of a senior-housing facility located in the City of Norwood Young America; and

WHEREAS, the new multifamily housing development will be known as the "The Haven at Peace Village," will be located at 600 Railroad Drive in the City, and will include thirty-seven (37) rental units for seniors to be comprised of twenty-five (25) assisted-living units and twelve (12) memory-care units (the "Project"); and

WHEREAS, the Corporation has requested that the Issuer provide construction financing for the Project by authorizing the issuance of revenue notes or other revenue obligations under the terms of the Act to provide initial temporary financing of the following: (i) the construction and equipping of the Project; (ii) the payment of interest on the revenue notes or other revenue obligations; and (iii) the payment of the costs of issuing the revenue notes or other revenue obligations; and

WHEREAS, at the request of the Corporation and in accordance with the provisions of the Housing Act, the Issuer is proposing to authorize the issuance of revenue notes a portion of which are to be issued as "qualified 501(c)(3) bonds," as defined in Section 145 of the Internal Revenue Code of 1986, as amended (the "Code"), the interest on which is excludable from gross income for federal income tax purposes; and

WHEREAS, Section 147(f) of the Code, and Treasury Regulations promulgated thereunder, require that prior to the issuance of qualified 501(c)(3) bonds by the Issuer, the City Council of the Issuer (the "Council") must conduct a public hearing on the question of the issuance of the qualified 501(c)(3) bonds and the financing of the Project after publication of a notice of a public hearing at least once, not less than fourteen (14) days prior to the date fixed for the public hearing in a newspaper of general circulation within the City; and

WHEREAS, under the provisions of Section 462C.05 of the Housing Act, prior to the issuance of any obligations under the Housing Act by the City, a housing program with respect to the Project (the "Program") must be prepared and must be adopted by the Council after a public hearing on the Program following one publication of a notice in a newspaper circulating generally in the City at least fifteen (15) days before the public hearing; and

WHEREAS, on or before the day the notice of public hearing is published, the City must submit the Program to the Metropolitan Council for its review and comments as to whether the Program furthers local and regional housing policies; and

WHEREAS, by the terms of Resolution No. 2014-27 (the "Initial Resolution") adopted by the Council of the City on July 28, 2014, the Council: (i) established Monday, September 8, 2014, as the date on which the Council would conduct a public hearing with regard to the adoption of the Program and with regard to granting preliminary authorization to the issuance of obligations under the Housing Act as requested by the Borrower; (ii) approved publication of a notice of the public hearing (in the form attached to the Initial Resolution) in the *Norwood Young America Times*, a newspaper of general circulation in the City at least once not less than fifteen (15) days prior to the date of the public hearing; and (iii) authorized preparation of the Program and submission of the Program to the Metropolitan Council on or before the date of publication of the notice of public hearing; and

WHEREAS, the notice of public hearing was published once in the *Norwood Young America Times* on August 14, 2014, and, on or before the date of publication of the notice of public hearing, the Program was submitted to the Metropolitan Council for its review and comments; and

WHEREAS, on September 8, 2014, the Council conducted a public hearing with respect to the proposal to undertake and finance the Project under the terms of the Program by the issuance of the Series 2014 Notes as requested by the Borrower and, following the public hearing, adopted Resolution No. 2014-34 (the "Preliminary Resolution") granting preliminary approval to the issuance of revenue obligations under the Housing Act to provide construction financing of the Project; and

WHEREAS, the revenue obligations proposed to be issued by the City and the interest on such revenue obligations: (i) shall not constitute a general or moral obligation of the City and shall be payable solely from the revenues pledged therefor; (ii) shall not constitute a debt of the City within the meaning of any constitutional or statutory limitation; (iii) shall not constitute nor give rise to a pecuniary liability of the City or a charge against its general credit or taxing powers; and (iv) shall not constitute a charge, lien, or encumbrance, legal or equitable, upon any property of the City other than the City's interest in the revenues and security expressly pledged to the payment of such revenue obligations;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF NORWOOD YOUNG AMERICA THAT:

1. The Series 2014 Notes and the Indenture. For the purposes described in this resolution, there is hereby authorized the issuance, sale, and delivery by the Issuer of its: (i) Healthcare and Housing Revenue Bond Anticipation Notes (The Haven at Peace Village Project), Series 2014A (the "Series 2014A Notes"), in the original aggregate principal amount of approximately \$5,865,000; and (ii) Taxable Healthcare and Housing Revenue Bond Anticipation Notes (The Haven at Peace Village Project), Series 2014B (the "Series 2014B Notes"), in the original aggregate principal amount of approximately \$775,000. The Series 2014A Notes and the Series 2014B Notes are hereinafter referred to collectively as the "Series 2014 Notes." The Series 2014 Notes shall be designated as provided in this resolution except as otherwise determined by the Mayor and the City Administrator of the City (collectively, the "Issuer Officials"), in their discretion. The Series 2014 Notes shall be issued under the terms of this resolution and an Indenture of Trust, dated on or after December 1, 2014 (the "Indenture"), between the Issuer, the Corporation, and U.S. Bank National Association, as trustee (the "Trustee"). The Series 2014 Notes shall bear interest at fixed rates established by the terms of the Indenture. The Series 2014 Notes shall be numbered, shall be dated, shall mature, shall be subject to redemption prior to maturity, shall be in such form, and shall have such other terms, details, and provisions as are prescribed in the Indenture, in the form now on file with the Issuer, with the amendments referenced herein. The Issuer hereby authorizes the Series 2014A Notes to be issued as "tax-exempt obligations" the interest on which is excluded from gross income for federal and State of Minnesota income tax purposes, and hereby authorizes the Series 2014B Notes to be issued as "taxable obligations" the interest on which is not excluded from gross income for federal and State of Minnesota income tax purposes.

All of the provisions of the Series 2014 Notes, when executed as authorized herein, shall be deemed to be a part of this resolution as fully and to the same extent as if incorporated verbatim herein and shall be in full force and effect from the date of execution and delivery thereof. The Series 2014 Notes shall be prepared in the forms in the Indenture on file with the Issuer, which forms are hereby approved, with such necessary and appropriate variations, omissions, and insertions (including changes to the aggregate principal amount of the Series 2014 Notes, the stated maturities of the Series 2014 Notes, the interest rates on the Series 2014 Notes, and the terms of redemption of the Series 2014 Notes) as the Issuer Officials, in their discretion, shall determine. The execution of the Series 2014 Notes with the manual or facsimile signatures of the Issuer Officials and the delivery of the Series 2014 Notes by the Issuer shall be conclusive evidence of such determinations.

The Council of the Issuer hereby authorizes and directs the Issuer Officials to execute the Indenture and deliver the Indenture to the Corporation and the Trustee for their execution. The Indenture shall provide the terms and conditions, covenants, rights, obligations, duties, and agreements of the owners of the Series 2014 Notes, the Issuer, the Corporation, and the Trustee as set forth therein. All of the provisions of the Indenture, when executed as authorized herein, shall be deemed to be a part of this resolution as fully and to the same extent as if incorporated verbatim herein and shall be in full force and effect from the date of execution and delivery thereof. The Indenture shall be substantially in the form on file with the Issuer on the date hereof which is hereby approved, with such necessary and appropriate variations, omissions, and insertions as do not materially change the substance thereof, or as the Issuer Officials, in their discretion, shall determine, and the execution thereof by the Issuer Officials shall be conclusive evidence of such determination.

2. Purchase Agreement. The Issuer Officials are hereby authorized and directed to execute and deliver a Purchase Agreement, dated on or after December 1, 2014 (the "Purchase Agreement"), by and between the Issuer, the Corporation, and Dougherty & Company LLC (the "Underwriter"). Subject to the satisfaction of the terms and conditions set forth in the Purchase Agreement, the Underwriter will

purchase the Series 2014 Notes from the Issuer at the prices set forth in the Purchase Agreement. All of the provisions of the Purchase Agreement, when executed and delivered as authorized herein, shall be deemed to be a part of this resolution as fully and to the same extent as if incorporated verbatim herein and shall be in full force and effect from the date of execution and delivery thereof. The Purchase Agreement shall be substantially in the form on file with the Issuer on the date hereof which is hereby approved, with such omissions and insertions as do not materially change the substance thereof, or as the Issuer Officials, in their discretion, shall determine, and the execution of the Purchase Agreement by the Issuer Officials shall be conclusive evidence of such determination.

3. Application of Proceeds. The proceeds derived from the sale of the Series 2014 Notes to the Underwriter under the terms of the Purchase Agreement shall be transferred to the Trustee and deposited in the funds and accounts established under the Indenture in accordance with directions set forth in the Indenture. The money held in the funds and accounts of the Indenture shall be applied in accordance with the terms of the Indenture to the following purposes: (i) the payment or reimbursement to the Corporation of the costs of the acquisition, construction, and equipping of the Project by the Corporation; (ii) the payment of interest on the Series 2014 Notes; and (iii) the payment of the costs of issuing the Series 2014 Notes.

4. The Disbursing Agreement. The proceeds of the Series 2014 Notes shall be disbursed for the purposes described herein under the provisions of the Indenture and in accordance with the terms and conditions of a Disbursing Agreement, dated on or after December 1, 2014 (the "Disbursing Agreement"), by and between the Corporation, the Trustee, and Guaranty Commercial Title, Inc., as disbursing agent (the "Disbursing Agent"). All of the provisions of the Disbursing Agreement, when executed and delivered as authorized herein, shall be deemed to be a part of this resolution as fully and to the same extent as if incorporated verbatim herein and shall be in full force and effect from the date of execution and delivery thereof. The Disbursing Agreement shall be substantially in the form on file with the Issuer on the date hereof which is hereby approved, with such omissions and insertions as do not materially change the substance thereof, or as the Corporation, the Trustee, and the Disbursing Agent, in their discretion, shall determine, and the execution of the Disbursing Agreement by the Trustee is hereby authorized and approved.

5. Security for the Series 2014 Notes. To secure the timely payment of the principal of and interest on the Series 2014 Notes in accordance with their terms and the provisions of the Indenture, the Issuer and the Corporation have pledged and assigned to the Trustee for the benefit of the holders of the Series 2014 Notes: (i) the proceeds of the Series 2014 Notes; (ii) the proceeds of a loan from the USDA-RD to the Corporation to provide permanent financing for the Project (the "USDA Direct Loan"); and (iii) all amounts held in the funds and accounts established under the terms of the Indenture (except the Rebate Fund), including investments thereof. The timely payment of the principal of and interest on the Series 2014 Notes is further secured by a Mortgage, dated on or after December 1, 2014 (the "Mortgage"), from the Corporation, as mortgagor, in favor of the Issuer, and assigned by the Issuer to the Trustee by the terms of an Assignment of Mortgage, dated on or after December 1, 2014 (the "Assignment of Mortgage"), by the Issuer in favor of the Trustee. All of the provisions of the Mortgage and the Assignment of Mortgage, when executed and delivered as authorized herein, shall be deemed to be a part of this resolution as fully and to the same extent as if incorporated verbatim herein and shall be in full force and effect from the date of execution and delivery thereof. The Mortgage and the Assignment of Mortgage shall be substantially in the forms on file with the Issuer on the date hereof which are hereby approved, with such omissions and insertions as do not materially change the substance thereof, or as the Corporation, the Issuer, and the Trustee, in their discretion, shall determine. The acceptance of the Mortgage by the Trustee is hereby authorized and approved and the execution of the Assignment of Mortgage by the Issuer Officials is hereby authorized and approved.

