



Downtown Redevelopment Project – Concept Site Plan and Updated Purchase Agreement Consideration
July 14, 2025
Economic Development Authority

DISCUSSION:

In March of this year, the EDA recommended, and the City Council approved a purchase agreement and concept plan presented by North Shore Development Partners LLC. The approval was for the redevelopment of a portion of the city's downtown property. At that time, the city and developer were still working to obtain a purchase agreement on the property located at 5210 Main Street E. and finalize a few issues with the Purchase Agreement. The City Council had additional discussions relating to the acquisition of the property and presented an offer to the owner in the beginning of June. The city's offer has not been accepted, and we are now moving forward with a revised concept plan that does not include the property.

Staff wanted to bring back the final version of the Purchase Agreement and a revised concept site plan to the EDA for review and recommendation to the Council for approval.

The revised site plan/proposed redevelopment would include the following:

- Project would still commence in fall of 2025.
- 71-unit market rate apartment building (breakdown of proposed units is indicated on concept plan but would be finalized based on further market study).
- Underground enclosed parking along with on-street parking (on-street parking and associated street scape and sidewalks to be designed and developed by City).
- Three (3) story building.
- Site plan still provides for the possibility of a standalone City Hall building utilizing the Budd Ave. right of way.
- Site plan no longer provides for the possibility of a standalone retail/office building at the corner of Maple and Highway 12.

The City has worked with the developer to negotiate the relevant deal points for the redevelopment. The following deal points are based on the construction of a 71-unit multi-family building. The proposed building would have an estimated taxable market value of approximately \$15,000,000-\$20,000,000M.

Land Purchase Price: \$100,000 (includes parcel acquired from MNDOT)

<i>TIF:</i>	70% of TIF generated for 26 years – estimated to be approximately \$2,300,000 million (PV Net TIF).
<i>Fees Paid by Developer:</i>	\$668,500 paid to the City at the time of Final Plat (see fee table estimate).
<i>Storm Water:</i>	City will provide a “Regional Stormwater” Connection to the property that will accommodate the stormwater generated from the proposed redevelopment. Redeveloper shall be responsible for designing and maintaining storm water management system to the satisfaction of the City and Pioneer Lake Sarah Watershed Management Commission to convey the water to the City’s connection. Redeveloper’s engineer shall coordinate the design of the storm water management system with City’s engineer.
<i>Public Improvements:</i>	<p>The City will install certain public improvements to serve, among other properties, the Development Property. The City will consider the financing of all or a portion of the public infrastructure costs through the issuance of general obligation bonds. Bonds will need to be repaid from tax increments and/or special assessments from the project, with possible consideration of ad valorem taxes based on broader public benefits that may be achieved by the project. The Developer will agree to pay an assessment (~30% of total redevelopment costs) for public infrastructure costs, subject to confirmation of the scope of the work to be completed. Timing of the public improvements will be coordinated with the Developer’s improvements so that they do not delay the opening of the project. Public improvements to serve the Development Property include but are not limited to:</p> <ul style="list-style-type: none"> • Streets (concrete curb and gutter, granular sub-base, gravel base and bituminous pavement) • Street lighting • Landscaping • Sidewalks and trails • Public utilities (water main, sanitary sewer and storm sewer) • Storm water ponds and drainage associated with the public streets, right of way improvements and site development (regional stormwater pond)
<i>Site Improvements:</i>	<p>Developer shall construct, at its costs, all Site Improvements according to City approved plans in accordance with City's ordinary and customary requirements:</p> <ul style="list-style-type: none"> • Sanitary sewer • Water mains and stubs • Storm water and storm sewer conveyance system to City connection • Landscaping • Pedestrian improvements • Grading and import/export of soil

The purchase agreement has been drafted to incorporate the deal points noted as well as to provide the developer with a due diligence period. The City has included an initial term of 120 days from the date of approval following the deposit of a \$5,000 escrow. The term can be extended twice for 90 days based on the developer meeting certain performance criteria/submittals (spelled out in Paragraph 5 of PA). Each extension requires an additional deposit of \$5,000.

- Phase 1: \$5,000 deposit and 120 due diligence period.
 - Deliverables:
 - Written notice is provided to the City.
 - City must be provided with the Study that shows that the Project is financially feasible.
Financing Commitment and any information on equity investments is provided to the City evincing that the Project is fully funded.
- Phase 2: \$5,000 deposit and 90 extension period.
 - Deliverables:
 - A complete application must be made to the City for the Minimum Improvements.
- Phase 3: \$5,000 deposit and 90 extension period.
 - Deliverables:
 - Close on property.

The City's engineer has previously prepared construction costs relating to the redevelopment of the Main and Maple streets and utilities. The estimated cost of the public improvements is \$2,000,000 (this amount includes approximately \$425,000 for stormwater/regional stormwater). The City has previously considered the potential debt service associated with the public improvements (it was assumed that a portion of the project would be assessable to other benefiting properties along Main and Maple). Based on previous review of the TIF analysis associated with a redevelopment project, it is anticipated that the TIF proceeds (approximately 30% of the total TIF generated by the redevelopment) would be used to pay for the City's share of the debt service without increasing the corresponding debt levy of the City.

PROCESS/RECOMMENDATION:

The EDA recommended approval of the revised concept site plan purchase agreement to the City Council with the terms provided. The Purchase Agreement would provide the developer with the exclusive right to purchase the property subject to receiving all applicable approvals required by the City and the City establishing and approving a tax increment financing district and applicable agreements. Should the City Council approve the Purchase Agreement, the following next steps would be necessary:

- Developer to finalize market study (1 month)
- Developer to secure verification of financing (1-2 months)
- City to confirm Phase II Environmental scope and updated proposal (2-4 weeks)
- City to develop TIF calendar and identify key events for creation of TIF and planning events (2 weeks)

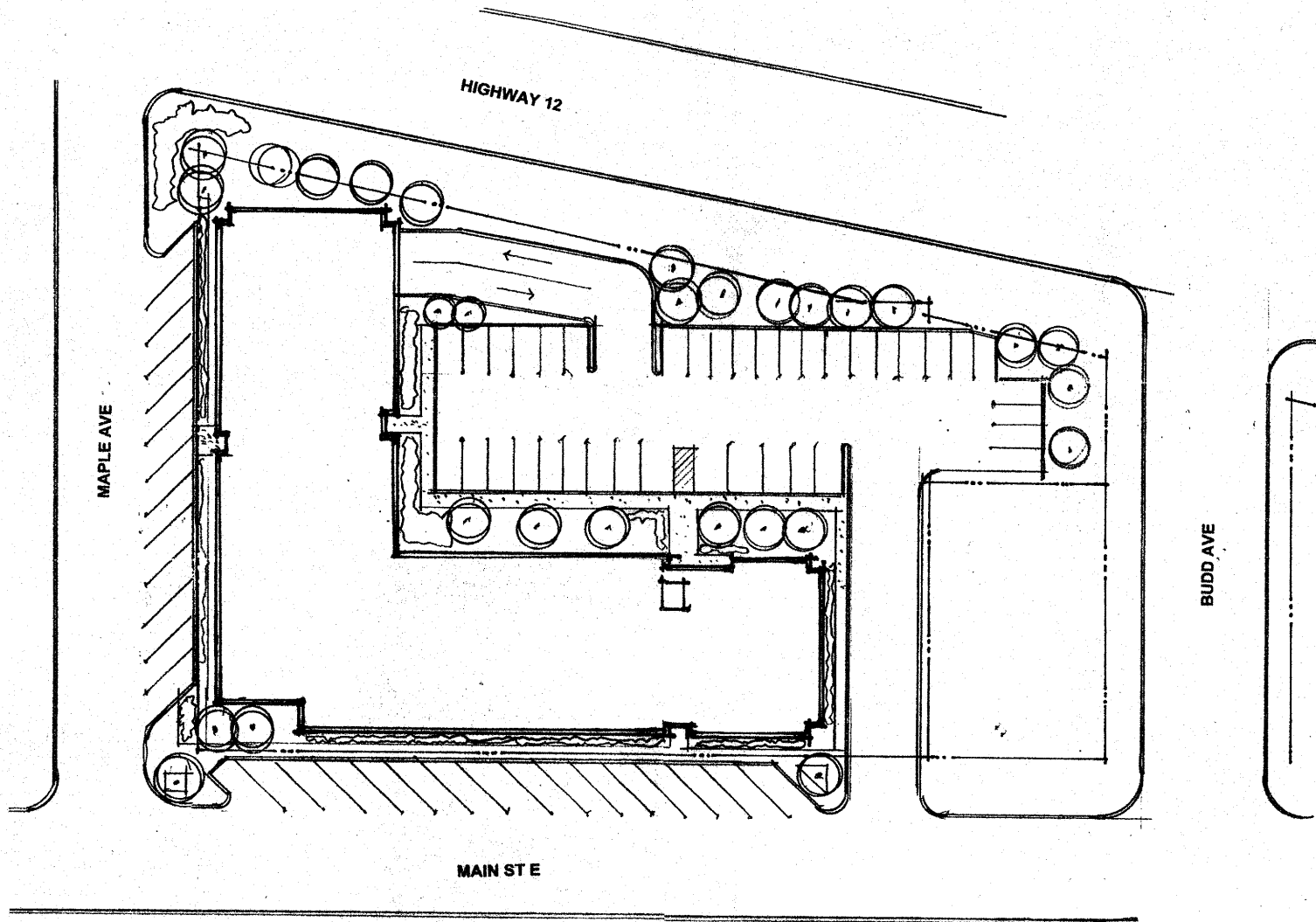
- City to obtain scope and key timing for feasibility study for public improvements to Main and Maple.
 - It is currently anticipated that the feasibility study would commence at the same time that the developer initiates preparation of plans and specs. The City would target construction of the improvements in Spring 2026 to be completed at same time as project completion in late summer/fall of 2026.

