



# **CITY COUNCIL MEETING AGENDA**

## **February 27, 2017 - 5:15 PM**

### **City Hall Council Chambers**

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The Moorhead City Council welcomes and encourages public input on issues listed on the agenda or of general community interest, time and Council permitting. Speakers are limited to 3-minute presentations. Advertised public hearings are scheduled so that the public is afforded an opportunity to speak. Public hearings are generally scheduled 15 to 30 minutes after the start of the meeting; however the starting time may vary depending on other scheduled agenda items. Citizens wishing to address the Mayor and Council regarding a specific agenda item, other than public hearings, will be afforded an opportunity during the discussion of that item. Citizens wishing to speak on matters not listed on the agenda will be afforded the opportunity to do so under the heading "Citizens Addressing the Council," usually scheduled at the beginning and end of the agenda. Each person requesting the opportunity to speak is asked to fill out a "Request to Speak Form."

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#### **City Council Meeting**

1. Call to Order and Roll Call \_\_\_\_\_
2. Pledge of Allegiance \_\_\_\_\_

#### **Economic Development**

#### **Administration**

3. Consider a Resolution to Approve First Amendment to Developer's Agreement for Municipal Improvements, Utility Systems, Boulevard Trees and Sidewalks; Approve Escrow Agreement; Approve Master Subordination Agreement for Bright Sky Addition \_\_\_\_\_

Upon request, accommodations for individuals with disabilities, language barriers, or other needs to allow participation in City Council meetings will be provided. To arrange assistance, call the City Clerk's office at 218.299.5166 (voice) or 711 (TDD/TTY).

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# Mayor and Council Communication

February 27, 2017

Page 1 of 1

**SUBJECT:** Consider a Resolution to Approve First Amendment to Developer's Agreement for Municipal Improvements, Utility Systems, Boulevard Trees and Sidewalks; Approve Escrow Agreement; Approve Master Subordination Agreement for Bright Sky Addition

**RECOMMENDATION:** The Mayor and City Council are asked to consider a resolution approving a First Amendment to Developer's Agreement for Municipal Improvements, Utility Systems, Boulevard Trees and Sidewalks, an Escrow Agreement, and a Master Subordination Agreement relating to Lot 4 of Bright Sky Addition.

**BACKGROUND / KEY POINTS:** Bright Sky Addition is a 10.35 acre, five lot subdivision intended for a mix of uses including multi-family housing development. A Developer's Agreement was entered into between the City of Moorhead (the "City") and Churches United for the Homeless, Inc. ("Churches United") on September 30, 2016. Churches United is in the process of conveying Lot 4 of Bright Sky Addition to Bright Sky, LLLP, however, before the sale is completed, Minnesota Housing is requiring the Developer's Agreement to be subordinate to their loan documents.

**FINANCIAL CONSIDERATIONS:** None

**VOTING REQUIREMENTS:** Majority of Quorum

*Disclaimer: Voting requirements may be subject to changes in the law, parliamentary procedural matters, or other unforeseen issues. The City Attorney provides opinion on questions of voting requirements in accordance with the Moorhead City Code, Minnesota State Statutes, and parliamentary procedure.*

Respectfully Submitted:

A handwritten signature in black ink that reads "Christina Volkert".

Christina Volkert  
City Manager

**Department:** Administration  
**Prepared by:** Sarah Wear, Assistant City Attorney

**Attachments:** Draft Resolution



# Request for Council Action

<b>AGENDA SECTION:</b> Administration		<b>ORIGINATING DEPARTMENT:</b> City Attorney	<b>MEETING DATE:</b> February 27, 2017
<b>ITEM NO. 3.</b>	<b>ITEM DESCRIPTION:</b> Consider a Resolution to Approve First Amendment to Developer's Agreement for Municipal Improvements, Utility Systems, Boulevard Trees and Sidewalks; Approve Escrow Agreement; Approve Master Subordination Agreement for Bright Sky Addition		<b>PREPARED BY:</b> Wear

## DRAFT RESOLUTION

WHEREAS, Churched United for the Homeless, Inc., holds all rights, title and interest in certain real property legally described as follows: Lot 4, Block 1, Bright Sky Addition to the City of Moorhead, Clay County, Minnesota (the "Property"); and

