City of Blaine
Economic Development Authority

August 11, 2025 | 8:00 PM
Blaine City Hall
10801 Town Square Drive NE
Blaine, MN 55449

The purpose of the Blaine Economic Development Authority is to increase the City's commercial/industrial tax base, provide employment opportunities, undertake redevelopment to enhance and maintain neighborhood economic stability, and address special needs, such as senior housing. As authorized under Minnesota State statutes, the Blaine City Council also serves as the Blaine Economic Development Authority.

AGENDA

1. Call to Order

2. Roll Call

3. Approval of Minutes

3.1. 2025-181 Approval of the July 7, 2025, Economic Development Authority (EDA) Minutes.
Sponsors: Cathy Sorensen, City Clerk

4. New Business

4.1. RES 25-143 Resolution Approving a Reduction in EDA Note with Blaine Town Center East, LLC
Sponsors: Erik Thorvig, Interim City Manager/Community Development Director

5. Old Business

6. Adjournment

City of Blaine
Economic Development Authority

July 7, 2025 | 8:00 PM
Blaine City Hall
10801 Town Square Drive NE
Blaine, MN 55449

MINUTES

1. Call to Order

The meeting was called to order at 8:40PM by President Sanders followed by the Roll Call.

2. Roll Call

PRESENT: President Tim Sanders, Commissioners Terra Fleming, Chris Ford, Leslie Larson, Chris Massoglia, Tom Newland, and Jess Robertson.

ABSENT: None.

Quorum Present.

ALSO PRESENT: Acting City Manager/Community Development Director Erik Thorvig; Assistant Community Development Director Sheila Sellman; Safety Services Director/Police Chief Brian Podany; Finance Director Jason Zimmerman; Director of Administrative Services Scott Johnson; Community Development Specialist Elizabeth Showalter; Communications Manager Ben Hayle; and City Clerk Catherine Sorensen.

3. Approval of Minutes

3.1. 2025-157 Approval of the June 2, 2025 Economic Development Authority (EDA) Minutes.
Sponsors: Erik Thorvig, Interim City Manager/Community Development Director

Moved by Commissioner Robertson, seconded by Commissioner Massoglia, that the minutes of June 2, 2025, be approved.

Motion adopted unanimously.

4. New Business

4.1. RES 25-107 Resolution Appointing Interim City Manager as the Interim Executive Director of the EDA

Sponsors: Erik Thorvig, Interim City Manager/Community Development Director

Interim City Manager/Community Development Director Thorvig stated on June 17, 2025, Community Development Director Erik Thorvig, was appointed as the interim city manager by the city council upon the retirement of the current city manager, effective July 3, 2025. The city manager also acts as the executive director for the Blaine economic development authority and is authorized to execute necessary agreements related to expenditures, purchase agreements, etc. An action is required by the EDA to appoint Mr. Thorvig as the interim executive director.

Moved by Commissioner Robertson, seconded by Commissioner Massoglia, to adopt a Resolution Appointing Interim City Manager as the Interim Executive Director of the EDA.

Motion adopted unanimously.

4.2. RES 25-76 Resolution Awarding Heat Tape Installation Contract

Sponsors: Elizabeth Showalter, Community Development Specialist

Community Development Specialist Showalter stated the EDA received $60,000 in COVID Relief Community Development Block Grant funding through Anoka County for a heat tape installation program. After a competitive bidding process, staff recommends contracting with Bob's Mobile Home Repair Service.

Moved by Commissioner Robertson, seconded by Commissioner Massoglia, to adopt a Resolution Awarding the Heat Tape Installation Contract.

Motion adopted unanimously.

5. Old Business

None.

6. Adjournment

Moved by Commissioner Robertson, seconded by Commissioner Newland, to adjourn the meeting at 8:45PM.

Motion adopted unanimously.

City of Blaine
Staff Report

File Number: RES 25-143

Agenda Date	Status
August 11, 2025	

In Control	File Type
Economic Development Authority	Resolution

New Business - Erik Thorvig, Interim City Manager/Community Development Director

Agenda Item # 4.1

Resolution Approving a Reduction in EDA Note with Blaine Town Center East, LLC

Executive Summary

Background

On September 20, 2024, the City of Blaine, City of Blaine Economic Development Authority and Blaine Town Center East, LLC executed a purchase agreement to transfer all property owned by the City/EDA in the 105th Redevelopment District to the master developer. The overall purchase price was $10,704,430. This was based on an independent, third-party appraisal of the property.

At the time the document was executed, the city/EDA had yet to acquire three remaining properties located at 2170 106th Lane, 2101 105th Avenue and 10500 Nassau Street. The purchase agreement required the City/EDA to have these additional properties under contract by December 31, 2024, and close by April 1, 2025.

Unfortunately, due to challenging negotiations, the City/EDA was unable to meet this requirement. A notice of default was provided to the City/EDA from the developer. The City/EDA has since acquired the remaining three properties. As of August 4, 2025, all properties within the 105th Redevelopment District have been transferred to the developer. The delay in acquisition resulted in additional costs incurred by the developer as they completed infrastructure for the district.

As stated, the purchase price was $10,704,430. The developer provided $3,988,200 in cash at closing. This money was used to reimburse the City for the purchase of 2043 105th Avenue. The City used the Strategic Priorities Fund for this purchase, which was reimbursed with the proceeds. The City/EDA received $3,000,000 from the TIF bond proceeds, which was utilized to complete the acquisition of the remaining three properties. Lastly, a promissory note was executed between the EDA and developer in the amount of $3,704,430. The EDA note was structured with the following terms: an annual interest rate of 4.75%; amortization of principle over 15 years; a first payment due on the date that is four years following the date of the EDA note (first collection on November 14, 2028); and a balloon payment on the date that is seven years following the date of the EDA note (November 14, 2031).

The funds collected via the promissory note would go to the EDA for city economic development activity. Due to the increased infrastructure costs as a result of the delay in completing the purchases and additional public infrastructure required as part of the Scheels project, the developer has requested a reduction in the EDA note in the amount of $2,250,000 (reduction to $1,454,430). The reduction allows the developer to secure additional private financing for infrastructure within the district, and specific to the Scheels project. In order to complete the necessary transactions with Scheels in September, the developer has requested the EDA to consider the request at the August 11, 2025, meeting.

Understanding that replenishing the EDA funds was a priority of the City Council when executing the sale. Staff are exploring additional ways to recapture the reduction in the EDA note. Options include capturing any interest earned on existing bond sales and/or capturing additional revenue from expansion of the TIF district.

Strategic Plan Relationship

Redevelopment of the 105th District is identified in the strategic plan.

Board/Commission Review

Not applicable.

Financial Impact

The funds collected via the promissory note would go to the EDA for city economic development activity. The reduction would result in the EDA collecting $1,454,430 plus interest.

Understanding that replenishing the EDA funds was a priority of the City Council when executing the sale. Staff are exploring additional ways to recapture the reduction in the EDA note. Options include capturing any interest earned on existing bond sales and/or capturing additional revenue from expansion of the TIF district.

Public Outreach/Input

No public outreach is required.

Staff Recommendation

Consider the request and approve the attached resolution.

Attachment List

1. A15. EDA Promissory Note

2. A02. Purchase Agreement

City of Blaine

Signature Copy

Resolution: RES 25-143

Resolution Approving a Reduction in EDA Note with Blaine Town Center East, LLC

WHEREAS, On September 20, 2024, the City of Blaine, City of Blaine Economic Development Authority and Blaine Town Center East, LLC executed a purchase agreement to transfer all property owned by the City/EDA in the 105th Redevelopment District to the master developer; and

WHEREAS, on November 14, 2024, a promissory note was executed between the EDA and developer in the amount of $3,704,430 related to the purchase agreement; and

WHEREAS, the developer has requested a reduction to the EDA note in the amount of $2,250,000 to off-set increased infrastructure costs related to the project;

NOW THEREFORE, BE IT RESOLVED, that the Blaine Economic Development Authority hereby approves a reduction to the EDA note executed on November 14, 2024 in the amount of $2,250,000 and hereby authorizies the president and executive director to execute necessary documents related to the amended promissory note.

PASSED by the Blaine Economic Development Authority this 11th day of August, 2025.

PROMISSORY NOTE

$3,704,430.00 | Blaine, Minnesota
November 12, 2024

FOR VALUE RECEIVED, the undersigned Blaine Town Center East LLC, a Minnesota limited liability company (the "**Borrower**") hereby promises to pay to the order of the Economic Development Authority of the City of Blaine, Minnesota, a public body corporate and politic organized and existing under the laws of the State of Minnesota (the "**Lender**"), at 10801 Town Square Drive NE, Blaine, Minnesota, or at such other place as the Lender from time to time may designate in writing, the principal sum of THREE MILLION SEVEN HUNDRED FOUR THOUSAND FOUR HUNDRED THIRTY AND 00/100 DOLLARS ($3,704,430.00) (the "**Principal Balance**"), together with interest on the unpaid Principal Balance accruing as of the date hereof at a rate equal to the Interest Rate, which said sum, if not earlier paid, shall be due and payable in full on or before the date that is seven (7) years after the date of this Note (such date, the "**Maturity Date**"), with all payments applied first to accrued but unpaid interest and fees and then to the remaining Principal Balance. The payment then due is a balloon payment.

