



# GRAND RAPIDS ECONOMIC DEVELOPMENT AUTHORITY MEETING AGENDA

Thursday, March 28, 2024  
4:00 PM

NOTICE IS HEREBY GIVEN, that a regular meeting of the Grand Rapids Economic Development Authority will be held in the City Council Chambers in the Grand Rapids City Hall, 420 North Pokegama Avenue, in Grand Rapids, Minnesota on Thursday, March 28, 2024 at 4:00 PM.

CALL TO ORDER

CALL OF ROLL

SETTING OF THE REGULAR AGENDA - *This is an opportunity to approve the regular agenda as presented, or to add/delete an agenda item by a majority vote of the Commissioners present .*

APPROVE MINUTES

1. Consider approving minutes from the March, 14 2024 Regular Meeting

APPROVE CLAIMS

2. Consider approval of claims in the amount of \$2,226.73

BUSINESS

3. Consider adopting a resolution approving the First Amendment to the Preliminary Development Agreement with Oppidan Incorporated.
4. Consider adopting a resolution approving purchase agreements with the City and SE 7th Ave. Distribution LLC related to the L&M Supply Distribution Center Project

UPDATES

ADJOURN

## MEMBERS & TERMS

Tom Sutherland - 12/31/2024 Council Representative  
Molly MacGregor - 12/31/2024 Council Representative  
Malissa Bahr - 3/1/30  
Wayne Bruns - 3/1/25  
Sholom Blake - 3/1/25  
Al Hodnik - 3/1/27  
Bill Martinetto - 3/1/27  
Melissa Bahr - 3/1/30



# GRAND RAPIDS ECONOMIC DEVELOPMENT AUTHORITY MEETING MINUTES

Thursday, March 14, 2024  
4:00 PM

NOTICE IS HEREBY GIVEN, that a regular meeting of the Grand Rapids Economic Development Authority will be held in the City Council Chambers in the Grand Rapids City Hall, 420 North Pokegama Avenue, in Grand Rapids, Minnesota on Thursday, March 14, 2024 at 4:00 PM.

CALL TO ORDER

CALL OF ROLL

PRESENT

Commissioner Al Hodnik  
President Sholom Blake  
Commissioner Wayne Bruns  
Commissioner Bill Martinetto  
Commissioner Molly MacGregor  
Commissioner Melissa Bahr

ABSENT

Commissioner Tom Sutherland

SETTING OF THE REGULAR AGENDA - *This is an opportunity to approve the regular agenda as presented, or to add/delete an agenda item by a majority vote of the Commissioners present .*

Approved without addition.

APPROVE MINUTES

1. Consider approval of minutes from the February 22, 2024 regular meeting.

Motion by Commissioner Hodnik, second by Commissioner Bruns to approve the minutes from the February 22, 2024 regular meeting. The following voted in favor thereof: Bahr, Martinetto, Blake, MacGregor, Bruns, Hodnik. Opposed: None, motion passed unanimously.

APPROVE CLAIMS

2. Consider approval of claims in the amount of \$9,286.39

Motion by Commissioner Hodnik, second by Commissioner Bruns to approve claims in the amount of \$9,286.39. The following voted in favor thereof: Hodnik, Bruns, MacGregor, Blake, Martinetto, Bahr. Opposed: None, motion passed unanimously.

BUSINESS

3. HWY 35 Project Update – Jack Mitchell and John Hyduke

Jack Mitchell and John Hyduke from the Hwy 35 Project provided in update on funding, building timeline, job creation, security and current legislation. The hope is to be licensed and operational in the first quarter of 2025.

4. Discuss GREDA website update

President Blake welcomed new Commissioners MacGregor and Bahr.

Community Development Director Mattei discussed the need for and updated GREDA website and reviewed the proposal provided by Golden Shovel. The Commissioners would like staff to move forward with the creation of a new website and bring back proposals from other vendors for this project.

5. Consider approval of the proposal for tree clearing and grubbing of City parcel 91-033-1406 and authorize payment in the amount of \$28,710.00.

In order to avoid federal environmental concerns the trees on this parcel need to be removed by the end of March. If approved GREDA will contract with Casper Construction for the removal and L&M will reimbursed them at the time of the sale.

Motion by Commissioner Bruns, second by Commissioner Hodnik to approve the proposal for tree clearing and grubbing on parcel 91-033-1406 and authorize payment in the amount of \$28,710.00. The following voted in favor thereof: Bahr, Martinetto, Blake, MacGregor, Bruns, Hodnik. Opposed: None, motion passed unanimously.

6. Review and consider forwarding to the City Council the GREDA 2023 Annual Report

President Blake commended Community Development Director Mattei and the GREDA for their accomplishments this past year.

Motion by Commissioner MacGregor, second by Commissioner Hodnik to forward the GREDA 2023 Annual Report to the City Council. The following voted in favor thereof: Hodnik, Bruns, MacGregor, Blake, Martinetto, Bahr. Opposed: None, motion passed unanimously.

UPDATES

ADJOURN

There being no further business the meeting adjourned at 5:07 p.m.

MEMBERS & TERMS

Tom Sutherland - 12/31/2024 Council Representative

Molly MacGregor - 12/31/2024 Council Representative

Wayne Bruns - 3/1/25

Sholom Blake - 3/1/25

Al Hodnik - 3/1/27

Bill Martinetto - 3/1/27

DATE: 03/22/2024  
 TIME: 09:58:26  
 ID: AP443GR0.WOW

CITY OF GRAND RAPIDS  
 DEPARTMENT SUMMARY REPORT

PAGE: 1

INVOICES DUE ON/BEFORE 03/28/2024

VENDOR #	NAME	AMOUNT DUE
-----		
EDA - CAPITAL PROJECTS		
MISCELLANEOUS PROJECT		
1917750	SQUIRES, WALDSPURGER & MACE PA	198.00
	TOTAL MISCELLANEOUS PROJECT	198.00
BLK 36 DOWNTOWN REDEVELOPMENT		
1920240	CHAD B STERLE	1,842.50
	TOTAL BLK 36 DOWNTOWN REDEVELOPMENT	1,842.50
	TOTAL UNPAID TO BE APPROVED IN THE SUM OF:	\$2,040.50
CHECKS ISSUED-PRIOR APPROVAL		
PRIOR APPROVAL		
0920055	ITASCA COUNTY RECORDER	92.00
1621130	P.U.C.	94.23
	TOTAL PRIOR APPROVAL ALLOWED IN THE SUM OF:	\$186.23
	TOTAL ALL DEPARTMENTS	\$2,226.73



## REQUEST FOR GRAND RAPIDS EDA ACTION

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**AGENDA DATE:** March 28, 2024

**STATEMENT OF ISSUE:** Consider adopting a resolution approving the First Amendment to the Preliminary Development Agreement with Oppidan Incorporated.

**PREPARED BY:** Rob Mattei, Executive Director

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### **BACKGROUND:**

GREDA entered into a new, second, Preliminary Development Agreement with Oppidan Incorporated on August 10, 2023, designating Oppidan as the sole developer, during the term of the Agreement, of GREDA property, Lot 1, Block 1 of Great River Acres.

As we've discussed, Oppidan is pursuing sources of funding for a project to construct a 132-unit market rate apartment project on this site. Staff are currently working together with Oppidan to prepare a grant application to the Minnesota Housing Finance Agency (MHFA) Workforce Housing Program for the project. We are also on the MN IRRR March 26<sup>th</sup> meeting agenda to receive a \$600,000 Housing Grant for this project.

The MHFA Workforce Housing application requires that we have a evidence of site control, which the Preliminary Development Agreement will serve as, however the term must be extended to keep it in force during the application review period. The proposed Amendment will extend the Agreement an additional 180 days, which will get us beyond the MHFA award announcements.

### **RECOMMENDATION:**

**REQUIRED ACTION:** Make a motion to adopt a resolution approving the First Amendment to the Preliminary Development Agreement with Oppidan Incorporated.

## FIRST AMENDMENT TO PRELIMINARY DEVELOPMENT AGREEMENT

THIS FIRST AMENDMENT TO PRELIMINARY DEVELOPMENT AGREEMENT (this “First Amendment”), dated \_\_\_\_\_, 2024, by and between the GRAND RAPIDS ECONOMIC DEVELOPMENT AUTHORITY, a public body corporate and politic under the laws of the State of Minnesota (the “Authority”), and OPPIDAN, INCORPORATED, a Minnesota corporation (the “Developer”);

WITNESSETH:

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

WHEREAS, the Developer has proposed to acquire the Property and construct an approximately 132-unit multifamily rental housing development (the “Development”); and

WHEREAS, the Developer and the Authority previously entered into a Preliminary Development Agreement, dated September 8, 2022 and a subsequent Preliminary Development Agreement, dated August 10, 2023 (the “Original Agreement”), pursuant to which the Developer was designated the sole developer of the Property during the term of the Original Agreement and the parties agreed to work towards the negotiation and execution of a mutually satisfactory purchase and development agreement (the “Contract”) that will address (among other things) the sale of the Property by the Authority to the Developer and the construction of the Development; and

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

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

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

1. Amendment to Section 8 of the Original Agreement as amended by the First Amendment. Paragraph 8 of the Original Agreement is hereby deleted and replaced with the following:

9. This Agreement is effective for one hundred and eighty (180) days from the date hereof. After such date, neither party shall have any obligation hereunder except as expressly set forth to the contrary herein.