WHEREAS, Churches United for the Homeless, Inc., has requested an amendment to the Developer's Agreement for Municipal Improvements, Utility Systems, Boulevard Trees and Sidewalks dated September 30, 2016, recorded on October 5, 2016 with the Clay County Recorder as recorder's document #761743 (the "Developer's Agreement") with regard to the Property; and

WHEREAS, Churches United for the Homeless, Inc., wishes to convey the Property to Bright Sky, LLLP; and

WHEREAS, prior to completing the conveyance of the Property, Minnesota Housing is requiring the Developer's Agreement be subordinate to its loan documents; and

WHEREAS, the requested amendment provides that partial payment for special assessments will be made upon execution of the Amendment, which will be held in escrow by the City of Moorhead and the remaining special assessments will be due on or before November 15, 2017; and

WHEREAS, in exchange for payment in full of the special assessments on the Property, certain provisions of the Developer's Agreement will be terminated with regard to the Property; and

WHEREAS, based on the partial payment being held in escrow, the City of Moorhead and Churches United are desirous of executing an Escrow Agreement outlining the terms and conditions for those funds; and

WHEREAS, in order to set forth additional terms of the subordination, a Master Subordination Agreement is also requested.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Moorhead, Minnesota that the Mayor and City Manager are hereby authorized and directed to execute on behalf of the City of Moorhead a First Amendment to the Developer's Agreement, an Escrow Agreement and a Master Subordination Agreement regarding Lot 4 of Bright Sky Addition.

MAY IT FURTHER BE RESOLVED that the Developer's Agreement remains in full force and effect, except as modified by the above-listed agreements.

PASSED: February 27, 2017 by the City Council of the City of Moorhead.

**BRIGHT SKY ADDITION  
FIRST AMENDMENT TO DEVELOPER'S AGREEMENT  
FOR MUNICIPAL IMPROVEMENTS, UTILITY SYSTEMS,  
BOULEVARD TREES AND SIDEWALKS**

THIS FIRST AMENDMENT TO DEVELOPER'S AGREEMENT FOR MUNICIPAL IMPROVEMENTS, UTILITY SYSTEMS, BOULEVARD TREES AND SIDEWALKS is made and entered into this \_\_\_ day of February, 2017, by and between the City of Moorhead, a municipal corporation and political subdivision of the State of Minnesota, hereinafter referred to as "**City**"; and Churches United for the Homeless Inc., a Minnesota nonprofit corporation, hereinafter referred to as "**Owner**."

WHEREAS, On September 27, 2016, Owner and the City entered in to that Bright Sky Addition Developer's Agreement for Municipal Improvements, Utility Systems, Boulevard Trees and Sidewalks, recorded on October 5, 2016 with the Clay County Recorder as evidenced as recorder's document no. 761743 (the "Developer's Agreement"); and

WHEREAS, Owner wishes to convey Lot 4 of the Development Area to Bright Sky, LLLP, a Minnesota limited liability limited partnership, for the purpose of constructing a 43 unit affordable housing project to be known as Bright Sky Apartments;

WHEREAS, Owner and City have agreed to certain terms regarding the payment of the special assessments attributable to Lot 4 and wish to set forth those provisions in this Amendment.

NOW, THEREFORE, in consideration of the mutual covenants, promises, and agreements of the parties, the adequacy and sufficiency of which is hereby acknowledged by both parties, it is agreed as follows:

1. The following paragraph is added to the end of Section XI:
  - "D. Owner agrees to cause Bright Sky, LLLP to deposit cash in the amount of sixty four thousand and no/100 dollars (\$64,000) (the "Assessment Deposit") with the City to be held in escrow and utilized for the payment of current special assessments and proposed special assessments attributable to Lot 4. The City agrees that in consideration of Owner's obligation to cause Bright Sky, LLLP to make the Assessment Deposit, the City shall subordinate its interest in this Agreement to the lenders to Owner, Bright Sky, LLLP or their successors or assigns, with respect to Lot 4. This subordination does not apply to any other Lots within the Development Area.

