



GRAND RAPIDS ECONOMIC DEVELOPMENT AUTHORITY MEETING AGENDA

**Thursday, August 14, 2025
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, August 14, 2025 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 approval of minutes from the July 24, 2025 regular meeting.

APPROVE CLAIMS

2. Consider approval of claims in the amount of \$14,771.50.

BUSINESS

3. Consider approval of a proposal submitted by Braun Intertec for Environmental Consulting Services in connection with the former Itasca Co. Farm Services Co-op.
4. Consider approval of a proposal submitted by SEH for professional services in connection with subdivision of the former ISD 318 Admin. Property (Site)
5. Consider adopting a resolution approving certain lender documents related to the Unique Opportunities Housing Project

UPDATES

ADJOURN

MEMBERS & TERMS

Dan Mertes - 12/31/2025 Council Representative

Rick Blake - 12/31/2025 Council Representative

Wayne Bruns - 3/1/31

Sholom Blake - 3/1/31

Al Hodnik - 3/1/27

Bill Martinetto - 3/1/29



GRAND RAPIDS ECONOMIC DEVELOPMENT AUTHORITY MEETING MINUTES

**Thursday, July 24, 2025
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, July 24th, 2025 at 4:00 PM.

CALL TO ORDER

CALL OF ROLL

PRESENT

Commissioner Al Hodnik
President Sholom Blake
Commissioner Wayne Bruns
Commissioner Bill Martinetto
Council Representative Dan Mertes

ABSENT

Council Representative Rick Blake

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 with addition:

Consider authorizing issuance of an RFP seeking professional planning for the development of a Legion Park Master Plan.

APPROVE MINUTES

1. Consider approval of minutes from the July 10th, 2025 regular meeting and July 17th, 2025 special meeting.

Motion by Commissioner Mertes, second by Commissioner Bruns to approve minutes from the July 10th, 2025 regular meeting and July 17th, 2025 special meeting. The following voted in favor thereof: Hodnik, Bruns, Mertes, S. Blake, Martinetto. Opposed: None, motion passed unanimously.

APPROVE CLAIMS

2. Consider approval of claims in the amount of \$71,857.00.

Motion by Commissioner Bruns, second by Commissioner Hodnik to approve claims in the amount of \$71,857.00. The following voted in favor thereof: Martinetto, S. Blake, Mertes, Bruns, Hodnik. Opposed: None, motion passed unanimously.

BUSINESS

3. Consider approval of a Downtown Entertainment Loan Agreement with Northern Community Radio and authorize payment of the Loan Amount to the Borrower.

At the July 10th, 2025 meeting GREDA approved the request from Northern Community Radio for a \$75,000 Downtown Entertainment Loan for the 2025 Riverfest. The agreement follows the adopted policy and grant agreement with the Blandin Foundation.

Motion by Commissioner Bruns second by Commissioner Martinetto to approve a Downtown Loan Agreement with Northern Community Radio and authorize payment in the amount of \$75,000 to the Borrower. The following voted in favor thereof: Hodnik, Bruns, Mertes, S. Blake, Martinetto. Opposed: None, motion passed unanimously.

UPDATES

Amazon- The curbing, lighting and wall are up, the project is moving along quickly.

Oppidan- The groundbreaking ceremony will be August 14th from 11:00-2:00. All of the closing documents have been executed and sent to the closing company.

Unique Opportunities- The plumbing is in and they will be putting up the panels for the walls.

ISD 318 Admin Building- The Itasca County HRA has submitted a grant application they are hoping to build 8 single family homes at that site.

Farm Service Building- Staff is having SEH prepare a RAP for demolition of the building.

ADJOURN

There being no further business the meeting adjourned at 4:12 p.m.

MEMBERS & TERMS

Dan Mertes - 12/31/2025 Council Representative

Rick Blake - 12/31/2025 Council Representative

Wayne Bruns - 3/1/31

Sholom Blake - 3/1/31

Al Hodnik - 3/1/27

Bill Martinetto - 3/1/29

DEPARTMENT SUMMARY REPORT

EDA

Bolton & Menk 0368748-E	\$	11,851.50
JKing Consulting 073125-E	\$	2,920.00

TOTAL UNPAID TO BE APPROVED IN THE SUM OF: \$ 14,771.50

TOTAL ALL DEPARTMENTS: \$ 14,771.50



REQUEST FOR GRAND RAPIDS EDA ACTION

AGENDA DATE: August 14, 2025

STATEMENT OF ISSUE: Consider approval of a proposal submitted by Braun Intertec for Environmental Consulting Services in connection with the former Itasca Co. Farm Services Co-op.

PREPARED BY: Rob Mattei, Executive Director

BACKGROUND:

To accomplish GREDA's intent to clear and redevelop this site, environmental regulations require that a Response Action Plan/Construction Contingency Plan be prepared and approved by the Minnesota Pollution Control Agency.

Braun Intertec has submitted a proposal for the preparation and submission of the documents and assist in the receiving liability assurances for the site.

The total estimated cost of the services is \$5,558. Under their proposed scope of work, Braun will provide the draft reports to GREDA within two to three weeks.

