

Exhibit II

Form of Senior Lender Collateral Assignment

COLLATERAL ASSIGNMENT OF REDEVELOPMENT AGREEMENT AND SITE IMPROVEMENT PERFORMANCE AGREEMENT

THIS COLLATERAL ASSIGNMENT OF REDEVELOPMENT AGREEMENT AND SITE IMPROVEMENT PERFORMANCE AGREEMENT (this “**Collateral Assignment**”), is made and entered into as of the ___ day of December, 2019, by and among PROJECT PAUL, LLC, a Delaware limited liability company (the “**Developer**”), WELLS FARGO BANK, NATIONAL ASSOCIATION, a national banking association (the “**Lender**”), HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA, a body corporate and politic organized and existing under the laws of the State of Minnesota (the “**Authority**”), and CITY OF SAINT PAUL, MINNESOTA, a municipal corporation and home rule charter city (the “**City**”).

WITNESSETH:

WHEREAS, the City, the Authority and the Developer (and joined by MN Ford Site Apartment Land LLC, a Delaware limited liability company), have entered into that certain Redevelopment Agreement dated as of December __, 2019 (as the same may be amended from time to time, the “**Development Agreement**”), providing for the development of property legally described on Exhibit A attached hereto (the “**Project**”); and

WHEREAS, the City, the Authority and the Developer have also entered into that certain Site Improvement Performance Agreement dated as of December __, 2019 (as the same may be amended from time to time, the “**SIPA**”), providing certain other terms and conditions for which the Site Improvements (as defined in the Development Agreement) will be constructed and installed on the Project; and

WHEREAS, pursuant to the Development Agreement, the Authority has issued to the Developer a Taxable Tax Increment Revenue Note (Ford Site Redevelopment Project) in the original principal amount of up to \$_____ subject to and in accordance with the terms of the Development Agreement (the “**TIF Note**”); and

WHEREAS, the Lender has agreed to make a land acquisition and development loan to the Developer to finance the acquisition of and certain development costs with respect to the Project pursuant to the terms of that certain Construction Loan Agreement of even date herewith (as the same may be amended from time to time, the “**Loan Agreement**”), by and between the Developer and the Lender; and

WHEREAS, the obligation of the Developer to repay amounts advanced under the Loan Agreement is (a) evidenced by that certain Promissory Note of even date herewith (as the same may be amended from time to time, the “**Note**”), executed by the Developer and made payable to the order of the Lender in the original principal amount of \$48,000,000, and (b) secured pursuant to, among other things, that certain Construction Mortgage, Security Agreement, Assignment of Leases and Rents and Fixture Financing

Statement of even date herewith (as the same may be amended from time to time, the “**Security Instrument**”), executed by the Developer in favor of the Lender and encumbering the Project ; and

WHEREAS, the Lender has required, as an express condition to providing the financing contemplated by the Loan Agreement, (a) the Developer to assign to the Lender all of the Developer’s rights under the Development Agreement and the SIPA, excluding any rights in or interests with respect to the TIF Note, to secure the obligations of the Developer to the Lender under the Note, the Security Instrument, the Loan Agreement and the documents related thereto (collectively, the “**Loan Documents**”), and (b) the City and the Authority to consent to this Collateral Assignment and agree to certain other matters all as more fully contained herein. The term “**Loan Documents**” shall include any amendments, supplements, modifications, renewals, extensions or replacements thereto.

