

CITY OF COTTAGE GROVE

Economic Development Authority

AGENDA

August 29, 2023, 7:30 AM

1. Call to Order
2. Roll Call
3. Approval of Minutes
 - 3.1 Approval of Meeting Minutes
4. Business Items
 - 4.1 Development Update
 - 4.2 Second Amendment to Amended and Restated Contract for Private Development with NorthPoint BGO Cottage Grove Logistics Park, LLC
 - 4.3 Third Amendment to the Purchase Agreement - Ryan Companies
 - 4.4 Facade Improvement Program
5. Public Hearings
 - 5.1 Kwik Trip, Inc. Land Sale
6. Other Business
 - 6.1 EDA Calendar
 - 6.2 EDA Comments
 - 6.3 Response to Previous EDA Comments
7. Workshop
8. Adjournment

CITY OF COTTAGE GROVE

ECONOMIC DEVELOPMENT AUTHORITY

MINUTES Economic Development Authority (EDA) Meeting July 11, 2023

Pursuant to due call and notice thereof, a meeting of the Economic Development Authority was held on the 11th day of July, 2023, at 7:30 a.m.

CALL TO ORDER

The meeting was called to order at 7:30 a.m. by EDA President Bailey.

ROLL CALL

Assistant Mann called the roll: EDA President Bailey-Here; EDA Vice President Dennis-Here; EDA Member Carey-Here; EDA Member Myers-Here; EDA Member Scott-Here.

Members Present: Myron Bailey, EDA President
Steve Dennis, EDA Vice President
Chris Carey, EDA Member
Dan Myers, EDA Member
Sandi Scott, EDA Member

Members Absent: None.

Staff Present: Jennifer Levitt, City Administrator
Gretchen Larson, Economic Development Director
Brenda Malinowski, Finance Director
Jaime Mann, Assistant to the City Administrator
Emily Schmitz, Community Development Director

Others Present: None.

APPROVAL OF MINUTES

3.1 Approval of April 11, 2023 EDA Meeting Minutes

EDA Vice President Dennis made a motion to approve the April 11, 2023 EDA Meeting Minutes. Motion was seconded by EDA Member Scott. Motion passed unanimously (5-to-0 vote).

BUSINESS ITEMS

4.1 Economic Development Update/Business Inquiry

Gretchen Larson, Economic Development Director, reviewed the Beige Book Report: Employment: Grew moderately since the last report. Workers and job seekers in low and middle-income households continued to prioritize better pay and benefits as they look for work. Price Increases: Modest overall amid some signs of easing inflationary pressures, similar to the last report. Consumer spending: Rose modestly. Commercial construction: Was flat. Commercial real estate: Fell again. Residential real estate: Remains subdued with single-family permitting in the metro area down 40%, year over year. Multifamily construction remains strong. Office Real Estate: Continues to show a real strain from continued levels of low workers in the occupancy of the buildings. Manufacturing: Activity increased modestly. Agricultural Conditions: Remained strong. Industrial Market: Remained steady as a result of fewer new projects, much of that related to financing. Minority and Women-Owned Businesses: Reported steady activity, though labor market tightness continues to put uneven pressure on their businesses.

Project Updates: Cottage Grove Apartments: Work has begun on the amenity deck and the pool and grilling area. The fourth floor is nearing completion, and final inspections will begin shortly for that floor. The Community Development Department reports that interior trim work continues for the rest of the floors. The View: Finishing work has begun for the second and third floors, with framing inspections continuing for the first floor. Pizza Ranch: Interior is complete, but there is a delay in the schedule as they wait for rooftop mechanical equipment, stone, and the electrical transformers. They still hope to be open in mid-September.

Director Larson stated she and Emily Schmitz, Community Development Director, would be happy to answer any questions, but none were asked.

4.2 Updates from ICSC 2023 Tradeshow

Director Larson stated the ICSC Tradeshow takes place annually, in May, and it allows us the opportunity to connect with real estate brokers, investors, and developers. It's the largest retail expo in the country, with over 800 exhibitors and 27,000 attendees this year. This year our team met with representatives from Kwik Trip, Freddy's, Raising Cane's, Panera, Total Wine, and more; all of these groups are either seeking their ideal location or a franchisee to expand into the Cottage Grove market. We also met with several developers interested in finding land for shopping centers, for development or redevelopment, and those were interesting meetings. We've continued to follow up with them, as many are interested in investing in the community and looking for opportunities. One thing people don't know is the City, historically, has low-vacancy rates, so, trying to find the ideal location is challenging. However, we hope to change this paradigm soon as the Economic Development team continues to meet with investors interested in developing some of the vacant properties we have towards our southern border; that would include the Shoppes at Cottage View, the 3M properties, the properties that the EDA owns around the Majestic Ballroom, and lands like that. She stated she'd be happy to answer any questions.

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EDA Vice President Dennis stated he thought our trip to ICSC was good, as always. It's impressive to see that when we travel and talk to people, they recognize us from previous years and know we're talking about Cottage Grove, Minnesota, not Cottage Grove, Oregon or Cottage Grove, Wisconsin. We have some limitations on available space at the moment, but that doesn't mean that we stop promoting and trying to work opportunities because we never know what can happen unless we take the shot. He pointed out a button that he was wearing in the photo that was displayed, and asked Director Larson to speak about what that button was and how it came to be.

Director Larson stated when NorthPoint decided to invest in the community, one of the things that the NorthPoint owner said was, "Capital goes where capital is welcome." EDA Vice President Dennis decided to pick that phrase up and run with it, and said we ought to wear something at ICSC that said that. So, we decided on a button that would be a little more noticeable, and it's really important because developers want to go where they can be welcomed to the City. If you put too many hurdles in their way, then that's challenging for them. That button kind of represents the philosophy of the EDA and the City Council. We're here to do business and make deals with folks; City Administrator Jennifer Levitt loves to make deals.

EDA Vice President Dennis stated it's a great message to have, and it's something that he thinks resonates with investors that are looking for a place where they can come, and we've made it relatively easy for them to come in and do business with us. We're removing hurdles and roadblocks and providing a lot of value in terms of not only a low property tax on our land, relative to what they get back in services, but also the fact that we bring a tremendous amount of experience with our staff to assist them in a number of ways and directions that help make them successful. Companies who come here, especially in the Business Park, generally expand multiple times, and that speaks to the viability of the area. So, for anyone watching this broadcast today, feel free to look us up; he thinks they'll find it'll be a great experience.

EDA President Bailey stated Director Larson commented that one of the challenges that we've had with the low-vacancy rates is everybody that we talked to was very particular about where they wanted to locate. So, we've also been looking at redevelopment opportunities in other parts of our City; frankly, those tend to be more expensive because they'd have to buy somebody out, tear down the building, and redevelop it, etc. We're still working on some of those angles where it's appropriate. He thinks it's really looking to our future, as he, EDA Vice President Dennis, City Council and City staff have been talking about this for years, looking for a major commercial entity at the previous location of the Cottage View Drive-In, down by Walmart. How do we pull all that together and make sure it's going to be a viable commercial space with amenities for which our citizens have been asking, for many years. We've got new developments, including Pizza Ranch, Ulta, etc., but there isn't much space available in other parts of our City. We have businesses that want to be here, they just need somebody to come in and start putting things together so we can look at having a future mall, a strip mall, or some new sites.

4.3 Hunden Partners Proposal

Director Larson stated at the recent ICSC Tradeshow, we met with a developer who has the option on the property, along with a team that he knows well at Hunden Partners, who specialize in feasibility studies related to entertainment venues. As a part of the conceptual plans for the property, the developer is proposing a multiuse sports or entertainment venue; with all large projects, there are elements that go into the proposed development that may need to be analyzed, and the need for an event venue in the South Metro is one of those questions.

Hunden Partners is a leading advisor and destination real estate development practice. They do market intelligence and strategy reports, including entertainment venues and attractions, which is the purpose of this proposal for your consideration. They have lots of experience, have assisted many cities with feasibility studies, and they have strong stadium and entertainment district experience. They're well known in the real estate market; she believes, to date, they have more than 1,000 projects that they've done over the course of 25+ years. Their proposal would include: A kickoff and organizing call, a site visit with local discovery to see all the venues here, and they'll try to determine if there's a need for another venue of a moderate size, as opposed to the very large ones we all know exist in the area. There will be circle back calls, there will be check-ins about what they've seen and what the City's working on. All of that would result in a Phase 1 Arena Market Implications Report, the cost for that report is \$20,000, which includes travel and expenses. The estimated timeline for their completion would be about 30 days; however, their project workload has got them out until mid-August already, so they would start around mid-August and you could expect a report about the analysis in about mid-September.

Director Larson stated she'd be happy to answer questions.

EDA President Bailey stated the purpose for doing this is a company, River Caddis, has a Purchase Agreement for these 73 acres; obviously, Purchase Agreements aren't final until they do their due diligence, which is part of what this is all about. River Caddis actually presented to us at ICSC a concept of what they're looking for on this site; there are a couple different options so we've seen more than one idea, including an arena or arenas, or commercial with entertainment options other than an arena. The goal in this case is to understand what would be the best thing for our community and the East Metro; that's what they're looking at, maybe venues that aren't located in the East Metro that would make Cottage Grove a destination. There are multiple facets to this study: The first phase is \$20,000, and it could be more than that in the future depending on what we learn. There is already a Purchase Agreement for this site, and somebody has some ideas for this site; we want to make sure that we do our due diligence to make sure that whatever is being proposed will be sustainable. The worst thing we could possibly do is have a developer come in and build something and have it fail, which would leave us with an empty site in the future.

EDA Member Scott asked if this area would be a multipurpose arena.

EDA President Bailey replied this is one piece of it; if you read into what they've done in the past, they've done stadiums, but they also have some ideas and interest of certain groups who would want to be part of a stadium. What we need to know is what the cost factor of that would be because there has to be a funding source. Stadiums, wherever they may be, don't make money on their own, so there has to be some sort of a revenue stream. However, we're also looking at what kind of entertainment venues, aside from the stadium, might want to locate in Cottage Grove. We need to understand if some of those that are being proposed or looked at would be sustainable. For example, the Hastings movie theater closed, as did Dock86 in Oakdale. The question is if somebody comes to Cottage Grove and wants to build a movie theater, is that sustainable; we want to ensure we won't be investing in something that's not going to have long-term viability for our community.

EDA Member Carey asked if it was typical for the EDA or the City to pay for this vs. the burden being on the developer, as it sounds like doing the assessment could also provide value to future developers.

EDA President Bailey confirmed with Director Larson that the study will be ours. Director Larson stated it's just to scratch the surface, it's an initial implication study, much like the HVS Hotel Study. Sometimes we, meaning the EDA, have to make an investment in studies and reports that help developers make decisions about certain things. We think it's a fair partnership to do some things that the developer asks for.

EDA Member Carey stated essentially it's going to add value to whatever future developer may come in and make this land more attractive. Director Larson stated absolutely. EDA Member Carey asked if it will somehow increase the value; he asked who owns the land right now, and if they're buying it from the EDA.

Director Larson stated the developer has the option on the land, which was owned by Mr. Herringer, who recently passed away; his son is the executor of the estate, and they continue to want to make a deal with a developer. So, the developer has an option and has some performance measures he has to meet. But, all in all, this will definitely be worthwhile to any future developer, should it not be this developer.

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EDA President Bailey stated we also received \$3M for infrastructure on the property that was provided to us by the Federal government, with the help of Congresswoman Angie Craig; that's available as a placeholder to help with some of the cost. If you've been out to this site, the topography is a little interesting, there will need to be a lot of dirt moved, etc., as its not just a simple, flat piece of property that you can start to put buildings on. It's a very strategically located parcel for future development for our community.

Director Larson stated to expand on EDA Member Carey's question, Administrator Levitt and staff have done an outstanding job with this 73 acres; they've done a substantial number of reports on it, looking at grading, engineering, phasing, etc. So, any developer has a lot of historical information about this piece of property, its topography and its challenges. So, this proposal would just add one more element to their due diligence that they would not have to do.

EDA Member Carey asked if there was any value in maybe just explaining how we get a return on this investment to recoup those costs. Director Larson stated the return on the investment is ultimately going to be the development of the property.

EDA Member Carey asked if maybe that would happen quicker with this study. Director Larson replied generally, if all the due diligence is done. For instance, that's what was done in the Business Park; the idea was to put in infrastructure, make plans, and make commitments that allow the property to develop easier. It's like marketing; Administrator Levitt always says, "We get you in the ground faster," but that's the concept. The idea is that we do all of these things with the inhouse expertise and some of it with outside engineering companies such as Bolton & Menk or Stantec. It's an investment in yourself because some people are just not going to buy a piece of raw land, so, they're looking to see what kind of commitments you've made as a City.

EDA Member Carey stated it sounds like an important point is Phase 2, Phase 3, and the total scope of the project are more significant than Phase 1, in terms of total cost, which is his concern, the total price. He feels comfortable with Phase 1 for sure, and let's see where we go.

EDA Vice President Dennis stated another way he would look at this is to consider that this is us taking a peek at what might be viable there. It creates a little bit of a built-in protection factor for the community itself relative to what EDA President Bailey said earlier about making sure that we find the right pieces to go into this. In his mind, that's probably the biggest and most important aspect of this study; many times what will happen, and we've experienced this over the years, is purchasers or developers will come in with some pretty lofty ideas about what they think might work. The challenge is that they might not be from here, they don't know who our people are, they don't know the community, they don't know the history, they don't know the plight that we've had to get where we are. So, our Council, EDA, Commissions, and staff tend to have more of an intrinsic understanding of what works and what doesn't, what people want to see here and what might not be viable. So, his perspective is this is more of a protection; to have people come in with fresh sets of eyes, who are very experienced in analyzing markets for potential, and see what might work. We don't want to be stuck with something at a point in the future where there would be a redevelopment effort or brownfield; redevelopment is always three times the cost factor of dealing with greenfield or open land. So, we've got all those factors, acquisition, demolition, and rebuilding to consider. We're really looking to get out in front of this and have some protections built in on the top end.

EDA President Bailey stated the last thing he'll mention is we did the Hotel Study with a reputable group, and though we don't have a hotel in the ground today, there are hotel entities that want to be in Cottage Grove and are looking at locations. Again, it's a situation of where do they go and whether it's brownfield or greenfield; that would not have been the case without that Hotel Study. He looks at this as kind of the same thing, as it will really set the stage for everybody out there to say yes, this is the place to be and this is what they're looking at doing.

Recommendation: By motion, approve the proposal of the Hunden Partners to engage their services for the completion of Phase 1 Arena Market Evaluation and Implication Study in an amount not to exceed \$20,000.

EDA Member Myers made a motion to approve the proposal of the Hunden Partners to engage their services for the completion of Phase 1 Arena Market Evaluation and Implication Study in an amount not to exceed \$20,000. Motion was seconded by EDA Member Scott. Motion passed unanimously (5-to-0 vote).

PUBLIC HEARINGS - None.

OTHER BUSINESS

6.1 EDA Calendar

EDA President Bailey noted the EDA Calendar had been sent out to all EDA Members with the upcoming events. He specifically noted:

-Wednesday, July 26, at 3:00 p.m., there will be a ribbon cutting for Jersey Mike's.

-Tuesday, August 22, is the 40th Anniversary of SWCTC, so they'll have an open house from 4:00 to 8:00 p.m. He encouraged everyone to stop by.

6.2 EDA Comments

EDA Vice President Dennis stated he and EDA President Bailey would be conducting some interviews later today, as four community members have expressed interest in joining the EDA. Hopefully, we'll soon have two new people to join us here on the EDA.

6.3 Response to Previous EDA Comments - None.

7 WORKSHOP - None.

8 ADJOURNMENT

EDA Member Scott made a motion to adjourn. Motion was seconded by EDA Vice President Dennis. Motion passed unanimously (5-to-0 vote). The meeting was adjourned at 7:58 a.m.

Respectfully submitted,

Jaime Mann
Assistant to the City Administrator

/jag

TO: Economic Development Authority

FROM: Emily Schmitz, Community Development Director

DATE: August 21, 2023

RE: Development Update

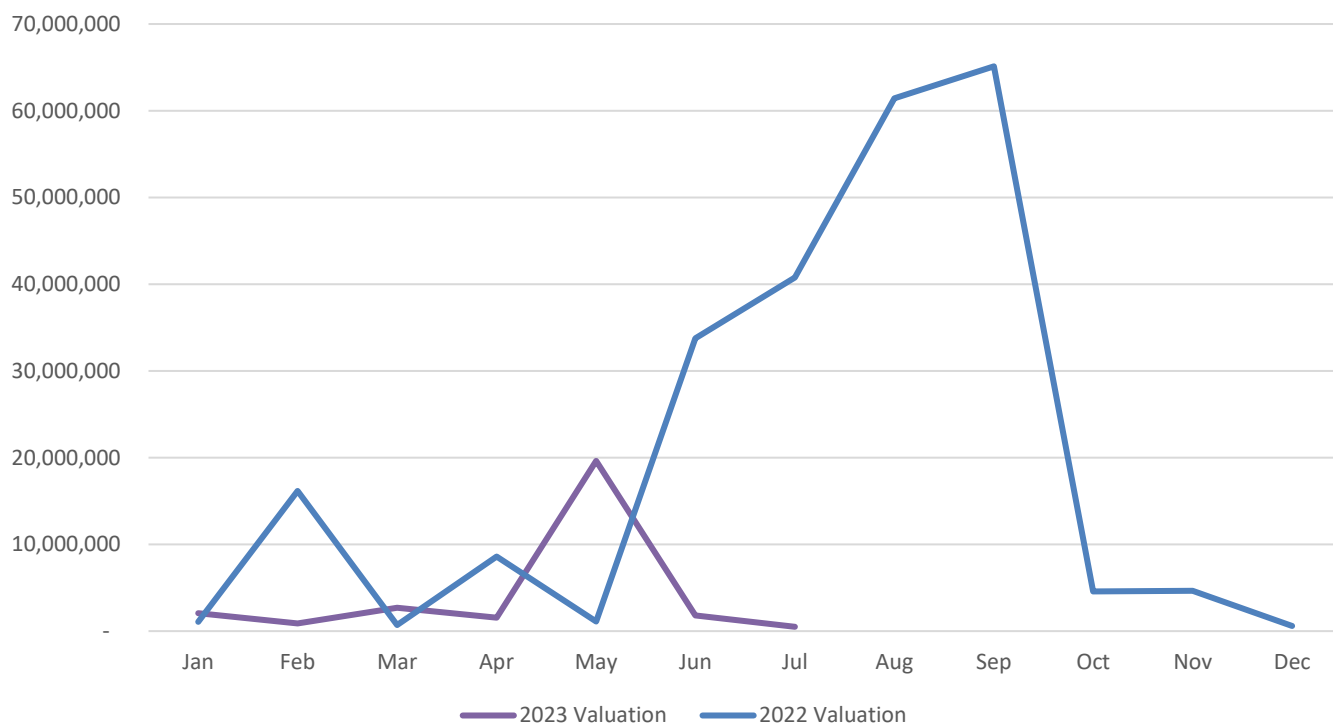
Building Permits

Building Permit Statistics:

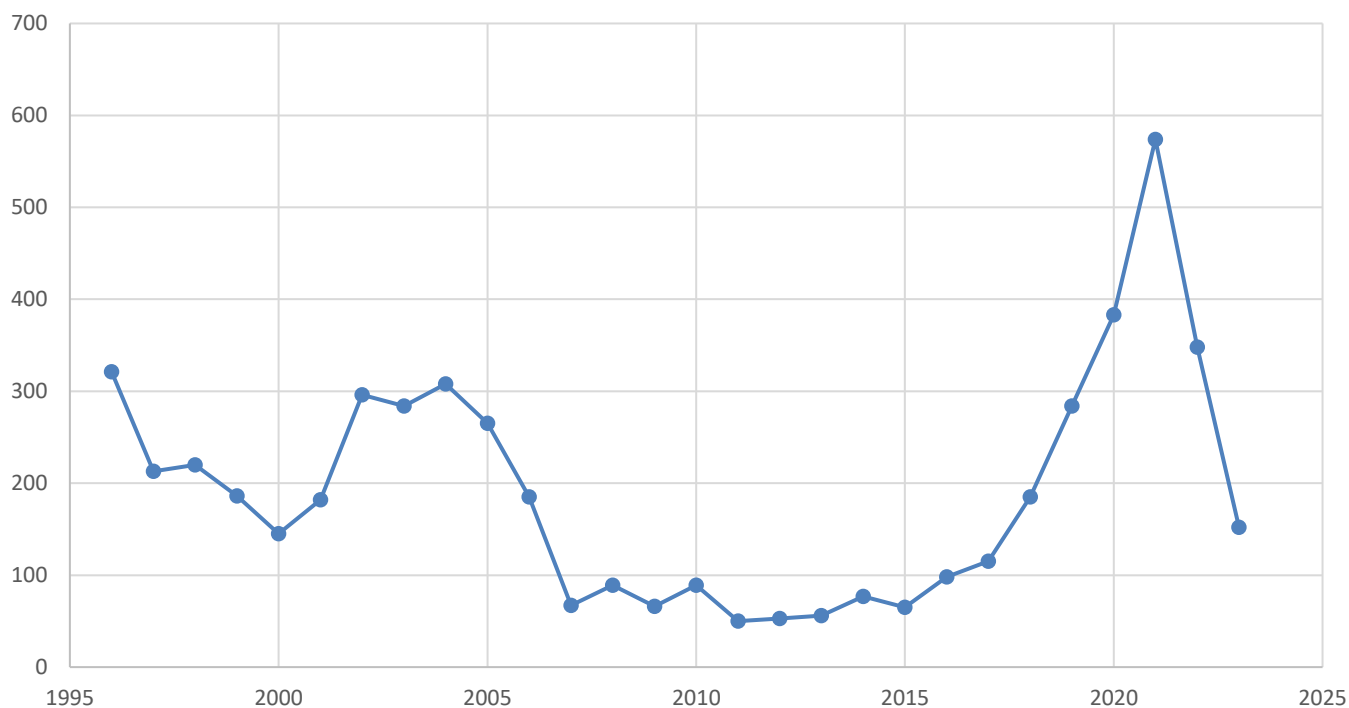
Building Permit Statistics: Between July 1 and July 31, there were 367 building permits issued with a total valuation of \$12,938,717, including 25 single-family homes valued at \$8,584,971 and 3 town-homes valued at \$1,073,685.



Commercial Permit Valuation Comparison
By Month
2022-2023



Residential Permits - New Construction
1996 to 2023



Current Project Updates

Building Construction Projects

Aurilla (formerly Cottage Grove Apartments): Work has begun on the amenity deck and pool/grilling area. Fourth floor is nearing completion and final inspections will begin shortly for that floor. Interior trim work continues for the rest of the floors.



The View: Finishing work continues for all three floors. Civil work is well underway.

Norhart Apartment Building: Plans have been submitted for a five-story apartment building to be located at 10251 Hadley Avenue.

Pizza Ranch: The interior is complete. However, there is a delay in the schedule as they wait for roof top mechanical equipment, stone, and electrical transformer.



