

Special Assessments Application and Petition Agreement

The Property Assessed Clean Energy Program (MinnPACE), administered by the Saint Paul Port Authority, provides a finance mechanism for the installation of energy efficiency, renewable and conservation Improvements that are permanently fixed to the eligible properties and petition for special assessments in accordance with Minnesota Statutes Sections 216C.435 and 216C.436 and Chapter 42, and the MinnPACE program. *For further information on eligibility requirements, see the [Administrative Guidelines and Financing Summary](#) found at minnpace.com or contact the Saint Paul Port Authority at 651-204-6236.* This MinnPACE Agreement contains an Application section, a Petition for Special Assessment, and designated attachments, all of which must be reviewed and completed, and constitute a full and complete agreement.

APPLICATION

Eligibility Requirements

- Applicant(s) is/are legal owner(s) of the Property described in the Application (the "Property.")
- Property is developed and located within the City of Albertville and County of Wright.
(Revise as needed if special assessments are to be levied by a county or town.)
- Property Owner is current on all mortgage(s). All lenders have signed the Lender Acknowledgement Form for MinnPACE Financing.
- Property Owner is not in bankruptcy and the Property is not an asset in a bankruptcy proceeding.
- There are no federal or state income tax liens, judgment liens or similar involuntary liens on the Property.
- Applicant(s) can be verified as being in "Good Standing" with the Minnesota Office of the Secretary of State or are be able to provide a Member Agreement or Operating Agreement certified to be true or correct.
- Improvement costs are reasonable for the scope of the proposed Improvements and in relation to Property value.
- Requested Financing Amount does not exceed the lesser of 20 percent of the Property Market Value or the actual cost of installing the Improvements, including the cost of necessary equipment, materials and labor, the cost of energy audit or renewable energy feasibility study and the cost or verification of installation, less the value of expected rebates.
- Term of financing requested does not exceed the weighted average of the useful life of the Improvements.
- Applicant(s) has/have obtained an **energy audit or renewable energy feasibility study** on the Property. **Attach when submitting application.**

Below, please list and identify all real estate upon which the improvement will constructed or will be directly benefited.
Property Owner(s) Legal Name(s) (as they appear on Property tax records)

Applicant #1: Advanced Volumetric Alliance, LLC

List all parcel #s Owned by Applicant #1: PID 101500352100 Legal description: Lot 1, Block 1, AVA Addition, Wright County, Minnesota

Applicant #2: _____

List all parcel #s Owned by Applicant #2: _____

Applicant #3: _____

List all parcel #s Owned by Applicant #3: _____

Applicant #4: _____

List all parcel #s Owned by Applicant #4: _____

Property Owner(s) Type(s) – *check all that apply*

- Individual(s)/Joint Tenants/Common Property (not in trust) Corporation Limited Liability Company
 Trust/Trustees/Living Trust Partnership Other (Specify):

Property Owner Contact Information

Name: Casey Darkenwald Email: casey@darkenwaldcorp.com
Phone (Day): (612) 598-3920 Cell Phone: (612) 598-3920

Physical Property Address Legal description: Lot 1, Block 1, AVA Addition, Wright County, Minnesota

Street Address: PID# 101500352100 City, State Zip: Albertville, MN 55301

Property Type: Commercial/Industrial Apartment (more than four units)

Square Footage of Building (if applicable): N/A

Finance Amount Requested: \$ \$5,000,000.00 net proceeds; \$5,182,885.82 total loan amount

Finance Term: 10 Years Other: 20 years

Current Mortgage Financing – *attach a copy of Mortgage Statement*

Name of Mortgage Lender: N/A

Mortgage Lender Address: N/A

Outstanding Principal Balance: N/A

Do you confirm that there is only one mortgage lender tied to this property? _____

Utility Company: Wright Hennepin Electric

Improvement Description – *attach all relevant documentation, including bids and estimates*

Newly built, energy efficient manufacturing facility and office building, approximately 180,000 square feet. Approximately \$35 million project, built by Benson-Orth, developed and owned by Casey Darkenwald and Headwaters Development.

