

# NORTH SHORE

DEVELOPMENT PARTNERS

641 EAST LAKE STREET #207 WAYZATA MN 55391

October, 4, 2024

St. Francis Economic Development Authority  
Attn; Kate Thunstrom

**RE: Letter of Intent for Purchase of Property – St. Francis, Anoka County, MN**

Dear Kate:

This letter of intent (“**LOI**”) is intended to set forth the general terms and conditions on which North Shore Development Partners LLC, a Minnesota limited liability company, and/or its assigns (“**Buyer**”) is prepared to commence the negotiation of a purchase agreement with The St. Francis Economic Development Authority (“**Seller**”). This LOI is non-binding on Buyer and Seller except with respect to the obligations of both parties related to confidentiality and exclusive negotiations. Accordingly, this letter does not constitute an offer, a contract, or an agreement, but has been prepared and executed to serve as an aid in the preparation and negotiation of the purchase agreement (“Purchase Agreement:”).

The proposed general terms and conditions are:

- Property.** The “Property” includes (i) the approximately 7.~~6695~~ acres of land located at 3731 Bridge Street NW and adjacent property with PID #'s St. Francis, Anoka County, Minnesota (PID # ~~323424340035 & 323424310016~~323424310020, 323424340035 & 323424310016), subject to that certain future public right-of-way, referred to as the Woodbine St. NW Extension and that certain future access/driveway easement reserved by Seller which may allow for maintenance and public safety vehicles and employees to access between the Woodbine St. NW Extension and the existing Ambassador Blvd. NW, that certain Development Performance Agreement by and between the parties hereto and/or deed covenant pursuant to Minn. Stat. Sec. 469.105 and subject to future conveyances as may be necessary or beneficial as determined by Seller in its discretion related to title clearing and registration noted below (“Real Property”), (ii) all other rights, privileges, hereditaments, appurtenances, and improvements located on and/or in any way related to the Real Property, and (iii) all contracts, permits, ~~warranties~~, and records relating to the Real Property in the possession of Seller. The legal description of the Real Property will be determined prior to Closing (defined below) and will conform to the title work for the Real Property as prescribed in the Purchase Agreement. ~~In connection with the sale of the Property, the following~~ subject to revisions made pursuant to that certain Land Title Registration Action, Anoka County Court File No. 02-CV-24-403. Buyer agrees to take title subject to the existing proposed legal description of the Real Property specified in such Land Title Registration Action, subject to approval of Buyer of further revisions thereto as noted herein. Seller specifically informs Buyer that there are current and pending title issues impacting the Real Property which are the subject of such action and that certain portions of the Real Property may be either conveyed or subjected to easements in favor of

third parties. Seller specifically reserves the right to convey or grant easements or refrain from conveying or granting easements in its discretion but the Purchase Agreement shall contain provisions to allow Buyer's obligations to be contingent upon acceptance of any such conveyance or grant. In connection with the sale of the Property, the following, if in the possession of Seller and Seller is not otherwise legally restricted from making such data public, if any, will also be included in the Purchase Price (as defined below):

- a. Any market studies;
  - b. Any appraisals;
  - c. Civil engineering documents;
  - d. ALTA survey, geotechnical reports, tree surveys, Phase 1& 2 Environmental reports.
2. **Purchase Price.** Buyer will pay a purchase price of One Dollar (\$1.00) ("***Purchase Price***"). ~~The Purchase Price has been calculated as follows:~~
3. **Earnest Money.** ~~The Purchase Price~~ Buyer shall ~~include~~ deposit Ten Thousand Dollars (\$10,000.00) of earnest money ("***Earnest Money***"); half of which shall be returned to Buyer upon a successful Closing, which will be paid to a title company of Buyer's choice ("***Title Company***") within five (5) business days of the execution of the Purchase Agreement, ~~with the remainder of the Purchase Price to be paid on the Closing Date (as defined below).~~ secure performance thereunder. During the Due Diligence Period (defined below), half of the Earnest Money will be fully refundable if Buyer, for any reason or for no reason, elects not to pursue purchasing the Property. After the Due Diligence Period, the Earnest Money will be nonrefundable in full unless (i) Seller defaults under the Purchase Agreement in any material respect and does not cure the default within the time permitted by the Purchase Agreement, or (ii) a condition precedent to Buyer's obligation to close is not satisfied and Buyer elects not to close, (iii) Seller is unable to provide Buyer with marketable title during the time permitted under the Purchase Agreement. ~~The, and in the event of any of such events, half of the~~ Earnest Money shall be ~~credited against development costs due from~~ refunded to Buyer ~~to Seller~~.
4. **Due Diligence Period.** Buyer shall be allowed Three Hundred (300) days after the execution of the Purchase Agreement ("***Due Diligence Period***") to conduct Buyer's due diligence related to the Property.
- a. **Delivery of Due Diligence Documents.** Upon execution of a Purchase Agreement, Seller shall provide Buyer with copies of various due diligence documents in the possession of Seller and Seller is not otherwise legally restricted from making such data public, if any, including, but not limited to, existing title work, surveys, environmental reports, geotechnical reports relating to the Property as well as items listed in items 1 above (collectively, the "***Due Diligence Documents***").
  - b. **Buyer's Inspections.** Buyer shall have the right, during the Due Diligence Period, at its sole expense, to review the Due Diligence Documents and to conduct and have prepared all tests, on-site inspections, or other procedures which Buyer deems