1. **Payments.** Borrower shall make payments of accrued interest and principal annually on the date of this Note. The first payment shall be made on the date that is four (4) years after the date of this Note. If any payment of principal or interest on this Note is due on a day which is not a business day, such payment shall be due on the next succeeding business day. Attached hereto is an amortization schedule establishing the payment obligation assuming a 4.75% interest rate and a December 1, 2024 effective date. As soon as practical, after issuance of the Taxable General Obligation Temporary Tax Increment Bonds, Series 2024c, referenced below, Lender will generate and provide Borrower an amortization schedule per the terms of the Master Development Agreement and this Promissory Note.

2. **Prepayment.** This Note may be prepaid in whole or in part without penalty at any time. Any prepayment of principal shall be accompanied by a payment of interest accrued to date thereon; and said prepayment shall be applied to the principal installments in the inverse order of their maturities.

3. **Interest Rate.** Interest shall accrue on the unpaid Principal Balance at a fixed rate equal to the interest rate terms under the Taxable General Obligation Temporary Tax Increment Bonds, Series 2024c, issued by the City of Blaine, a Minnesota municipal corporation (the "**Interest Rate**"). The annual Interest Rate for the Note is computed on a 365/360 basis; that is, by applying the ratio of the annual interest rate over a year of 360 days, multiplied by the outstanding Principal Balance, multiplied by the actual number of days the Principal Balance is outstanding. Commencing on the date of this Note, payment of the unpaid Principal Balance shall be amortized over fifteen (15) years.

4. **Default.** As used in this Note, the term "**Event of Default**" will mean and include any one or more of the following events:

(a) the Borrower fails to pay, when due, any amounts required to be paid by the Borrower under this Note. Prior to exercising available remedies hereunder, the Holder shall provide the Borrower written notice of such default. The Borrower shall have a period of ten (10) days from the date of such notice to correct such default;

(b) (i) the Borrower files a petition in bankruptcy or for reorganization or for an arrangement pursuant to any present or future state or federal bankruptcy act or under any similar federal or state law, or is adjudicated a bankrupt or insolvent, or makes a general assignment for the benefit of its creditors, or is unable to pay its debts generally as they become due; or (ii) if an order for relief under any present or future federal bankruptcy act or similar state or federal law is entered against the Borrower; or (iii) if a petition or an answer requesting or proposing the entry of such order for relief or the adjudication of the Borrower as a debtor or bankrupt or reorganization under any present or future state or federal bankruptcy act or any similar federal or state law is filed in any court and the petition or answer is not discharged or denied within sixty (60) days after the filing thereof; or (iv) if a receiver, trustee or liquidator of the Borrower or of all or substantially all of the assets of the Borrower is appointed in any proceeding brought against the Borrower and is not discharged within sixty (60) days of such appointment; or (v) if the Borrower consents to or acquiesces in such appointment; or (vi) if any property of the Borrower is levied upon or attached in any proceeding; or

(c) the Borrower is or becomes insolvent (whether in the equity or bankruptcy sense).

5. **Acceleration.** The outstanding principal balance of this Note and all accrued but unpaid interest thereon will become, at the option of the Lender, immediately due and payable, without notice or demand, upon the occurrence of an Event of Default, subject to applicable cure periods.

6. **Costs of Collection.** The Borrower promises to pay all costs of collection, including but not limited to reasonable attorneys' fees, paid or incurred by the Lender on account of collection, whether suit is filed and whether incurred prior to or after entry of judgment.

7. **Remedies.** The remedies of the Lender, as provided in this Note and in any document securing this Note, shall be cumulative and concurrent and may be pursued singly, successively, or together, at the sole discretion of the Lender, and may be exercised as often as occasion therefor shall occur. The Lender, in its discretion, may waive any Event of Default hereunder and its consequences and rescind any declaration of acceleration of principal; provided, however, that no action or inaction by the Lender shall be deemed a waiver of any of the Lender's rights or remedies unless the Lender specifically agrees in writing that such action or inaction shall constitute a waiver of its rights or remedies. Any waiver shall only apply to the particular instance for which it was agreed. No delay in exercising, and no failure in exercising any right or remedy hereunder or afforded by law, shall be a waiver of, or preclude the exercise of, any right or remedy hereunder or provided by law, whether on such occasion or any future occasion, nor shall such delay be construed as a waiver of any default or acquiescence therein. The exercise, or the beginning of the

exercise, of one right or remedy shall not be deemed a waiver of the right to exercise at the same time or thereafter any other right or remedy.

8. **Application of Payments.** All payments and prepayments shall, at the option of the Lender, be applied first to any costs of collection, second to any late charges, third to accrued interest on this Note, and lastly to principal.

9. **Limited to Maximum Rate.** Notwithstanding anything to the contrary contained herein, if the rate of interest, late payment fee or any other charges or fees due hereunder are determined by a court of competent jurisdiction to be usurious, then said interest rate, fees and/or charges shall be reduced to the maximum amount permissible under applicable Minnesota law.

10. **Security.** As of the date hereof, this Note is unsecured. Notwithstanding the foregoing, following the Borrower's acquisition from the Lender of that certain real property located in Blaine, Minnesota, described as the "To-Be-Acquired Properties" in that certain Purchase Agreement by and between the Borrower, the Lender, and the City of Blaine, the Lender may require a subordinate mortgage against the To-Be-Acquired Properties to secure the then-outstanding Principal Balance.

11. **Subordinate Note.** The Borrower covenants and agrees, and the Lender by acceptance hereof covenants and agrees, that the payment of the principal and the interest on this Note is hereby expressly subordinated to the payment in full of all the indebtedness of the Borrower outstanding on the date hereof or thereafter incurred under the loan agreement of the Borrower which currently exists or under which the Borrower may borrower funds in the future (each such loan, a "**Senior Loan**") granted by any lender (each such lender, a "**Senior Lender**") to the Borrower. The Lender agrees that it shall execute any reasonable subordination or intercreditor agreement requested by any Senior Lender, in form and substance acceptable to such Senior Lender.

12. **Notice.** Any notices required to be given under this Note shall be deemed given when deposited in the United States mail, postage prepaid, addressed to the recipient or to the record successor thereof at the address designated herein:

    If to Borrower:

    Blaine Town Center East LLC
    3020 France Avenue South
    Minneapolis, MN 55416
    Attn: Robb Bader and Corey Burstad

    If to Lender:

    Economic Development Authority of the City of Blaine
    10801 Town Square Drive NE
    Blaine, MN 55449
    Attn: Executive Director

13. **Waiver.** The Borrower hereby waives demand presentment, notice of nonpayment, protest, notice of protest, notice of dishonor and diligence in collection.

14. **Governing Law.** It is intended that this Note is made with reference to, and shall be governed by and construed in accordance with, the laws of the State of Minnesota.

15. **Amendment.** This Note may not be amended without the express written consent of the Lender and the Borrower.

[Signature Page to Follow]

IN WITNESS WHEREOF, the Borrower has executed this Note to be executed as of the date and year first above written.