At such time that the Municipal Improvements and Utility Systems are constructed on Lot 4, and the special assessments are certified and levied on Lot 4, the City shall apply the Assessment Deposit to the special

assessments due with respect to Lot 4 until the Assessment Deposit has been exhausted. The Owner shall cause Bright Sky, LLLP to pay any and all remaining special assessments certified on Lot 4 on or before November 15, 2017. Upon completion of all Municipal Improvements and Utility Systems attributable to Lot 4, and upon payment by Owner or Bright Sky, LLLP or their successors of all special assessments attributable to Lot 4, all obligations under Section XI of this Agreement with respect to Lot 4 shall terminate and Lot 4 shall be released from any further obligations under Section XI of this Agreement.

3. **Other Terms Remain in Effect.** All other terms of the Developer's Agreement will remain in full force and effect, except as specifically modified by this Amendment.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be made and entered into the day and year first written. The effective date of this Amendment will be the date on which this Amendment was approved by the governing board of each party or the date on which the last signature was obtained, whichever date is later.

[The remainder of this page has intentionally been left blank.]

Dated: \_\_\_\_\_

**CITY OF MOORHEAD:**

\_\_\_\_\_  
 DEL RAE WILLIAMS, Mayor

\_\_\_\_\_  
 CHRISTINA VOLKERS, City Manager

ATTEST:

\_\_\_\_\_  
 MICHELLE FRENCH, City Clerk

STATE OF MINNESOTA )  
   ) ss.  
 COUNTY OF CLAY

The foregoing instrument was acknowledged before me this \_\_\_\_ day of February, 2017, by Del Rae Williams, Christina Volkors, and Michelle French, known to me to be the Mayor, City Manager, and City Clerk, respectively, of the City of Moorhead, and who executed the within instrument and acknowledged to me they executed the same on behalf of the City of Moorhead.

\_\_\_\_\_  
 My Commission Expires:

Dated: \_\_\_\_\_

OWNER:  
Churches United for the Homeless, Inc.

\_\_\_\_\_  
Sue Koesterman, Executive Director

STATE OF MINNESOTA     )  
  ) ss.  
COUNTY OF CLAY         )

On this day of February \_\_, 2017, before me, a notary public, in and for said County and State, personally appeared Sue Koesterman, known to me to be the Executive Director of Churches United for the Homeless, Inc., and who executed the within instrument and acknowledged to me she executed the same on behalf of Churches United for the Homeless, Inc.

(SEAL)

Notary Public  
Clay County, Minnesota  
My Commission Expires: \_\_\_\_\_



Drafted by:  
City of Moorhead  
500 Center Avenue  
Moorhead, MN 56561

13116539v4



## ESCROW AGREEMENT

This Escrow Agreement (“Agreement”), is dated effective as of February \_\_, 2017 (the “Effective Date”) by and between Churches United for the Homeless, a Minnesota nonprofit corporation (“Churches United”), and The City of Moorhead, a municipal corporation and political subdivision of the State of Minnesota (the “City”).

### RECITALS:

A. Churches United holds all rights, title, and interest in certain real property, known within said document as the "Development Area," legally described as Bright Sky Addition as recorded by the County Recorder of Clay County, Minnesota on the 1st day of August, 2016, and as evidenced by recorder's document #759520.

B. The City and Churches United agree that Churches United, as the titleholder of 100% of the Development Area, may petition the City for construction of certain publicly installed Municipal Improvements (as defined in the Developer’s Agreement) consisting of a sanitary sewer system; storm water system; and curb, gutter and street; and installation of sidewalks to serve said Development Area. Municipal Improvements not publicly installed will be the responsibility of Churches United.

C. On September 27, 2016, Churches United and the City entered into Bright Sky Addition Developer’s Agreement for Municipal Improvements, Utility Systems, Boulevard Trees and Sidewalks, recorded on October 5, 2016 with the Clay County Recorder as evidenced as recorder’s document no. 761743, as amended by that certain Bright Sky Addition First Amendment to Developer’s Agreement for Municipal Improvements, Utility Systems, Boulevard Trees and Sidewalks (collectively, the “Developer’s Agreement”).

D. Churches United proposes to convey Lot 4 of the Development Area (“Lot 4”) to Bright Sky, LLLP, a Minnesota limited liability limited partnership, for the purpose of constructing a 43-unit affordable housing project to be known as Bright Sky Apartments.