6. Obligations of the Corporation. The obligations of the Corporation under the Indenture, the Purchase Agreement, the Disbursing Agreement, and the Mortgage are fixed so as to produce revenues sufficient to provide for the prompt payment of principal of and interest on the Series 2014 Notes when due. The Corporation is required to pay all expenses of the operation and maintenance of the Project including, but without limitation, adequate insurance thereon and insurance against all liability for injury to persons or property arising from the operation thereof, and all lawfully imposed taxes and special assessments levied upon or with respect to the Project and payable during the term of the Indenture and the Mortgage.

7. Special Limited Obligations of the Issuer. The Series 2014 Notes do not constitute general or moral obligations of the Issuer. As provided in the Indenture, the Series 2014 Notes shall not be payable from nor charged upon any funds other than the revenues pledged to their payment, nor shall the Issuer be subject to any liability thereon, except as otherwise provided in this paragraph. No holder of the Series 2014 Notes shall ever have the right to compel any exercise by the Issuer of any taxing powers to pay the Series 2014 Notes or the interest thereon, or to enforce payment thereof against any property of the Issuer except the interests of the Series 2014 Notes and the Indenture, and the trust estate established under the terms of the Indenture. The Series 2014 Notes shall recite that the Series 2014 Notes are issued under the Housing Act and that the Series 2014 Notes, including interest, if any, thereon, are payable solely from the revenues and assets expressly pledged to the payment thereof, and the Series 2014 Notes shall not constitute a debt of the Issuer within the meaning of any constitutional or statutory limitations.

8. Additional Issuer Documents. The Issuer Officials and other officers, employees, and agents of the Issuer are hereby authorized to execute and deliver, on behalf of the Issuer, such other documents as are necessary or appropriate in connection with the issuance, sale, and delivery of the Series 2014 Notes, including various certificates of the Issuer; an Information Return for Tax-Exempt Private Activity Bond Issues, Form 8038; an endorsement to a Tax Certificate of the Corporation; and similar documents. The Issuer hereby approves the execution and delivery by the Trustee of the Indenture and all other instruments, certificates, and documents prepared in conjunction with the issuance of the Series 2014 Notes that require execution by the Trustee. The Trustee is hereby appointed as registrar and paying agent with respect to the Series 2014 Notes. The Issuer hereby authorizes Kennedy & Graven, Chartered, as bond counsel of the Issuer, to prepare, execute, and deliver its approving legal opinion with respect to the Series 2014 Notes.

9. Disclosure Documents. The Issuer has not participated in the preparation of a Preliminary Official Statement or an Official Statement relating to the offer and sale of the Series 2014 Notes (collectively, the "Official Statement"), and have made no independent investigations with respect to the information contained therein, including the appendices thereto, and the Issuer assumes no responsibility for the sufficiency, accuracy, or completeness of such information (except for any information regarding the Issuer provided by the Issuer and any information provided by the Issuer relating to relevant pending or threatened litigation against the Issuer). Subject to the foregoing, the Issuer hereby consents to the distribution and the use by the Underwriter of the Official Statement in connection with the offer and sale of the Series 2014 Notes. The Official Statement is the sole material consented to by the Issuer for use in connection with the offer and sale of the Series 2014 Notes. The Issuer hereby approves the Continuing Disclosure Agreement, dated on or after December 1, 2014 (the "Continuing Disclosure Agreement"), between the Corporation and the Trustee, as dissemination agent. The Continuing Disclosure Agreement shall be substantially in the form on file with the Issuer on the date hereof (as Appendix I of the form of Preliminary Official Statement now on file with the Issuer) which is hereby approved, with such omissions and insertions as do not materially change the substance thereof, or as the Corporation and the Trustee, in their discretion, shall determine, and the execution and delivery of the Continuing Disclosure Agreement by the Trustee is hereby authorized and approved.

10. Designation of Series 2014A Notes as Qualified Tax-Exempt Obligations. The City hereby designates the Series 2014A Notes as “qualified tax-exempt obligations” for purposes of Section 265(b)(3) of the Code relating to the disallowance of interest expense for financial institutions, and in that regard hereby finds that: (i) the Series 2014A Notes are “qualified 501(c)(3) bonds,” as defined in Section 145 of the Code and, as such, are not treated as “private activity bonds,” for purposes of Section 265(b)(3)(B)(i) of the Code, in accordance with the terms of Section 265(b)(3)(B)(ii) of the Code; (ii) the reasonably anticipated amount of tax-exempt obligations (other than any private activity bonds) which will be issued by the City (and all subordinate entities of the City) during calendar year 2014 shall not exceed \$10,000,000; and (iii) not more than \$10,000,000 of obligations issued by the City during calendar year 2014 have been or will be designated as qualified tax-exempt obligations for purposes of Section 265(b)(3) of the Code.

11. Limitation of Liability. Except as otherwise provided in this resolution, all rights, powers, and privileges conferred, and duties and liabilities imposed, upon the Issuer, the Council, or the Issuer Officials by the provisions of this resolution or of the aforementioned documents shall be exercised or performed by the Issuer or by such members of the Council, or such officers, employees, or agents of the Issuer as may be required or authorized by law to exercise such powers and to perform such duties.

No covenant, stipulation, obligation, or agreement herein contained or contained in the aforementioned documents shall be deemed to be a covenant, stipulation, obligation, or agreement of any member of the Council, or any officer, agent, or employee of the City in that person’s individual capacity, and neither the Council, nor any officer or employee executing the Series 2014 Notes shall be liable personally on the Series 2014 Notes or be subject to any personal liability or accountability by reason of the issuance thereof.

No provision, covenant, or agreement contained in the aforementioned documents, the Series 2014 Notes, or in any other document relating to the Series 2014 Notes, and no obligation therein or herein imposed upon the Issuer or the breach thereof, shall constitute or give rise to any pecuniary liability of the Issuer or any charge upon its general credit or taxing powers. In making the agreements, provisions, covenants, and representations set forth in such documents, the Issuer has not obligated itself to pay or remit any funds or revenues, other than funds and revenues pledged under the terms of the Indenture which are to be applied to the payment of the Series 2014 Notes, as provided therein and in the Indenture.

12. Rights of the Issuer and Holders of the Series 2014 Notes. Except as herein otherwise expressly provided, nothing in this resolution or in the aforementioned documents expressed or implied, is intended or shall be construed to confer upon any person, firm, or corporation, other than the Issuer or any holder of the Series 2014 Notes issued under the provisions of this resolution, any right, remedy, or claim, legal or equitable, under and by reason of this resolution or any provisions hereof, this resolution, the aforementioned documents and all of their provisions being intended to be and being for the sole and exclusive benefit of the Issuer and any holder from time to time of the Series 2014 Notes issued under the provisions of this resolution.

13. Severability of Provisions. In case any one or more of the provisions of this resolution, other than the provisions contained in Sections 6 and 9 hereof, or of the aforementioned documents, or of the Series 2014 Notes issued hereunder shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provision of this resolution, or of the aforementioned documents, or of the Series 2014 Notes, but this resolution, the aforementioned documents, and the Series 2014 Notes shall be construed and endorsed as if such illegal or invalid provisions had not been contained therein.

14. Validity of the Series 2014 Notes. The Series 2014 Notes, when executed and delivered, shall contain a recital that they are issued in accordance with the provisions of the Housing Act, and such recital shall be conclusive evidence of the validity of the Series 2014 Notes and the regularity of the issuance thereof, and that all acts, conditions, and things required by the laws of the State of Minnesota relating to the adoption of this resolution, to the issuance of the Series 2014 Notes, and to the execution and delivery of the aforementioned documents to happen, exist, and be performed precedent to the execution of the aforementioned documents have happened, exist, and have been performed as so required by law.

15. Authorization to Take Actions. The officers of the City, bond counsel, other attorneys, engineers, and agents or employees of the City are hereby authorized to do all acts and things required of them by or in connection with this resolution, the aforementioned documents, and the Series 2014 Notes for the full, punctual, and complete performance of all the terms, covenants, and agreements contained in the Series 2014 Notes, the aforementioned documents, and this resolution. In the event that for any reason any of the Issuer Officials are unable to carry out the execution of any of the documents or other acts provided herein, such documents may be executed and such actions may be taken by any official or employee of the City delegated the duties of any such Issuer Official with the same force and effect as if such documents were executed and delivered by such Issuer Official.

16. Costs Payable by the Corporation. This resolution has been approved by the Council in reliance on assurances from the Corporation that the Corporation will pay or reimburse the City for any and all costs paid or incurred by the City in connection with the financing of the Project, whether or not the Series 2014 Notes are issued. It is understood and agreed that the Corporation shall indemnify the City against all liabilities, losses, damages, costs, and expenses (including attorney's fees and expenses incurred by the City) arising with respect to the Project or the Series 2014 Notes including, in connection with any audit or information request by the Internal Revenue Service or the State of Minnesota.

17. Amendments and Supplements. On any date subsequent to the date of issuance of the Series 2014 Notes, the Issuer Officials (including their successors) are hereby authorized to execute and deliver any amendments or supplements to any of the documents referred to in this resolution or other documents executed and delivered in connection with the issuance of the Series 2014 Notes if, after review by bond counsel, the Issuer Officials (or their successors) determine that the execution and delivery of such amendment or supplement is in the interests of the City. The Issuer Officials (including their successors) may impose any terms or conditions on the execution and delivery of any such amendment or supplement as the Issuer Officials (or their successors) deem appropriate.

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

Adopted by the City Council of the City of Norwood Young America, Minnesota, this 10th day of November, 2014.

CITY OF NORWOOD YOUNG AMERICA

Tina Diedrick, Mayor

ATTEST:

Diane Frauendienst, City Clerk-Treasurer

TO: Honorable Mayor Diedrick and City Council Members

FROM: Steve Helget, City Administrator

DATE: November 7, 2014

SUBJECT: Resolution 2014-39, Contract for Private Development

Enclosed is Resolution 2014-39, approving the contract for private development with Peace Villa and the issuance of Tax Increment Revenue Note Series 2015, with a maximum principal amount of \$530,000. The purpose of the contract is to identify Peace Villa's obligations to construct and maintain the facility (The Haven) and the City's obligations to reimburse certain qualified expenses through the use of tax increment financing.

Martha Ingram of Kennedy & Graven will be present to review the Contract for Private Development and Resolution 2014-39.

Suggested Motion:

Motion to approve Resolution 2014-39.

CITY OF NORWOOD YOUNG AMERICA, MINNESOTA

RESOLUTION NO. 2014-39

**RESOLUTION APPROVING CONTRACT FOR PRIVATE DEVELOPMENT AND
AWARDING THE SALE OF, AND PROVIDING THE FORM, TERMS, COVENANTS
AND DIRECTIONS FOR THE ISSUANCE OF ITS TAX INCREMENT REVENUE NOTE,
SERIES 2015; IN THE MAXIMUM PRINCIPAL AMOUNT OF \$530,000.**

BE IT RESOLVED BY the City Council ("Council") of the City of Norwood Young America, Minnesota (the "City") as follows:

Section 1. Authorization; Award of Sale.

1.01. Authorization. The City has heretofore approved the establishment of Tax Increment Financing District No. 1-5 (the "TIF District") within Development District No. 1 ("Project"), and has adopted a tax increment financing plan for the purpose of financing certain improvements within the Project.