Once the developer completes the items noted above, they will report back to the City whether or not they intend to proceed with the project. Upon notification that the developer is going to proceed, the City will consider initiating the Phase II Environmental investigation and Response Action Plan (estimated cost of the Phase II Environmental is \$15-20K). At the same time, the developer will initiate the preparation of plans for the purpose of commencing the entitlement process. It is anticipated that the developer will require 12-16 weeks to prepare the requisite plans for submittal to the City along with the land use applications.

EDA ACTION:

The EDA is being asked to consider recommending approval of the revised Purchase Agreement and concept site plan presented. City Council approval would be subject to the final review of the agreement by the City Attorney and any non-material minor amendments. Please note that the purchase agreement would allow the developer to complete their due diligence, prepare plans and seek applicable entitlement approvals through the City's processes. The approval of the purchase agreement does not represent any approval of the final site plans, building plans or TIF approvals by the City.

Attachments: Updated Concept Site Plan
Draft Purchase Agreement (with deal terms)



SITE CONCEPT PHASE 1

**NORTH
SHORE**
DEVELOPMENT
PARTNERS

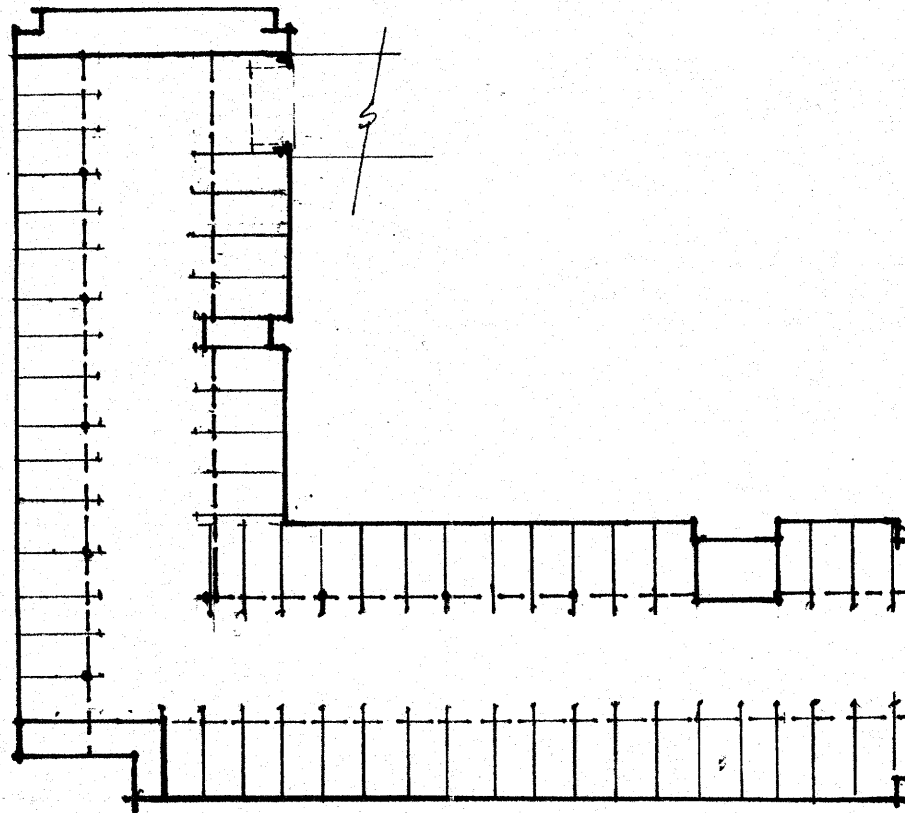


WEBER
architects & planners

UNITS	2Br	1Br	Studio	Total
First Floor	4	12	6	22
Second Floor	6	12	7	25
Third Floor	5	12	7	24
Total	15	36	20	71
	21%	51%	28%	

PARKING	
Garage	57
Surface	38
Street	30
	125

Number of Bedrooms	86
Parking spaces per br	1.45

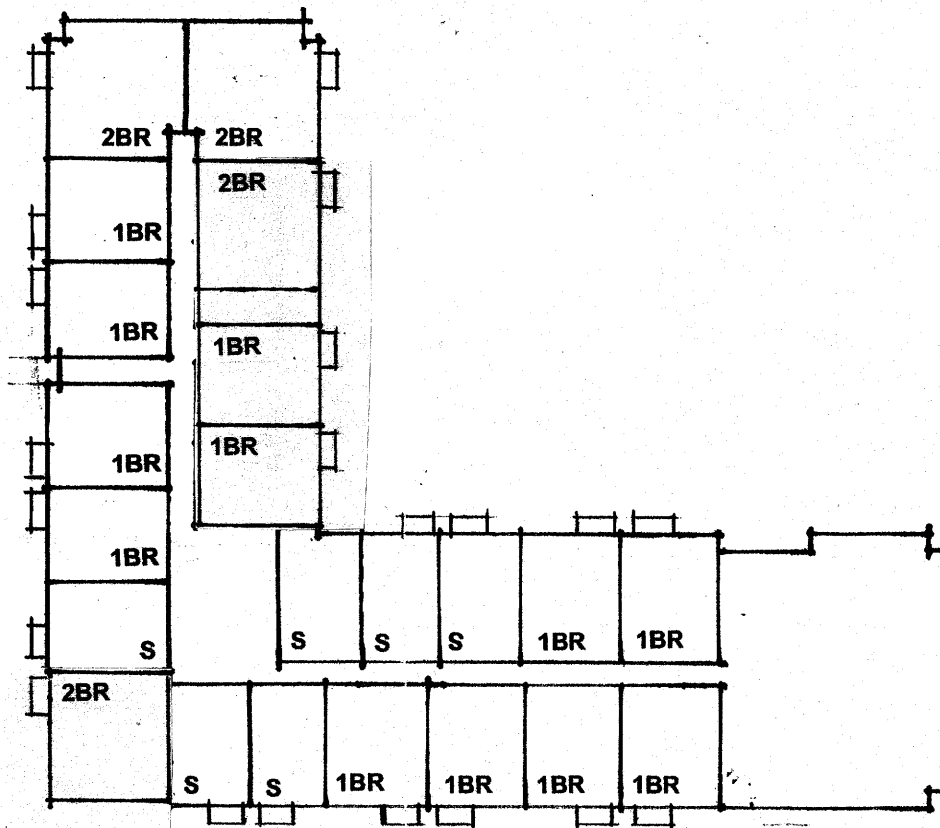


PARKING LEVEL

**NORTH
SHORE**
DEVELOPMENT
PARTNERS



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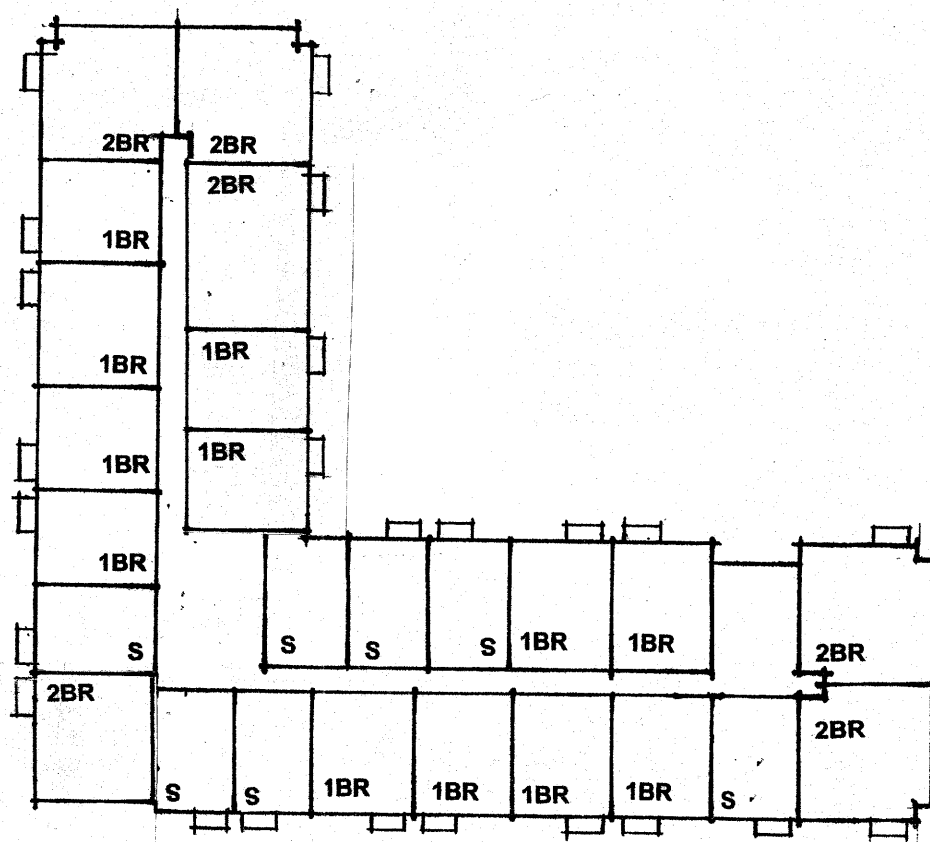


FIRST FLOOR

**NORTH
SHORE**
DEVELOPMENT
PARTNERS



WEBER
architects & planners



SECOND/THIRD FLOOR

PURCHASE AGREEMENT

THIS PURCHASE AGREEMENT (“**Agreement**”) is entered into this ____ day of June, 2025 (“**Effective Date**”) by and between the City of Maple Plain, a Minnesota municipal corporation, (“**City**”) and North Shore Development Partners, LLC, a Minnesota limited liability company (“**Redeveloper**”; City and Redeveloper collectively “**Parties**” and sometimes individually “**Party**”).

