

TO: HONORABLE MAYOR AND CITY COUNCIL OF CANNON FALLS

FROM: Laura Qualey, Economic Development Authority

SUBJECT: Resolution 2631, Approving Assignment of the Tax Increment Note

DATE: May 17, 2022

BACKGROUND:

The Cannon Falls Economic Development Authority and Keller-Baartman Properties XIV, LLC, (The “Developer”) entered into a Development Agreement in connection with the acquisition, construction and development of a 79-unit multi-family housing rental complex in Cannon Falls (The “City”). Merchants Bank, (The Developer’s Lender), is requesting that the City approve the Assignment and execution of a Consent and Estoppel Certificate between the Lender and the City. The City will issue a Tax Increment Revenue Note that will be payable to the Developer and the Lender.

The loan for this project is secured by an Assignment of the Tax Increment Financing Document. If for any reason, the Developer fails to complete or perform the duties or obligations of the terms, covenants and conditions of the Development Agreements, the Certificate is the ‘warranty’ and ‘protection’ securing the banks collateral.

This Assignment has not modified nor amended any previously Council approved Development Agreements in any respect. By executing this Assignment, the City also agrees to give the Lender a copy of any notice or demand to the Developer for any breach or default in their obligation under the Development Agreement. If there are any future modifications or amendments to the Development Agreement, the Lender must also be allowed the right to consent to such modifications or amendments.

REQUESTED ACTION:

The Cannon Falls Economic Development Authority respectfully requests a motion to approve Resolution 2631 for the Assignment and Consent of the Tax Increment Note.

ASSIGNMENT OF TAX INCREMENT NOTE

THIS ASSIGNMENT OF TAX INCREMENT NOTE (the “Assignment”) is made as of this 17th day of May, 2022, by and between KELLER BAARTMAN PROPERTIES XIV, LLC (the “Assignor”), a Minnesota limited liability company whose address is 1489 Hay Creek Valley Road, Red Wing, Minnesota 55066-5506 and MERCHANTS BANK, NATIONAL ASSOCIATION, a corporation organized and existing under the laws of the United States (the “Lender”), whose address is 2835 South Service Drive, Red Wing MN 55066.

RECITALS:

A. Pursuant to a certain Loan Agreement dated of even date herewith by and between Assignor and Lender (“Loan Agreement”), the Lender has agreed to make a loan available to Assignor in the principal amount of up to \$3,600,000.00 (the “Loan”) to finance the acquisition, construction and equipping of 79 multifamily housing rental units on real property located in the City of Cannon Falls, Minnesota and legally described in Exhibit A attached to the Loan Agreement (the “Premises”). The Loan is evidenced by that certain Promissory Note dated of even date herewith, executed and delivered by the Assignor and payable to the order of the Lender in the original principal face amount of \$3,600,000.00 (the “Note”).

B. Pursuant to that certain Development Agreement (the “Development Agreement”), by and between the City of Cannon Falls, Minnesota, a municipal corporation and home rule charter city (the “City”), and Assignor, Assignor has agreed to construct the Project (as defined therein) and certain other improvements. Pursuant to the Development Agreement, the City will issue its Tax Increment Revenue Note, District No. 2-10 (Keller-Baartman Properties XIV, LLC Project) upon completion of the Project and satisfaction of other conditions precedent as required by the Development Agreement, in a principal amount not to exceed \$3,600,000.00 and payable in accordance with its terms to the order of the Assignor (the “Tax Increment Note”). Unless the context otherwise indicates, capitalized terms used but not otherwise defined herein shall have the meanings given such terms in the Development Agreement.