REQUIRED ACTION: Make a motion to approve a proposal submitted by Braun Intertec for Environmental Consulting Services in connection with the former Itasca Co. Farm Services Co-op.

July 29, 2025

Proposal QTB219579

Robert Mattei

City of Grand Rapids

420 North Pokegama Avenue
Grand Rapids, MN 55744

Re: Proposal for Environmental Consulting Services
Former Itasca County Farm Services Co-op
900 Northwest 4th Street
Grand Rapids, Minnesota

Dear Mr. Mattei:

Braun Intertec Corporation (Braun Intertec) submits this proposal for environmental consulting services related to the potential redevelopment of the referenced property (Site). It is our understanding that the City of Grand Rapids is proposing to prepare the Site for sale and redevelopment. Proposed activities at this time include building demolition and site grading. Our proposal includes preparation and submittal of a Response Action Plan (RAP) and/or Construction Contingency Plan (RAP/CCP) to be implemented during the proposed Site preparation activities. This proposal will outline the scope of services and provide estimated costs for the proposed work.

Background

The City of Grand Rapids provided recent environmental reports for our review. Stantec recently conducted a Phase I ESA of Site. The following RECs were identified in association with the Site in the 2022 Phase I ESA:

- “The potential for soil, groundwater and/or soil vapor impacts associated with a former filling station that reportedly operated on the northwestern portion of the Site in the 1930s to 1940s.”
- “Residual petroleum and VOC impacts associated with past operations as a bulk oil facility and closed leak #LS00016428 to soil, groundwater and/or soil vapor exceeding current regulatory screening criteria and are considered a REC for the Site.”
- “Regulated facilities in close proximity to the Site, including the adjoining Industrial Lubricant Company site investigated under the MPCA site IDs VP19820 and #LS0001583, with documented releases of petroleum and/or chlorinated solvents.”
- “The former operations at the Site included the storage and distribution of bulk quantities of fertilizers, herbicides and pesticides. The potential for a release or material threat of a release of hazardous substances as a result of the historical use of the Site as a farm service cooperative/agronomy center”.

- “Staining identified below electrical equipment in a mechanical room on the southeast portion of the building and containers ranging in size from 1 to 55-gallons with unidentified contents observed throughout the building.”

The following controlled recognized environmental conditions (CRECs) were identified for the Site:

- “Incident #59976 associated with Bentz Oil Company and a release of approximately 50 gallons of light fuel oil.”

In 2023, Stantec conducted a Phase II ESA to investigate RECs identified for the site. The Phase II ESA included completion of nine soil borings and temporary groundwater monitoring wells, two hand auger borings and five soil vapor samples. Stantec also subcontracted a Regulated Building Materials Survey. Based on the Phase II ESA findings, Stantec concluded that soil, groundwater, and soil vapor at the Site has been impacted by historical operations. Findings were subsequently reported to the MN State Duty Officer and the Site was enrolled into the MPCA Voluntary Investigation and Cleanup (VIC) Program and Petroleum Brownfields Program. The Phase II ESA recommended that a RAP/CCP should be completed and submitted to the MPCA Voluntary Program for review and approval which outlines requirements for special handling or off-Site disposal of impacted soil or groundwater as well as the conceptual design of a sub-slab mitigation system to manage vapor impact.

Scope of Services

Braun Intertec will prepare a RAP/CCP for the proposed redevelopment. Proposed activities currently include building demolition and site grading. The RAP/CCP will summarize existing environmental data for the Site, discuss contamination-related issues affecting the proposed redevelopment, present a framework for managing contaminated media removed/encountered during redevelopment, and describe proposed remediation activities and required environmental monitoring/testing. Prior to development of the Site, a RAP/CCP Addendum will be required to describe proposed construction and may also include a soil vapor mitigation design for future proposed building (s).

Braun Intertec will also assist with correspondence with the MPCA PBP to facilitate approval of the RAP/CCP and issuance of the requested liability assurances.

Cost Estimate

Braun Intertec will provide the services described herein on an hourly and unit-cost basis. The estimated costs for preparation and submittal of the RAP/CCP and associated MPCA correspondence are as follows:

Service Description	Cost
<i>Response Action Plan/Construction Contingency Plan</i>	
RAP/CCP Preparation and Submittal	\$ 3,758
Regulatory Correspondence and Project Coordination	\$ 1,800
Total Estimated Costs	\$ 5,558

Braun Intertec will begin the project upon receipt of your authorization. The estimated cost of \$5,558 presented is based on the scope of services described and the assumption that the proposal will be authorized within 30 days and that the project will be completed within the proposed schedule.

Scheduling

Work can be initiated immediately after receiving your authorization. The Draft RAP/CCP reports will be forwarded to you for review within two to three weeks after project initiation.

General Remarks

We based the proposed fee on the scope of services described and the assumption that you will authorize our services within 30 days and that others will not delay us beyond our proposed schedule.

We include the Braun Intertec General Conditions, which provide additional terms and are a part of our agreement. To accept this proposal and authorize us to proceed, please sign and return it to us in its entirety..

We appreciate the opportunity to present this proposal to you. We will be happy to meet with you to discuss our proposed scope of services further and clarify the various scope components.