WHEREAS, the City is the owner of certain property located in the City of Maple Plain, County of Hennepin, State of Minnesota and described on attached Exhibit A (“**Property**”); and

WHEREAS, the Redeveloper and City desire to enter into this Agreement for the sale of the Property from City to Redeveloper; and

WHEREAS, the Redeveloper intends to redevelop the Property with a 70-unit multi-family building with 100% of the units as market rate (the “**Minimum Improvements**” or “**Project**”), which Minimum Improvements sketch plan in attached hereto as Exhibit B; and

WHEREAS, the sale of the Property as contemplated herein is for fair market value and not a business subsidy under Minn. Stat. §116J.993.

NOW, THEREFORE, the Redeveloper and City agree as follows:

1. **SALE OF PROPERTY.** Redeveloper agrees to buy from City and City agrees to sell and convey to Redeveloper the Property, subject to the terms and conditions herein.
2. **PURCHASE PRICE.** The price for the Property shall be One Hundred Thousand and No/100 Dollars (\$100,000.00) (“**Purchase Price**”) as follows:
 - A. **Initial Deposit.** Buyer shall deposit a sum of Five Thousand and No/100 Dollars (\$5,000.00) as an escrow cash deposit (“**Phase 1 Initial Deposit**”) with Guaranty Commercial Title, 465 Nicollet Mall, Suite 230, Minneapolis, MN 55401 (“**Escrow Agent**” or “**Title Company**”), within five (5) business days after the Effective Date.
 - B. **Extension Deposits.** As provided for in Section 5 below, the Redeveloper shall have the right, upon certain conditions being met, to extend the Feasibility Periods (defined herein), which conditions include, but are not limited to, making an additional cash deposit with the Escrow Agent in the amount of Five Thousand and No/100 Dollars (\$5,000.00) (each “**Extension Deposit**”; Phase 1 Initial Deposit and each Extension Deposit collectively “**Escrow Deposits**”), which Extension Deposit shall be made as provided for herein.
 - C. **Release of Escrow Deposits.** The Escrow Deposits shall be released as provided for herein.

- D. **Use of Escrow Deposit.** At Closing (i) all Escrow Deposits shall be applied to the Purchase Price as a credit to the Redeveloper and (ii) Redeveloper shall pay the balance of the Purchase Price to City in immediately available funds.
3. **REAL ESTATE TAXES AND ASSESSMENTS.** At Closing, the real estate taxes which are due for the year of Closing shall be prorated between Redeveloper and City, based upon the Closing Date (defined herein). Any and all outstanding special assessments shall be paid by City at Closing. All real estate taxes and installments of special assessment due after the date of Closing shall be the responsibility of the Redeveloper. As of the Effective Date, there are no pending or levied special assessments or real estate taxes due and owing on the Property.
4. **SURVEY AND TITLE EXAMINATION.**
- A. **Title Commitment.** Within five (5) business days following the Effective Date, Redeveloper shall order a title commitment for an Owner's Policy of Title Insurance ("**Title Commitment**") from the Title Company. The cost of the Title Commitment shall be paid by Redeveloper and the cost of any title insurance, if purchased by Redeveloper, shall be paid by Redeveloper.
- B. **Survey; Platting.** Within Ten (10) business days following the receipt of the Title Commitment, the Redeveloper may order an ALTA survey for the Property (the "**Survey**"). Certification of the Survey shall also include the City. The cost of the Survey shall be paid by the Redeveloper.
- C. **Redeveloper's Title Objections:** Within twenty (20) days following Redeveloper's receipt of the Title Commitment, Redeveloper shall provide City with written notice of any objections to matters disclosed on the Title Commitment ("**Title Objections**"). If Redeveloper has ordered a Survey within the timeframe described in Section 4.B. above, then the Title Objections shall be required from Redeveloper Twenty (20) days following Redeveloper's receipt of the Title Commitment and Survey. The Twenty (20) day period for City to provide Title Objections shall hereinafter be referred to as "**Title Review Period**". Any items noted on the Title Commitment or Survey to which Redeveloper does not provide the Title Objections during the Time Review Period will be deemed to be Permitted Exceptions (as defined in Section 11.C). If Redeveloper provides Title Objections within the Title Review Period, then within ten (10) business days ("**City's Title Response Period**") City may notify Redeveloper in writing ("**City's Title Response Notice**") of the Title Objections which City agrees to satisfy on or prior to the Closing, at City's sole cost and expense, and of the Objections that City cannot or will not satisfy (If City does not provide a City's Title Response Notice then it shall be recognized and agreed that City will not satisfy the Title Objections). Notwithstanding the foregoing sentence, City will, in any event, be obligated to cure those Title Objections (i) that are monetary liens against the Property or (ii)

are other encumbrances that have been voluntarily placed against the Property by City after the Title Objections are provided and that will not otherwise be satisfied on or before the Closing ((i) and (ii) collectively, the “**Required Removal Items**”). If City will not cure the Title Objections to Redeveloper’s satisfaction, Redeveloper has Ten (10) business days following, the earlier of (i) receipt of the City’s Title Response Notice or (ii) Ten (10) days after the City’s Title Response Period if no City’s Title Response Notice is provided to either (x) terminate this Agreement by giving written notice of termination to City and this Agreement will be terminated without any obligations surviving hereunder, except those expressly stated to survive early termination, with the Phase 1 Initial Deposit being returned to the Redeveloper, or (y) elect to proceed to Closing, in which case Redeveloper will be deemed to have waived such Title Objections and such Title Objections will become Permitted Exceptions.

5. **FEASIBILITY PERIOD.**

- A. **Property Documents.** Within ten (10) business days after the Effective Date, the City shall provide Redeveloper with any documents in its possession, including correspondence with any environmental agency, affecting the Property (“**Property Documents**”).
- B. **Phase 1.** For a period ending 90 days after the Effective Date (“**Phase 1 Feasibility Period**”), Redeveloper shall have the right to inspect the Property Documents and enter upon the Property from time to time and, at Redeveloper’s sole cost, expense, and risk, to examine and inspect the same (“**Inspections**”), subject to the following: (i) Redeveloper shall be allowed to invite consultants, engineers, and inspectors on to the Property and to conduct tests and examinations related to the Inspections with regard to the Property; (ii) Redeveloper shall, at Redeveloper’s sole cost, promptly restore the Property to the same condition as before Redeveloper’s entry for the Inspections; provided that Redeveloper shall not be responsible for any existing conditions or environmental remediation or response actions required as a result of existing conditions or such entry and Inspections; (iii) In the event that the Redeveloper does not promptly comply with (ii) above, the Redeveloper shall pay to the City, upon ten (10) days’ notice to the Redeveloper, the cost to return the Property to its original condition; and (iv) Redeveloper shall indemnify, defend, and hold City, its elected officials, officers, employees, consultants, and agents harmless from and against any and all costs, liabilities, claims, liens encumbrances or causes of actions arising out of Redeveloper’s actions on the Property, which indemnification shall survive the Closing or the termination of this Agreement (“**Inspections Conditions**”). In addition, Redeveloper may take measures to obtain all necessary governmental licenses, permits, and approvals to construct the Minimum Improvements (“**Approvals**”). Further, the Redeveloper shall conduct a market and feasibility study for the Project (“**Study**”) and obtain a financing commitment for the Project (“**Financing Commitment**”).

Redeveloper shall have before the expiration of the Phase 1 Feasibility Period to provide written notice to City that it does not desire, in its sole discretion, to proceed with the Closing and to terminate this Agreement. Upon receipt of said notice, this Agreement shall be terminated and the Escrow Deposits shall be returned to the Redeveloper and neither Party shall have any further rights or obligations hereunder. If Redeveloper fails to provide timely notice, the transaction shall proceed to Closing.