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

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


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

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

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

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

**OPPIDAN, INCORPORATED**

By   
Its: President

**GRAND RAPIDS ECONOMIC  
DEVELOPMENT AUTHORITY**

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

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



**EXHIBIT A**

**PROPERTY:**

The property located in the City of Grand Rapids, Itasca County, Minnesota legally described as:  
Lot 1, Block 1, Great River Acres, Itasca County, Minnesota

## PRELIMINARY DEVELOPMENT AGREEMENT

**THIS AGREEMENT**, made and entered into this 10th day of August, 2023, between the GRAND RAPIDS ECONOMIC DEVELOPMENT AUTHORITY, a public body corporate and politic under the laws of the State of Minnesota (“Authority”) and OPPIDAN, INCORPORATED, a Minnesota corporation (“Developer”):

### RECITALS

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

**WHEREAS**, the Developer has submitted a letter of intent for the purchase of the Property attached as Exhibit B (the “Proposal”) to acquire the Property and construct an approximately 132-unit multifamily rental housing development (the “Development”); and

**WHEREAS**, the Developer and the Authority previously entered into a certain Preliminary Development Agreement, dated September 8, 2022 (the “Original Agreement”), pursuant to which the Developer was designated the sole developer of the Property during the term of the Original Agreement, and the Original Agreement expired on or about March 7, 2023; and

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

**WHEREAS**, the Authority and the Developer are willing and desirous to undertake the Development if (i) a satisfactory agreement can be reached regarding the Authority’s commitment for any public assistance that may be necessary for the Development; (ii) satisfactory mortgage and equity financing, or adequate cash resources for the Development can be secured by the Developer; (iii) the economic feasibility and soundness of the Development can be demonstrated; and (iv) satisfactory resolution of zoning, land use, site design, and engineering issues, and other necessary preconditions have been determined to the satisfaction of the parties; and

**WHEREAS**, the Authority is willing to evaluate the Development and work toward all necessary agreements with the Developer.

**NOW, THEREFORE**, in consideration of the foregoing and of the mutual covenants and obligations set forth herein, the parties agree as follows:

**Section 1. Intention of Parties.** It is the intention of the parties that this Agreement: (a) documents the present understanding and commitments of the parties; and (b) will lead to negotiation and execution of a mutually satisfactory Purchase and Development Agreement (the “Contract”) prior to the termination date of this Agreement. The Contract (together with any other agreements entered into between the parties hereto contemporaneously therewith) when executed, will supersede all obligations of the parties hereunder.

**Section 2. Outline of Negotiations.** Negotiations between the parties shall proceed in an attempt to formulate a definitive Contract based on the following:

- (a) the Developer's current Proposal together with any changes or modifications required by the Authority;
- (b) such documentation regarding economic feasibility of the Development as the Authority and the Developer may wish to undertake during the term of this Agreement; and
- (c) other terms and conditions of this Agreement.

The parties agree and understand that negotiations regarding the Contract will proceed as soon as reasonably practicable after the date of this Agreement, as sufficient details for the Development become available.

**Section 3. Developer's Obligations.** During the term of this Agreement, the Developer shall:

- (a) Submit to the Authority a design proposal to be approved by the Authority showing the location, size, and nature of the proposed Development, including floor layouts, renderings, elevations, and other graphic or written explanations of the Development. The design proposal shall be accompanied by a proposed schedule for the commencement and completion of the Development.
- (b) Submit a cost estimate for the design and construction of the Development.
- (c) Submit a time schedule for all phases of the Development.
- (d) Submit to the Authority the Developer's financing plan showing that the proposed Development is financially feasible, and, to the extent Developer seeks public financial assistance in any form (including reduced land cost, waiver of fees, tax increment financing or abatement financing), evidence that such assistance is reasonably necessary to make the Development financially feasible.
- (e) Furnish satisfactory financial data to the Authority evidencing the Developer's ability to undertake the Development.
- (f) Submit zoning, land use, platting and subdivision applications for the Development, as appropriate.
- (g) Undertake and obtain such other preliminary economic feasibility studies, income and expense projections, and such other economic information as the Developer may desire to further confirm the economic feasibility and soundness of the Development.
- (h) Provide any other information that the Authority may request.

**Section 4. Authority's Obligations.** During the term of this Agreement, the Authority agrees to:

- (a) Proceed to seek all necessary information with regard to the anticipated public costs associated with the Development.
- (b) Review zoning, planning and subdivision implications of the Development, as appropriate.
- (c) Analyze the Redeveloper's pro forma and estimate the amount and type of public financial assistance, if any, needed to make the Development feasible and authorized under the laws of the State of Minnesota.

**Section 5. Contingencies.** It is expressly understood that execution and implementation of the Contract shall be subject to:

- (a) A determination by the City and the Authority, in their sole discretion, that any public financial assistance for the Development is feasible based on the projected sources available, and that financial assistance is warranted based on the Developer's pro forma and any other information provided to the City and Authority.
- (b) A determination by the Developer that the Development is feasible and in the best interests of the Developer.
- (c) A determination City Council of the City and the Board of Commissioners of the Authority that the Development is in the best interests of the City and the Authority.

**Section 6. Reimbursement of Costs.** In the event that the Developer seeks public financial assistance for the Project, the Developer shall be solely responsible for all costs incurred by the Developer. In addition, the Developer shall reimburse the City and the Authority for Administrative Costs, as hereafter defined. For the purposes of this Agreement, the term "Administrative Costs" means out of pocket costs incurred by the City and the Authority attributable to or incurred in connection with the negotiation and preparation of this Agreement, the Contract, and other documents and agreements in connection with the Development, including without limitation all costs in connection with any planning approvals necessary for the Property and the cost of financial advisors, attorneys, engineering and planning and environmental consultants. Notwithstanding the foregoing, each party shall pay for its own costs incurred in connection with the negotiation and preparation of this Agreement.

In order to secure payment of the Administrative Costs, the Developer shall deliver to the Authority cash or a certified check in the amount of \$5,000, such delivery to occur upon delivery by the Developer of Developer's Business Assistance Application. If at any one or more times during the term of this Agreement, the Authority determines that Administrative Costs will exceed \$5,000 and that additional security is required, the Authority shall notify the Developer of the amount of such additional security. Within ten (10) calendar days of receipt of this notice, the Developer shall

deliver to the Authority the required additional security. The City and the Authority will utilize the funds delivered by the Developer to pay or reimburse themselves for Administrative Costs. Upon termination of this Agreement, the Authority will return to the Developer the funds paid by the Developer to the Authority pursuant to this Section 6, less an amount equal to the Administrative Costs incurred by the City and the Authority through the date of notice of termination. For the purposes of this paragraph, Administrative Costs are considered to be incurred if they have been paid, relate to services performed, or are payable under a contract entered into, on or before the date of the notice of termination.

This Section 6 shall survive termination of this Agreement and shall be binding on the Developer regardless of the enforceability of any other provision of this Agreement.

**Section 7. Designation As Sole Developer of Property.** The Authority hereby agrees that for the term of this Agreement it will not:

- (i) provide or enter into any agreement for the provision of financial assistance to any third party in connection with any proposed development within the Property; and
- (ii) negotiate or contract with any other party concerning the sale or development of the Property.

During such period the Developer shall have the exclusive right to work with the Authority in negotiating a definitive Contract for the Property. The Developer may not assign its rights or obligations under this Agreement to any person or entity without prior written approval by the Authority.

**Section 8. Term of Agreement.** This Agreement is effective for one hundred and eighty (180) days from the date hereof. After such date, neither party shall have any obligation hereunder except as expressly set forth to the contrary herein.

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

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

**Section 9. Remedies.** In the event that the Developer, its heirs, successors or assigns, fail to comply with any of the provisions of this Agreement, the Authority may proceed to enforce this Agreement by appropriate legal or equitable proceedings, or other similar proceedings, and the Developer, its heirs, successors or assigns, agree to pay all costs of such enforcement, including

reasonable attorneys' fees.

**Section 10. Severability.** If any portion of this Agreement is held invalid by a court of competent jurisdiction, such decision shall not affect the validity of any remaining portion of the Agreement.

**Section 11. Amendment and Waiver.** In the event any covenant contained in this Agreement should be breached by one party and subsequently waived by another party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other concurrent, previous or subsequent breach. This Agreement may not be amended nor any of its terms modified except by a writing authorized and executed by all parties hereto.

**Section 12. Notice.** Notice or demand or other communication between or among the parties shall be sufficiently given if sent by mail, postage prepaid, return receipt requested or delivered personally:

- (a) As to the Developer: Oppidan, Incorporated  
400 Water Street, Suite 200  
Excelsior, MN 55331
- (b) As to the Authority: Grand Rapids Economic Development Authority  
420 N. Pokegama Avenue  
Grand Rapids, MN 55744  
Attn: Executive Director

**Section 14. Counterparts.** This Agreement may be executed simultaneously in any number of counterparts, all of which shall constitute one and the same instrument.

**Section 15. Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the state of Minnesota. Any disputes, controversies, or claims arising out of this Agreement shall be heard in the state or federal courts of Minnesota, and all parties to this Agreement waive any objection to the jurisdiction of these courts, whether based on convenience or otherwise.