E. Under the Developer’s Agreement, Churches United agrees to cause Bright Sky, LLLP to deposit cash in the amount of sixty four thousand and no/100 dollars (\$64,000.00) (the “Assessment Deposit”) with the City to be held in escrow and utilized for the payment of current special assessments and proposed special assessments attributable to Lot 4. The City agrees that in consideration of Churches United’s obligation to cause Bright Sky, LLLP to make the Assessment Deposit, the City shall subordinate its interest in the Developer’s Agreement to the lenders of Churches United, Bright Sky, LLLP or their successors, with respect to Lot 4. Churches United shall cause Bright Sky, LLLP to pay any and all remaining special assessments certified on Lot 4 on or before November 15, 2017, in accordance with the Developer’s Agreement.

F. Churches United shall cause Bright Sky, LLLP to deposit the Assessment Deposit in escrow with the City to be held and disbursed in accordance with the Developer’s Agreement and this Agreement.



FOR USE BY FILING OFFICER ONLY

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**MASTER SUBORDINATION AGREEMENT  
AND  
ESTOPPEL CERTIFICATE**

**THIS MASTER SUBORDINATION AGREEMENT AND ESTOPPEL CERTIFICATE** (this “**Agreement**”) shall have an effective date of the 16<sup>th</sup> day of February, 2017, and entered into among Bright Sky, LLLP, a Minnesota limited liability limited partnership (“**Borrower**”), the Minnesota Housing Finance Agency, a public body corporate and politic of the State of Minnesota (“**MHFA**”), Churches United for the Homeless, a Minnesota nonprofit corporation (the “**Sponsor**”), Gate City Bank, a North Dakota banking corporation (the “**Bank**”), and The City of Moorhead, a municipal corporation and political subdivision of the State of Minnesota (the “**City**”).

**RECITALS**

A. Borrower has applied to and obtained certain loans from the other parties hereto and will use the proceeds of such loans and additional equity to fund the construction and/or rehabilitation of a multifamily housing development identified as MHFA Development No. 7744 (the “**Development**”), which will be situated on real property located in the City of Moorhead, County of Clay, State of Minnesota, and legally described in **Exhibit A** attached hereto (the “**Property**”).

B. The following is a listing and description of the loans that Borrower has obtained from the other parties hereto (collectively, the “**Loans**”), which will be used to fund the acquisition, construction and/or rehabilitation of the Development and the repayment of which will be secured by liens on the Property, and a listing of the documents that evidence and secure the repayment of such loans (collectively, the “**Loan Documents**”):

<b>Description of Loan</b>	<b>Amount of Loan</b>	<b>Loan Documents Evidencing and Securing Repayment</b>
A loan from the Bank.	\$750,000.00	Those documents set forth in <b>Exhibit B</b> attached hereto.
A loan from MHFA.	\$4,946,056.00	Those documents set forth in <b>Exhibit D</b> attached hereto.
A loan from the Sponsor.	\$500,000.00	Those documents set forth in <b>Exhibit E</b> attached hereto.
A loan from the Sponsor.	\$364,750.00	Those documents set forth in <b>Exhibit F</b> attached hereto.

C. The parties intend that the Loans, the corresponding Loan Documents, and other documents referred to herein and the liens created thereby shall have a certain order of priority.

D. The parties wish to specify how the terms and conditions contained in the Loan Documents shall be interpreted in the event of a conflict or inconsistency therein.

**NOW, THEREFORE**, in consideration of good and valuable consideration, and in further consideration of the parties hereto making and entering into the Loans, the parties hereto agree as follows:

1. **Definitions.** For the purposes of this Agreement, the definitions set forth above shall be incorporated into this Section 1 by reference. The following terms shall have the meanings set out respectively after each such term, and such meaning shall be equally applicable to both the singular and plural forms of the term defined:

(a) "Bank Loan" – A bridge loan from the Bank to Borrower in an original principal amount of \$750,000.00.

(b) "Bank Loan Documents" – Those documents listed in **Exhibit B** attached hereto and incorporated herein by reference, which evidence and secure the repayment of the Bank Loan.

(c) "Developer's Agreement" – That certain Developer's Agreement and First Amendment thereto listed in **Exhibit C** attached hereto and incorporated by reference.

(d) “MHFA Loan” - A loan from MHFA through its Housing Infrastructure Bonds to Borrower in an original principal amount of \$4,946,056.00.

