

**RESOLUTION NO. \_\_\_-BPA-15**

**A RESOLUTION APPROVING CERTAIN AGREEMENTS WITH SOUTH LOOP INVESTMENTS, LLC AND AN AFFILIATE THEREOF**

***WHEREAS***, the Port Authority of the City of Bloomington (the “Port Authority”) is an established body politic and corporate pursuant to Minnesota Statutes, Section 469.071; and

***WHEREAS***, the City of Bloomington, Minnesota (the “City”), the Port Authority, and South Loop Investments, LLC, a Minnesota limited liability company (“SLI”), entered into a Purchase and Redevelopment Contract, dated December 10, 2014 (the “Original Redevelopment Contract”), which set forth the terms of redevelopment of certain property located within Industrial Development District No. 1 – South Loop District in the City (the “Development Property”); and

***WHEREAS***, pursuant to the Original Redevelopment Contract, the Port Authority agreed to convey the Development Property to SLI, and SLI agreed to develop certain improvements thereon to be completed in two phases described therein as the “Minimum Improvements”; and

***WHEREAS***, SLI intends to assign its rights related to the development of a portion of the Development Property to South Loop Investments 2, LLC, a Minnesota limited liability company and affiliate of SLI (“SLI 2”), pursuant to an Assignment and Assumption Agreement; and

***WHEREAS***, the parties to the Original Redevelopment Contract have determined to amend certain provisions of the Original Development Contract relating to the development of the Minimum Improvements as more fully set forth in the First Amendment to Purchase and Redevelopment Contract (the “First Amendment to Redevelopment Contract,” and together with the Original Redevelopment Contract, the “Redevelopment Contract”) proposed to be entered

into between the Port Authority, the City, SLI, and SLI 2, a form of which is now on file with the Board; and

**WHEREAS**, there have also been presented before the Board forms of the following documents: (i) the First Amendment to Redevelopment Contract; (ii) a Site Development Agreement (the “Site Development Agreement”) proposed to be entered into between the City, the Port Authority, and SLI, relating to the conditions for the City’s approval for certain aspects of the redevelopment of the Development Property; (iii) a Reciprocal Covenants, Easements, Maintenance and Use Agreement (the “Reciprocal Easement Agreement”) proposed to be entered into between the Port Authority and SLI, relating to easements, conditions, and restrictions with respect to common areas; (iv) a Parking Ramp Development Agreement (the “Parking Ramp Development Agreement”) proposed to be entered into between the Port Authority and SLI, relating to the development of the Parking Ramp (as defined in the Redevelopment Contract); (v) a Parking Lease and Management Agreement (the “Parking Lease and Management Agreement”) proposed to be entered into between the City, the Port Authority, and SLI, relating to the lease terms for the Parking Ramp and management of the Parking Ramp; (vi) a Guaranty Agreement (the “Guaranty”) proposed to be entered into between David W. Peters, Terratron, Inc., and Mercury Investments Limited Partnership of Utah, as the guarantors, the City, and the Port Authority, relating to a guaranty for the financing and construction of the Coffee Shop and Restaurant (both as defined in the Redevelopment Contract); (vii) a Hotel Recapture Agreement (the “Hotel Recapture Agreement”) proposed to be entered into between the City, the Port Authority, and SLI, relating to the development of the Hotel (as defined in the Redevelopment Contract); (viii) a Disbursing Agreement (the “Disbursing Agreement”) proposed to be entered into between the Port Authority, SLI, and Land Title, Inc., relating to the

disbursement of funds with respect to the Minimum Improvements; and (ix) an Assignment and Subordination Agreement (the “Assignment and Subordination Agreement”), proposed to be entered into between the Port Authority, the City, SLI, SLI 2, and U.S. Bank National Association (the “Lender”), the lender providing financing for the Hotel (as defined in the Redevelopment Contract), relating to the subordination of certain interests of the City and the Port Authority under the Redevelopment Contract and the assignment of certain rights of SLI and SLI 2, as the case may be, under the Redevelopment Contract, the Parking Ramp Development Agreement, and the Parking Lease and Management Agreement to the Lender; and

***NOW THEREFORE BE IT RESOLVED BY THE PORT AUTHORITY FOR THE CITY OF BLOOMINGTON*** that, based upon the foregoing,

1. The First Amendment to Redevelopment Contract, the Site Development Agreement, the Reciprocal Covenants Agreement, the Parking Ramp Development Agreement, the Parking Lease and Management Agreement, the Guaranty, the Hotel Recapture Agreement, the Disbursing Agreement, and the Assignment and Subordination Agreement are hereby in all respects authorized, approved and confirmed and the President and Administrator are hereby authorized and directed to execute and deliver such documents for and on behalf of the Port Authority in substantially the form now on file with the Port Authority but with such modifications as shall be deemed necessary, desirable or appropriate, the execution thereof to constitute conclusive evidence of their approval of any and all modifications therein. The President and the Administrator are also authorized to execute and deliver and any other documents needed to satisfy any title objections brought forth by SLI or SLI 2.

Passed and adopted this 1<sup>st</sup> day of September, 2015.

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Port Authority President

ATTEST:

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Secretary to the Port Authority

Reviewed by General Counsel

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