

ASSIGNMENT OF DEVELOPMENT AGREEMENT

THIS ASSIGNMENT OF DEVELOPMENT AGREEMENT (this "Agreement"), is made and entered into as of the ___ day of May, 2013, by and among the **CITY OF ARDEN HILLS, MINNESOTA**, a political subdivision of the State of Minnesota (the "City"), **1201 COUNTY RD E, LLC**, a Minnesota limited liability company ("1201"), **TAT PROPERTIES, LLC**, a Minnesota limited liability company ("TAT") (1201 and TAT are referred to herein and jointly and severally obligated hereunder as, the "Borrower"), and **BMO HARRIS BANK N.A.**, a national banking association (the "Lender").

WITNESSETH:

WHEREAS, the City and the Borrower have entered into that certain Development Contract and Planned Unit Development Agreement dated as of February 11, 2013 and recorded on February 22, 2013 with the Ramsey County Recorder, as Document No. 4386982 (the "Development Contract"), pertaining to the renovation by the Borrower of a project located at 1201 County Road E, Arden Hills, Minnesota, on land legally described on Exhibit A attached hereto and hereby made a part hereof (the "Project"); and

WHEREAS, in order to provide funds for the construction of the Project by the Borrower, the Lender is providing financing in the principal amount of Five Million Three Hundred Seventy Thousand and no/100 Dollars (\$5,370,000.00) (the "Loan"), pursuant to the terms of that certain Construction Loan Agreement dated as of May __ , 2013 (the "Loan Agreement"), by and between the Borrower and the Lender; and

WHEREAS, the Loan is secured by, among other things, that certain Combination Mortgage, Security Agreement, Fixture Financing Statement and Assignment of Leases and Rents encumbering the Project dated as of May __ , 2013 (the "Mortgage"), executed by the Borrower in favor of the Lender and filed of record in the office of the Ramsey County Recorder on May __ , 2013, as Document No. _____; and

WHEREAS, the Lender has required, as an express condition to disbursement of the Loan, (a) that the Borrower assign all of its rights under the Development Contract to the Lender to secure the obligations of the Borrower to the Lender under the Loan, (b) that the City agree to honor all terms and conditions of the Development Contract following assignment of the Contract from Borrower to Lender all as more fully contained herein.

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 hereby agree as follows:

1. The Borrower hereby assigns to the Lender all of its right, title and interest under and pursuant to the Development Contract to secure the Borrower's obligations under the terms of the Loan.

2. The Borrower hereby represents and warrants that there have been no prior assignments of the Development Contract, that the Development Contract is valid and an enforceable agreement and that neither the City nor the Borrower is in default thereunder, and that all covenants, conditions and agreements have been performed as required therein, except those not to be performed until after the date thereof. The Borrower agrees not to sell, assign, pledge, mortgage or otherwise transfer or encumber its interests in the Development Contract as long as this Agreement is in effect. The Borrower hereby irrevocably constitutes and appoints the Lender as its attorney-in-fact to demand, receive and enforce the Borrower's rights with respect to the Development Contract for and on behalf of and in the name of the Borrower or, at the option of the Lender, in the name of the Lender, with the same force and effect as the Borrower could do if this Agreement had not been made.

3. This Agreement shall constitute a perfected, absolute and present assignment, provided that the Lender shall have no right under this Agreement to enforce the provisions of the Development Contract, or exercise any rights or remedies under this Agreement until an Event of Default (as that term is defined in the Loan Agreement) shall occur and be continuing.

4. Upon the occurrence of an Event of Default, the Lender may, without affecting any of its rights or remedies against the Borrower under any other instrument, document or agreement, exercise its rights under this Agreement as the Borrower'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 in the State of Minnesota. If notice to the Borrower 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 in writing at least ten (10) days prior to the intended disposition or other action.

5. The City hereby consents and agrees to the terms and conditions of this Agreement. The City further represents and warrants to the Lender that the Development Contract is a valid agreement enforceable in accordance with their terms and that neither the City nor the Borrower is in default thereunder, and that all covenants, conditions and agreements have been performed as required therein, except those not to be performed until after the date hereof.

6. The City agrees that all of its obligations under the Development Contract, shall in all respects, remain in full force and effect upon assignment from Borrower to Lender. . In addition, the City acknowledges that the terms of the Mortgage, not the Development Contract, shall control the use and disbursement of insurance proceeds and condemnation awards.

7. The City agrees that contemporaneously with any notice of default given under the Development Contract to the Borrower the City shall also provide the Lender with a copy of such notice of default, and the Lender shall have the right, but not the obligation, to cure any such default on behalf of the Borrower within any applicable cure period provided for in the Development Contract.

8. The parties hereto agree that no change or amendment shall be made to the terms of the Development Contract without the prior written consent of the Lender.

9. This Agreement can be waived, modified, amended, terminated or discharged only explicitly in a writing signed by all parties hereto. 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 shall 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; provided, however, that this provision shall not limit or restrict the City's rights under the Development Contract.

10. No provision of this Agreement shall be deemed or construed to alter, amend or modify, in any way, the rights and obligations of the City or the Borrower contained in the Development Contract.

11. Any notice, request, demand or other communication hereunder shall be deemed duly given if delivered or postage prepaid, certified or registered, addressed to the party as set forth below:

If to the City:

City of Arden Hills
Arden Hills City Hall
1245 Highway 96 W
Arden Hills, Minnesota 55309

If to the Borrower:

1201 County Rd E, LLC
1000 W. 80th Street
Bloomington, Minnesota 55420

And

TAT Properties, LLC
3900 Northwoods Drive, Suite 125
St. Paul, Minnesota 55112

If to the Lender:

BMO Harris Bank N.A.
651 Nicollet Mall
Minneapolis, Minnesota 55402
Attention: Michael R. Fitzpatrick, Vice President, Commercial Real Estate
Department
Telecopier: 612-904-8779

12. This Agreement shall be governed by and construed in accordance with the laws of the State of Minnesota. This Agreement may be executed in several counterparts, each of which when executed is an original, but all of which together shall constitute one instrument. Separate signature pages may be signed by various parties and each complete set of pages hereto, with signature pages signed by each party, shall constitute one original of this Agreement.

[signatures on next page]

1201 COUNTY RD E, LLC, a
Minnesota limited liability company

By: _____
Name: _____
Title: _____

STATE OF MINNESOTA)
) ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____ day of May, 2013, by _____, the _____ of 1201 County Rd E, LLC, a Minnesota limited liability company, on behalf of the limited liability company.

Notary Public

[Signature Page to Assignment and Subordination of Development Agreement]

TAT PROPERTIES, LLC, a
Minnesota limited liability company

By: _____
Name: _____
Title: _____

STATE OF MINNESOTA)
) ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____ day of May, 2013, by
_____, the _____
of TAT Properties, LLC, a Minnesota limited liability company, on behalf of the limited liability
company.

Notary Public

[Signature Page to Assignment and Subordination of Development Agreement]

EXHIBIT A
(Legal Description)