BORROWER:

BLAINE TOWN CENTER EAST LLC, a Minnesota limited liability company

By: Robb M. Bader
Its: President

City of Blaine
Land Loan Amortization Schedule

Loan Information	
Note Date	12/1/2024
Note Amount	3,704,430
Schedule Begin Date	6/1/2025
Final payment date	12/1/2039
Note Payment %	100%
Increment Retained %	100.00%
Interest Rate	4.75%
Interest Type	Simple Interest

Annual Payments	($350,887.81)

Land Loan Amortization Schedule

Payment Date	Increment Revenue	Total Payment	Semi-Annual Interest Calculated	Interest Payment	Principal Payment	Unpaid Accrued Interest	Balance
12/1/2024							$3,704,430.00
6/1/2025	$0.00	$0.00		$0.00	$0.00	$87,980.21	$3,704,430.00
12/1/2025	$0.00	$0.00	$0.00	$0.00	$0.00	$175,960.43	$3,704,430.00
6/1/2026	$0.00	$0.00	$0.00	$0.00	$0.00	$263,940.64	$3,704,430.00
12/1/2026	$0.00	$0.00	$0.00	$0.00	$0.00	$351,920.85	$3,704,430.00
6/1/2027	$0.00	$0.00	$0.00	$0.00	$0.00	$439,901.06	$3,704,430.00
12/1/2027	$0.00	$0.00	$0.00	$0.00	$0.00	$527,881.28	$3,704,430.00
6/1/2028	$0.00	$0.00	$0.00	$0.00	$0.00	$615,861.49	$3,704,430.00
12/1/2028	$175,443.91	$175,443.91	$87,980.21	$175,443.91	$0.00	$528,397.79	$3,704,430.00
6/1/2029	$175,443.91	$175,443.91	$87,980.21	$175,443.91	$0.00	$440,934.10	$3,704,430.00
12/1/2029	$175,443.91	$175,443.91	$87,980.21	$175,443.91	$0.00	$353,470.41	$3,704,430.00
6/1/2030	$175,443.91	$175,443.91	$87,980.21	$175,443.91	$0.00	$266,006.71	$3,704,430.00
12/1/2030	$175,443.91	$175,443.91	$87,980.21	$175,443.91	$0.00	$178,543.02	$3,704,430.00
6/1/2031	$175,443.91	$175,443.91	$87,980.21	$175,443.91	$0.00	$91,079.33	$3,704,430.00
12/1/2031	$175,443.91	$175,443.91	$87,980.21	$175,443.91	$0.00	$3,615.63	$3,704,430.00
6/1/2032	$3,796,025.85	$3,796,025.85	$87,980.21	$91,595.85	$3,704,430.00	$0.00	$0.00
12/1/2032	$0.00	$0.00		$0.00	$0.00	$0.00	$0.00
6/1/2033	$0.00	$0.00		$0.00	$0.00	$0.00	$0.00
12/1/2033	$0.00	$0.00		$0.00	$0.00	$0.00	$0.00
6/1/2034	$0.00	$0.00		$0.00	$0.00	$0.00	$0.00
12/1/2034	$0.00	$0.00		$0.00	$0.00	$0.00	$0.00
6/1/2035	$0.00	$0.00		$0.00	$0.00	$0.00	$0.00
12/1/2035	$0.00	$0.00		$0.00	$0.00	$0.00	$0.00
6/1/2036	$0.00	$0.00		$0.00	$0.00	$0.00	$0.00
12/1/2036	$0.00	$0.00		$0.00	$0.00	$0.00	$0.00
6/1/2037	$0.00	$0.00		$0.00	$0.00	$0.00	$0.00
12/1/2037	$0.00	$0.00		$0.00	$0.00	$0.00	$0.00
6/1/2038	$0.00	$0.00		$0.00	$0.00	$0.00	$0.00
12/1/2038	$0.00	$0.00		$0.00	$0.00	$0.00	$0.00
6/1/2039	$0.00	$0.00		$0.00	$0.00	$0.00	$0.00
12/1/2039	$0.00	$0.00		$0.00	$0.00	$0.00	$0.00

105th REDEVELOPMENT

PURCHASE AGREEMENT

BETWEEN

THE CITY OF BLAINE

AND

THE ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF BLAINE, MINNESOTA

AND

BLAINE TOWN CENTER EAST LLC

Dated: September 20, 2024

PURCHASE AGREEMENT

THIS PURCHASE AGREEMENT (this "Agreement") is made, entered into and effective as of this 20th day of September, 2024 (the "Effective Date"), by and between the CITY OF BLAINE, a body politic and corporate under the laws of the State of Minnesota (the "City"), the ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF BLAINE, MINNESOTA, a public body corporate and politic organized and existing under the laws of the State of Minnesota (the "Authority" and collectively with the City, each individually and both collectively, as the context requires, "Seller"), and BLAINE TOWN CENTER EAST LLC, a Minnesota limited liability company, its successors / assigns ("Buyer"). Collectively, the City, the Authority, and Buyer may be referred to as the "Parties" or individually as a "Party."

WITNESSETH:

WHEREAS, the City has appointed Buyer's affiliate, Blaine Town Center West LLC, a Minnesota limited liability company ("Master Developer"), as the "Master Developer" for the redevelopment of an area located at the northwest corner of 105th Avenue and Radisson Road NE in Blaine, Minnesota known as the "105th Redevelopment District," in furtherance of the 105th Redevelopment project as envisioned in the Blaine Town Center Master Plan, dated May 27, 2022, as a mixed-use development (the "Development");

WHEREAS, Seller is the owner of certain tracts of land located in the City of Blaine, Minnesota that are legally described on the attached Exhibit A-1, together with all improvements located thereon and appurtenances thereto (the "Acquired Properties"), which will make up a portion of the Development;

WHEREAS, the Authority is in the process of acquiring certain tracts of land located in the City of Blaine, Minnesota that are legally described on the attached Exhibit A-2, together with all improvements located thereon and appurtenances thereto (the "To-Be-Acquired Properties" and together with the Acquired Properties, the "Property"), which will make up a portion of the Development;

WHEREAS, in furtherance of the Development, the City, the Authority and Master Developer have entered into the Master Development Agreement dated as of _______________ (the "Master Development Agreement"), pursuant to which the City agreed, through the issuance of bond financing, to cause certain site work to be completed in order to prepare the Property for construction of Master Developer's or its permitted secondary developers' planned vertical development;

WHEREAS, pursuant to the terms and conditions of the Master Development Agreement, Seller has granted to Master Developer or its permitted assigns, which includes Buyer, the exclusive option to purchase the Property;

WHEREAS, Master Developer, on behalf of Buyer, has provided Seller with proper written notice of the election to exercise the option to purchase the Property; and

WHEREAS, in consideration of the aforesaid and Seller's willingness to sell the Property to Buyer for the purchase price set forth below, Buyer hereby agrees to purchase the Property pursuant to the terms and conditions hereof.

NOW, THEREFORE, in consideration of the recitals, the covenants of the parties contained in this Agreement, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

ARTICLE I.
(DEFINITIONS)

"Access Agreement" means the Access Agreement entered into by and between Seller and Master Developer.

"Acquired Properties" has the meaning set forth in the Recitals.

"Affiliate" means a corporation, partnership, limited liability company, joint venture, association, business trust or similar entity organized under the laws of the United States of America or a state thereof which is directly controlled by or under common control with Buyer or any other Affiliate. For purposes of this definition, control means the power to direct management and policies through the ownership of at least a general partnership or managing member interest.

"Authority" has the meaning set forth in the Preamble.

"Buyer" has the meaning set forth in the Preamble.

"Buyer Bring-Down Certificate" has the meaning set forth in Section II.E.1.a.

"Buyer's Contingencies" has the meaning set forth in Section II.D.

"Buyer's Initial Closing Documents" has the meaning set forth in Section III.C.

"Buyer's Subsequent Closing Documents" has the meaning set forth in Section III.E.

"City" has the meaning set forth in the Preamble.

"Closing" has the meaning set forth in Section III.A.

"Commence" means that Buyer has obtained the permits for the commencement of the Minimum Improvements.

"Development" has the meaning set forth in the Recitals.

"EDA Note" has the meaning set forth in Section II.B

"Hazardous Material(s)" means any substance, chemical, waste, contaminant, pollutant or other material that is or becomes regulated by any federal, state, or local governmental authority because of its toxicity, infectiousness, radioactivity, explosiveness, ignitability, corrosiveness, or reactivity, including, without limitation, those substances regulated by the Hazardous Waste Laws.

"Hazardous Waste Laws" means the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. § 9601 et seq.; the Resource Conservation and Recovery Act, 42 U.S.C. § 6901 et seq.; the Toxic Substances Control Act, 15 U.S.C. § 2601 et seq.; the Clean Water Act, 33 U.S.C. § 1321 et seq.; and the Clean Air Act, 42 U.S.C. § 7401 et seq.; or any other applicable federal, state, local or other governmental statute, regulation, law or ordinance related to pollution or the release into the environment or disposal of solid or hazardous waste or hazardous substances.

"Initial Closing Date" has the meaning set forth in Section III.A.1.

"Master Development Agreement" has the meaning set forth in the Recitals.

"Minimum Improvements" means the Base Public Infrastructure (as that term is defined in the Master Development Agreement) within the Property.

"Outside Closing Date" has the meaning set forth in Section III.A.2.

"Permitted Encumbrances" means the permitted encumbrances set forth on Exhibit B to the Quit Claim Deed attached hereto, including any deemed permitted encumbrances in accordance with the terms of this Agreement.

"Property" has the meaning set forth in the Recitals.

"Purchase Price" has the meaning set forth in Section II.B.

"Seller" has the meaning set forth in the Preamble.

"Seller Bring-Down Certificate" has the meaning set forth in Section II.D.1.a.

"Seller's Contingencies" has the meaning set forth in Section II.D.

"Seller Cure Notice" has the meaning set forth in Section II.D.1.c.

"Seller Documents" has the meaning set forth in Section II.B.

