

ASSIGNMENT OF TIF ASSISTANCE AGREEMENT

THIS ASSIGNMENT OF TIF ASSISTANCE AGREEMENT (the "Assignment") is entered into this ___ day of _____, 2020, by and between Rebound / Stencil Development LLC, a Minnesota limited liability company ("Assignor/Developer") and 5th Street Lofts LLC, a Minnesota limited liability company ("Assignee").

WITNESSETH:

WHEREAS, on October 1, 2019, Assignor/Developer entered into that certain TIF Assistance Agreement with the City of Northfield, Minnesota, attached as Exhibit A (collectively, the "TIF Agreement"), wherein the City of Northfield, Minnesota, agreed to provide tax increment financing to assist Assignor/Developer in constructing a multifamily rental housing facility, more fully described in the TIF Agreement, (the "Property"); and

WHEREAS, Assignor/Developer has entered into a Real Estate Purchase Agreement with Northfield Economic Development Authority, a/k/a Economic Development Authority of the City of Northfield, Minnesota for the purchase of a portion of the real property legally described in Exhibit B and Rebound Real Estate, LLC has entered into a Real Estate Purchase Agreement with Premier Bank Minnesota f/k/a Premier Bank Metro South for the purchase of the remainder of the real property legally described in Exhibit B (collectively, the "Purchase Agreements"); and

WHEREAS, Assignor/Developer and Rebound Real Estate, LLC have assigned their rights and obligations under the Purchase Agreements to Assignee; and

WHEREAS, upon the closing of the Purchase Agreements, Assignee shall become fee owner of the real property legally described on attached Exhibit B (herein the "Real Property"). Assignee will construct a 79-unit housing facility on the Real Property (the "Project"); and

WHEREAS, Assignor/Developer wishes to assign to Assignee, and Assignee desires to assume from Assignor/Developer, all right, title, interest and obligations in the TIF Agreement.

NOW, THEREFORE, the parties mutually agree as follows:

1. Assignor/Developer hereby assigns to Assignee all of Assignor/Developer's right, title, interest, duties and obligations in, to and under the TIF Agreement. Assignee hereby accepts the foregoing assignment and agrees to assume and perform all covenants and remaining obligations required of the Assignor/Developer under or in connection with the TIF Agreement arising from and after the date hereof, and agrees to be subject to all the conditions and restrictions to which the Assignor/Developer is subject.

2. Assignor/Developer agrees to indemnify, hold harmless and defend Assignee from and against all debts, liabilities and obligations arising from the TIF Agreement occurring prior to the date hereof. Assignee agrees to indemnify, hold harmless and defend Assignor/Developer from and against all debts, liabilities and obligations arising from the TIF Agreement occurring after the date hereof, except those specifically assumed by Assignor/Developer.

3. Assignor/Developer hereby covenants and agrees with Assignee that Assignor/Developer will, as often as reasonably required so to do by Assignee, and at Assignee's sole expense, execute, acknowledge and deliver any and all such other instruments of further assurance, as Assignee may hereafter deem reasonably necessary or proper to complete, insure and perfect the conveyance and transfer to Assignee of any and all interest of Assignor/Developer hereby assigned.

4. Assignee agrees to faithfully observe and perform all of the obligations and agreements of the TIF Agreement.

5. Assignor/Developer warrants and represents that:

- (a) It has the right to exercise and deliver this Assignment under the terms of the Agreement. The execution of this Assignment and performance and observance of its terms hereof have been duly authorized by necessary company action and do not contravene or violate any provision of Assignor/Developer's organizational documents.
- (b) To Assignor/Developer's knowledge, as of the date hereof (i) the TIF Agreement is in full force and effect, subject to no defenses, setoffs or counterclaims whatsoever; and (ii) there exists no event, condition or occurrence that would cause the TIF Agreement to be subject to any defenses, setoffs or counterclaims whatsoever upon its execution and delivery.
- (c) To Assignor/Developer's knowledge, there exists no event, condition or occurrence which constitutes, or which with notice and/or the passage of time would constitute, a breach of or default under any terms or conditions of any of the TIF Agreement.
- (d) Assignor/Developer acknowledges that this assignment and approval by the City shall not relieve the Assignor/Developer or any other party bound in any way by the TIF Agreement or otherwise with respect to the construction of the Project from any of its obligations with respect thereto.
- (e) The Assignor/Developer agrees to pay all reasonable legal fees and expenses of the City, including fees of the City Attorney's office and outside counsel retained by the City to review the documents submitted to the City in connection with any transfer.

6. Assignee hereby represents and warrants that the Assignee has the qualifications and financial responsibility, necessary and adequate to fulfill the obligations undertaken in this Agreement by the Assignor/Developer in that the Managing Member of the Assignee will be the Assignor/Developer.

7. This Assignment shall be governed by and be construed in accordance with the laws of the State of Minnesota. Whenever possible, each provision of this Assignment shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Assignment shall be prohibited by or be invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provisions or the remaining provisions of this Assignment.

8. Notices required hereunder shall be by registered or certified mail or hand delivered, addressed as follows:

Each notice shall be addressed as follows:

If to Assignor/Developer at: Rebound / Stencil Development, LLC
527 Professional Drive, Ste. 100
Northfield, MN 55057
Attention: Brett Reese

With a copy to:

Schmitz, Ophaug & Blumhoefer, LLP
220 Division Street S.
Northfield, MN 55057
Attn: Ryan L. Blumhoefer, Esq.

If to Assignee at:

5th Street Lofts LLC
527 Professional Drive, Ste. 100
Northfield, MN 55057
Attention: Nathan Stencil

With a copy to:

Hagen Wilka & Archer, LLP
600 S Main Avenue, Suite 102
Sioux Falls, SD 57104
Attention: John Archer, Esq.

or to such other address specified in writing by one party to the other in accordance herewith.

9. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns.

10. Assignor/Developer and Assignee represent and warrant that the preceding is true and correct.

IN WITNESS WHEREOF, the parties hereto have set their hands as of the date first above written.

Assignor/Developer:

Assignee:

Rebound / Stencil Development LLC

5th Street Lofts LLC

By _____
Its _____

By _____
Its _____

CONSENT OF CITY OF NORTHFIELD

The City of Northfield, a Minnesota municipal corporation, hereby consents to the terms of this Assignment and releases Rebound / Stencil Development LLC from all obligations under the TIF Agreement.

CITY OF NORTHFIELD

By: _____
Its: Mayor

By: _____
Its: City Administrator

EXHIBIT A
TIF Agreement

EXHIBIT B

Legal Description of the Real Property

Property to be purchased from Northfield Economic Development Authority:

Lot 3, Block 48, in the Original Town (now City) of Northfield, Rice County, Minnesota

Property to be purchased from Premier Bank Minnesota:

The W1/2 of Lots 4 & 5, Block 48, in the Original Town (now City) of Northfield, Rice County, Minnesota

And

The East 1/2 of Lot 4, Block 48, in the Original Town (now City) of Northfield, Rice County, Minnesota

And

The East 1/2 of Lot 5, Block 48, in the Original Town (now City) of Northfield, Rice County, Minnesota