NOW THEREFORE, in consideration of the foregoing recitals and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. The Developer hereby assigns to the Lender all of the Developer’s right, title and interest in and to the Development Agreement and the SIPA, excluding any rights in or interests with respect to the TIF Note, to secure the Developer’s obligations to the Lender under the Loan Documents. Notwithstanding this collateral assignment, the Developer shall remain liable for payment and performance of all of its obligations under the Development Agreement and the SIPA.
2. The Developer hereby represents and warrants that: (a) there have been no prior assignments of the Development Agreement, the SIPA or the TIF Note, other than a collateral assignment of the TIF Note in favor of Dougherty Funding LLC, a Delaware limited liability company (the “**TIF Note Collateral Assignment**”), (b) the Development Agreement, the SIPA and the TIF Note are or will be valid and enforceable agreements, (c) neither the Authority nor the City nor the Developer is in default under the Development Agreement, the SIPA or the TIF Note and (d) all covenants, conditions and agreements have been performed as required therein (except those not to be performed until after the date hereof).
3. The Developer hereby agrees not to sell, assign, pledge, mortgage, encumber or otherwise transfer its interest in the Development Agreement, the SIPA or the TIF Note, other than its interest in the TIF Note pursuant to the TIF Note Collateral Assignment. The Developer hereby irrevocably constitutes and appoints the Lender as its attorney-in-fact to demand, receive and enforce the Developer’s rights with respect to the Development Agreement and the SIPA for and on behalf of and in the name of the Developer or, at the option of the Lender, in the name of the Lender, with the same force and effect as the Developer could do if this Collateral Assignment had not been made. This Collateral Assignment shall constitute a perfected, absolute and present assignment, provided that the Lender shall have no right under this Collateral Assignment to enforce any of the provisions of the Development Agreement or the SIPA, excluding any rights in or interests with respect to the TIF Note, or exercise any rights or remedies under this Collateral Assignment until a Default (as that term is defined in any of the Loan Documents) shall occur and be continuing.
4. Upon the occurrence of a Default under the Loan Agreement or the other Loan Documents, the Lender may, without affecting any of its rights or remedies against the Developer under any other instrument, document or agreement, exercise its rights under this Collateral Assignment as the Developer’s attorney-in-fact in any manner permitted by law and, in addition, the Lender shall have the right to exercise and enforce any and all rights and remedies available after a default to a secured party under the Uniform Commercial Code as adopted and in effect in the State of

Minnesota. If notice to the Developer of any intended disposition of collateral or of any intended action is required by law in any particular instance, such notice shall be deemed commercially reasonable if given at least ten (10) calendar days prior to the intended disposition or other action.

5. The Authority and the City each hereby consents and agrees to the terms and conditions of this Collateral Assignment. The Authority and the City each represents and warrants to the Lender that (a) each of the Development Agreement and the SIPA is a valid and enforceable agreement of the Authority and the City, (b) the TIF Note is a valid and enforceable obligation of the Authority subject to the terms and conditions thereof, (c) neither the City nor the Authority nor the Developer is in default under the Development Agreement or the SIPA and (d) all covenants, conditions and agreements of the City and the Authority have been performed as required therein (except those not to be performed until after the date hereof).
6. The Authority and the City each hereby agrees to provide the Lender with copies of any notice or demand made to the Developer under the Development Agreement or the SIPA at the address set forth below for the Lender. The Authority and the City each further acknowledges and agrees that (a) the Lender shall have the right, but not the obligation, to cure any defaults on behalf of the Developer (i) for monetary defaults, within ten (10) days after the later of (A) receipt of written notice of default from the City and the Authority in accordance with Section 14.3 of the Redevelopment Agreement and Section 24.4 of the SIPA, as applicable and (B) the expiration of any Developer cure period, and (ii) for non-monetary defaults, within thirty (30) days after the later of (X) receipt of written notice of default from the City and the Authority in accordance with Section 14.3 of the Redevelopment Agreement and Section 24.4 of the SIPA, as applicable and (Y) the expiration of any Developer cure period, and (b) the Lender is not a party to the Development Agreement or the SIPA and, by executing this Collateral Assignment, does not become a party to the Development Agreement or the SIPA and specifically does not assume and shall not be bound by any obligations of the Developer to the Authority or the City under the Development Agreement or the SIPA.
7. The Lender hereby agrees to provide the City and the Authority with copies of any default notice provided to the Developer under the Loan Agreement (a “**Default Notice**”) at the address set forth below for the City and the Authority. The Lender further acknowledges and agrees that (a) the City or the Authority shall have the right, but not the obligation, to cure any defaults identified in a Default Notice on behalf of the Developer within the periods of time set forth in the Loan Agreement and (b) neither the City nor the Authority is a party to the Loan Agreement and, by executing this Collateral Assignment, does not become a party to the Loan Agreement and specifically does not assume and shall not be bound by any obligations of the Developer to the Lender under the Loan Agreement.
8. Notwithstanding anything to the contrary contained in the Development Agreement or the SIPA, the Authority and the City each hereby agrees that any right, title or interest it has in and to the Project (other than any rights derived under the agreements set forth on Exhibit B attached hereto), including without limitation all of its rights under the Development Agreement and the SIPA, shall be subject and subordinate to the rights of the Lender under the Security Instrument and the other Loan Documents; provided, however, that nothing herein shall be construed as subordinating the requirement contained in the Development Agreement or the SIPA that the Project be used in accordance with the Master Plan (as defined in the Development Agreement) or as subordinating the City’s rights to enforce all applicable Legal Requirements (as defined in the Development Agreement) with respect to the development of the Project in accordance with the Development Agreement and the SIPA or any rights of the Authority with respect to the TIF Note. In addition, the Authority and the City each hereby agrees that any agreement of the