"Seller's Initial Closing Documents" has the meaning set forth in Section III.B.

"Seller's Subsequent Closing Documents" has the meaning set forth in Section III.D.

"Subsequent Closing Date" has the meaning set forth in Section III.A.2.

"Title Commitment" means a commitment for policies of owner's and lender's title insurance issued by the Title Company currently certified to include proper searches covering bankruptcies, state and federal judgments and tax liens, real estate taxes, levied and pending special assessments, and other matters customarily provided for in commercial property title insurance commitments, committing to insure marketable fee simple title to the Property (or applicable portion thereof) in Buyer.

"Title Company" means All American Title Company, LLC.

"Title Evidence" means the Title Commitment and Survey with respect to the applicable portion of the Property.

"Title Objections" has the meaning set forth in Section II.D.1.c.

"To-Be-Acquired Properties" has the meaning set forth in the Recitals.

"Unavoidable Delays" means delays, outside the control of the party claiming their occurrence, which are the direct result of strikes, lockouts, other labor troubles (including labor shortages), unusually severe or prolonged bad weather, acts of God, acts of war or terrorism, epidemics, pandemics, or similar disease outbreaks (including COVID-19), fire or other casualty to the Development, unusually long delays in the granting municipal approvals, litigation commenced by third parties which, by injunction or other similar judicial action or by the exercise of reasonable discretion, directly results in delays, or acts of any federal, state or local governmental unit which directly result in delays, acts of the public enemy or acts of terrorism and discovery of unknown hazardous materials or other concealed site conditions or delays of contractors due to such discovery.

ARTICLE II.
(PRE-CLOSING; CONTINGENCIES)

A. **Sale of Property**. Seller agrees to sell to Buyer, and Buyer agrees to buy from Seller, the Property, subject to all the terms and conditions of this Agreement.

B. **Purchase Price**.

1. Total Purchase Price. The Total Purchase Price for the Acquired and To-Be-Acquired Property to be paid by Buyer to Seller is $10,704,430.00 (the "Total Purchase Price") payable as follows:

    a. $3,988,200.00 shall be paid by the Buyer to the City, by cash, at the Closing;

    b. $3,704,430.00 shall be paid by the Buyer to the EDA by delivery of a promissory note (the "EDA Note") by the Buyer in favor of the EDA on the following terms: (i) an annual interest rate equal to the interest rate under the terms of the City's Taxable General Obligation Temporary Tax Increment Bonds, Series 2024c, (ii) amortization of principal over 15 years, (iii) a first payment due on the date that is four (4) years following the date of the EDA Note, and (iv) a balloon payment on the date that is seven (7) years following the date of the EDA Note. The EDA Note shall be unsecured until such time as the EDA acquires the To-Be-Acquired Properties at which time the EDA may elect to require a subordinate mortgage against the To-Be-Acquired Properties from the Buyer in favor of the EDA securing any amounts due and owing under the terms of the EDA Note; and

c. $3,011,800 as consideration for the To-Be-Acquired Properties payable as follows: $1.00 by the Buyer to the EDA at the Closing of the purchase and sale of the To-Be-Acquired Properties. The Buyer shall also be required to pay the applicable, reasonable closing costs associated with such Closing. And the remaining $3,011,799 as a contribution by the EDA to public infrastructure costs in the West District area of the Development to be located on property controlled by the EDA or the City.

2. Purchase Price Determination. The Total Purchase Price is determined to be fair and appropriate, as set forth in II.B.1 and subject to any adjustments as set forth in this Agreement, and is based on the City's appraisal dated September 6, 2024, and best serves the advancement of the Development. The actual square feet per lot will not be known until the Development has been platted, and the date upon which the Acquired Properties and the To-Be-Acquired Properties will be considered "shovel-ready" has been estimated but is not known for certain. Regardless, the Parties have agreed on the Total Purchase Price set forth above, subject to adjustments as provided herein. Buyer agrees that the Total Purchase Price reflects Buyer's future dedication or conveyance of public right-of-ways, public utilities, and other public easements, as applicable, to the City as provided in the Master Development Agreement and Buyer neither expects nor will receive additional compensation from the City or EDA for the dedication or conveyance of those property interests to either the City or EDA.

C. **Due Diligence Review**.

1. Seller Documents. Within five (5) business days of the Effective Date, if not previously provided by Seller to Buyer, Seller shall provide Buyer with copies of the following documents, provided such documents are within Seller's possession or reasonable control (collectively, the "Seller Documents"):

   a. any existing surveys of the Property or portions thereof;

   b. any approvals, denials, requirements, compliance, restrictions, or the like from, by, or with governmental or quasi-governmental authorities relating to the Property or portions thereof;

   c. any reports of investigations carried out with respect to the environmental condition of the Property or portions thereof;

   d. copies of all documents or reports relating to the status of title to the Property or the physical condition of the Property or portions thereof.

2. Survey. At Buyer's expense, Buyer may obtain a new or updated survey (the "Survey") and Seller will cooperate and assist Buyer.

3. Title. Buyer is taking title to the Property "as is" and "with all faults" subject to the terms and conditions of this Agreement.

4. Access and Physical Inspection. Seller will allow Buyer and each of their agents to access the Property, without charge and at all reasonable times, for the purpose of conducting physical inspections, testing and investigations in accordance with the Access Agreement.

D. **Buyer's Contingencies**. The obligation of Buyer to close on the purchase of the Property is contingent upon each of the following (the "Buyer's Contingencies") being satisfied or waived by Buyer during the time period set forth below:

1. Initial Closing Date. On or before the Initial Closing Date:

a. Representations and Warranties. Seller's and the City's, if applicable, representations and warranties contained in this Agreement and the Master Development Agreement with respect to the Acquired Properties must be accurate in all material respects now and on the Initial Closing Date as if made on the Initial Closing Date and Seller shall have delivered to Buyer at Closing a certificate (the "Seller Bring-Down Certificate") dated the Initial Closing Date certifying that such representations and warranties are true as of the Initial Closing Date.

b. Due Diligence. Buyer shall be satisfied, in its sole discretion, with the condition of the Acquired Properties and any of the Seller Documents relating thereto. Nothing herein shall waive Buyer's rights as set forth in Section IV.A below.

c. Title and Survey. Buyer shall be allowed to review the Title Evidence with respect to the Acquired Properties and make objections thereto (collectively, the "Title Objections") that in Buyer's reasonable judgment constitute a material title issue adverse to the 105^{th} Redevelopment per the Master Development Agreement, provided that said Title Objections shall be made in writing within ten (10) days of receipt of the last of the Title Evidence with respect to the Acquired Properties or else deemed to be waived and therefore, "Permitted Encumbrances" with respect to the Acquired Properties.

d. Seller's Performance. Seller shall have performed all of its covenants, duties, and obligations under this Agreement, including but not limited to the obligations with respect to Section II.H below.

If any contingency under this Section II.D.1 has not been satisfied or waived by Buyer on or before the Initial Closing Date, then Buyer may either (i) extend the Initial Closing Date, or (ii) terminate this Agreement by a notice of termination given to Seller on or before the

Initial Closing Date that specifies the failed contingency item. Following delivery of a notice of termination to Seller, Buyer will provide Seller with a recordable quit claim deed or other recordable instrument evidencing the termination of this Agreement.

2. Subsequent Closing Date. On or before the applicable Subsequent Closing Date:

a. Representations and Warranties. Seller's representations and warranties contained in this Agreement and the Master Development Agreement with respect to the applicable To-Be-Acquired Properties must be accurate in all material respects now and on the applicable Subsequent Closing Date as if made on the applicable Subsequent Closing Date and Seller shall have delivered to Buyer at Closing the Seller Bring-Down Certificate dated the applicable Subsequent Closing Date certifying that such representations and warranties are true as of the applicable Subsequent Closing Date.

b. Title and Survey. Buyer shall be allowed to review the Title Evidence with respect to the To-Be-Acquired Properties and make objections thereto (collectively, the "Title Objections") that in Buyer's reasonable judgment constitute a material title issue adverse to the 105^{th} Redevelopment per the Master Development Agreement, provided that said Title Objections shall be made in writing within ten (10) days of receipt of the last of the Title Evidence with respect to the To-Be-Acquired Properties or else deemed to be waived and therefore, "Permitted Encumbrances" with respect to the To-Be-Acquired Properties. Notwithstanding the foregoing, any encumbrances disclosed on the Title Evidence prior to the Initial Closing Date shall be deemed Permitted Encumbrances, and Buyer shall not have the right to object to the same.

c. Seller's Performance. Seller shall have performed all of its covenants, duties, and obligations under this Agreement, including but not limited to the obligations with respect to Section II.H below.