Pursuant to Minnesota Statutes, Section 469.178, the City is authorized to issue and sell its bonds for the purpose of financing a portion of the public development costs of the Development District. Such bonds are payable from all or any portion of revenues derived from the TIF District and pledged to the payment of the bonds. The City hereby finds and determines that it is in the best interests of the City that it issue and sell its Tax Increment Revenue Note, Series 2015 (the "Note") in the maximum aggregate principal amount of \$530,000, for the purpose of financing certain public costs of the Project.

1.02. Agreement Approved; Issuance, Sale, and Terms of the Note. The City hereby approves the Contract for Private Development (the "Agreement") between the City and Peace Villa, Inc. (the "Owner"), and authorizes the Mayor and City Administrator to execute such Agreement in substantially the form on file with City, subject to modifications that do not alter the substance of the transaction and are approved by such officials, provided that execution of the Agreement by such officials is conclusive evidence of their approval. Pursuant to the Agreement, the Note shall be sold to the Owner. The Note shall be dated as of the date of delivery and shall bear interest at the rate of 5.0% per annum to the earlier of maturity or prepayment. The City shall receive in exchange for the sale of the Note the payment by the Owner of the Public Development Costs as defined in the Agreement. The Note will be delivered in accordance with the terms of Section 3.3 of the Agreement.

Section 2. Form of Note. The Note shall be in substantially the following form, with the blanks to be properly filled in and the principal amount adjusted as of the date of issue:

UNITED STATE OF AMERICA
STATE OF MINNESOTA
COUNTY OF CARVER
CITY OF NORWOOD YOUNG AMERICA

No. R-1

\$ _____

TAX INCREMENT REVENUE NOTE
SERIES 2015

Rate

Date
of Original Issue

5.0%

_____, 20__

The City of Norwood Young America, Minnesota (the "City"), for value received, certifies that it is indebted and hereby promises to pay to Peace Villa, Inc., or registered assigns (the "Owner"), the principal sum of \$ _____ and to pay interest thereon at the rate of five percent (5.0%) per annum, but solely from the sources and to the extent set forth herein.

1. Payments. Principal and interest ("Payments") shall be paid on August 1, 2017 and each February 1 and August 1 thereafter to and including February 1, 2030 ("Payment Dates") in the amounts and from the sources set forth in Section 3 herein. Payments shall be applied first to accrued interest, and then to unpaid principal.

Payments are payable by mail to the address of the Owner or such other address as the Owner may designate upon 30 days written notice to the City. Payments on this Note are payable in any coin or currency of the United States of America which, on the Payment Date, is legal tender for the payment of public and private debts.

2. Interest. Simple interest at the rate stated herein shall accrue on the unpaid principal, commencing on the date of original issue. Interest shall be computed on the basis of a 360-day year consisting of twelve (12) months of thirty (30) days.

3. Available Tax Increment. Payments on this Note are payable on each Payment Date in the amount of and solely payable from "Available Tax Increment," which shall mean, on each Payment Date, ninety-seven percent (97%) of the Tax Increment attributable to the Development Property and paid to the City by Carver County in the six months preceding the Payment Date, all as such terms are defined in the Contract for Private Development between the City and Owner dated as of _____, 2014 (the "Agreement"). Available Tax Increment shall not include any Tax Increment if, as of any Payment Date, there is an uncured Event of Default under the Agreement.

The City shall have no obligation to pay principal of and interest on this Note on each Payment Date from any source other than Available Tax Increment, and the failure of the City to

pay the entire amount of principal or interest on this Note on any Payment Date shall not constitute a default hereunder as long as the City pays principal and interest hereon to the extent of Available Tax Increment. The City shall have no obligation to pay unpaid balance of principal or accrued interest that may remain after the final Payment on February 1, 2030.

4. Optional Prepayment. The principal sum and all accrued interest payable under this Note is prepayable in whole or in part at any time by the City without premium or penalty. No partial prepayment shall affect the amount or timing of any other regular payment otherwise required to be made under this Note.

5. Termination. At the City's option, this Note shall terminate and the City's obligation to make any payments under this Note shall be discharged upon the occurrence of an Event of Default on the part of the Developer as defined in Section 9.1 of the Agreement, but only if the Event of Default has not been cured in accordance with Section 9.2 of the Agreement.

6. Nature of Obligation. This Note is one of an issue in the total principal amount of \$ _____ all issued to aid in financing certain public development costs and administrative costs of a Project undertaken by the City pursuant to Minnesota Statutes, Sections 469.124 through 469.134, and is issued pursuant to an authorizing resolution (the "Resolution") duly adopted by the City on _____, 2014, and pursuant to and in full conformity with the Constitution and laws of the State of Minnesota, including Minnesota Statutes, Sections 469.174 to 469.179. This Note is a limited obligation of the City which is payable solely from Available Tax Increment pledged to the payment hereof under the Resolution. This Note and the interest hereon shall not be deemed to constitute a general obligation of the State of Minnesota or any political subdivision thereof, including, without limitation, the City. Neither the State of Minnesota, nor any political subdivision thereof shall be obligated to pay the principal of or interest on this Note or other costs incident hereto except out of Available Tax Increment, and neither the full faith and credit nor the taxing power of the State of Minnesota or any political subdivision thereof is pledged to the payment of the principal of or interest on this Note or other costs incident hereto.

7. Registration and Transfer. This Note is issuable only as a fully registered note without coupons. As provided in the Resolution, and subject to certain limitations set forth therein, this Note is transferable upon the books of the City kept for that purpose at the principal office of the City Administrator, by the Owner hereof in person or by such Owner's attorney duly authorized in writing, upon surrender of this Note together with a written instrument of transfer satisfactory to the City, duly executed by the Owner. Upon such transfer or exchange and the payment by the Owner of any tax, fee, or governmental charge required to be paid by the City with respect to such transfer or exchange, there will be issued in the name of the transferee a new Note of the same aggregate principal amount, bearing interest at the same rate and maturing on the same dates.

This Note shall not be transferred to any person other than an affiliate, or other related entity, of the Owner unless the City has been provided with an opinion of counsel or a certificate of the transferor, in a form satisfactory to the City, that such transfer is exempt from registration and prospectus delivery requirements of federal and applicable state securities laws.

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 exist, to happen, and to be performed in order to make this Note a valid and binding limited obligation of the City according to its terms, have been done, do exist, have happened, and have been performed in due form, time and manner as so required.

IN WITNESS WHEREOF, the City Council of the City of Norwood Young America, Minnesota has caused this Note to be executed with the manual signatures of its Mayor and City Administrator, all as of the Date of Original Issue specified above.

MINNESOTA

CITY OF NORWOOD YOUNG AMERICA,

City Administrator

Mayor

REGISTRATION PROVISIONS

The ownership of the unpaid balance of the within Note is registered in the bond register of the City Administrator, in the name of the person last listed below.

Date of
Registration

Registered Owner

Signature of
City Administrator

Peace Villa, Inc.
Fed. Tax ID: _____

Section 3. Terms, Execution and Delivery.

3.01. Denomination, Payment. The Note shall be issued as a single typewritten note numbered R-1.

The Note shall be issuable only in fully registered form. Principal of and interest on the Note shall be payable by check or draft issued by the Registrar described herein.

3.02. Dates: Interest Payment Dates. Principal of and interest on the Note shall be payable by mail to the owner of record thereof as of the close of business on the fifteenth day of the month preceding the Payment Date, whether or not such day is a business day.

3.03. Registration. The City hereby appoints the City Administrator to perform the functions of registrar, transfer agent and paying agent (the "Registrar"). The effect of registration and the rights and duties of the City and the Registrar with respect thereto shall be as follows:

(a) Register. The Registrar shall keep at its office a bond register in which the Registrar shall provide for the registration of ownership of the Note and the registration of transfers and exchanges of the Note.

(b) Transfer of Note. Upon surrender for transfer of the Note duly endorsed by the registered owner thereof or accompanied by a written instrument of transfer, in form reasonably satisfactory to the Registrar, duly executed by the registered owner thereof or by an attorney duly authorized by the registered owner in writing, the Registrar shall authenticate and deliver, in the name of the designated transferee or transferees, a new Note of a like aggregate principal amount and maturity, as requested by the transferor. Notwithstanding the foregoing, the Note shall not be transferred to any person other than an affiliate, or other related entity, of the Owner unless the City has been provided with an opinion of counsel or a certificate of the transferor, in a form satisfactory to the City, that such transfer is exempt from registration and prospectus delivery requirements of federal and applicable state securities laws. The Registrar may close the books for registration of any transfer after the fifteenth day of the month preceding each Payment Date and until such Payment Date.

(c) Cancellation. The Note surrendered upon any transfer shall be promptly cancelled by the Registrar and thereafter disposed of as directed by the City.

(d) Improper or Unauthorized Transfer. When the Note is presented to the Registrar for transfer, the Registrar may refuse to transfer the same until it is satisfied that the endorsement on such Note or separate instrument of transfer is legally authorized. The Registrar shall incur no liability for its refusal, in good faith, to make transfers which it, in its judgment, deems improper or unauthorized.

(e) Persons Deemed Owners. The City and the Registrar may treat the person in whose name the Note is at any time registered in the bond register as the absolute owner of the Note, whether the Note shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal of and interest on such Note and for all other purposes, and all such payments so made

to any such registered owner or upon the owner's order shall be valid and effectual to satisfy and discharge the liability of the City upon such Note to the extent of the sum or sums so paid.

(f) Taxes, Fees and Charges. For every transfer or exchange of the Note, the Registrar may impose a charge upon the owner thereof sufficient to reimburse the Registrar for any tax, fee, or other governmental charge required to be paid with respect to such transfer or exchange.

(g) Mutilated, Lost, Stolen or Destroyed Note. In case any Note shall become mutilated or be lost, stolen, or destroyed, the Registrar shall deliver a new Note of like amount, maturity dates and tenor in exchange and substitution for and upon cancellation of such mutilated Note or in lieu of and in substitution for such Note lost, stolen, or destroyed, upon the payment of the reasonable expenses and charges of the Registrar in connection therewith; and, in the case of such Note lost, stolen, or destroyed, upon filing with the Registrar of evidence satisfactory to it that such Note was lost, stolen, or destroyed, and of the ownership thereof, and upon furnishing to the Registrar of an appropriate bond or indemnity in form, substance, and amount satisfactory to it, in which both the City and the Registrar shall be named as obligees. The Note so surrendered to the Registrar shall be cancelled by it and evidence of such cancellation shall be given to the City. If the mutilated, lost, stolen, or destroyed Note has already matured or been called for redemption in accordance with its terms, it shall not be necessary to issue a new Note prior to payment.

3.04. Preparation and Delivery. The Note shall be prepared under the direction of the City Administrator and shall be executed on behalf of the City by the signatures of its Mayor and City Administrator. In case any officer whose signature shall appear on the Note shall cease to be such officer before the delivery of the Note, such signature shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until delivery. When the Note has been so executed, it shall be delivered by the City Administrator to the Owner thereof upon closing on acquisition of the Development Property in accordance with the Agreement.

Section 4. Security Provisions.

4.01. Pledge. The City hereby pledges to the payment of the principal of and interest on the Note all Available Tax Increment as defined in the Note. Available Tax Increment shall be applied to payment of the principal of and interest on the Note in accordance with the terms of the form of Note set forth in Section 2 of this resolution.