Ulta Beauty: Construction continues for the interior remodel and façade improvements.

Cottage Grove Smiles (formerly Pacific Dental): Office is nearing completion as finishing work continues.

O2B Kids: Permit is soon to be issued for the new childcare center to be located in the vacant lot next to the Shoppes of Gateway North on Hardwood Avenue.

Air Gas: Electrical issues have been resolved and approved. The final building inspection to be scheduled this week.

3M Projects:

- Building 150 – Installing process piping and filtration systems. Also plans have been submitted for an addition.
- Building 151 – Interior trade work continues.
- Construction work continues for all five pump houses as part of Bid Pack #6 (pump houses and processing piping) and new clarifiers as part of their water treatment processing.

Renewal by Andersen: Certificate of Occupancy has been given for the addition as work continues on the mezzanine.

Cottage Grove Logistics Park:

- 7601 100th Street – A second speculative office is being added. Van Meter Electric has been given a Letter of Approval for their half of the building.
- 7701 100th Street – Office buildout is nearing completion.

Hemingway Industrial Center: Work continues on the installation of the roof for both buildings.

GTI (formerly Leaf Line Labs): Final inspection is scheduled for August 4.

Tradehome Shoes: Plans have been reviewed and approved for the construction of mezzanine.

Glacial Valley Park: Framing has started on the park building.



Plans have been reviewed for minor restroom remodels at Pine Hill Elementary and Park Senior High School.

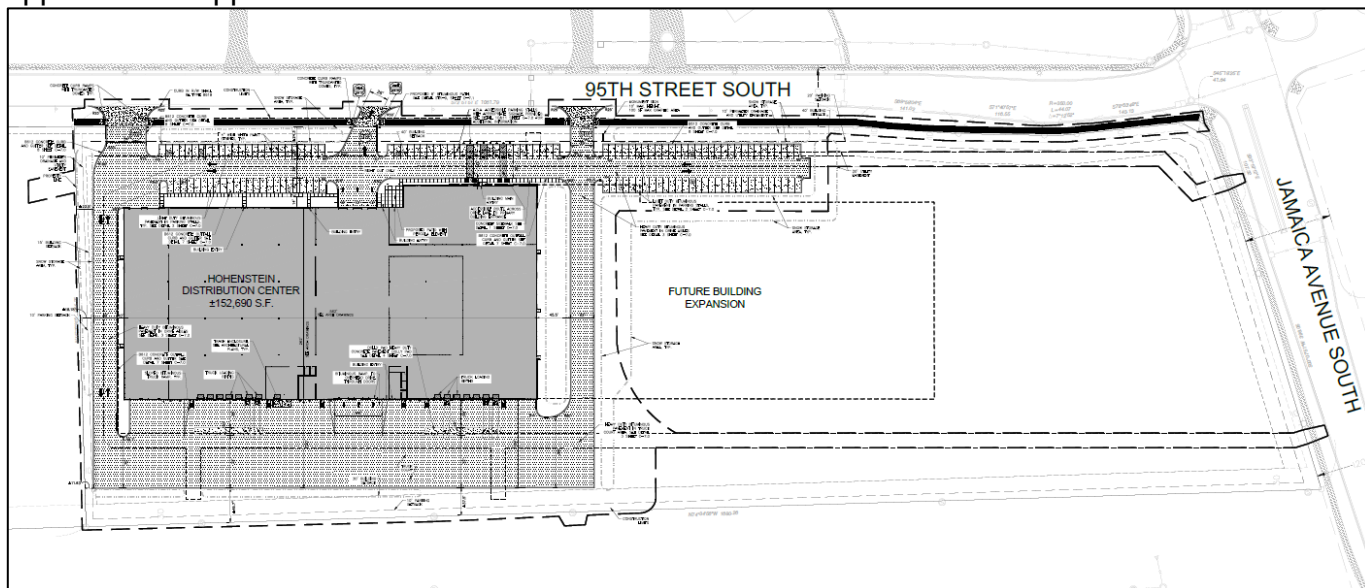
Planning Division

June 26 Planning Commission Meeting

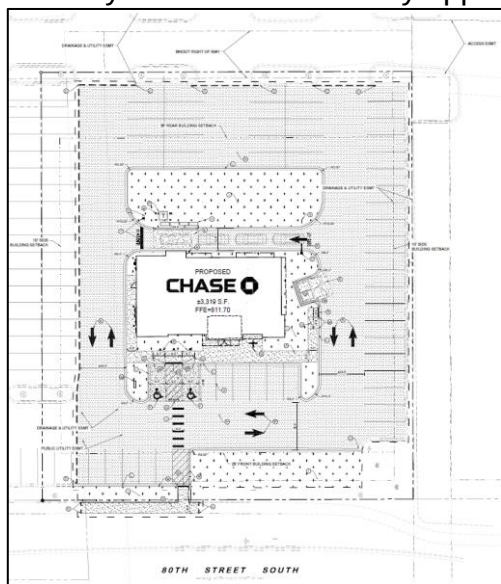
The Planning Commission met on June 26, 2023, and reviewed the following applications:

Hohenstein's – Site Plan Review: Gardner Builders Minneapolis, LLC, on behalf of Hohenstein's, applied for a site plan review of a proposed 160,785 square foot distribution center to be located on the southwest corner of Jamaica Avenue and 95th Street. The Commission asked about how trucks would access and exit the property, if they would be parked on site, and future expansion plans. There

was no public testimony received on this application. On a unanimous 6-to-0 vote, the Planning Commission recommended approval. At their meeting on July 19, the City Council also unanimously approved the application.



Chase Bank –Site Plan Review and Conditional Use Permit: JP Morgan Chase Bank, NA applied for a site plan review of a proposed 3,319 square foot freestanding retail banking center to be located in the south parking lot of Kohls, north of 80th Street, east of Culver's, and west of U.S. Bank; and a conditional use permit for an attached through-the-wall drive-up ATM lane. No one spoke during the public hearing. The Planning Commission unanimously recommended approval of the applications. The City Council unanimously approved the proposal at their July 19 meeting.



Trellis Senior Housing – Zoning Amendment, Planned Unit Development, and Site Plan: Trellis Co. applied for a zoning amendment for a PUD, Planned Unit Development, on the property located at 7601 79th Street South, and a site plan review of a 45,562 square foot affordable senior housing building that will include 52 units and 43 parking stalls. The Commission asked about rent and other fees and expressed concerns about the number of parking spaces and snow removal. No one spoke for or against the applications at the public hearing. The Planning Commission, on a unanimous vote,

recommended approval. These applications were approved unanimously by the City Council at their July 19 meeting.



July 24 Planning Commission Meeting

The Planning Commission met on July 24, 2023, and reviewed the following applications:

Zoning Definition Text Amendment: The City of Cottage Grove has applied for a text amendment to remove bees from the Agricultural Use definition in City Code Title 11-1-3. The Planning Commission reviewed the Text Amendment to the Agricultural Use definition in City Code Title 11-1-3 (Zoning Code) at their July 24, 2023 meeting. There were general questions regarding potential legal nonconformities and whether there is currently beekeeping occurring in the City. Staff stated the City is currently not aware of beekeeping occurring within the City; however, there is growing interest from residents to allow for the keeping of bees. In addition, staff stated property owners will be required to comply with the proposed ordinance requirements if the City Council adopts the proposed ordinance. The Planning Commission unanimously (6-to-0 vote) recommended approval of the application. At their August 16 meeting, the City Council approved the text amendments.

Water Resource Chapter Comp Plan Amendment: The City of Cottage Grove has applied for a text and map amendment to the Wastewater Management section of Chapter 7 in the 2040 Comprehensive Plan. The amendment includes the most recent calculations of future wastewater flow into the Metropolitan Council's South Washington County Interceptor and a map update showing additional sewer connections to the interceptor within the city. The City's Planning Commission reviewed and held a public hearing for the request at their July 24, 2023, meeting. There were no residents that participated in the public hearing. The Planning Commission asked a question about the future extension shown on the amended map. They then voted unanimously (6-to-0) to approve the request. The City Council unanimously approved this amendment at their meeting on August 16.

August 28 Planning Commission Meeting

The August 28, 2023, Planning Commission has been cancelled as there were no applications to come before the Commission.



Summary of Economic Activity

Economic activity in the Ninth District increased slightly since the previous report. Employment grew moderately, helped by summer demand. Wage pressures remained moderate, while price pressures were mild. Growth was noted in services, commercial construction, and manufacturing, while consumer spending was flat. Residential construction and real estate activity remained low, and agriculture weakened due to drought conditions. Energy exploration also fell slightly. Minority- and women-owned businesses reported steady activity and a positive outlook.

Labor Markets

Employment grew moderately since the last report. Labor demand remained high overall, in part because of normal seasonal increases, according to internal surveys and most contacts. Labor availability remained tight, but improved according to some contacts, which had upsides for both employers and workers. A Minneapolis workforce development contact noted an increase in layoffs, but so far they “haven’t seen these layoffs turn into dislocated workers” because the workers “are doing OK finding new jobs on their own.” Employers also continued adjusting their business and labor models. A restaurant in central Minnesota reported that it bought an apartment building to provide workers with nearby housing. A North Dakota staffing firm noted that demand for contingent work had fallen because “most clients just want full-time help,” and available workers preferred full-time jobs to temporary work. Counter-intuitively, he said, “if the economy softens, we expect demand for temp staffing assignments to increase.”

Wage pressures were moderate overall. A monthly survey of District firms showed persistent but moderate wage pressures. In Montana, temp jobs in office support and transportation have seen significant wage increases so far this year, while wages for construction and manufacturing temp jobs have been flat. A Minneapolis tech staffing firm reported that technical positions have “completely reversed” from a candidate market to a client market, with job seekers “jumping at the first offer.”

Prices

Price pressures were mild overall since the previous report. Half of firms responding to the Minneapolis Fed’s annual professional services survey reported that the prices they charged to customers had increased from a year ago, and nearly two-thirds said their nonlabor input costs increased. Manufacturing and other contacts reported that freight rates had declined substantially from a year ago. “It feels like our vendors are squeezing the last increases out of us,” said a manufacturer. Retail fuel prices in District states were little changed since the previous report. Prices received by farmers increased in May from a year earlier for barley, chickpeas, potatoes, hay, cattle, and turkeys; prices decreased from a year earlier for corn, wheat, soybeans, milk, hogs, chickens, eggs, dry edible beans, lentils, and canola.

Worker Experience

Most workers who responded to a recent Minneapolis Fed survey reported job stability. About a fifth were looking for a different job in hopes of increased income but were facing difficulties in hearing back from employers or finding a job that paid enough. A few professional workers in the Minneapolis-St. Paul area said they were considering a temporary move out of state to work remotely while their company’s work-from-home flexibility was still in place. According to a Minnesota union contact, recently certified nursing assistants were choosing to work in retail instead of health care, where wages were similar but stress was

much higher. A significant number of nurses were reportedly pulling back from traveling jobs as federal funding abated, and some hospitals offered up to \$15,000 after taxes for an 18-month commitment to permanent positions.

Consumer Spending

Consumer spending was flat overall since the last report. Gross sales in South Dakota and Wisconsin have softened for several consecutive months year over year, and retail contacts have also reported lower sales. Tourism contacts were generally upbeat about overall activity levels but noted some pullback in travelers' average spending. Accommodations and lodging tax collections in Montana remained strong, and lodging sources reported strong bookings for the summer. Airline travel has continued to grow, though monthly increases have moderated a bit at some airports after steady double-digit gains. Recent new-vehicle sales have increased notably at some dealerships, thanks to stronger inventory from vehicle makers. Used car sales, however, have fallen. Sales of recreational and powersport vehicles improved with warmer weather but remained soft year over year.

Services

Activity in the professional services sector increased modestly. Respondents to the annual services survey reported increased sales and productivity over last year, while profits declined slightly. Firms' expectations were mildly positive for the coming 12 months.

Construction and Real Estate

Construction activity was slightly higher since the last report. Construction firms overall reported growth in recent revenues, with expectations of further growth this summer. Industry data and contacts suggested that infrastructure and energy sectors were seeing stronger activity than other subsectors. But inflated material costs continue to be a drag. A pavement source in Minnesota noted that the sector was slower than expected; public funding for construction projects has been "eaten up by inflation." Reports of project cancellations also continued across different subsectors. A general contractor in northeastern Minnesota said, "We are busy but there appears to be less opportunities than usual for this time of year." Several contacts noted that subcontractors remained busy, but projects tended to be smaller jobs. Residential construction remained low but there were modest signs of improvement in single-family permitting in some markets.

Commercial real estate was down since the last report. Most subsectors showed little change. However, office

property continued to struggle. Increased subleasing was compounding already-higher vacancy rates. Two Minneapolis office towers reportedly sold at steep discounts from their previous sale prices. Residential real estate sales remained stalled. A few regional markets showed modest improvement, but most continued to see much lower monthly sales compared with last year.

Manufacturing

District manufacturing activity increased slightly since the previous report. A regional manufacturing index indicated increased activity in Minnesota, North Dakota, and South Dakota in May from a month earlier. Sentiment among manufacturing contacts was more mixed. A metal fabricator reported that recent activity was strong and could be stronger if they could secure adequate workers. Reports from heavy equipment producers indicated orders had slowed significantly as more customers were choosing to repair rather than replace equipment due to higher financing costs.

Agriculture, Energy, and Natural Resources

District agricultural conditions weakened slightly since the last report. Most of the District's corn and soybean crop was reportedly in good or excellent condition; however, wheat crops were in worse shape as the harvest approached. Persistent drought conditions in the eastern portion of the District, particularly in South Dakota, improved slightly with recent precipitation. District oil and gas exploration activity decreased slightly since the previous report.

Minority- and Women-Owned Business Enterprises

Activity among minority- and women-owned business contacts remained steady, and their outlook for the following months was positive overall. While contacts still perceived prices as being high, they expected prices would remain flat in the coming months. Hospitality and retail business owners were still able to pass higher costs down to consumers but were skeptical of their ability to continue doing so. Demand for workers was strong, and the ability to hire remained challenging. While some contacts were making downward revisions to their planned capital expenditures because of higher interest rates, many others were reportedly moving forward with investing. A supplier of restaurant equipment shared that demand was even higher this year among minority-owned restaurants because they tend to rely less on financing. ■

For more information about District economic conditions visit: minneapolisfed.org/region-and-community



TO: Economic Development Authority
Jennifer Levitt, Executive Director

FROM: Gretchen Larson, Economic Development Director

DATE: August 9, 2023

RE: Second Amendment to Amended and Restated Contract for Private Development with NorthPoint BGO Cottage Grove Logistics Park, LLC

Background

In December 2021, the EDA approved the creation of TIF District No. 1-20 for the Logistics Park. In May of 2022, the EDA approved a first amendment to the TIF agreement to include a Building 1a and address the issues shared by NorthPoint that the bids for engineering and construction of the public roads they are required to build, were approximately \$4.5 million more than preliminary estimates. As a result of the discussions, the EDA approved an amended and restated contract for TIF.

In February of 2023 the EDA approved a request from NorthPoint for a first amendment to the amended and restated TIF Agreement to change the commencement date for Phase II from April 30 to October 31, 2023.

In early May, representatives from NorthPoint reported that given the current interest rate environment and constraints within banking and lending institutions, they were requesting a second amendment to the current contract. They are now requesting that Phase 1a have a completion date of July 30, 2025 and that Phase II have a commencement date of April 30, 2024.

Phase	Square Feet	Commencement Date	Completion Date
I	776,252	April 30, 2022	July 30, 2024
Ia	520,000	August 30, 2022	July 30, 2024 July 30, 2025
II	730,000	October 31, 2023 April 30, 2024	July 30, 2025
III	677,600	April 30, 2024	July 30, 2026
IV	739,000	April 30, 2025	July 30, 2027

The second amendment to the amended and restated agreement between the EDA and NP BGO Cottage Grove Logistics Park, LLC was sent to our TIF Attorney, Ron Batty. Upon review of the contract Mr. Batty advised that everything was in order with the request and that he had no changes to the draft contract submitted by NorthPoint.

Our financial consultants at Ehlers also reviewed the impact of these new extensions on the TIF and on a conservative basis, the TIF generated will be around \$8.9M vs. the \$12M that the EDA approved. This results in a note that will never be paid off so the ability to decertify the district early will likely not happen.

The Finance Director also completed a review of the knockdown provisions of the TIF agreement and found that no adjustments needed to be made at this time. She did note however, that on-going review would continue if additional extensions were requested by NorthPoint in the future.

Recommendation

By motion:

- A. Approve the Second Amendment to the Amended and Restated Contract for Private Development by and between the Cottage Grove Economic Development Authority and NP BGO Cottage Grove Logistics Park, LLC.

Attachment

1. Second Amendment to Amend and Restate Contract for Private Development by and between Cottage Grove EDA and NP BGO Cottage Grove Logistics Park, LLC.

**SECOND AMENDMENT TO
AMENDED AND RESTATED CONTRACT FOR PRIVATE DEVELOPMENT
BY AND BETWEEN
COTTAGE GROVE ECONOMIC DEVELOPMENT AUTHORITY
AND
NP BGO COTTAGE GROVE LOGISTICS PARK, LLC**

This Document Was Drafted By:

DORSEY & WHITNEY LLP (GIT)
Suite 1500
50 South Sixth Street
Minneapolis, Minnesota 55402
612.492.6787

SECOND AMENDMENT TO AMENDED AND RESTATED CONTRACT FOR PRIVATE DEVELOPMENT

THIS Second Amendment to Amended and Restated Contract for Private Development (this “Second Amendment”), is made as of the [_____] day of [____], 2023, between the Cottage Grove Economic Development Authority, a public body corporate and politic under the laws of Minnesota, having its principal office at 12800 Ravine Parkway South, Cottage Grove, Minnesota 55016 (the “EDA”), and NP BGO Cottage Grove Logistics Park, LLC (fka NP CG Logistics, LLC), a limited liability company under the laws of Delaware, having its principal offices at 3315 North Oak Trafficway, Kansas City, Missouri 64116 (the “Developer,” and together with the EDA, the “Parties”).

THIS Second Amendment further amends that certain Amended and Restated Contract for Private Development, approved by the EDA on May 10, 2022, between the EDA and the Developer (the “Amended and Restated CPD”), which Amended and Restated CPD was amended by that First Amendment to Amended and Restated Contract for Private Development, dated February 14, 2023 (the “First Amendment,” and together with the Amended and Restated CPD and this Second Amendment, the “CPD”).

RECITALS

WHEREAS, on November 9, 2021, the EDA held a public hearing and approved a business subsidy for the Developer in accordance with Minnesota Statutes, sections 116J.993 to 116J.995; and

WHEREAS, on December 14, 2021, the EDA modified the development district program (the “Program”) for Development District No. 1 (the “Development District”), pursuant to Minnesota Statutes, sections 469.090 to 469.1082 and approved a tax increment financing plan (the “TIF Plan”) for Tax Increment Financing District No. 1-20, an economic development tax increment financing district (the “TIF District”), pursuant to Minnesota Statutes, sections 469.174 to 469.179; and

WHEREAS, on December 15, 2021, the city of Cottage Grove (the “City”) held a public hearing and approved the modified Program and adopted the TIF Plan and approved the business subsidy to the Developer; and

WHEREAS, on December 14, 2021, the EDA approved a Contract for Private Development with the Developer for the development of a large qualified manufacturing and distribution facility; and

WHEREAS, on May 10, 2022, the EDA approved the Amended and Restated CPD with the Developer regarding the qualified manufacturing and distribution facility; and

WHEREAS, pursuant to the Amended and Restated CPD, the Developer agreed to commence and complete construction of Phase II of the Minimum Improvements by April 30, 2023, and July 30, 2025, respectively; and

WHEREAS, pursuant to the First Amendment, the Developer agreed commence construction of the Phase II Minimum Improvements by October 31, 2023; and

WHEREAS, the Developer has requested and the Parties desire to further amend the CPD to again modify the commencement date for Phase II of the Minimum Improvements.

NOW, THEREFORE, in consideration of the foregoing premises and the mutual obligations set forth in this Second Amendment, the Parties hereby agree as follows:

ARTICLE 1
Interpretation; Definitions

1.01. Interpretation; Definitions.

(a) In this Second Amendment, unless otherwise noted, underline and strike-through text shall be used to indicate amendments to the Amended and Restated CPD. Underline text shall indicate new language, and ~~strike-through text~~ shall indicate removed language.

(b) In this Second Amendment, the terms used and defined in the Amended and Restated CPD, as amended by the First Amendment, shall have the same meanings when used herein, unless defined otherwise herein.

ARTICLE 2
AMENDMENTS

2.01. Amendment to Phased Construction, Commencement and Completion.

The chart in Section 3.3 of the Amended and Restated CPD, as amended by the First Amendment, is hereby further amended as follows:

Phase	Square Feet	Commencement Date	Completion Date
I	776,252	April 30, 2022	July 30, 2024
Ia	520,000	August 30, 2022	July 30, 2024 <u>July 30, 2025</u>
II	730,000	October 31, 2023 <u>April 30, 2024</u>	July 30, 2025
III	677,600	April 30, 2024	July 30, 2026
IV	739,000	April 30, 2025	July 30, 2027

ARTICLE 3
MISCELLANEOUS

3.01. Governing Law. This Second Amendment will be governed by and construed in accordance with the internal laws of the State, without giving effect to otherwise applicable principles of conflicts of law.

3.02. Severability. If any term or provision of this Second Amendment or the application thereof to any person or circumstance shall, to any extent, be inconsistent with, invalid or unenforceable under the TIF Act, Business Subsidy Act, or any applicable laws or legal requirements, the remainder of this Second Amendment, or the application of such term or provision to persons or circumstances other than those as to which it was held invalid or unenforceable, shall not be affected thereby, and each term or provision of this Second Amendment

shall be valid and enforceable to the fullest extent permitted by the TIF Act, Business Subsidy Act, and any applicable laws or legal requirements.

3.03. Execution in Counterparts and Delivery of Electronic Signatures. This Second Amendment may be executed in any number of counterparts. All such counterparts will be deemed to be originals and will together constitute but one and the same instrument. The executed counterparts of this Second Amendment may be delivered by electronic means, such as email or facsimile, and the receiving party may rely on the receipt of such executed counterpart as if the original had been received.

3.04. Ratification and Acknowledgment. Except as otherwise amended hereby, all of the provisions, covenants, terms and conditions of the Amended and Restated CPD, as amended by the First Amendment, shall remain unaltered and in full force and effect, and the CPD is in all respects agreed to, ratified and confirmed by the parties.

[The remainder of this page is intentionally left blank.]

IN WITNESS WHEREOF, the parties hereto have caused this Second Amendment to be executed as of the date first above written.

COTTAGE GROVE ECONOMIC
DEVELOPMENT AUTHORITY

By _____
Myron Bailey, President

By _____
Its Jennifer Levitt, Executive Director

STATE OF MINNESOTA)
) SS.
COUNTY OF WASHINGTON)

The foregoing instrument was acknowledged before me on this ____ day of _____, 2023, by Myron Bailey and Jennifer Levitt, the President and Executive Director, respectively, of the Cottage Grove Economic Development Authority, a public body corporate and politic under the laws of Minnesota, on behalf of the Authority.