C. In consideration of, and to secure the payment of, the Loan, the Lender has required an assignment of the Tax Increment Note and Assignor’s rights thereunder.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree that this Assignment is subject to all of the following terms, conditions, and provisions:

TERMS, CONDITIONS, AND PROVISIONS

1. PRESENT PLEDGE AND ASSIGNMENT. Pursuant to the provisions of the Uniform Commercial Code in effect within the State of Minnesota (the “UCC”), as security for the Loan, the Assignor grants to the Lender a security interest in all of the following property: (i)

all right, title and interest of the Assignor in the Tax Increment Note when issued; and (ii) all replacements, substitutions and proceeds (the “Proceeds”) relating to the Tax Increment Note (hereinafter referred to as the “Collateral”), and all documents, ledger sheets, and files of the

Assignor relating to the Collateral. The term "Proceeds" includes whatever is received by the Assignor upon the sale, exchange, or other disposition of any item of Collateral. This Assignment shall constitute a perfected, absolute and present pledge and assignment in connection with which the Assignor shall have delivered to the Lender the Collateral documents endorsed and assigned to the Lender. The Assignor shall execute and deliver to the Lender an Allonge Endorsement in the form attached hereto as Exhibit A (or such other form that is reasonably requested by the Lender). The payments under the Tax Increment Note shall be paid directly to the Lender until such time as the Loan has been paid in full and Lender has no further obligation to make advances available to Assignor, at which time the Lender shall promptly provide notice to the City (with a copy to Assignor) that such payments are to be made to the Assignor. Prior to the full payment of the Loan and the termination of Lender's commitment to make advances available to Assignor, if the Assignor receives any payments or prepayments on the Tax Increment Note, the Assignor shall immediately remit such payments and/or prepayments to the Lender.

2. REPRESENTATIONS AND WARRANTIES OF ASSIGNOR. The Assignor represents and warrants that:

(a) The Assignor is the true and lawful, absolute owner of the Collateral and, except for the liens and security interests created by this Assignment, the Collateral is free and clear of any lien, security interest, or encumbrance;

(b) Subject only to receipt of consent from the City, the Assignor has the full right and title to assign and pledge the Collateral; there are no outstanding claims, assignments or pledges thereof; and there are no existing defaults under the Collateral documents on the part of makers thereof;

(c) The Assignor has performed all of its obligations under the Development Agreement which are required to be performed as of the date hereof and there are no existing defaults by Assignor or the City under the Development Agreement;

(d) There are no defenses, setoffs or counterclaims against or with regard to the Development Agreement or the Tax Increment Note or the indebtedness evidenced thereby;

(e) As of the date hereof, no payments have been made on the Tax Increment Note;

(f) The Tax Increment Note has not yet been issued;

(g) The Development Agreement has not been amended or modified in any respect;

(h) The Development Agreement remains in full force and effect; and,

(i) Except for the financing statement filed in connection with the pledge and security interest granted pursuant to this Assignment, no financing statement covering the Collateral is on file in any public office.

3. COVENANTS OF ASSIGNOR. The Assignor covenants and agrees that so long as any of the indebtedness evidenced by the Note shall be outstanding and unsatisfied and until Lender's commitment to make advances available to Assignor has terminated:

(a) The Assignor shall keep the Collateral: (i) free and clear of any lien, security interest or encumbrance, except for the liens and security interests created by this Assignment; and (ii) free from all tax liens;

(b) The Assignor shall maintain and keep accurate records, books and accounts with respect to the Collateral and any money, accounts receivable, and other proceeds of any sale or other disposition, and give to the Lender upon request, a full and complete accounting with respect to the Collateral and the money, accounts receivable, proceeds and business;

(c) The Assignor shall permit the Lender, through any representatives it may designate, at all reasonable times upon reasonable advance notice to enter any premises of the Assignor in which either the Collateral or any of the records, books and accounts may be situated, or any premises where the Lender has reasonable cause to believe the items may be situated, for the purpose of examining and inspecting the Collateral;

(d) The Assignor shall join with the Lender in preparing and filing at the appropriate offices one or more financing statements with regard to the Collateral complying with the UCC, in form satisfactory to the Lender;

(e) The Assignor shall maintain, or cause to be maintained, insurance policies on the Project in accordance with the requirements set forth in the Loan Agreement and set forth in the Development Agreement;

(f) The Assignor shall do any additional acts as the Lender may reasonably require for the purpose of more completely assuring to the Lender its rights to the Collateral;

(g) At any time the Assignor receives a written notice of default under the Development Agreement, the Assignor shall promptly provide a copy of such notice of default to the Lender; and

4. The Assignor shall fully comply with its obligations under the Development Agreement and shall not waive, excuse, condone or in any matter release or discharge the City of its obligations under the Development Agreement or under the Tax Increment Note.