4.02. Bond Fund. Until the date the Note is no longer outstanding and no principal thereof or interest thereon (to the extent required to be paid pursuant to this resolution) remains unpaid, the City shall maintain a separate and special "Bond Fund" to be used for no purpose other than the payment of the principal of and interest on the Note. The City irrevocably agrees to appropriate to the Bond Fund in each year Available Tax Increment. Any Available Tax Increment remaining in the Bond Fund shall be transferred to the City's account for TIF District No. 1-5 upon the payment of all principal and interest to be paid with respect to the Note.

Section 5. Certification of Proceedings.

5.01. Certification of Proceedings. The officers of the City are hereby authorized and directed to prepare and furnish to the Owner of the Note certified copies of all proceedings and records of the City, and such other affidavits, certificates, and information as may be required to show the facts relating to the legality and marketability of the Note as the same appear from the books and records under their custody and control or as otherwise known to them, and all such certified copies, certificates, and affidavits, including any heretofore furnished, shall be deemed representations of the City as to the facts recited therein.

Section 6. Effective Date. This resolution shall be effective upon full execution of the Agreement.

Adopted by the City Council of the City of Norwood Young America, Minnesota, this 10th day of November, 2014.

CITY OF NORWOOD YOUNG AMERICA

Tina Diedrick, Mayor

ATTEST:

Diane Frauendienst, City Clerk-Treasurer

Third draft, November 5, 2014

**CONTRACT
FOR
PRIVATE DEVELOPMENT**

By and Between

CITY OF NORWOOD YOUNG AMERICA, MINNESOTA

and

PEACE VILLA, INC.

Dated: _____, 2014

This document was drafted by:
KENNEDY & GRAVEN, Chartered (MNI)
470 U.S. Bank Plaza
Minneapolis, Minnesota 55402
Telephone: 612-337-9300

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CONTRACT FOR PRIVATE DEVELOPMENT

THIS AGREEMENT, made as of the ___ day of _____, 2014, by and between the CITY OF NORWOOD YOUNG AMERICA, a Minnesota municipal corporation (the "City"), and PEACE VILLA, INC., a Minnesota nonprofit corporation (the "Developer").

WITNESSETH:

WHEREAS, the City has undertaken a program to promote economic development and job opportunities and to promote the development of land which is underutilized within the City, and in this connection created Development District No. 1 (hereinafter referred to as the "Project") in an area (hereinafter referred to as the "Project Area") located in the City, and Tax Increment Financing District No. 1-5 (the "TIF District") within the Project Area, all pursuant to Minnesota Statutes, Sections 469.124 to 469.133, as amended (the "Act") and Minnesota Statutes, Sections 469.174 to 469.1794, as amended (the "Tax Increment Act"); and

WHEREAS, pursuant to the Act, the City is authorized to undertake certain activities to prepare such real property for development by private enterprise; and

WHEREAS, the Developer proposes to acquire certain property (the "Development Property") in the Project Area and has proposed to develop an assisted living and memory care facility in the TIF District, consisting of approximately 37 rental units, intended in part for persons of low or moderate income (the "Minimum Improvements"); and

WHEREAS, in order to achieve the objectives of the Development Plan for the Project, the City is prepared to pay certain public improvement costs of the Project, in order to bring about development in accordance with the Development Plan and this Agreement; and

WHEREAS, the City believes that the development of the Project Area pursuant to this Agreement, and fulfillment generally of this Agreement, are in the vital and best interests of the City and the health, safety, morals, and welfare of its residents, and in accord with the public purposes and provisions of the applicable State and local laws and requirements under which the Project has been undertaken and is being assisted.

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. In this Agreement, unless a different meaning clearly appears from the context:

“Act” means Minnesota Statutes, Sections 469.124 to 469.133, as amended.

“Affiliate” means with respect to an entity (a) any corporation, partnership, limited liability company or other business entity or person controlling, controlled by or under common control with the entity, and (b) any successor to such party by merger, acquisition, reorganization or similar transaction involving all or substantially all of the assets of such party (or such Affiliate). For the purpose hereof the words “controlling”, “controlled by” and “under common control with” shall mean, with respect to any corporation, partnership, limited liability company or other business entity, the ownership of fifty percent or more of the voting interests in such entity or possession, directly or indirectly, of the power to direct or cause the direction of management policies of such entity, whether through ownership of voting securities or by contract or otherwise.

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

“Authorizing Resolution” means the resolution of the City, substantially in the form of the attached Schedule B, adopted by the City Council to authorize the issuance of the Note.

“Certificate of Completion” means the certification provided to the Developer, or the purchaser of any part, parcel or unit of the Development Property, pursuant to Section 4.4 of this Agreement.

“City” means the City of Norwood Young America, Minnesota.

“City Representative” means the City Administrator or person designated in writing by the City Administrator to act as the City Representative of the City of Norwood Young America.

“Construction Plans” means the plans, specifications, drawings and related documents on the construction work to be performed by the Developer on the Development Property, including the Minimum Improvements, which (a) shall be as detailed as the plans, specifications, drawings and related documents which are submitted to the appropriate building officials of the City, and (b) shall include at least the following: (1) Public plan; (2) foundation plan; (3) basement plans; (4) floor plan for each floor; (5) cross sections of each (length and width); (6) elevations (all sides); (7) landscape plan; and (8) such other plans or supplements to the foregoing plans as the City may reasonably request to allow it to ascertain the nature and quality of the proposed construction work.

“County” means the County of Carver, Minnesota.

“Developer” means Peace Villa, Inc. or its permitted successors and assigns.

“Development Property” means the real property described in Schedule A of this Agreement.

“Development Plan” means the City’s Development Program for Development District No. 1 as approved June 29, 1987 and modified November 9, 1987, November 8, 1990, August 22, 2005, and November 10, 2014, and as it may be further modified.

“Event of Default” means an action by the Developer listed in Article IX of this Agreement.

“Holder” means the owner of a Mortgage.

“Maturity Date” means the date that the Note has been paid in full or terminated, whichever is earlier.

“Minimum Improvements” means the development on the Development Property of a facility comprising approximately 25 units of assisted living rental housing and approximately 12 units of memory care rental housing intended in part for rental to low and moderate income senior citizens.

“Mortgage” means any mortgage made by the Developer which is secured, in whole or in part, with the Development Property and which is a permitted encumbrance pursuant to the provisions of Article VIII of this Agreement.

“Note” means a Tax Increment Revenue Note, substantially in the form contained in the Authorizing Resolution, to be delivered by the City to the Developer in consideration for the Developer’s payment of Public Development Costs, and any obligation issued to refund the Note.

“Project” means the City’s Development District No. 1.

“Project Area” means the real property located within the boundaries of the Project.

“Public Development Costs” means those costs to be paid or reimbursed to the Developer by the City in connection with the development hereunder as set forth in Section 3.2.

“State” means the State of Minnesota.

“Tax Increment” means that portion of the real property taxes which is paid with respect to the TIF District and which is remitted to the City as tax increment pursuant to the Tax Increment Act.

“Tax Increment Act” or “TIF Act” means the Tax Increment Financing Act, Minnesota Statutes, Sections 469.174 to 469.1799, as amended.

“Tax Increment District” or “TIF District” means the City’s Tax Increment Financing District No. 1-5.

"Tax Increment Plan" or "TIF Plan" means the City's Tax Increment Financing Plan for Tax Increment Financing District No. 1-5, as approved November 10, 2014, and as it may be amended.

"Tax Official" means any County assessor; County auditor; County or State board of equalization, the commissioner of revenue of the State, or any State or federal district court, the tax court of the State, or the State Supreme Court.

"Unavoidable Delays" means delays beyond the reasonable control of the party seeking to be excused as a result thereof which are the direct result of strikes, other labor troubles, prolonged adverse weather or acts of God, fire or other casualty to the Minimum Improvements, litigation commenced by third parties which, by injunction or other similar judicial action, directly results in delays, or acts of any federal, state or local governmental unit (other than the City in exercising its rights under this Agreement) which directly result in delays. Unavoidable Delays shall not include delays in the Developer's obtaining of permits or governmental approvals necessary to enable construction of the Minimum Improvements by the dates such construction is required under Section 4.3 of this Agreement.

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ARTICLE II

Representations and Warranties

Section 2.1. Representations by the City. The City makes the following representations as the basis for the undertaking on its part herein contained:

(a) The City is a statutory city duly organized and existing under the laws of the State. Under the provisions of the Act, the City has the power to enter into this Agreement and carry out its obligations hereunder, and execution of this Agreement has been duly, properly and validly authorized by the City.

(b) The City proposes to assist in financing certain Public Development Costs necessary to serve the Development Property and Minimum Improvements in accordance with the terms of this Agreement.

(c) The activities of the City are undertaken for the purpose of fostering affordable rental senior housing for persons of low and moderate income.

Section 2.2. Representations and Warranties by the Developer. The Developer represents and warrants that:

(a) The Developer is a nonprofit corporation, duly organized and in good standing under the laws of the State of Minnesota, is not in violation of any provisions of its articles of incorporation or bylaws, is duly authorized to transact business within the State, has power to enter into this Agreement and has duly authorized the execution, delivery, and performance of this Agreement by proper action of its officers.

(b) The Developer will construct, operate and maintain the Minimum Improvements in accordance with the terms of this Agreement, the Development Plan and all local, state and federal laws and regulations (including, but not limited to, environmental, zoning, building code and public health laws and regulations).

(c) The Developer has received no notice or communication from any local, state or federal official that the activities of the Developer or the City in the Project Area may be or will be in violation of any environmental law or regulation (other than those notices or communications of which the City is aware). The Developer is aware of no facts the existence of which would cause it to be in violation of or give any person a valid claim under any local, state or federal environmental law, regulation or review procedure.

(d) The Developer will construct the Minimum Improvements in accordance with all local, state or federal energy-conservation laws or regulations.

(e) The Developer will obtain, 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 Minimum Improvements may be lawfully constructed. The Developer did not obtain a building permit for any portion of the

Minimum Improvements before November 10, 2014, the date of approval of the TIF Plan for the TIF District.

(f) 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 provisions of any corporate restriction or any evidences 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.

(g) Whenever any Event of Default occurs and if the City shall employ attorneys or incur other expenses for the collection of payments due or to become due or for the enforcement of performance or observance of any obligation or agreement on the part of the Developer under this Agreement, and the City prevails in such action, the Developer agrees that it shall, within ten days of written demand by the City, pay to the City the reasonable fees of such attorneys and such other expenses so incurred by the City.

(h) The proposed development by the Developer hereunder would not occur but for the tax increment financing assistance being provided by the City hereunder.

(i) The Developer shall promptly advise City in writing of all litigation or claims affecting any part of the Minimum Improvements and all written complaints and charges made by any governmental authority materially affecting the Minimum Improvements or materially affecting Developer or its business which may delay or require changes in construction of the Minimum Improvements.

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ARTICLE III

Public Development Costs: Financing

Section 3.1. Status of Development Property. The Developer will acquire the Development Property. The City has no obligation to acquire the Development Property or any portion thereof.

Section 3.2. Public Development Costs. (a) The City is authorized to acquire real property and convey such property to private entities at a price determined by the City in order to facilitate development or redevelopment of the property. The City has determined that, in order to make development of the Minimum Improvements financially feasible, it is necessary to reduce the cost of acquisition of the Development Property. The City has also determined that, in light of potential liability that could be incurred by the City if the City takes title to the Development Property, it is in the best interest of the City for the Developer to acquire the Development Property directly.