- C. **Phase 2.** In the event the Redeveloper desire to extend Phase 1 Feasibility Period the following must occur prior to the expiration of the Phase 1 Feasibility Period: (i) written notice is provided to the City; (ii) City must be provided with the Study that shows that the Project is financially feasible; (iii) the Financing Commitment and any information on equity investments is provided to the City evincing that the Project is fully funded; and (iv) an Extension Deposit is made (“**Phase 1 Extension Conditions**”). Upon the Phase 1 Extension Conditions occurring, for a period ending 90 days after the end of the Phase 1 Feasibility Period (“**Phase 2 Feasibility Period**”), the Redeveloper may continue to conduct the Inspections subject to the Inspections Conditions and obtain Approvals and the Initial Deposit shall become nonrefundable and the property of the City; provided, however, said deposit will be a credit against the Purchase Price at Closing. Redeveloper shall have before the expiration of the Phase 2 Feasibility Period to provide written reasonable objections to City regarding the physical and/or environmental condition of the Property (“**Condition Objection Notice**”). In the event that Redeveloper does not make a timely Condition Objection Notice, Redeveloper shall be deemed to have waived its right to object to the physical and environmental condition of the Property. In the event that Redeveloper provides a timely Condition Objection Notice, Redeveloper and City shall reasonably cooperate with each other for a period of ten (10) business days to work towards an agreement on any repairs or remediation efforts that have been requested by Redeveloper. Redeveloper shall have the right, exercisable in Redeveloper’s sole and absolute discretion, to terminate this Agreement upon written notice thereof to City prior to the expiration of the Phase 2 Feasibility Period and upon such termination by Redeveloper prior to the expiration of the Phase 2 Feasibility Period, the Phase 2 Extension Deposit shall be returned to Redeveloper. If Redeveloper fails to provide a timely notice, the transaction shall proceed to Closing.
- D. **Phase 3.** In the event the Redeveloper desire to extend Phase 2 Feasibility Period the following must occur prior to the expiration of the Phase 2 Feasibility Period: (i) a complete application must be made to the City for the Minimum Improvements; and (ii) an Extension Deposit is made (“**Phase 2 Extension Conditions**”). Upon the Phase 2 Extension Conditions occurring, for a period ending 90 days after the end of the Phase 2 Feasibility Period (“**Phase 3 Feasibility Period**”; Phase 3 Feasibility Period, Phase 3 Feasibility Period, and Phase 3 Feasibility Period collectively the “**Feasibility Periods**” and each a “**Feasibility**

Period”), the Redeveloper may continue to obtain Approvals and Phase 2 Extension Deposit shall become nonrefundable and the property of the City; provided, however, said deposit will be a credit against the Purchase Price at Closing. Redeveloper shall have before the expiration of the Phase 3 Feasibility Period to provide written notice to City that it does not desire, in its sole discretion, to proceed with the Closing and to terminate this Agreement. Upon receipt of said notice, this Agreement shall be terminated and the Phase 3 Extension Deposit shall be returned to the Redeveloper and neither Party shall have any further rights or obligations hereunder. If Redeveloper fails to provide timely notice, the transaction shall proceed to Closing.

- E. **Right to Waive.** Prior to the end of any of the Feasibility Periods, Redeveloper may send written notice to City that it is terminating the respective Feasibility Period early with the intent to proceed to Closing. The respective Feasibility Period shall terminate on the date provided in said notice and the Closing shall occur as provided for herein.
- F. **Indemnification; Insurance.** Redeveloper shall maintain for a minimum period commencing prior to entering the Property under this Section until twelve (12) months after the expiration of the last Feasibility Period: (a) comprehensive general liability (occurrence) insurance in an amount of not less than \$2,000,000 covering any accident arising in connection with the presence of Redeveloper and Redeveloper’s agents at the Property and the performance of any investigations, examinations or studies thereon, and shall deliver a certificate of insurance (in form and substance reasonably satisfactory to City), naming City as an additional insured thereunder, verifying the existence of such coverage to City prior to entry upon the Property; and (b) promptly pay when due any third party costs associated with its inspection.

Redeveloper shall indemnify, protect, defend, and hold City, its elected and appointed officials, employees, officers, directors and agents (collectively the “**City Indemnified Parties**”) harmless from and against any and all losses, damages, claims, causes of action, judgments, damages, costs and expenses (including reasonable attorneys’ fees and court costs) (collectively “**Losses**”) that City or any City Indemnified Parties suffer or incur as a result of, or connected or related in any manner to this Agreement or Redeveloper’s inspection; provided, however, that Redeveloper’s indemnification obligations shall not extend to any existing

conditions or environmental remediation or response actions required as a result of such entry, or inspection.

6. **ASSISTANCE AND MINIMUM IMPROVEMENTS DEVELOPMENT REQUIREMENTS.**

- A. **Tax Increment Financing Assistance.** The City will undertake the process to establish a Tax Increment Financing Redevelopment District (the “**TIF District**”) by the end of the Phase 2 Feasibility Period with a term of 26 years; provided, however, the establishment of the TIF District requires State approval and is not guaranteed. The boundaries of the proposed TIF District are as depicted on attached Exhibit D. The City will provide Redeveloper with reasonable timely updates regarding the TIF District establishment process. The City will consider approval of Tax Increment Financing assistance in the estimated amount of \$ [REDACTED] million (PV Net TIF). This amount is subject to change based upon agreed to minimum assessment agreement for taxable market valuation, among other factors. The Tax Increment Financing assistance represents 70% of the total increment generated and will be pay as you go over the 26-year period. Tax Increment means tax increments derived from the Property within the Redevelopment TIF District which have been received by the City in accordance with the provisions of Minn. Stat. § 469.177 for any year. The terms and conditions related to this Section and the TIF District shall be addressed within the Development Agreements.
- B. **Fees Paid to City.** The Redeveloper shall pay the following municipal fees, which final amount and timing of payment shall be addressed in the Developer’s Agreement (defined below), currently estimated to total \$688,500.00: City Park Dedication Fee; City Water Availability Charge; and City Sewer Availability Charge and City Storm Water Connection Fee. Redeveloper shall also be subject to the Metropolitan Council SAC fees as determined by the Metropolitan Council. Said municipal fees are detailed as follows:

North Shore Development Partners Redevelopment Fee Estimate			
CITY FEES			
	Per Unit Fee	Units	Total
SAC	800	70	\$ 56,000.00
WAC	3000	70	\$ 210,000.00
Storm Water Connection Fee	2000	70	\$ 140,000.00
Park Dedication	3750	70	\$ 262,500.00
Total			\$ 668,500.00
NON CITY FEES			
Metropolitan Council SAC	2485	70	\$ 173,950.00

- C. **Other Grants.** The City agrees to reasonably act as a conduit for any additional funding such as grants for funding environmental remediation or storm water management, from the state or other local agencies.
- D. **No Tax Exemption.** Once acquired by the Redeveloper, the Property and Minimum Improvements will not become exempt from *ad valorem* property taxes until termination of the TIF District.
- E. **Zoning and Land Use Approvals.** Redeveloper shall, at its sole cost, obtain the necessary land use entitlements, except for the municipal fees covered by the City. Redeveloper will adhere to City's normal and customary site and building plan review requirements including the payment of fees, in accordance with the City's then current adopted fee schedule and City Code. Redeveloper shall obtain and pay for any necessary variances, rezoning, subdivision, platting, plat amendment and any other documentation for the construction of the building. The City will draft a Developer's Agreement that addresses the approvals granted by the City, conditions of said approval, the construction of the Minimum Improvements, Public Improvements, Site Improvements, storm water requirements, payment of fees, providing sureties and insurance, and other items related to the development of the Property ("**Developer's Agreement**"). The City will provide Redeveloper with a draft of the Developer's Agreement within a reasonable time period after the approval of all land entitlements from the City required for the development of the Property.

- F. **Storm Water Management.** City will provide a “Regional Stormwater” Connection to the property that will accommodate the stormwater generated from the proposed redevelopment. Redeveloper shall be responsible for designing and maintaining storm water management system to the satisfaction of the City and Pioneer Lake Sarah Watershed Management Commission to convey the water to the City’s connection. Redeveloper’s engineer shall coordinate the design of the storm water management system with City’s engineer.
- G. **Public Improvements.** The City will install certain public improvements to serve, among other properties, the Property. The City will consider the financing of all or a portion of the public infrastructure costs through the issuance of general obligation bonds. Bonds will need to be repaid from tax increments and/or special assessments from the development of the Property, with possible consideration of ad valorem taxes based on broader public benefits that may be achieved by the development of the Property. The Redeveloper shall pay for public infrastructure in proportions and amounts as will be set forth in the Developer’s Agreement. Said payment may be a cash payment or special assessment, as determined by the City and agreed upon by Redeveloper to be more specifically addressed in the Developer’s Agreement. Timing of the public improvements will be coordinated with the Redeveloper’s improvements so that they do not unreasonably delay the opening of the project. Public improvements to serve the Property include but are not limited to: Streets (concrete curb and gutter, granular sub-base, gravel base and bituminous pavement); Street lighting; Landscaping; Sidewalks and trails; Public utilities (water main, sanitary sewer and storm sewer); Storm water ponds and drainage associated with the public streets and right of way improvements (“**Public Improvements**”).
- H. **Site Improvements.** Redeveloper shall construct, at its costs, all site improvements according to City approved plans in accordance with City's ordinary and customary requirements: site preparation; sanitary sewer; water mains and stubs; storm sewers and storm water system elements; landscaping; pedestrian improvements; and grading and import/export of soil (“**Site Improvements**”).
7. **REPRESENTATIONS OF CITY.** City makes the following representations and warranties to Redeveloper:
- A. **Pending Proceedings.** There is no litigation, suit, arbitration, mediation, proceeding, claim or investigation (including, without limitation, environmental) pending or, to the best of City’s knowledge, threatened against City or relating to any aspect of the Property which might create or result in a lien on, or otherwise have a material adverse impact on, the Property or any part thereof or interest therein.