Developer to indemnify the Authority or the City pursuant to the Development Agreement and the SIPA is not the obligation of, nor shall any provisions impose any obligation upon, the Lender.

9. The Authority and the City each agrees that in the event the Lender, or a transferee of the Lender, or a purchaser at foreclosure sale, acquires title to the Project pursuant to foreclosure, or a deed in lieu thereof, the Lender or such transferee or purchaser, shall be subject to the provisions of Section 5.2 of the Redevelopment Agreement.
10. The parties hereto agree that no change or amendment shall be made to the terms of the Development Agreement, the SIPA or the TIF Note without the prior written consent of the Lender.
11. This Collateral Assignment can be waived, modified, amended, terminated or discharged only explicitly in a writing signed by the Lender, the City, the Authority and the Developer. A waiver by the Lender shall be effective only in a specific instance and for the specific purpose given. Mere delay or failure to act shall not preclude the exercise or enforcement of any of the Lender's rights or remedies hereunder. All rights and remedies of the Lender shall be cumulative and may be exercised singularly or concurrently, at the Lender's option, and any exercise or enforcement of any one such right or remedy shall neither be a condition to nor bar the exercise or enforcement of any other.
12. Any notice, request, demand or other communication hereunder shall be deemed fully given if delivered or postage prepaid, certified or registered, addressed to the party as set forth below:

If to the City:

City of Saint Paul (PED)
City Hall Annex
25 West 4th Street, Suite 1300
Saint Paul, MN 55102
Attn: Director of Planning and
Economic Development

With a copy to:

City of Saint Paul (OFS)
700 City Hall and Courthouse
15 Kellogg Boulevard West
Saint Paul, MN 55102
Attn: Finance Director

If to the Authority:

Housing and Redevelopment Authority
of the City of Saint Paul, Minnesota (HRA)
1300 City Hall Annex
25 West Fourth Street
Saint Paul, MN 55102
Attn: Executive Director

With a copy to:

Office of the City Attorney (CAO)
400 City Hall
15 West Kellogg Boulevard
Saint Paul, MN 55102
Attn: HRA Attorney

If to the Developer:

Project Paul, LLC
c/o Ryan Companies US, Inc.
533 South Third Street, Suite 100
Minneapolis, MN 55415
Attention: Audra Williams, Esq.

If to the Lender:

Wells Fargo Bank, National Association
Commercial Real Estate
AU# 1437
MAC N9305-18B
90 S. Seventh Street, 18th Floor
Minneapolis, MN 55402
Attention: John Rent
Loan #: 1018430

With copies to:

Wells Fargo Bank, National Association
Minneapolis Loan Center
MAC N9300-085
600 South 4th Street, 8th Floor
Minneapolis, MN 55415-1526
Attn: Lee Thor

Wells Fargo Bank, National Association
Commercial Real Estate Portfolio Services
10 S. Wacker Drive, Suite 3200
Chicago, IL 60606
Attn: Pamela Probst

13. This Collateral Assignment shall be governed by and construed in accordance with the laws of the State of Minnesota.
14. This Collateral Assignment and each and every covenant, agreement and other provision hereof shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.
15. The enforceability or invalidity of any provision hereof shall not render any other provision or provisions herein contained unenforceable or invalid.

16. This Collateral Assignment may be executed in any number of counterparts, each of which shall be an original with the same effect as if the signatures thereto and hereto were upon the same document.