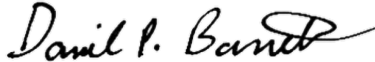
To have questions answered or schedule a time to meet and discuss our approach to this project further, please contact Ted Hubbes at 218.263.8869 or thubbes@braunintertec.com.

Sincerely,

Braun Intertec Corporation



Ted R. Hubbes, PG, CHMM
Senior Manager, Senior Scientist



Daniel P. Barrett
Director

Attachments:
General Conditions (11/04/2024)

The proposal is accepted, and Braun Intertec is authorized to proceed.

Authorizer's Firm

Authorizer's Signature

Authorizer's Name (please print or type)

Authorizer's Title

Date

BRAUN INTERTEC GENERAL CONDITIONS**SECTION 1: AGREEMENT**

1.1 Agreement. This agreement consists of these General Conditions and the accompanying written proposal or authorization ("Agreement"). This Agreement is the entire agreement between Consultant and Client and supersedes all prior negotiations, representations or agreements, either written or oral.

1.2 Parties to the Agreement. The parties to this Agreement are the Braun Intertec entity ("Consultant") and the client ("Client") as described in the accompanying written proposal or authorization. Consultant and Client may be individually referred to as a Party or collectively as the Parties.

SECTION 2: SCOPE OF SERVICES

2.1 Services. Consultant will provide services ("Services") in connection with the project ("Project") which are specifically described in this Agreement. Client understands and agrees that Consultant's Services are limited to those which are expressly set forth in this Agreement.

2.2 Additional Services. Any Services not specifically set forth in the Agreement constitute "Additional Services." Additional Services must be agreed upon in writing by the Parties prior to performance of the Additional Services and may entitle Consultant to additional compensation and schedule adjustments. Additional compensation will be based upon Consultant's then current rates and fees.

SECTION 3: PERFORMANCE OF SERVICES

3.1 Standard of Care. Consultant will perform its professional Services consistent with the degree of care and skill exercised by members of Consultant's profession performing under similar circumstances at the same time and in the same locality in which the professional Services are performed. CONSULTANT DISCLAIMS ALL STATUTORY, ORAL, WRITTEN, EXPRESS, AND IMPLIED WARRANTIES, INCLUDING WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR PERFORMANCE OF SERVICES IN A GOOD AND WORKMANLIKE MANNER.

3.2 Written Reports and Findings. Unless otherwise agreed in writing, Consultant's findings, opinions, and recommendations will be provided to Client in writing and may be delivered via electronic format. Client agrees not to rely on oral findings, opinions, or recommendations.

3.3 Observation or Sampling Locations. Locations of field observations or sampling described in Consultant's report or shown on Consultant's sketches reference Project plans or information provided by others or estimates made by Consultant's personnel. Consultant will not survey, set, or check the accuracy of those points unless Consultant accepts that duty in writing. Client agrees that such dimensions, depths, or elevations are approximations unless specifically stated otherwise in the report. Client accepts the inherent risk that samples or observations may not be representative of items not sampled or seen and further that site conditions may vary over distance or change over time.

3.4 Project Site Information. Client will provide Consultant with prior environmental, geotechnical and other reports, specifications, plans, and information to which Client has access about the Project site and which are necessary for Consultant to carry out Consultant's Services. Client agrees to provide Consultant with all plans, changes in plans, and new information as to Project site conditions until Consultant has completed its Services.

3.5 Subsurface Objects. To the extent required to carry out Consultant's Services, Client agrees to provide Consultant, in a timely manner, with information that Client has regarding buried objects at the Project site. Consultant will not be responsible for locating buried objects or utilities at the Project site unless expressly set forth in this Agreement, or expressly required by applicable law. Client agrees to hold Consultant harmless, defend, and indemnify Consultant from claims, damages, losses, penalties and expenses (including attorney fees) involving buried objects or utilities that were not properly marked or identified or of which Client had or should have had knowledge but did not timely notify Consultant or correctly identify on the plans Client or others furnished to Consultant. Consultant, from time to time, may hire a third party to locate underground objects or utilities and, unless otherwise expressly stated in this Agreement, such action shall be for the sole benefit of Consultant and in no way will alleviate Client of its responsibilities hereunder.

3.6 Hazardous Materials. Client will notify Consultant of any knowledge or suspicion of the presence of hazardous or dangerous materials present on any Project site or in any sample or material provided to Consultant. Client agrees to provide Consultant with information in Client's possession or control relating to such samples or materials. If Consultant observes or suspects the presence of contaminants not anticipated in this Agreement, Consultant may terminate Services without liability to Client or to others, and Client will compensate Consultant for fees earned and expenses incurred up to the time of termination.

3.7 Supervision of Others. Consultant shall have no obligation to supervise or direct Client's representatives, contractors, or other third parties retained by Client. Consultant has no authority over or responsibility for the means, methods, techniques, sequences, or procedures of construction selected or used by Client, Client's representatives, contractors, or other third parties retained by Client.