- B. **Authority.** City has full power and authority to enter into this Agreement and incur and perform its obligations hereunder.
- C. **Non-Foreign Status.** City is not a “foreign person” within the meaning of Paragraph 1445(f)(3) of the Internal Revenue Code of 1986, as amended.
- D. **Other Documents.** Neither the execution nor delivery of this Agreement nor the consummation of the transactions contemplated hereby (i) will result in any breach or violation of, or default under, any judgment, decree, order, mortgage, lease, agreement, indenture or other instrument or document of which City is a party or by which the Property is bound; (ii) cause or entitle any party to have a right to accelerate or declare a default under any oral or written agreement to which City is a party or which affects the Property; and/or (iii) violate any provision of any municipal, state or federal law, statutory or otherwise, to which City and/or the Property are or may be subject.
- E. **Special Assessments.** City has not received any notice from any governmental authority as to pending or proposed special assessments.
- F. **Well; Septic.** City represents that all wells and the septic systems, if any exist, that are located on the Property comply with all applicable laws and regulations. City agrees to provide any and all certifications which may be necessary as part of the Closing process.
- G. **Unpaid Labor and Materials.** City represents and warrants that City is not indebted for labor or material that might give rise to the filing of notice of mechanic’s lien against the Property.
- H. **Outstanding Property Agreements.** City represents that at the time of Closing, there will be no outstanding property agreements (lawn maintenance, snow removal, etc.) affecting the Property.
- I. **Persons in Possession.** There are no persons in possession of any portion of the Property other than pursuant to a recorded document.
- J. **No Contracts.** No other party has a right to purchase the Property. Between the Effective Date and the Closing Date, no part of the Property will be alienated, encumbered, or transferred except as contemplated by this Agreement. There are no contracts related to the development or improvement of the Property in place that would be in any way binding upon or enforceable against Redeveloper from and after the Closing.
- K. **Violations.** The Property has been and is in compliance in all material respects with all applicable federal, state, and local laws, rules, ordinances, regulations, and restrictions. There is not pending or threatened, from any federal, state, or local

authority any notice, suit or judgment relating to any violation at the Property; and there is no condition existing with respect to the Property that violates any statute, ordinance, law or code regarding zoning, building, fire, air-pollution, or health law.

- L. **Environmental Conditions.** The City will, as part of providing the Property Documents, provide the (i) Phase I Environmental Site Assessment, August 2011, drafted by Wenck Associates, Inc., (ii) Phase I Environmental Site Assessment, dated July 2015, drafted by Wenck Associates, Inc., and (iii) Limited Phase II Site Assessment, dated September 25, 2015, drafted by Wenck Associates, Inc., which collectively are the extent of the City's knowledge of the environmental conditions of the Property.
- M. **Restrictions.** There are no unrecorded restrictions or encumbrances existing or alleged relating to the Property known to City.
- N. **No Side Agreements or Representations.** Redeveloper acknowledges that except as specifically provided in this Agreement, no person has made any representation, agreement, statement, warranty, guarantee or promise regarding the Property or the transaction contemplated herein or the zoning, construction, physical condition, or other status of the Property except as may be expressly set forth in a writing signed by the Parties. No representation, warranty, agreement, statement, guarantee or promise, if any, made by any person acting on behalf of City which is not contained in this Agreement or in another writing executed by the Parties will be valid or binding on City.

Each of the foregoing representations shall be deemed remade as of the Closing Date (with such changes thereto as City shall notify Redeveloper as of the Closing) and, as so remade, shall survive the Closing, delivery of the Deed and other documents contemplated hereby, and any investigation by or on behalf of either Party; provided that such representations shall lapse unless suit is brought with respect thereto within Twelve (12) months after the Closing Date.

- 8. **REPRESENTATIONS OF REDEVELOPER.** Redeveloper makes the following representations and warranties to the City:
 - A. **Organization.** The Redeveloper is a limited liability company organized and in good standing under the laws of the State of Minnesota.
 - B. **Authority.** The Redeveloper has duly authorized the execution of this Agreement and the performance of its obligations hereunder, and neither the execution and delivery of this Agreement, the consummation of the transactions contemplated hereby, nor the fulfillment of or compliance with the terms and conditions of this Agreement, is prevented, limited by or conflicts with or results in a breach of, any indebtedness, agreement or instrument of whatever nature to which the

Redeveloper is now a party or by which it is bound, or constitutes a default under any of the foregoing.

- C. **Use.** Subject to the conditions contained herein, the Redeveloper will purchase the Property from the City pursuant to this Agreement and, if the Property is conveyed to the Redeveloper, the Redeveloper will construct and maintain the Minimum Improvements in accordance with the terms of this Agreement and all applicable local, State and federal laws and regulations (including, but not limited to, environmental, zoning, building code and public health laws and regulations).
- D. **Permits.** The Redeveloper will obtain all required permits, licenses, and approvals, and will meet, in a timely manner, all requirements of all applicable local, state, and federal laws and regulations which must be obtained or met before the Minimum Improvements may be lawfully constructed.
- E. **No Tax Exemption.** The Redeveloper will not assign or convey any interest in the Property, Minimum Improvements, or any portion thereof, or this Agreement or any portion thereof, to any tax-exempt entity or take any other action which would result in the Property or Minimum Improvements becoming exempt from the levy of *ad valorem* property taxes, or any statutorily authorized alternative, until after the dissolution or other termination of the TIF District, without the prior written approval of the City, whose approval shall be conditioned upon the Redeveloper executing a payment in lieu of tax agreement reasonably satisfactory to the City. The provisions of this subsection shall be addressed in the Development Agreements.
- F. **No Litigation.** There are no pending or threatened legal proceedings of which the Redeveloper has knowledge which seek to restrain or enjoin the transactions contemplated by the Agreement or which question the authority of the Redeveloper to execute and deliver this Agreement or the validity of this Agreement.
- G. **Representation as to Redevelopment and Use.** The Redeveloper represents and agrees that its purchase of the Property, and its other undertakings pursuant to this Agreement, are, and will be used, for the purpose of redevelopment of the Property with the Minimum Improvements and not for speculation in land holding. The Redeveloper further recognizes that, in view of the importance of the redevelopment of the Property to the general welfare of the City, and the substantial financing and other public aids that have been made available by the City for the purpose of making such redevelopment possible, the qualifications and identity of the Redeveloper are of particular concern to the City. The Redeveloper further recognizes that it is because of such qualifications and identity that the City is entering into this Agreement with the Redeveloper, and, in so doing, is further willing to accept and rely on the obligations of the Redeveloper for the faithful performance of all undertakings and covenants hereby by it to be performed.

9. **AS-IS CONDITION.** Redeveloper acknowledges and agrees that, except as specifically provided in this Agreement, City has not made, does not make and specifically negates and disclaims any representations, warranties, promises, covenants, agreements or guaranties of any kind or character whatsoever, whether express or implied, oral or written, past, present or future, of, as to, concerning or with respect to (i) value; (ii) the income to be derived from the Property; (iii) the suitability of the Property for any and all activities and uses which Redeveloper may conduct thereon, including the possibilities for future development; (iv) the habitability, merchantability, marketability, profitability or fitness for a particular purpose of the Property; (v) the manner, quality, state of repair or lack of repair of the Property; (vi) the nature, quality or condition of the Property, including, without limitation, the water, soil and geology; (vii) the compliance of or by the Property or its operation with any laws, rules, ordinances or regulations of any applicable governmental authority or body; (viii) the manner or quality of the construction or materials, if any, incorporated into the Property; (ix) compliance with any environmental protection, pollution or land use laws, rules, regulation, orders or requirements, including but not limited to, title iii of the Americans with Disabilities Act of 1990, the Federal Water Pollution Control Act, the Federal Resource Conservation and Recovery Act, the U.S. Environmental Protection Agency Regulations at 40 C.F.R., part 261, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, the Resource Conservation and Recovery Act of 1976, the Clean Water Act, the Safe Drinking Water Act, the Hazardous Materials Transportation Act, the Toxic Substance Control Act, and Regulations promulgated under any of the foregoing; (x) the presence or absence of hazardous materials at, on, under, or adjacent to the Property; (xi) the content, completeness or accuracy of any due diligence materials or preliminary report regarding title; (xii) the conformity of the improvements to any plans or specifications for the Property, including any plans and specifications that may have been or may be provided to Redeveloper; (xiii) the conformity of the Property to past, current or future applicable zoning or building requirements; (xiv) deficiency of any undershoring; (xv) deficiency of any drainage; (xvi) the existence of vested land use, zoning or building entitlements affecting the Property; or (xvii) with respect to any other matter. Redeveloper further acknowledges and agrees that having been given the opportunity to inspect the Property and review information and documentation affecting it, Redeveloper is relying solely on its own investigation of the property and review of such information and documentation, and not on any information provided or to be provided by City. Redeveloper further acknowledges and agrees that any information made available to Redeveloper or provided or to be provided by or on behalf of City with respect to the property was obtained from a variety of sources and that City has not made any independent investigation or verification of such information and makes no representations as to the accuracy or completeness of such information. Redeveloper agrees to fully and irrevocably release all such sources of information and preparers of information and documentation affecting the Property which were retained by City from any and all claims that they may now have or hereafter acquire against such sources and preparers of information for any costs, loss, liability, damage, expense, demand, action or cause of action arising from such information or