IN WITNESS WHEREOF, I have set my hand and my official seal this ____ day of _____, 2023.

Notary Public

NP BGO COTTAGE GROVE LOGISTICS PARK,
LLC

By: NP BGO Cottage Grove Logistics Park JV,
LLC, its Sole Member

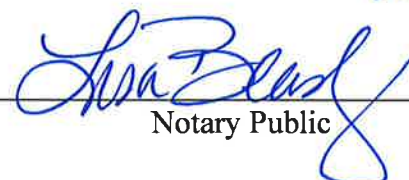
By: NPD Management, LLC, a Missouri limited
liability Company, its Manager

By 
Nathaniel Hagedorn, Manager

STATE OF MISSOURI)
) ss.
COUNTY OF CLAY)

The foregoing instrument was acknowledged before me on this 25th day of August, 2023, by Nathaniel Hagedorn, Manager of NPD Management, LLC, the Manager of NP BGO Cottage Grove Logistics Park JV, LLC, the Sole Member of NP BGO Cottage Grove Logistics Park, LLC, a Delaware limited liability company, on behalf of the company.

IN WITNESS WHEREOF, I have set my hand and my official seal this 25th day of August, 2023.


Notary Public

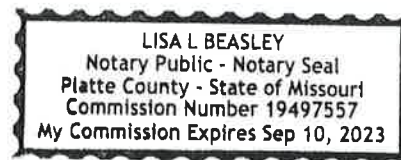


EXHIBIT A

The property subject to the foregoing Second Amendment to Amended and Restated Contract for Private Development is as follows:

Lot 1 and Lot 2, Block 1, Cottage Grove Logistics Park
Outlots A, B, C, and D, Cottage Grove Logistics Park,
all in Washington County, Minnesota

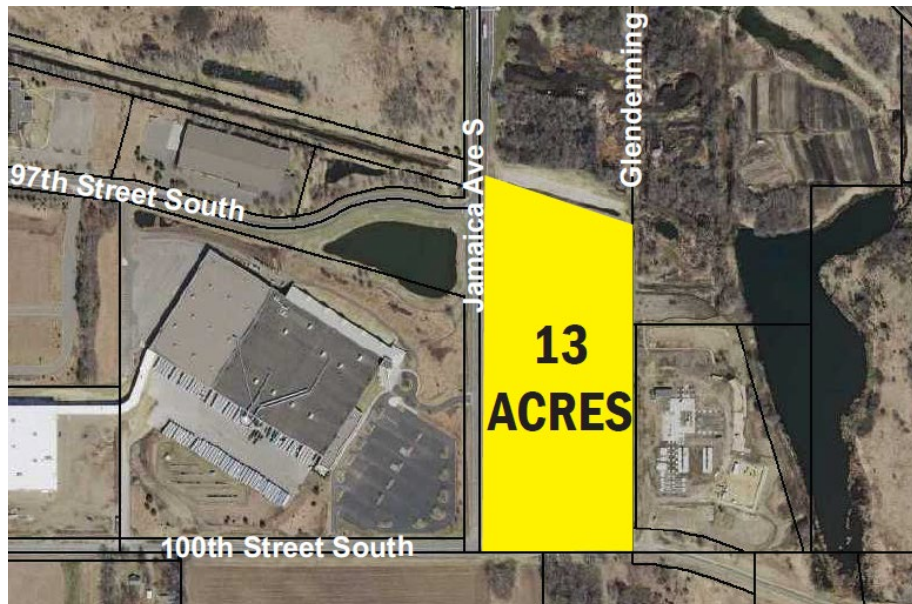
TO: Economic Development Authority
Jennifer Levitt, EDA Executive Director

FROM: Jaime Mann, Assistant to the City Administrator

DATE: August 25, 2023

RE: Third Amendment to the Purchase Agreement – Ryan Companies

The City of Cottage Grove entered into a purchase agreement with Ryan Companies in February 2022 for the purchase of the vacant parcel located at 100th Street South and Jamaica Avenue South. The vacant parcel is approximately 13 acres and the LOI includes a purchase price of \$1,840,410. The EDA approved a first amendment to the purchase agreement at the August 2022 special meeting and approved a second amendment to the purchase agreement at the February 2023 meeting.



Representatives of Ryan Companies, Inc. have notified the city of their request for an additional extension of the closing date. Due to uncontrollable circumstances, they are requesting more time to complete their project plans, secure financing, and secure an end user for the project, so are requesting an extension of their closing date.

The agreed upon extension period of one year has been accepted by both WAG Farms Trust and by Ryan Companies. This would put the new closing date to be on or before September 6, 2024. No additional earnest money is being requested for this extension and \$15,000 of the currently held earnest money will become non-refundable with execution of this agreement.

Ryan Companies is still very engaged and active on this opportunity and would like to retain land control as they work through some of the economic challenges that are affecting their purchasing

of this property. This extension acknowledges Ryan Companies' good faith efforts and the challenges going on in the markets right now.

Recommendation

Adopt Resolution 2023-003 consenting to the Third Amendment to the Purchase Agreement between WAG Farms and the EDA and the Third Amendment to the Purchase Agreement between the EDA and Ryan Companies US, Inc.

Authorize the EDA President and the City Administrator to execute the Third Amendment to the Purchase Agreement with WAG Farms to extend the Closing Date to September 6, 2024.

Authorize the EDA President and the City Administrator to execute the Third Amendment to the Purchase Agreement with Ryan Companies US, Inc. to extend the Closing Date to September 6, 2024 with an additional \$15,000 of the escrow becoming non-refundable.

Attachments

Resolution 2023-003

Third Amendment to the Purchase Agreement with WAG Farms

Third Amendment to the Purchase Agreement with Ryan Companies

**CITY OF COTTAGE GROVE, MINNESOTA
COTTAGE GROVE ECONOMIC DEVELOPMENT AUTHORITY
RESOLUTION 2023 - 003**

**A RESOLUTION APPROVING THE THIRD AMENDMENT TO PURCHASE
AGREEMENT BY AND BETWEEN GLENDENNING FARMS, L.P.,
WAG FARMS, INC. AND JOAN GLENDENNING KENNEDY FAMILY LIMITED
PARTNERSHIP AND THE COTTAGE GROVE ECONOMIC DEVELOPMENT
AUTHORITY AND THE THIRD AMENDMENT TO PURCHASE AGREEMENT BY AND
BETWEEN THE COTTAGE GROVE ECONOMIC DEVELOPMENT AUTHORITY AND
RYAN COMPANIES US, INC.**

WHEREAS, on February 8, 2022, by and through Resolution No. 2022-004, the Cottage Grove Economic Development Authority ("EDA") approved the purchase of real property from Glendenning Farms, L.P., WAG Farms, Inc. and Joan Glendenning Kennedy Family Limited Partnership ("WAG"), and sale of the same property to Ryan Companies US, Inc. ("Ryan Companies"); and

WHEREAS, also on February 8, 2022, by and through Resolution No. 2022-004, after a public hearing, the EDA approved the related Purchase Agreements and authorized the appropriate officials to take such action as to effectuate its execution and implementation; and

WHEREAS, on August 22, 2022, by and through Resolution No. 2022-010, Ryan Companies requested an extension of the Closing Date to March 3, 2023, the EDA approved the extension and the First Amendment to Purchase Agreement; and

WHEREAS, also on August 22, 2022, by and through Resolution No. 2022-010, the EDA requested the same extension of the Closing Date to March 3, 2023, WAG approved the extension, and the parties approved the First Amendment to Purchase Agreement; and

WHEREAS, on February 14, 2023, by and through Resolution No. 2023-001, Ryan Companies requested an extension of the Closing Date to September 5, 2023, the EDA approved the extension and the Second Amendment to Purchase Agreement; and

WHEREAS, also on February 14, 2023, by and through Resolution No. 2023-001, the EDA requested the same extension of the Closing Date to September 5, 2023, WAG approved the extension, and the parties approved the Second Amendment to Purchase Agreement; and

WHEREAS, Ryan Companies has requested an extension of the Closing Date to March 29, 2024, due to uncontrollable circumstances; and

WHEREAS, the EDA has requested the same extension of the Closing Date to March 29, 2024, due to uncontrollable circumstances; and

WHEREAS, the EDA and WAG, respectively, agree to the extension.

NOW THEREFORE BE IT RESOLVED by the Board of Commissioners of the Cottage Grove Economic Development Authority, as follows:

1. The Third Amendment to Purchase Agreement by and between EDA and Ryan Companies is hereby approved, subject to minor modification as approved by the City Attorney, and the appropriate officials are authorized to take such action as to effectuate its execution and implementation.
2. The Third Amendment to Purchase Agreement by and between WAG and EDA is hereby approved, subject to minor modification as approved by the City Attorney, and the appropriate officials are authorized to take such action as to effectuate its execution and implementation.

Adopted this 29th day of August, 2023.

Myron Bailey, President

Attest:

Jennifer Levitt, Executive Director

**THIRD AMENDMENT TO
PURCHASE AGREEMENT**

THIS THIRD AMENDMENT TO PURCHASE AGREEMENT (this “Third Amendment”) is entered into as of _____, 2023 (the “Effective Date”), by and between the Cottage Grove Economic Development Authority, a public body corporate and politic under the laws of Minnesota (“EDA”), and Glendenning Farms, L.P., a Minnesota limited partnership, WAG Farms, Inc., a Minnesota corporation and Joan Glendenning Kennedy Family Limited Partnership, a Minnesota limited partnership (individually and collectively “WAG”).

RECITALS

Recital No. 1. EDA and WAG entered into a Purchase Agreement dated February 8, 2022, as amended by that certain First Amendment to Purchase Agreement dated August 22, 2022, and as further amended by that certain Second Amendment to Purchase Agreement dated February 14, 2023 (collectively “Agreement”), for property described on Exhibit A to the Agreement.

Recital No. 2. Pursuant to the Agreement, the Closing is to occur on or before September 5, 2023.

Recital No. 3. The EDA has requested an extension of the Closing Date to September 6, 2024, due to uncontrollable circumstances.

Recital No. 4. WAG does not object to extension.

NOW, THEREFORE, in consideration of the mutual promises and covenants of each to the other contained in this Third Amendment and other good and valuable consideration, receipt of which is hereby acknowledged, the parties hereto do covenant and agree as follows:

1. The entire Agreement is hereby incorporated into this Third Amendment, except as modified below.
2. Section 6 of the Agreement shall be removed in its entirety and replaced with the following:
 6. **Closing.** The closing of the purchase and sale contemplated by this Agreement (the “Closing”) shall occur on or before September 6, 2024 (the “Closing Date”), unless otherwise agreed to by the parties. WAG agrees to deliver legal and actual possession of the Property to EDA on the Closing Date.
3. Except as provided for above, the terms and provisions of the Agreement shall remain in full force and effect.
4. This Third Amendment and all disputes or controversies arising out of or relating to this Third Amendment, or the transactions contemplated hereby shall be governed by, and construed in accordance with, the internal laws of the State of Minnesota, without regard

to the laws of any other jurisdiction that might be applied because of the conflicts of laws principles of the State of Minnesota.

5. Nothing contained herein shall be deemed a waiver by the EDA of any governmental immunity defenses, statutory or otherwise. Further, any and all claims brought by Developer or its successors or assigns, shall be subject to any governmental immunity defenses of the EDA and the maximum liability limits provided by Minnesota Statutes, Chapter 466.
6. This Third Amendment may be executed in two or more counterparts, all of which shall be considered one and the same instrument and shall become effective when one or more counterparts have been signed by the parties and delivered to the other parties.
7. This Third Amendment shall not be amended, modified or supplemented, except by a written instrument signed by an authorized representative of each party.

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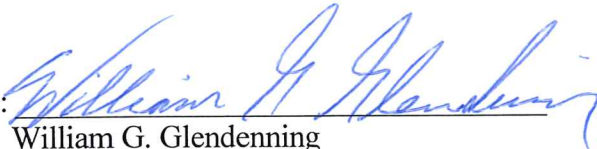
IN AGREEMENT, the parties hereto have hereunto set their hands as of the date hereinbefore first written.

**COTTAGE GROVE ECONOMIC
DEVELOPMENT AUTHORITY**

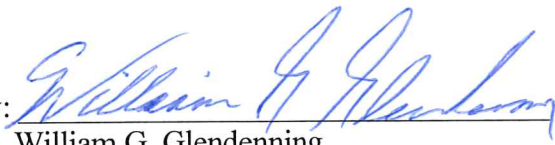
By _____
Myron Bailey
Its President

By _____
Jennifer Levitt
Its Executive Director

WAG FARMS, INC.

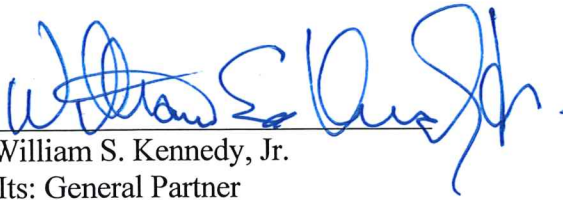
By: 
William G. Glendenning
Its: President

GLENDENNING FARMS, L.P.

By: 
William G. Glendenning
Its: General Partner

**JOAN GLENNING KENNEDY
FAMILY LIMITED PARTNERSHIP**

By:


William S. Kennedy, Jr.
Its: General Partner

THIRD AMENDMENT TO PURCHASE AGREEMENT

THIS THIRD AMENDMENT TO PURCHASE AGREEMENT (this “Third Amendment”) is entered into as of _____, 2023 (the “Effective Date”), by and between the Cottage Grove Economic Development Authority, a public body corporate and politic under the laws of Minnesota (“EDA”), and Ryan Companies US, Inc., a Minnesota corporation, or its assigns (“Ryan Companies” or “Buyer”).

RECITALS

Recital No. 1. EDA and Ryan Companies entered into a Purchase Agreement dated February 17, 2022, as amended by that certain First Amendment to Purchase Agreement dated August 25, 2022, wherein \$35,000 of the Original Earnest Money became nonrefundable and \$20,000 in Additional Earnest Money was deposited, and as further amended by that certain Second Amendment to Purchase Agreement dated February 14, 2023 (collectively “Agreement”), for property described on Exhibit A to the Agreement.

Recital No. 2. The total amount of Original Earnest Money and Additional Earnest Money is \$70,000 (collectively “Earnest Money”).

Recital No. 3. Pursuant to the Agreement, the Closing is to occur on or before September 5, 2023.

Recital No. 4. Ryan Companies has requested an extension of the Closing Date to September 6, 2024, due to uncontrollable circumstances.

Recital No. 5. The EDA does not object to the extension of the Closing Date, on condition that an additional \$15,000 of the Earnest Money, totaling \$50,000 becomes nonrefundable on the Effective Date and will continue to be held in escrow by Title. If the parties proceed to Closing, the Earnest Money, which totals \$70,000, will be applied to the Purchase Price.

NOW, THEREFORE, in consideration of the mutual promises and covenants of each to the other contained in this Third Amendment and other good and valuable consideration, receipt of which is hereby acknowledged, the parties hereto do covenant and agree as follows:

1. The entire Agreement is hereby incorporated into this Third Amendment, except as modified below.
2. Section 1.2 of the Agreement shall be removed and replaced in its entirety as follows:

1.2 **Purchase Price.** The purchase price to be paid by Ryan Companies to EDA for the Property shall be Three Dollars and 25/100 (\$3.25) multiplied by 566,280 square feet as finally determined by the Survey (as defined below) (the “Purchase Price”). The Purchase Price of One Million, Eight Hundred Forty Thousand, Four Hundred Ten and 00/100s Dollars (\$1,840,410.00) shall be payable as follows: (a) Fifty Thousand and No/100 Dollars

(\$50,000.00), as earnest money, already deposited with DCA Title, 7373 147th Street West, Apple Valley, MN 55124 (“Title”), being held in escrow by Title, and Twenty Thousand and 00/100s Dollars (\$20,000.00) as Additional Earnest Money, already deposited with Title, being held in escrow by Title (collectively “Earnest Money”) and (b) the balance of the Purchase Price on the Closing Date subject to those adjustments, prorations and credits described in this Agreement, in cash or certified funds or by wire transfer pursuant to instructions from the EDA or Title. On September 1, 2022, Thirty-Five Thousand and 00/100s Dollars (\$35,000.00) of the Earnest Money became nonrefundable. On the Effective Date of the Third Amendment, an additional \$15,000 of the Earnest Money shall become nonrefundable. \$20,000 of the Earnest Money remains refundable.

3. Section 4 of the Agreement shall be removed and replaced in its entirety as follows:

4. **Insurance; Risk of Loss.** EDA assumes all risk of destruction, loss or damage to the Property prior to the Closing Date. If, prior to the Closing Date, all or any portion of the Property or access thereto is condemned, taken by eminent domain, or damaged by cause of any nature, EDA shall immediately give Ryan Companies written notice of such condemnation, taking or damage. After receipt of written notice of such condemnation, taking or damage (from EDA or otherwise), Ryan Companies shall have the option (to be exercised in writing within sixty (60) days of receipt of such written notice from EDA) either (a) to require EDA to (i) convey the Property at Closing (as defined in Section 6) to Ryan Companies in its damaged condition, upon and subject to all of the other terms and conditions of this Agreement without reduction of the Purchase Price, (ii) assign to Ryan Companies at Closing all of EDA’s right, title and interest in and to any claims EDA may have to insurance proceeds, condemnation awards and/or any causes of action with respect to such condemnation or taking of or damage to the Property or access thereto, and (iii) pay to Ryan Companies at Closing by certified or official bank check all payments made prior to the Closing Date under such insurance policies or by such condemning authorities, or (b) to terminate this Agreement by giving written notice of such termination to EDA, whereupon this Agreement shall be terminated, the refundable Earnest Money shall be refunded to Ryan Companies and thereafter neither party shall have any further obligations or liabilities to the other, except for such obligations as survive termination of this Agreement. If the right to terminate this Agreement is not exercised in writing within such sixty (60) day period, such right shall be deemed to have been waived. EDA shall not designate counsel, appear in, or otherwise act with respect to the condemnation proceedings without Ryan Companies’ prior written consent, which consent shall not be unreasonably withheld.

4. The last paragraph of Section 5.1(A) of the Agreement shall be removed and replaced in its entirety as follows:

The foregoing contingencies are for Ryan Companies’ sole and exclusive benefit and one (1) or more may be waived in writing by Ryan Companies in its sole discretion. EDA shall reasonably cooperate with Ryan Companies’ efforts to satisfy such contingencies, at no out of pocket cost to EDA or assumption of any obligation or liability by Ryan Companies except as otherwise provided herein. Ryan Companies shall bear all

cost and expense of satisfying Ryan Companies' contingencies. If any of the foregoing contingencies have not been satisfied on or before the applicable date, then this Agreement may be terminated, at Ryan Companies' option, by written notice from Ryan Companies to EDA. Notwithstanding anything to the contrary herein, if Ryan Companies terminates this Agreement pursuant to this Section, the refundable Earnest Money shall be refunded to Ryan Companies. Upon termination, neither party shall have any further rights or obligations against the other regarding this Agreement or the Property, except for such obligations as survive termination of this Agreement.

5. The last paragraph of Section 5.2 of the Agreement shall be removed and replaced in its entirety as follows:

If any contingency contained in this Section 5.2 has not been satisfied on or before the date described herein, and if no date is specified, then the Closing Date, then this Agreement may be terminated by written notice from the EDA to Ryan Companies. If termination occurs all documents deposited by Ryan Companies shall be immediately returned to Ryan Companies, and all documents deposited by the EDA shall be immediately returned to the EDA and neither party will have any further rights or obligations with respect to this Agreement or the Property, except for such obligations that survive termination of this Agreement. If the EDA terminates this Agreement pursuant to this Section, the Earnest Money shall be forfeited to the EDA. All the contingencies in this Section 5.2 are specifically for the benefit of the EDA, and the EDA shall have the right to waive any contingency in this Section 5.2 by written notice to Ryan Companies.

6. Section 6 of the Agreement shall be removed in its entirety and replaced with the following:

6. **Closing.** The closing of the purchase and sale contemplated by this Agreement (the "Closing") shall occur on or before September 6, 2024 (the "Closing Date"), unless otherwise agreed to by the parties. EDA agrees to deliver legal and actual possession of the Property to Ryan Companies on the Closing Date.

7. Except as provided for above, the terms and provisions of the Agreement shall remain in full force and effect.
8. This Third Amendment and all disputes or controversies arising out of or relating to this Third Amendment, or the transactions contemplated hereby shall be governed by, and construed in accordance with, the internal laws of the State of Minnesota, without regard to the laws of any other jurisdiction that might be applied because of the conflicts of laws principles of the State of Minnesota.
9. Nothing contained herein shall be deemed a waiver by the EDA of any governmental immunity defenses, statutory or otherwise. Further, any and all claims brought by Developer or its successors or assigns, shall be subject to any governmental immunity defenses of the EDA and the maximum liability limits provided by Minnesota Statutes, Chapter 466.

10. This Third Amendment may be executed in two or more counterparts, all of which shall be considered one and the same instrument and shall become effective when one or more counterparts have been signed by the parties and delivered to the other parties.
11. This Third Amendment shall not be amended, modified or supplemented, except by a written instrument signed by an authorized representative of each party.

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IN AGREEMENT, the parties hereto have hereunto set their hands as of the Effective Date.

**COTTAGE GROVE ECONOMIC
DEVELOPMENT AUTHORITY**

By _____
Myron Bailey
Its President

By _____
Jennifer Levitt
Its Executive Director

RYAN COMPANIES US, INC.

DocuSigned by:
By: Peter Fitzgerald
01FA2B7D3181463...
Name: Peter Fitzgerald
Title: Vice President of Real Estate Development

TO: Economic Development Authority
Jennifer Levitt, EDA Executive Director

FROM: Jaime Mann, Assistant to the City Administrator

DATE: August 25, 2023

RE: 2023 Façade Improvement Program Application

Introduction

A façade improvement program is a popular mechanism to incentivize improvements to the exterior of commercial buildings. The purpose of the façade improvement program is to strengthen the vitality of the community by improving the overall appearance of the City of Cottage Grove commercial districts.

Background

Program Background

In 2019, the City of Cottage Grove approved a façade improvement program; the program is a grant-based program that offers a 50% match in financial assistance to commercial property and/or business owners. The financial assistance is meant to help beautify buildings, increase consumer awareness of businesses, and sustain a healthy commercial building stock in Cottage Grove by keeping them in code compliance.