3.8 Safety. Consultant will provide a health and safety program for its employees as well

as reasonable personal protective equipment ("PPE") typical for the performance of Services provided by this Agreement and as required by law. Consultant shall be entitled to compensation for all extraordinary PPE required by Client. Client will provide, at no cost to Consultant, appropriate Project site safety measures which are necessary for Consultant to perform its Services at the Project location or work areas in connection with the Project. Consultant's employees are expressly authorized by Client to refuse to work under conditions that may, in an employee's sole discretion, be unsafe. Consultant shall have no authority over or be responsible for the safety precautions and programs, or for security, at the Project site (except with respect to Consultant's own Services and those of its subconsultants).

3.9 Project Site Access and Damage. Client will provide or ensure access to the site. In the performance of Services some Project site damage is normal even when due care is exercised. Consultant will use reasonable care to minimize damage to the Project site. Unless otherwise expressly stated in this Agreement, the cost of restoration for such damage has not been included in the estimated fees and will be the responsibility of the Client.

3.10 Monitoring Wells. To the extent applicable to the Services, monitoring wells are Client's property, and Client is responsible for monitoring well permitting, maintenance, and abandonment unless otherwise expressly set forth in this Agreement.

3.11 Contaminant Disclosures Required by Law. Client agrees to make all disclosures related to the discovery or release of contaminants that are required by law. In the event Client does not own the Project site, Client acknowledges that it is Client's duty to inform the owner of the Project site of the discovery or release of contaminants at the site. Client agrees to hold Consultant harmless, defend, and indemnify Consultant from claims, damages, penalties, or losses and expenses, including attorney fees, related to Client's failure to make any disclosure required by law or for failing to make the necessary disclosure to the owner of the Project site.

SECTION 4: SCHEDULE

4.1 Schedule. Consultant shall complete its obligations within a reasonable time and shall make decisions and carry out its responsibilities in a manner consistent with the Standard of Care. Specific periods of time for rendering Services or specific dates by which Services are to be completed are provided in this Agreement. If Consultant is delayed in the performance of the Services by actions, inactions, or neglect of Client or others for whom Client is responsible, by changes ordered in the Services, or by other causes beyond the control of Consultant, including force majeure events, then the time for Consultant's performance of Services shall be extended and Consultant shall receive payment for all expenses attributable to the delay in accordance with Consultant's then current rates and fees.

4.2 Scheduling On-Site Observations or Services. To the extent Consultant's Services require observations, inspections, or testing be performed at the Project site, Client understands and agrees that Client, directly or indirectly through its authorized representative, has the sole right and responsibility to determine and communicate to Consultant the scheduling of observations, inspections, and testing performed by Consultant. Accordingly, Client also acknowledges that Consultant bears no responsibility for damages that may result because Consultant did not perform such observations, inspections, or testing that Client failed to request and schedule. Client understands that the scheduling of observations, inspections, or testing will dictate the time Consultant's field personnel spend on the job site and agrees to pay for all services provided by Consultant due to Client's scheduling demands in accordance with Consultant's then current rates and fees.

SECTION 5: COST AND PAYMENT OF SERVICES

5.1 Cost Estimates. Consultant's price or fees provided for in this Agreement are an estimate and are not a fixed amount unless otherwise expressly stated in this Agreement. Consultant's estimated fees are based upon Consultant's experience, knowledge, and professional judgment as well as information available to Consultant at the time of this Agreement. Actual costs may vary and are not guaranteed or warranted.

5.2 Payment. Consultant will invoice Client on a monthly basis for Services performed. Client will pay for Services as stated in this Agreement together with costs for Additional Services or costs otherwise agreed to in writing within thirty (30) days of the invoice date. Unless otherwise stated in this Agreement or agreed to in writing, Consultant's costs for all services performed will be based upon Consultant's then current rates, fees, and charges. No retainage shall be withheld by Client. All unpaid invoices will incur an interest charge of 1.5% per month or the maximum allowed by law.

5.3 Other Payment Conditions. Consultant will require Client credit approval and Consultant may require payment of a retainer fee. Client agrees to pay all applicable taxes. Client's obligation to pay for Services under this Agreement is not contingent on Client's ability to obtain financing, governmental or regulatory agency approval, permits, final adjudication of any lawsuit, Client's successful completion of any project, receipt of payment from a third party, or any other event.

5.4 Third Party Payment. Provided Consultant has agreed in writing, Client may request Consultant to invoice and receive payment from a third party for Consultant's Services. Consultant, in its sole discretion, may also require the third party to provide written acceptance of all terms of this Agreement. Neither payment to Consultant by a third party nor a third party's written acceptance of all terms of this Agreement will alter Client's rights and responsibilities under this Agreement. Client expressly agrees

the Agreement contains sufficient consideration notwithstanding Consultant being paid by a third party.

5.5 Non-Payment. If Client does not pay for Services in full as agreed, Consultant may retain work not yet delivered to Client and Client agrees to return all Project Data (as defined in this Agreement) that may be in Client's possession or under Client's control. If Client fails to pay Consultant in accordance with this Agreement, such nonpayment shall be considered a default and breach of this Agreement for which Consultant may terminate for cause consistent with the terms of this Agreement and without liability to Client or to others. Client will compensate Consultant for fees earned and expenses incurred up to the time of termination. Client agrees to be liable to Consultant for all costs and expenses Consultant incurs in the collection of amounts invoiced but not paid, including but not limited to attorney fees and costs.