If any contingency under this Section II.D.2 has not been satisfied or waived by Buyer on or before the applicable Subsequent Closing Date, then Buyer may either (i) extend the applicable Subsequent Closing Date, or (ii) terminate this Agreement with respect to the To-Be-Acquired Properties by a notice of termination given to Seller on or before the applicable Subsequent Closing Date that specifies the failed contingency item. Following delivery of a notice of termination to Seller, Buyer will provide Seller with a recordable quit claim deed or other recordable instrument evidencing the termination of this Agreement with respect to the applicable To-Be-Acquired Properties.

E. **Seller's Contingencies**. The obligation of Seller to close on the sale of the Property is contingent upon the following ("Seller's Contingencies") being satisfied or waived by Seller during the time period set forth below:

1. Initial Closing Date. On or before the Initial Closing Date:

a. Representations and Warranties. Buyer's representations and warranties contained in this Agreement and the Master Development Agreement with respect to the Acquired Properties must be accurate in all material respects now and on the Initial Closing Date as if made on the Initial Closing Date and Buyer shall have delivered to Seller at Closing a certificate (the "Buyer Bring-Down Certificate") dated the Initial Closing Date certifying that such representations and warranties are true as of the Initial Closing Date.

b. Buyer's Performance. Buyer shall have performed all of its covenants, duties, and obligations under this Agreement.

If any contingency under this Section II.E.1 has not been satisfied or waived by Seller on or before the Initial Closing Date, then Seller may either (i) extend the Initial Closing Date, or (ii) terminate this Agreement by a notice of termination given to Buyer on or before the Initial Closing Date that specifies the failed contingency item. Following delivery of a notice of termination to Buyer, Buyer will provide Seller with a recordable quit claim deed or other recordable instrument evidencing the termination of this Agreement.

2. Subsequent Closing Date. On or before the applicable Subsequent Closing Date:

a. Representations and Warranties. Buyer's representations and warranties contained in this Agreement and the Master Development Agreement with respect to the Acquired Properties must be accurate in all material respects now and on the Initial Closing Date as if made on the Initial Closing Date and Buyer shall have delivered to Seller at Closing a certificate (the "Buyer Bring-Down Certificate") dated the Initial Closing Date certifying that such representations and warranties are true as of the Initial Closing Date.

b. Buyer's Performance. Buyer shall have performed all of its covenants, duties, and obligations under this Agreement.

If any contingency under this Section II.E.2 has not been satisfied or waived by Seller on or before the applicable Subsequent Closing Date, then Seller may either (i) extend the applicable Subsequent Closing Date, or (ii) terminate this Agreement by a notice of termination given to Buyer on or before the applicable Subsequent Closing Date that specifies the failed contingency item. Following delivery of a notice of termination to Buyer, Buyer will provide Seller with a recordable quit claim deed or other recordable instrument evidencing the termination of this Agreement with respect to the applicable To-Be-Acquired Properties.

F. **Representations and Warranties of Buyer**. Buyer represents and warrants to Seller that the statements contained in this Section II.F are true, correct and complete as of the Effective Date of this Agreement or as otherwise provided.

1. Authority. Buyer represents and warrants to Seller that Buyer has the full power and authority to enter into this Agreement and will have the full power and authority to purchase the Property, to execute, deliver and perform its obligations and to enter into and consummate the transaction contemplated by this Agreement; will have

duly authorized the execution, delivery and performance of this Agreement; and this Agreement will constitute a legal, valid and binding obligation of Buyer.

2. Proceedings. There are no existing, nor to Buyer's knowledge overtly threatened, proceedings against Buyer, either administrative or judicial, on account of any alleged violation of any rules, regulations, orders or directives and there is no such litigation or condemnation pending that would affect Buyer or Buyer's use of the Property.

3. Documents True and Correct. All documents delivered by Buyer to Seller in connection with the Property are true, complete and correct in all material respects.

If, prior to Closing, Buyer becomes aware that any of the above representations and warranties are not true, Buyer will promptly notify Seller in writing of such matter. In such event, Seller may terminate this Agreement by delivering a notice of termination to Buyer in accordance with this Agreement at any time on or before the earlier of the date that is twenty (20) days after Buyer notifies Seller of any inaccuracy of such representation or warranty or the Closing Date. Within three (3) business days of its delivery of a notice of termination, Buyer shall deliver to Seller a recordable quit claim deed or other recordable instrument evidencing the termination of this Agreement.

G. **Representations and Warranties of Seller**. Seller represents and warrants to Buyer that the statements contained in this Section II.G are true, correct and complete as of the Effective Date of this Agreement or as otherwise provided. For purposes hereof, Seller's "knowledge" shall mean the actual knowledge of Erik Thorvig, Seller's Community Development Director.

1. Authority. Seller will have the full power and authority to sell the Property, to execute, deliver and perform its obligations and to enter into and consummate the transaction contemplated by this Agreement; will have duly authorized by the affirmative vote of the requisite number of members of Seller's Board of Commissioners the execution, delivery and performance of this Agreement; and this Agreement will constitute a legal, valid and binding obligation of Seller.

2. Codes and Regulations. Seller has no knowledge of and has received no notice of any uncorrected violation or potential violation from any federal, state or local authority regarding the Property.

3. Wells, Tanks and Septic Systems and Methamphetamine Production. Except as set forth on the Quitclaim Deed, Seller is not aware of any wells, underground storage tanks, or private septic systems on the Property. To the best of Seller's actual knowledge, the Property has not been used for methamphetamine production.

4. Proceedings. There are no existing, nor to Seller's knowledge overtly threatened, proceedings against the Property or owners thereof, either administrative or judicial, on account of any alleged violation of any rules, regulations, orders or directives and there is no litigation or condemnation pending or threatened which would affect the Property or the use thereof by Buyer.

5. Consents. To Seller's knowledge, there are no consents of third parties which are required for the transfer of the Property to Buyer or which are required in connection with the other transactions contemplated by this Agreement.

6. Rights of Others to Purchase Property. Seller has not entered into any other contracts, agreements, letters of intent or understandings, whether oral or written, for the sale of all or any portion of the Property, and there are no existing rights of first refusal or options to purchase all or any portion of the Property, or any other rights of others that might prevent the consummation of this Agreement.

7. Documents True and Correct. All documents delivered by Seller to Buyer in connection with the Property are true, complete and correct in all material respects.

If, prior to Closing, Seller becomes aware that any of the above representations and warranties are not true, Seller will promptly notify Buyer in writing of such matter. In such event, Buyer may terminate this Agreement by delivering a notice of termination to Seller in accordance with this Agreement at any time on or before the earlier of the date that is twenty (20) days after Seller notifies Buyer of any inaccuracy of such representation or warranty or the Closing Date. Within three (3) business days of its delivery of a notice of termination, Buyer shall deliver to Seller a recordable quit claim deed or other recordable instrument evidencing the termination of this Agreement.

H. **Executory Period Obligations of the Authority**. Following the Effective Date, the Authority agrees to take the following actions. For the avoidance of doubt, the Authority's failure to comply with this Section II.H shall be considered a default entitling Buyer to its remedies as set forth in Section V.

1. Control of To Be Acquired Properties. On or before December 31, 2024, the Authority shall have control of the To-Be-Acquired Properties. For purposes of this provision, "control" includes the following: (i) the Authority and the fee owner(s) of the applicable To-Be-Acquired Properties have entered into a binding purchase agreement for the Authority's acquisition of the applicable To-Be-Acquired Properties; or (ii) the Authority has approved a resolution authorizing the Authority to proceed with a quick-take of the To-Be-Acquired Properties (or portions thereof not otherwise under control pursuant to (i)), has filed and served the petition for the quick-take of the applicable To-Be-Acquired Properties, and is proceeding in good faith to obtain an order approving such quick-take.

2. Possession of the To-Be-Acquired Properties. On or before April 1, 2025, the Authority shall have acquired the To-Be-Acquired Properties, whether by a voluntary disposition by the fee owners thereof or by the recording of an order approving the quick-take of the To-Be-Acquired Properties, and shall have possession of the To-Be-Acquired Properties.

ARTICLE III.
(CLOSING)

A. **Closing**. The closing of the purchase and sale contemplated by this Agreement (whether of the Acquired Properties or any of the To-Be-Acquired Properties, each a "Closing") shall occur on or before the dates set forth below. Each Closing shall take place at the offices of the Title Company, or at such other location as is acceptable to Buyer and Seller.

1. Initial Closing. The closing of the purchase and sale of the Acquired Properties shall occur on or before October 11, 2024 (the "Initial Closing Date"), provided that Buyer shall have two (2) options to extend the Initial Closing Date by up to thirty (30) days per extension (each an "Extension"), but in no event shall an extension be after the TIF Bond Sale Date. Each Extension may be exercised by Buyer upon written notice to Seller prior to the then-current Initial Closing Date. For the avoidance of doubt, Buyer must close on the Acquired Properties on or before the TIF Bond Sale Date; as a result, under no circumstances shall Buyer's extension right exceed the date of the TIF Bond Sale Date. Seller shall deliver possession of the Acquired Properties to Buyer on the Initial Closing Date.