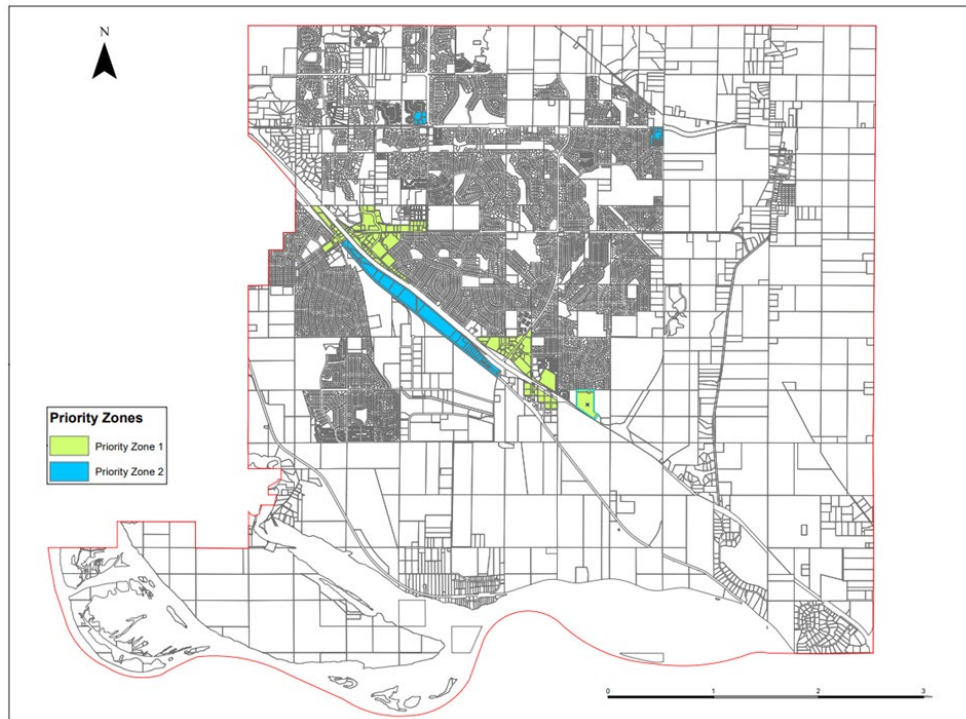
As part of the program, criteria was established that an applicant must meet in order to apply for the program. The criteria is used to determine the grant awardee(s). The criteria includes:

- Location within the City of Cottage Grove (based on priority map).
- Ability to encourage improvements to surrounding businesses.
- Ability to improve the appearance and attractiveness of an area.
- Consistent with Cottage Grove Comprehensive Plan.
- Compliance with City Codes.
- Priority may be given to local businesses over national/regional tenants.
- Building owners who have not previously been awarded a grant will be considered before those who have already received grant funding.

As referenced in the criteria, a business must be located in the City of Cottage Grove. Priority is given to applications from areas that contain a larger concentration of commercially zoned parcels as well as those areas in the community that have a more visible/higher traffic count.

The priority zones include:

- 80th Street and East Point Douglas Road (zone 1),
- Jamaica Avenue and East Point Douglas Road (zone 1),
- Southwest corner of 70th Street and Keats Avenue (zone 2),
- Northwest corner of 70th Street and Hinton Avenue (zone 2) and,
- West Point Douglas Road (zone 2).



Program Funding

The façade improvement program allows the EDA to award matching grants for 50% of the costs of improvements. In 2019, the maximum grant amount was \$5,000, but the program allowed the EDA to award larger grant amounts based on the scope of the property and/or business owner's project and funding availability. Based on the applications received in 2019, it was determined that the City would be better served if the program was marketed to projects larger in scope and created a greater impact in the community. In 2020, the funding was changed to reflect projects of larger scope, and applicants could submit for projects up to a maximum of \$24,999 matching reimbursement.

In 2020, residents and businesses were impacted by the COVID-19 pandemic. The economic impact during this time for the business community has been difficult. The City of Cottage Grove wanted to continue to show support for the business community, so the EDA approved additional funding for the façade improvement program (\$50,000) from the EDA Trust to demonstrate the commitment to Cottage Grove business community. In total the façade improvement program budget is \$75,000, which allows the EDA to award up to three (3) \$24,999 grants to businesses. The EDA has awarded no grants for 2023 so far. The previous grant awardees have included:

2019: Oasis Chiropractic Building – 7470 East Point Douglas Road
2020: Culvers of Cottage Grove – 7998 Hardwood Avenue
2020: Jamaica Plaza Building – 8475 East Point Douglas Road
2020: Shoppes at Gateway North – 7750 Harkness Avenue South
2021: Caribou Cabin – 7702 80th Street South
2021: Carlson Auto – 8799 East Point Douglas Road
2022: Oak Park Commons – 7430 80th Street South
2022: The Shoppes at Almar Village – 7115 Jorgensen Lane South
2022: Hemingway Retail, LLC – 7584 80th Street South (contract expired)

2023 Façade Improvement Program Applications

The EDA received a new application dated July 28, 2023.

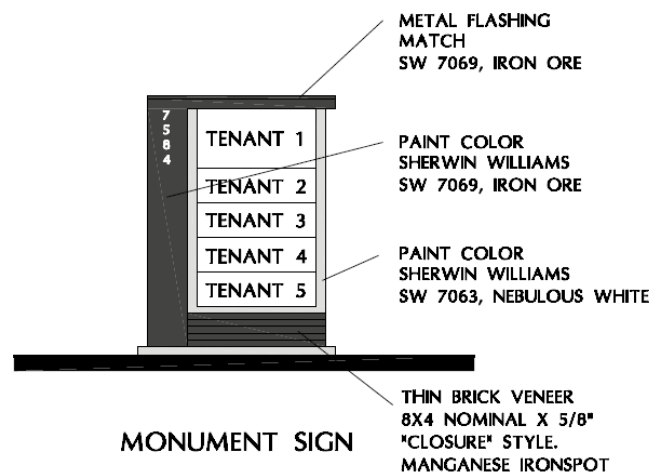
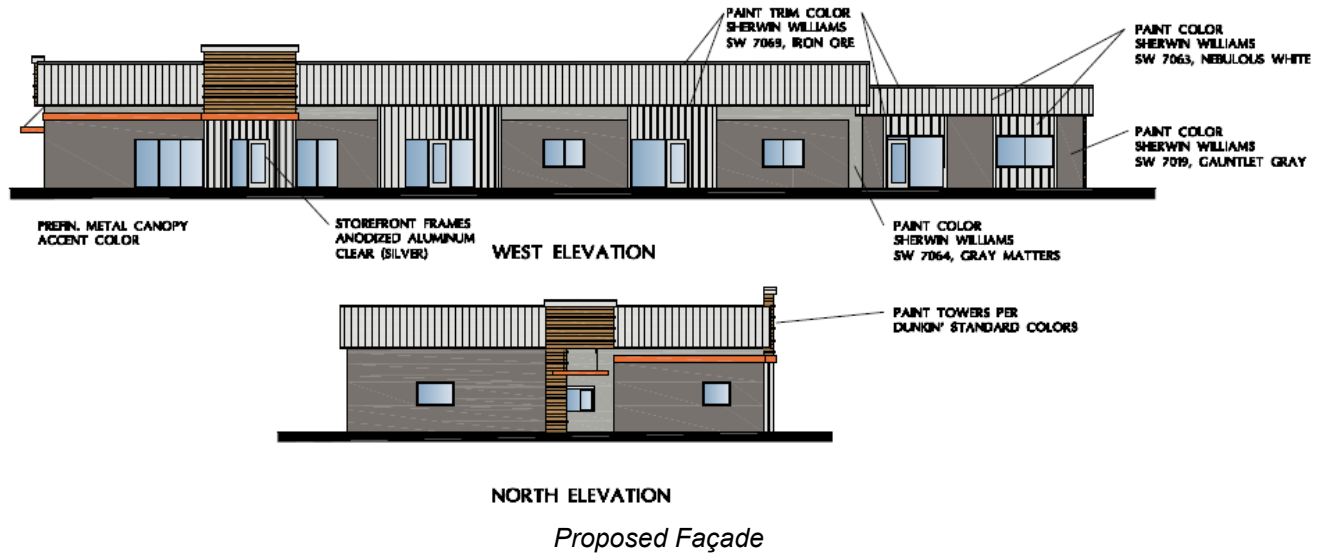
7584 80th Street South (Hemingway Retail, LLC) – Priority Zone 1

The Hemingway Retail building is a multi-tenant building located on 80th Street South at Hemingway Avenue South. The proposed project would consist of removal of awnings and signs, masonry and other repairs and restoration of the existing exterior finishes, replacement and addition of several new storefronts, windows, and/or doors, updating the monument sign, and new exterior building and accent lighting. In total, the project is estimated at \$222,950 and the applicant is requesting \$24,999 which is roughly an 11% match. Considering inflationary costs, the percent match could be adjusted based on the actual costs of eligible expenses. Any awarded dollars would be based on a 50% match of actual costs incurred by the business up to a reimbursement of \$24,999.



Current Façade





Discussion

Based on the program criteria and priority zones established when the program began, staff is recommending that the project submitted by Hemingway Retail, LLC be awarded the maximum grant amount of \$24,999. The project meets the following criteria:

- Location within the City of Cottage Grove (based on priority map).
- Ability to improve the appearance and attractiveness of an area.
- Consistent with Cottage Grove Comprehensive Plan.
- Compliance with City Codes.
- Priority may be given to local businesses over national/regional tenants.
- Businesses and/or owners have not been previously awarded grant funding.

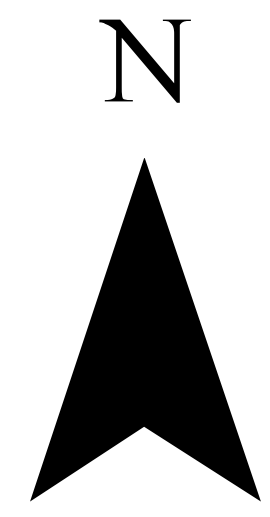
If this project is awarded funds, no grant funds would be disbursed until the project is complete. The program requires that the approved business sign a Business Subsidy Agreement which will be sent to the approved business. The business is then expected to submit copies of all receipt/invoices detailed in the project budget and photos of the completed work. After those items are completed and found to match the application then the matching grant funds of up to \$24,999 would be awarded to the applicant.

Recommendation

Award Hemingway Retail, LLC an award letter for the submitted project with matching funds of up to \$24,999 for any eligible expenses as part of the City of Cottage Grove Façade Improvement Grant Program.

Attachments

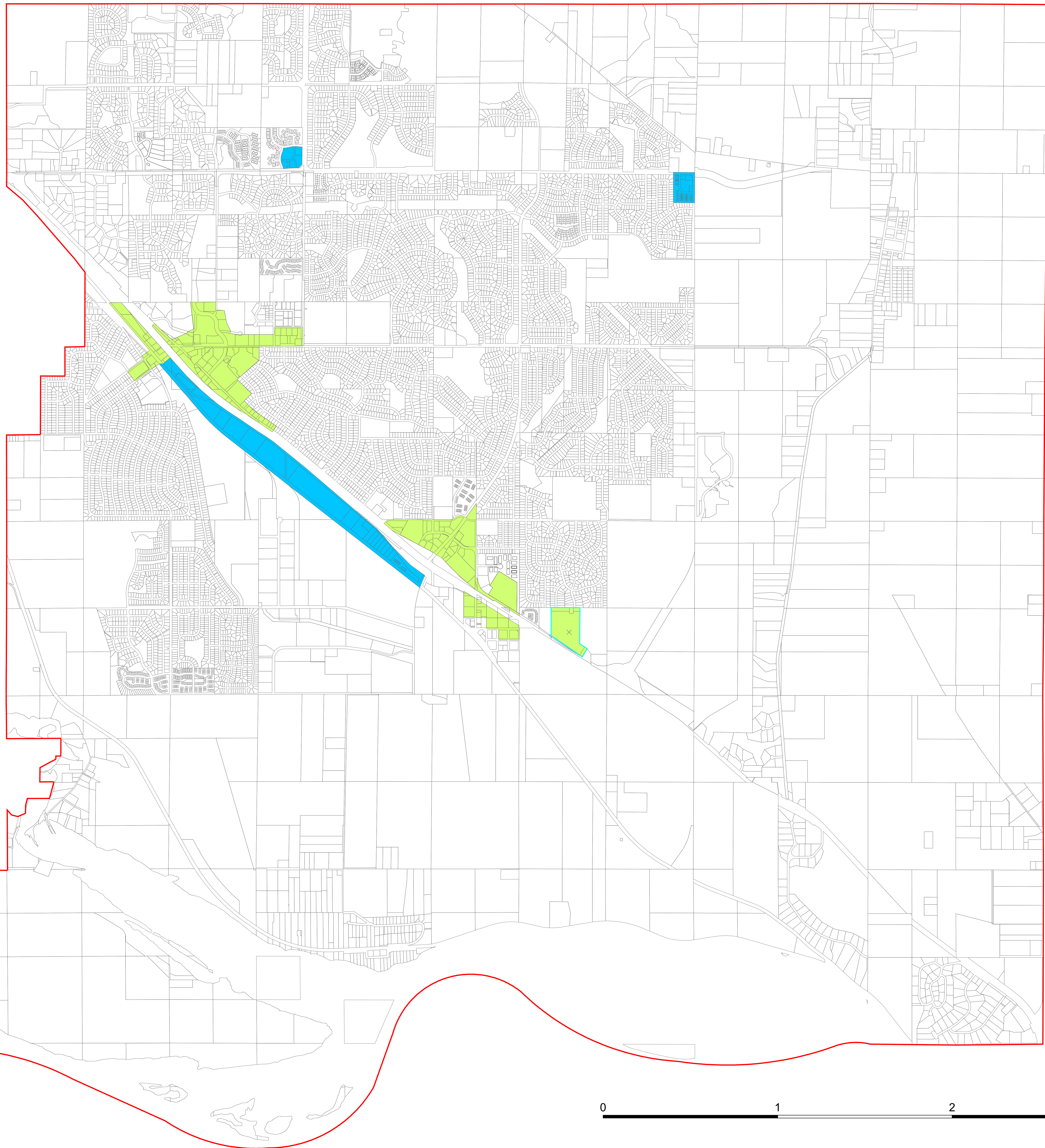
Priority Map
Façade Improvement Program Application



Priority Zones

 Priority Zone 1

 Priority Zone 2





City of Cottage Grove Facade Improvement Application

Business/Property Owner Information

Applicant Name * Lisa McCormick

Home Address * 2355 Fairview Ave #275

City * St. Paul

State * MN

Zip Code * 55113

Home Phone

Cell Phone * 651-983-6729

E-mail Address * Ls.Mccrmck@gmail.com

Business Information

Name of Business * Hemingway Retail, LLC

Business Address * 7584 80th St S
Must be a City of Cottage Grove Address

City Cottage Grove

State MN

Zip Code 55016

Business E-mail Address * None

Business Website * None

Federal Tax Identification Number * 86-1807764

Business Structure *

☐ Sole Proprietorship	☐ C Corporation
☐ Partnership	☐ S Corporation
☒ Limited Liability Company	☐ Other:

For the Property to be Improved, are you: *

☐ Titled Owner	☐ Tenant, Long-Term Lease
☐ Owner on Contract for Deed	☐ Tenant, no lease
☒ Other	
Owner Rep/Attorney	

Proposed Project

Please give a detailed description of the proposed project: *

This Project is located in the Priority 1 Zone in which the City is encouraging commercial owners to upgrade and improve the overall appearance of the commercial district. After a halt in the project last year relating to brand approvals, this is a re-application of our 2022 grant application for this project. The goal of the Project remains to reinvigorate an outdated multi-tenant commercial site by improving and modernizing essentially the entire exterior façade and monument sign. The current exterior façade consists solely of EIFS/stucco and is in disrepair, very outdated and “tired” looking, especially when viewed in contrast to the new apartment complex across the street and the concept plan for a new senior development proposed on an adjacent parcel. Given the proximity to these new construction projects, a licensed architect was retained specifically to work on the creative design of the improvements in order to ensure that our goals of creating a complementary yet cost-effective design that would attract a desired tenant mix to the immediate area. The site will be anchored by a Dunkin’ Baskin Robbins coffee/ice cream shop. Improvements include:

1. Removal of outdated awning and signs.
2. Masonry and other repairs to and restoration of the existing exterior finishes, including adding new exterior design features/towers at north end-cap; using lap siding around the storefronts and replacing windows and doors.
3. Replacements and additions of several new storefronts, windows and/or doors.
4. Repair, restoration and modernization of the existing monument sign consistent with others in the commercial district.
5. New exterior building and accent lighting.
6. Addition of new a dumpster enclosure for use by all tenants (currently there is no enclosure on site).

Have you received
quotes from a
licensed
contractor: *

☒ Yes ☐ No

Bid from a Licensed Contractor [2023_0727_Trinity CC_Hemingway Retail_Ext Imp_Es...](#) 151.16KB

Are you requesting
Design Assistance? *

☐ Yes ☒ No

(max amount \$2,000 no match required)

*Design Assistance requires implementation of licensed design professional into facade improvements.

Attachments

Photo of Current Facade or Project Area *	20230722_133617_North elevation.jpg	203.04KB
	20230722_134057_North and West Elevation.jpg	149.32KB
	20230722_134203_North end of West Elevation_old a...	334.67KB
	20230722_134206_West Elev (partial)(Note old awnin...	297.57KB
	20230722_134310_West Elevation from SW.jpg	267.09KB
	20230722_134535_South Elevation_old signage left.jpg	266.07KB
	20230722_134805_South and East Elevations.jpg	194.95KB
	20230722_134855_East Elevation.jpg	238.99KB
	20230722_134247_Existing Monument Sign.jpg	373.8KB

Itemized Budget of Project * [Hemingway Retail_Facade Imp_BUDGET-revised 7-28...](#) 555.28KB

Evidence supporting your ability to cover 50% of project costs (i.e. bank statement, loan approval letter) * [2023_0727_Ltr_Flagship Bank re availability of funds.pdf](#) 26.02KB

Letter of Support (If not the building owner, letter from the building owner with contact information) * [2023_0720_Ltr_City of Cottage Grove re Facade Imp ...](#) 190.49KB

Signature *

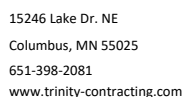
I understand that none of the projects submitted with this application can be started before being awarded a grant through the Façade Improvement Program. Any work started before a grant is awarded by the EDA is ineligible for reimbursement.

Lisa McCormick

Please Type Full Name

Date *

7/28/2023



Estimate #: 23-727
Estimator sbinstock@trinity-contracting.com

To accept this quotation, sign here and return:

Printed Name: _____ Date: _____

HEMINGWAY RETAIL, LLC
1960 Cliff Lake Road
Suite 129-503
Eagan, MN 55122

July 20, 2023

City of Cottage Grove *via email*
Attn: Gretchen Larson, Economic Development Director
12800 Ravine Parkway South
Cottage Grove, MN 55016

Re: Façade Improvement Grant for exterior improvements at property located at 7584 80th St South

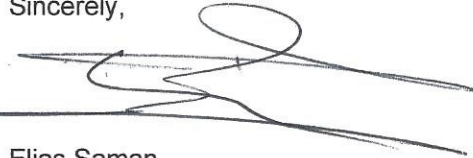
Dear Ms. Larson:

The purpose of this letter is to confirm my support of this grant application as the property owner relating to the proposed exterior improvements to the above referenced property located within the City of Cottage Grove.

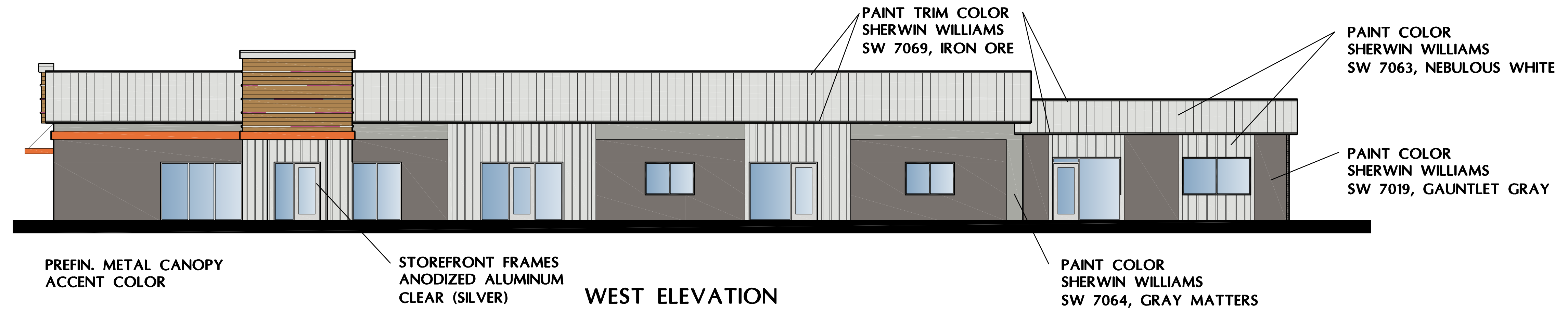
Should you require any additional information from me, my corporate mailing address is provided above. and my direct phone number is 612-490-7254, otherwise please contact the Applicant, Lisa McCormick who is acting on my behalf regarding this project.

Thank you for your consideration regarding this grant application, as a property owner in the City, I appreciate the City's willingness to assist and support our efforts in updating this site.

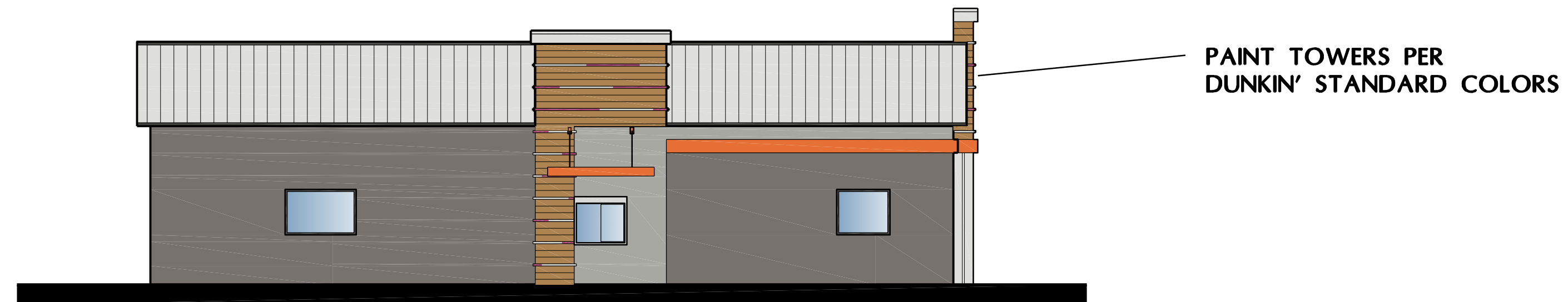
Sincerely,

A handwritten signature in black ink, appearing to read 'Elias Saman', with a horizontal line drawn underneath it.