5. SECURITY AGREEMENT. This Assignment constitutes a "Security Agreement" under the UCC and shall be governed by the UCC.

6. PREPAYMENTS OF THE TAX INCREMENT NOTE. To the extent not directly paid to the Lender, the Assignor agrees that should the City at any time prepay the Tax Increment Note, the Assignor will deposit or cause to be deposited with the Lender the entire amount of such prepayment. Any amount deposited with the Lender shall, at Lender's option, be applied by the Lender to pay or prepay the Loan in accordance with the terms of the Loan Agreement or shall be held by the Lender in an escrow account for payment of the Loan. The

sums held in escrow pursuant hereto are held as security for the Loan, the Assignor hereby granting a security interest in such sums to the Lender as security for the same.

7. **AUTHORIZATION TO THE CITY.** The City is hereby irrevocably authorized and directed to make payments under the Tax Increment Note directly to the Lender (for the account of Assignor) and to recognize the claims of the Lender or its assigns without investigating the reason for any action taken or the validity of or the amount of indebtedness owing to the Lender or its successors or assigns or the existence of any Default or Event of Default, and the Assignor hereby irrevocably directs and authorizes the City to pay exclusively to the Lender or its assigns from and after the date hereof until such time as the Loan is indefeasibly paid in full and Lender's commitment to make advances available to Assignor has terminated, all sums due under the Tax Increment Note that are otherwise due and payable to Assignor under the Tax Increment Note. To the extent such sums are paid to the Lender or its assigns, the Assignor agrees that the City shall have no further liability to the Assignor for the same. The sole receipt by the Lender or its assigns of any sum paid by the City shall be in discharge and release of that portion of any amount owed by the City to Assignor under the Tax Increment Note. The City is intended to and shall be a third party beneficiary to the foregoing provisions of this Section 6. The City has acknowledged the Lender's rights under this Assignment pursuant to a Consent and Estoppel Certificate, dated on or about the date hereof, in the form attached hereto as Exhibit B.

8. **EVENTS OF DEFAULT.** The occurrence of any of the following events shall constitute an event of default under this Assignment (individually, and, collectively, an "Event of Default"):

(a) Any failure by the Assignor to fully and completely perform any of the duties or obligations of Assignor under this Assignment or any failure by the Assignor to fully and completely observe, satisfy and comply with all terms, covenants and conditions of this Assignment and such failure is not cured within thirty (30) days after written notice thereof;

(b) Any representation or warranty of the Assignor contained in this Assignment shall be untrue or misleading in any material respect and the Assignor fails to take such actions as may be required to make such representation or warranty true and not misleading in any material respect within thirty (30) days after written notice thereof; and

(c) Any event designated as an "Event of Default" under the Note, under the Loan Agreement or under any Loan Document.

8. **REMEDIES.** Upon the occurrence and during the continuance of an Event of Default:

(a) The Lender may: (i) at its option, cure the Event of Default if it involves the payment of money (A) for insurance or taxes, assessments or other charges which Assignor has not paid in accordance with the Loan Agreement; or (B) for the satisfaction or discharge of any lien, security interest or encumbrance upon the Collateral, in which event the amount of any payments shall be added to the indebtedness secured by this Assignment, shall be secured, and shall be payable by the Assignor to the Lender on demand; (ii) at its option, declare the indebtedness secured by this Assignment and evidenced by the Note to be immediately due and

payable; (iii) take possession of the Collateral in accordance with applicable law; and/or (iv) exercise any and all other rights and remedies accorded to it by the UCC. In the event that any notice is required to be given under the UCC, such requirements for reasonable notice shall be satisfied by giving at least ten (10) days' notice prior to the event or thing giving rise to the notice requirement.