(e) “MHFA Loan Documents” – Those documents listed in **Exhibit D** attached hereto and incorporated herein by reference, which evidence and secure the repayment of the MHFA Loan.

(f) “Sponsor Loan 1” – A loan from the Sponsor to Borrower in an original principal amount of \$500,000.00.

(g) “Sponsor Loan 1 Documents” – Those documents listed in **Exhibit E** attached hereto and incorporated herein by reference, which evidence and secure the repayment of the Sponsor Loan 1.

(h) “Sponsor Loan 2” – A loan from the Sponsor to Borrower in an original principal amount of \$364,750.00.

(i) “Sponsor Loan 2 Documents” – Those documents listed in **Exhibit F** attached hereto and incorporated herein by reference, which evidence and secure the repayment of the Sponsor Loan 2.

2. **Consent to Loans, Liens and Encumbrances.** The parties consent and agree to all of the Loans and agree that all of the liens and encumbrances created by the Loan Documents shall be deemed to be permitted encumbrances under their respective Loan Documents. The parties further agree to execute any and all documents that any party hereto may reasonably request in order to document that such liens and encumbrances are permitted encumbrances under their respective Loan Documents.

3. **Use of Loan Documents.** The parties hereto agree and consent to the use of the Loan Documents set forth in the exhibits attached hereto in conjunction with the Loan referenced in each exhibit. In addition, each party hereto, as to the Loan Documents that correspond to one of its Loans, does hereby covenant, warrant, consent and agree that (i) the described Loan Documents are all of the documents that the party has entered into regarding the corresponding Loan, (ii) there are no documents relating to such Loan other than the described Loan Documents for such Loan, (iii) it will not enter into any other document for such Loan that would adversely impact any other party or parties hereto without the prior written consent of such party or parties, (iv) any existing document or documents that may come into existence in the future to which a party hereto is or becomes a party or from which a party hereto obtains a benefit that is different from the benefits that the other parties hereto have received or will receive, and that is not listed in the Loan Documents set forth herein for such Loan, shall be of no force or effect until approved and consented to in writing by all of the parties hereto upon which such document has, or will have, an adverse effect, and upon such written approval, such documents shall be automatically considered to be included in the exhibit hereto setting forth the Loan Documents for such Loan. The other parties hereto shall

execute any document that may reasonably be requested in order to include such document in such exhibit.

**4. Subordination of Loans and Loan Documents.**

(a) Loan Priority. Except as specifically provided below, each party hereto agrees to the following priority for the provisions contained in the Loan Documents and any and all the liens and encumbrances created thereby and subordinates its respective Loan Documents and the liens and encumbrances created thereby to those Loan Documents and liens and encumbrances created thereby that are listed as having a priority over its Loan Documents and the liens and encumbrances created thereby:

<b>Loan Documents and Liens and Encumbrances Created Thereby</b>	<b>Party to the Loan Documents and Holder of Liens and Encumbrances Created Thereby</b>	<b>Order of Priority</b>
Bank Loan Documents	Bank	First
MHFA Loan Documents	MHFA	Second
Developer's Agreement	City	Third
Sponsor Loan 1 Documents	Sponsor	Fourth
Sponsor Loan 2 Documents	Sponsor	Fifth

(b) Tax Credit Declaration. The parties acknowledge that the Development is intended to receive the benefits of Low Income Housing Tax Credits (the "Credits") pursuant to Section 42 of the Internal Revenue Code ("Section 42") and that it is a condition of the receipt of the Credits that Borrower file a Declaration of Land Use Restrictive Covenants for Low-Income Housing Credits (the "Tax Credit Declaration") substantially in the form attached hereto as **Exhibit G**. MHFA, the Bank and the Sponsor consent to the terms of the Tax Credit Declaration as required by Section 2(c) of the Tax Credit Declaration and agree that the Tax Credit Declaration is subordinate to each of their Loans and the related Loan Documents, except to the extent required by Section 9(d) of the Tax Credit Declaration (relating to the three-year vacancy control during the extended use period).

**5. Interpretation.** The parties are entering into and executing this Agreement in order to establish the subordination and priority of the Loan Documents and any liens and encumbrances created thereby, and, accordingly, such parties hereby agree, understand, and acknowledge that the enforceability of this Agreement is not, and shall not be, restricted, limited, or impaired by the fact that not all of the parties hereto are signatories to each or any of the Loan Documents.