(b) In order to make development of the Minimum Improvements economically feasible, the City will reimburse Developer for a portion of the actual costs of acquisition of the Development Property, site improvements, and other qualified improvements ("Public Development Costs"). The total principal amount of Public Development Costs subject to reimbursement will not exceed \$530,000. Public Development Costs in excess of the specified total are the responsibility of the Developer.

Section 3.3. Issuance of Note. (a) *Terms.* To finance a portion of the Public Development Costs paid by the Developer, the City shall issue and the Developer shall purchase the Note in the maximum principal amount of \$530,000. The City shall issue and deliver the Note upon Developer having:

(i) delivered to the City written evidence satisfactory to the City that Developer has incurred Public Development Costs in an amount least equal to the principal amount of the Note, which evidence must include copies of the paid invoices or other comparable evidence for costs of allowable Public Development Costs.

(ii) submitted and obtained City approval of financing in accordance with Section 7.1; and

(iii) delivered to the City an investment letter in a form reasonably satisfactory to the City.

The terms of the Note will be substantially those set forth in the form of the Note shown in Schedule B, and the Note will be subject to all terms of the Authorizing Resolution, which are incorporated herein by reference.

(c) *Termination of right to Note.* In accordance with Section 469.1763, Subdivision 3 of the TIF Act, conditions for delivery of the Note must be met within five years after the date of certification of the TIF District by the County. If the conditions are not satisfied by such date, the City has no further obligations under this Section 3.3.

(d) *Assignment of Note.* The City acknowledges that the Developer may assign the Note to a third party. The City consents to such an assignment, conditioned upon receipt of an investment letter from such third party in a form reasonably acceptable to the City.

(e) *Qualifications.* The Developer understands and acknowledges that the City makes no representations or warranties regarding the amount of Tax Increment, or that revenues pledged to the Note will be sufficient to pay the principal and interest on the Note. Any estimates of Tax Increment prepared by the City or its financial advisors in connection with the TIF District or this Agreement are for the benefit of the City, and are not intended as representations on which the Developer may rely. Public Development Costs exceeding the principal amount of the Note are the sole responsibility of Developer.

Section 3.4. Payment of Administrative Costs. The Developer agrees that it will pay, upon demand by the City, Administrative Costs (as hereafter defined). For the purposes of this Agreement, the term "Administrative Costs" means out-of-pocket costs incurred by the City attributable to or incurred in connection with the establishment of the TIF District, the negotiation and preparation of this Agreement and other documents and agreements in connection with the development contemplated hereunder. Administrative Costs shall be evidenced by invoices, statements or other reasonable written evidence of the costs incurred by the City.

Section 3.5. Records. The City and its representatives shall have the right at all reasonable times after reasonable notice to inspect, examine and copy all books and records of Developer relating to the Minimum Improvements and the Public Development Costs.

Section 3.6 Purpose of Assistance. The parties agree and understand that the purpose of the City's financial assistance to the Developer is to facilitate development of affordable residential rental senior housing for persons of low and moderate income, and is not a "business subsidy" within the meaning of Minnesota Statutes, Sections 116J.993 to 116J.995, as amended.

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ARTICLE IV

Construction of Minimum Improvements

Section 4.1. Construction of Improvements. The Developer agrees that it will construct the Minimum Improvements on the Development Property in accordance with the approved Construction Plans and at all times prior to the Maturity Date, will operate and maintain, preserve and keep the Minimum Improvements or cause such improvements to be maintained, preserved and kept with the appurtenances and every part and parcel thereof, in good repair and condition. The City shall have no obligation to operate or maintain the Minimum Improvements.

Section 4.2. Construction Plans. (a) Before commencement of construction of the Minimum Improvements, the Developer shall submit to the City Construction Plans. The Construction Plans shall provide for the construction of the Minimum Improvements and shall be in conformity with the Development Plan, this Agreement, and all applicable State and local laws and regulations. The City Representative will approve the Construction Plans in writing if: (i) the Construction Plans conform to the terms and conditions of this Agreement; (ii) the Construction Plans conform to the goals and objectives of the Development Plan; (iii) the Construction Plans conform to all applicable federal, state and local laws, ordinances, rules and regulations; (iv) the Construction Plans are adequate to provide for construction of the Minimum Improvements; (v) the Construction Plans do not provide for expenditures in excess of the funds available to the Developer from all sources (including Developer's equity) for construction of the Minimum Improvements; and (vi) no Event of Default has occurred. Approval may be based upon a review by the City's Building Official of the Construction Plans. No approval by the City Representative shall relieve the Developer of the obligation to comply with the terms of this Agreement or of the Development Plan, applicable federal, state and local laws, ordinances, rules and regulations, or to construct the Minimum Improvements in accordance therewith. No approval by the City Representative shall constitute a waiver of an Event of Default. If approval of the Construction Plans is requested by the Developer in writing at the time of submission, such Construction Plans shall be deemed approved unless rejected in writing by the City Representative, in whole or in part. Such rejections shall set forth in detail the reasons therefore, and shall be made within 10 days after the date of their receipt by the City. If the City Representative rejects any Construction Plans in whole or in part, the Developer shall submit new or corrected Construction Plans within 10 days after written notification to the Developer of the rejection. The provisions of this Section relating to approval, rejection and resubmission of corrected Construction Plans shall continue to apply until the Construction Plans have been approved by the City. The City Representative's approval shall not be unreasonably withheld, delayed or conditioned. Said approval shall constitute a conclusive determination that the Construction Plans (and the Minimum Improvements constructed in accordance with said plans) comply to the City's satisfaction with the provisions of this Agreement relating thereto.

(b) If the Developer desires to make any material change in the Construction Plans after their approval by the City, the Developer shall submit the proposed change to the City for its approval. If the Construction Plans, as modified by the proposed change, conform to the requirements of this Section 4.2 of this Agreement with respect to such previously approved Construction Plans, the City shall approve the proposed change and notify the Developer in writing of its approval. Such change in the Construction Plans shall, in any event, be deemed approved by

the City unless rejected, in whole or in part, by written notice by the City to the Developer, setting forth in detail the reasons therefor. Such rejection shall be made within ten (10) days after receipt of the notice of such change. The City's approval of any such change in the Construction Plans will not be unreasonably withheld.

Section 4.3. Commencement and Completion of Construction. Subject to Unavoidable Delays, the Developer will commence construction of the Minimum Improvements by April 15, 2015, and will substantially complete construction of the Minimum Improvements by March 31, 2016. All work with respect to the Minimum Improvements to be constructed or provided by the Developer on the Development Property shall be in conformity with the Construction Plans as submitted by the Developer and approved by the City.

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 promptly begin and diligently prosecute to completion the development of the Development Property through the construction of the Minimum Improvements thereon. After the date of this Agreement and until construction of the Minimum Improvements has been completed, the Developer shall make reports, in such detail and at such times as may reasonably be requested by the City, as to the actual progress of the Developer with respect to such construction.

Section 4.4. Certificate of Completion. (a) Promptly after completion of the Minimum Improvements in accordance with those provisions of the Agreement relating solely to the obligations of the Developer to construct the Minimum Improvements (including the dates for commencement and completion thereof), the City Representative will furnish the Developer with a Certificate in recordable form, in substantially the form attached as Schedule C. Such certification and such determination shall not constitute evidence of compliance with or satisfaction of any obligation of the Developer to any Holder of a Mortgage, or any insurer of a Mortgage, securing money loaned to finance the Minimum Improvements, or any part thereof.

(b) If the City Representative shall refuse or fail to provide any certification in accordance with the provisions of this Section 4.4 of this Agreement, the City Representative shall, within thirty (30) days after written request by the Developer, provide the Developer with a written statement, indicating in adequate detail in what respects the Developer has failed to complete the Minimum Improvements in accordance with the provisions of the Agreement, or is otherwise in default, and what measures or acts will be necessary, in the opinion of the City, for the Developer to take or perform in order to obtain such certification.

(c) The construction of the Minimum Improvements shall be deemed to be complete upon issuance of a certificate of occupancy by the City.

Section 4.5. Income Limits. (a) The City and the Developer understand and agree that the TIF District will constitute a "housing district" under Section 469.174, Subd. 11 of the TIF Act. The Developer covenants that, for the duration of the TIF District, it will comply with all income requirements for a qualified residential rental project as defined in Section 142(d) of the Internal Revenue Code.

(b) On or before February 2 of each year for the duration of the TIF District, the Developer shall submit evidence in substantially the form in Schedule D, showing that the

Minimum Improvements meet the relevant income requirements. The City will review such evidence to determine that the TIF District remains a housing district under the TIF Act.

(c) If the City determines based on the evidence submitted by Developer, or receives notice from the State department of revenue, the State auditor, any Tax Official or any court of competent jurisdiction that the TIF District does not qualify as a "housing district," such event shall be deemed an Event of Default under this Agreement. In addition to any remedies available to the City under Article IX hereof, the Developer shall indemnify, defend and hold harmless the City for any damages or costs resulting therefrom.

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ARTICLE V

Insurance

Section 5.1. Insurance. (a) The Developer will provide and maintain at all times during the process of constructing the Site Improvements and Minimum Improvements an All Risk Broad Form Basis Insurance Policy and, from time to time during that period, at the request of the City, furnish the City with proof of payment of premiums on policies covering the following:

(i) Builder's risk insurance, written on the so-called "Builder's Risk -- Completed Value Basis," in an amount equal to one hundred percent (100%) of the insurable value of the Minimum Improvements at the date of completion, and with coverage available in nonreporting form on the so-called "all risk" form of policy. The interest of the City shall be protected in accordance with a clause in form and content satisfactory to the City;

(ii) Comprehensive general liability insurance (including operations, contingent liability, operations of subcontractors, completed operations and contractual liability insurance) together with an Owner's Protective Liability Policy with limits against bodily injury and property damage of not less than \$1,000,000 for each occurrence (to accomplish the above-required limits, an umbrella excess liability policy may be used). The City shall be listed as an additional insured on the policy; and

(iii) Workers' compensation insurance, with statutory coverage.

(b) Upon completion of construction of the Minimum Improvements and prior to the Maturity Date, the Developer shall maintain, or cause to be maintained, at its cost and expense, and from time to time at the request of the City shall furnish proof of the payment of premiums on, insurance as follows:

(i) Insurance against loss and/or damage to the Minimum Improvements under a policy or policies covering such risks as are ordinarily insured against by similar businesses.

(ii) Comprehensive general public liability insurance, including personal injury liability (with employee exclusion deleted), against liability for injuries to persons and/or property, in the minimum amount for each occurrence and for each year of \$1,000,000, and shall be endorsed to show the City as additional insured.

(iii) Such other insurance, including workers' compensation insurance respecting all employees of the Developer, in such amount as is customarily carried by like organizations engaged in like activities of comparable size and liability exposure; provided that the Developer may be self-insured with respect to all or any part of its liability for workers' compensation.