**Section 16. Indemnification.** The Developer hereby agrees to protect, defend and hold the Authority, the City and their officers, elected and appointed officials, employees, administrators, commissioners, agents, and representatives harmless from and indemnified against any and all loss, cost, fines, charges, damage and expenses, including, without limitation, reasonable attorney's fees, consultant and expert witness fees, and travel associated therewith, due to claims or demands of any kind whatsoever caused by Developer or arising out of actions of Developer with regard to (i) the development, marketing, sale or leasing of all or any part of the Property, including, without limitation, any claims for any lien imposed by law for services, labor or materials furnished to or for the benefit of the Property, or (ii) any claim by the state of Minnesota or the Minnesota Pollution Control Agency or any other person pertaining to the violation of any permits, orders, decrees or demands made by said persons or with regard to the presence of any pollutant, contaminant or hazardous waste on the Property deposited or released by Developer; and (iii) or by reason of the

execution of this Agreement or the performance of this Agreement. The Developer, and the Developer's successors or assigns, agree to protect, defend and save the Authority, the City and their members, officers, agents, and employees, harmless from all such claims, demands, damages, and causes of action and the costs, disbursements, and expenses of defending the same, including but not limited to, attorneys fees, consulting engineering services, and other technical, administrative or professional assistance incurred by the Authority and the City as a result of the actions of Developer. This indemnity shall be continuing and shall survive the performance, termination or cancellation of this Agreement. Nothing in this Agreement shall be construed as a limitation of or waiver by the Authority or the City of any immunities, defenses, or other limitations on liability to which the Authority is entitled by law, including but not limited to the maximum monetary limits on liability established by Minnesota Statutes, Chapter 466.

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

OPPIDAN, INCORPORATED

By   
Its: EVP and General Counsel

GRAND RAPIDS ECONOMIC  
DEVELOPMENT AUTHORITY

By *Sholom R. Blake*  
Sholom R. Blake (Aug 16, 2023 12:57 CDT)  
Its President

By *Robert A. Mah*  
Its Executive Director



**EXHIBIT A**

**Description of Property**

The property located in the City of Grand Rapids, Itasca County, Minnesota legally described as:  
Lot 1, Block 1, Great River Acres, Itasca County, Minnesota

# EXHIBIT B

## Proposal



400 Water Street Suite 200 Excelsior, MN 55331 T: 952.294.0363 F: 952.294.0161 www.oppidan.com

Writer's Direct Dial: (612) 810-0481  
Writer's Email: [ryan@oppidan.com](mailto:ryan@oppidan.com)

August 19, 2022

To:  
Rob Matten  
City of Grand Rapids  
420 North Polksgann Avenue  
Grand Rapids, MN 55744-2662

Re: Letter of Intent for Purchase of Property  
Location: Grand Rapids, Itasca County, Minnesota – PID #91-536-0110 and shown on Exhibit A

Gentlemen:

This letter shall serve as a proposal for the purchase of PID #91-536-0110. This proposal is not a binding commitment on either party, but rather an outline of terms to be incorporated into a mutually acceptable Purchase Agreement. The following is a summary of business terms:

1. Buyer:	Oppidan, Incorporated, or an entity controlled by Oppidan, Incorporated
2. Seller:	Grand Rapids EDA
3. Property:	A 14.3 acre parcel of land that is identified as PID #91-536-0110 (the "Property") in the City of Grand Rapids, Itasca County, Minnesota. The Property is shown on Exhibit A.
4. Intended Use:	Approximately 143 units of market rate housing. Current intent is to build a 4-story apartment complex with a mix of 1-bed, 2-bed, and 3-bed units. The building will have a community room, exercise room, and surface parking.
5. Purchase Price:	\$485,000.00
6. Earnest Money:	N/A
7. Due Diligence:	Buyer shall have 180 days from execution of the Purchase Agreement to inspect and examine the Property and to obtain all necessary governmental approvals required for Buyer's intended use of the Property. Buyer shall have the right to extend the Due Diligence Period with consent of Seller.
8. Seller Deliveries:	Within 5 days of Purchase Agreement execution, Seller shall deliver to Buyer copies of all records pertaining to the Property in Seller's possession. Such records may include surveys, environmental reports, soils reports, contracts, and title evidence.

9. <b>Taxes/Assessments:</b>	All taxes shall be prorated as of the day of Closing. Any assessments, levied or pending as of the date of Closing, shall be paid by Seller.
10. <b>Closing Date:</b>	Closing shall take place within 30 days of the completion of the Due Diligence Period.
11. <b>Brokers:</b>	N/A
12. <b>Wetland Mitigation:</b>	Seller will obtain wetland mitigation permit prior to Closing if a wetland mitigation permit is deemed necessary for the intended development. Wetland banking credits would be at Buyers expense.

Please indicate Seller's acceptance of the terms of this Letter of Intent by signing and returning a copy of this Letter of Intent to my attention. This Letter of Intent shall serve as the outline of the business terms to be incorporated into a Purchase Agreement. Neither party shall be bound until a mutually acceptable Purchase Agreement has been executed by both parties. Upon receipt of a signed Letter of Intent, Buyer will prepare a Purchase Agreement for Seller's review.

Thank you for your cooperation. I look forward to working with you on this transaction.

Sincerely,

Oppidan, Incorporated

  
 Ryan Grover, Associate Developer

Agreed and accepted by:

\_\_\_\_\_





## REQUEST FOR GRAND RAPIDS EDA ACTION

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**AGENDA DATE:** March 28, 2024

**STATEMENT OF ISSUE:** Consider adopting a resolution approving purchase agreements with the City and SE 7<sup>th</sup> Ave. Distribution LLC related to the L&M Supply Distribution Center Project

**PREPARED BY:** Rob Mattei, Executive Director

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### **BACKGROUND:**

Pursuant to the Development Assistance Agreement between the City of Grand Rapids, the Grand Rapids Economic Development Authority (GREDA) and SE 7<sup>th</sup> Ave. Distribution, LLC (Developer) dated December 15, 2023, GREDA is to convey to the Developer all of parcels: 91-033-1410, 91-033-1430, 91-033-4120 and a 4.3-acre portion of 91-033-1406 for their development of the L&M Supply Distribution Center. All but the last parcel mentioned were acquired by GREDA and simultaneously sold to the Developer on December 15, 2023.

The 4.3-acre portion of 91-033-1406 (Parcel) is jointly owned by the City and County under their Joint Powers Agreement for the Airport. This parcel was originally purchased with a FAA grant many years ago when the Airport Layout Plan included a crosswind runway on the south end of the main runway. With the eventual crosswind runway being constructed to the north of this area, this Parcel is no longer needed for airport purposes. The City Engineering Department has been working through the FAA since September of last year to get their clearance, allowing the sale of the property for non-aviation use.

With the FAA clearance expected before the end of this month, staff has forwarded to the Itasca County Board a request for them to quit-claim their interest in the Parcel to the City of Grand Rapids, granting the City clear title to the Parcel. That clear title will allow the City to convey the Parcel to GREDA at the appraised value. When that conveyance occurs, GREDA will subsequently convey the Parcel to SE 7<sup>th</sup> Ave. Distribution at the agreed 50% discount calculated from prorating the assessed value of the 4.31-acre portion of the whole parcel.

On September 28, 2023, GREDA held the required public hearing to consider the sale of the entire site, including this Parcel.

The attached resolution approves the Purchase Agreements between GREDA and the City of Grand Rapids and between GREDA and SE 7<sup>th</sup> Avenue Distribution, LLC.

**REQUIRED ACTION:** Make a motion to adopt a resolution approving purchase agreements with the City and SE 7<sup>th</sup> Ave. Distribution LLC related to the L&M Supply Distribution Center Project.

**GRAND RAPIDS ECONOMIC DEVELOPMENT AUTHORITY  
CITY OF GRAND RAPIDS  
ITASCA COUNTY  
STATE OF MINNESOTA**

**RESOLUTION NO. \_\_\_\_\_**

**APPROVING PURCHASE AGREEMENTS WITH THE CITY AND  
SE 7<sup>TH</sup> AVE DISTRIBUTION LLC RELATED TO THE L & M  
SUPPLY PROJECT**

WHEREAS, on September 28, 2023, the Board of Commissioners (the “Board”) of the Grand Rapids Economic Development Authority (the “Authority”) held a duly noticed public hearing on the sale of certain property located within the City of Grand Rapids, Minnesota (the “City”), legally described in Exhibit A attached hereto (the “Property”), to SE 7<sup>th</sup> Ave Distribution LLC, a Minnesota limited liability company, or an affiliate thereof or an entity related thereto (the “Developer”), for the purpose of constructing, improving and equipping thereon and on adjacent property, an approximately 210,000 square foot warehouse and distribution center (the “Project”) to be owned by the Developer and operated by L & M Supply, Inc., a Minnesota corporation (the “Tenant”), in connection with the expansion of the Tenant’s existing business; and

WHEREAS, the Property is currently owned by the City and Itasca County, Minnesota (the “County”), pursuant to a certain Airport Joint Powers Cooperative Agreement, dated October 12, 2023, between the City and the County (the “Joint Powers Agreement”) and the County will convey its interest to the City; there is now presented to the Board (i) a Purchase Agreement by and between the City and the Authority related to the Property (the “Authority Purchase Agreement”), and (ii) a Purchase Agreement by and between the Authority and the Developer related to the Property (the “Developer Purchase Agreement”), to be executed following the Authority Purchase Agreement; and

WHEREAS, the Developer has requested a land write down on the purchase price of the Property from the Authority, and tax increment financing assistance and tax abatement assistance from the City in connection with the Project (collectively, the “Assistance”), and the Authority has previously approved a Development Assistance Agreement, by and between the City, the Authority and the Developer (the “Assistance Agreement”), which includes a business subsidy agreement within the meaning of Minnesota Statutes, Sections 116J.993 to 116J.995, as amended (the “Business Subsidy Act”), on which a duly noticed public hearing was held by the Authority on September 28, 2023.