SECTION 6: OWNERSHIP AND USE OF DATA

6.1 Ownership. All reports, notes, calculations, documents, and all other data prepared by Consultant in the performance of the Services ("Project Data") are instruments of Consultant's Services and are the property of Consultant. Consultant shall retain all common law, statutory and other reserved rights, including the copyright thereto, of Project Data.

6.2 Use of Project Data. The Project Data of this Agreement is for the exclusive purpose disclosed by Client and, unless agreed to in writing, for the exclusive use of Client. Client may not use Project Data for a purpose for which the Project Data was not prepared without the express written consent of Consultant. Consultant will not be responsible for any claims, damages, or costs arising from the unauthorized use of any Project Data provided by Consultant under this Agreement. Client agrees to hold harmless, defend and indemnify Consultant from any and all claims, damages, losses, and expenses, including attorney fees, arising out of such unauthorized use.

6.3 Samples, Field Data, and Contaminated Equipment. Samples and field data remaining after tests are conducted, as well as field and laboratory equipment that cannot be adequately cleansed of contaminants, are and continue to be the property of Client. Samples may be discarded or returned to Client, at Consultant's discretion, unless within fifteen (15) days of the report date Client gives Consultant written direction to store or transfer the samples and materials. Samples and materials will be stored at Client's expense.

6.4 Data Provided by Client. Electronic data, reports, photographs, samples, and other materials provided by Client or others may be discarded or returned to Client, at Consultant's discretion, unless within 15 days of the report date Client gives Consultant written direction to store or transfer the materials at Client's expense.

SECTION 7: INSURANCE

7.1 Insurance. Consultant shall keep and maintain the following insurance coverages:

- a. Workers' Compensation: Statutory
- b. Employer's Liability: \$1,000,000 bodily injury, each accident | \$1,000,000 bodily injury by disease, each employee | \$1,000,000 bodily injury/disease, aggregate
- c. General Liability: \$1,000,000 per occurrence | \$2,000,000 aggregate
- d. Automobile Liability: \$1,000,000 combined single limit (bodily injury and property damage)
- e. Excess Umbrella Liability: \$5,000,000 per occurrence | \$5,000,000 aggregate
- f. Professional Liability: \$2,000,000 per claim | \$2,000,000 aggregate

7.2 Waiver of Subrogation. Client and Consultant waive all claims and rights of subrogation for losses arising out of causes of loss covered by the respective insurance policies.

7.3 Certificate of Insurance. Consultant shall furnish Client with a certificate of insurance upon request.

SECTION 8: INDEMNIFICATION, CONSEQUENTIAL DAMAGES, LIABILITY LIMITS

8.1 Indemnification. Consultant's only indemnification obligation shall be to indemnify and hold harmless the Client, its officers, directors, and employees from and against those damages and costs incurred by Client or that Client is legally obligated to pay as a result of third party tort claims, including for the death or bodily injury to any person or for the destruction or damage to any property, but only to the extent proven to be directly caused by the negligent act, error, or omission of the Consultant or anyone for whom the Consultant is legally responsible. This indemnification provision is subject to the Limitation of Liability set forth in this Section 8.

8.2 Intellectual Property. Client agrees to indemnify Consultant against losses and costs arising out of claims of patent or copyright infringement as to any process or system that is specified or selected by Client or others on behalf of Client.

8.3 Mutual Waiver of Consequential Damages. NOTWITHSTANDING ANYTHING TO THE CONTRARY HEREUNDER, NEITHER CONSULTANT NOR CLIENT SHALL BE LIABLE TO THE OTHER FOR ANY CONSEQUENTIAL, PUNITIVE, INDIRECT, INCIDENTAL OR SPECIAL DAMAGES, OR LOSS OF USE OR RENTAL, LOSS OF PROFIT, LOSS OF BUSINESS OPPORTUNITY, LOSS OF PROFIT OR REVENUE OR COST OF FINANCING, OR OTHER SUCH SIMILAR AND RELATED DAMAGE ASSERTED IN THIRD PARTY CLAIMS, OR CLAIMS BY EITHER PARTY AGAINST THE OTHER.

8.4 Limitation of Liability. TO THE FULLEST EXTENT PERMITTED BY LAW, THE TOTAL LIABILITY IN THE AGGREGATE OF CONSULTANT, CONSULTANT'S OFFICERS, DIRECTORS, PARTNERS, EMPLOYEES, AGENTS, AND SUBCONSULTANTS, TO CLIENT AND ANYONE CLAIMING BY, THROUGH OR UNDER CLIENT FOR ANY CLAIMS, LOSSES, COSTS, OR DAMAGES WHATSOEVER ARISING OUT OF, RESULTING FROM OR IN ANY WAY RELATED

CONSULTANT'S PERFORMANCE OF THE SERVICES OR THIS AGREEMENT CAUSE OR CAUSES, INCLUDING BUT NOT LIMITED TO NEGLIGENCE, PF ERRORS AND OMISSIONS, STRICT LIABILITY, BREACH OF CONTRACT, INDE OBLIGATIONS OR BREACH OF WARRANTY, SHALL NOT EXCEED THE TOTAL COMPENSATION RECEIVED BY CONSULTANT OR \$50,000, WHICHEVER IS GREATER.