(b) The Assignor shall: (i) upon demand by the Lender, assemble the Collateral and make it available to the Lender, to which the Lender shall have exclusive and unlimited access during the period it is exercising its rights and remedies under this Section 8; and (ii) pay to the Lender on demand the expenses of the Lender in retaking the Collateral, holding it, and, where it is to be disposed of, preparing it for sale and selling it, including the Lender's reasonable attorneys' fees and legal expenses incurred in connection with any retaking or sale; and (iii) upon demand by the Lender (A) assign or endorse to the Lender all Proceeds and accounts receivable resulting from the sale of any of the Collateral; and (B) deliver to the Lender all Proceeds received from the sale of any of the Collateral.

(c) Except as evidenced in a written notice signed by the Lender, no course of dealing between the parties or any delay on the part of the Lender in exercising any rights shall operate as a waiver of any rights or remedies of the Lender.

(d) No remedy conferred upon the Lender is intended to be exclusive of any other remedy.

9. MISCELLANEOUS PROVISIONS.

(a) Notices. All notices, demands, requests, consents, approvals and other communications required or permitted hereunder ("Notices") must be given in accordance with the terms of the Loan Agreement.

(b) Successors and Assigns. All rights of the Lender shall inure to the benefit of its successors and assigns, and all representations, warranties, covenants and obligations of Assignor shall bind its successors and assigns.

(c) Defined Terms. The definitions of the terms used in this Assignment and not otherwise defined herein shall be those found in the UCC.

(d) Severability. It is the intent of this Assignment to confer to the Lender the rights and benefits hereunder to the full extent allowable by law. The unenforceability or invalidity of any provisions hereof shall not render any other provision or provisions herein contained unenforceable or invalid. Any provisions found to be unenforceable shall be severable from this Assignment.

(e) Governing Law. This Assignment shall be governed by and construed in accordance with the laws of the State of Minnesota.

(f) WAIVER OF TRIAL BY JURY. ASSIGNOR AND LENDER HEREBY VOLUNTARILY, KNOWINGLY, IRREVOCABLY AND UNCONDITIONALLY WAIVE ANY RIGHT TO HAVE A JURY PARTICIPATE IN RESOLVING ANY DISPUTE

(WHETHER BASED UPON CONTRACT, TORT OR OTHERWISE) BETWEEN ASSIGNOR AND LENDER ARISING OUT OF OR IN ANY WAY RELATED TO THIS ASSIGNMENT, ANY OTHER LOAN DOCUMENT, OR ANY RELATIONSHIP BETWEEN ASSIGNOR AND LENDER. THIS PROVISION IS A MATERIAL INDUCEMENT TO LENDER TO PROVIDE THE LOAN DESCRIBED HEREIN AND IN THE OTHER LOAN DOCUMENTS.