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

1. The Authority hereby approves the Authority Purchase Agreement and the Developer Purchase Agreement substantially in accordance with the terms set forth in the forms presented to the Board, together with any related documents necessary in connection therewith, including the quit claim deed and any documents required by the title company relating to the conveyance of the Property, and without limitation all documents, exhibits, certifications or consents referenced in or attached to the Authority Purchase Agreement and the Developer Purchase Agreement (collectively, the “Purchase Documents”) and hereby authorizes the President and the Executive Director to negotiate the final terms thereof and, in their discretion and at such time as they may deem appropriate, to execute the Purchase Documents on behalf of the Authority, and to carry out, on behalf of the Authority, the Authority’s obligations thereunder when all conditions precedent thereto have been satisfied. The Board hereby approves the conveyance of the Property to the Developer in accordance with

the terms of the Purchase Documents.

2. The approval hereby given to the Purchase Documents includes approval of such additional details therein as may be necessary and appropriate and such modifications thereof, deletions therefrom and additions thereto as may be necessary and appropriate and approved by legal counsel to the Authority and by the officers authorized herein to execute said documents prior to their execution; and said officers are hereby authorized to approve said changes on behalf of the Authority. The execution of any instrument by the appropriate officers of the Authority herein authorized shall be conclusive evidence of the approval of such document in accordance with the terms hereof. This Resolution shall not constitute an offer and the Purchase Documents shall not be effective until the date of execution thereof as provided herein. In the event of absence or disability of the officers, any of the documents authorized by this Resolution to be executed may be executed without further act or authorization of the Board by any duly designated acting official, or by such other officer or officers of the Board as, in the opinion of the Authority’s Attorney, may act in their behalf.

3. The powers provided to the Executive Director hereunder shall be delegated and assigned to the City’s Assistant Community Development Director in the event of the Executive Director’s absence. In such circumstances, the Assistant Community Development Director shall have all authority to act as the Acting Executive Director pursuant to this resolution and in connection with the closing on the conveyance of the Property to the Developer.

4. Upon execution and delivery of the Purchase Documents, the officers and employees of the Authority are hereby authorized and directed to take or cause to be taken such actions as may be necessary on behalf of the Authority to implement the Purchase Documents.

Approved this March 28, 2024, by the Board of Commissioners of the Grand Rapids Economic Development Authority.

\_\_\_\_\_  
President

ATTEST:

\_\_\_\_\_  
Secretary

**EXHIBIT A****LEGAL DESCRIPTION OF PROPERTY**

The property located in the City of Grand Rapids, Itasca County, Minnesota legally described as:

That part of the East 330.00 feet of the South Half of the Southeast Quarter of the Northeast Quarter of section 33, Township 55 North, Range 25 West, Itasca County, Minnesota, lying southwesterly of the following described line:

Commencing at the southeast corner of said Southeast Quarter of the Northeast Quarter; thence on an assigned bearing of North 01 degrees 20 minutes 08 seconds West, along the east line of said Southeast Quarter of the Northeast Quarter, a distance of 151.91 feet to the point of beginning of the line herein described; thence North 14 degrees 18 minutes 12 seconds West 523.41 feet to the north line of the South Half of the Southeast Quarter of the Northeast Quarter and said line terminating thereat.



## PURCHASE AGREEMENT

THIS PURCHASE AGREEMENT (the “Agreement”) is made and entered into this \_\_\_ day of \_\_\_\_\_, 2024 (the “Effective Date”) by and between the GRAND RAPIDS ECONOMIC DEVELOPMENT AUTHORITY, a body corporate and politic organized and existing under the laws of the State of Minnesota (the “Seller”), and SE 7<sup>th</sup> AVE DISTRIBUTION LLC, a Minnesota limited liability company (“Buyer” and, together with Seller, the “Parties” or individually each a “Party”).

### Recitals

WHEREAS, the Seller will be the fee title owner of that certain real property located in Grand Rapids, Minnesota legally described in Exhibit B attached hereto (the “Property”);

WHEREAS, the Buyer wishes to purchase the Property from Seller subject to the terms and conditions of this Agreement to construct and equip thereon an approximately 210,000 square foot warehouse and distribution center to be operated by L & M Supply, Inc., a Minnesota corporation (the “Tenant”), as part of an expansion to their existing business (the “Development”);

WHEREAS, the Seller believes that the development of the Property is vital and that it is in the best interests of the Seller and the City of Grand Rapids, Minnesota (the “City”), and is in accordance with the public purpose and provisions of the applicable state and local laws and requirements under which the Development will be undertaken. Further, the Seller believes the Development will result in the preservation and enhancement of the Seller and the City’s tax base, facilitate the expansion and growth of a local business, and provide increased employment opportunities in the City; and

WHEREAS, the Seller is willing to sell the Property to the Buyer under the terms and conditions provided herein.

### Terms of the Agreement

NOW, THEREFORE, in consideration of the mutual covenants hereinafter set forth, the Parties agree as follows:

1. Recitals. The recitals as set forth above are hereby incorporated into this Agreement.

2. Purchase Price. The total purchase price for the Property shall be \$69,530 (the “Purchase Price”) which represents a land write down from the amount of \$139,060 (the “Land Write Down”) which assessed value of the property. In addition, at Closing, the Developer shall reimburse the Seller \$28,710 for costs the Seller incurred in removing tress on the Property

3. Closing. Subject to the terms of this Agreement, the closing of the purchase and sale of the Property contemplated by this Agreement (the “Closing”) shall occur at the office of The Title Team in Grand Rapids, Minnesota (the “Title Company”), on June 30, 2024, or sooner as determined by the Parties (the “Closing Date”).

4. Due Diligence Investigation. The Buyer, at its sole cost and expense, shall have a due diligence period commencing on the Effective Date and ending 30 days thereafter (“Due Diligence Period”) to make all such investigations as the Buyer, in its sole and absolute discretion, deems reasonable and necessary in determining the suitability of the Property for the Buyer’s needs including:

- a. To examine and inspect the Property, to review the Due Diligence Documents (as hereinafter defined), to conduct feasibility studies with regard to the ownership and operation of the Property, including, but not limited to, environmental reviews, soil condition testing, surveying, engineering studies, appraisals and any other physical inspections of the Property as determined by the Buyer, and to investigate all physical aspects of the Property, and to review all other due diligence matters related to the Property. Buyer may enter upon the Property to inspect the same, and may conduct tests and examinations with regard thereto, provided that Buyer’s activities do not unreasonably interfere with the ongoing operation of the Property. Buyer shall promptly restore the Property to substantially the same condition in which it existed immediately prior to any physical tests conducted by or on behalf of Buyer. Seller shall cooperate with Buyer in obtaining reliance letters related to any existing environmental conditions affecting the Property.
- b. To investigate all zoning, code and governmental regulations or requirements in place at the Property, and to obtain all land use and rezoning approvals and permits determined necessary by the Buyer for Buyer’s intended Development and use of the Property.
- c. To secure funding for the purchase and development of the Property on terms acceptable to Buyer, in Buyer’s sole discretion. The Parties contemplate that such funding may include, without limitation, one or more of the following:
  - i. Assistance from the Seller and the City of Grand Rapids, Minnesota (the “City”), if approved by the Seller in accordance with all applicable laws and other legal or policy requirements, to reimburse the Buyer for costs related the Development, in accordance with the terms of the Development Assistance Agreement defined below (the “Financial Assistance”);

- ii. Assistance from the Iron Range Resources and Rehabilitation Board and the Minnesota Department of Employment and Economic Development; and
  - iii. Commercial loans and for the purchase and/or development of the Property.
- d. To obtain, at Buyer's sole cost, an appraisal of the Property that is satisfactory to Buyer and all of Buyer's funding sources.
  - e. Buyer shall have until the last day of the Due Diligence Period to provide written notice to Seller of Buyer's intention to terminate this Purchase Agreement for any reason. If Buyer terminates this Agreement within the Due Diligence Period, the transactions contemplated herein shall be considered terminated and the Earnest Money will be returned immediately to Buyer.

5. [Reserved.]

6. Title Review and Objections. Within 30 days following the Effective Date, Buyer shall obtain and provide a copy to Seller of a commitment for an ALTA owner's title insurance policy, which shall be periodically updated in accordance with the Development Documents (as defined herein), and any survey desired by Buyer (the "Survey"). Within 30 days after receipt of the title commitment and the Survey, Buyer shall notify Seller in writing of any objections to title and Survey, or the objections shall be deemed waived. If any objections are so made, the Seller may be allowed until the Closing Date to cure such objections and make the title to the Property good and marketable of record in Seller. Notwithstanding the foregoing, Seller shall have no obligation to cure any title objections. If a timely objection has been made by Buyer pursuant to this Section and such objection remains uncured by the Seller on the Closing Date, Buyer, as its sole and exclusive remedy, may either: (A) terminate this Agreement by giving written notice to the Seller; or (B) elect to accept the title in its unmarketable condition and without reduction of the Purchase Price by giving written notice to the Seller.