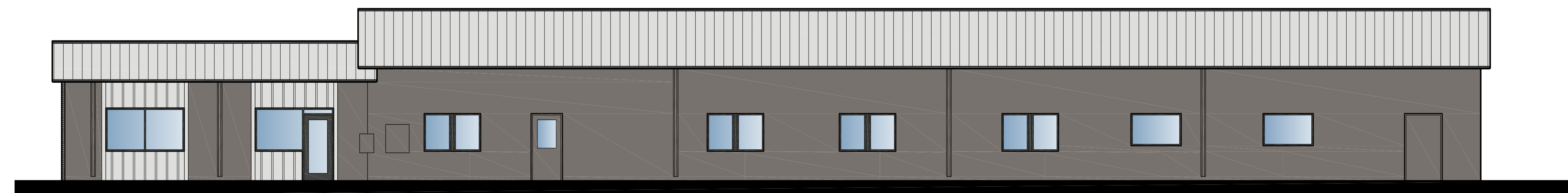
Elias Saman
Hemingway Retail, LLC



WEST ELEVATION



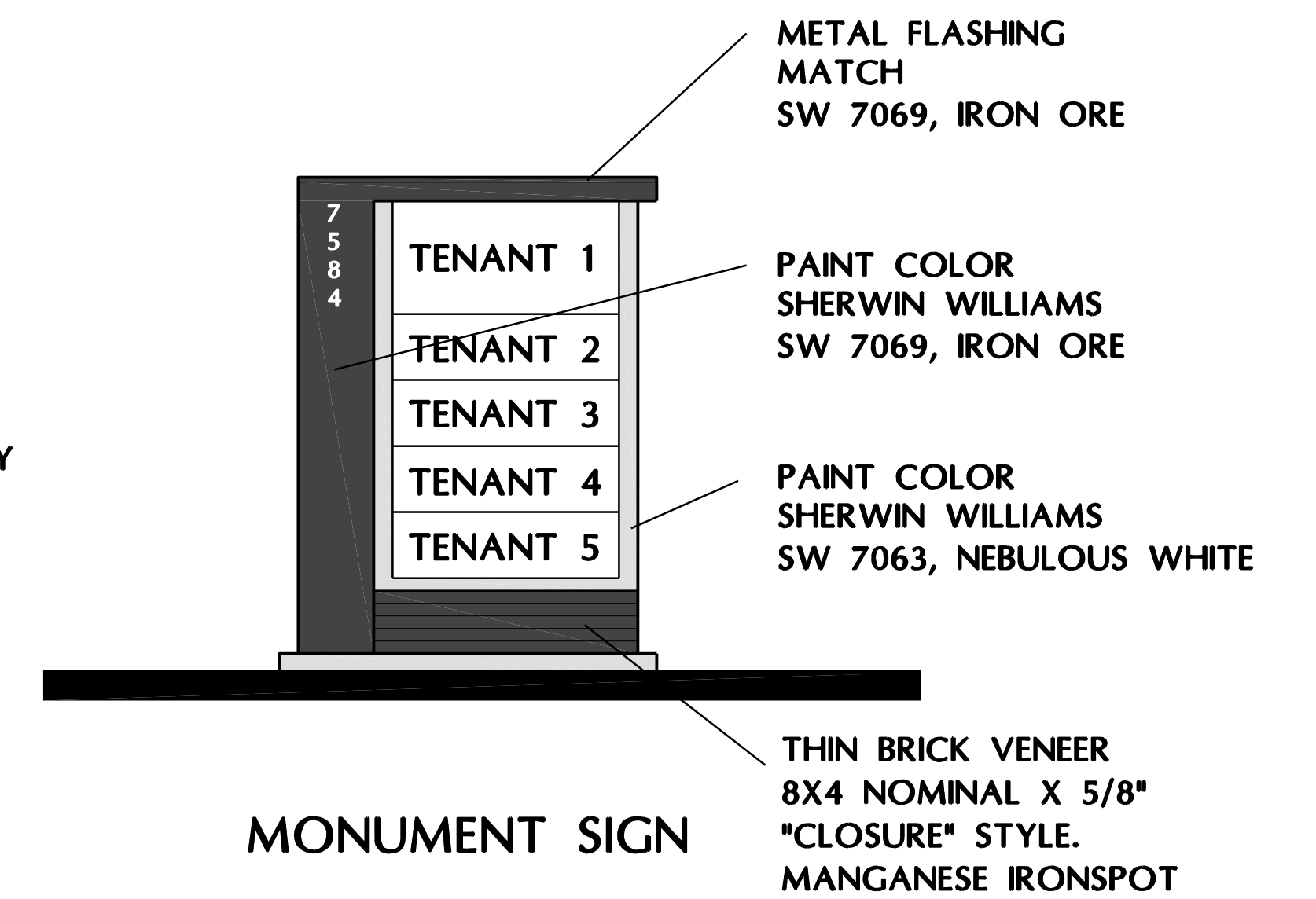
NORTH ELEVATION



EAST ELEVATION



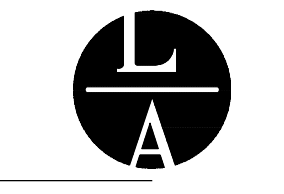
SOUTH ELEVATION



MONUMENT SIGN

HEMINGWAY RETAIL

7584 South 80th Street, Cottage Grove, Minnesota



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NOTE: THIS DRAWING IS FOR
ILLUSTRATIVE PURPOSES ONLY.
ACTUAL COLORS NEED TO BE
FIELD VERIFIED.

7584


GROVE80
APARTMENTS

LEASING OFFICE
(651) 461-3111
GROVE80APARTMENTS.COM

MASSAGE
651.440.6235



TOBACCO

Hemingway Ave S
1101







TO: Economic Development Authority
Jennifer Levitt, Executive Director

FROM: Gretchen Larson, Economic Development Director

DATE: August 25, 2023

RE: Kwik Trip Land Purchase and Purchase Agreement

Background/Discussion

The City of Cottage Grove received an LOI from Kwik Trip, Inc. in May 2023 for the purchase of approximately 6.76 acres of land at the intersection Jamaica Avenue S and 95th Street S. Before the LOI could be added to an upcoming EDA meeting agenda for consideration, continued discussions moved the project forward directly to a purchase agreement.

The vacant land is zoned I1 and Kwik Trip plans to build their most recent, Gen 3 concept at the location. The purchase price for the land will be \$1,598,944.95. The map below shows the location of the property to be purchased.



Additionally, as part of development of Lot 1, Block 2, additional fill material will be needed in order for the site to be more pad ready. As part of the City's Surface Water Management Plan, the city's regional basin, LP3, just east of this property has been identified to be expanded to provide additional stormwater management. As the City works with WAG Farms Trust for the sale of developable parcels, the city will purchase Outlot C of the Lake Flora 2nd Addition Plat which will allow for the city to work towards the necessary pond expansion. The proposed Dirt Agreement between the city and the EDA allows for the excess material within Outlot C to be

exported to adjacent properties that need extensive amounts of fill material in order to provide a construction cost savings and aid in making these parcels more favorable for development, while also expanding the regional basin LP3.

Pursuant to Minn. Stat. 469.105, the EDA must hold a public hearing on the sale of the property and publish notice of the hearing at least 10 but not more than 20 days in advance. Such notice was published in the City's official newspaper for this hearing.

The land within the parcel is owned by Glendenning Farms, L.P., a Minnesota limited partnership, WAG Farms, Inc., a Minnesota corporation and Joan Glendenning Kennedy Family Limited Partnership, a Minnesota limited partnership (individually and collectively "WAG"). Historically, all land in the Business Park has been sold to the EDA and then sold to end user, allowing for cost recovery to make the site pad ready.

Recommendation

1. Approve Resolution 2023-004 authorizing the purchase of property from WAG and sale of property to Kwik Trip for development purposes.
2. Authorize the EDA President and City Administrator to execute the Purchase Agreement with WAG for the purchase of approximately 6.76 acres for development purposes.
3. Authorize the EDA President and City Administrator to execute the Purchase Agreement with Kwik Trip for the sale of approximately 6.76 acres for development purposes subject to minor modifications by the City Attorney.
4. Authorize the EDA President and City Administrator to execute the Agreement between the City of Cottage Grove and the Cottage Grove Economic Development Authority for the sale of fill material.

Attachments

Resolution

Purchase Agreement with WAG.

Purchase Agreement with Kwik Trip, Inc.

Agreement between the City of Cottage Grove and the Cottage Grove Economic Development Authority for the sale of fill material

CITY OF COTTAGE GROVE, MINNESOTA
COTTAGE GROVE ECONOMIC DEVELOPMENT AUTHORITY
RESOLUTION 2023-004

**A RESOLUTION APPROVING THE PURCHASE OF PROPERTY FROM
GLENDENNING FARMS, L.P., WAG FARMS, INC. AND
JOAN GLENDENNING KENNEDY FAMILY LIMITED PARTNERSHIP
AND SALE OF PROPERTY TO KWIK TRIP, INC. FOR DEVELOPMENT PURPOSES**

WHEREAS, the Cottage Grove Economic Development Authority (“EDA”) desires to purchase and sell approximately 6.77 acres of property from Glendenning Farms, L.P., WAG Farms, Inc. and Joan Glendenning Kennedy Family Limited Partnership (“WAG”) pursuant to a Purchase Agreement by and between WAG and EDA (“WAG Purchase Agreement”), for the purpose of development of certain real property to be platted and legally described as follows:

Lot 1, Block 2, Lake Flora Second Addition

Abstract Property

(“Property”); and

WHEREAS, the WAG Purchase Agreement describes and articulates the purchase of Property from WAG and WAG agrees to accept the terms of the sale; and

WHEREAS, Kwik Trip, Inc., a Wisconsin corporation (“Developer”), desires to purchase the Property, pursuant to a Purchase Agreement by and between the EDA and Developer (“Developer Purchase Agreement”), for a fueling station, convenience store and car wash and other uses related thereto; and

WHEREAS, the Developer Purchase Agreement describes and articulates the sale of the Property to Developer and Developer agrees to accept the terms of the sale; and

WHEREAS, on August 29, 2023, the EDA held a public public hearing on the sale of the Property and the EDA considered all of the information presented at the public hearing.

NOW THEREFORE BE IT RESOLVED by the Board of Commissioners of the Cottage Grove Economic Development Authority as follows:

1. The purchase of the Property from WAG and sale of the Property to the Developer is in the public interest of the City and its people, furthers its general plan of economic development and furthers the aims and purposes of Minn. Stat. Sections 469.090 to 469.108; and the appropriate officials are authorized to take such action so as to effectuate such purchase and sale.

2. The EDA approves the WAG Purchase Agreement, subject to minor modification as approved by the City Attorney, and the appropriate officials are authorized to take such action as to effectuate its execution and implementation.
3. The EDA approves the Developer Purchase Agreement, subject to minor modification as approved by the City Attorney, and the appropriate officials are authorized to take such action as to effectuate its execution and implementation.

Adopted this 29th day of August, 2023.

Myron Bailey, President

Attest:

Jennifer Levitt, Executive Director

PURCHASE AGREEMENT

THIS PURCHASE AGREEMENT (this “Agreement”) is entered into as of _____, 2023 (the “Effective Date”), by and between the Cottage Grove Economic Development Authority, a public body corporate and politic under the laws of Minnesota (“EDA”), and Glendenning Farms, L.P., a Minnesota limited partnership, WAG Farms, Inc., a Minnesota corporation and Joan Glendenning Kennedy Family Limited Partnership, a Minnesota limited partnership (individually and collectively “WAG”).

RECITALS

Recital No. 1. WAG is the owner of approximately 6.77 acres of unimproved real property located in Cottage Grove, Washington County, Minnesota, legally described on Exhibit A, attached hereto and incorporated herein by reference (“Property”).

Recital No. 2. EDA desires to purchase the Property from WAG and WAG desires to sell the same to EDA, all on the terms and conditions of this Agreement.

NOW, THEREFORE, EDA and WAG agree as follows:

1. **Sale.**

1.1. **Sale.** Subject to the terms and provisions of this Agreement, WAG shall sell the Property to EDA, and EDA shall purchase the same from WAG.

1.2. **Purchase Price.** The purchase price to be paid by EDA to WAG for the Property shall be Two and 93/100 Dollars (\$2.93) multiplied by approximately 294,465 square feet, as determined by the ALTA Survey (the “Purchase Price”). There shall be no setoff to the Purchase Price for a loss of square footage of the Property caused by wetland dedication, easement or roadway dedication or the like which may cause a portion of the Property to become unusable for the Proposed Use as herein defined. The Purchase Price of Eight Hundred Sixty-Two Thousand, Seven Hundred Eighty-Two and 45/100 Dollars (\$862,782.45) shall be paid on the Closing Date (as defined in Section 6), subject to those adjustments, prorations and credits described in this Agreement, in certified funds or by wire transfer pursuant to instructions from WAG or Title. The Closing will occur at DCA Title, 750 Main St. Suite 208, Mendota Heights, MN 55118 (“Title”), unless otherwise agreed to by the parties.

2. **Available Surveys, Tests, and Reports.** Within ten (10) days of the Effective Date, WAG shall cause to be delivered to EDA, (a) copies of any surveys, soil tests and environmental reports previously conducted on the Property and in the possession of WAG, and (b) copies of existing title work for the Property and in the possession of WAG (the “Due Diligence Materials”). WAG makes no representations or warranties regarding the accuracy of the Due

Diligence Materials.

3. **EDA's Investigations.** For a period up to the Closing Date, WAG shall allow EDA and EDA's agents or assigns access to the Property without charge and at all times for the purpose of EDA's investigation and testing of the Property, including surveying and testing of soil and groundwater ("EDA's Investigations"); provided, however, EDA shall not perform any invasive testing unless (a) WAG gives its prior written approval of EDA's consultant that will perform the testing, which approval shall not be unreasonably withheld, conditioned or delayed, and (b) EDA gives WAG reasonable prior notice of such testing. WAG shall have the right to accompany EDA during any of EDA's Investigations of the Property. EDA shall provide to WAG copies of all third-party, non-confidential written test results and reports conducted as part of EDA's Investigations. EDA agrees to pay all of the costs and expenses associated with EDA's Investigations, to cause to be released any lien on the Property arising as a result of EDA's Investigations and to repair and restore, at EDA's expense, any damage to the Property caused by EDA's Investigations. EDA shall indemnify and hold WAG and the Property harmless from all costs and liabilities, including, but not limited to, reasonable attorneys' fees, arising from EDA's Investigations. The indemnification obligations provided herein shall survive the termination or cancellation of this Agreement.

4. **Insurance; Risk of Loss.** WAG assumes all risk of destruction, loss or damage to the Property prior to the Closing Date. If, prior to the Closing Date, all or any portion of the Property or access thereto is condemned, taken by eminent domain, or damaged by cause of any nature, WAG shall immediately give EDA notice of such condemnation, taking or damage. After receipt of notice of such condemnation, taking or damage (from WAG or otherwise), EDA shall have the option (to be exercised in writing within thirty (30) days) either (a) to require WAG to (i) convey the Property at Closing (as defined in Section 6) to EDA in its damaged condition, upon and subject to all of the other terms and conditions of this Agreement without reduction of the Purchase Price, (ii) assign to EDA at Closing all of WAG's right, title and interest in and to any claims WAG may have to insurance proceeds, condemnation awards and/or any causes of action with respect to such condemnation or taking of or damage to the Property or access thereto, and (iii) pay to EDA at Closing by certified or official bank check all payments made prior to the Closing Date under such insurance policies or by such condemning authorities, or (b) to terminate this Agreement by giving notice of such termination to WAG, whereupon this Agreement shall be terminated and thereafter neither party shall have any further obligations or liabilities to the other, except for such obligations as survive termination of this Agreement. If the right to terminate this Agreement is not exercised in writing within such thirty (30) day period, such right shall be deemed to have been waived. WAG shall not designate counsel, appear in, or otherwise act with respect to the condemnation proceedings without EDA's prior written consent, which consent shall not be unreasonably withheld.

5. **Contingencies.**

5.1. **EDA's Contingencies.**

A. Unless waived by EDA in writing, EDA's obligation to proceed to Closing shall be subject to (a) performance by WAG of its obligations hereunder, (b) the continued accuracy of WAG's representations and warranties provided in

Section 9.1, and (c) EDA's satisfaction, in EDA's sole discretion, as to the contingencies described in this Section 5.1 within the time periods set forth below:

(1) On or before the Closing Date, EDA shall have determined, in its sole discretion, that it is satisfied with (a) the results of and matters disclosed by EDA's Investigations, surveys, soil tests, engineering inspections, hazardous substance and environmental reviews of the Property and (b) all other inspections and due diligence regarding the Property, including any Due Diligence Materials.

(2) On or before the Closing Date, EDA shall have determined the acceptability of the Property for use as a fueling station, convenience store, car wash and other uses related thereto (collectively, the "Proposed Use"). All costs and expenses related to applying for and obtaining any governmental permits and approvals for the Property for the Proposed Use shall be the responsibility of the EDA.

(3) On or before the Closing Date, EDA shall have received from Title an irrevocable commitment to issue a title insurance policy for the Property in a form and substance satisfactory to EDA in EDA's sole discretion, not disclosing any encumbrance not acceptable to EDA in EDA's sole discretion (the "Approved Commitment").

(4) On or before the Closing Date, EDA shall have received from Title an irrevocable commitment to issue a title insurance policy for the Property in the form of the Approved Commitment, subject only to such changes in title as are Permitted Encumbrances or as are acceptable to EDA in EDA's sole discretion.

(5) On or before the Closing Date, WAG shall have obtained releases of the Property from any and all mortgages or other monetary liens affecting any of the Property.

(6) On or before the Closing Date, EDA shall review and approve the books and records in WAG's possession, if any, including site plans, surveys, engineering or environmental reports associated with the Property.

(7) On or before the Closing Date, EDA may obtain and approve an ALTA Survey of the Property.

(8) On or before the Closing Date, EDA shall have obtained approval of the Final Plat that includes the Property.

(9) On or before Closing Date, WAG shall execute a deed restriction ("Deed Restriction"), the form of which is provided on Exhibit

B, attached hereto and incorporated herein, for those certain properties identified on Exhibit B.

(10) On or before the Closing Date, EDA shall have approved the forms of all closing documents.

(11) On or before the Closing Date, the City of Cottage Grove shall have terminated its lease with WAG, as amended, and its Agreement with Rumpca Companies, Inc. for the portion of the Property that is currently being operated as a Yardwaste Facility.

(12) On or before the Closing Date, all recorded and unrecorded leases shall be terminated, if any, and the Property shall be vacant.

The foregoing contingencies are for EDA's sole and exclusive benefit and one (1) or more may be waived in writing by EDA in its sole discretion. WAG shall reasonably cooperate with EDA's efforts to satisfy such contingencies, at no out of pocket cost to WAG or assumption of any obligation or liability by EDA. If any of the foregoing contingencies have not been satisfied on or before the applicable date, then this Agreement may be terminated, at EDA's option, by written notice from EDA to WAG. Such written notice must be given on or before the applicable date, or EDA's right to terminate this Agreement pursuant to this Section shall be waived. Upon termination, neither party shall have any further rights or obligations against the other regarding this Agreement or the Property, except for such obligations as survive termination of this Agreement.

B. If EDA elects not to exercise any of the contingencies set out herein, such election may not be construed as limiting any representations or obligations of WAG set out in this Agreement, including without limitation any indemnity or representations with respect to environmental matters.

5.2. **WAG's Contingencies.** WAG's obligation to proceed to Closing shall be subject to the satisfaction, on or prior to the Closing Date, of each of the following conditions:

A. EDA shall have performed and satisfied all agreements, covenants and conditions required pursuant to this Agreement to be performed and satisfied by or prior to the Closing Date.

B. All representations and warranties of EDA contained in this Agreement shall be accurate as of the Closing Date.

C. There shall be no uncured default by EDA of any of its obligations under this Agreement as of the Closing Date, not otherwise waived by WAG.

If any contingency contained in this Section 5.2 has not been satisfied on or before the date described herein, and if no date is specified, then the Closing Date, then this Agreement may be terminated by written notice from the WAG to EDA. If termination occurs all documents deposited by EDA shall be immediately returned to EDA, and all documents deposited by WAG shall be immediately returned to WAG and neither party will have any further rights or obligations with respect to this Agreement or the Property, except for such obligations that survive termination of this Agreement. All the contingencies in this Section 5.2 are specifically for the benefit of WAG, and WAG shall have the right to waive any contingency in this Section 5.2 by written notice to EDA.

6. **Closing.** The closing of the purchase and sale contemplated by this Agreement (the “Closing”) shall occur on or before April 1, 2024 (the “Closing Date”); provided, however, EDA shall have the right and option to extend the Closing Date for up to one (1) period of sixty (60) days. EDA shall exercise its right and option to extend the Closing Date, if at all, by giving WAG notice of such election on or before the Closing Date, as the same may be extended. WAG agrees to deliver legal and actual possession of the Property to EDA on the Closing Date.

6.1. **WAG’s Closing Documents and Deliveries.** On the Closing Date, WAG shall execute and/or deliver, as applicable, to EDA the following:

A. **Warranty Deed.** A warranty deed conveying title to the Property to EDA, free and clear of all encumbrances, except the Permitted Encumbrances (the “Deed”).

B. **Deed Restriction.** A Deed Restriction, in the form of Exhibit B.

C. **FIRPTA Affidavit.** An affidavit of WAG certifying that WAG is not a “foreign person”, “foreign partnership”, foreign trust”, “foreign estate” or “disregarded entity” as those terms are defined in Section 1445 of the Internal Revenue Code of 1986, as amended.

D. **WAG’s Affidavit.** A standard owner’s affidavit (ALTA form) from WAG which may be reasonably required by Title to issue an owner’s policy of title insurance with respect to the Property with the so-called “standard exceptions” deleted (excluding the survey exception).

E. **Bring-Down Certificate.** A certificate dated as of the Closing Date, signed by an authorized officer of WAG, certifying that the representations and warranties of WAG contained in this Agreement are true as of the Closing Date.

F. **Settlement Statement.** A settlement statement with respect to this transaction.

G. **General Deliveries.** All other documents reasonably determined by Title to be necessary to transfer the Property to EDA and to evidence that WAG (a) has satisfied all monetary indebtedness with respect thereto, (b) has obtained such

termination statements or releases from such secured creditors as may be necessary to ensure that the Property is subject to no monetary liens, (c) has obtained all consents from third parties necessary to effect WAG's performance of the terms of this Agreement, including, without limitation, the consents of all parties holding an interest in the Property, (d) has provided such other documents as are reasonably determined by Title to be necessary to issue policies of title insurance to EDA with respect to the Property with the so-called "standard exceptions" deleted (excluding the survey exception), and (e) has duly authorized the transactions contemplated hereby.

6.2. **EDA Closing Documents and Deliveries.** On the Closing Date, EDA shall execute and/or deliver, as applicable, to WAG the following:

A. **Payment of Purchase Price.** The Purchase Price, in accordance with the terms of Section 1.2.

B. **Settlement Statement.** A settlement statement with respect to this transaction.

C. **FIRPTA Affidavit.** An affidavit of EDA certifying that EDA is not a "foreign person", "foreign partnership", foreign trust", "foreign estate" or "disregarded entity" as those terms are defined in Section 1445 of the Internal Revenue Code of 1986, as amended.