2. Subsequent Closings. The closing of the purchase and sale of each of the To-Be-Acquired Properties shall each occur on or before the date that is thirty (30) days following Seller's acquisition of each of the To-Be Acquired Properties (such applicable date being the "Subsequent Closing Date"). Notwithstanding the foregoing, the outside date for the closing of the purchase and sale of all of the To-Be-Acquired Properties shall be on or before May 1, 2025 (the "Outside Closing Date"). Seller shall deliver possession of the To-Be-Acquired Properties to Buyer on the Subsequent Closing Date. Seller and Buyer shall mutually agree upon either an assignment from Seller to Buyer of Seller's Purchase Agreement with respect to the To-Be-Acquired Properties' owner (provided that in such case, Seller shall retain responsibility for payment of the purchase price thereunder to the owner) or, alternatively, a simultaneous closing on the same day transferring the To-Be-Acquired Property from its owner to Seller and then from Seller to Buyer.

B. **Seller's Initial Closing Documents**. On the Initial Closing Date, Seller shall execute and/or deliver to Buyer the following (collectively, "Seller's Initial Closing Documents"):

1. A Quitclaim Deed, the form of which is attached hereto as Exhibit B conveying fee simple title to the Acquired Properties as required by this Agreement, subject only to the Permitted Encumbrances **and the forfeiture clause required by Minnesota Statutes Section 469.105, subd. 5, as set forth in more detail in Section IV.B.1 below**.

2. Resolution of Seller approving Master Development Agreement or other Resolution, authorizing Seller's conveyance of the Acquired Properties.

3. A non-foreign (FIRPTA) affidavit containing such information as is required by Internal Revenue Code Section 1445(b)(2) and its regulations.

4. The Seller Bring-Down Certificate with respect to the Acquired Properties.

5. Any additional documents, certificates or agreements reasonably necessary to effectuate the sale contemplated by this Agreement.

6. Seller's information necessary for a Certificate of Real Estate Value.

7. A Settlement Statement.

C. **Buyer's Initial Closing Documents**. On the Closing Date, Buyer will execute and/or deliver to Seller the following (collectively, "Buyer's Initial Closing Documents"):

1. Resolutions of the board of directors, general partner, or managing member of Buyer authorizing the transaction contemplated in this Agreement and acknowledging the authority of the persons executing documents on behalf of Buyer to act on behalf of and bind Buyer.

2. An Affidavit of Buyer, if required by the Title Company, in appropriate and customary form acceptable to Buyer.

3. The Buyer Bring-Down Certificate with respect to the Acquired Properties.

4. Any other instruments, documents or agreements reasonably necessary to effectuate the sale contemplated by this Agreement, in form reasonably acceptable to Buyer.

5. A Certificate of Real Estate Value.

6. A Settlement Statement.

D. **Seller's Subsequent Closing Documents**. On the Closing Date for any of the To-Be-Acquired Properties, Seller shall execute and/or deliver to Buyer the following (collectively, "Seller's Subsequent Closing Documents"):

1. A Quitclaim Deed, the form of which is attached hereto as Exhibit B conveying fee simple title to the applicable To-Be-Acquired Properties as required by this Agreement, subject only to the Permitted Encumbrances **and the forfeiture clause required by Minnesota Statutes Section 469.105, subd. 5, as set forth in more detail in Section IV.B.1 below**.

2. Resolution of Seller authorizing Seller's conveyance of the applicable To-Be-Acquired Properties.

3. A non-foreign (FIRPTA) affidavit containing such information as is required by Internal Revenue Code Section 1445(b)(2) and its regulations.

4. The Seller Bring-Down Certificate with respect to the applicable To-Be-Acquired Properties.

5. Any additional documents, certificates or agreements reasonably necessary to effectuate the sale contemplated by this Agreement.

6. Buyer's information necessary for a Certificate of Real Estate Value.

7. A Settlement Statement.

E. **Buyer's Subsequent Closing Documents**. On the Closing Date, Buyer will execute and/or deliver to Seller the following (collectively, "Buyer's Subsequent Closing Documents"):

1. Resolutions of the board of directors, general partner, or managing member of Buyer authorizing the transaction contemplated in this Agreement and acknowledging the authority of the persons executing documents on behalf of Buyer to act on behalf of and bind Buyer.

2. An Affidavit of Buyer, if required by the Title Company, in appropriate and customary form acceptable to Buyer.

3. The Buyer Bring-Down Certificate with respect to the applicable To-Be-Acquired Properties.

4. Any other instruments, documents or agreements reasonably necessary to effectuate the sale contemplated by this Agreement, in form reasonably acceptable to Buyer.

5. Buyer's information necessary for a Certificate of Real Estate Value.

6. A Settlement Statement.

F. **Prorations**. Seller and Buyer agree to the following prorations and allocations of costs under this Agreement:

1. Seller will pay the state deed tax, the conservation fee, and one-half of the closing fees or charges. Buyer shall pay (i) all costs of preparing any Title Commitment, the Survey, and any title policy premiums and endorsement costs; (ii) all costs related to Buyer's financing, including but not limited to mortgage registration tax; (iii) all costs of recording other than those to be paid by Seller pursuant to the foregoing sentence; (iv) one-half of the closing fees or charges.

2. Connection Charges. Buyer shall be required to pay deferred connection charges, if any.

3. Except for assessments as noted above, real estate taxes and any other assessments due and payable in the year of closing shall be prorated between the parties on a daily basis. Buyer and Seller acknowledge that the Property may, in the hands of Seller, be exempt from current property taxes.

4. Buyer shall assume responsibility for any assessments that are levied against the Property after the Closing.

ARTICLE IV. (IMPROVEMENTS AND POST-CLOSING OBLIGATIONS)

A. **Seller's Improvements and Post-Closing Obligations**. Seller shall have no improvement obligations with regard to the Property. Buyer agrees to take the Property in entirely "AS IS" condition, subject to the terms and conditions of this Agreement and the representations and warranties of Seller as explicitly set forth in this Agreement and any closing document delivered by Seller.

B. **Buyer's Improvements and Post-Closing Obligations**. After Closing, Buyer shall commence and complete the following improvements and post-closing obligations:

1. Conveyance Subject to Seller's Right of Reentry. This Agreement and each Quitclaim Deed to be delivered at each Closing, are governed by the provisions of Minnesota Statutes Sections 469.105 relating to the use of the applicable Property. The Quitclaim Deed shall incorporate a covenant running with the land in favor of Seller, as required pursuant to Minnesota Statutes Section 469.105, pursuant to which Seller must, subject to Unavoidable Delays, commence construction of the Minimum Improvements on the applicable Property within one year of the applicable Closing, subject to extensions that may be granted in accordance with Minnesota Statutes Sections 469.105. To the extent permitted by Minnesota law, Seller agrees to subordinate its rights in the applicable Property under such covenant to the interest of any mortgagee providing financing for the construction of the Minimum Improvements. Following satisfaction of the conditions herein, and upon request by Buyer, Seller agrees to deliver a certificate of completion (in recordable form) evidencing Buyer's satisfaction of the conditions set forth herein.

2. Minimum Improvements. Except as required of Seller pursuant to the Master Development Agreement and subject to the terms and conditions of the Master Development Agreement, Buyer shall construct and install at its expense the Minimum Improvements to be located on the Property in compliance with all municipal and regulatory standards.

ARTICLE V. (REMEDIES)

A. **Default Prior to Acquired Properties Closing**. In the event of a default under this Agreement prior to Buyer's acquisition of the Acquired Properties, which default is not cured within thirty (30) days following delivery of written notice of such default, the following provisions shall apply:

1. Seller's Remedies. In the event of a default by Buyer prior to Buyer's acquisition of the Acquired Properties, Seller's exclusive remedies shall be: (i) the termination of this Agreement, and upon the terms and conditions set forth herein; and this Agreement shall be null and void without the necessity of further notice and without

the need for statutory cancellation proceedings, or any other proceeding. Within three (3) business days of its delivery of a notice of termination, Buyer shall deliver to Seller a recordable quit claim deed or other recordable instrument evidencing the termination of this Agreement.

2. Buyer's Remedies. In the event of a default by Seller hereunder prior to Buyer's acquisition of the Acquired Properties, Buyer's exclusive remedies shall be: (i) the termination of this Agreement, by providing Seller with a recordable quit claim deed or other recordable instrument evidencing the termination of this Agreement, and upon the terms and conditions set forth herein; and this Agreement shall be null and void without the necessity of further notice and without the need for statutory cancellation proceedings, or any other proceeding and return of the applicable portion of Buyer's Earnest Money as liquidated damages; or (ii) to seek specific performance of this Agreement, provided such specific performance action is commenced within six (6) months of the date Buyer becomes aware of such default.