7. Conveyance Subject to Right of Re-entry. The Seller's conveyance of the Property to the Buyer pursuant to this Agreement shall be made in the form of a quit claim deed (the "Deed"), in substantially the form set forth in Exhibit A. The Deed shall include a right of re-entry for breach of a condition subsequent in favor of the Seller (the "Right of Re-entry"). The condition subsequent is that the Buyer shall have commenced construction of the foundation of the Development within 12 months of the Closing Date. If Buyer breaches such condition subsequent, the Buyer shall re-convey the Property back to the Seller, subject to matters then of record. If the Buyer fails to re-convey the Property to the Seller, the Seller may elect to exercise its right of reentry by commencing an action in Itasca County District Court to establish the breach of the condition subsequent. If the Seller establishes a breach of the condition subsequent, title to and the right to possession of the Property and title to all improvements located thereon reverts to the Seller, and the Buyer is not entitled to any compensation from the Seller for the Property or the value of any improvements the Buyer has made to the Property. The Buyer must record any certificate of completion or certificate of release of the Right of Re-entry in the proper County land records at its expense.

8. Contingencies.

a. Buyer's Contingencies. The Buyer's obligation to purchase the Property shall be contingent on the following:

- i. By the end of the Due Diligence Period, the Buyer shall have determined, in its sole and absolute discretion, that it is satisfied with the results and matters disclosed by the Buyer's investigation of the Property pursuant to Section 4 of this Agreement.
- ii. By the Closing Date, the Buyer shall have obtained, or caused to be obtained, in a timely manner, all required permits, licenses and approvals which must be obtained for the Development, including without limitation zoning and land use approvals, which must be obtained for the Development and the Buyer shall have submitted building plans to the City.
- iii. By the Closing Date, the Buyer shall have obtained approval from the Seller and the City, following a duly noticed public hearing and the satisfaction of all other conditions required by Minnesota law, of any Financial Assistance (including, without limitation, awards from the Job Creation Fund and the Minnesota Investment Fund to the Buyer by the Minnesota Department of Employment and Economic Development) and the Land Write Down.
- iv. By the Closing Date, the Buyer shall have obtained all necessary financing for the Development.
- v. By the Closing Date, the condition of title shall be satisfactory to the Buyer following the Buyer's examination of title as provided herein.

The contingencies set forth above are for the benefit of the Buyer and may be waived by the Buyer in the Buyer's sole discretion. Notwithstanding any other provision in this Agreement, a waiver of a contingency must be in writing to be effective. At the end of the Due Diligence Period, the Buyer will give written notice to the Seller of the contingencies that have been waived, satisfied, or neither waived nor satisfied.

b. Seller's Contingencies. The Seller's obligation to convey the Property shall be contingent on the following:

- i. By the Closing Date, the Buyer shall have obtained, or caused to be obtained, in a timely manner, all required permits, licenses and approvals which must be obtained for the Development, including without limitation zoning and land use approvals, which must be obtained for the Development and the Buyer shall have submitted building plans to the City;

- ii. The Buyer shall have obtained approval from the Seller of the sale of the Property pursuant to this Agreement, following a duly noticed public hearing, and in accordance with and following the satisfaction of all conditions required by Minnesota law, including Minnesota Statutes, Section 469.105;
- iii. By the Closing Date, the Buyer shall have obtained approval from the Seller and the City, following a duly noticed public hearing and the satisfaction of all other conditions required by Minnesota law, of any Financial Assistance and the Land Write Down;
- iv. The Buyer and the Seller shall have negotiated and mutually agreed to, the Board of Commissioners of the Seller (the "Board") and the City of Council of the City shall have approved following the satisfaction of all conditions required by Minnesota law, and the Seller and the Buyer shall have executed, effective not later than the Closing Date, a Development Assistance Agreement (the "Development Assistance Agreement"), providing for, among other things, the (i) construction of the Development by the Buyer in accordance with plans, specifications and a timeline approved by the Seller; (ii) requirements of the Business Subsidy Act, Minnesota Statutes, Section 116J.993 through 116J.995 (the "Business Subsidy Act"); (iii) terms of any Financial Assistance and the Land Write Down in accordance with applicable law; (iv) any applicable legal or policy requirements of the Seller related to the Development or the Land Write Down; and (v) any documents ancillary thereto (collectively, the "Development Documents");
- v. Buyer shall have performed all of the obligations required to be performed by the Buyer under this Agreement or the Development Documents as of the Closing Date and any further contingencies to Closing set forth in such Development Documents shall have been satisfied as provided therein, including without limitation execution and delivery of all Development Documents;
- vi. Buyer shall have delivered to the Seller all of the Buyer's Documents described in Section 14;
- vii. The Buyer shall have submitted the construction plans for the Development to the Seller and the City, and the Seller and the City shall have approved the construction plans pursuant to the Development Documents;
- viii. By the Closing Date, the Buyer shall have obtained and provided to the Seller evidence of all necessary financing for the Development;
- ix. The Seller shall have determined that the Development to be undertaken by the Buyer on the Property is in conformance with this Agreement

and the development objectives set forth in resolutions of the Seller authorizing the Development Documents; and

- x. The Seller shall have acquired title to the Property.

The contingencies set forth in Section 8(b) are for the benefit of the Seller and may be waived only by the Seller in its sole and absolute discretion. Notwithstanding any other provision in this Agreement, a waiver of a contingency must be in writing to be effective. At the end of the Due Diligence Period, the Seller will give written notice to the Buyer of the contingencies that have been waived, satisfied, or neither waived nor satisfied.

- c. Seller's and Buyer's Options. In the event that any of the foregoing contingencies fail to be satisfied on or before the Closing Date or the end of the Due Diligence Period, as applicable:
- i. The applicable party may terminate this Agreement, and Buyer and Seller shall execute and deliver to each other documentation effecting the termination of this Agreement and the Seller shall return the Earnest Money to Buyer; or
  - ii. The applicable party may waive such failure and proceed to Closing; provided that the contingencies in Section 8(a) are solely for the benefit of the Buyer and may be waived only by the Buyer as provided in therein) and the contingencies in Section 8(b) are solely for the benefit of the Seller and may be waived only by the Seller as provided therein; or
  - iii. Buyer and the Seller may mutually agree to extend the Closing Date.
- d. If the above contingencies are satisfied at the end of the Due Diligence Period or the applicable party elects to waive any unsatisfied contingencies and proceed to Closing, then the Earnest Money shall become non-refundable to the Buyer except in the event of Seller's default.

9. Real Estate Taxes and Special Assessments. Any general real estate taxes payable in the year in which Closing occurs shall be prorated between the Buyer and the Seller as of the date of Closing. The Seller will pay all outstanding special assessments with respect to the Property.

10. Representations and Warranties of Seller. The Property is sold AS-IS. Buyer acknowledges that it has inspected or will have had the opportunity to inspect the Property and agrees to accept the Property "AS IS" with no right of set off or reduction in the Purchase Price. Such sale shall be without representation of warranties, express or implied, either oral or written, made by Seller or any official, employee or agent of Seller with respect to the physical condition of the Property, including but not limited to, the existence or absence of petroleum, hazardous substances, pollutants or contaminants in, on, or under, or affecting the Property or with respect to the compliance of the Property or its operation with any laws, ordinances, or regulations of any

government or other body, except as stated above. Buyer acknowledges and agrees that Seller has not made and does not make any representations, warranties, or covenants of any kind or character whatsoever, whether expressed or implied, with respect to warranty of income potential, operating expenses, uses, habitability, tenant ability, or suitability for any purpose, merchantability, or fitness of the Property for a particular purpose, all of which warranties Seller hereby expressly disclaims, except as stated above. Buyer is relying entirely upon information and knowledge obtained from Buyer's own investigation, experience and knowledge obtained from Buyer's own investigation, experience, or personal inspection of the Property. Buyer expressly assumes, at closing, all environmental and other liabilities with respect to the Property and releases and indemnifies Seller from same, whether such liability is imposed by statute or derived from common law including, but not limited to, liabilities arising under the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA"), the Hazardous and Solid Waste Amendments Act, the Resource Conservation and Recovery Act ("RCRA"), the federal Water Pollution Control Act, the Safe Drinking Water Act, the Toxic Substances Act, the Superfund Amendments and Reauthorization Act, the Toxic Substances Control Act, and the Hazardous Materials Transportation Act, all as amended, and all other comparable federal, state or local environmental conservation or protection laws, rules or regulations. The foregoing assumption and release shall survive Closing. All statements of fact or disclosures, if any, made in this Agreement or in connection with this Agreement, do not constitute warranties or representations of any nature. The foregoing provision shall survive Closing and shall not be deemed merged into any instrument of conveyance delivered at Closing. Notwithstanding the foregoing, Seller represents and warrants to Buyer:

- a. Unrecorded Agreements. To Seller's actual knowledge, there are no unrecorded agreements, undertakings or restrictions which affect the Property.
- b. Leases. To the Seller's actual knowledge, there are no leases or possessory rights of others regarding the Property.
- c. Due Diligence Documents. The Due Diligence Documents delivered or to be delivered to Buyer hereunder are to Seller's actual knowledge correct and complete and, to Seller's actual knowledge, do not contain any false information.
- d. FIRPTA. Seller is not a "foreign person," "foreign partnership," "foreign trust," or "foreign estate," as those terms are defined in Internal Revenue Code Section 1445 and the regulations promulgated thereunder.
- e. No Proceedings. No legal or administrative proceeding is pending or, to Seller's actual knowledge, threatened (i) which would adversely affect Seller's right to convey the Property to Buyer as contemplated in this Agreement, or (ii) affecting the Property. There are no condemnation or eminent domain proceedings pending or, to Seller's knowledge, threatened with respect to the Property.
- f. Private Sewage Systems; Wells. To the Seller's actual knowledge there are no wells or private sewage systems located on the Property.