documentation. City is not liable or bound in any manner by any oral or written statements, representations or information pertaining to the Property, or the operation thereof, furnished by any real estate broker, agent, employee, servant, or other person, except for any representations and warranties made by City in this Agreement (including those representations and warranties made by city in Section 7). Redeveloper further acknowledges and agrees that to the maximum extent permitted by law, the sale of the Property as provided for herein is made on an "as is" condition and basis with all faults, and that City has no obligations to make repairs, replacements, or improvements except as may otherwise be expressly stated herein. Redeveloper represents, warrants, and covenants to City that, except for city's express representations and warranties specified in this Agreement (including those set forth in Section 7), Redeveloper is relying solely upon Redeveloper's own investigations.

10. **RISK OF LOSS.** Except as otherwise specifically set forth herein, the risk of loss with respect to the Property shall transfer from City to Redeveloper with the conveyance of title to the Property. Until the Closing or the termination of this Agreement, City shall maintain the Property in the ordinary course of business consistent with past custom and practice. In the event of a fire or other casualty to the Property prior to the delivery of the title, Redeveloper shall have the option to terminate this Agreement and if so terminated, shall be entitled to the return of all Escrow Deposits, or if not so terminated, accepted delivery of the title together with valid assignment of any insurance proceeds. After the Effective Date and prior to Closing, City shall not subject the Property to any additional encumbrance or further encumber the Property.

11. **CLOSING.**

- A. **Timing.** Redeveloper and City acknowledge that the transfer of title to the Property ("**Closing**") shall occur no later than thirty (30) days following the termination of the Feasibility Period and the applicable Extension Period ("**Closing Date**") at a location that is reasonably acceptable to both Redeveloper and City; provided, however, that either Party may, in lieu of personal attendance at Closing, provide to the Title Company written closing instructions, along with delivery to the Title Company of all closing documents required to be delivered by the Party in accordance with the terms thereof.
- B. **Conditions Precedent to Conveyance.** Notwithstanding any other provision herein, the obligations of the City to convey the Property at Closing shall be subject to and conditioned on the following:
1. The Redeveloper shall not be in default under this Agreement;
 2. The City shall have received assurances, to its reasonable satisfaction from the Redeveloper and the City, that the Redeveloper's financing is sufficient to complete the Minimum Improvements, including, but not limited to, the

Redeveloper providing adequate assurance that Redeveloper has commitments for said financing and that funds will be available for the Minimum Improvements;

3. Redeveloper has received all required approvals for the Minimum Improvements necessary to receive permits. By entering into this Agreement, the City is not approving the Minimum Improvements and any applications. Any applications for the Minimum Improvements and redevelopment of the Property consistent with this Agreement shall be submitted to the City, on City standard forms, and shall be processed under the City's review process, subject to the review and approval of the City, as set forth in Section 6.E. of this Agreement;
4. Approval from Minnesota Pollution Control Agency ("MPCA") on a Response Action Plan and Construction Contingency Plan (the "RAP/CCP"). The responsibility for the costs of the RAP/CCP shall be reasonably determined by the Parties prior to Closing. If Redeveloper seeks such MPCA approval, then on or before the Closing Date, Redeveloper and City shall have received from MPCA "No Association Determination" or "General Liability" letters. Prior to Closing, City with cooperation of Redeveloper, may make application for grant applications to the State of Minnesota for cleanup grants;
5. The Redeveloper has executed all Development Agreements (defined below) and met all requirements therein to proceed to Closing;
6. The Redeveloper shall have paid the Purchase Price; and
7. Each of the Redeveloper's representations and warranties set forth in Section 8 shall be materially true as of the Closing Date.

C. **Closing Deliverables.**

1. At Closing, the City shall deliver to the Redeveloper:
 - a) An executed Limited Warranty Deed ("**Deed**"), which Deed shall be free and clear of all liens, restrictions, and encumbrances except for:
 - (1) Local, State and Federal rules and regulations;
 - (2) The lien of any real estate taxes and assessments due after the Closing Date which Redeveloper has agreed to pay herein;

- (3) Reservation of any minerals or mineral rights to the State of Minnesota, if any;
- (4) Easements and restrictions of record; and
- (5) Those exceptions listed in the Title Commitment and shown on the Survey not objected to or waived by Redeveloper pursuant to Section 4 above.

The above exceptions shall be referred to as “**Permitted Exceptions**”. The Deed shall include the required provisions regarding revestment pursuant to Section 13. of this Agreement.

- b) Development agreements between the City and Redeveloper reasonably required by the City related to redevelopment of the Property with the Minimum Improvements (“**Development Agreements**”), including, but not limited to, the Developer’s Agreement, the is countersigned by the City.
- c) Standard form Seller’s Affidavit.
- d) Non-foreign affidavit containing such information as is required under Section 1445(b)(2) of the Internal Revenue Code and any regulations relating thereto.
- e) Closing Statement.

(collectively, “**City Closing Deliverables**”).

2. At Closing, the Redeveloper shall deliver to City:

- a) The balance of the Purchase Price, adjusted as provided for herein, to be paid by Redeveloper in immediately available funds.
- b) Development agreements between the City and Redeveloper reasonably required by the City related to redevelopment of the Property with the Minimum Improvements (“**Development Agreements**”), including, but not limited to, the Developer’s Agreement, that is countersigned by the Redeveloper.
- c) Payment of any required fees under the Development Agreements, including, but not limited to, park dedication.

d) Any requirements of the Development Agreements, but not limited to, an executed Declaration and Minimum Assessment Agreement and payment of fees.

e) Closing Statement.

(collectively, “**Redeveloper Closing Deliverables**”; City Closing Deliverables and Redeveloper Closing Deliverables, collectively “**Closing Documents**”).

D. **Miscellaneous Closing Documents.** Redeveloper and City shall each execute any and all other documents reasonably requested by the other party, or the Title Company to complete the transfer of title from City to Redeveloper pursuant to this Agreement.

E. **Closing Costs.** Redeveloper and City agree to share equally the closing fee charged by the Title Company for its services. Pursuant to Section 4, Redeveloper shall be responsible for the cost of the Title Commitment, the cost of the Owner’s policy of title insurance should Redeveloper choose to purchase title insurance, and the Survey. Redeveloper shall be responsible for paying for any recording fees and taxes which are payable for the recording of the Deed and other documents. Further, the Parties shall be responsible for all other costs expressly provided for herein.

12. **DEFAULT AND REMEDIES.**

A. **Events of Default Defined.** The following shall be “**Event of Default**” under this Agreement:

1. Failure by the Redeveloper to timely pay all real property taxes assessed with respect to the Property after the Closing.
2. Failure by the Redeveloper to complete construction of all Minimum Improvements within the timeframe required under this Agreement.
3. Failure by the Redeveloper to substantially observe or perform any material covenant, condition, obligation, or agreement on its part to be observed or performed under this Agreement or any other agreement between the City and the Redeveloper related to the Project.
4. The Redeveloper shall:
 - a) file any petition in bankruptcy or for any reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief under the United States Bankruptcy Code or under any similar federal or state law; or

- b) make an assignment for the benefit of its creditors; or
- c) admit in writing its inability to pay its debts generally as they become due; or
- d) be adjudicated as bankrupt or insolvent; or if a petition or answer proposing the adjudication of the Redeveloper as bankrupt or its reorganization under any present or future federal bankruptcy act or any similar federal or state law shall be filed in any court and such petition or answer shall not be discharged or denied within ninety (90) days after the filing thereof; or a receiver, trustee or liquidator of the Redeveloper, or of the Minimum Improvements, or part thereof, shall be appointed in any proceeding brought against the Redeveloper, and shall not be discharged within ninety (90) days after such appointment, or if the Redeveloper shall consent to or acquiesce in such appointment.

