EXHIBIT C

2% LOAN

"Certificate of Participation"

WHEREAS, on ____________________, 20__, ______________________, a _____________________________(the "Private Lender") has loaned a cumulative total ~~the sum~~ of ________________________________(the "Private Lender Loan") to __________________ (the "Borrower") doing business at __________________ in the City of Minneapolis for financing eligible expenses under the City of Minneapolis' 2% Loan Program ~~improvements to a business located at~~ ____________________(the "Project") ~~in the City of Minneapolis (the "City")~~which is secured by a ~~Mortgage~~ mortgage and/or any agreement, instrument or other document securing repayment of the Private Lender Loan (the "Loan Security"); and

WHEREAS, the Private Lender Loan is evidenced by a promissory note dated __________, 20____ in the principal amount of _______________(__________)~~on ________________, 20__, Private Lender has loaned the sum of ______________________________________(_______) to the Borrower~~, bearing interest at the rate of ____percent (__%) per annum,~~ evidenced by a Note dated~~ _______________due __________, 20__ ~~for financing improvements to the Project~~ which is secured by the Loan Security (the "~~City Loan~~Private Lender Note") and a second promissory note dated ____________, 20___ in the principal amount of ____________________(___________), bearing interest at the rate of two percent (2%) per annum, due ____________, 20____(the "City Note"); and

WHEREAS, both the Private Lender Note and the City Note shall be written in favor of the Private Lender; and

WHEREAS, on even date herewith and pursuant to that certain 2% Loan Lender Agreement (the "Lender Agreement") by and between the Private Lender and the City of Minneapolis, a Minnesota municipal corporation (the "City"), the City ~~of Minneapolis (the "City")~~ has acquired a ___% participation in the ~~City Loan~~ Private Lender Loan for the sum of _________________(___________), t~~T~~he Private Lender and the City being hereafter referred to as the "Participants"; and

WHEREAS, the Private Lender agrees, during the term of this Certificate of Participation (the "Agreement"), to act as servicer on behalf of itself and the City in the receipt and disbursement of all payments to and from the Borrower and in exercising any remedies available against the Borrower with respect to security for the payment of all amounts due under the Private Lender ~~Loan~~ Note and the City ~~Loan~~ Note (collectively, the "Loans").

NOW THEREFORE, in consideration of the premises and the mutual benefits to be derived therefrom, it is hereby agreed as follows:

1. The Private Lender shall have a~~_________~~ one hundred percent ~~(___%)~~ (100%) interest in the ~~City Loan~~Private Lender Note and the City shall have a ~~________~~one hundred percent ~~(___%)~~ (100%) interest in the City ~~Loan~~Note, provided that the City's interest in the Loan Security shall be, as provided herein subordinate to Private Lender's interest in such Loan Security.

2. The right of the City to any and all security for the repayment of the City ~~Loan~~ Note shall be subordinate to the right of the Private Lender to receive any amounts due to it from any security for the repayment of ~~any loan(s) provided by the Private Lender~~the Private Lender Note~~-~~.

3. ~~The right of the City to receive any repayments from the monthly payments made by the Borrower shall be subordinate to the right of the Private Lender to receive all such monthly payments made by the Borrower for any loan(s) provided by the Private Lender.~~

4. Private Lender shall ensure that the City Note includes a provision that the City Note shall become due and payable if ~~So long as this Participation Agreement is in force and effect,~~ Borrower ~~may not~~ relocates its existing business outside the city limits of the City of Minneapolis~~. Upon doing so, the City Loan will be immediately due and payable~~.

5. So long as the Borrower shall not be in default of its obligation to repay any ~~loan~~oan(s) provided by the Private Lender, or of any of its obligations under any documents or instruments incidental thereto (any such default referred to herein as an "Event of Default"), the Private Lender, upon receipt of any monthly payment or any prepayment by the Borrower, shall remit to the City that portion of said monthly payment or prepayment which represents the City's pro rata share of the Borrower's monthly payments. In no event shall the Private Lender withhold from the City any amount less than the City's pro rata share of monthly payments or prepayments received by the Private Lender, except as provided in the case of an Event of Default as described herein. In receipt and disbursement of any sums covered by this Section, the Private Lender will exercise the same care as would be exercised in the handling of loans for its own account. After an Event of Default shall have occurred and after any required notice and/or period to cure said default and Borrower's failure to cure said default, then, upon receipt of any monthly payments from the Borrower, or upon receipt of any other payment from any source by or on behalf of the Borrower, the Private Lender shall apply the entire amount of such payment first to pay all costs and expenses incurred by the Private Lender in connection with the foreclosure or other enforcement of any note, mortgage or other document evidencing or securing the repayment of any loan(s) provided by the Private Lender, second to pay interest then due on ~~any Private Lender's interest in a Loan~~the Private Lender Note, and then shall apply the remaining amount of such payment as a payment or prepayment of the outstanding principal amount of the Private ~~Lender's interest in any Loan made to the Borrower~~Lender Note, until all interest due to the Private Lender and the entire principal amount of the Private Lender's interest in the ~~Loan(s)~~Private Lender Note have been paid in full, and shall thereafter remit to the City the remainder of such amounts as a payment or prepayment of the principal amount of and interest on the ~~City's interest in the Loan~~City Note.