- g. Use of Property. To Seller's actual knowledge, no methamphetamine production has occurred on the Property.
- h. Unpaid Labor and Materials. To Seller's actual knowledge, Seller is not indebted for labor or material that might give rise to the filing of notice of mechanic's lien against any portion of the Property.
- i. Approval of Sale. Prior to Closing, Seller will take all applicable action to seek approval of the sale of the Property to the Buyer pursuant to the terms of this Agreement, including without limitation consideration of approval of this Agreement by the Board subject to and in accordance with Minnesota Statutes, Section 469.105 and following the satisfaction of all other conditions required by Minnesota law.
- j. Current Conditions. Seller shall maintain the Property in its present condition, ordinary wear and tear excepted. To the actual knowledge of the undersigned Executive Director of the Seller there are no conditions that are protected by federal or state law (such as American Indian burial grounds, other human burial grounds, historical structures or materials, or archeological sites).
- k. Governmental Violations. Seller has not received any written notice from a governmental authority that a person or the Property has violated a law, ordinance or regulation affecting the Property or that the authority may commence eminent domain, condemnation, special taxing district, or rezoning proceedings affecting the Property.
- l. Authority. Seller has full power and authority to enter into this Agreement and to perform all its obligations hereunder, and has taken all action required by law, its governing instruments, or otherwise to authorize the execution, delivery, and performance of this Agreement and all the deeds, agreements, certificates, and other documents contemplated herein. This Agreement has been duly executed by and is a valid and binding agreement of Seller, enforceable in accordance with its terms, except as enforceability may be limited by equitable principles or by the laws of bankruptcy, insolvency, or other laws affecting creditors' rights generally.
- m. Entity. Seller is a Minnesota body corporate and politic duly organized, validly existing and in good standing under the laws of the State of Minnesota.
- n. The obligations of Buyer under this Agreement are contingent upon the representations and warranties of Seller contained in this Agreement being true as of the Effective Date and on the Closing Date as if made on the Closing Date. Each of the foregoing representations and warranties shall be deemed remade as of the Closing Date and, as so remade, shall survive the Closing.



11. Due Diligence Documents. Within 30 days after the Effective Date, Seller shall deliver to Buyer copies of the documents set forth on Exhibit C attached hereto and incorporated herein (the “Due Diligence Documents”).

12. Closing Costs.

- a. The Buyer shall pay all costs of the preparation of a title commitment, including the abstracting fees, if required by the Title Company. The Seller shall pay all recording fees and charges related to the filing of any instrument required to make title marketable. The Buyer shall also pay the cost of obtaining any title evidence desired by Buyer, including a title commitment, the fees for standard searches with respect to the Seller and the Property, all premiums required for issuance of a title insurance policy, any survey costs and all Closing fees charged by the Title Company and any escrow fees charged by any escrow agent engaged by the parties in connection with this Agreement.
- b. Buyer shall also pay the following costs: (1) all costs for obtaining government approvals that may be required in order to close on the Property or as required for the Buyer’s intended use of the Property; (2) the cost of preparation of any necessary platting or other subdivision documents, (3) the filing fee to record the deed, (4) the premium for any owner’s or lender’s title insurance policies obtained by or for the benefit of Buyer, (5) any state deed tax, conservation fee or other federal, state or local documentary or revenue stamps or transfer tax with respect to the Deed to be delivered by the Sellers; recording fees and charges related to the filing of the Deed; (6) Buyer’s attorney’s fees; (7) the Seller’s reasonable legal, accounting fees and other out of pocket costs incurred in connection with this Agreement and the Development Documents as further provided in the Development Documents; and (8) all other costs as outlined in the Development Documents entered into between the Parties.

13. Seller’s Closing Documents. At Closing, Seller shall execute and deliver to Buyer the following documents (collectively, the “Seller’s Closing Documents”):

- a. A Quit Claim Deed conveying the Property to Buyer.
- b. A closing statement prepared by the Title Company to be executed by Seller, Buyer, and the Title Company at the Closing that accurately describes the economic terms of the transaction described this Agreement.
- c. A non-foreign affidavit, properly executed, containing such information as is required by Code Section 1445(b)(2) and the regulations promulgated thereunder.
- d. Any executed documents that may be required in the State of Minnesota in order for the deed to be recorded on the Closing Date.

- e. An affidavit of title with respect to the Property in a form satisfactory to the Title Company so as to enable the Title Company to remove standard title insurance exceptions that can be removed with such affidavit.
- f. A Well Disclosure Certificate.
- g. Such other documents as may be required to complete the transaction as set forth in this Agreement.

14. Documents to be Delivered by the Buyer. The Buyer agrees to deliver to the Seller the following documents (the “Buyer’s Documents”), duly executed as appropriate, at Closing:

- a. Such affidavits of Buyer, Certificates of Value or other documents as may be reasonably required in order to complete the transaction contemplated by this Agreement.
- b. Any documentary evidence required to satisfy the contingencies set forth herein.
- c. The Development Assistance Agreement and any documents required pursuant to the terms of the Development Documents.
- d. Such other documents as shall be required to carry out the intent of this Agreement.

15. Casualty or Condemnation. If before the recording of the Deed any of the improvements on the Property are destroyed or substantially damaged by fire or any other casualty or any substantial part of the Property shall be taken by condemnation (including a deed given in lieu thereof), Buyer shall have the option of (i) enforcing this Agreement (and in such event the insurance proceeds or condemnation award shall belong to Buyer) or (ii) canceling the Agreement by written notice given within 30 days after Buyer receives notice of such casualty or condemnation from Seller. If this Agreement is canceled under this Section, the Earnest Money shall be returned to Buyer, this Agreement shall be null and void, and the Parties’ obligations hereunder shall be of no further force and effect.

16. Remedies. If either Party defaults under this Agreement, the non-defaulting party shall have the right to terminate this Agreement by giving written notice to the defaulting party. If the defaulting party fails to cure such default within 14 days of the date of such written notice, this Agreement will terminate. The termination of this Agreement shall be the sole and absolute remedy available to the non-defaulting Party for such default.

17. Commissions. Each party represents that it has not engaged any broker in connection with the transactions contemplated by this Agreement and agrees to indemnify and hold the other harmless from anyone claiming a commission/fee through them.

18. Notices. Any notices required herein shall be deemed given when sent in the U.S. Mail, either registered or certified, return receipt requested, or by Federal Express or other

overnight delivery service requiring a signature upon receipt, to the parties at the following addresses:

SELLER: Grand Rapids Economic Development Authority  
420 North Pokegama Avenue  
Grand Rapids, MN 55744-2662  
Attn: Executive Director

BUYER SE 7<sup>th</sup> Ave Distribution LLC  
P.O. Box 280  
Grand Rapids, MN 55744  
Attn: CEO

19. Survival. All representations, warranties, and indemnities set forth herein shall survive the Closing, except as otherwise provided herein.

20. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Minnesota.

21. Assignment. Buyer shall have the right to assign its interest to this Agreement to an entity in which Buyer has an ownership interest, is a member or is otherwise affiliated with. The consent of the Seller shall be required if Buyer assigns this Agreement to any third party with which Buyer has no connection.

22. Binding Effect. This Agreement is binding upon the Parties and their respective permitted successors and assigns.

23. Construction. This Agreement shall not be construed more strictly against one Party than the other, merely by virtue of the fact that it may have been prepared primarily by counsel for one of the Parties, it being recognized that both Buyer and Seller have contributed substantially and materially to the preparation of this Agreement.

24. Headings. The headings preceding the text of the sections and subsections hereof are inserted solely for convenience of reference and shall not constitute a part of this Agreement, nor shall they affect its meaning, construction or effect.

25. Severability. The invalidity or unenforceability of any term or terms of this Agreement shall not invalidate, make unenforceable or otherwise affect any other term of this Agreement, and this Agreement shall be construed in all respects as if such invalid or unenforceable provision were omitted, and in such event, the remaining terms of this Agreement shall remain in full force and effect.

26. Computation of Time. In computing any period of time pursuant to this Agreement, the day of the act or event from which the designated period of time begins to run will not be included. The last day of the period so computed will be included, unless it is a Saturday, Sunday

or federal holiday, in which event the period runs until the end of the next day which is not a Saturday, Sunday or federal holiday.

27. Time of the Essence. All times, wherever specified herein for the performance by Seller or Buyer of their respective obligations hereunder, are of the essence of this Agreement.

28. Complete Agreement. This instrument and any exhibits, schedules or addendums attached hereto contain the entire Agreement of the Parties regarding the subject matter hereof, and supersedes all prior negotiations, agreements or understandings, whether oral or in writing. This Agreement may not be changed orally but only by an Agreement in writing signed by the Parties.

29. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall constitute an original but all of which, taken together, shall constitute but one and the same instrument.

IN WITNESS WHEREOF, said Parties hereby execute this Purchase Agreement effective the date first above written.