D. **EDA's Affidavit.** A standard owner's affidavit (ALTA form) from EDA which may be reasonably required by Title to issue an owner's policy of title insurance with respect to the Property with the so-called "standard exceptions" deleted.

E. **Bring-Down Certificate.** A certificate dated as of the Closing Date, signed by an authorized officer of EDA, certifying that the representations and warranties of EDA contained in this Agreement are true as of the Closing Date.

F. **General Deliveries.** All other documents reasonably determined by Title to be necessary to evidence that EDA has duly authorized the transactions contemplated hereby and evidence the authority of EDA to enter into and perform this Agreement and the documents and instruments required to be executed and delivered by EDA pursuant to this Agreement, or may be required of EDA under applicable law, including any purchaser's affidavits or revenue or tax certificates or statements.

7. **Prorations.** WAG and EDA agree to the following prorations and allocation of costs regarding this Agreement:

7.1. **Title Evidence and Closing Fee.** EDA shall pay all costs of the Commitment with respect to the Property. EDA shall pay all premiums for any title

insurance policy it desires with respect to the Property. EDA and WAG shall each pay one half (1/2) of any reasonable closing fee or charge imposed by Title.

7.2. **Transfer Taxes.** EDA shall pay all state deed tax regarding the Deed.

7.3. **Recording Costs.** EDA will pay all recording costs with respect to the recording of the Deed.

7.4. **Real Estate Taxes and Special Assessments.** General real estate taxes applicable to any of the Property due and payable in the year of Closing shall be prorated between WAG and EDA on a daily basis as of 12:00 a.m. CT on the Closing Date based upon a calendar fiscal year, with WAG paying those allocable to the period prior to the Closing Date and EDA being responsible for those allocable to the Closing Date and subsequent thereto. WAG shall pay in full all special assessments (and charges in the nature of or in lieu of such assessments) levied, pending, postponed or deferred with respect to any of the Property as of the Closing Date. EDA shall be responsible for any special assessments that are levied or become pending against the Property after the Closing Date, including, without limitation, those related to EDA's development of the Property.

7.5. **Utilities.** All utility expenses, including water, fuel, gas, electricity, sewer and other services furnished to or provided for the Property, if any, shall be prorated between WAG and EDA on a daily basis as of the Closing Date, with WAG paying those allocable to the period prior to the Closing Date and EDA being responsible for those allocable to the Closing Date and subsequent thereto.

7.6. **ALTA Survey.** EDA may obtain and pay for an ALTA Survey.

7.7. **Attorneys' Fees.** WAG and EDA shall each pay its own attorneys' fees incurred in connection with this transaction.

7.8. **Survival.** The obligations set forth in this Section 7 survive the Closing.

8. **Title Examination.** (i) Within ten (10) days following the Effective Date, EDA shall, at EDA's expense, order a commitment for an owner's title insurance policy (ALTA Form 2006) issued by Title for the Property, and copies of all encumbrances described in the commitment (the "Commitment"); and, if desired, (ii) within ten (10) days following the Effective Date, EDA shall order, at EDA's expense, an ALTA-certified survey bearing the legal description of the Property, and showing the area, dimensions and location of the Property (the "ALTA Survey" and, together with the Commitment, the "Title Evidence").

8.1. **EDA's Objections.** Within ten (10) days after EDA's receipt of the last of the Title Evidence, EDA may make written objections ("Objections") to the form or content of the Title Evidence. The Objections may include without limitation, any easements, restrictions or other matters which may interfere with the Proposed Use of the Property or matters which may be revealed by the ALTA Survey. Any matters reflected on the Title Evidence which are not objected to by EDA within such time period or waived

by EDA in accordance with Section 8.2(B) shall be deemed to be permitted encumbrances ("Permitted Encumbrances"). Notwithstanding the foregoing, the following items shall be deemed Permitted Encumbrances: (a) Covenants, conditions, restrictions (without effective forfeiture provisions) and declarations of record, if any; (b) Reservation of minerals or mineral rights by the State of Minnesota, if any; (c) Utility and drainage easements which do not interfere with the Proposed Use; and (d) Applicable laws, ordinances, and regulations. EDA shall have the renewed right to object to the Title Evidence as the same may be revised or endorsed from time to time.

8.2. **WAG's Cure.** WAG shall be allowed twenty (20) days after the receipt of EDA's Objections to cure the same but shall have no obligation to do so. If such cure is not completed within said period, or if WAG elects not to cure such Objections, EDA shall have the option to do any of the following:

- A. Terminate this Agreement with respect to all of the Property.
- B. Waive one or more of its objections and proceed to Closing.

If EDA so terminates this Agreement, neither WAG nor EDA shall be liable to the other for any further obligations under this Agreement (except for such obligations as survive termination of this Agreement).

9. **Warranties and Representations.**

9.1. **By WAG.** WAG warrants and represents the following to EDA, and acknowledges that EDA has relied on such representations and warranties in agreeing to enter into this Agreement:

- A. Glendenning Farms, L.P. is a Minnesota limited partnership and is duly organized and in good standing under the laws of the state of Minnesota and is not in violation of any provisions of its company documents or its operating agreement.
- B. WAG Farms, Inc. is a Minnesota corporation is duly organized and in good standing under the laws of the state of Minnesota and is not in violation of any provisions of its company documents or its operating agreement.
- C. Joan Glendenning Kennedy Family Limited Partnership is a Minnesota limited partnership is duly organized and in good standing under the laws of the state of Minnesota and is not in violation of any provisions of its company documents or its operating agreement.
- D. This Agreement has been duly executed and delivered and constitutes the legal, valid and binding obligation of WAG enforceable in accordance with its terms. WAG has been duly formed under the laws of the State of Minnesota and is in good standing under the laws of the jurisdiction in which the

Property is located, is duly qualified to transact business in the jurisdiction in which the Property is located, and has the requisite power and authority to enter into and perform this Agreement and the documents and instruments required to be executed and delivered by WAG pursuant hereto. This Agreement and the documents and instruments required to be executed and delivered by WAG pursuant hereto have each been duly authorized by all necessary action on the part of WAG and such execution, delivery and performance does and will not conflict with or result in a violation of WAG's organizational agreement or any judgment or order.

E. The execution, delivery and performance by WAG of this Agreement will not (a) violate any provision of any law, statute, rule or regulation or any order, writ, judgment, injunction, decree, determination or award of any court, governmental agency or arbitrator presently in effect having applicability to WAG, or (b) result in a breach of or constitute a default under any indenture, loan or credit agreement or any other agreement, lease or instrument to which WAG is a party or by which it or any of its properties may be bound.

F. To WAG's knowledge, except as contemplated herein, no order, consent, approval, license, authorization or validation of, or filing, recording or registration with, or exemption by, any governmental or public body or authority, or any other entity, is required on the part of WAG to authorize, or is required in connection with, the execution, delivery and performance of, or the legality, validity, binding effect or enforceability of, this Agreement, except for EDA obtaining all the Approvals (as defined below).

G. To WAG's knowledge, there are no actions, suits or proceedings pending or threatened against or affecting WAG or any of its properties, before any court or arbitrator, or any governmental department, board, agency or other instrumentality which in any of the foregoing (a) challenges the legality, validity or enforceability of this Agreement, or (b) if determined adversely to WAG, would have a material adverse effect on the ability of WAG to perform its obligations under this Agreement.

H. WAG has not received written notice, and has no knowledge, of (a) any pending or contemplated annexation or condemnation proceedings, or purchase in lieu of the same, affecting or which may affect all or any part of the Property, (b) any proposed or pending proceeding to change or redefine the zoning classification of all or any part of the Property, (c) any proposed changes in any road patterns or grades which would adversely and materially affect access to the roads providing a means of ingress or egress to or from all or any part of the Property, or (d) any uncured violation of any legal requirement, restriction, condition, covenant or agreement affecting all or any part of the Property or the use, operation, maintenance or management of all or any part of the Property.

I. To WAG's knowledge, there are no wells or sewage treatment systems located on any portion of the Property. To WAG's knowledge, there has

been no methamphetamine production on or about any portion of the Property. To WAG's knowledge, the sewage generated by the Property, if any, goes to a facility permitted by the Minnesota Pollution Control Agency and there is no "individual sewage treatment system" (as defined in Minnesota Statutes § 115.55, Subd. 1(g)) located on the Property.

J. WAG is not a "foreign person," "foreign corporation," "foreign trust," "foreign estate" or "disregarded entity" as those terms are defined in Section 1445 of the Internal Revenue Code.

K. To WAG's knowledge, except as may be disclosed as part of the Due Diligence Materials, (i) no condition exists on the Property that may support a claim or cause of action under any Environmental Law (as defined below) and there are no Hazardous Substances (as defined below) on the Property, (ii) there has been no release, spill, leak or other contamination or otherwise onto the Property, and (iii) there are no restrictions, clean ups or remediation plans regarding the Property. To WAG's knowledge, except as may be disclosed as part of the Due Diligence Materials, there is no buried waste or debris on any portion of the Property. "Environmental Law" shall mean (a) the Comprehensive Environmental Response Compensation and Liability Act of 1980, 42 U.S.C. § 9601-9657, as amended, or any similar state law or local ordinance, (b) the Resource Conservation and Recovery Act of 1976, 42 U.S.C. § 6901, et seq., (c) the Federal Water Pollution Control Act, 33 U.S.C. § 1251 et seq., (d) the Clean Air Act, 42 U.S.C. § 7401, et seq., (e) the Toxic Substances Control Act, 15 U.S.C. § 2601 et seq., (f) the Safe Drinking Water Act, 42 U.S.C. § 300(f) et seq., (g) any law or regulation governing aboveground or underground storage tanks, (h) any other federal, state, county, municipal, local or other statute, law, ordinance or regulation, including, without limitation, the Minnesota Environmental Response and Liability Act, Minn. Stat. § 115B.01, et seq., (i) all rules or regulations promulgated under any of the foregoing, and (j) any amendments of the foregoing. "Hazardous Substances" shall mean polychlorinated biphenyls, petroleum, including crude oil or any fraction thereof, petroleum products, heating oil, natural gas, natural gas liquids, liquefied natural gas or synthetic gas usable for fuel, and shall include, without limitation, substances defined as "hazardous substances," "toxic substances," "hazardous waste," "pollutants or contaminants" or similar substances under any Environmental Law.

L. There are no leases or tenancies with respect to the Property, except for the lease and agreement referenced in Section 5.1(A)(9). There are no unrecorded agreements or other contracts of any nature or type relating to, affecting or serving the Property.

M. There will be no indebtedness attributable to the Property which will remain unpaid after the Closing Date.

As used in this Agreement, the term "to WAG's knowledge" shall mean and refer to only the current actual knowledge of the designated representative of WAG and shall

not be construed to refer to the knowledge of any other partner, officer, manager, member, director, agent, authorized person, employee or representative of WAG, or any affiliate of WAG, or to impose upon such designated representative any duty to investigate the matter to which such actual knowledge or the absence thereof pertains, or to impose upon such designated representative any individual personal liability. As used herein, the term “designated representative” shall refer to William G. Glendenning.

The representations, warranties and other provisions of this Section 9.1 shall survive Closing; provided, however, WAG shall have no liability with respect to any breach of a particular representation or warranty if EDA shall fail to notify WAG in writing of such breach within two (2) years after the Closing Date, and provided further that WAG shall have no liability with respect to a breach of the representations and warranties set forth in this Agreement if EDA has actual knowledge of WAG’s breach thereof prior to Closing and EDA consummates the acquisition of the Property as provided herein.

EDA acknowledges and agrees that, except as expressly specified in this Section 9 of this Agreement, WAG has not made, and WAG hereby specifically disclaims, any representation, warranty or covenant of any kind, oral or written, expressed or implied, or rising by operation of law, with respect to the Property, including but not limited to, any warranties or representations as to the habitability, merchantability, fitness for a particular purpose, title, zoning, tax consequences, physical or environmental condition, utilities, valuation, governmental approvals, the compliance of the Property with governmental laws, the truth, accuracy or completeness of any information provided by or on behalf of WAG to EDA, or any other matter or item regarding the Property. EDA agrees to accept the Property and acknowledges that the sale of the Property as provided for herein is made by WAG on an “AS IS,” “WHERE IS,” and “WITH ALL FAULTS” basis. EDA is an experienced purchaser of property such as the Property and EDA has made or will make its own independent investigation of the Property. The limitations set forth in this paragraph shall survive the Closing and shall not merge in the deed.

9.2. **By EDA.** EDA warrants and represents the following to WAG, and acknowledges that WAG has relied on such representations and warranties in agreeing to enter into this Agreement:

A. EDA has all requisite authority to enter into this Agreement and to perform all of its obligations under this Agreement.

B. The execution, delivery and performance by EDA of this Agreement will not (a) violate any provision of any law, statute, rule or regulation or any order, writ, judgment, injunction, decree, determination or award of any court, governmental agency or arbitrator presently in effect having applicability to EDA, (b) violate or contravene any provision of the articles of incorporation or bylaws of EDA, or (c) result in a breach of or constitute a default under any indenture, loan or credit agreement or any other agreement, lease or instrument to which EDA is a party or by which it or any of its properties may be bound.

The representations, warranties and other provisions of this Section 9.2 shall survive Closing; provided, however, EDA shall have no liability with respect to any breach of a particular representation or warranty if WAG shall fail to notify EDA in writing of such breach within two (2) years after the Closing Date.

10. **Additional Obligations of WAG.**

10.1. **Licenses and Permits.** WAG shall transfer to EDA all transferable rights, if any, in any permits or licenses held by WAG with respect to the Property. WAG shall execute all applicable transfer forms and applications to facilitate and effect any such transfer and to cooperate fully with EDA in its efforts to obtain all of the necessary licenses and permits for the Proposed Use, at no out-of-pocket cost to WAG, or the assumption of any obligations or liabilities by WAG.

10.2. **Condition of Property at Closing.** Prior to Closing, the Property shall be operated in the ordinary course consistent with previous practice. On the Closing Date, WAG shall deliver to EDA exclusive vacant possession of the Property, free and clear of any personal property, surface waste and surface debris of any kind. On or before the Closing Date, WAG shall remove all trash and personal property from the Property. WAG agrees that EDA may dispose of any trash or personal property remaining on the Property as of the Closing Date in EDA's sole discretion and WAG agrees to pay for all costs and expenses incurred by EDA with respect to the transport and/or disposal of the personal property within ten (10) days after receipt of an invoice from EDA.

10.3. **Further Assurances.** From and after the Closing Date, WAG agrees to execute, acknowledge and deliver to EDA such other documents or instruments of transfer or conveyance as may be reasonably required to carry out its obligations pursuant to this Agreement.

10.4. **Non-Assumption of Contracts or Other Obligations.** The parties understand and agree that EDA is only acquiring certain of WAG's real property assets and that this Agreement and any related agreements shall not be construed to be in any manner whatsoever an assumption by EDA of any agreements, indebtedness, obligations or liabilities of WAG which are owing with respect to the operation of the Property prior to the Closing Date.

10.5. **Mortgages.** On or before the Closing Date, WAG shall satisfy all mortgage and/or lien indebtedness with respect to all or any portion of the Property and shall obtain recordable releases of the Property from any and all such mortgages or other liens affecting all or any portion of the Property.

10.6. **Approvals.** EDA or Developer may elect to seek certain approvals in order for EDA to develop the Property for the Proposed Use, including rezoning the Property or receipt of a conditional use permit (the "Approvals"). WAG, at no out-of-pocket cost to WAG, or the assumption of any obligations or liabilities by WAG, will reasonably cooperate with EDA's efforts to obtain the Approvals at or prior to Closing. WAG hereby

grants EDA and Developer the right to file and prosecute applications and petitions for the Approvals and any special use permits and variances desired by EDA; provided, however, any special use permits or variances shall (a) be contingent on the occurrence of the Closing and shall not be binding upon WAG or the Property unless and until the Closing occurs, or (b) be approved in writing in advance by WAG. WAG, at no out-of-pocket cost to WAG, or the assumption of any obligations or liabilities by WAG, agrees to cooperate with EDA in the filing and prosecution of such applications and petitions, including the filing of the same in WAG's name, if required.

11. **Commissions.** Each party represents that all negotiations on its behalf relative to this Agreement and the transactions contemplated by this Agreement have been carried on directly between the parties, without the intervention of any party as broker, finder or otherwise, and that there are no claims for brokerage commissions or finders' fees in connection with the execution of this Agreement.

12. **Notice.** Any notice to be given by one party hereto shall be personally delivered (including messenger delivery) or be sent by registered or certified mail, or by a nationally recognized overnight courier which issues a receipt, in each case postage prepaid, to the other party at the addresses in this Section (or to such other address as may be designated by notice given pursuant to this Section), and shall be deemed given upon personal delivery, three (3) days after the date postmarked or one (1) business day after delivery to such overnight courier.

If to EDA: Cottage Grove Economic Development Authority
12800 Ravine Parkway South
Cottage Grove MN 55016
Attn: Jennifer Levitt, EDA Executive Director

with a copy to: Korine L. Land
LeVander, Gillen & Miller, P.A.
1305 Corporate Center Drive, Suite 300
Eagan, MN 55121

If to WAG: Joan Glendenning Kennedy Family Limited Partnership
7437 Queensland Lane North
Maple Grove, MN. 55311-3799
Attn: William S. Kennedy, Jr.

Glendenning Farms, L.P. and
WAG Farms, Inc.
1941 Ford Parkway #304
St. Paul, MN 55116
Attn: Gordon Glendenning

13. **Default; Remedies.** If either WAG or EDA fails to perform any of its obligations under this Agreement in accordance with its terms, and such failing party does not cure such failure within thirty (30) days after written notice thereof from the other party (provided that no notice or

cure period shall be required for obligations to be performed at Closing), then the other party shall have the right to terminate this Agreement by giving the failing party written notice of such election. In the case of any default by EDA, WAG's sole and exclusive remedies shall be (i) termination of this Agreement as provided above and, upon any such termination, final liquidated damages shall be forfeited to WAG. In the case of any default by WAG, EDA's sole and exclusive remedies shall be (i) specifically enforce this Agreement, or (ii) terminate this Agreement, in which case final liquidated damages shall be returned to EDA. In no event shall EDA be entitled to record a notice of Lis Pendens against the Property, unless EDA is pursuing specific performance of this Agreement. In any action or proceeding to enforce this Agreement or any term hereof, the prevailing party shall be entitled to recover its reasonable costs and attorneys' fees.

14. **Cumulative Rights.** No right or remedy conferred or reserved to WAG or EDA is intended to be exclusive of any other right or remedy herein or by law provided, but each shall be cumulative in and in addition to every other right or remedy existing at law, in equity or by statute, now or hereafter.

15. **Entire Agreement; Modification.** This written Agreement constitutes the complete agreement between the parties with respect to this transaction and supersedes any prior oral or written agreements between the parties regarding this transaction. There are no verbal agreements that change this Agreement and no waiver of any of its terms will be effective unless in writing executed by the parties.

16. **Binding Effect; Survival.** This Agreement binds and benefits the parties and their respective successors and assigns. All representations and warranties, and indemnification obligations of the parties hereto shall survive the Closing.

17. **EDA's Assignment.** EDA may assign this Agreement without the prior written consent of WAG (but with written notice to WAG). No assignment shall relieve EDA from its obligations under this Agreement.

18. **Governing Law.** The provisions of this Agreement shall be governed by and construed in accordance with the laws of the State of Minnesota.

19. **Rules of Interpretation.** The words "herein" and "hereof" and words of similar import, without reference to any particular section or subdivision, refer to this Agreement as a whole rather than any particular section or subdivision hereof. References herein to any particular section or subdivision hereof are to the section or subdivision of this Agreement as originally executed.

20. **Titles of Sections.** Any titles of the sections, or any subsections, of the Agreement are inserted for convenience of reference only and shall be disregarded in construing or interpreting any of its provisions.

21. **Counterparts; Facsimiles.** This Agreement may be executed in any number of counterparts, and all of the signatures to this Agreement taken together shall constitute one and the same agreement, and any of the parties hereto may execute such agreement by signing any such

counterpart. Facsimile or “PDF” signatures on this Agreement shall be treated as originals until the actual original signatures are obtained.

22. **Represented by Counsel.** Each party has been represented and advised by counsel in the transaction contemplated hereby.

23. **Time of the Essence.** Time is of the essence of this Agreement.

[Remainder of page intentionally blank]

IN AGREEMENT, the parties hereto have hereunto set their hands as of the date hereinbefore first written.

**COTTAGE GROVE ECONOMIC
DEVELOPMENT AUTHORITY**

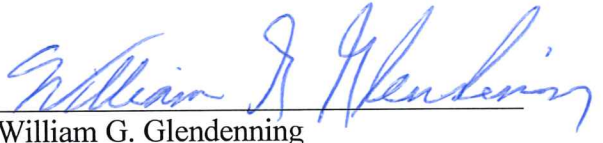
By _____
Myron Bailey
Its President

By _____
Jennifer Levitt
Its Executive Director

WAG FARMS, INC.

By: 
William G. Glendenning
Its: President

GLENDENNING FARMS, L.P.

By: 
William G. Glendenning
Its: General Partner

**JOAN GLENNING KENNEDY
FAMILY LIMITED PARTNERSHIP**

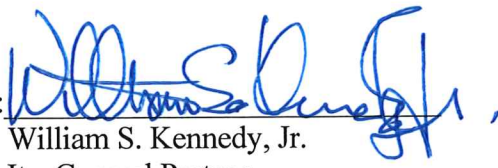
By: 
William S. Kennedy, Jr.
Its: General Partner

EXHIBIT A
LEGAL DESCRIPTION OF THE PROPERTY

Real property in Washington County, Minnesota to be platted and legally described as follows:

Lot 1, Block 2, Lake Flora Second Addition

Abstract Property

[Commitment legal description to govern]

EXHIBIT B
DEED RESTRICTION

To be recorded against the following Lots:

Lot 2, Block 1

Lots 1 and 2, Block 3

Outlots A, B, C, D, E

PURCHASE AGREEMENT

THIS PURCHASE AGREEMENT (this “**Agreement**”) is entered into as of _____, 2023 (the “**Effective Date**”), by and between the Cottage Grove Economic Development Authority, a public body corporate and politic under the laws of Minnesota (“**EDA**” or “**Seller**”), and Kwik Trip, Inc., a Wisconsin corporation (“**Kwik Trip**” or “**Buyer**”).

RECITALS

Recital No. 1. Glendenning Farms, L.P., WAG Farms, Inc. and Joan Glendenning Kennedy Family Limited Partnership (collectively “**Owner**”) are the owners of approximately 6.77 acres of unimproved real property, located in Cottage Grove, Washington County, Minnesota, legally described on Exhibit A (the “**Property**”), attached hereto and incorporated herein by reference.

Recital No. 2. EDA is the contract purchaser of the Property and shall purchase the Property from Owner and convey the Property to Kwik Trip on the terms and conditions of this Agreement.

Recital No. 3. Kwik Trip desires to purchase the Property from Seller on the terms and conditions of this Agreement.