(c) All insurance required in this Article V of this Agreement shall be taken out and maintained in responsible insurance companies selected by the Developer which are authorized

under the laws of the State to assume the risks covered thereby. Upon request, the Developer will deposit annually with the City policies evidencing all such insurance, or a certificate or certificates or binders of the respective insurers stating that such insurance is in force and effect. Unless otherwise provided in this Article V of this Agreement each policy shall contain a provision that the insurer shall not cancel nor modify it in such a way as to reduce the coverage provided below the amounts required herein without giving written notice to the Developer and the City at least thirty (30) days before the cancellation or modification becomes effective. In lieu of separate policies, the Developer may maintain a single policy, blanket or umbrella policies, or a combination thereof, having the coverage required herein, in which event the Developer shall deposit with the City a certificate or certificates of the respective insurers as to the amount of coverage in force upon the Minimum Improvements.

(d) The Developer agrees to notify the City immediately in the case of damage exceeding \$100,000 in amount to, or destruction of, the Minimum Improvements or any portion thereof resulting from fire or other casualty. In such event the Developer will forthwith repair, reconstruct and restore the Minimum Improvements to substantially the same or an improved condition or value as it existed prior to the event causing such damage and, to the extent necessary to accomplish such repair, reconstruction and restoration, the Developer will apply the Net Proceeds of any insurance relating to such damage received by the Developer to the payment or reimbursement of the costs thereof.

The Developer shall complete the repair, reconstruction and restoration of the Minimum Improvements, whether or not the Net Proceeds of insurance received by the Developer for such purposes are sufficient to pay for the same. Any Net Proceeds remaining after completion of such repairs, construction and restoration shall be the property of the Developer.

(e) Notwithstanding anything to the contrary contained in this Agreement, in the event of damage to the Minimum Improvements in excess of \$100,000 and the Developer fails to complete any repair, reconstruction or restoration of the Minimum Improvements within one year from the date of damage, the City may, at its option, terminate the Note. If the City terminates the Note, such termination shall constitute the City's sole remedy under this Agreement as a result of the Developer's failure to repair, reconstruct or restore the Minimum Improvements. Thereafter, the City shall have no further obligations to make any payments under the Note.

(f) The Developer and the City agree that all of the insurance provisions set forth in this Article V shall terminate upon the termination of this Agreement.

Section 5.2. Subordination. Notwithstanding anything to the contrary contained in this Article V, the rights of the City with respect to the receipt and application of any proceeds of insurance shall, in all respects, be subject and subordinate to the rights of any lender under a Mortgage approved pursuant to Article VII of this Agreement.

ARTICLE VI

Tax Increment; Taxes

Section 6.1. Right to Collect Delinquent Taxes. The Developer acknowledges that the City is providing substantial aid and assistance in furtherance of the redevelopment through issuance of the Note. The Developer understands that the Tax Increments pledged to payment on the Note are derived from real estate taxes on the Development Property, which taxes must be promptly and timely paid. To that end, the Developer agrees for itself, its successors and assigns, in addition to the obligation pursuant to statute to pay real estate taxes, that it is also obligated by reason of this Agreement to pay before delinquency all real estate taxes assessed against the Development Property and the Minimum Improvements. The Developer acknowledges that this obligation creates a contractual right on behalf of the City to sue the Developer or its successors and assigns to collect delinquent real estate taxes and any penalty or interest thereon and to pay over the same as a tax payment to the county auditor. In any such suit, the City shall also be entitled to recover its costs, expenses and reasonable attorney fees.

Section 6.2. Reduction of Taxes. The Developer agrees that prior to completion of the Minimum Improvements, it will not cause a reduction in the real property taxes paid in respect of the Development Property through: (A) willful destruction of the Development Property or any part thereof; or (B) willful refusal to reconstruct damaged or destroyed property pursuant to Section 5.1 of this Agreement. The Developer also agrees that it will not, prior to the Maturity Date, seek exemption from property tax for the Development Property or convey or transfer or allow conveyance or transfer of the Development Property to any entity that is exempt from payment of real property taxes under State law.

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ARTICLE VII

Financing

Section 7.1. Mortgage Financing. (a) Before commencement of construction of the Minimum Improvements, the Developer shall submit to the City evidence of one or more commitments for financing which, together with committed equity for such construction, is sufficient for payment of the Minimum Improvements. Such commitments may be submitted as short term financing, long term mortgage financing, a bridge loan with a long term take-out financing commitment, or any combination of the foregoing.

(b) If the City finds that the financing is sufficiently committed and adequate in amount to pay the costs specified in paragraph (a) then the City shall notify the Developer in writing of its approval. Such approval shall not be unreasonably withheld and either approval or rejection shall be given within twenty (20) days from the date when the City is provided the evidence of financing. A failure by the City to respond to such evidence of financing shall be deemed to constitute an approval hereunder. If the City rejects the evidence of financing as inadequate, it shall do so in writing specifying the basis for the rejection. In any event the Developer shall submit adequate evidence of financing within ten (10) days after such rejection.

Section 7.2. City's Option to Cure Default on Mortgage. In the event that any portion of the Developer's funds is provided through mortgage financing, and there occurs a default under any Mortgage authorized pursuant to Article VII of this Agreement, the Developer shall cause the City to receive copies of any notice of default received by the Developer from the holder of such Mortgage. Thereafter, the City shall have the right, but not the obligation, to cure any such default on behalf of the Developer within such cure periods as are available to the Developer under the Mortgage documents.

Section 7.3. Modification; Subordination. In order to facilitate the Developer obtaining financing for the development of the Minimum Improvements, the City agrees to subordinate its rights under this Agreement to the Holder of any Mortgage securing construction or permanent financing, under terms and conditions reasonably acceptable to the City.

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ARTICLE VIII

Prohibitions Against Assignment and Transfer; Indemnification

Section 8.1. Representation as to Development. The Developer represents and agrees that its purchase of the Development Property, and its other undertakings pursuant to the Agreement, are, and will be used, for the purpose of development of the Development Property and not for speculation in land holding.

Section 8.2. Prohibition Against Developer's Transfer of Property and Assignment of Agreement. The Developer represents and agrees that prior to issuance of the Certificate of Completion for the Minimum Improvements:

(a) Except as specifically described in this Agreement, the Developer has not made or created and will not make or create or suffer to be made or created any total or partial sale, assignment, conveyance, or lease, or any trust or power, or transfer in any other mode or form or with respect to this Agreement or the Development Property or any part thereof or any interest therein, or any contract or agreement to do any of the same, to any person or entity (collectively, a "Transfer"), without the prior written approval of the City. The term "Transfer" does not include (i) encumbrances made or granted by way of security for, and only for, the purpose of obtaining construction, interim or permanent financing necessary to enable the Developer or any successor in interest to the Development Property to construct the Minimum Improvements, (ii) any lease, license, easement or similar arrangement entered into in the ordinary course of business related to operation of the Minimum Improvements, including without limitation a lease to a residential occupant, or (iii) any sale, conveyance, or transfer in any form to any Affiliate. Any Transfer is subject to the provisions of this Section.

(b) In the event the Developer, upon Transfer of the Development Property or any portion thereof, seeks to be released from its obligations under this Development Agreement as to the portions of the Development Property that is transferred or assigned, the City shall be entitled to require, except as otherwise provided in the Agreement, as conditions to any such release that:

(i) Any proposed transferee shall have the qualifications and financial responsibility, in the reasonable judgment of the City, necessary and adequate to fulfill the obligations undertaken in this Agreement by the Developer as to the portion of the Development Property to be transferred.

(ii) Any proposed transferee, by instrument in writing satisfactory to the City and in form recordable among the land records, shall, for itself and its successors and assigns, and expressly for the benefit of the City, have expressly assumed all of the obligations of the Developer under this Agreement as to the portion of the Development Property to be transferred and agreed to be subject to all the conditions and restrictions to which the Developer is subject as to such portion; provided, however, that the fact that any transferee of, or any other successor in interest whatsoever to, the Development Property, or any part thereof, shall not, for whatever reason, have assumed such obligations or so agreed, and shall not (unless and only to the extent otherwise specifically provided in this Agreement or agreed to in writing by the City) deprive the City of any rights or remedies or

controls with respect to the Development Property or any part thereof or the construction of the Minimum Improvements; it being the intent of the parties as expressed in this Agreement that (to the fullest extent permitted at law and in equity and excepting only in the manner and to the extent specifically provided otherwise in this Agreement) no transfer of, or change with respect to, ownership in the Development Property or any part thereof, or any interest therein, however consummated or occurring, and whether voluntary or involuntary, shall operate, legally or practically, to deprive or limit the City of or with respect to any rights or remedies on controls provided in or resulting from this Agreement with respect to the Minimum Improvements that the City would have had, had there been no such transfer or change. In the absence of specific written agreement by the City to the contrary, no such transfer or approval by the City thereof shall be deemed to relieve the Developer, or any other party bound in any way by this Agreement or otherwise with respect to the construction of the Minimum Improvements, from any of its obligations with respect thereto.

(iii) Any and all instruments and other legal documents involved in effecting the Transfer of any interest in this Agreement or the Development Property governed by this Article VIII, shall be in a form reasonably satisfactory to the City.

In the event the foregoing conditions are satisfied then the Developer shall be released from its obligation under this Agreement, as to the portion of the Development Property that is transferred, assigned or otherwise conveyed.

After issuance of the Certificate of Completion for the Minimum Improvements, the Developer may transfer or assign any portion of the Development Property or the Developer's interest in this Agreement without the prior written consent of the City, provided that the transferee or assignee is bound by all the Developer's obligations hereunder. The Developer shall submit to the City written evidence of any such transfer or assignment, including the transferee or assignee's express assumption of the Developer's obligations under this Agreement. If the Developer fails to provide such evidence of transfer and assumption, the Developer shall remain bound by all its obligations under this Agreement.

Section 8.3. Release and Indemnification Covenants. (a) The Developer releases from and covenants and agrees that the City and the governing body members, officers, agents, servants and employees thereof shall not be liable for and agrees to indemnify and hold harmless the City and the governing body members, officers, agents, servants and employees thereof against any loss or damage to property or any injury to or death of any person occurring at or about or resulting from any defect in the Minimum Improvements.

(b) Except for any willful misrepresentation or any willful or wanton misconduct of the following named parties, the Developer agrees to protect and defend the City and the governing body members, officers, agents, servants and employees thereof, now or 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 this Agreement, or the transactions contemplated hereby or the acquisition, construction, installation, ownership, maintenance and operation of the Minimum Improvements.

(c) The City and the governing body members, officers, agents, servants and employees thereof shall not be liable for any damage or injury to the persons or property of the Developer or its officers, agents, servants or employees or any other person who may be about the Development Property or Minimum Improvements due to any act of negligence of any person.

(d) All covenants, stipulations, promises, agreements and obligations of the City contained herein shall be deemed to be the covenants, stipulations, promises, agreements and obligations of the City and not of any governing body member, officer, agent, servant or employee of the City in the individual capacity thereof.

(The remainder of this page is intentionally blank.)

ARTICLE IX

Events of Default

Section 9.1. 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 (unless the context otherwise provides), any failure by any party to observe or perform any covenant, condition, obligation or agreement on its part to be observed or performed under this Agreement, or under any loan agreement, promissory note, or related document in connection with this Agreement.