B. **Default After Acquired Properties Closing**.

1. Seller's Remedies. If Buyer defaults after Buyer's acquisition of the Acquired Properties but prior to the acquisition of the To-Be-Acquired Properties, provided that Seller has acquired the To-Be-Acquired Properties, Seller's exclusive remedy shall be the termination of this Agreement, and upon the terms and conditions set forth herein; and this Agreement shall be null and void without the necessity of further notice and without the need for statutory cancellation proceedings, or any other proceeding.

2. Buyer's Remedies. If the Authority or the City defaults after Buyer's acquisition of the Acquired Properties, Buyer shall be entitled to either (a) seek specific performance of this Agreement, which includes Seller's post-closing reimbursement obligations, provided such action is commenced within twenty-four (24) months of the date Buyer becomes aware of such default, or (b) give notice to Seller of its election to reconvey the Property acquired by Buyer hereunder, in which case the following shall apply: (i) Buyer shall be entitled to a reimbursement from the Authority and/or the City for the Purchase Price (provided that to the extent the Purchase Price was paid using funds from a mortgagee, such funds shall be used to pay down such mortgage prior to reconveyance), all costs and expenses incurred by Buyer or its Affiliate(s) as of the date of such notice with respect to the Master Development Agreement, except to the extent that Buyer has been previously reimbursed for such expenses through public funds or grant funds; and (ii) Buyer shall deliver, and Seller shall accept (1) possession of such Property "AS IS" condition, (2) mortgage satisfactions (provided that, for the avoidance of doubt, the reimbursement due to Buyer hereunder shall include repayment of the funds borrowed by Buyer for acquisition of the Property and construction of the improvements required by the Master Developer Agreement), and (3) a quit claim deed for such Property. In any event, if the EDA fails to acquire the To-Be-Acquired Properties as required under this Agreement, subject to and to the extent that Buyer establishes to Seller with reasonable documentation that Buyer has

expended those monies per the Agreement, Buyer shall be entitled to a reimbursement of the $3,011,799.00 following such default (whether through a reimbursement of the Purchase Price as provided in the prior sentence or otherwise).

ARTICLE VI.
(MISCELLANEOUS)

A. **Purchase "As Is"**. Except as expressly warranted herein or in any closing document or deliverable, and subject to the terms hereof, Buyer accepts the Property in an "as is," "where is" condition, with all the faults, defects and deficiencies, including the Property's environmental and geotechnical condition. Subject to the terms hereof, including but not limited to Section IV.A, Buyer hereby waives any and all rights or claims for contribution, indemnity, reimbursement or damages arising under any federal, state or local law (including without limitation the Comprehensive Environmental Response, Compensation and Liability Act, 42 USC § 9601 et seq., and the Minnesota Environmental Response and Liability Act, Minn. Stat. § 115B.01 et. seq.), or under the common law, relating to environmental, health, or safety matters, recognizing that Seller is only a conduit with respect to the Property and has undertaken no activities of its own with respect to it except environmental remediation.

B. **Time of Essence**. The Parties hereby acknowledge that time is of the essence in this Agreement.

C. **Notices**. All notices, demands and requests which may be given or served or which are required to be given or waived by either party to the other shall be in writing and shall be sent via United States mail, certified mail, return receipt requested, postage prepaid, or nationally recognized overnight courier, or via email, addressed as follows:

If to the City:	City of Blaine Blaine, MN 55102 Attn: City Manager Email: mwolfe@blainemn.gov
Copy to:	City of Blaine (OFS) Blaine, MN 55102 Attn: Finance Director Email: jzimmerman@blainemn.gov
And:	Eckberg Lammers, P.C. 1809 Northwestern Avenue S Stillwater, MN 55082 Attn: City Attorney Email: elarson@eckberglammers.com
If to the Authority:	Economic Development Authority of the City of Blaine, Minnesota (HRA) Blaine, MN 55102 Attn: Executive Director Email: mwolfe@blainemn.gov
Copy to:	Eckberg Lammers, P.C. 1809 Northwestern Ave S Stillwater, MN 55082 Attention: Eric Larson Email: elarson@eckberglammers.com
If to Buyer:	Blaine Town Center East LLC 3020 France Avenue South Minneapolis, MN 55416 Attn: Robb Bader and Corey Burstad Email: rbader@badercompanies.com and corey@elevagegroup.com
Copy to:	Winthrop & Weinstine, P.A. 225 South Sixth Street, Suite 3500 Minneapolis, MN 55402-4629 Attn: Erin Mathern Email: emathern@winthrop.com

Notices, demands and requests by the Parties given in this manner shall be deemed sufficiently served or given for all purposes hereunder at the earlier of actual receipt or three (3) business days after mailing by U.S. Mail or one (1) business day after deposit with an overnight courier. Notices, demands and requests sent by email shall be deemed sufficiently served or given on the date of transmission for all purposes hereunder upon sending, provided that no bounce-back or error message is received by the sender immediately thereafter. Either party may change the place to which notices are to be sent by serving a written notice thereof upon the other in accordance with the terms hereof.

D. **Successors and Assigns**. This Agreement shall inure to the benefit of and be binding upon, the respective parties hereto and their respective successors and assigns.

E. **Brokers**. Seller and Buyer each represents and warrants to the other that it has retained no broker or agency with regard to this sale, and no fee is owed to any such broker or agency with respect hereto. Seller and Buyer agree to indemnify and hold each other harmless from all claims, damages, costs or expenses of or for any other such fees or commissions resulting from their actions or agreements regarding the execution or performance of this Agreement and will pay all costs of defending any action or lawsuit brought to recover any such fees or commissions incurred by the other party, including reasonable attorneys' fees.

F. **Survival**. The terms and conditions of this Agreement, together with Seller's and Buyer's applicable warranties and representations contained herein (each of such warranties and representations to be deemed restated and to be true and correct on the Closing Date) shall survive the Closing for a period of one (1) year, except for Article IV, Article V, and Article VI, each of which shall survive until completed.

G. **Assignment**. This Agreement may not be assigned by Buyer without Seller's written consent, which consent shall not be unreasonably withheld, conditioned or delayed. Notwithstanding the foregoing, prior to Closing, Buyer shall have the right to assign this Agreement (i) for financing purposes, and (ii) to an Affiliate of Buyer, all without first obtaining Seller's written consent.

H. **Attorneys' Fees**. If either party shall be required to employ an attorney to enforce or defend the rights of such party hereunder, the prevailing party shall be entitled to recover reasonable attorneys' fees.

I. **Governing Law**. This Agreement shall be governed and construed in accordance with the laws of the State of Minnesota, without regard to its rules governing conflicts of laws, and any legal action shall be venued in Anoka County, State of Minnesota.

[Signature Page to Follow]

IN WITNESS WHEREOF, the undersigned have executed this Agreement effective the date first above written.

THE CITY:
CITY OF BLAINE, MINNESOTA

By:____________________________________
Its Mayor

By:____________________________________
Its Director, Office of Financial Services

SELLER:
ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF BLAINE, MINNESOTA

By:____________________________________
Its Chair or Commissioner

By:____________________________________
Its Executive Director

By:____________________________________
Its Director, Office of Financial Services of the City

Approved as to Form

____
City Attorney

BUYER:
BLAINE TOWN CENTER EAST LLC

By:____________________________________
Name: __________________________________
Its: ____________________________________

IN WITNESS WHEREOF, the undersigned have executed this Agreement effective the date first above written.

THE CITY:
CITY OF BLAINE, MINNESOTA

By:____________________________________
Its Mayor

By:____________________________________
Its Director, Office of Financial Services

SELLER:
ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF BLAINE, MINNESOTA

By:____________________________________
Its Chair or Commissioner

By:____________________________________
Its Executive Director

By:____________________________________
Its Director, Office of Financial Services of the City

Approved as to Form

____
City Attorney

BUYER:
BLAINE TOWN CENTER EAST LLC

Signed by:
By: Robb Bader
CA7AFBA760944A2...
Name: Robb Bader
Its: Manager

IN WITNESS WHEREOF, the undersigned have executed this Agreement effective the date first above written.

THE CITY:
CITY OF BLAINE, MINNESOTA

By:______________________________
Its Mayor

By:______________________________
Its Director, Office of Financial Services

SELLER:
ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF BLAINE, MINNESOTA

By:______________________________
Its Chair or Commissioner

By:______________________________
Its Executive Director

By:______________________________
Its Director, Office of Financial Services of the City

Approved as to Form

____
City Attorney

BUYER:
BLAINE TOWN CENTER EAST LLC

By:______________________________
Name: ______________________________
Its: ______________________________

EXHIBIT A-1
LEGAL DESCRIPTION OF THE ACQUIRED PROPERTIES

Parcel 1 [Dobson]:
Intentionally Omitted.