NOW, THEREFORE, Kwik Trip and EDA agree as follows:

1. **Sale.**

1.1. **Sale.** Subject to the terms and provisions of this Agreement, EDA shall sell the Property to Kwik Trip, and Kwik Trip shall purchase the Property from EDA.

1.2. **Purchase Price.** The purchase price to be paid by Kwik Trip to EDA for the Property shall be \$5.43 per square foot multiplied by 294,465 square feet as finally determined by the Survey (as defined below) (the “**Purchase Price**”). The Purchase Price of One Million Five Hundred Thousand Ninety-Eight, Nine Hundred Forty-Four and 95/100s Dollars (\$1,598,944.95) shall be payable as follows: (a) Twenty Thousand and No/100 Dollars (\$20,000.00), as earnest money, to be paid within three (3) business days following the Effective Date to DCA Title, 750 Main St. Suite 208, Mendota Heights, MN 55118 (“**Title**”), to be held in escrow by Title (“**Original Earnest Money**”); and (b) the balance of the Purchase Price on the Closing Date (as defined in Section 6) subject to those adjustments, prorations and credits described in this Agreement, in certified funds or by wire transfer pursuant to instructions from EDA or Title.

1.3. **Soil on Outlot C.** As part of the sale of the Property, EDA agrees to allow Kwik Trip to clear and grub, strip fill material and remove approximately forty thousand (40,000) cubic yards of fill material from Outlot C, Lake Flora Second Addition.

2. **Available Surveys, Tests, and Reports.** Within ten (10) days following the Effective Date, EDA shall cause to be delivered to Kwik Trip (a) copies of any surveys, soil tests, environmental reports, and any other studies and/or site analyses previously conducted on the Property and in the possession of EDA, and (b) copies of existing title work for the Property and in the possession of EDA (the “**Due Diligence Materials**”). EDA makes no representations or warranties regarding the accuracy of the Due Diligence Materials. If Buyer so requests, Seller shall request the preparers of any such surveys, soil tests, environmental reports, and any other studies and/or site analyses to re-issue or re-certify the same for the direct benefit of Buyer, at Buyer’s expense except as otherwise provided in this Agreement, so that Buyer may rely on such site analyses or surveys as if prepared for Buyer in the first instance, but Seller makes no representation as to whether any such reissuance or recertification will be available.

3. **Kwik Trip’s Investigations.** For a period up to the Closing Date, EDA shall allow Kwik Trip and Kwik Trip’s agents access to the Property without charge and at all times for the purpose of Kwik Trip’s investigation and testing of the Property, including surveying and testing of soil and groundwater, and a Phase I and Phase II (“**Buyer’s Investigations**”). EDA shall have the right to accompany Kwik Trip during any of Buyer’s Investigations of the Property. Kwik Trip shall provide to EDA copies of all third-party, non-confidential written test results and reports conducted as part of Buyer’s Investigations. Except as otherwise provided herein, Kwik Trip agrees to pay all of the costs and expenses associated with Buyer’s Investigations, to cause to be released any lien on the Property arising as a result of Buyer’s Investigations and to repair and restore, at Kwik Trip’s expense, any damage to the Property caused by Buyer’s Investigations. Kwik Trip shall indemnify and hold EDA and the Property harmless from all costs and liabilities, including, but not limited to, reasonable attorneys’ fees, arising from Buyer’s Investigations. The indemnification obligations provided herein shall survive the termination or cancellation of this Agreement. If this Agreement is terminated based upon any environmental condition as herein provided, and EDA requests, Kwik Trip shall give EDA copies of any and all AUAR, Phase I and Phase II reports obtained by Kwik Trip.

4. **Insurance; Risk of Loss.** EDA assumes all risk of destruction, loss or damage to the Property prior to the Closing Date. If, prior to the Closing Date, all or any portion of the Property or access thereto is condemned, taken by eminent domain, or damaged by cause of any nature, EDA shall immediately give Kwik Trip written notice of such condemnation, taking or damage. After receipt of written notice of such condemnation, taking or damage (from EDA or otherwise), Kwik Trip shall have the option (to be exercised in writing within sixty (60) days of receipt of such written notice from EDA) either (a) to require EDA to (i) convey the Property at Closing (as defined in Section 6) to Kwik Trip in its damaged condition, upon and subject to all of the other terms and conditions of this Agreement without reduction of the Purchase Price, (ii) assign to Kwik Trip at Closing all of EDA’s right, title and interest in and to any claims EDA may have to insurance proceeds, condemnation awards and/or any causes of action with respect to such condemnation or taking of or damage to the Property or access thereto, and (iii) pay to Kwik Trip at Closing by certified or official bank check all payments made prior to the Closing Date under such insurance policies or by such condemning authorities, or (b) to terminate this Agreement by giving written notice of such termination to EDA, whereupon this Agreement shall be terminated, any refundable portion of the Earnest Money shall be refunded to Kwik Trip and thereafter neither party shall have any further obligations or liabilities to the other, except for such obligations as

survive termination of this Agreement. If the right to terminate this Agreement is not exercised in writing within such sixty (60) day period, such right shall be deemed to have been waived. EDA shall not designate counsel, appear in, or otherwise act with respect to the condemnation proceedings without Kwik Trip's prior written consent, which consent shall not be unreasonably withheld.

5. **Contingencies.**

5.1. **Buyer's Contingencies.**

A. Unless waived by Buyer in writing, Buyer's obligation to proceed to Closing shall be subject to (a) performance by EDA of its obligations hereunder, (b) the continued accuracy of EDA's representations and warranties provided in Section 9.1, and (c) Buyer's satisfaction, in Buyer's sole discretion, as to the contingencies described in this Section 5.1 within the time periods set forth below:

(1) On or before the Closing Date, Buyer shall have determined, in its sole discretion, that it is satisfied with (a) the results of and matters disclosed by Buyer's Investigations, surveys, soil tests, engineering inspections, hazardous substance and environmental reviews of the Property and (b) all other inspections and due diligence regarding the Property, including any Due Diligence Materials.

(2) On or before the Closing Date, Buyer shall have determined the acceptability and zoning of the Property for its proposed use as a fueling station, convenience store and car wash and other uses related thereto (collectively, the "**Proposed Use**"). All costs and expenses related to applying for and obtaining any governmental permits and approvals for the Property for the Proposed Use shall be the responsibility of the Buyer.

(3) On or before the Closing Date, Buyer shall have received from Title an irrevocable commitment to issue a title insurance policy for the Property in a form and substance satisfactory to Buyer in Buyer's sole discretion, not disclosing any encumbrance not acceptable to Buyer in Buyer's sole discretion.

(4) On or before the Closing Date, EDA shall have obtained releases of the Property from any and all mortgages or other monetary liens affecting any of the Property.

(5) On or before the Closing Date, Buyer shall have determined that it is satisfied with the books and records in EDA's possession, if any, including site plans, surveys, engineering or environmental reports associated with the Property.

(6) On or before the Closing Date, Buyer shall have secured

financing that is satisfactory to Buyer in Buyer's sole discretion for the purpose of acquiring and constructing the Proposed Use.

(7) On or before the Closing Date, Buyer may obtain a Survey for the Property certified to Buyer and Title.

(8) On or before the Closing Date, Buyer shall have entered into a mutually agreeable Development Agreement with the City of Cottage Grove ("City") for the public improvements required for the Proposed Use.

(9) On or before the Closing Date, Buyer shall have obtained any necessary company approval of the transaction.

(10) On or before the Closing Date, Buyer shall have approved the forms of all closing documents.

(11) On or before the Closing Date, EDA shall have performed and satisfied all agreements, covenants and conditions required pursuant to this Agreement to be performed and satisfied by EDA.

(12) On or before the Closing Date, EDA shall have acquired the Property and Outlot E, Lake Flora Second Addition, from Owner, at EDA's expense.

(13) On or before the Closing Date, the EDA shall have obtained approval of the Final Plat for Lake Flora Second Addition, at EDA's expense.

(14) On or before the Closing Date, the City shall have undertaken and completed additional survey and design and construction drawings for public improvements required for the Proposed Use, as outlined in an Escrow Agreement between the City and Buyer.

(15) On or before the Closing Date, EDA shall secure a deed restriction from Owner, the general form of which is provided on Exhibit B, attached hereto and incorporated herein, ("Deed Restriction") to be recorded against those certain properties identified on Exhibit B, at Buyer's expense.

(16) On or before the Closing Date, the City has vacated any public utility and roadway easements that the City has identified for vacation, including that certain Flowage Easement recorded as Document No. 343357, at EDA's expense.

(17) On or before the Closing Date, City shall have terminated all leases and agreements for the Property, including the use of the Property as

a yard waste facility and all evidence thereof has been removed, at EDA's expense.

(18) All representations and warranties of EDA contained in this Agreement shall be accurate as of the Closing Date.

The foregoing contingencies are for Buyer's sole and exclusive benefit and one (1) or more may be waived in writing by Buyer in its sole discretion. EDA shall reasonably cooperate with Buyer's efforts to satisfy such contingencies, at no out of pocket cost to EDA or assumption of any obligation or liability by Buyer except as otherwise provided herein. Buyer shall bear all cost and expense of satisfying Buyer's contingencies. If any of the foregoing contingencies have not been satisfied on or before the applicable date, then this Agreement may be terminated, at Buyer's option, by written notice from Buyer to EDA. If Buyer terminates this Agreement pursuant to this Section, any refundable portion of the Earnest Money shall immediately be refunded to Buyer. Upon termination, neither party shall have any further rights or obligations against the other regarding this Agreement or the Property, except for such obligations as survive termination of this Agreement.

B. If Buyer elects not to exercise any of the contingencies set out herein, such election may not be construed as limiting any representations or obligations of EDA set out in this Agreement, including, without limitation, any indemnity or representations with respect to environmental matters.

5.2. **EDA's Contingencies.** EDA's obligation to proceed to Closing shall be subject to the satisfaction, on or prior to the Closing Date, of each of the following conditions:

A. EDA shall have acquired the Property and Outlot E, Lake Flora Second Addition, from Owner, and the EDA agrees to use its best efforts to effectuate such transaction.

B. On or before the Closing Date, Buyer shall have entered into a Development Agreement with the City for the public improvements required for the Proposed Use.

C. Buyer shall have performed and satisfied all agreements, covenants and conditions required pursuant to this Agreement to be performed and satisfied by Buyer prior to the Closing Date.

D. All representations and warranties of Buyer contained in this Agreement shall be accurate as of the Closing Date.

E. There shall be no uncured default by Buyer of any of its obligations under this Agreement as of the Closing Date, not otherwise waived by EDA.

F. On or before the Closing Date, the City has terminated all leases and agreements related to the Property for the use of the Property as a yardwaste facility and all evidence thereof has been removed.

If any contingency contained in this Section 5.2 has not been satisfied on or before the date described herein, and if no date is specified, then the Closing Date, then this Agreement may be terminated by written notice from the EDA to Kwik Trip. If termination occurs all documents deposited by Buyer shall be immediately returned to Buyer and all documents deposited by the EDA shall be immediately returned to the EDA and neither party will have any further rights or obligations with respect to this Agreement or the Property, except for such obligations that survive termination of this Agreement. If the EDA terminates this Agreement pursuant to this Section, any refundable portion of the Earnest Money shall immediately be refunded to Buyer. All the contingencies in this Section 5.2 are specifically for the benefit of the EDA, and the EDA shall have the right to waive any contingency in this Section 5.2 by written notice to Buyer.

6. **Closing.** The closing of the purchase and sale contemplated by this Agreement (the “**Closing**”) shall occur on or before April 1, 2024 (the “**Closing Date**”); provided, however, Kwik Trip shall have the right and option to extend the Closing Date for one extension of sixty (60) days (“**Extension Option**”). Kwik Trip shall exercise its right and option to extend the Closing Date, if at all, by giving EDA notice of such election on or before the Closing Date, as the same may be extended. Upon the exercise of the Extension Option, the Original Earnest Money will become nonrefundable and Kwik Trip shall deposit an additional \$10,000.00 as earnest money (“**Additional Earnest Money**”). The Original Earnest Money and Additional Earnest Money shall be referred to collectively as the “**Earnest Money.**” If the parties proceed to Closing, all of the Earnest Money will be applied to the Purchase Price. The EDA agrees to deliver legal and actual possession of the Property to Kwik Trip on the Closing Date, as the same may be extended.

6.1. **EDA’s Closing Documents and Deliveries.** On the Closing Date, EDA shall execute and/or deliver, as applicable, to Kwik Trip the following:

A. **Warranty Deed.** A warranty deed conveying title to the Property to Kwik Trip, Inc., a Wisconsin corporation, free and clear of all encumbrances, except the Permitted Encumbrances (the “**Deed**”).

B. **Deed Restriction.** A Deed Restriction, in the general form of Exhibit B.

C. **Recertification of Representations and Warranties.** EDA shall provide Buyer with a certificate recertifying that the representations and warranties set forth in Section 9 of this Agreement are true and correct as of the Closing Date.

D. **FIRPTA Affidavit.** An affidavit of EDA certifying that EDA is not a “foreign person”, “foreign partnership”, foreign trust”, “foreign estate” or “disregarded entity” as those terms are defined in Section 1445 of the Internal Revenue Code of 1986, as amended.

E. **EDA’s Affidavit.** A standard owner’s affidavit (ALTA form) from EDA which may be reasonably required by Title to issue an owner’s policy of title insurance with respect to the Property with the so-called “standard exceptions” deleted.

F. **Settlement Statement.** A settlement statement with respect to this transaction.

G. **Copies of Resolutions.** EDA shall provide Buyer with copies of the resolutions for the various EDA and/or City public meetings showing the EDA and/or various City commissions and/or councils have approved this transaction, Buyer’s CUP, site plan, zoning, and such other governmental approvals as may be required for the Proposed Use.

H. **General Deliveries.** All other documents reasonably determined by Title to be necessary to transfer the Property to Buyer and to evidence that EDA (a) has satisfied all monetary indebtedness with respect thereto, (b) has obtained such termination statements or releases from such secured creditors as may be necessary to ensure that the Property is subject to no monetary liens, (c) has obtained all consents from third parties necessary to effect EDA’s performance of the terms of this Agreement, including, without limitation, the consents of all parties holding an interest in the Property, (d) has provided such other documents as are reasonably determined by Title to be necessary to issue policies of title insurance to Buyer with respect to the Property with the so-called “standard exceptions” deleted, and (e) has duly authorized the transactions contemplated hereby.

6.2. **Buyer’s Closing Documents and Deliveries.** On the Closing Date, Buyer shall execute and/or deliver, as applicable, to EDA the following:

A. **Payment of Purchase Price.** The Purchase Price, in accordance with the terms of Section 1.2.

B. **FIRPTA Affidavit.** An affidavit of Buyer certifying that Buyer is not a “foreign person”, “foreign partnership”, foreign trust”, “foreign estate” nor a “disregarded entity” as those terms are defined in Section 1445 of the Internal Revenue Code of 1986, as amended.

C. **Buyer’s Affidavit.** A standard owner’s affidavit (ALTA form) from Buyer which may be reasonably required by Title to issue an owner’s policy of title insurance with respect to the Property with the so-called “standard exceptions” deleted.

D. **Bring-Down Certificate.** A certificate dated as of the Closing Date, signed by an authorized officer of Buyer, certifying that the representations and warranties of Buyer contained in this Agreement are true as of the Closing Date.

E. **Settlement Statement.** A settlement statement with respect to this transaction.

F. **Evidence of Authority.** Buyer shall provide EDA with copies of the resolutions showing Buyer has met with necessary requirements to acquire the Property in accordance with this Agreement together with such proceedings, instruments and documents as may be reasonably required by Title as a condition precedent to issuing the Title Policy in Buyer's name.

G. **Development Agreement.** A Development Agreement for the public improvements required for the Proposed Use between the City and Buyer.

H. **General Deliveries.** All other documents reasonably determined by Title to be necessary to evidence that Buyer has duly authorized the transactions contemplated hereby and evidence the authority of Buyer to enter into and perform this Agreement and the documents and instruments required to be executed and delivered by Buyer pursuant to this Agreement, or may be required of Buyer under applicable law, including any purchaser's affidavits or revenue or tax certificates or statements.

7. **Prorations.** For purposes of calculating prorations, Buyer shall be deemed to be in title to the Subject Property, and therefore entitled to the income therefrom and responsible for the expenses thereof, for the entire day upon which the Closing occurs. Except as specifically provided otherwise herein, items of income and expense for the period prior to the Closing Date will be for the account of the EDA and items of income and expense for the period on and after the Closing Date will be for the account of Buyer, all as determined by the accrual method of accounting. EDA and Buyer agree to the following prorations and allocation of costs regarding this Agreement:

7.1. **Title Evidence and Closing Fee.** EDA shall pay all costs of the Commitment with respect to the Property. Buyer will pay all costs of all premiums for any title insurance policy it desires with respect to the Property. Buyer and EDA shall each pay one half (1/2) of any reasonable closing fee or charge imposed by Title.

7.2. **Transfer Taxes.** EDA shall pay all state deed tax regarding the Deed.

7.3. **Recording Costs.** EDA shall pay the cost of recording all documents necessary to place record title to the Property in the EDA including, but not limited to, costs of recording any documents necessary to cure any Objections, as hereinafter defined. Buyer shall pay all recording costs with respect to the recording of the Deed, Development

Agreement and for the recording of any mortgage required by Buyer if any, and any mortgage registration tax, if any. Buyer shall pay the recording costs with respect to the Deed Restriction.

7.4. **Real Estate Taxes and Special Assessments.** General real estate taxes applicable to any of the Property due and payable in the year of Closing shall be prorated between EDA and Buyer on a daily basis as of 12:00 a.m. CT on the Closing Date based upon a calendar fiscal year, with EDA paying those allocable to the period prior to the Closing Date and Buyer being responsible for those allocable to the Closing Date and subsequent thereto. EDA shall pay in full all special assessments (and charges in the nature of or in lieu of such assessments) certified, levied, pending, postponed or deferred, or constituting a lien against the Property with respect to any of the Property as of the Closing Date. Buyer shall be responsible for any special assessments that are levied or become pending against the Property after the Closing Date, including, without limitation, those related to Buyer's development of the Property.

7.5. **Utilities.** All utility expenses, including water, fuel, gas, electricity, sewer and other services furnished to or provided for the Property, if any, shall be prorated between EDA and Buyer on a daily basis as of the Closing Date, with EDA paying those allocable to the period prior to the Closing Date and Buyer being responsible for those allocable to the Closing Date and subsequent thereto.

7.6. **Survey.** Buyer may obtain and pay for a Survey.

7.7. **Attorneys' Fees.** EDA and Buyer shall each pay its own attorneys' fees incurred in connection with this transaction, except as otherwise specifically set forth in this Agreement.

7.8. **Survival.** The obligations set forth in this Section 7 survive the Closing.

8. **Title Examination.** (i) Within seven (7) days following the Effective Date, EDA shall, at EDA's expense, order a current and updated title commitment for an owner's title insurance policy (ALTA Form 2006) issued by Title for the Property, and copies of all encumbrances described in the commitment (the "**Commitment**"); and, if desired, (ii) within one hundred and twenty (120) days following the Effective Date, Buyer may at its sole option obtain, at Buyer's expense, an ALTA-certified survey bearing the legal description of the Property, and showing the area, dimensions and location of the Property and the matters shown in the Commitment (the "**Survey**" and, together with the Commitment, the "**Title Evidence**").

8.1. **Buyer's Objections.** Within thirty (30) days after Buyer's receipt of the last of the Title Evidence, Buyer may make written objections ("**Objections**") to the form or content of the Title Evidence. The Objections may include, without limitation, any easements, restrictions or other matters which may interfere with the Proposed Use of the Property or matters which may be revealed by the Survey. Any matters reflected on the Title Evidence which are not objected to by Buyer within such time period or waived by Buyer in accordance with Section 8.2(B) shall be deemed to be permitted encumbrances

(“**Permitted Encumbrances**”). Notwithstanding the foregoing, the following items shall be deemed Permitted Encumbrances: (a) Covenants, conditions, restrictions (without effective forfeiture provisions) and declarations of record which do not interfere with the Proposed Use, if any; (b) Reservation of minerals or mineral rights by the State of Minnesota, if any; (c) Utility and drainage easements which do not interfere with the Proposed Use; and (d) Applicable laws, ordinances, and regulations. Buyer shall have the renewed right to object to the Title Evidence as the same may be revised or endorsed from time to time.

8.2. **EDA’s Cure.** EDA shall be allowed twenty (20) days after the receipt of Buyer’s Objections to cure the same but shall have no obligation to do so. If such cure is not completed within said period, or if EDA elects not to cure such Objections, Buyer shall have the option to do any of the following:

- A. Terminate this Agreement with respect to all of the Property.
- B. Waive one or more of its objections and proceed to Closing.

If Buyer so terminates this Agreement, neither EDA nor Buyer shall be liable to the other for any further obligations under this Agreement (except for such obligations as survive termination of this Agreement) and any refundable portion of the Earnest Money shall be refunded to Buyer.

9. **Warranties and Representations.**

9.1. **By EDA.** EDA warrants and represents the following to Buyer and acknowledges that Buyer has relied on such representations and warranties in agreeing to enter into this Agreement:

A. This Agreement has been duly executed and delivered and constitutes the legal, valid and binding obligation of EDA enforceable in accordance with its terms. EDA has been duly formed under the laws of the State of Minnesota and is in good standing under the laws of the jurisdiction in which the Property is located, is duly qualified to transact business in the jurisdiction in which the Property is located, and has the requisite power and authority to enter into and perform this Agreement and the documents and instruments required to be executed and delivered by EDA pursuant hereto. This Agreement and the documents and instruments required to be executed and delivered by EDA pursuant hereto have each been duly authorized by all necessary action on the part of EDA and such execution, delivery and performance does and will not conflict with or result in a violation of EDA’s organizational agreement or any judgment or order.

B. The execution, delivery and performance by EDA of this Agreement will not (a) violate any provision of any law, statute, rule or regulation or any order, writ, judgment, injunction, decree, determination or award of any court, governmental agency or arbitrator presently in effect having applicability to EDA,

or (b) result in a breach of or constitute a default under any indenture, loan or credit agreement or any other agreement, lease or instrument to which EDA is a party or by which it or any of its properties may be bound.

C. To EDA's knowledge, except as contemplated herein, no order, consent, approval, license, authorization or validation of, or filing, recording or registration with, or exemption by, any governmental or public body or authority, or any other entity, is required on the part of EDA to authorize, or is required in connection with, the execution, delivery and performance of, or the legality, validity, binding effect or enforceability of, this Agreement.

D. To EDA's knowledge, there are no actions, suits or proceedings pending or threatened against or affecting EDA or any of its properties, before any court or arbitrator, or any governmental department, board, agency or other instrumentality which in any of the foregoing (a) challenges the legality, validity or enforceability of this Agreement, or (b) if determined adversely to EDA, would have a material adverse effect on the ability of EDA to perform its obligations under this Agreement.