Section 9.2. Remedies on Default. Whenever any Event of Default referred to in Section 9.1 of this Agreement occurs, the non-defaulting party may exercise its rights under this Section 9.2 after providing thirty days written notice to the defaulting party of the Event of Default, but only if the Event of Default has not been cured within said thirty days or, if the Event of Default is by its nature incurable within thirty days, the defaulting party does not provide assurances reasonably satisfactory to the non-defaulting party that the Event of Default will be cured and will be cured as soon as reasonably possible:

- (a) Suspend its performance under the Agreement until it receives assurances that the defaulting party will cure its default and continue its performance under the Agreement.
- (b) Cancel and rescind or terminate the Agreement.
- (c) Upon a default by the Developer, the City may terminate the Note and the TIF District.
- (d) Take whatever action, including legal, equitable or administrative action, which may appear necessary or desirable to collect any payments due under this Agreement, or to enforce performance and observance of any obligation, agreement, or covenant under this Agreement.

Section 9.3. No Remedy Exclusive. No remedy herein conferred upon or reserved to the City or Developer 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 City 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 IX.

Section 9.4. No Additional Waiver Implied by One Waiver. In the event any agreement contained in this Agreement should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other concurrent, previous or subsequent breach hereunder.

ARTICLE X

Additional Provisions

Section 10.1. Conflict of Interests; City Representatives Not Individually Liable. The City and the Developer, to the best of their respective knowledge, represent and agree that no member, official, or employee of the City shall have any personal interest, direct or indirect, in the Agreement, nor shall any such member, official, or employee participate in any decision relating to the Agreement which affects his personal interests or the interests of any corporation, partnership, or association in which he is, directly or indirectly, interested. No member, official, or employee of the City shall be personally liable to the Developer, or any successor in interest, in the event of any default or breach by the City or for any amount which may become due to the Developer or successor or on any obligations under the terms of the Agreement.

Section 10.2. Equal Employment Opportunity. The Developer, for itself and its successors and assigns, agrees that during the construction of the Minimum Improvements provided for in the Agreement it will comply with all applicable federal, state and local equal employment and non-discrimination laws and regulations.

Section 10.3. Restrictions on Use. The Developer agrees that, prior to the Maturity Date, the Developer, and such successors and assigns, shall use the Development Property solely for the development of residential rental housing in accordance with the terms of this Agreement, and shall not discriminate upon the basis of race, color, creed, sex or national origin in the sale, lease, or rental or in the use or occupancy of the Development Property or any improvements erected or to be erected thereon, or any part thereof.

Section 10.4. Provisions Not Merged With Deed. None of the provisions of this Agreement are intended to or shall be merged by reason of any deed transferring any interest in the Development Property and any such deed shall not be deemed to affect or impair the provisions and covenants of this Agreement.

Section 10.5. 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 10.6. Notices and Demands. Except as otherwise expressly provided in this Agreement, a notice, demand, or other communication under the Agreement by either party to the other shall be sufficiently given or delivered if it is dispatched by registered or certified mail, postage prepaid, return receipt requested, or delivered personally; and

(a) in the case of the Developer, is addressed to or delivered personally to the Developer at 308 North Faxon Road, Norwood Young America, Minnesota, 55368, Attn: _____; and

(b) in the case of the City, is addressed to or delivered personally to the City at City Hall, PO Box 59, Norwood Young America, Minnesota 55368, Attn: City Administrator;

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

Section 10.7. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall constitute one and the same instrument.

Section 10.8. Recording. The City may record this Agreement and any amendments thereto with the Carver County recorder. The Developer shall pay all costs for recording.

(The remainder of this page is intentionally blank.)

IN WITNESS WHEREOF, the City has caused this Agreement to be duly executed in its name and behalf and its seal to be hereunto duly affixed and the Developer has caused this Agreement to be duly executed in its name and behalf as of the date first above written.

CITY OF NORWOOD YOUNG AMERICA,
MINNESOTA

By _____
Its Mayor

By _____
Its City Administrator

STATE OF MINNESOTA)
) SS.
COUNTY OF CARVER)

The foregoing instrument was acknowledged before me this _____, 2014 by Tina Diedrick and Steven Helget, the Mayor and City Administrator of the City of Norwood Young America, on behalf of the City.

Notary Public

PEACE VILLA, INC.

By _____
Its _____

STATE OF MINNESOTA)
) SS.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____, 2014 by _____, the _____ of Peace Villa, Inc., a Minnesota nonprofit corporation, on behalf of the corporation.

Notary Public

SCHEDULE A
DEVELOPMENT PROPERTY

SCHEDULE B

Authorizing Resolution

CITY OF NORWOOD YOUNG AMERICA, MINNESOTA

RESOLUTION NO. _____

**RESOLUTION APPROVING CONTRACT FOR PRIVATE DEVELOPMENT AND
AWARDING THE SALE OF, AND PROVIDING THE FORM, TERMS, COVENANTS
AND DIRECTIONS FOR THE ISSUANCE OF ITS TAX INCREMENT REVENUE NOTE,
SERIES 2015; IN THE MAXIMUM PRINCIPAL AMOUNT OF \$530,000.**

BE IT RESOLVED BY the City Council ("Council") of the City of Norwood Young America, Minnesota (the "City") as follows:

Section 1. Authorization; Award of Sale.

1.01. Authorization. The City has heretofore approved the establishment of Tax Increment Financing District No. 1-5 (the "TIF District") within Development District No. 1 ("Project"), and has adopted a tax increment financing plan for the purpose of financing certain improvements within the Project.

Pursuant to Minnesota Statutes, Section 469.178, the City is authorized to issue and sell its bonds for the purpose of financing a portion of the public development costs of the Development District. Such bonds are payable from all or any portion of revenues derived from the TIF District and pledged to the payment of the bonds. The City hereby finds and determines that it is in the best interests of the City that it issue and sell its Tax Increment Revenue Note, Series 2015 (the "Note") in the maximum aggregate principal amount of \$530,000, for the purpose of financing certain public costs of the Project.

1.02. Agreement Approved; Issuance, Sale, and Terms of the Note. The City hereby approves the Contract for Private Development (the "Agreement") between the City and Peace Villa, Inc. (the "Owner"), and authorizes the Mayor and City Administrator to execute such Agreement in substantially the form on file with City, subject to modifications that do not alter the substance of the transaction and are approved by such officials, provided that execution of the Agreement by such officials is conclusive evidence of their approval. Pursuant to the Agreement, the Note shall be sold to the Owner. The Note shall be dated as of the date of delivery and shall bear interest at the rate of 5.0% per annum to the earlier of maturity or prepayment. The City shall receive in exchange for the sale of the Note the payment by the Owner of the Public Development Costs as defined in the Agreement. The Note will be delivered in accordance with the terms of Section 3.3 of the Agreement.

Section 2. Form of Note. The Note shall be in substantially the following form, with the blanks to be properly filled in and the principal amount adjusted as of the date of issue:

UNITED STATE OF AMERICA
STATE OF MINNESOTA
COUNTY OF CARVER
CITY OF NORWOOD YOUNG AMERICA

No. R-1

\$ _____

TAX INCREMENT REVENUE NOTE
SERIES 2015

Rate

Date
of Original Issue

5.0%

_____, 20__

The City of Norwood Young America, Minnesota (the "City"), for value received, certifies that it is indebted and hereby promises to pay to Peace Villa, Inc., or registered assigns (the "Owner"), the principal sum of \$ _____ and to pay interest thereon at the rate of five percent (5.0%) per annum, but solely from the sources and to the extent set forth herein.

1. Payments. Principal and interest ("Payments") shall be paid on August 1, 2017 and each February 1 and August 1 thereafter to and including February 1, 2030 ("Payment Dates") in the amounts and from the sources set forth in Section 3 herein. Payments shall be applied first to accrued interest, and then to unpaid principal.

Payments are payable by mail to the address of the Owner or such other address as the Owner may designate upon 30 days written notice to the City. Payments on this Note are payable in any coin or currency of the United States of America which, on the Payment Date, is legal tender for the payment of public and private debts.

2. Interest. Simple interest at the rate stated herein shall accrue on the unpaid principal, commencing on the date of original issue. Interest shall be computed on the basis of a 360-day year consisting of twelve (12) months of thirty (30) days.

3. Available Tax Increment. Payments on this Note are payable on each Payment Date in the amount of and solely payable from "Available Tax Increment," which shall mean, on each Payment Date, ninety-seven percent (97%) of the Tax Increment attributable to the Development Property and paid to the City by Carver County in the six months preceding the Payment Date, all as such terms are defined in the Contract for Private Development between the City and Owner dated as of _____, 2014 (the "Agreement"). Available Tax Increment shall not include any Tax Increment if, as of any Payment Date, there is an uncured Event of Default under the Agreement.

The City shall have no obligation to pay principal of and interest on this Note on each Payment Date from any source other than Available Tax Increment, and the failure of the City to

pay the entire amount of principal or interest on this Note on any Payment Date shall not constitute a default hereunder as long as the City pays principal and interest hereon to the extent of Available Tax Increment. The City shall have no obligation to pay unpaid balance of principal or accrued interest that may remain after the final Payment on February 1, 2030.

4. Optional Prepayment. The principal sum and all accrued interest payable under this Note is prepayable in whole or in part at any time by the City without premium or penalty. No partial prepayment shall affect the amount or timing of any other regular payment otherwise required to be made under this Note.

5. Termination. At the City's option, this Note shall terminate and the City's obligation to make any payments under this Note shall be discharged upon the occurrence of an Event of Default on the part of the Developer as defined in Section 9.1 of the Agreement, but only if the Event of Default has not been cured in accordance with Section 9.2 of the Agreement.

6. Nature of Obligation. This Note is one of an issue in the total principal amount of \$ _____ all issued to aid in financing certain public development costs and administrative costs of a Project undertaken by the City pursuant to Minnesota Statutes, Sections 469.124 through 469.134, and is issued pursuant to an authorizing resolution (the "Resolution") duly adopted by the City on _____, 2014, and pursuant to and in full conformity with the Constitution and laws of the State of Minnesota, including Minnesota Statutes, Sections 469.174 to 469.179. This Note is a limited obligation of the City which is payable solely from Available Tax Increment pledged to the payment hereof under the Resolution. This Note and the interest hereon shall not be deemed to constitute a general obligation of the State of Minnesota or any political subdivision thereof, including, without limitation, the City. Neither the State of Minnesota, nor any political subdivision thereof shall be obligated to pay the principal of or interest on this Note or other costs incident hereto except out of Available Tax Increment, and neither the full faith and credit nor the taxing power of the State of Minnesota or any political subdivision thereof is pledged to the payment of the principal of or interest on this Note or other costs incident hereto.

7. Registration and Transfer. This Note is issuable only as a fully registered note without coupons. As provided in the Resolution, and subject to certain limitations set forth therein, this Note is transferable upon the books of the City kept for that purpose at the principal office of the City Administrator, by the Owner hereof in person or by such Owner's attorney duly authorized in writing, upon surrender of this Note together with a written instrument of transfer satisfactory to the City, duly executed by the Owner. Upon such transfer or exchange and the payment by the Owner of any tax, fee, or governmental charge required to be paid by the City with respect to such transfer or exchange, there will be issued in the name of the transferee a new Note of the same aggregate principal amount, bearing interest at the same rate and maturing on the same dates.

This Note shall not be transferred to any person other than an affiliate, or other related entity, of the Owner unless the City has been provided with an opinion of counsel or a certificate of the transferor, in a form satisfactory to the City, that such transfer is exempt from registration and prospectus delivery requirements of federal and applicable state securities laws.

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 exist, to happen, and to be

performed in order to make this Note a valid and binding limited obligation of the City according to its terms, have been done, do exist, have happened, and have been performed in due form, time and manner as so required.