SELLER:

GRAND RAPIDS ECONOMIC DEVELOPMENT  
AUTHORITY

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

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

BUYER:

SE 7<sup>TH</sup> AVE DISTRIBUTION LLC

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

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

EXHIBIT A  
FORM OF QUIT CLAIM DEED

(Top 3 inches reserved for recording data)

QUIT CLAIM DEED

DEED TAX DUE: \$ \_\_\_\_\_  
ECRV: \_\_\_\_\_

DATE: \_\_\_\_\_, 2023

\_\_\_\_\_  
(month/day/year)

FOR VALUABLE CONSIDERATION, \_\_\_\_\_ Grand Rapids Economic Development Authority  
(insert name of Grantor)

a \_\_\_\_\_ body corporate and politic \_\_\_\_\_ under the laws of \_\_\_\_\_ Minnesota \_\_\_\_\_, ("Grantor"),  
hereby conveys and quitclaims to \_\_\_\_\_  
(insert name of Grantee)

SE 7<sup>th</sup> Ave Distribution LLC  
a \_\_\_\_\_ Minnesota limited liability company \_\_\_\_\_ under the laws of \_\_\_\_\_ Minnesota, ("Grantee"),  
real property in \_\_\_\_\_ Itasca \_\_\_\_\_ County, Minnesota, legally described as follows:

The property located in the City of Grand Rapids, Itasca County, Minnesota legally described as:

That part of the East 330.00 feet of the South Half of the Southeast Quarter of the Northeast Quarter of section 33, Township 55 North, Range 25 West, Itasca County, Minnesota, lying southwesterly of the following described line:

Commencing at the southeast corner of said Southeast Quarter of the Northeast Quarter; thence on an assigned bearing of North 01 degrees 20 minutes 08 seconds West, along the east line of said Southeast Quarter of the Northeast Quarter, a distance of 151.91 feet to the point of beginning of the line herein described; thence North 14 degrees 18 minutes 12 seconds West 523.41 feet to the north line of the South Half of the Southeast Quarter of the Northeast Quarter and said line terminating thereat.

Subject to easements, restrictions, or reservations of record, if any.

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

together with all hereditaments and appurtenances and subject to the Right of Re-Entry for Breach of Condition Subsequent in favor of Grantor which is described on Exhibit A.

Check applicable box:

- The Seller certifies that the Seller does not know of any wells on the described property.
- A well disclosure certificate accompanies this document (If electronically filed, insert WDC number: \_\_\_\_\_).
- I am familiar with the property described in this instrument and I certify that the status and number of wells on the described real property have not changed since the last previously filed well disclosure certificate.

GRAND RAPIDS ECONOMIC DEVELOPMENT AUTHORITY

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

Its: Executive Director

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

Its: President

State of Minnesota, County of ITASCA

This instrument was acknowledged before me on \_\_\_\_\_, 2023 by \_\_\_\_\_ and \_\_\_\_\_, as the President and the Executive Director, respectively, of the Grand Rapids Economic Development Authority, a body corporate and politic organized and existing under the laws of the State of Minnesota, on behalf of the body corporate and politic.

\_\_\_\_\_  
Notary Public

THIS INSTRUMENT WAS DRAFTED BY:  
(insert name and address)

Kennedy & Graven, Chartered (GAF)  
150 South Fifth Street, Suite 700  
Minneapolis, MN 55402

TAX STATEMENTS FOR THE REAL PROPERTY DESCRIBED IN THIS INSTRUMENT SHOULD BE SENT TO:  
(insert name and address of Grantee to whom tax statements should be sent)

SE 7TH AVE DISTRIBUTION LLC  
Attn: \_\_\_\_\_  
P.O. Box 280  
Grand Rapids, MN 55744

EXHIBIT A  
TO QUIT CLAIM DEED  
EXECUTED BY  
THE GRAND RAPIDS ECONOMIC DEVELOPMENT AUTHORITY, GRANTOR,  
IN FAVOR OF SE 7TH AVE DISTRIBUTION LLC, GRANTEE.

The GRAND RAPIDS ECONOMIC DEVELOPMENT AUTHORITY, Grantor, is conveying the property described in the attached Quit Claim Deed (the “Development Property”) to SE 7TH AVE DISTRIBUTION LLC, Grantee, subject to a right of re-entry for breach of conditions subsequent in favor of Grantor. The condition subsequent is that, barring any Unavoidable Delays, the Grantee shall have commenced construction of the foundation of the Project, as defined in that certain Development Assistance Agreement between the Grantor and Grantee dated as of \_\_\_\_\_, 2023 (the “Development Assistance Agreement”), within twelve (12) months of the Closing Date. If Grantee breaches a condition subsequent, Grantee shall re-convey the Development Property back to Grantor. If Grantee fails to re-convey the Development Property to the Grantor, Grantor may elect to exercise its right of reentry by commencing an action in Itasca County District Court to establish the breach of the condition subsequent. If Grantor establishes a breach of the condition subsequent, title to and the right to possession of the Development Property, and title to all improvements located thereon reverts to Grantor, and Grantee is not entitled to any compensation from Grantor for the value of any improvements Grantee has made to the Development Property.

The Certificate of Completion issued under the Development Assistance Agreement shall conclusively satisfy and terminate the right of re-entry of the Grantor in this Quit Claim Deed or pursuant to the Development Assistance Agreement.



## EXHIBIT B

## LEGAL DESCRIPTION

The property located in the City of Grand Rapids, Itasca County, Minnesota legally described as:

That part of the East 330.00 feet of the South Half of the Southeast Quarter of the Northeast Quarter of section 33, Township 55 North, Range 25 West, Itasca County, Minnesota, lying southwesterly of the following described line:

Commencing at the southeast corner of said Southeast Quarter of the Northeast Quarter; thence on an assigned bearing of North 01 degrees 20 minutes 08 seconds West, along the east line of said Southeast Quarter of the Northeast Quarter, a distance of 151.91 feet to the point of beginning of the line herein described; thence North 14 degrees 18 minutes 12 seconds West 523.41 feet to the north line of the South Half of the Southeast Quarter of the Northeast Quarter and said line terminating thereat.

EXHIBIT C  
DUE DILIGENCE DOCUMENTS

Copies of the following in Seller's possession and related to the Property:

1. Copies of all agreements affecting the Property, including any assignable warranties;
2. All studies and reports in the possession of Seller relating to environmental status, soil tests, and any other information regarding the environmental and soil conditions;
3. Copies of all written citations from any governmental entities including those pertaining to any uncured violations of any applicable laws and codes or compliance with the same;
4. All site plans, construction documents, engineer reports, and property assessments performed to date;
5. Any existing surveys of the Property, dated July 12, 2023, prepared by Braun Intertec Corporation;
6. A Phase I Environmental Report;
7. A Warehouse Traffic Impact Study, dated July 11, 2023, prepared by SEH; and
8. A draft Geotechnical Evaluation Report, dated August 10, 2023, prepared by Braun Intertec Corporation.

## PURCHASE AGREEMENT

This Purchase Agreement (“Agreement”) is made this \_\_\_\_\_ day of \_\_\_\_\_, 2024, by and between the City of Grand Rapids, Minnesota, a municipal corporation and political subdivision organized and existing under the Constitution and laws of the State of Minnesota (“Seller”), and the Grand Rapids Economic Development Authority, a public body politic and corporate under the laws of the State of Minnesota (“Buyer”).

**1. PROPERTY.** Seller is the owner of property located on certain property in the City of Grand Rapids, Minnesota, which is legally described on the attached Exhibit A (“Property”).

**2. OFFER/ACCEPTANCE.** In consideration of and subject to the terms and provisions of this Agreement, Buyer offers and agrees to purchase and Seller agrees to sell and hereby grants to Buyer the exclusive right to purchase the Property and all improvements thereon, together with all appurtenances. All fixtures located on the Property on the date of this Agreement are included in the purchase of the Property.

**3. PURCHASE PRICE FOR PROPERTY AND TERMS.**

- a. **PURCHASE PRICE:** The total purchase price for the Property is: \$64,780 (“Purchase Price”).
- b. **DEED/MARKETABLE TITLE:** Subject to performance by Buyer, Seller agrees to execute and deliver a Quit Claim Deed conveying marketable fee simple title to the Property to Buyer, free and clear of any mortgages, liens or encumbrances other than matters created by or acceptable to Buyer, subject only to the following exceptions:
  - i. Building and zoning laws, ordinances, state and federal regulations;
  - ii. Reservation of minerals or mineral rights to the State of Minnesota, if any; and
  - iii. Public utility and drainage easements of record which will not interfere with Buyer’s intended use of the Property.

**4. DOCUMENTS TO BE DELIVERED AT CLOSING BY SELLER.** In addition to the Quit Claim Deed required at paragraph 3(b) above, Seller shall deliver to Buyer at closing:

- a. An affidavit from Seller sufficient to remove any exception in the policy of title insurance for mechanics’ and materialmens’ liens and rights of parties in possession;
- b. A “bring-down” certificate, certifying that all of the warranties made by Seller in this Agreement remain true as of the Closing Date;

- c. Affidavit of Seller confirming that Seller is not a foreign person within the meaning of Section 1445 of the Internal Revenue Code;
- d. A statement that Seller does not know of any wells on the Property;
- e. Any notices, certificates, and affidavits regarding any private sewage systems, underground storage tanks, and environmental conditions as may be required by state or federal statutes, rules or regulations; and
- f. Any other documents reasonably required by Buyer's title insurance company or attorney to evidence that title to the Property is marketable and that Seller has complied with the terms of this Purchase Agreement.

**5. CONTINGENCIES.** Buyer's obligation to purchase the Property is contingent upon the following:

- a. Approval of this Purchase Agreement by Buyer's and Seller's governing bodies;
- b. Seller's removal of all personal property, junk, and debris from the Property; and
- c. Buyer's determination of marketable title pursuant to paragraph 6 of this Agreement.

Buyer shall have thirty (30) days from the date of approval of this Agreement to remove or waive the foregoing contingencies (the "Due Diligence Period"). These contingencies are solely for the benefit of Buyer and may be waived by Buyer. If Buyer or its attorney gives written notice to Seller that all contingencies are duly satisfied or waived, Buyer and Seller shall proceed to close the transaction as contemplated herein.