(g) JURISDICTION AND VENUE. ASSIGNOR HEREBY AGREES THAT ALL ACTIONS OR PROCEEDINGS INITIATED BY ASSIGNOR AND ARISING DIRECTLY OR INDIRECTLY OUT OF THIS ASSIGNMENT SHALL BE LITIGATED IN THE DISTRICT COURT OF GOODHUE COUNTY, MINNESOTA OR THE UNITED STATES DISTRICT COURT FOR THE DISTRICT OF MINNESOTA, THIRD DIVISION OR, IF LENDER INITIATES SUCH ACTION, ANY COURT IN WHICH LENDER SHALL INITIATE SUCH ACTION AND WHICH HAS JURISDICTION. ASSIGNOR HEREBY EXPRESSLY SUBMITS AND CONSENTS IN ADVANCE TO SUCH JURISDICTION IN ANY ACTION OR PROCEEDING COMMENCED BY LENDER IN ANY OF SUCH COURTS. ASSIGNOR WAIVES ANY CLAIM THAT THE DISTRICT COURT OF GOODHUE COUNTY, MINNESOTA OR THE UNITED STATES DISTRICT COURT FOR THE DISTRICT OF MINNESOTA, THIRD DIVISION IS AN INCONVENIENT FORUM OR AN IMPROPER FORUM BASED ON LACK OF VENUE. SHOULD ASSIGNOR, AFTER BEING SO SERVED, FAIL TO APPEAR OR ANSWER TO ANY SUMMONS, COMPLAINT, PROCESS OR PAPERS SO SERVED WITHIN THE NUMBER OF DAYS PRESCRIBED BY LAW AFTER THE SERVICE THEREOF, ASSIGNOR SHALL BE DEEMED IN DEFAULT AND AN ORDER AND/OR JUDGMENT MAY BE ENTERED IN FAVOR OF LENDER AGAINST ASSIGNOR AS DEMANDED OR PRAYED FOR IN SUCH SUMMONS, COMPLAINT, PROCESS OR PAPERS. THE EXCLUSIVE CHOICE OF FORUM FOR ASSIGNOR SET FORTH IN THIS SECTION SHALL NOT BE DEEMED TO PRECLUDE THE ENFORCEMENT BY LENDER OF ANY JUDGMENT OBTAINED IN ANY OTHER FORUM OR THE TAKING BY LENDER OF ANY ACTION TO ENFORCE THE SAME IN ANY OTHER APPROPRIATE JURISDICTION, AND ASSIGNOR HEREBY WAIVES THE RIGHT, IF ANY, TO COLLATERALLY ATTACK ANY SUCH JUDGMENT OR ACTION.

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IN WITNESS WHEREOF, this Assignment of Tax Increment Note is executed as of the date first above written.

ASSIGNOR:

KELLER-BAARTMAN PROPERTIES XIV, LLC,

a Minnesota limited liability company

By:

Name: Andrew Baartman

Title: Chief Manager

LENDER:

MERCHANTS BANK, NATIONAL ASSOCIATION,

a corporation organized and existing under the laws of the United States of America By:

Name: Patti C. Robertson

Title: Vice President/Commercial Banker

EXHIBIT A

**ALLONGE ENDORSEMENT TO
UNITED STATES OF AMERICA
STATE OF MINNESOTA
COUNTY OF GOODHUE
CITY OF CANNON FALLS, MINNESOTA
TAX INCREMENT REVENUE NOTE, DISTRICT NO. 2-10
(KELLER-BAARTMAN PROPERTIES XIV, LLC PROJECT)**

FOR VALUE RECEIVED, Keller-Baartman Properties XIV, LLC endorses, assigns and transfers with recourse to Merchants Bank, National Association, a corporation organized and existing under the laws of the United States, all right, title and interest in and to the following described Tax Increment Revenue Note:

City of Cannon Falls, Minnesota Tax Increment Revenue Note, District No. 2-10 (Keller-Baartman Properties XIV, LLC Project) in the maximum principal amount of \$_____ executed by the City of Cannon Falls, Minnesota, a municipal corporation and home rule charter city, as holder.

Dated this ____ day of , 202_.

**THIS ALLONGE IS TO BE AFFIXED
TO THE NOTE DESCRIBED ABOVE**

KELLER-BAARTMAN PROPERTIES XIV, LLC,
a Minnesota limited liability company By:

Name: Andrew Baartman

Title: Chief Manager STATE OF MINNESOTA)

) ss.

COUNTY OF GOODHUE)

The foregoing instrument was acknowledged before me this ____ day of , 202_, by Andrew Baartman, the Chief Manager of Keller-Baartman Properties XIV, LLC, a Minnesota limited liability company, on behalf of such company.