necessary with respect to the Real Property. Buyer shall also have the right to engage an environmental consultant to complete a Phase I Environmental Site Assessment of the Real Property. Buyer and its agents shall be permitted reasonable access to the Real Property during business hours of Seller for the purpose of such inspections, provided that Buyer shall provide Seller with at least 24 hours advance notice of such access and provided further that Seller or its agent shall have the right to accompany Buyer or its agents during such inspections and tests. In the event Buyer shall perform inspections or testing, Buyer shall restore the Real Property to its prior condition. Buyer shall indemnify Seller against any and all mechanic's liens or personal injury arising from Buyer's access onto the Real Property and Buyer's inspections or testing and such indemnification obligation shall survive termination of the Purchase Agreement and delivery of the deed.

c. Engineering/Subdivision/Platting. Any additional wetland delineation work, soil borings, survey, site planning, and development application fees shall be conducted by and paid for by the Buyer. Any additional subdivision/platting of the Real Property shall be conducted by Buyer at Buyer's sole cost and expense. (Buyer is not authorized to subdivide until after Closing). Any additional architectural, interior design or engineering services will be paid by Buyer. Seller shall reasonably cooperate in signing of all reasonable application documents.

d. Seller's site work: Seller will complete the necessary site work on the property prior to closing, such work includes: Erosion control, site clearing and grubbing, earthwork, stormwater ponding and utilities extended into the boundary of the property.

e. Termination of Purchase Agreement during Due Diligence Period. If, during the Due Diligence Period, Buyer determines, in its sole discretion that the acquisition of the Property is not feasible or practical, then Buyer shall have the right to terminate the Purchase Agreement and receive a ~~full~~-refund of half of any Earnest Money paid.

5. **Title and Survey.** Within five (5) days after the execution of a purchase agreement, Buyer shall order and pay for a commitment for a standard owner's title policy, including all name searches and a search for special assessments. Buyer shall have fifteen (15) days from receipt of a title commitment in which to review, approve or object to the status of the title to the Property. ~~Additionally, Buyer shall pay for any survey of the~~ or such objections shall be deemed waived and such encumbrances shall be deemed permitted encumbrances and may be included as exceptions on the deed conveyed at Closing (this provision shall survive delivery of the deed and the deed to be conveyed at Closing shall be in the form of a quit claim deed). Permitted Exceptions are intended to include any right-of-way created for the Woodbine St. NW Extension, an access/driveway easement created to allow access in between Woodbine St. NW Extension and the existing Ambassador Blvd. NW and the Development Performance Agreement and/or deed covenant related to the same (Minn. Stat. Sec. 469.105). ~~Additionally, Buyer shall pay for any survey of the~~ Real Property and any owner's or mortgagee's title insurance policy. Seller will provide a copy of the survey of this Real Property and other pertinent documents specified herein to the Buyer within five (5) days of execution of the Purchase Agreement. Buyer shall have the option to order and pay for a new survey ("**Survey**") if it determines that it needs a new survey for purposes of its title and survey review.