E. EDA has not received written notice, and has no knowledge, of (a) any pending or contemplated annexation or condemnation proceedings, or purchase in lieu of the same, affecting or which may affect all or any part of the Property, (b) any proposed or pending proceeding to change or redefine the zoning classification of all or any part of the Property, (c) any proposed changes in any road patterns or grades which would adversely and materially affect access to the roads providing a means of ingress or egress to or from all or any part of the Property, or (d) any uncured violation of any legal requirement, restriction, condition, covenant or agreement affecting all or any part of the Property or the use, operation, maintenance or management of all or any part of the Property.

F. To EDA's knowledge, there are no wells, underground or above ground storage tanks of any size or type, or sewage treatment systems located on any portion of the Property. To EDA's knowledge, there has been no methamphetamine production on or about any portion of the Property. To EDA's knowledge, the sewage generated by the Property, if any, goes to a facility permitted by the Minnesota Pollution Control Agency and there is no "individual sewage treatment system" (as defined in Minnesota Statutes § 115.55, Subd. 1(g)) located on the Property.

G. EDA is not a "foreign person," "foreign corporation," "foreign trust," "foreign estate" or "disregarded entity" as those terms are defined in Section 1445 of the Internal Revenue Code.

H. To EDA's knowledge, except as may be disclosed as part of the Due Diligence Materials, (i) no condition exists on the Property that may support a claim or cause of action under any Environmental Law (as defined below) and there are

no Hazardous Substances (as defined below) on the Property, (ii) there has been no release, spill, leak or other contamination or otherwise onto the Property, and (iii) there are no restrictions, clean ups or remediation plans regarding the Property. To EDA's knowledge, except as may be disclosed as part of the Due Diligence Materials, there is no buried waste or debris on any portion of the Property. "**Environmental Law**" shall mean (a) the Comprehensive Environmental Response Compensation and Liability Act of 1980, 42 U.S.C. § 9601-9657, as amended, or any similar state law or local ordinance, (b) the Resource Conservation and Recovery Act of 1976, 42 U.S.C. § 6901, et seq., (c) the Federal Water Pollution Control Act, 33 U.S.C. § 1251 et seq., (d) the Clean Air Act, 42 U.S.C. § 7401, et seq., (e) the Toxic Substances Control Act, 15 U.S.C. § 2601 et seq., (f) the Safe Drinking Water Act, 42 U.S.C. § 300(f) et seq., (g) any law or regulation governing aboveground or underground storage tanks, (h) any other federal, state, county, municipal, local or other statute, law, ordinance or regulation, including, without limitation, the Minnesota Environmental Response and Liability Act, Minn. Stat. § 115B.01, et seq., (i) all rules or regulations promulgated under any of the foregoing, and (j) any amendments of the foregoing. "**Hazardous Substances**" shall mean polychlorinated biphenyls, petroleum, including crude oil or any fraction thereof, petroleum products, heating oil, natural gas, natural gas liquids, liquefied natural gas or synthetic gas usable for fuel, and shall include, without limitation, substances defined as "hazardous substances," "toxic substances," "hazardous waste," "pollutants or contaminants" or similar substances under any Environmental Law.

I. There are no leases or tenancies with respect to the Property that will not be terminated as of the Closing Date. There are no unrecorded agreements or other contracts of any nature or type relating to, affecting or serving the Property beyond the agreements to acquire the Property from Owner.

J. EDA has the right to acquire the Property from Owner in sufficient time to perform its obligations under this Agreement in a timely manner.

K. There will be no indebtedness or sums due attributable to the Property which will remain unpaid after the Closing Date.

As used in this Agreement, the term "**to EDA's knowledge**" shall mean and refer to only the current actual knowledge of the designated representative of EDA and shall not be construed to refer to the knowledge of any other officer, manager, director, agent, authorized person, employee or representative of EDA, or any affiliate of EDA, or to impose upon such designated representative any duty to investigate the matter to which such actual knowledge or the absence thereof pertains, or to impose upon such designated representative any individual personal liability. As used herein, the term "**designated representative**" shall refer to Jennifer Levitt. EDA represents and warrants that the foregoing individual is the representative of EDA most knowledgeable regarding the Property.

The representations, warranties and other provisions of this Section 9.1 shall survive Closing; provided, however, EDA shall have no liability with respect to any breach of a particular representation or warranty if Buyer shall fail to notify EDA in writing of such breach within two (2) years after the Closing Date, and provided further that EDA shall have no liability with respect to a breach of the representations and warranties set forth in this Agreement if Buyer has actual knowledge of EDA's breach thereof prior to Closing and Buyer consummates the acquisition of the Property as provided herein.

Buyer acknowledges and agrees that, except as expressly specified in this Agreement and/or in any documents executed and delivered by the EDA at Closing, EDA has not made, and EDA hereby specifically disclaims, any representation, warranty or covenant of any kind, oral or written, expressed or implied, or arising by operation of law, with respect to the Property, including, but not limited to, any warranties or representations as to the habitability, merchantability, fitness for a particular purpose, title, zoning, tax consequences, physical or environmental condition, utilities, valuation, governmental approvals, the compliance of the Property with governmental laws, or any other matter or item regarding the physical condition of the Property. Buyer agrees that except as expressly specified in this Agreement and/or in any documents executed and delivered by the EDA at Closing, Buyer shall accept the Property and acknowledges that the sale of the Property as provided for herein is made by EDA on an "AS IS," "WHERE IS," and "WITH ALL FAULTS" basis. Buyer is an experienced purchaser of property such as the Property and Buyer has made or will make its own independent investigation of the Property. The limitations set forth in this paragraph shall survive the Closing and shall not merge in the deed.

9.2. **By Kwik Trip.** Kwik Trip warrants and represents the following to EDA, and acknowledges that EDA has relied on such representations and warranties in agreeing to enter into this Agreement:

A. Kwik Trip is a corporation, duly organized and in good standing under the laws of the state of Wisconsin and is not in violation of any provisions of its company documents or its operating agreement.

B. Kwik Trip has all requisite authority to enter into this Agreement and to perform all of its obligations under this Agreement.

C. The execution, delivery and performance by Kwik Trip of this Agreement will not (a) violate any provision of any law, statute, rule or regulation or any order, writ, judgment, injunction, decree, determination or award of any court, governmental agency or arbitrator presently in effect having applicability to Kwik Trip, (b) violate or contravene any provision of the articles of incorporation or bylaws of Kwik Trip, or (c) result in a breach of or constitute a default under any indenture, loan or credit agreement or any other agreement, lease or instrument to which Kwik Trip is a party or by which it or any of its properties may be bound.

The representations, warranties and other provisions of this Section 9.2 shall survive Closing; provided, however, Kwik Trip shall have no liability with respect to any breach of a particular representation or warranty if EDA shall fail to notify Kwik Trip in writing of such breach within two (2) years after the Closing Date.

10. **Additional Obligations of EDA.**

10.1. **Licenses and Permits.** EDA shall transfer to Kwik Trip all transferable rights, if any, in any permits or licenses held by EDA with respect to the Property. Forty-five (45) days prior to the Closing Date, EDA shall provide a list to Buyer of all permits and/or licenses that will be transferred to Buyer at or before Closing. EDA shall execute all applicable transfer forms and applications to facilitate and effect any such transfer and to cooperate fully with Kwik Trip in its efforts to obtain all of the necessary licenses and permits for the Proposed Use, at no out-of-pocket cost to EDA, or the assumption of any obligations or liabilities by EDA.

10.2. **Condition of the Property at Closing.** Prior to Closing, the Property shall be operated in the ordinary course consistent with previous practice. On the Closing Date, EDA shall deliver to Kwik Trip exclusive vacant possession of the Property, free and clear of any personal property, surface waste and surface debris of any kind. On or before the Closing Date, EDA shall remove all trash and personal property from the Property. EDA agrees that Kwik Trip may dispose of any trash or personal property remaining on the Property as of the Closing Date in Kwik Trip's sole discretion and EDA agrees to pay for all costs and expenses incurred by Kwik Trip with respect to the transport and/or disposal of the personal property within ten (10) days after receipt of an invoice from Kwik Trip. From the Effective Date hereof until the Closing Date, EDA shall refrain from entering into any leases, licenses, rental, and/or occupancy agreements, however captioned, with respect to the Property and refrain from entering into or amending any contracts or other agreements (other than contracts in the ordinary course of business which are cancelable by the owner of the Property without penalty within thirty (30) days after giving notice thereof) without the prior written consent of Buyer, which consent shall not be unreasonably withheld, delayed or conditioned, prior to the Closing Date.

10.3. **Further Assurances.** From and after the Closing Date, EDA agrees to execute, acknowledge and deliver to Kwik Trip such other documents or instruments of transfer or conveyance as may be reasonably required to carry out its obligations pursuant to this Agreement.

10.4. **Non-Assumption of Contracts or Other Obligations.** The parties understand and agree that Kwik Trip is only acquiring certain of EDA's real property assets and that this Agreement and any related agreements shall not be construed to be in any manner whatsoever an assumption by Kwik Trip of any agreements, indebtedness, obligations or liabilities of EDA which are owing with respect to the operation of the Property prior to the Closing Date.

10.5. **Mortgages.** On or before the Closing Date, EDA shall satisfy all mortgage and/or lien indebtedness with respect to all or any portion of the Property and shall obtain recordable releases of the Property from any and all such mortgages or other liens affecting all or any portion of the Property.

10.6. **Approvals.** Kwik Trip may elect to seek certain approvals in order for Kwik Trip to develop the Property for the Proposed Use, including rezoning the Property or receipt of a conditional use permit (the “**Approvals**”). EDA, at no out-of-pocket cost to EDA, or the assumption of any obligations or liabilities by EDA, will reasonably cooperate with Kwik Trip’s efforts to obtain the Approvals at or prior to Closing. EDA hereby grants Kwik Trip the right to file and prosecute applications and petitions for the Approvals and any special use permits and variances desired by Kwik Trip; provided, however, any special use permits or variances shall be contingent on the occurrence of the Closing and shall not be binding upon EDA or the Property unless and until the Closing occurs. EDA, at no out-of-pocket cost to EDA, or the assumption of any obligations or liabilities by EDA, agrees to cooperate with Kwik Trip in the filing and prosecution of such applications and petitions, including the filing of the same in EDA’s name, if required.

11. **Commissions.** Each party represents that all negotiations on its behalf relative to this Agreement and the transactions contemplated by this Agreement have been carried on directly between the parties, without the intervention of any party as broker, finder or otherwise, and that there are no claims for brokerage commissions or finders’ fees in connection with the execution of this Agreement.

12. **Notice.** Any notice to be given by one party hereto shall be personally delivered (including messenger delivery), by email at the address set forth below, or be sent by registered or certified mail, or by a nationally recognized overnight courier which issues a receipt, in each case postage prepaid, to the other party at the addresses in this Section (or to such other address as may be designated by notice given pursuant to this Section), and shall be deemed given upon personal delivery, three (3) days after the date postmarked, one (1) business day after delivery to such overnight courier, or immediately upon personal delivery or delivery by email. Attorneys for each party shall be authorized to give and receive notices for each such party.

If to EDA: Cottage Grove Economic Development Authority
12800 Ravine Parkway South
Cottage Grove MN 55016
Attn: Jennifer Levitt, EDA Executive Director
Email: jlevitt@cottagegrovemn.gov

with a copy to: Korine L. Land
LeVander, Gillen & Miller, P.A.
1305 Corporate Center Drive, Suite 300
Eagan, MN 55121
Email: kland@levander.com

If to Kwik Trip:

With a copy to:

13. **Default; Remedies.** In addition to the rights granted to the parties pursuant to Minn. Stat. Sec. 559.21, if either EDA or Kwik Trip fails to perform any of its obligations under this Agreement in accordance with its terms, and such failing party does not cure such failure within thirty (30) days after written notice thereof from the other party (provided that no notice or cure period shall be required for obligations to be performed at Closing), then the other party shall have the right to terminate this Agreement by giving the failing party written notice of such election. In the case of any default by Kwik Trip, EDA's sole and exclusive remedies shall be termination of this Agreement as provided above and, upon any such termination, the Earnest Money shall be forfeited to Seller as agreed and final liquidated damages. In the case of any default by EDA, Kwik Trip's sole and exclusive remedies shall be (i) specifically enforce this Agreement, or (ii) terminate this Agreement, in which case the Earnest Money shall be returned to Kwik Trip. In no event shall Kwik Trip be entitled to record a notice of Lis Pendens against the Property, unless Kwik Trip is pursuing specific performance of this Agreement. In any action or proceeding to enforce this Agreement or any term hereof, the prevailing party shall be entitled to recover its reasonable costs and attorneys' fees.

14. **Cumulative Rights.** No right or remedy conferred or reserved to EDA or Kwik Trip is intended to be exclusive of any other right or remedy herein or by law provided, but each shall be cumulative in and in addition to every other right or remedy existing at law, in equity or by statute, now or hereafter.

15. **Assignment.** Buyer may freely assign its rights and obligations under this Agreement to a single-purpose entity created by Buyer for the purpose of owning and developing the Property, without the consent of Seller, provided and on the condition that Buyer shall provide Seller written notice of the assignment and the identity of the assignee prior to the Closing Date and such assignee shall have assumed Buyer's obligations hereunder by a written instrument of assumption.

16. **Entire Agreement; Modification.** This written Agreement constitutes the complete agreement between the parties with respect to this transaction and supersedes any prior oral or written agreements between the parties regarding this transaction. There are no verbal agreements that change this Agreement and no waiver of any of its terms will be effective unless in writing executed by the parties.

17. **Binding Effect; Survival.** This Agreement binds and benefits the parties and their respective successors and assigns. All representations and warranties, and indemnification obligations of the parties hereto shall survive the Closing.

18. **Governing Law.** The provisions of this Agreement shall be governed by and construed in accordance with the laws of the State of Minnesota.

19. **Rules of Interpretation.** The words “herein” and “hereof” and words of similar import, without reference to any particular section or subdivision, refer to this Agreement as a whole rather than any particular section or subdivision hereof. References herein to any particular section or subdivision hereof are to the section or subdivision of this Agreement as originally executed.

20. **Titles of Sections.** Any titles of the sections, or any subsections, of the Agreement are inserted for convenience of reference only and shall be disregarded in construing or interpreting any of its provisions.

21. **Counterparts; Facsimiles.** This Agreement may be executed in any number of counterparts, and all of the signatures to this Agreement taken together shall constitute one and the same agreement, and any of the parties hereto may execute such agreement by signing any such counterpart. Facsimile or “PDF” signatures on this Agreement shall be treated as originals until the actual original signatures are obtained.

22. **Represented by Counsel.** Each party has been represented and advised by counsel in the transaction contemplated hereby.

23. **Time of the Essence.** Time is of the essence of this Agreement.

[remainder of page intentionally blank]

IN AGREEMENT, the parties hereto have hereunto set their hands as of the Effective Date.

SELLER:
COTTAGE GROVE ECONOMIC
DEVELOPMENT AUTHORITY

By _____
Myron Bailey
Its President

By _____
Jennifer Levitt
Its Executive Director

BUYER:
KWIK TRIP, INC.

By: _____
Name: _____
Title: _____

EXHIBIT A

Real property located in the County of Washington, State of Minnesota, to be platted and legally described as follows:

Lot 1, Block 2, Lake Flora Second Addition

Abstract Property

[Commitment legal description to govern]

EXHIBIT B
FORM OF DEED RESTRICTION

DECLARATION OF RESTRICTIVE COVENANT

This Declaration of Restrictive Covenant, made between the City of Cottage Grove, a Minnesota municipal corporation (“Grantor”) and Kwik Trip, Inc., a Wisconsin corporation (“Grantee”).

Grantor, for itself, its administrators, successors and assigns, hereby states and alleges as follows, effective as of the _____ day of _____, 20__:

1. The Grantor is the fee owner of real property Washington County, Minnesota, legally described as follows:

Outlot C, Lake Flora Second Addition

(the “Property”).

2. Grantor has requested that this Declaration of Restrictive Covenant be recorded against properties adjacent to the Property, legally described on Exhibit A, attached hereto and incorporated herein (“Restricted Properties”).

3. Grantor, for a valuable consideration, hereby agrees to restrict the Restricted Properties from being used for: dispensing of petroleum, ethanol, biofuels, compressed natural gas or other motor fuels or alternative transportation energy sources (including but not limited to electric vehicle charging stations); the sale of tobacco products, beer, liquor, soda, dairy, bakery or other food products typically sold in grocery or convenience stores; the operation of a convenience store/fueling station, car wash, coffee shop or adult entertainment establishment.

4. It is the intent of the Grantor that the restrictions identified herein on the use of the Restricted Properties will be a restrictive covenant which will run with the land and be binding on the Grantor and all successive future owners for a period of thirty (30) years. All successive future owners and occupants of the Property shall have the same right to invoke and enforce the covenant and restriction applicable to the Restricted Properties as the original signers to this document.

[The remainder of this page was intentionally left blank.]

GRANTOR:
CITY OF COTTAGE GROVE

By: _____
Myron Bailey
Mayor

By: _____
Tamara Anderson
City Clerk

[illegible]

On this _____ day of _____, 2023, before me a Notary Public within and for said County, personally appeared Myron Bailey and Tamara Anderson to me personally known, who being each by me duly sworn, each did say that they are respectively the Mayor and the City Clerk of the City of Cottage Grove, the Minnesota municipal corporation named in the foregoing instrument, and that it was signed on behalf of said municipal corporation by authority of its City Council and said Mayor and City Clerk acknowledged said instrument to be the free act and deed of said municipal corporation.

Notary Public

**GRANTEE:
KWIK TRIP, INC.**

By: _____

Its: _____

STATE OF WISCONSIN)
) SS.
COUNTY OF LA CROSSE)

Personally came before me this ____ day of _____, 20__, the above named _____, _____ of Kwik Trip, Inc., a Wisconsin corporation, to me known to be the person who executed the foregoing instrument and acknowledged the same on behalf of the corporation.

**THIS INSTRUMENT DRAFTED BY AND
AFTER RECORDING PLEASE RETURN TO:**

Korine Land, #262432
LeVander, Gillen, & Miller, P.A.
1305 Corporate Center Drive, Suite 300
Eagan, MN 55121
(651) 451-1831

EXHIBIT A
RESTRICTED PROPERTIES

Real property situated in the City of Cottage Grove, County of Washington, State of Minnesota,
legally described as:

Lot 2, Block 3, Lake Flora Second Addition
Outlots A, B, C, D, E, Lake Flora Second Addition

**AGREEMENT BETWEEN THE CITY OF COTTAGE GROVE AND THE COTTAGE
GROVE ECONOMIC DEVELOPMENT AUTHORITY FOR SALE OF FILL
MATERIAL**

THIS AGREEMENT ("Agreement") is made and executed this ____ day of _____, 2023, ("Effective Date") by and between the City of Cottage Grove ("City") and the Cottage Grove Economic Development Authority ("EDA").

WHEREAS, EDA desires to purchase and City is willing to sell Fill Material from a lot currently identified as Outlot C on the proposed plat of Lake Flora Second Addition ("the Property"), under the terms and conditions set forth in this Agreement.

NOW THEREFORE, in consideration of the mutual consideration contained herein, it is hereby agreed as follows:

1. City has a purchase agreement to purchase the Property from the current owner and upon closing ("Closing"), agrees to sell fill material ("Fill Material") from the Property to the EDA for One Dollar and No/100s (\$1.00), the receipt of which is hereby acknowledged, which includes a right of entry to remove the Fill Material from the Property. City shall determine the locations on the Property from which the Fill Material shall be removed.
2. Following Closing, EDA agrees to purchase the Fill Material from the Property and have the Fill Material removed in a manner that complies with all federal, state, and local laws and ordinances applicable to such removal, including obtaining all permits from all applicable agencies and governmental entities. EDA shall not commence removal of Fill Material until after Closing.
3. EDA or anyone assigned the rights to remove the Fill Material shall indemnify City against legal liability for damages to the Property arising out of claims from the removal of the Fill Material by EDA's employees, subcontractors or assigns, including all liens.
4. EDA acknowledges and agrees that City has not made, and City hereby specifically disclaims any representation, warranty or covenant of any kind, oral or written, expressed or implied, or rising by operation of law, with respect to the Property, including but not limited to, any warranties or representations as to the merchantability, fitness for a particular purpose, physical or environmental condition regarding the Fill Material and the Property. EDA agrees to accept the Fill Material from Property as provided for herein is made by City on an "AS IS," "WHERE IS," and "WITH ALL FAULTS" basis.
5. During the performance of the removal of Fill Material under this Agreement, EDA or its assigns shall maintain appropriate insurance for its equipment and employees.
6. Following the Effective Date, EDA may, without consent of the City, allow portions of the Fill Material to be removed and used by third parties who shall be required to comply with

all terms and conditions of this Agreement, which shall be memorialized in writing by the EDA Executive Director.

7. This Agreement shall automatically terminate if EDA does not perform within five years of the Effective Date or after the Fill Material has been removed, whichever occurs first.

CITY OF COTTAGE GROVE

By: _____
Myron A. Bailey, Mayor

By: _____
Tamara Anderson, City Clerk

COTTAGE GROVE ECONOMIC DEVELOPMENT AUTHORITY

By: _____
Myron A. Bailey, President

By: _____
Jennifer Levitt, Executive Director



City of Cottage Grove Calendar of Upcoming Events

DATE	EVENT	TIME	LOCATION
Tuesday, August 29, 2023	Economic Development Authority	7:30 AM	Council Chambers
Tuesday, August 29, 2023	Southwest Arterial Event	9:30 AM	Jamaica Ave and 100 th St
Wednesday, September 6, 2023	City Council (Regular Meeting)	7:00 PM	Council Chambers
Monday, September 11, 2023	Parks, Recreation and Natural Resources Commission & Public Services Joint Meeting	6:00 PM	HERO Center
Tuesday, September 13, 2023	Advisory Committee on Historic Preservation	7:00 PM	Council Chambers
Tuesday, September 19, 2023	HERO Facility Operations Committee	2:00 PM	HERO Center
Wednesday, September 20, 2023	Police Swearing In Ceremony	6:00 PM	City Hall Amphitheater
Wednesday, September 20, 2023	City Council (Regular Meeting)	7:00 PM	Council Chambers
Monday, September 25, 2023	Planning Commission	7:00 PM	Council Chambers
Thursday, September 28, 2023	The Aurilla Luxury Apartments Ribbon Cutting	2:00 PM	7689 Hardwood Avenue
Wednesday, October 4, 2023	City Council (Regular Meeting)	7:00 PM	Council Chambers
Thursday, October 5, 2023	Bride and Jewel Ribbon Cutting	4:00 PM	8599 West Point Douglas, Suite 100

COMMUNITY EVENTS - www.discovercottagegrove.com

- Food Truck Thursdays – All summer - City Hall – 11 AM to 2 PM
- Cottage Grove Farmers Market Open – Thursdays all summer (2:30-6:30 PM) 7008 Lamar Ave
- Food Truck Festival (Kingston Park) – September 16, 2023 – 11 AM to 6 PM