Notary Public

EXHIBIT B

CONSENT AND ESTOPPEL CERTIFICATE

THIS CONSENT AND ESTOPPEL CERTIFICATE (this “Estoppel Certificate”), is dated as of , 202_, and is from the CITY OF CANNON FALLS, MINNESOTA, a municipal corporation and home rule charter city (the “City”), to MERCHANTS BANK, NATIONAL ASSOCIATION, a corporation organized and existing under the laws of the United States, (the “Lender”), and its successors, assigns and participants. The City hereby agrees with Lender as follows:

1. Unless the context otherwise indicates, capitalized terms not otherwise defined herein shall have the definitions given such terms in that certain that certain Development Agreement dated as of , 2022 (the “Development Agreement”) by and among the City and Keller-Baartman Properties XIV, LLC, a Minnesota limited liability company.

2. The City understands that the Lender contemplates making a loan to the Borrower in the maximum principal amount of up to \$3,600,000.00 (the “Loan”), which Loan is secured by an Assignment of Tax Increment Financing Documents dated as of , 2022 (the “TIF Assignment”), between the Borrower and the Lender. Pursuant to the TIF Assignment, the Borrower has collaterally assigned to Lender and granted to the Lender a security interest in that certain Tax Increment Revenue Note, District No. 2-10 (Keller-Baartman Properties XIV, LLC Project), if and when issued (the “Tax Increment Note”).

3. The City understands that the Lender has required this certificate as a condition of making the Loan and that the Lender will rely on this certificate in connection therewith.

4. Further, the City acknowledges that, to secure the payment of the debt owed by the Borrower to the Lender arising by reason of the Loan, the Borrower has collaterally assigned to Lender and granted to the Lender a security interest in the Tax Increment Note if and when issued.

5. The City further covenants, represents, and warrants to and agrees with Lender (as applicable) as follows:

- a. The City has the corporate power and authority to perform its obligations under the Development Agreement and the Tax Increment Note;
- b. That it will make all payments due with respect to the Tax Increment Note if and when issued, and any optional prepayments, either in whole or in part, with the Lender at the address set forth in Section 7 below, and upon such deposit its obligations under the Tax Increment Note shall be deemed discharged to the extent paid to the Lender;
- c. That it hereby consents to the execution and delivery of the Assignment of TIF Documents, and to the liens and security interests created therein, as security for the Loan;

6. The Development Agreement has not been amended or modified in any respect and it, together with all exhibits thereto or other documents referred to in the Development Agreement or in the exhibits thereto, represents the entire agreement of the parties thereto as to all of the subject matters dealt with therein. The Development Agreement is in full force and effect, and the City has given no notice of any default thereunder. As of the date hereof, the Tax Increment Note has not been issued.

7. Until the termination of the Assignment of TIF Documents, the City agrees to give the Lender a copy of each notice or demand given to the Borrower with respect to any breach or default by the Borrower in its obligations under the Development Agreement at the same time such notice, demand or other communication is given to the Borrower under the Development Agreement, addressed to Lender as follows:

Merchants Bank, N.A.
Attention Patti C. Robertson
2835 South Service Drive
Red Wing MN 55066.

8. The City agrees (A) to accept the cure by the Lender of any monetary default by the Borrower under the Development Agreement within ten (10) days after the later of (i) delivery of notice of such default to Lender pursuant to Section 7 above and the terms of the Development Agreement and (ii) the expiration of the cure periods afforded to Borrower in the Development Agreement and (B) to accept the cure by the Lender of any non-monetary default by the Borrower under the Development Agreement within thirty (30) days after the later of (i) delivery of notice of such default to Lender pursuant to Section 7 above and the terms of the Development Agreement and (ii) the expiration of the cure periods afforded to the Borrower in the Development Agreement, but acknowledges that the Lender shall be under no obligation to cure any such monetary or non-monetary default. No commencement of any performance by Lender or any obligation of Borrower required under the Development Agreement shall obligate Lender to continue or complete such performance or otherwise perform any of Borrower's obligations under the Development Agreement.