Item 3.

SECTION 9: MISCELLANEOUS PROVISIONS

9.1 Services Prior to Agreement. Directing Consultant to commence Services prior to execution of this Agreement constitutes Client's acceptance of this unaltered Agreement in its entirety.

9.2 Confidentiality. To the extent Consultant receives Client information identified as confidential, Consultant will not disclose that information to third parties without Client consent. Additionally, any Project Data prepared in performance of the Services will remain confidential and Consultant will not release the reports to any third parties not involved in the Project. Neither of the aforesaid confidentiality obligations shall apply to any information in the public domain, information lawfully acquired from others on a nonconfidential basis, or information that Consultant is required by law to disclose.

9.3 Relationship of the Parties. Consultant will perform Services under this Agreement as an independent contractor, and its employees will at all times be under its sole discretion and control. No provision in this Agreement shall be deemed or construed to create a joint venture, partnership, agency or other such association between the Parties.

9.4 Resource Conservation and Recovery Act. To the extent applicable to the Services, neither this Agreement nor the providing of Services will operate to make Consultant an owner, operator, generator, transporter, treater, storer, or a disposal facility within the meaning of the Resource Conservation and Recovery Act, as amended, or within the meaning of any other law governing the handling, treatment, storage, or disposal of hazardous substances. Client agrees to hold Consultant harmless, defend, and indemnify Consultant from any claims, damages, penalties or losses resulting from the storage, removal, hauling or disposal of such substances.

9.5 Services in Connection with Legal Proceedings. Client agrees to compensate Consultant in accordance with its then current fees, rates, or charges if Consultant is asked or required to respond to legal process arising out of a proceeding related to the Project and as to which Consultant is not a party.

9.6 Assignment. This Agreement may not be assigned by Consultant or Client without the prior written consent of the other Party, which consent shall not be unreasonably withheld.

9.7 Third Party Beneficiaries. Nothing in this Agreement, express or implied, is intended, or will be construed, to confer upon or give any person or entity other than Consultant and Client, and their respective permitted successors and assigns, any rights, remedies, or obligations under or by reason of this Agreement.

9.8 Termination. This Agreement may be terminated by either Party for cause upon seven (7) days written notice to the other Party. Should the other Party fail to cure and perform in accordance with the terms of this Agreement within such seven-day period, the Agreement may terminate at the sole discretion of the Party that provided the written notice. The Client may terminate this Agreement for its convenience. If Client terminates for its convenience, then Consultant shall be compensated in accordance with the terms hereof for Services performed, reimbursable costs and expenses incurred prior to the termination, and reasonable costs incurred as a result of the termination.

9.9 Force Majeure. Neither Party shall be liable for damages or deemed in default of this Agreement to the extent that any delay or failure in the performance of its obligations (other than the payment of money) results, without its fault or negligence, from any cause beyond its reasonable control, including but not limited to acts of God, acts of civil or military authority, embargoes, pandemics, epidemics, war, riots, insurrections, fires, explosions, earthquakes, floods, adverse weather conditions, strikes or lock-outs, declared states of emergency, and changes in laws, statutes, regulations, or ordinances.

9.10 Disputes, Choice of Law, Venue. In the event of a dispute and prior to exercising rights at law or under this Agreement, Consultant and Client agree to negotiate all disputes in good faith for a period of 30 days from the date of notice of such dispute. This Agreement will be governed by the laws and regulations of the state in which the Project is located and all disputes and claims shall be heard in the state or federal courts for that state. Client and Consultant each waive trial by jury.

9.11 Individual Liability. No officer or employee of Consultant, acting within the scope of employment, shall have individual liability for any acts or omissions, and Client agrees not to make a claim against any individual officers or employees of Consultant.

9.12 Severability. Should a court of law determine that any clause or section of this Agreement is invalid, all other clauses or sections shall remain in effect.

9.13 Waiver. The failure of either Party hereto to exercise or enforce any right under this Agreement shall not constitute a release or waiver of the subsequent exercise or enforcement of such right.

9.14 Entire Agreement. The terms and conditions set forth herein constitute the entire understanding of the Parties relating to the provision of Services by Consultant to Client. This Agreement may be amended only by a written instrument signed by both Parties. In the event Client issues a purchase order or other documentation to authorize Consultant's Services, any conflicting or additional terms of such documentation are expressly excluded from this Agreement.



REQUEST FOR GRAND RAPIDS EDA ACTION

AGENDA DATE: August 14, 2025

STATEMENT OF ISSUE: Consider approval of a proposal submitted by SEH for professional services in connection with subdivision of the former ISD 318 Admin. Property (Site)

PREPARED BY: Rob Mattei, Executive Director

BACKGROUND:

GREDA has previously entered a Preliminary Development Agreement with Itasca County Housing and Redevelopment Authority (ICHRA) whereby ICHRA is established as the sole developer of the property for a period of 6 months.

During this time, ICHRA has applied for funding from Minnesota Housing Finance Agency (MHFA) for financial assistance for the development of 8 proposed owner-occupied single-family homes on the Site that will be developed in the Community Land Trust model, similar to GREDA's redevelopment of the former Forest Lake School site. ICHRA will know the outcome of this request in December.