Petition for Special Assessment

We hereby acknowledge that we will be obligated to pay the assessments when due. The assessment and the interest and any penalties thereon will constitute a lien against the Property until they are paid, even if I/we sell the Property to another person. I/we understand that assessment installments together with the interest on the assessment will be collected on my/our Property tax bill in the same manner and at the same time as Property taxes and will be collected on my/our Property tax bill in subject to the same penalties, remedies and lien priorities as for Property taxes in the event of delinquency, including foreclosure. I/we waive any and all procedural and substantive objections to the installation of the Improvements and the special assessments, including but not limited to any public or other hearings or hearing requirements and any claim that the assessment exceeds the benefit to the Property. I/we waive any appeal rights otherwise available pursuant to M.S.A. §429.081.

The City or County will assess the cost of the Improvements as a special assessment against the Property in accordance with the City's or County's charter, code, or ordinances regulating assessments. The Assessment will carry a term of up to 20 years and will be certified by the City or County annually to County for collection with Owner's Property taxes. Owner may choose to prepay all or a portion of the assessment directly to the City or County at any time during the term of the Assessment. All principal amounts certified annually will carry interest amounts calculated on a fixed interest rate as established by the Saint Paul Port Authority prior to ratification of the Assessment by the City or County.

Declarations

By signing this Application, the undersigned hereby declares under penalty or perjury under the laws of the State of Minnesota all of the following:

1. I am/we are the current owner of record of the Property described herein (the "Property.")
2. The Property is not currently involved in a bankruptcy proceeding.
3. I/we are current on any mortgage(s) or other loan(s) secured by the Property.
4. I/we and the Property meet the Eligibility Requirements listed on page one.
5. I/we waive any and all procedural and substantive objections to the installation of the Improvements and the special assessments, including but not limited to any public or other hearings or hearing requirements and any claim that the assessment exceeds the benefit to the Property. I/we waive any appeal rights otherwise available pursuant the M.S.A. § 429.801.
6. That (i) the information provided in, or in connection with, this Application is true and correct as of the date set forth opposite my/our signature(s) on this Application and (ii) that I/we understand that any intentional or negligent misrepresentation(s) of the information contained in this Application, or provided in connection with the Application, may result in civil liability and/or criminal penalties including, but not limited to, fine or imprisonment or both and liability for monetary damages to the Saint Paul Port Authority, any lender providing financing for Improvements described herein, their agents, successors and assigns, insurers and any other person who may suffer any loss due to reliance upon any misrepresentation(s) which I/we have made in this application.
7. I/we agree that the selection of any product(s), equipment and measures referenced in this Application (the "Improvements,") and the decisions regarding the purchase, installation and ownership/maintenance of the Improvements is/are my/our sole responsibility and that I/we have not relied upon any representations or recommendations of MinnPACE/Saint Paul Port Authority, its agents, representatives, assignees, or employees in making such selection or decision, and that my manufacturer, dealer, supplier, contractor or installer of the Improvements is not an agent, employee, assignee or representative of MinnPACE/Saint Paul Port Authority.
8. Owner agrees that any review and approval of the Improvements by a City, County, State or governmental department is granted only in its capacity of administering and enforcing existing relevant codes. Any such approval is only as to compliance with the codes and does not create a special duty to the Owner nor establish a warranty of quality of materials and workmanship.
9. I/we understand the MinnPACE/Saint Paul Port Authority makes no warranty, whether expressed or implied, with respect to the choice, use or application of the Improvements, including without limitation, the implied warranties of merchantability and fitness for any particular purpose, or the use or application of the Improvements.
10. I/we agree that MinnPACE/Saint Paul Port Authority has no liability whatsoever concerning (i) the quality or safety of any Improvements, including their fitness for any purpose, (ii) the estimated energy savings produced by or performance of the Improvements, (iii) the workmanship of any third parties, (iv) the installation or use of the improvement including, but not limited to, any effect on indoor pollutants; or (v) any other matter with respect to MinnPACE/Saint Paul Port Authority.

Initials
(all signers)



This statement is given to MinnPACE, a division of the Saint Paul Port Authority, and its Successors for the purpose of obtaining credit. It is true and correct in every detail and fairly shows my/our financial condition at this time. MinnPACE and its Successors are authorized to check my/our credit and employment history or any other information provided.