9. The City acknowledges and agrees that neither the Lender, nor its successors or assigns shall be obligated to construct or complete the Public Infrastructure or any other portion of the Project.

10. The City agrees to provide the Lender with notice of any modifications or amendments to be made to the Development Agreement and the right to consent to such modifications or amendments.

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IN WITNESS WHEREOF, the undersigned officers of the City have caused this Consent and Estoppel Certificate to be signed by its duly authorized representatives as of the date and year first written above.

CITY OF CANNON FALLS, MINNESOTA

By:

Its: Mayor

By:

Its: Administrator

EXTRACT OF MINUTES OF A MEETING
OF THE CITY COUNCIL OF THE
CITY OF CANNON FALLS, MINNESOTA

Pursuant to due call and notice thereof, a regular meeting of the City Council of the City of Cannon Falls, Goodhue County, Minnesota, was duly held at the City Hall in said City on May 17, 2022, at 6:30 P.M.

The following members were present:

and the following were absent:

Member _____ introduced the following resolution and moved its adoption:

**CITY OF CANNON FALLS
GOODHUE COUNTY, MINNESOTA**

RESOLUTION NUMBER 2631

RESOLUTION APPROVING THE ASSIGNMENT OF TAX INCREMENT NOTE

A. WHEREAS, the City of Cannon Falls, Minnesota (the "City") and Keller-Baartman Properties XIV, LLC, a Minnesota limited liability company (the "Developer") entered into a Development Agreement, (the "Agreement") in connection with the acquisition, construction and equipping of 79 multifamily housing rental units in the City by the Developer (the "Project"); and

B. WHEREAS, the City will issue a Tax Increment Revenue Note (Keller-Baartman Properties XIV, LLC Project) pursuant to the Agreement that will be payable to the Developer (the "TIF Note"); and

C. WHEREAS, the Developer proposes to obtain financing for the Project from Merchants Bank, National Association, a corporation organized and existing under the laws of the United States (the "Lender") and the Lender is requiring the execution of an Assignment of Tax Increment Note, May 17, 2022 (the "Assignment").

D. WHEREAS, the Lender is requesting that the City approve the Assignment and execute a Consent and Estoppel Certificate (the "Consent") between the Lender and the City.

E. WHEREAS, a draft of the Assignment and Consent have been submitted to the City Council for approval.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Cannon Falls, Minnesota, as follows:

1. The City Council hereby approves the Assignment and Consent in substantially the forms submitted, and the Mayor and the City Administrator are hereby authorized and directed to execute the Consent on behalf of the City. In the absence of the Mayor or the City

Administrator, any document authorized by this resolution to be executed may be executed by an acting or duly designated official.

2. The approval hereby given to the Assignment and Consent includes approval of such additional details therein as may be necessary and appropriate and such modifications thereof, deletions therefrom and additions thereto as may be necessary and appropriate and approved by the City officials authorized by this resolution to execute the Consent. The execution of the Consent by the appropriate officer or officers of the City shall be conclusive evidence of the approval of the Assignment and Consent in accordance with the terms hereof.

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

and the following voted against the same:

whereupon said resolution was declared duly passed and adopted.

John O. Althoff, Mayor

Attest:

Neil L. Jensen, City Administrator

STATE OF MINNESOTA
COUNTY OF GOODHUE
CITY OF CANNON FALLS

I, the undersigned, being the duly qualified and acting City Administrator of the City of Cannon Falls, Minnesota, DO HEREBY CERTIFY that I have compared the attached and foregoing extract of minutes with the original thereof on file in my office, and that the same is a full, true and complete transcript of the minutes of a meeting of the City Council of said City duly held on the date therein indicated, insofar as such minutes relate to a resolution giving approval to Assignment of Tax Increment Note.

WITNESS my hand this 17^h day of May, 2022.

Neil L. Jensen, City Administrator