EXHIBIT D

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VIA EMAIL AND FIRST CLASS MAIL

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CONCIERGE APARTMENTS/SODERBERG APARTMENT SPECIALISTS, LLC
OUR FILE NO. 5405-001

Dear Timothy Thompson; Representatives of the MN Legal Aid, MN Housing Partnership, Jewish Community Action, and HomeLine:

Our firm is counsel to Soderberg Apartment Specialists, LLC and MSP Crossroads Apartments, the managing agent and owner of Concierge Apartments. I am writing to respond to the letter you sent to Erik Falkman, Chief Operating Officer of Soderberg Apartment Specialists dated November 19, 2015. In that letter you wrote that you were "working with a group of residents at the apartment complex" and suggested you were representing them, as well as the various organizations copied by email on your letter. Your letter expressed concern that the plan of the new ownership to "upgrade the building, dramatically increase rents, and end involvement in Section 8 and perhaps the GRH program, tighten tenant screening and reposition the complex in the market, will have devastating effect on affordable housing opportunities for tenants who relied upon the Crossroad Apartments." You note there are "very few such deeply affordable projects of this size in the region" and go on to suggest that my client's planned changes to end participation in Section 8, as well as announced rent increases, could be "legally challenged" as having a disparate impact upon tenants based upon "race, familial status, and disability."

You write: "In such circumstances, the party taking the action causing the disparate impact is under an obligation to only take such action if it is the least discriminatory means of accomplishing its business purpose." Your letter ends with a suggestion that our client should enter into some type of negotiation with one or more governmental entities (and perhaps all of the organizations copied on your letter) to explore some form of government-subsidized financial assistance, funded in part by meeting all of the eligibility requirements to receive the 4d property tax break program for participating units, where the owners "would be expected to commit to keep an agreed upon share of the Concierge units affordable at agreed upon levels, for an agreed upon period of time." You note "ongoing involvement in the Section 8 housing voucher program and the GRH program would

be part of the discussion." Your letter stresses that "no commitments have been made by any governmental body at this point," but state you believe County and City officials are "open to the concept." Your letter asks if the owner of Concierge is open to this idea.

Soderberg Apartment Specialists has a proven track record of acquiring residential rental properties that have often been identified as deeply troubled or problem properties, subject to license revocation or police concerns and properties that, while not yet targeted for City or police enforcement, have been identified as potential problem properties due to lack of needed capital improvements or investment. Our client's track record of bringing about positve change in the rental properties it has acquired, renovated and upgraded, and has continued to hold subject to uniform policies of tenant selection, screening, and management, is a demonstration of how private investment and enterprise has benefitted communities. Although the properties in the Soderberg portfolio might not be characterized as "deeply affordable," they have provided high quality, well maintained and well managed rental opportunities for applicants and residential renters of all classes and abilities. An examination of the actual properties owned and managed by Soderberg Apartment Specialists would show that my client's business practices, including its rental rates and screening policies are non-discriminatory and provide high quality, affordable, non-subsidized or government-operated, housing opportunities.

In all of these acquisitions, Soderberg Apartment Specialists has made a substantial investment and, in turn, improved the property. With each acquisition, it has been common that the prior property owner was charging rents that were under-market and, in turn, "deeply affordable." This affordability has often come at the expense of prior owners not investing in needed maintenance, modernization or management attention to conscientious screening and lease enforcement. After each acquisition, it has been necessary for our client to increase the rents at the acquired property to pay the costs of renovation and improvements, the higher debt service relating to the acquisition, and other operating expenses. But the majority of these upgraded properties continue to offer rents that are considered affordable. The resulting property is improved both in terms of exterior finishes, property condition, and compliance with licensing requirements relating to conduct at residential rental properties.

Our client recognized that its acquisition of the Crossroad Apartments, and aggressive plans to complete a community-wide renovation and upgrade of all common areas - and all individual apartments - would have a major impact upon all residents. Unlike other acquisitions where all residents with month-to-month leases were given short notice, or only one-month notice, that all residents without leases would need to vacate, our client's initial notice gave all residents a full 90-days' notice to pay current rents, gave Section 8 residents a full 5-month notice that participation in the program would end, and gave all residents notice that major renovations would be taking place in both occupied units and throughout the rental community. Understanding that some tenants would not choose to live in a "construction zone," every resident was given a right to terminate the lease, without penalty, upon one-week written notice.

In the same manner as other Soderberg Apartment Specialist acquisitions, current residents were notified that lease renewal would require all residents to apply and meet the standard screening criteria that has been consistently in place at Soderberg properties. These criteria do include a Fair Housing statement and are based upon Soderberg's criteria that have been applied on a non-discriminatory basis at other Soderberg properties.

Shortly after the acquisition, our client entered into many good faith discussions and meetings with various stakeholders, including residents, faith-based organizations, City and County officials, and others. Numerous organizations and individuals purporting to represent individual residents or other organizations have reached out to my client with suggestions, proposals and requests. We would note that the requests and "suggestions" made are not always consistent. Fortunately, our client's ownership did not need to seek official approval from government entities or multiple non-profit boards or organizations to take action. Within weeks of the acquisition, our client timely responded to the multiple concerns and requests being sent its way with a plan to allow current residents to remain at the property through May 31, 2016. Because our client has significant financial obligations relating to the debt and investment to acquire the Concierge Apartments, and the substantial construction loan incurred to fund the planned improvements, all residents were informed of a needed rent increase for all residents without term leases. The rent increase was scheduled for after the holidays on January 1, 2016. Additional time was given to Section 8 residents for a rent increase effective March 1, 2016. Our client did negotiate with the Richfield HRA to approve and pay a portion of the increased rent.

