

## **FIRST AMENDMENT TO PRELIMINARY DEVELOPMENT AGREEMENT**

THIS FIRST AMENDMENT TO PRELIMINARY DEVELOPMENT AGREEMENT (this “First Amendment”), dated April 10, 2025, by and between the GRAND RAPIDS ECONOMIC DEVELOPMENT AUTHORITY, a public body corporate and politic under the laws of the State of Minnesota (the “Authority”), and COMMONWEALTH REAL ESTATE ACQUISITIONS, LLC, a Wisconsin limited liability company (the “Developer”);

WITNESSETH:

WHEREAS, the Authority owns certain property within the City of Grand Rapids, Minnesota (the “City”), described in Exhibit A attached hereto (the “Property”); and

WHEREAS, the Developer has proposed to acquire the Property and construct an approximately 32-unit multifamily affordable rental housing development (the “Development”); and

WHEREAS, the Developer and the Authority previously entered into a Preliminary Development Agreement, dated October 7, 2024, pursuant to which the Developer was designated the sole developer of the Property during the term of the Original Agreement and the parties agreed to work towards the negotiation and execution of a mutually satisfactory purchase and development agreement (the “Contract”) that will address (among other things) the sale of the Property by the Authority to the Developer and the construction of the Development; and

WHEREAS, the Authority has determined that the processes involved in the Developer successfully applying for and being awarded Low Income Housing Tax Credits by the Minnesota Housing Finance Agency significantly extends the timeline for the proposed project; and

WHEREAS, the Authority has determined that it is in its best interest that the Developer continue to be designated the sole developer of the Property during the term of this Agreement; and

WHEREAS, the parties have worked diligently to perform their obligations under the Original Agreement and now wish to extend the term of the Original Agreement.

NOW THEREFORE, in consideration of the foregoing and of the mutual covenants and obligations set forth herein, the Authority and the Developer hereby agree as follows:

1. Amendment to Section 8 of the Original Agreement Section 8 of the Original Agreement is hereby deleted and replaced with the following:

**Section 8. Term of Agreement.** This Agreement is effective until December 31, 2025 provided that if the Developer receives an award of Low Income Housing Tax Credits from the Minnesota Housing Finance Agency prior to such date, this agreement shall automatically be extended until June 31, 2026. After such date, neither party shall have any obligation hereunder except as expressly set forth to the contrary herein.

This Agreement may also be terminated upon ten (10) days written notice by the Authority to the Developer if:

- (a) an essential precondition to the execution of a definitive Contract cannot be met; or
- (b) if, in the sole discretion of the Authority, an impasse has been reached in the negotiation or implementation of any material term or condition of this Agreement or the Contract;
- (c) or the Developer has failed to provide additional funds to pay for Administrative Costs in accordance with Section 6 hereof.

If the Authority terminates the Agreement under this Section 8, the Developer shall remain liable to the Authority under Section 6 of this Agreement for administrative costs incurred by the Authority through the effective date of termination.

Notwithstanding the foregoing, if the Developer does not receive an award of Low Income Housing Tax Credits by the Minnesota Housing Finance Agency, this agreement shall terminate

2. Confirmation of Original Agreement. Except as amended by this First Amendment, the Original Agreement shall remain in full force and effect. Upon execution, the Developer shall reimburse the Authority for all reasonable out-of-pocket costs incurred by the Authority in connection with negotiating, drafting and approval of this First Amendment.

3. Effective Date. The amendments made to the Original Agreement, as set forth in this First Amendment, shall be effective as of the date and year first written above.

4. Counterparts. This First Amendment may be executed in any number of counterparts, each of which shall constitute one and the same instrument.

IN WITNESS WHEREOF, the Authority has caused this First Amendment to be duly executed in its name and behalf and its seal to be duly affixed hereto and the Developer has caused this First Amendment to be duly executed as of the date and year first above written.

**COMMONWEALTH REAL ESTATE  
ACQUISITIONS, LLC**

By \_\_\_\_\_

Its: \_\_\_\_\_

**GRAND RAPIDS ECONOMIC  
DEVELOPMENT AUTHORITY**

By \_\_\_\_\_  
Its President

By \_\_\_\_\_  
Its Executive Director

**EXHIBIT A**  
**Legal Description of the Property**

That part of Government Lot 2, Section 28, Township 55 North, Range 25 West of the Fourth Principal Meridian, described as follows: Commencing at the southwest corner of said Lot 2; thence EAST, assumed bearing along the south line of said Lot 2, a distance of 910.39 feet; thence North 0 degrees 03 minutes 10 seconds West 240.00 feet; thence North 30 degrees 06 minutes 48 seconds West 105.20 feet to the point of beginning of the tract to be described; thence North 30 degrees 06 minutes 48 seconds West 369.58 feet to intersect the west line of the east 662.65 feet of said Lot 2; thence South 0 degrees 05 minutes 42 seconds West 151.84 feet along said west line to its intersections with the south line of the north 160.00 feet of the south half of said Lot 2; thence North 89 degrees 53 minutes 16 seconds West 400.50 feet along said south line of the north 160.00 feet to its intersection with the easterly line of 4th Avenue Southeast according to the plat of CLOVER SECOND ADDITION TO GRAND RAPIDS, according to the plat thereof on file and of record in the office of the County Recorder, Itasca County, Minnesota; thence South 29.69 feet along said easterly line; thence continuing long said easterly line, along a curve concave to the northwest, central angle 28 degrees 16 minutes 09 seconds, radius 155.70 feet, for a distance of 76.82 feet; thence South 74 degrees 55 minutes 43 seconds East 46.35 feet; thence easterly 28.97 feet along a curve, concave to the north, central angle 15 degrees 05 minutes 16 seconds, radius 110.00 feet; thence North 89 degrees 59 minutes 01 seconds East 245.53 feet; thence southeasterly 52.36 feet, along a curve, concave to the southwest, central angle 60 degrees 00 minutes 00 seconds, radius 50.00 feet; thence South 17 degrees 07 minutes 45 seconds East 25.58 feet along a non-tangential line; thence East 234.98 feet to the point of beginning.