6. Any Loan repayment received directly from the Borrower by the City shall be remitted to the Private Lender.

7. The Private Lender shall promptly advise the City, in writing, of any default by the Borrower in repaying any amounts due under the terms of the Loans or under any mortgage, agreement, instrument or document evidencing or securing repayment of the Loans.

8. Any Loan Security shall be foreclosed or enforced only after 90 days written notice to the City. In foreclosing any mortgage or enforcing any remedy under any other Loan

Security, the Private Lender shall be entitled to receive all amounts derived from such foreclosure or enforcement until the Private Lender has recovered all amounts due to it with respect to its interest in the Private Lender Loan and its costs incurred in such foreclosure or enforcement. Thereafter, the Private Lender shall remit to the City all remaining amounts derived from such foreclosure or enforcement.

9. So long as this Agreement is in force and effect, the Private Lender shall, upon request by the City, furnish the City with an annual written report summarizing the monthly payments or other payments with respect to the Loans received by the Private Lender, the amounts paid as interest on the Loans, the payments and prepayments of the principal amount of the Loans, any foreclosure actions or enforcement proceedings with respect to any security for the repayment of the Loans and any amounts derived therefrom, together with an accounting of the applications of such amounts.

10. This Agreement incorporates the terms of the Lender Agreement, the Private Lender Note, the City Note and all mortgages, agreements, instruments or documents securing the repayment of the Loans, ~~if any,~~all of which are attached hereto as Exhibits, and are incorporated by reference herein.

11. This Agreement shall continue in full force and effect and Private Lender shall continue to service the City Note until all amounts payable to the City under the City Loan have been paid in full or until this Agreement is terminated by the City or the balance of the City Note is forgiven by the City. Notwithstanding the foregoing, if Private Lender has taken all reasonable actions and proceedings with respect to any security for repayment of the Loans and the City Note is not fully paid, the City will accept an assignment of the City Note and this Agreement shall terminate.

12. The Private Lender shall not execute a satisfaction of any mortgage, agreement, or document securing the repayment of the ~~City's Loan~~City Note without the prior written consent of the City.

13. The Private Lender is hereby granted, subject to paragraphs 7, 8, and ~~12~~11, the power and authority to administer, manage and service the City ~~Loan~~Note; to waive the performance of obligations of the Borrower; to excuse the nonoccurrence of conditions; to exercise collection rights with respect to any collateral; to foreclose against any collateral or to accept a transfer in lieu of foreclosure; to collect and receive any and all payments, collections and proceeds of collateral made or delivered by or for the account of the Borrower and at its sole discretion to release such payments, collections and proceeds to the Borrower or apply the same to the payment of indebtedness; to enforce rights against third parties; to manage and control proceedings in the Borrower's bankruptcy; and otherwise to do and refrain from doing any and all acts and things which the Private Lender would be required or permitted to do or refrain from doing in connection with the City ~~Loan~~ Note if it had retained its entire interest as lender in the ~~City Loan~~Private Lender Loan, but acting on behalf of the City and all other participants, if any.

14. Neither the Private Lender nor any of its directors, officers, employees or agents shall be liable for any action taken or omitted by the Private Lender or any of them except in the case of gross negligence or willful misconduct.

15. Neither the Private Lender nor the City (i) shall be liable or responsible for any representations or warranties made by, or for obligations binding upon or assumed by, the

Borrower or anyone else; or (ii) except as specifically stated herein makes any representation or warranty as to the genuineness, legality, validity, perfection, priority, enforceability or sufficiency of the City ~~Loan~~Note; or of any security interests, mortgage liens, guaranties, or other collateral rights and remedies securing the City ~~Loan~~Note; or of any of the documents evidencing the City ~~Loan~~ Note or any other agreement made or instrument, document or writing issued thereunder, in connection therewith, or as a result thereof; or (iii) makes any representation or warranty as to the Borrower, as to any financial statements or collateral reports submitted by or for the Borrower, as to any risk of loss with respect to the City ~~Loan~~Note, or as to any matter whatsoever; or (iv) shall have any right or recourse against the other party hereto except with respect to the agreements set forth herein as between Private Lender and the City.

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Private Lender

By________________________________

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An Authorized Official

ATTACH
Lender Agreement
Private Lender Note
City Note
All Loan Security Documents