Individual ApplicantFull Name: Michael HoagbergStreet Address: 7730 Laredo Dr. Unit 446City/State/Zip: Chanhassen, MN 55317County: CarverDate of Birth: 11/28/1979**Individual Co-Applicant**

Full Name: _____

Street Address: _____

City/State/Zip: _____

County: _____

Date of Birth: _____

THE UNDERSIGNED CERTIFY THAT THE INFORMATION CONTAINED IN THIS FORM HAS BEEN CAREFULLY REVIEWED AND THAT IT IS TRUE AND CORRECT IN ALL RESPECTS.


Applicant Signature

Date

6-15-2021

Co-Applicant Signature (if joint ownership)

Date

All applications MUST INCLUDE the information listed below. Incomplete applications WILL NOT be processed or considered for MinnPACE financing.

Owner Occupied Property Checklist

- Evidence of an Energy Audit or Renewable Energy System Feasibility (including cost savings, rebates, etc.)
- Construction contracts and bids
- Mortgage statement
- Current tax statement for the property receiving improvements
- Lender Acknowledgement Form
- Tax returns for the past three years for the Borrowing Entity
- Financial statements for the current year for the Borrowing Entity
- Tax returns for the past three years for the Operating Entity
- Debt schedule of subject property—all debt—mortgage and subordinated debt
- Debt schedule of operating entity—all debt of the operating entity
- Entity documents from borrower—articles, operating agreement, etc.
- Copy of a driver's license or state ID for each signer

Non-Owner Occupied Property Checklist

- Evidence of an Energy Audit or Renewable Energy System Feasibility (including cost savings, rebates, etc.)
- Construction contracts and bids
- Mortgage statement
- Current tax statement for the property receiving improvements
- Lender Acknowledgement Form
- Tax returns for the past three years for the Borrowing Entity
- Financial statements for the current year from the Borrowing Entity
- Rent roll of Subject Property
- Debt schedule of operating entity—all debt of the operating entity
- Entity documents from borrower—articles, operating agreement, etc.
- Copy of a driver's license or state ID for each signer

Signatures of all Property Owners and Notary

Date: _____

Property Owner Signature _____ Printed Name _____

Property Owner Signature _____ Printed Name _____

Property Owner Signature _____ Printed Name _____

Property Owner Signature _____ Printed Name _____

For an acknowledgment in an individual capacity:

State of Minnesota

County of _____

This instrument was acknowledged before me on _____ (date) by _____ (name(s) of person(s)). _____ (Seal if any)



Lender Acknowledgement Form

Client Name: Advanced Volumetric Alliance, LLC

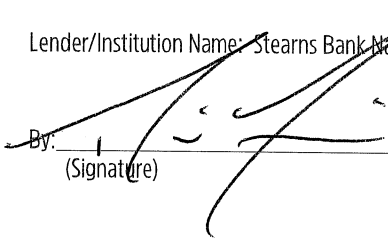
Property Address: 70th Street & Kadler Ave NE

City, State, Zip: Albertville, MN 55301

Is this the only mortgage associated with this property? Yes.

The undersigned, on behalf of the Lender, which is the holder of a mortgage lien on the Property described in this Application and Petition for Special Assessments in accordance with MinnPACE, administered by the Saint Paul Port Authority, acknowledges that it has reviewed the Applicants completed MinnPACE Program Special Assessments Application and Petition Agreement, and confirms that the Applicant's receipt of MinnPACE financing and petition for assessment in connection therewith, and the imposition of, and any assignment of, MinnPACE will not constitute a default under Lender's mortgage.

Lender/Institution Name: Stearns Bank National Association

By: 
(Signature)

Name (print): David Feriancek

Title: Senior Vice President

Date: August 11, 2021

Notary

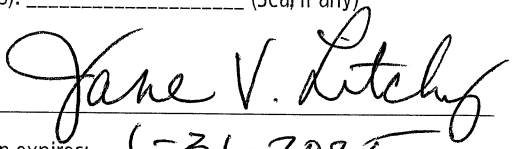
For an acknowledgment in an individual capacity:

State of Minnesota

County of Stearns



This instrument was acknowledged before me on 08/12/21 (date) by David Feriancek (name(s) of person(s)). _____ (Seal if any)

Signature of notarial officer 
Title (and Rank) My commission expires: 1-31-2025