B. **Remedies on Default.** Whenever any Event of Default occurs, the City shall provide written notice to the Redeveloper thereof as required herein, specifying the nature of the default and the actions necessary to cure the default. If the Event of Default is not cured within thirty (30) days after the Redeveloper's receipt of such notice (except with respect to an Event of Default referred to in Section 12.A.4., in which case the City may act immediately), the City may take any one or more of the actions set forth below:

- 1. The City may suspend its performance under this Agreement until it receives assurances from the Redeveloper, deemed adequate by the City, that the Redeveloper will cure its default and continue its performance under this Agreement.
- 2. Prior to Closing, the City may cancel and rescind this Agreement.
- 3. The City may withhold the applicable Certificate of Completion. Upon cure of such Event of Default, and provided that Redeveloper is in compliance with this Agreement, the City shall release such Certificate of Completion.
- 4. Take action for revestment of title under Section 13.
- 5. Take whatever action, including legal, equitable or administrative action, which may appear reasonably necessary or desirable to the City, including any actions to collect any payments due under this Agreement, or to enforce performance and observance of any obligation, agreement, or covenant to the Redeveloper under this Agreement.

The City may elect to take no such action, notwithstanding an Event of Default not having been cured within said thirty (30) days, if the Redeveloper provides the City with written assurances satisfactory to the City that the Event of Default will be cured as soon as reasonably possible. Any post Closing remedies of the City may be initiated up until all Conveyance Obligations are satisfied and a Certificate of Completion is provided by the City.

Notwithstanding anything to the contrary in this Agreement, however, in the event that any Event of Default by Redeveloper occurs prior to Closing, the City's sole remedy shall be to terminate this Agreement in the manner provided by Minn. Stat. § 559.21 and receive the Escrow Deposits from the Title Company, as liquidated damages, in which event this Agreement shall be deemed null and void and the Parties shall be released from all further obligations and liabilities under this Agreement. Such termination of this Agreement and receipt of the Escrow Deposits will be the only remedies available to City for an Event of Default by Redeveloper occurring prior to Closing, and Redeveloper will not be liable for damages or specific performance.

- C. **City Default.** The failure of the City to observe or perform any covenant, condition, obligation, or agreement on its part to be observed or performed under this Agreement, and the continuation of such failure for a period of thirty (30) days after written notice of such failure from any party hereto shall be an Event of Default for the City. Whenever an Event of Default occurs by the City, the Redeveloper may, unless otherwise provided for herein:
1. Terminate this Agreement by giving written notice to the City, in which event all Escrow Deposits paid by the Redeveloper that are refundable as provided herein shall be returned to the Redeveloper and this Agreement shall become null and void and neither party shall have any further rights or obligations hereunder;
 2. Waive any Event of Default and proceed to Closing; or
 3. Bring an action for specific performance. Any action for specific performance must be commenced within, the earlier of, six (6) months of the Redeveloper's actual or constructive knowledge of the Event of Default.
- D. **No Remedy Exclusive.** No remedy of the City or the Redeveloper hereunder is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or now or hereafter existing at law or in equity. No delay or omission to exercise any right accruing upon any default shall impair any such right or shall be construed to be a waiver thereof, but any such right may be exercised from time to time and as often as may be deemed expedient.

- E. **No Implied Waiver.** In the event any agreement contained herein should be breached by any Party and thereafter waived by the other Party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other concurrent, previous, or subsequent breach hereunder.
- F. **Agreement to Pay Attorney's Fees and Expenses.** Whenever any Event of Default occurs and the City employs attorneys or incurs other expenses for the collection of payments due or to become due or for the enforcement or performance of any obligation or agreement on the part of the Redeveloper herein contained, the Redeveloper agrees that it shall, on demand therefor, pay to the City the reasonable fees of such attorneys and such other reasonable expenses so incurred by the City.

13. **REVESTMENT; SUBORDINATION.**

A. **Revesting Title in City upon Specific Defaults by Redeveloper.**

- 1. The following must occur regarding the construction and completion of the Minimum Improvements: (i) Redeveloper must make application, subject to the review and approval of the City, for a permit for the construction of the Minimum Improvements and commence said construction on or before the date that is six (6) months from the Closing Date; and (ii) the Minimum Improvements shall be completed allowing for the issuance of a certificate of occupancy no more than two (2) years and six (6) months from the Closing Date ((i) and (ii) collectively the “**Conveyance Obligations**”), such dates being subject to extension for Unavoidable Delays (as defined hereafter). If Redeveloper:
 - a) fails to meet any of the Conveyance Obligations and said failure is not cured, to the reasonable satisfaction of the City, within thirty (30) days after written notice from the City to Redeveloper to do so; or
 - b) has transferred the Property in violation of Section 13.A.5. below, subject to thirty (30) days' notice to cure,

(collectively the “**Revesting Events**”) then the City shall have the right to re-enter and re-take possession of the Property and to terminate (and revest in the City) the estate conveyed by the Deed to the Redeveloper, it being the intent of this provision, together with other provisions of the Agreement, that the conveyance of the Property to the Redeveloper shall be made upon, and that the Deed shall contain, a condition subsequent to the effect that in the event of the occurrence of the Revesting Events, which remained uncured within the period and in the manner stated in such provisions, the City at its option may declare a termination in favor of the City of the title

and all the rights and interest in and to the Property conveyed to the Redeveloper, and that such title and all rights and interests of the Redeveloper, and any assigns or successors in interest to and in the respective portion of the Property, shall revert to the City (“**Reversionary Interest**”). As a condition of the Reversionary Interest, the City shall have one hundred eighty (180) days following the expiration of Redeveloper’s cure period to re-enter, terminate, and meet the conditions for such revestment by filing a declaration against the property records and paying the Redeveloper the actual Purchase Price paid at Closing or depositing with the Title Company the same if Redeveloper cannot or will not accept said payment. In the event City fails to exercise its option for revestment, or after such point the revestment cannot be triggered, City shall execute a quit claim deed in favor of Redeveloper, or such other recordable document necessary for the purpose of evidencing the waiver of the conditions as stated in the Deed and termination of the revestment option, at which time full fee simple title to the Property shall vest in Redeveloper with no further restrictions upon its use or transfer.

2. In the event the Reversionary Interest is subordinated as provided in Section 13.B. below and the Revesting Events have failed to be met as provided above, a delay fee, as provided below, shall be charged from the end of any cure period for the Revesting Events and shall continue until such time that the Revesting Events are met. City may invoice Redeveloper monthly for any delay fees due and owing. Redeveloper shall pay the delay fees within 30 days of written demand from the City. Failure to remit timely payment shall be an Event of Default, in which case the City may, in addition to the remedies set forth in Section 12, red tag the Project to cease construction activity and withhold a certificate of occupancy.
3. The delay fees shall be as follows: first month shall be \$1,500.00 per week; second month shall be \$2,500.00 per week; third month shall be \$4,000.00 per week; and every month thereafter shall be \$6,000.00 per week.
4. The Redeveloper represents and agrees that its purchase of the Property, and its other undertakings pursuant to this Agreement, are, and will be used, for the purpose of development of the Property for the Minimum Improvements and not for speculation in land holding.
5. The Redeveloper represents and agrees that prior to the occurrence of the Conveyance Obligations, the Redeveloper has not made or created and will not make or create or suffer to be made or created any total or partial sale, assignment, conveyance, or lease, or any trust or power, or transfer in any other form of or with respect to this Agreement or the Property without the prior written approval of the City.

The above shall not apply to the following transfers:

- a) Transfer of the Property by the Redeveloper to any corporation, partnership, or limited liability company controlling, controlled by, or under common control with the Redeveloper;
- b) Grant or conveyance of a mortgage interest in the Property for the purpose of obtaining financing necessary to enable the Redeveloper to perform its obligations with respect to construction of the Minimum Improvements; or
- c) Conveyance of any easements necessary for the Minimum Improvements.

Prior to said transfer being effective, the transferee shall enter into a transfer and assignment agreement, subject to the approval of the City and said approval shall not be unreasonably withheld, delayed, or conditioned, with the transferee agreeing to be bound by the terms of this Agreement.

- 6. After Redeveloper has completed the Conveyance Obligations and upon the request of Redeveloper, the City will furnish to the Redeveloper a Certificate of Completion and Release of Forfeiture in the form attached hereto as Exhibit C.
- 7. For purposes of this Section, the term “**Unavoidable Delays**” shall mean delays outside the control of the Party claiming its occurrence which include but are not limited to delays caused by strikes, fire or other casualty, war, material or labor shortage, weather, or acts of God, or acts of any federal, state, or local government unit, except those acts anticipated or contemplated under this Agreement.

B. **Subordination.**

- 1. The City recognizes that the Redeveloper may finance the construction of the Minimum Improvements (a “**Construction Loan**”) and that in order to do so the construction lender may require a first mortgage or other lien (a “**Mortgage**”) recorded against the Property which shall have priority to the Reversionary Interest to secure the Construction Loan. As a condition to such subordination, the Redeveloper agrees that in connection with the Construction Loan:
 - a) The Construction Loan proceeds will be used solely for the design, development, construction and financing of the Minimum

Improvements, the acquisition of the Property and related costs of the Project;

- b) The Construction Loan proceeds will be disbursed by a title company pursuant to a construction loan and disbursing agreement or similar agreement among the Redeveloper, the Lender and the title company whereby the title company will coordinate the payment for all work which may give rise to mechanics' liens; and

The City shall have the right to review the Construction Loan documents to reasonably satisfy itself that sufficient funds are or will be available to complete construction of the Minimum Improvements and that a) and b) above will be met.