Parcel 2:
The East 165 feet of the East 350 feet of the West 900 feet of the South 285 feet of the Southeast Quarter of the Northwest Quarter of Section 21, Township 31, Range 23, Anoka County, Minnesota.

Parcel 3:
Lot 4, Block 1, Northway Estates, Anoka County, Minnesota.

Parcel 4 [MR. T Company]:
Intentionally Omitted.

Parcel 5:
Lot 6, Block 1, Northway Estates, Anoka County, Minnesota.

Parcel 6:
The South 435 feet of the East 200 feet of the West 400 feet of the Southeast ¼ of the Northwest ¼ of Section 21, Township 31, Range 23, Anoka County, Minnesota.

Parcel 7 [Invictus Brewery]:
Intentionally Omitted.

Parcel 8:
The East 350.00 feet of the West 900.00 feet of that part of the Southeast Quarter of the Northwest Quarter of Section 21, Township 31, Range 23, Anoka County, Minnesota, lying north of the south 685.00 feet and south of the north 450.00 feet thereof.

Parcel 9:
The North 150 feet of the South 812.69 feet lying East of the West 900 feet of the SE 1/4 of the NW 1/4 of Section 21, Township 31, Range 23, Anoka County, Minnesota. Except Parcel 7 of Anoka County Highway Right-of-Way Plat No. 62.

Parcel 10:
The North 150 feet of the South 662.69 feet of the Southeast Quarter of the Northwest Quarter (SE 1/4 of NW 1/4) of Section 21, Township 31, Range 23, lying East of the West 900 feet thereof, Anoka County, Minnesota.

Parcel 11:
That part of the Southeast Quarter of the Northwest Quarter (SE1/4 of NW1/4) of Section 21, Township 31, Range 23 lying North of the South 363 feet and South of the North line of the South

512.69 feet and East of the West 900 feet, according to the U.S. Government Survey thereof, Anoka County, Minnesota, except Parcel 9 of Anoka County Highway Right-of-Way Plat No. 62.

Parcel 12 [Lien]:
Intentionally Omitted.

Parcel 13:
The East Three hundred fifty (350) feet of the West Nine hundred (900) feet of the North Three hundred (300) feet of the South Six hundred eighty-five (685) feet of the Southeast Quarter (SE¼) of the Northwest Quarter (NW¼) of Section Twenty-one (21), Township Thirty-one (31), Range Twenty-three (23), subject to road easement, Anoka County, Minnesota.

Parcel 14:
The North 100 feet of the South 385 feet of the East 350 feet of the West 900 feet of the Southeast Quarter of the Northwest Quarter of Section 21, Township 31, Range 23, Anoka County, Minnesota.

Parcel 15:
That part of the South 435 feet of the East 150 feet of the West 550 feet of the Southeast Quarter of the Northwest Quarter of Section 21, Township 31, Range 23, lying North of the South 218 feet of said Southeast Quarter of the Northwest Quarter, Anoka County, Minnesota.

Parcel 16:
Lot 2, Block 1, Northeast NSC Extension, Anoka County, Minnesota.

Parcel 17:
The North 250 feet of the South 685 feet of the West 550 feet of the SE 1/4 of the NW 1/4 of Section 21, Township 31, Range 23, Anoka County, Minnesota.

<u>EXHIBIT A-2</u>
LEGAL DESCRIPTION OF THE TO-BE-ACQUIRED PROPERTIES

Parcel 1 [Dobson]:
The east 185 feet of the west 735 feet of the south 285 feet of the Southeast Quarter of the Northwest Quarter of Section 21, Township 31, Range 23, Anoka County, Minnesota.

Parcel 4 [MR. T Company]:
Lot 5, Block 1, Northway Estates, Anoka County, Minnesota.

Parcel 12 [Lien]:
The East One Hundred Fifty (150) feet of the West Five Hundred Fifty (550) feet of the South Two Hundred Eighteen (218) feet of the Southeast One-quarter of the Northwest One-quarter (SE1/4 of NW1/4) of Section Twenty-one (21), Township Thirty-one (31), Range Twenty-three (23), Anoka County, Minnesota.

<u>EXHIBIT B</u>
FORM OF QUITCLAIM DEED;
PERMITTED ENCUMBRANCES

[See attached.]

(Top 3 inches reserved for recording data)

QUITCLAIM DEED

eCRV number: ______________________________

DEED TAX DUE: $ ___________________________ DATE: _____________________________________
(month/day/year)

FOR VALUABLE CONSIDERATION, [the ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF BLAINE, MINNESOTA, a public body corporate and politic organized and existing under the laws of the State of Minnesota OR the City of Blaine, Minnesota, a body politic and corporate under the laws of the State of Minnesota] ("**Grantor**"), hereby conveys and quitclaims to BLAINE TOWN CENTER EAST LLC, a limited liability company under the laws of the State of Minnesota ("**Grantee**"), real property in Anoka County, Minnesota, legally described as follows:

See Exhibit A attached hereto.

Check here if all or part of the described real property is Registered (Torrens) ☒

together with all hereditaments and appurtenances belonging thereto and subject to the one-year forfeiture under Minnesota Statutes section 469.105(5) pursuant to that certain Purchase Agreement between City of Blaine, the Economic Development Authority of the City of Blaine, Minnesota, and Blaine Town Center East LLC, dated [__________, 2024].

Check applicable box:

☒ The Seller certifies that the Seller does not know of any wells on the described property.

☐ A well disclosure certificate accompanies this document or has been electronically filed. (If electronically filed, insert WDC number: _________________________.)

☐ I am familiar with the property described in this instrument and I certify that the status and number of wells on the described real property have not changed since the last previously filed well disclosure certificate.

[30159-36048/3443476/1]

GRANTOR:

[ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF BLAINE, MINNESOTA, a public body corporate and politic organized and existing under the laws of the State of Minnesota]

By:____
Its Chair or Commissioner

By:____
Its Executive Director

By:____
Its Director, Office of Financial Services of the City

STATE OF MINNESOTA)
) SS.
COUNTY OF ANOKA)

The foregoing instrument was acknowledged before me this ____ day of _________, 2024, by _______________________________, the ___________________ of the Economic Authority of the City of Blaine, Minnesota, on behalf of the Economic Development Authority of the City of Blaine, Minnesota.

____
Notary Public

STATE OF MINNESOTA)
) SS.
COUNTY OF ANOKA)

The foregoing instrument was acknowledged before me this ____ day of _________, 2024, by ____, the Executive Director of the Economic Development Authority of the City of Blaine, Minnesota, on behalf of the Economic Development Authority of the City of Blaine, Minnesota.

____
Notary Public

[Continued on following page]

STATE OF MINNESOTA)
) SS.
COUNTY OF ANOKA)

The foregoing instrument was acknowledged before me this ___ day of _____________, 2024, by __________________ and __________________, the Director, Office of Financial Services of the City of Blaine, Minnesota, on behalf of the Economic Development Authority of the City of Blaine, Minnesota.

____
Notary Public

GRANTOR:

[The City of Blaine, Minnesota, a body politic and corporate under the laws of the State of Minnesota]

By:___________________________________
Its:

STATE OF MINNESOTA)
) SS.
COUNTY OF ANOKA)

The foregoing instrument was acknowledged before me this ___ day of _____________, 2024, by __________________ the _____________ of the City of Blaine, Minnesota, on behalf of the City of Blaine, Minnesota, a body politic and corporate under the laws of the State of Minnesota.

THIS INSTRUMENT WAS DRAFTED BY:
Eric D. Larson
Eckberg Lammers, P.C.
1809 Northwestern Avenue S
Stillwater, Minnesota 55082

TAX STATEMENTS FOR THE REAL PROPERTY
Blaine Town Center East LLC
3020 France Avenue South
Minneapolis, MN 55416
Attn: Robb Bader

29653185v8

EXHIBIT A
TO QUITCLAIM DEED

Legal Description

[Legal Description to be inserted]

EXHIBIT B
TO QUITCLAIM DEED

Permitted Encumbrances

1. Building, zoning and subdivision statutes, laws, ordinances and regulations.

2. Reservations and minerals or mineral rights in favor of the State of Minnesota, if any.

3. The lien of real estate taxes not yet due and payable.

4. Leases.

5. Minimum Assessment Agreement per TIF Bond documents.

6. A forfeiture provision satisfying the requirements of Minn. Stat.§ 469.065, subd. 6, which will be included in the Quitclaim Deed Seller delivers to Buyer at Closing.

7. [Other Permitted Encumbrances to be based upon title objection procedure.]