IN WITNESS WHEREOF, the City Council of the City of Norwood Young America, Minnesota has caused this Note to be executed with the manual signatures of its Mayor and City Administrator, all as of the Date of Original Issue specified above.

MINNESOTA

CITY OF NORWOOD YOUNG AMERICA,

City Administrator

Mayor

REGISTRATION PROVISIONS

The ownership of the unpaid balance of the within Note is registered in the bond register of the City Administrator, in the name of the person last listed below.

Date of
Registration

Registered Owner

Signature of
City Administrator

Peace Villa, Inc.
Fed. Tax ID: _____

Section 3. Terms, Execution and Delivery.

3.01. Denomination, Payment. The Note shall be issued as a single typewritten note numbered R-1.

The Note shall be issuable only in fully registered form. Principal of and interest on the Note shall be payable by check or draft issued by the Registrar described herein.

3.02. Dates; Interest Payment Dates. Principal of and interest on the Note shall be payable by mail to the owner of record thereof as of the close of business on the fifteenth day of the month preceding the Payment Date, whether or not such day is a business day.

3.03. Registration. The City hereby appoints the City Administrator to perform the functions of registrar, transfer agent and paying agent (the "Registrar"). The effect of registration and the rights and duties of the City and the Registrar with respect thereto shall be as follows:

(a) Register. The Registrar shall keep at its office a bond register in which the Registrar shall provide for the registration of ownership of the Note and the registration of transfers and exchanges of the Note.

(b) Transfer of Note. Upon surrender for transfer of the Note duly endorsed by the registered owner thereof or accompanied by a written instrument of transfer, in form reasonably satisfactory to the Registrar, duly executed by the registered owner thereof or by an attorney duly authorized by the registered owner in writing, the Registrar shall authenticate and deliver, in the name of the designated transferee or transferees, a new Note of a like aggregate principal amount and maturity, as requested by the transferor. Notwithstanding the foregoing, the Note shall not be transferred to any person other than an affiliate, or other related entity, of the Owner unless the City has been provided with an opinion of counsel or a certificate of the transferor, in a form satisfactory to the City, that such transfer is exempt from registration and prospectus delivery requirements of federal and applicable state securities laws. The Registrar may close the books for registration of any transfer after the fifteenth day of the month preceding each Payment Date and until such Payment Date.

(c) Cancellation. The Note surrendered upon any transfer shall be promptly cancelled by the Registrar and thereafter disposed of as directed by the City.

(d) Improper or Unauthorized Transfer. When the Note is presented to the Registrar for transfer, the Registrar may refuse to transfer the same until it is satisfied that the endorsement on such Note or separate instrument of transfer is legally authorized. The Registrar shall incur no liability for its refusal, in good faith, to make transfers which it, in its judgment, deems improper or unauthorized.

(e) Persons Deemed Owners. The City and the Registrar may treat the person in whose name the Note is at any time registered in the bond register as the absolute owner of the Note, whether the Note shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal of and interest on such Note and for all other purposes, and all such payments so made

to any such registered owner or upon the owner's order shall be valid and effectual to satisfy and discharge the liability of the City upon such Note to the extent of the sum or sums so paid.

(f) Taxes, Fees and Charges. For every transfer or exchange of the Note, the Registrar may impose a charge upon the owner thereof sufficient to reimburse the Registrar for any tax, fee, or other governmental charge required to be paid with respect to such transfer or exchange.

(g) Mutilated, Lost, Stolen or Destroyed Note. In case any Note shall become mutilated or be lost, stolen, or destroyed, the Registrar shall deliver a new Note of like amount, maturity dates and tenor in exchange and substitution for and upon cancellation of such mutilated Note or in lieu of and in substitution for such Note lost, stolen, or destroyed, upon the payment of the reasonable expenses and charges of the Registrar in connection therewith; and, in the case of such Note lost, stolen, or destroyed, upon filing with the Registrar of evidence satisfactory to it that such Note was lost, stolen, or destroyed, and of the ownership thereof, and upon furnishing to the Registrar of an appropriate bond or indemnity in form, substance, and amount satisfactory to it, in which both the City and the Registrar shall be named as obligees. The Note so surrendered to the Registrar shall be cancelled by it and evidence of such cancellation shall be given to the City. If the mutilated, lost, stolen, or destroyed Note has already matured or been called for redemption in accordance with its terms, it shall not be necessary to issue a new Note prior to payment.

3.04. Preparation and Delivery. The Note shall be prepared under the direction of the City Administrator and shall be executed on behalf of the City by the signatures of its Mayor and City Administrator. In case any officer whose signature shall appear on the Note shall cease to be such officer before the delivery of the Note, such signature shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until delivery. When the Note has been so executed, it shall be delivered by the City Administrator to the Owner thereof upon closing on acquisition of the Development Property in accordance with the Agreement.

Section 4. Security Provisions.

4.01. Pledge. The City hereby pledges to the payment of the principal of and interest on the Note all Available Tax Increment as defined in the Note. Available Tax Increment shall be applied to payment of the principal of and interest on the Note in accordance with the terms of the form of Note set forth in Section 2 of this resolution.

4.02. Bond Fund. Until the date the Note is no longer outstanding and no principal thereof or interest thereon (to the extent required to be paid pursuant to this resolution) remains unpaid, the City shall maintain a separate and special "Bond Fund" to be used for no purpose other than the payment of the principal of and interest on the Note. The City irrevocably agrees to appropriate to the Bond Fund in each year Available Tax Increment. Any Available Tax Increment remaining in the Bond Fund shall be transferred to the City's account for TIF District No. 1-5 upon the payment of all principal and interest to be paid with respect to the Note.

Section 5. Certification of Proceedings.

5.01. Certification of Proceedings. The officers of the City are hereby authorized and directed to prepare and furnish to the Owner of the Note certified copies of all proceedings and records of the City, and such other affidavits, certificates, and information as may be required to show the facts relating to the legality and marketability of the Note as the same appear from the books and records under their custody and control or as otherwise known to them, and all such certified copies, certificates, and affidavits, including any heretofore furnished, shall be deemed representations of the City as to the facts recited therein.

Section 6. Effective Date. This resolution shall be effective upon full execution of the Agreement.

Adopted by the City Council of the City of Norwood Young America, Minnesota, this _____ day of _____, 2014.

Mayor

City Administrator

SCHEDULE C

CERTIFICATE OF COMPLETION

The undersigned hereby certifies that Peace Villa, Inc. (the "Developer") has fully complied with its obligations under Articles III and IV of that document titled "Contract for Private Development," dated November 10, 2014 between the City of Norwood Young America, Minnesota and the Developer ("Agreement"), with respect to construction of the Minimum Improvements in accordance with Article IV of the Agreement, and that the Developer is released and forever discharged from its obligations with respect to construction of the Minimum Improvements under Articles III and IV of the Agreement.

Dated: _____, 20__.

CITY OF NORWOOD YOUNG AMERICA, MINNESOTA

By _____
City Representative

SCHEDULE D

Renter's Income Verification Form

PROPERTY INFORMATION

Postal Address of Property _____

Unit Number _____

TENANT INFORMATION

Name of Tenant _____

Phone # _____

Number of family/household members: _____

Annual Household Income* \$ _____

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

INCOME LIMIT INFORMATION

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

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

_____ YES _____ NO

Pursuant to the Contract for Private Development between the City of Norwood Young America and Peace Villa, Inc., dated November 10, 2014, at least 8 of the 37 rental units comprising the Minimum Improvements must be reserved for tenants whose income is 50% or less of the area's median gross income.

Signature of Tenant(s) _____ Date _____

_____ Date _____

Reviewed and approved on behalf of City of Norwood Young America.

By _____ Date _____

TO: Honorable Mayor Diedrick and City Council Members

FROM: Steve Helget, City Administrator

DATE: November 7, 2014

SUBJECT: Schedule City Council Workshop Meetings

Proposed is schedule Council Workshop meetings for the purpose of continuing our review and discussion of the preliminary 2015 Budget and to discuss the Pavilion building and rental operations. Proposed is to schedule the 2015 Budget Workshop meeting for either November 19th or 20th. Possible dates for the Pavilion Workshop meeting include December 15th, 17th, and 18th.

Suggested Motion:

Motion to schedule City Council Workshop meetings for November , 2014 and December , 2014.

**CITY OF NORWOOD YOUNG AMERICA
YEAR TO DATE
BUILDING PERMITS AND VALUATION FOR 2014**

RESIDENTIAL	OCTOBER		2014 YTD	
	PERMITS	VALUATION	PERMITS	VALUATION
New Single Family Homes	0	\$0.00	7	\$2,131,634.00
Townhouse/Twin Home	0	\$0.00	0	\$0.00
House Additions	0	\$0.00	1	\$24,174.00
House Remodels/Bsmt Finish	1	\$12,000.00	3	\$21,000.00
Garages	1	\$42,000.00	2	\$44,400.00
Garage Additions/Remodels	0	\$0.00	0	\$0.00
3-Season Porches/Sun Rooms	0	\$0.00	1	\$15,500.00
Decks/Deck Ftgs Only	0	\$0.00	3	\$19,240.00
Fire Damage Repair	0	\$0.00	0	\$0.00
Swimming Pools	0	\$0.00	1	\$2,000.00
Voided Permits	0	\$0.00	0	\$0.00
Demolition Permits	1	\$0.00	2	\$0.00
Sheds and Accessory Structures	0	\$0.00	3	\$72,640.00
Renewals	0	\$0.00	0	\$0.00
Move-In House/Garage	0	\$0.00	0	\$0.00
Mechanical Permits	3	\$0.00	11	\$1,443.00
Plumbing Permits	1	\$0.00	7	\$0.00
Re-Roof, Re-Window, Re-Side	7	\$0.00	54	\$0.00
Fence	2	\$0.00	9	\$0.00
Miscellaneous	1	\$3,800.00	7	\$22,800.00

TOTAL RESIDENTIAL

	17	\$57,800.00	111	\$2,354,831.00
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COMMERICAL/INDUSTRIAL

New Buildings	0	\$0.00	1	\$1,290,000.00
Remodels/Additions	0	\$0.00	2	\$245,000.00
Re-Roofs, Re-Window, Re-Side	0	\$0.00	1	\$34,000.00
Mechanical Permits	0	\$0.00	5	\$159,625.00
Plumbing Permits	0	\$0.00	4	\$18,900.00
Fire Sprinklers	0	\$0.00	2	\$21,255.00
Miscellaneous	0	\$0.00	15	\$766,908.00

TOTAL COMMERCIAL/INDUSTRIAL

	0	\$0.00	30	\$2,535,688.00
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PUBLIC & INSTITUTIONAL

New Buildings	0	\$0.00	0	\$0.00
Remodel/Additions	0	\$0.00	1	\$1,608,000.00
Re-Roofs, Re-Window, Re-Side	0	\$0.00	0	\$0.00
Mechanical Permits	0	\$0.00	3	\$562,750.00
Plumbing Permits	0	\$0.00	0	\$0.00
Fire Sprinklers	0	\$0.00	0	\$0.00
Miscellaneous	1	\$2,600.00	2	\$4,885.00

TOTAL PUBLIC & INSTITUTIONAL

	1	\$2,600.00	6	\$2,175,635.00
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GRAND TOTAL

	18	\$60,400.00	147	\$7,066,154.00
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