- 2. Upon the City's reasonably satisfaction as provided for above and on the condition that Redeveloper is not in default under this Agreement, the Redeveloper and/or lender may request from the City a subordination agreement, with the form and content subject to the approval of the City and said approval shall not be unreasonably withheld, delayed, or conditioned, that subordinates the City's rights with regard to the Reversionary Interest to the Mortgage.

- 14. **POSSESSION.** At Closing, City shall deliver exclusive possession and occupancy of the Property to Redeveloper, other than any Permitted Exceptions.
- 15. **NOTICE.** All notices, requests, consents, claims, demands, waivers, and other communications hereunder (each referred to as a "**Notice**") shall be in writing and shall be deemed to have been given (a) when delivered by hand (with written confirmation of receipt); or (b) when received or rejected by the addressee if sent by a nationally recognized overnight courier (receipt requested); or (c) when received or rejected by the addressee if sent by United States Postal Service (receipt requested). A Notice must be sent to the respective Parties at the following addresses (or at such other address for a Party as shall be specified in a Notice given in accordance with this Section):

If to City:

City of Maple Plain
Attn: City Administrator
5050 Independence St.
P.O. Box 97
Maple Plain, MN 55359

With copy to:

Hoff Barry, P.A.
Attn: Maple Plain City Attorney
100 Prairie Center Drive, Ste. 200
Eden Prairie, MN 55344

If to Redeveloper:

North Shore Development Partners
Attn: Matt Alexander
235 Lake Street East, Suite 300
Wayzata, MN 55391

16. **GENERAL PROVISIONS.**

- A. **Conflict of Interest.** No member, official, or employee of the City shall have any personal interest, direct or indirect, in the Agreement, nor shall any such member, official or employee participate in any decision relating to the Agreement which affects his or her personal interests or the interests of any corporation, partnership, or association in which he or she is, directly or indirectly, interested. No member, official, or employee of the City shall be personally liable to the Redeveloper, or any successor in interest, in the event of any default or breach by the City for any amount which may become due to the Redeveloper on any obligations under the terms of this Agreement, except in the case of willful misconduct.
- B. **No Third-Party Beneficiaries.** This Agreement is for the sole benefit of the Parties and their respective successors and assigns and nothing herein, express, or implied, is intended to or shall confer upon any other person or entity any legal or equitable right, benefit, or remedy of any nature whatsoever under or by reason of this Agreement.
- C. **Governing Law.** It is agreed that this Agreement shall be governed by, construed, and enforced in accordance with the laws of the State of Minnesota. Any legal suit, action, or proceeding arising out of this Agreement shall be instituted in state court located in Hennepin County, Minnesota, and each Party irrevocably submits to the exclusive jurisdiction of such court in any such suit, action, or proceeding. The Parties irrevocably and unconditionally waive any objection to the laying of venue of any suit, action, or proceeding in such court and irrevocably waive and agree not to plead or claim in any such court that any such suit, action, or proceeding brought in any such court has been brought in an inconvenient forum.
- D. **Entire Agreement.** This Agreement constitutes the entire understanding between the Parties with regard to the subject matter herein. It may be amended or modified only in a writing signed by City and Redeveloper. This Agreement shall not be

construed more strictly against one Party than the other merely by virtue of the fact that it may have been prepared by counsel for one of the Parties.

- E. **Provisions Not Merged With Assignment.** Notwithstanding any provision of law or court decision to the contrary, none of the provisions of this Agreement are intended to or shall be merged by reason of any assignment or conveyance transferring any interest in the Property and any such assignment or conveyance shall not be deemed to affect or impair the provisions and covenants of this Agreement.
- F. **Waivers.** Neither the extension of time or payment of any sum of money to be paid hereunder nor any waiver by City of its right to declare this Agreement forfeited by reasons of any breach hereof, shall in any manner affect the right of City to terminate this Agreement because of a subsequent default. No extension of time or waiver shall be effective unless given in writing signed by City.
- G. **Additional Documents.** After the Closing, each of the Parties, without further consideration, agrees to execute such additional documents as may reasonably be necessary to carry out the purposes and intent of this Agreement and to fulfill the obligations of the respective Parties hereunder.
- H. **Commissions.** City hereby warrants to Redeveloper and Redeveloper hereby warrants to City that no broker, agent, or finder has been retained by either Party and that no broker's commissions, finder's fees or like charges have been incurred in connection with this transaction. Each Party hereby indemnifies and agrees to hold harmless the other from and against all losses, damages, costs, expenses (including reasonable fees and expenses of attorneys), causes of action, suits or judgments of any nature arising out of any claim, demand, or liability to or asserted by any broker, agent or finder, other than herein specified, claiming to have acted on behalf of the indemnifying Party in connection with this transaction.
- I. **Headings.** The headings in this Agreement are inserted for convenience only and shall not constitute a part hereof.
- J. **Assignments.** Except the right of Redeveloper to assign its interest in this Agreement to an affiliated entity or entities who will take title to the Property at Closing, Redeveloper may not assign its rights and interests in this Agreement without the prior written consent from City, provided that any such assignment shall not relieve Redeveloper of any obligation under this Agreement. This Agreement shall bind and inure to the benefit of the parties hereto and their respective successors and assigns.
- K. **Calendar.** In the event that any contingency date, expiration of any time period, or date upon which a notice is required to be provided or the Closing Date falls on

Saturday, Sunday, or legal holiday, such date will be automatically considered to be on the next business day (i.e., a date that is not a Saturday, Sunday, or legal holiday) immediately following such date.

- L. **Restrictions on Use; Time of the Essence.** The Redeveloper shall not discriminate upon the basis of race, color, creed, sex or national origin in the sale, lease, or rental or in the use or occupancy of the Property or any improvements erected or to be erected thereon, or any part thereof. Time is of the essence in the performance of and compliance with each of the provisions and conditions of this Agreement.
- M. **Incorporation.** The Recitals at the beginning of this Agreement and the attached exhibits are a material part of this Agreement and are incorporated herein and made a part hereof.
- N. **Counterparts.** This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall be deemed to be one and the same agreement. A signed copy of this Agreement delivered by facsimile, email, or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

*[Remainder of Page Left Intentionally Blank.
Signature Page to Follow.]*

IN WITNESS WHEREOF, the City and Redeveloper have executed this Agreement as of the Effective Date.

CITY:

City of Maple Plain

By: _____

Name: Julie Maas-Kusske

Its: Mayor

By: _____

Name: Jacob Kolander

Its: City Administrator

REDEVELOPER:

North Shore Development Partners, LLC

By: _____

Name: Matt Alexander

Its: President

EXHIBIT A

Land in Hennepin County, Minnesota with the following
Property Identification Numbers:

24-118-24-34-0069

24-118-24-34-0028

24-118-24-34-0070

24-118-24-34-0031

24-118-24-34-0033 (portion of property)

Legal description to be finalized based on Title Commitment.

EXHIBIT B

[insert Minimum Improvements Sketch Plan]

EXHIBIT C

CERTIFICATE OF COMPLETION AND RELEASE OF FORFEITURE

WHEREAS, the City of Maple Plain, a Minnesota municipal corporation (the “Grantor”), by the Limited Warranty Deed (“Deed”) recorded in the Office of the County Recorder or the Registrar of Titles in and for the County of Hennepin, State of Minnesota, as Document Number _____ that conveyed to _____ (the “Grantee”), the following land in the County of Hennepin, State of Minnesota, legally described on attached Exhibit 1 (the “Property”); and

WHEREAS, the Deed contains certain covenants and restrictions, the breach of which by Grantee, its successors and assigns, will result in a forfeiture of the Property and any improvements thereon to Grantor, its successors and assigns, said covenants and restrictions being set forth in the Deed (defined as “Right of Reverter” in the Deed); and

WHEREAS, the Grantee has performed said covenants and conditions insofar as it is able in a manner deemed sufficient by the Grantor to permit the execution and recording of this Certificate of Completion and Release of Forfeiture.

NOW, THEREFORE, this is to certify that all building construction and other physical improvements specified to be done and made by the Grantee have been completed and all of the above covenants and conditions in the Deed have been performed by the Grantee all allowing for the release and termination of the Right of Reverter. As such, the Right of Reverter is hereby released absolutely and forever insofar as it applies to the Property, and the County of Hennepin, State of Minnesota is hereby authorized to accept for recording and to record this instrument, and the filing of this instrument shall be a conclusive determination of the termination of the Right of Reverter.

CITY OF MAPLE PLAIN,
a Minnesota municipal corporation

BY: _____
Mayor

AND: _____
City Administrator

STATE OF MINNESOTA)
COUNTY OF HENNEPIN)ss.
CITY OF MAPLE PLAIN)

On this ____ day of _____, 20____, before me personally appeared _____
and _____, the Mayor and City Administrator, respectively, of the City of Maple Plain,
a Minnesota municipal corporation, on behalf of said municipal corporation.

Notary Public

This instrument was drafted by:

Hoff Barry, P.A. (SBL)
100 Prairie Center Drive, Ste. 100
Eden Prairie MN 55344

**EXHIBIT 1
TO
CERTIFICATE OF COMPLETION AND RELEASE OF FORFEITURE**

[insert legal description]

EXHIBIT D

[insert TIF District boundaries]

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