Also recently, the City, on GREDA's behalf, has requested \$400,000 of funding from the IRRR Housing Grant Program to offset some of the cost of GREDA's readying of the Site. GREDA's readiness activities will involve assembling this and other funding sources identified in the attached sources and uses to undertake building demolition, utility service construction and the subdividing/platting the site to create eight parcels suitable for single family homes.

The attached proposal from SEH is for professional services involved in preparing a preliminary and final plat and any miscellaneous services in connection with this work. The fees in this proposal are hourly not to exceed costs broken down as follows:

- Preliminary Plat \$14,500
- Final Plat \$5,500
- Misc. Services \$5,500

REQUIRED ACTION: Make a motion to approve a proposal submitted by SEH for professional services in connection with subdivision of the former ISD 318 Admin. Property (Site)



July 21, 2025

RE: Grand Rapids Economic Development
ISD 318 Administrative Building Site
Parcel 91-585-2910

Rob Mattei
Grand Rapids Economic Development
420 North Pokegama Avenue
Grand Rapids, MN 55744

Dear Mr. Mattei:

Thank you for the opportunity to submit this Proposal for Professional Services for the proposed platting of the existing ISD 318 Administrative Building Project. Short Elliott Hendrickson Inc. (SEH) is pleased to present you with the following professional service fee proposal for the above referenced project. This proposal is based on providing a Preliminary Plat and Final Plat on a lump-sum fee basis. Please review our proposal letter and if acceptable we will provide an agreement for professional services for execution referencing this letter.

PROJECT UNDERSTANDING:

The site includes Parcel 91-585-2910 located in Grand Rapids, Minnesota. It is understood the parcel is proposed to be split up into approximately 6 single family homes, with an alley located in the center of the existing parcel. The site is currently zoned Public Use and is proposed to be rezoned for One- and Two-Family Residence. The parcel has an existing building and parking lot which will be demolished prior to platting. Utilities will need to be extended through the site to extend services to the proposed single-family homes which will be designed by The City of Grand Rapids.

PROPOSED TASKS:

Task 1: Preliminary Plat:

Provide a topographic survey to locate existing monuments, benchmarks, topography (1' contour intervals), trees (6" diameter or greater), fencing, miscellaneous structures, grade of adjacent streets and top of curb (including grade at existing driveways), invert elevations for storm and sanitary drainage structures, overhead utilities, Gopher State One Call located utilities, and paved and/or gravel surfaces. The topographic survey will extend 100' feet beyond the tract. This includes drafting and submittal of a preliminary plat per The City of Grand Rapids Ordinance and State of Minnesota Statutes for Parcel 91-585-2910 located in Itasca County, Minnesota. SEH will coordinate with The City of Grand Rapids and will be given the Title Commitment by the owner, which will inform the survey. The site design would need to be provided by The City of Grand Rapids and would be required to be submitted with the preliminary plat. The fee is hourly and will be set up to have a hard limit of \$14,500 including expenses and equipment.

Engineers | Architects | Planners | Scientists

Short Elliott Hendrickson Inc., 1200 SE 4th Avenue, Suite 200, Grand Rapids, MN 55744-4304

218.322.4500 | 888.908.8166 fax | sehinc.com

SEH is 100% employee-owned | Affirmative Action–Equal Opportunity Employer

Task 2: Final Plat

Drafting and submittal of the final plat, and setting boundary monuments for recording for Parcel 91-585-2910 located in Itasca County, Minnesota. The fee is hourly and will be set up to have a hard limit of \$5,500 including expenses and equipment.

Task 3: Miscellaneous Services

This task is set up for small items out of the scope of the previous tasks and are requested by the client. Such items may include attending City meetings or Client/Owner meetings. These tasks will require a request from the client to complete. The fee is hourly and will be set up to have a hard limit of \$5,000 including expenses and equipment. Notification will be provided if services go over the hard limit.

ASSUMPTIONS:

- Grand Rapids Economic Development will provide a letter from the Itasca County Soil and Water Conservation District stating that there are no wetlands located on the property prior to the submittal of the preliminary plat.
- Any permit fees, agency review fees, and filing fees are not included in the scope of SEH.
- Grand Rapids Economic Development will file the proper documents and fees to The City of Grand Rapids for the Preliminary and Final Plat. SEH will provide hard and/or digital copies of the proposed plats.
- The Utility/Site Design is not included in the scope of services.
- Mylars will be paid for by the client under the Miscellaneous Services task.

PROPOSED FEES:

The proposed fees are outlined in each task; however, they are reiterated below for ease of interpretation. These fees will be current until December 31, 2025.

Task 1: Preliminary Plat: The fee is hourly and would be set up to have a hard limit of \$14,500.

Task 2: Final Plat: The fee is hourly and would be set up to have a hard limit of \$5,500.

Task 3: Miscellaneous Services: The fee is hourly and would be set up to have a hard limit of \$5,000.

Thank you for the opportunity to provide this proposal. We would be excited to work on this project that would greatly benefit our community. If you have any questions regarding our scope of services or how they may be modified to meet your project needs, please feel free to give me a call to discuss. Please contact me at schristenson@sehinc.com or 218.322.4513 to discuss.

