

## CONTRIBUTION AGREEMENT

**THIS CONTRIBUTION AGREEMENT** entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2019 by and between **AEON**, a Minnesota non-profit corporation (“Aeon”) and **AEON SANDELL LLC**, a Minnesota limited liability company (“Owner”).

### WITNESSETH:

**WHEREAS**, the City of Edina (the “City”) made a grant in the amount of \$350,000 (the “Grant”) to Aeon pursuant to the Grant Agreement dated \_\_\_\_\_, 2019 (the “Grant Agreement”); and

**WHEREAS**, Aeon used the funds to make a \$350,000 capital contribution to Owner; and

**WHEREAS**, [\_Aeon is managing member of the Owner\_]; and

**WHEREAS**, the parties desire to satisfy the City requirements with respect to the Grant; and

**WHEREAS**, Owner and Aeon desire to enter into this Agreement for the purpose of setting forth their respective responsibilities with respect to the use of the Grant for the ownership of a 11-unit residential rental project on land described on Exhibit A (the “Project”), in accordance with all Federal, State and Local laws.

**NOW, THEREFORE, FOR GOOD AND VALUABLE CONSIDERATION, AEON AND THE OWNER DO HEREBY MUTUALLY AGREE AS FOLLOWS:**

**1. Grant Agreement.** Owner hereby assumes Aeon’s obligations under the Grant Agreement and agrees to comply with the terms of the Grant Agreement. Specifically, Owner agrees to comply with the provisions of Section 4 of the Grant Agreement and to execute a Declaration of Restrictive Covenants in the form attached hereto as Exhibit B (the “Declaration”).

**2. Statement of Work/Scope of Services.** Owner shall use the Grant for rehabilitation of the Project and shall undertake those activities in accordance both with the terms of this Agreement and with the terms of the Grant Agreement.

**3. Incorporation of Grant Agreement.** Owner acknowledges and agrees that all terms, conditions and obligations contained in the Grant Agreement are incorporated herein and made a part of this Contribution Agreement. For purposes of enforcing this Contribution Agreement, Owner acknowledges, accepts and agrees that Aeon shall possess the rights and authority of the City as described in the Grant Agreement.

**4. Reports and Records.** Owner shall submit to Aeon documentation required to be submitted to the City pursuant to the Declaration at least ten (10) days before the document must be submitted to the City. In addition, Owner shall maintain the records to be maintained by Aeon

in accordance with the Grant Agreement and by Owner pursuant to the Declaration, and the City and Aeon shall have the right to examine those records upon reasonable notice.

**5. Owner's Representations and Warranties.** Owner represents and warrants that:

- a) Owner is a Minnesota limited liability company duly organized under the laws of the State of Minnesota, is duly authorized to operate in the State, has the power to enter into and execute this Agreement and by appropriate corporate action has authorized the execution and delivery of this Agreement.
- b) This Agreement and the Grant Agreement will not result in any breach of or constitute a default under any other mortgage, lease, loan, grant or credit agreement, corporate charter, by-law or other instrument to which Owner is a party or by which it may be bound or affected.
- c) This Agreement, the assumption of the Grant Agreement, and the execution of the Declaration will constitute legal and binding obligations enforceable against Owner as its interest appears.
- d) Owner has all necessary licenses and permits required for ownership and rehabilitation of the Project except those which cannot be obtained until completion of the Project.
- e) Owner shall permit the City and Aeon, upon reasonable notice, to examine all books and records pertaining to the Qualifying Tenants in the Project and to make copies.

**6. Liability Insurance.** Owner agrees that it will obtain and keep in force during the term of this Agreement at its expense general liability insurance, and if applicable, automobile liability insurance, covering any injury caused by act or omission on the part of Owner, its partners, agents and employees in performance of or with relation to any of the work or services performed or furnished by Owner under the terms of this Agreement each with minimum coverage in the following amounts: \$1,000,000 per person and \$2,000,000 per occurrence.

**7. Default.** Any one or more of the following shall constitute an Event of Default under this Agreement:

- a) Owner shall be in default of any term, condition or obligation described in this Agreement, or any document incorporated herein.
- b) Any representation or warranty made by Owner herein or any document or certificate furnished by Owner shall prove at any time to be materially incorrect or misleading as of the date made.
- c) Owner uses any of the Grant funds contrary to this Agreement or the Grant Agreement.



**IN WITNESS WHEREOF**, the parties have caused this Agreement to be executed the day and year first above written.

**OWNER:**

**AEON SANDELL LLC**

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

Its: \_\_\_\_\_

**AEON:**

**AEON**

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

Its: \_\_\_\_\_

**EXHIBIT A**  
**LEGAL DESCRIPTION**