**6. Most Restrictive Requirements.** Notwithstanding the order of priority and subordinations granted herein or any provisions to the contrary contained herein, the parties



agree that if there are any inconsistencies contained herein or in the Loan Documents, the most restrictive requirement shall control.

7. **Absence of Events of Default and Compliance with Closing Requirements.** Each party hereto states, represents, and warrants that as to each of its individual Loans, (i) such Loans have been duly closed, (ii) there are no events of default, or events that with the passage of time could constitute an event of default, currently existing with respect to any of its Loans, and (iii) all of its Loans are in good standing.

8. **Use of Insurance and Condemnation Proceeds.** Notwithstanding any provisions to the contrary contained herein or in any of the Loan Documents, the parties hereto agree that any and all insurance and/or condemnation proceeds will be used first to repair or reinstate the Development. If there are any remaining proceeds, or if such amounts are insufficient to repair or reinstate the Development, or if the Development cannot be repaired or reinstated, then such proceeds shall be used to pay off the Loans in order of the priority of the Loan Documents specified herein.

9. **Execution in Counterparts.** This Agreement may be executed in any number of counterparts, each of which shall be an original but all of which shall constitute one instrument.

(THE REMAINING PORTION OF THIS PAGE IS INTENTIONALLY LEFT BLANK)

IN WITNESS WHEREOF, the parties have executed this Master Subordination Agreement and Estoppel Certificate as of the date first written above.

**BORROWER:**

**BRIGHT SKY, LLLP**  
a Minnesota limited liability limited partnership

By: Churches United for the Homeless Permanent Supportive Housing LLC

Its: General Partner

By: Churches United for the Homeless

Its: Manager/Sole Member

By: \_\_\_\_\_  
Susan J. Peterson-Koesterman  
Executive Director

STATE OF NORTH DAKOTA     )  
  ) ss.  
COUNTY OF CASS            )

The foregoing instrument was acknowledged before me this 16<sup>th</sup> day of February, 2017, by Susan J. Peterson-Koesterman, Executive Director of Churches United for the Homeless, a Minnesota nonprofit corporation, the Manager/Sole Member of Churches United for the Homeless Permanent Supportive Housing LLC, a Minnesota limited liability company, a General Partner of Bright Sky, LLLP, a Minnesota limited liability limited partnership, on behalf of the nonprofit corporation, the limited liability company and the limited liability limited partnership.

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

**MHFA:**

**MINNESOTA HOUSING FINANCE  
AGENCY**

By: \_\_\_\_\_

\_\_\_\_\_  
Wesley J. Butler  
Assistant Commissioner, Multifamily

STATE OF MINNESOTA )  
  ) ss.  
COUNTY OF RAMSEY )

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of February, 2017, by Wesley J. Butler, Assistant Commissioner, Multifamily of the Minnesota Housing Finance Agency, on behalf of the Agency.

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

**BANK:**

**GATE CITY BANK**

a North Dakota banking corporation

By: \_\_\_\_\_

Kevin Warner, Business Lending Manager

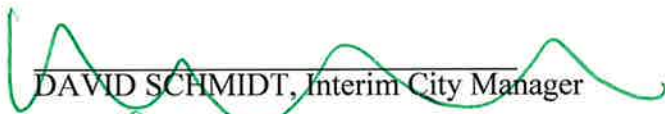
STATE OF \_\_\_\_\_ )  
  ) ss.  
COUNTY OF \_\_\_\_\_)

The foregoing instrument was acknowledged before me this \_\_\_\_ day of February, 2017, by Kevin Warner, the Business Lending Manager of Gate City Bank, a North Dakota banking corporation, on behalf of the banking corporation.

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

**CITY OF MOORHEAD:**

\_\_\_\_\_  
DEL RAE WILLIAMS, Mayor

  
\_\_\_\_\_  
DAVID SCHMIDT, Interim City Manager

ATTEST:

\_\_\_\_\_  
MICHELLE FRENCH, City Clerk

STATE OF MINNESOTA )  
  ) ss.  
COUNTY OF CLAY                )

The foregoing instrument was acknowledged before me this \_\_\_ day of February, 2017, by Del Rae Williams, David Schmidt, and Michelle French, known to me to be the Mayor, Interim City Manager, and City Clerk, respectively, of the City of Moorhead.