It appears much of the concern in your letter is about the rent increase and whether or not the current rent increase and future rent increases that will be required to support the new investment in the property will meet eligibility requirements for the GRH program. You write: "Prior to the change in ownership, approximately 100 units of the 698 units at Crossroad were occupied by GRH participants. Thus, the increase in rent could displace over 14% of Crossroad's population, all of whom have disabilities." You conclude "this creates a disparate effect on a protected class under state and federal Fair Housing laws."

The threat of further action or litigation in your letter if our client does not enter into some type of "we can't commit, but we will talk to you" negotiation with governmental authorities to somehow preserve a substantial portion of my client's property in the past, so that it can continue to provide a "deeply affordable project" to the same residents, or same mix of classes served by the prior ownership, is not a proposal that is inviting or "of interest" to my client. Other than the suggestion that our client should "negotiate with you" to avoid litigation, there is no specific proposal outlined in your letter that will help my client meet its pressing and legitimate business needs.

My client staunchly believes that it is and will be a "good citizen" in the Richfield community, "sensitive to the community needs." We believe my client will best be able to accomplish these goals by remaining free to run its own business without being compelled to enter into some yet-to-be determined private and public partnership for a portion of the property.

The hint of litigation in this letter – as well as another action our client is facing with co-sponsors of this letter where any shut-off of utilities (even when that shut-off is being pursued with prior notice, under circumstances of favorable outdoor temperatures, and the work is being done to eliminate building-wide shut-offs in the future) – is distressing to our client. Our client's previous openness and willingness to discuss ways of meeting the needs and concerns of current residents or residents who will need to relocate, is not enhanced by threats of litigation.

Let me comment briefly upon the disparate impact claims and analysis set forth in your letter. First, my client's business practices and rental rates and screening criteria did not create the current demographics at Concierge Apartments. The reason this property is "deeply affordable" is due in large part to the fact that it has been held by the same ownership group for a substantial period of time and that a substantial investment in everything from modernizing basic facilities with water and gas service, to say nothing of modernization of interiors, has not taken place for decades. The suggestion in your letter that any new owner is somehow duty-bound under the Fair Housing laws, or a disparate impact analysis, to maintain the demographics of an existing property, regardless of the demographics of the general metropolitan area or the surrounding community, is not a fair or accurate interpretation of the regulation or case law on a discriminatory effect analysis.

Further, I question that our client's need and desire to increase rents to support its investment in the property, and the substantial renovations and modernizations needed and planned, would be considered a "practice." Our client's legitimate business need to raise rents to pay debt service for the investment to acquire the property and the loan to fund improvements is not simply one of many choices of business policies or practices. It is part of the economic equation that went into the initial purchase, funding and upgrade plans.

We do not believe the suggestion that our client should somehow partner or enter into a "to-be-determined," publicly subsidized program to help current residents or other stakeholders maintain the property, or a percentage of the property, as somehow affordable is a reasonable alternative "business practice" that will meet my client's legitimate business and financial needs.

Our client is a private business. The right to remain a private business, with the resulting rights and flexibility to make its own business and financial decisions, without adhering to government programs, government-imposed limits upon the rents it can charge, being subjected to government inspections, or potential to-be-determined government requirements that inevitably go hand-in-glove with any publicly funded program, is a fundamental right of a private property owner in Minnesota.

In *Edwards v Hopkin Plaza Limited Partnership*, 783 N.W.2nd, 171 (Ct. App. MN 2010), the Minnesota Court of Appeals held that Minnesota law does not require property owners to participate in the Section 8 program. The *Edwards* case found that a refusal to participate in Section 8 was not discrimination based upon the tenant's status as a recipient of public assistance. Further, the court found that mandating the landlord's participation in Section 8 so that the disabled tenant could

request to use his Section 8 housing voucher as a "reasonable accommodation" was not reasonable because it would "fundamentally alter the nature of respondent's policies."

The proposal you are making would fundamentally change my client's business. I do not believe any reasonable interpretation of state or federal Fair Housing laws can mandate a private business owner to enter into some type of subsidized, fundamental change of its business organization so that it can continue to serve the same demographic mix as the prior owner, and keep "deeply affordable" rents for an existing portion of the resident population.

In closing, our client believes that it has been listening and highly responsive to the often competing concerns raised by existing residents, public and private organizations. The threats of litigation or suggestion that what my client is doing is somehow illegal or wrongful is not helpful to the dialogue that has taken place to date.

Our client is a private business and wishes to remain a private business. Our client has a right and need to increase rents to be more reflective of the market rates of comparable properties in the area as well as the substantial investment our client is making and will continue to make in the property. Our client has done and will continue to do what it can to minimize the hardship and disruption for current residents. Our client is not, however, responsible for the disproportionately high dependence of low income residents to look to Richfield, or Crossroads, for "deeply affordable" housing opportunities. We note the City of Richfield – like Brooklyn Park and Brooklyn Center (a community where Soderberg Apartment Specialists maintains a private, well maintained and affordable, rental property) – has filed a complaint with the US Department of Housing and Urban Development alleging that affordable housing rules have pushed an excess of low income residents into their communities. Our client's practices did not cause the disproportionately high reliance of low income families, or GRH participants, to choose the property formerly known as Crossroads as their home. Our client is committed to working fairly with all residents, but the current rent increase and future increases that may take place are necessary and legitimate to my client's non-discriminatory, private business interests.

Very truly yours,

Donna Hanbery

DONNA E. HANBERY

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