If one or more of the contingencies is not satisfied, or is not satisfied within the Due Diligence Period, and is not waived by Buyer, this Agreement shall thereupon be void at the written option of Buyer, and Buyer and Seller shall execute and deliver to each other documentation effecting the termination of this Agreement. As a contingent Purchase Agreement, the termination of this Agreement is not required pursuant to Minnesota Statutes Section 559.21, et. seq.

**6. TITLE EXAMINATION/CURING TITLE DEFECTS.** Buyer shall, at its expense and within a reasonable time after Seller's acceptance of this Agreement, obtain a commitment for title insurance ("Commitment") for the Property. Buyer shall have 10 business days after receipt of the later of the Commitment and executed Purchase Agreement to examine the same and to deliver written objections to title, if any, to Seller, or Buyer's right to do so shall be deemed waived. Seller shall have until the end of the Due Diligence Period (or such later date as the parties may agree upon) to make title marketable, at Seller's cost. In the event that title to the Property cannot be made marketable or is not made marketable by Seller within the Due Diligence Period, then this Agreement may be terminated at the option of Buyer.

**7. CLOSING DATE.** The date of closing shall be on the earlier of (a) seven (7) days following the satisfaction of all contingencies; and (b) June 30, 2024 (“Closing Date”). Delivery of all papers and the closing shall be made at the offices of Buyer, 420 North Pokegama Avenue, Grand Rapids, MN 55744 or at such other location as is mutually agreed upon by the parties.

**8. SELLER’ WARRANTIES.** Seller hereby represents and warrants to Buyer and Seller will represent and warrant to Buyer as of the Closing Date that:

- a. **Mechanics' Liens.** Seller warrants that, prior to the closing, Seller shall pay in full all amounts due for labor, materials, machinery, fixtures or tools furnished within the 120 days immediately preceding the closing in connection with construction, alteration or repair of any structure upon or improvement to the Property caused by or resulting from any action of Seller.
- b. **Notices.** Seller warrants that Seller has not received any notice from any governmental authority as to violation of any law, ordinance or regulation in connection with the Property.
- c. **Tenants.** Seller warrants that that there are no tenants or third parties in possession of the Property.
- d. **Legal Proceedings.** There are no legal actions, suits or other legal or administrative proceedings, pending or threatened, that affect the Property or any portion thereof, and Seller has no knowledge that any such action is presently contemplated.
- e. **Legal Capacity.** Seller has the legal capacity to enter into this Agreement.
- f. **Methamphetamine Production.** To the best of Seller’ knowledge, methamphetamine production has not occurred on the Property.

Seller’ representations and warranties set forth in this paragraph shall be continuing and are deemed to be material to Buyer’s execution of this Agreement and Buyer’s performance of its obligations hereunder. All such representations and warranties shall be true and correct on or as of the Closing Date with the same force and effect as if made at that time; and all of such representations and warranties shall survive closing and any cancellation or termination of this Agreement, and shall not be affected by any investigation, verification or approval by any part hereto or by anyone on behalf of any party hereto. Seller agrees to defend, indemnify, and hold Buyer harmless for, from and against any loss, costs, damages, expenses, obligations and attorneys’ fees incurred should an assertion, claim, demand or cause of action be instituted, made or taken, which is contrary to or inconsistent with the representations or warranties contained herein.

**9. CLOSING COSTS/RECORDING FEES/DEED TAX.** Buyer shall pay: (a) any transfer or deed taxes and any deferred taxes due as a result of this transaction; and (b) closing fees customarily charged by the title company.

**10. DEFAULT/REMEDIES.** If Buyer defaults under this Agreement, Seller has the right to terminate this Agreement by giving written notice of such election to Buyer, which notice shall specify the default. If Buyer fails to cure such default within 15 days of the date of such notice, Seller may terminate this Agreement. The termination of this Agreement will be the sole remedies available to Seller and Buyer, and Buyer and Seller will not be further liable for damages.

**11. NOTICE.** Any notice, demand, request or other communication which may or shall be given or served by the parties, shall be deemed to have been given or served on the date the same is personally served upon one of the following indicated recipients for notices or is deposited in the United States Mail, registered or certified, return receipt requested, postage prepaid and addressed as follows:

SELLER: City of Grand Rapids, Minnesota  
420 North Pokegama Avenue  
Grand Rapids, MN 55744  
Attn: City Administrator

BUYER: Grand Rapids Economic Development Authority  
420 North Pokegama Avenue  
Grand Rapids, MN 55744  
Attn: Executive Director

**12. ENTIRE AGREEMENT.** This Agreement, including exhibits attached hereto, and any amendments hereto signed by the parties, shall constitute the entire agreement between Seller and Buyer and supersedes any other written or oral agreements between the parties relating to the Property. This Agreement can be modified only in a writing properly signed on behalf of Seller and Buyer.

**13. SURVIVAL.** Notwithstanding any other provisions of law or court decision to the contrary, the provisions of this Agreement shall survive closing.

**14. BINDING EFFECT.** This Agreement binds and benefits the parties and their successors and assigns.

(the remainder of this page intentionally left blank)

IN WITNESS WHEREOF, the undersigned have executed this Agreement on the date and year above.

Buyer:

GRAND RAPIDS ECONOMIC  
DEVELOPMENT AUTHORITY

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

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

Seller:

CITY OF GRAND RAPIDS, MINNESOTA

By: \_\_\_\_\_  
Its: Mayor

By: \_\_\_\_\_  
Its: City Administrator

**EXHIBIT A**Legal Description of Property

The property located in the City of Grand Rapids, Itasca County, Minnesota legally described as:

That part of the East 330.00 feet of the South Half of the Southeast Quarter of the Northeast Quarter of section 33, Township 55 North, Range 25 West, Itasca County, Minnesota, lying southwesterly of the following described line:

Commencing at the southeast corner of said Southeast Quarter of the Northeast Quarter; thence on an assigned bearing of North 01 degrees 20 minutes 08 seconds West, along the east line of said Southeast Quarter of the Northeast Quarter, a distance of 151.91 feet to the point of beginning of the line herein described; thence North 14 degrees 18 minutes 12 seconds West 523.41 feet to the north line of the South Half of the Southeast Quarter of the Northeast Quarter and said line terminating thereat.



EXHIBIT B  
FORM OF QUIT CLAIM DEED

(Top 3 inches reserved for recording data)

QUIT CLAIM DEED

DEED TAX DUE: \$ \_\_\_\_\_  
ECRV:

DATE: \_\_\_\_\_, 2023

\_\_\_\_\_  
(month/day/year)

FOR VALUABLE CONSIDERATION,

(insert name of Grantor)

City of Grand Rapids, Minnesota

a municipal corporation and political subdivision under the laws of Minnesota

("Grantor"), hereby conveys and quitclaims to Grand Rapids Economic Development Authority

(insert name of Grantee)

a body corporate and politic under the laws of Minnesota, ("Grantee"), real property in Itasca County, Minnesota, legally described as follows:

The property located in the City of Grand Rapids, Itasca County, Minnesota legally described as:

That part of the East 330.00 feet of the South Half of the Southeast Quarter of the Northeast Quarter of section 33, Township 55 North, Range 25 West, Itasca County, Minnesota, lying southwesterly of the following described line:

Commencing at the southeast corner of said Southeast Quarter of the Northeast Quarter; thence on an assigned bearing of North 01 degrees 20 minutes 08 seconds West, along the east line of said Southeast Quarter of the Northeast Quarter, a distance of 151.91 feet to the point of beginning of the line herein described; thence North 14 degrees 18 minutes 12 seconds West 523.41 feet to the north line of the South Half of the Southeast Quarter of the Northeast Quarter and said line terminating thereat.

Subject to easements, restrictions, or reservations of record, if any.

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

together with all hereditaments and appurtenances.

Check applicable box:

- The Seller certifies that the Seller does not know of any wells on the described property.
- A well disclosure certificate accompanies this document (If electronically filed, insert WDC number: \_\_\_\_\_).
- I am familiar with the property described in this instrument and I certify that the status and number of wells on the described real property have not changed since the last previously filed well disclosure certificate.

CITY OF GRAND RAPIDS, MINNESOTA

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

Its: Mayor

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

Its: City Administrator

State of Minnesota, County of ITASCA

This instrument was acknowledged before me on \_\_\_\_\_, 2023 by \_\_\_\_\_ and \_\_\_\_\_, as the Mayor and the City Administrator, respectively, of the Grand Rapids Economic Development Authority, a municipal corporation and political subdivision organized and existing under the laws of the State of Minnesota, on behalf of the body corporate and politic.

\_\_\_\_\_  
Notary Public

THIS INSTRUMENT WAS DRAFTED BY:  
(insert name and address)

Kennedy & Graven, Chartered (GAF)  
150 South Fifth Street, Suite 700  
Minneapolis, MN 55402

TAX STATEMENTS FOR THE REAL PROPERTY DESCRIBED IN THIS INSTRUMENT SHOULD BE SENT TO:  
(insert name and address of Grantee to whom tax statements should be sent)

GRAND RAPIDS ECONOMIC DEVELOPMENT AUTHORITY  
420 North Pokegama Avenue  
Grand Rapids, MN 55744



Parcels already conveyed to SE 7th Ave. Distribution

Airport parcel being cleared by FAA for conveyance.  
4.31 Acres  
Appraised Market Value = \$64,780