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

**SPONSOR:**

**CHURCHES UNITED FOR THE HOMELESS**  
a Minnesota nonprofit corporation

By: \_\_\_\_\_  
Susan J. Peterson-Koesterman  
Executive Director

STATE OF NORTH DAKOTA     )  
  ) ss.  
COUNTY OF CASS             )

The foregoing instrument was acknowledged before me this 16<sup>th</sup> day of February, 2017, by Susan J. Peterson-Koesterman, the Executive Director of Churches United for the Homeless, a Minnesota nonprofit corporation, on behalf of the nonprofit corporation.

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

THIS DOCUMENT WAS DRAFTED BY:  
Minnesota Housing Finance Agency  
400 Sibley Street, Suite 300  
St. Paul, MN 55101-1998

**Exhibit A**

**LEGAL DESCRIPTION**

Lot Four, in Block One, of Bright Sky Addition to the City of Moorhead, situate in the County of Clay and the State of Minnesota.

**Exhibit B**

**BANK LOAN DOCUMENTS**

1. Promissory Note;
2. Mortgage, Assignment of Rents, Security Agreement, and Fixture Financing Statement;  
and
3. Loan Agreement



**Exhibit C**

**DEVELOPER'S AGREEMENT**

1. Bright Sky Addition Developer's Agreement for Municipal Improvements, Utility Systems, Boulevard Trees and Sidewalks, recorded on October 5, 2016 with the Clay County Recorder as evidenced as recorder's document no. 761743, as amended by that certain Bright Sky Addition First Amendment to Developer's Agreement for Municipal Improvements, Utility Systems, Boulevard Trees and Sidewalks.

**Exhibit D**

**MHFA HIB LOAN DOCUMENTS**

1. Housing Infrastructure Bonds Combination Mortgage, Security Agreement, Assignment of Rents and Leases, and Fixture Financing Statement executed by Bright Sky, LLLP, a Minnesota limited liability limited partnership, to the Minnesota Housing Finance Agency, of even date with the document to which this exhibit is attached, securing the repayment of a loan from in an original principal amount of \$4,946,056.00, which will be recorded in the Office of the County Recorder for Clay County, Minnesota.
2. Housing Infrastructure Bonds Regulatory Agreement, of even date with the document to which this exhibit is attached, between Bright Sky, LLLP, a Minnesota limited liability limited company, and the Minnesota Housing Finance Agency, which will be recorded in the Office of the County Recorder for Clay County, Minnesota.
3. Housing Infrastructure Bonds Declaration of Covenants, Conditions and Restrictions, of even date with the document to which this exhibit is attached, executed by Bright Sky, LLLP, a Minnesota limited liability limited partnership, for the benefit of the Minnesota Housing Finance Agency, which will be recorded in the Office of the County Recorder for Clay County, Minnesota.
4. The following additional Housing Infrastructure Bonds Loan Documents:
  - a. Mortgage Loan Commitment;
  - b. Mortgage Note in an original principal amount of \$4,946,056.00;
  - c. Building Loan Agreement;
  - d. Disbursement Agreement;
  - e. Master Disbursement Agreement;
  - f. Assignment of Architect's Contract;
  - g. Assignment of Construction Contract;
  - h. Supplement to General Conditions of the Agreement Between Owner and Contractor;
  - i. UCC-1 Financing Statement;
  - j. Request for Notice of Foreclosure; and
  - k. Bond Compliance Agreement.

**Exhibit E**

**SPONSOR LOAN 1 DOCUMENTS**

1. Sponsor Loan Promissory Note (AHP);
2. Sponsor Loan Mortgage (AHP);
3. Collateral Assignment of Sponsor Loan Mortgage (AHP); and
4. Agreement for Covenants and Restrictions.

**Exhibit F**

**SPONSOR LOAN 2 DOCUMENTS**

1. Promissory Note;
2. Mortgage, Assignment of Rents, Security Agreement, and Fixture Financing Statement; and
3. Loan Agreement.

**Exhibit G**  
**TAX CREDIT DECLARATION**

13128192v2

