

When recorded, return to:

c/o RRA Capital Management, LLC
5050 North 40th Street, Suite 340
Phoenix, Arizona 85018
Attn: Marc Grayson

ESTOPPEL AGREEMENT

The undersigned, the **DULUTH ECONOMIC DEVELOPMENT AUTHORITY ("DEDA")**, acknowledges to **RRA REAL ESTATE DEBT FUND III SUBSIDIARY 4, LLC**, a Delaware limited liability company ("**Lender**"), that **URBANE 218 LLC**, a Delaware limited liability company, as successor in interest to Merge, LLC, an Iowa limited liability company ("**Developer**"), and DEDA are parties to that certain Development Agreement dated August 9, 2021, and recorded on September 7, 2022 as Document No. 1060866(T), as amended by that certain Development Agreement Supplement dated June 30, 2022 and recorded as Document No. 1062400(T), as further amended by that certain Second Amendment to Development Agreement dated December 8, 2022, and recorded as Document No. 1065328, and as further amended by that certain Third Amendment to Development Agreement dated December 8, 2022, and recorded as Document No. 1065331 (collectively, as the same may be further amended, modified, supplemented, extended, assigned, assumed and/or renewed from time to time thereafter, the "**Development Agreement**") affecting the real property described on Exhibit A hereto (the "**Property**"). DEDA acknowledges that Lender is making a construction loan to Developer (the "**Loan**"), to be secured by, among other things, the Property, pursuant to a Mortgage, Assignment of Rents and Leases, Security Agreement and Fixture Filing, executed by Developer for the benefit of Lender (as amended, restated or supplemented from time to time, the "**Security Instrument**"). DEDA further acknowledges and agrees that pursuant to the Security Instrument and other collateral documents, Developer's rights, title and interests in and to the Development Agreement and the TIF Note will be collaterally assigned to Lender. Capitalized terms used herein without definition shall have the meanings given to such terms in the Development Agreement.

In connection with the Loan and the collateral assignment of the Development Agreement by Developer to Lender, DEDA hereby certifies, represents, warrants and covenants to the Lender that:

1. Representations, Warranties and Certifications of DEDA. DEDA hereby certifies, represents and warrants to Lender, as of the date hereof, that:
 - a. DEDA has consented to the transfer of the Property and the Development Agreement from Merge, LLC to Urbane 218 LLC.
 - b. To the extent required by the terms of the Development Agreement, DEDA hereby consents to the collateral assignment by Developer, for the benefit of Lender, of Developer's rights and interests under the Development Agreement and the TIF Note.
 - c. There are no other agreements in existence between DEDA and Developer relating to the Project, other than the Development Agreement.

- d. Other than the amendments, assignments and other modifications of record with the St. Louis County Recorder listed above, the Development Agreement has not been otherwise altered, amended or modified since the date of its original execution, and is presently in full force and effect.
- e. To DEDA's actual knowledge, neither party is in default under the terms, conditions, covenants and obligations of the Development Agreement.
- f. All conditions precedent to commencement of construction of the Project have been satisfied as set forth in Article III of the Development Agreement, and the plans and specifications for the Project (including any change orders to date) have been approved by the Executive Director as required by the terms of Article IV the Development Agreement.
- g. Notwithstanding anything to the contrary contained in the Development Agreement the deadline to substantially complete the Project, subject to unavoidable delays, is December 31, 2024 (the "**Completion Deadline**").
- h. The execution and delivery of this Agreement has been duly authorized by DEDA.

2. Agreements of DEDA. DEDA hereby covenants to and with Lender as follows:

- a. Whenever DEDA shall deliver any notice or demand to Developer with respect to the Development Agreement, DEDA shall, at the same time, deliver to Lender a copy of such notice or demand in the manner set forth in the Development Agreement at the addresses set forth below:

Lender:

RRA Real Estate Debt Fund III Subsidiary 4, LLC
 c/o RRA Capital Management, LLC
 5050 North 40th Street, Suite 340
 Phoenix, Arizona 85018
 Attn: Marc Grayson

With a copy to:

Quarles & Brady LLP
 Two North Central Avenue
 Phoenix, AZ 85004
 Attn: Kathryn M. Moore, Esq.

- b. DEDA shall take no action to exercise remedies under the Development Agreement, nor terminate or cancel the Development Agreement, for any reason unless and until it shall have given Lender thirty (30) days prior written notice advising Lender of the action proposed to be taken and the reasons therefor. During such thirty (30) day period, Lender may, at its option, and without relieving Developer of any of its obligations under the Development Agreement, take any actions necessary in order to eliminate the default. In case of a default by Developer in the performance or observance of any nonmonetary term, covenant or condition to be performed by it under the Development Agreement, if such default cannot practicably be cured by

Lender without taking possession of the Project, in Lender's reasonable opinion, or if such default is not susceptible of being cured by Lender, then DEDA shall not terminate the Development Agreement if and so long as:

- i. Lender shall proceed diligently to obtain possession of the Property as mortgagee (including possession by a receiver), and, upon obtaining such possession, shall proceed diligently to cure the defaults as are reasonably susceptible of cure (subject to any order by a court of competent jurisdiction staying or otherwise precluding Lender from obtaining such possession); or
 - ii. Lender shall institute foreclosure proceedings and diligently prosecute the same to completion (unless in the meantime it shall acquire Developer's fee interest in the Property, either in its own name or through a nominee, by assignment in lieu of foreclosure and subject to any order by a court of competent jurisdiction staying or otherwise precluding Lender from obtaining such possession).
- c. Notwithstanding anything in the Development Agreement to the contrary, neither the foreclosure of the Security Instrument (whether by judicial proceedings or by virtue of any power of sale contained in the Security Instrument), nor any conveyance of the Property and/or the TIF Note by Developer to Lender or its designee by an assignment or by a deed in lieu of foreclosure or other similar instrument shall require the consent of DEDA under, or constitute a default under, the Development Agreement. Further, the subsequent transfer of the Property by Lender or its designee after such foreclosure or conveyance in lieu thereof shall be permitted without any consent by DEDA. Upon such foreclosure, sale or conveyance, DEDA shall recognize Lender, Lender's nominee or the purchaser (the "**Successor Owner**") as the "Developer" under the Development Agreement and as the "Registered Owner" of the TIF Note. A Successor Owner, provided it satisfies its obligations as Developer under the Development Agreement, shall be entitled to all of the rights and benefits of Developer under the Development Agreement, and shall be entitled to all payments due from time to time, if any, under the TIF Note. It is expressly understood and agreed that Lender does not hereby assume any of Developer's obligations or duties concerning the Development Agreement, unless and until Lender forecloses on the Property or otherwise takes title thereto.
- d. If Lender delivers written notice to DEDA that it has commenced foreclosure or other enforcement action seeking to realize on the collateral for its Loan to Borrower, then, so long as Lender is using commercially reasonable efforts to pursue such foreclosure or enforcement action, the Completion Deadline will be extended by the number of days from delivery of such notice until Lender or its assignee or designee takes title to the Property, plus, so long as Lender, its assignee or designee is using diligent and commercially reasonable efforts to substantially complete the Project, such Completion Deadline shall be extended for such additional time until the earlier to occur of Lender, its assignee or designee or Successor Owner substantially completes the Project or ceases to use diligent and commercially reasonable efforts to achieve the same.
- e. If Lender delivers written notice to DEDA that there exists a default under the Loan, DEDA shall deliver all payments due from time to time, if any, to Lender pursuant to Lender's written instruction.

- f. Notwithstanding anything to the contrary contained in Article IX of the Development Agreement, DEDA agrees that any casualty or condemnation proceeds received by Developer shall be paid and applied pursuant to the terms of the Security Instrument and other documents evidencing the Loan.
3. Subordination. Pursuant to Article VIII of the Development Agreement, DEDA agrees that the Development Agreement shall, at Lender's election, be subordinate to the lien of the Security Instrument.
4. Reliance. DEDA understands that Lender will be relying on the truth and accuracy of the matters described in this Agreement in providing the Loan and agrees that this Agreement may be relied upon, and shall inure to the benefit of Lender and its successors and/or assigns.
5. Recordation. Lender shall be permitted, at its option, to record a copy or a memorandum of this Agreement in the real property records of St. Louis County, Minnesota.
6. Successors and Assigns. DEDA agrees and hereby confirms that this Agreement and the rights and benefits hereof may not be assigned by such party without the express prior written consent of Lender. This Agreement shall be binding upon DEDA and approved successors and assigns and shall inure to the benefit of Lender, its successors and assigns, all of whom shall be entitled to enforce performance and observance of this Agreement and of the provisions herein contained to the same extent as if they were parties signatory hereto.
7. Governing Law. This Agreement shall be construed in accordance with and governed by the internal laws (and not the law of conflicts) of the State of Minnesota. Each of the parties hereto hereby submits to the exclusive jurisdiction of the state and Federal courts located in the County of Cook, State of Minnesota.
8. Severability. If any clause, provision or section of this Agreement shall be determined illegal, invalid or unenforceable by any court, the illegality or unenforceability of such clause, provision, or section shall not affect any of the remaining clauses, provisions or sections hereof, and this Agreement shall be construed and enforced as if such illegal, invalid or unenforceable clause, provision or section had not been contained herein. If any obligation, covenant or agreement contained in this Agreement shall be held to be in violation of law, then such obligation, covenant or agreement shall be deemed to be the obligation, covenant or agreement of DEDA to the full extent permitted by law.

[Remainder of page left blank intentionally.]

Agreed to as of the date first set forth above:

DULUTH ECONOMIC DEVELOPMENT AUTHORITY

By: _____

Name: _____

Title: Executive Director

STATE OF _____)
) ss.
County of _____)

The foregoing instrument was acknowledged before me this ____ day of _____ 2024 by _____, in his/her capacity as the _____ for the DULUTH ECONOMIC AUTHORITY, on behalf of such authority.

My Commission Expires:

Notary Public

Exhibit A
Legal Description of Property

Lots 321, 323 and 325, Block 53 Duluth Proper Second Division.