6. **City Participation.** Buyer will work with ~~Seller~~the City of St. Francis and the City's Financial Consultants to potentially create a TIF district for the purposes of creating a TIF Note for the benefit of the Buyer. ~~The Seller with also work to reduce, or remove, when possible, all city driven charges (Met Council SAC excluded) such as park dedication fees and utility access fees~~The Seller does not control the City of St. Francis, nor guarantee any TIF district will be created.
7. **~~Representations and Warranties.~~** The Purchase Agreement shall require Seller to provide ~~normal and customary~~limited representations, to the best of the knowledge of Seller, which may be limited to the primary governing officer of Seller, but no warranties ~~and/or~~ indemnifications, and this provision shall not be construed to bind Seller to any proposed representation and the parties agree that representations will be negotiated by the parties in the Purchase Agreement. Other than the representations negotiated, the Real Property will be sold and conveyed AS IS, and without representation or warranty and any representation shall be actionable for one year after Closing. The Purchase Agreement shall also contain a provision allowing Buyer to terminate the Purchase Agreement in the event of any material change in such representations ~~or warranties.~~
8. **Conditions to Buyer's Performance.** Buyer's obligation to close on the purchase of the Property will be conditioned upon Buyer's satisfaction with
  - a. Buyer's inspection of the Property during the Due Diligence Period;
  - b. Buyer's confirmation that the Property complies with all municipal requirements;
  - c. Buyer's confirmation that its intended use for the Property is feasible and that there is suitable water/sewer availability to the Property; and
  - d. Buyer's approval of revisions to the proposed legal description of the Real Property described in that certain Land Title Registration Action noted hereinbefore, if any.
9. **Transaction Costs; Prorations.** Closing costs will be paid in accordance with customary practices for Minnesota real estate transactions. Buyer shall be responsible for all abstracting, title examination, premiums required for the issuance of the title policy, mortgage registration tax, recording fees, and one-half of the closing fees charged by the title insurance company. Seller shall be responsible for payment of the state deed tax, ~~the cost of issuing the title insurance commitment,~~ and one-half of the closing fee charged by the title insurance company.
10. **Taxes and Assessments.** Seller shall pay any deferred taxes that become payable upon the recording of the deed by Buyer. Seller shall pay all special assessments, whether deferred, levied or pending, as of the Closing Date, unless related to Buyer's development of the Real Property. Real estate taxes payable in the year of the ~~closing~~Closing shall be prorated to the date of ~~closing~~Closing.
11. **Closing.** Buyer shall ~~use its best efforts to~~ close on the purchase of the Property on or before the date that is Thirty (30) days after the expiration of the Due Diligence Period or such earlier date as selected by Buyer upon ten (10) business days' prior written notice to Seller ("Closing" or "Closing Date"), except that Seller shall not be bound to close on

such date if Seller has not yet completed its Title Registration Action noted hereinbefore. The Purchase Agreement shall provide for a mechanism of reasonable extension by Seller in such event to be negotiated by the parties in the Purchase Agreement.

12. **Delivery of Purchase Agreement.** As soon as possible after the acceptance of this Letter by Seller and Buyer, the parties shall, in good faith, endeavor to negotiate a formal Purchase Agreement that will embody the general terms and conditions of this LOI and which will be binding upon all parties and govern the transaction. Seller acknowledges that Buyer will be creating a new affiliated entity to take ownership of the Property and the Purchase Agreement will allow the assignment of rights by Buyer to such affiliated entity but general assignment shall not be permitted.
13. **Exclusive Negotiations.** Following the execution of this LOI, Seller agrees to not negotiate with any other third parties for the for the sale of the Property or enter into any other purchase agreements or options for the Property until the earlier of the following: (a) thirty (30) days; or (b) Buyer notifies Seller, in writing, that it will not be pursuing the purchase of the Property and that this proposal has been withdrawn. This provision will be binding upon Seller, as provided in the introductory paragraph, in the event that this letter of intent is executed.

~~**Confidentiality.** Buyer and Seller agree to maintain the details of this transaction in strict confidence and to not disclose information about this proposal to the public.~~

As stated above, this letter of intent is intended to be an outline of the terms and conditions for a possible sales transaction between Seller and Buyer. It contemplates that the parties will negotiate in good faith to enter into a mutually satisfactory Purchase Agreement and, in addition to the terms outlined in this letter, will incorporate other provisions as may be normal and customary in standard purchase agreements.

If the general terms and conditions of this letter of intent are acceptable to you, please execute this letter of intent below. We look forward to working with you!

Very truly yours,

**North Shore Development Partners LLC**

MATT ALEXANDER

By: Matt S. Alexander

Its: President

Agreed to and Accepted by:

**St. Francis Economic Development Authority, Minnesota**

\_\_\_\_\_  
By:

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

~~**EXHIBIT A**~~  
~~**SOFT COSTS REIMBURSABLE TO SELLER**~~