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LENDER:

WELLS FARGO BANK, NATIONAL
ASSOCIATION

By: _____
John Rent
Its Vice President

STATE OF MINNESOTA)
) ss.
COUNTY OF HENNEPIN)

The foregoing instrument was acknowledged before me this ____ day of December, 2019, by John Rent, a Vice President of Wells Fargo Bank, National Association, a national banking association, for and on behalf of the national banking association.

Notary Public

AUTHORITY:

Housing and Redevelopment Authority of the
City of Saint Paul, Minnesota

By: _____
Name: _____
Its Chair or Commissioner

By: _____
Name: _____
Its Executive Director

By: _____
Name: _____
Its Director, Office of Financial Services of the
City

APPROVED AS TO FORM

Assistant City Attorney

STATE OF MINNESOTA)
) SS.
COUNTY OF RAMSEY)

The foregoing instrument was acknowledged before me this ____ day of _____, 2019, by _____, the _____ of the Housing and Redevelopment Authority of the City of Saint Paul, Minnesota, on behalf of the Housing and Redevelopment Authority of the City of Saint Paul, Minnesota.

Notary Public

STATE OF MINNESOTA)
) SS.
COUNTY OF RAMSEY)

The foregoing instrument was acknowledged before me this ____ day of _____, 2019, by _____, the Executive Director of the Housing and Redevelopment Authority of the City of Saint Paul, Minnesota, on behalf of the Housing and Redevelopment Authority of the City of Saint Paul, Minnesota.

Notary Public

CITY:

CITY OF SAINT PAUL, MINNESOTA

By: _____
Name: _____
Its Mayor

By: _____
Name: _____
Its Director, Office of Financial Services

STATE OF MINNESOTA)
) SS.
COUNTY OF RAMSEY)

The foregoing instrument was acknowledged before me this ___ day of _____, 2019, by _____ and _____, the Mayor of the City of Saint Paul, Minnesota, on behalf of the City.

Notary Public

STATE OF MINNESOTA)
) SS.
COUNTY OF RAMSEY)

The foregoing instrument was acknowledged before me this ___ day of _____, 2019 by _____ and _____, the Director, Office of Financial Services of the City of Saint Paul, Minnesota, on behalf of the City.

Notary Public

APPROVED AS TO FORM

Assistant City Attorney

THIS INSTRUMENT WAS DRAFTED BY:

Winthrop & Weinstine, P.A. (JWJA)
Suite 3500
225 South Sixth Street
Minneapolis, Minnesota 55402

EXHIBIT A

(Legal Description)

Lot 1, Block 1;

Lot 1 and Lot 2, Block 2;

Lot 1 and Lot 2, Block 3;

Lot 1, Block 4;

Lot 1, Block 5;

Lot 1, Block 6;

Lot 1, Block 7;

Lot 1 and Lot 2, Block 8;

Lot 1 and Lot 2, Block 9;

Lot 1, Block 10;

Lot 1, Block 13;

Lot 1 and Lot 2, Block 14;

Lot 1, Block 15;

Lot 1 and Lot 2, Block 19;

Lot 1, Block 20;

Lot 1, Block 21;

Lot 1 and Lot 2, Block 25;

Lot 1, Block 26;

Lot 1, Block 27;

Lot 1, Block 30;

Lot 1 and Lot 2, Block 31;

Lot 1, Block 32;

Lot 1, Block 33;

Lot 1, Block 34;

Lot 1 and Lot 2, Block 35; and

Lot 1, Block 36;

all in FORD, according to the recorded plat thereof, Ramsey County, Minnesota.

EXHIBIT B

(Material Agreements)

The following agreements as defined in the Development Agreement:

Minimum Assessment Agreement

Central Stormwater Easement

Civic Plaza Easement

Open Space Declaration

Ballfield Trail Easement

Outlot A Use and Maintenance Agreement

Ballfield Parcel Deed Restriction

Woodlawn Easements

Special Assessment Agreement

Each Housing Declaration (Market Rate)

Each Housing Declaration (Affordable)

Each Housing Declaration (Convertible)

Each Housing Declaration (For Sale)

Final Plat