Sincerely,
SHORT ELLIOTT HENDRICKSON INC.



Sara Christenson, PE (Lic. MN)
Associate | Civil Engineer II (Mgr)

SLC

[https://sehincazure.sharepoint.com/teams/civilengineering-gr/shared documents/grand rapids channel/engineering proposals/2024/isd admin plat/proposal isd 318 admin bldg plat 2025.docx](https://sehincazure.sharepoint.com/teams/civilengineering-gr/shared%20documents/grand%20rapids%20channel/engineering%20proposals/2024/isd%20admin%20plat/proposal%20isd%20318%20admin%20bldg%20plat%202025.docx)

Former ISD #318 Administration Bldg. Redevelopment -Affordable Single Family

Sources and Uses

Uses	Budget	IRRR	City TIF	City Housing Allotment	HRA	GRPUC	Blandin	Total
Site Acquisition	\$ 80,000				\$ 80,000			\$ 80,000
Demolition	\$ 350,000	\$ 225,000		\$ 125,000				\$ 350,000
Engineering/Platting	\$ 175,000	\$ 50,000	\$ 70,000	\$ 55,000				\$ 175,000
Utility Services	\$ 440,400	\$ 110,000				\$ 195,400	\$ 135,000	\$ 440,400
Contingency	\$ 80,000		\$ 23,000			\$ 57,000		\$ 80,000
	\$ 1,125,400	\$ 385,000	\$ 93,000	\$ 180,000	\$ 80,000	\$ 252,400	\$ 135,000	\$ 1,125,400

HRA able to purchase and sell to end user 8 lots at \$10,000 each



REQUEST FOR GRAND RAPIDS EDA ACTION

AGENDA DATE: August 14, 2025

STATEMENT OF ISSUE: Consider adopting a resolution approving certain lender documents related to the Unique Opportunities Housing Project

PREPARED BY: Rob Mattei, Executive Director

BACKGROUND:

Unique Opportunities Grand Rapids, LLC, is the Developer or an affiliate related to the Developer of a 48-unit multi-family apartment, located at 2105 SE 7th Ave., which is party to a Purchase and Development Agreement with the Grand Rapids EDA and the City of Grand Rapids that provided the developer a Tax Increment Financing Note.

The Developer is in the process of refinancing debt on the project with JLL Real Estate Capital, LLC. As a condition of this loan the lender requires that the City and Authority approve certain lender documents that include an assignment of the TIF Note and a Consent to Assignment of the Development Agreement.

These actions are provided for, with GREDA and City Council consent, within the Purchase and Development Agreement.

REQUIRED ACTION: Make a motion to adopt a resolution approving certain lender documents related to the Unique Opportunities Housing Project.

GRAND RAPIDS ECONOMIC DEVELOPMENT AUTHORITY

RESOLUTION NO. _____

**RESOLUTION APPROVING CERTAIN LENDER DOCUMENTS
RELATED TO THE OPPORTUNITY HOUSING PROJECT**

BE IT RESOLVED by the Board of Commissioners (the “Board of Commissioners”) of the Grand Rapids Economic Development Authority (the “City”) as follows:

Section 1. Recitals.

1.01. The Authority has executed a Purchase and Development Agreement (the “TIF Agreement”) between the City of Grand Rapids, Minnesota (the “City”) Authority, and Unique Opportunities Grand Rapids, L.L.C., a Minnesota limited liability company, or an affiliate thereof or an entity related thereto (the “Developer”), pursuant to which the City provided to the Developer a Tax Increment Financing Note (Downtown Development Project) in of \$372,000 (the “TIF Note”) to assist the Developer in financing the construction, improvement and equipping of a multifamily rental housing development (the “Project”) located at 2105 SE 7th Avenue in the City (the “Property”) which is owned and operated by the Developer.

1.02. To refinance the Project, the Developer has received a loan from JLL Real Estate Capital, LLC, a Minnesota limited liability company (the “Lender”), in the approximate amount of \$6,063,000 (the “Loan”), and to secure the repayment of the Loan, the Developer will execute, among other documents (i) a Multifamily Mortgage, Deed of Trust or Deed to Secure Debt; and (ii) a Collateral Assignment of Tax Increment Note and Development Agreement.

1.03. As a condition of giving the Developer the Loan, the Lender requires that the City and Authority execute a certain Consent to Collateral Assignment of Tax Increment Note and Purchase and Development Agreement (the “Consent to Assignment”), a form of which is presented to the Board of Commissioners, pursuant to which the Authority acknowledges that the Developer has assigned certain of the Developer’s right, title and interest in and to the TIF Note and the TIF Agreement, as collateral for the TIF Note.

Section 2. Lender Documents Approved.

2.01. The Authority hereby approves the assignment of the TIF Note and the Consent to Assignment substantially in accordance with the terms set forth in the forms presented to the Board of Commissioners, together with any related documents necessary in connection therewith, including without limitation all documents, exhibits, certifications or consents referenced in or attached to the Consent to Assignment and the TIF Assignment (collectively, the “Lender 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 Lender 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.

2.02. The approval hereby given to the Lender 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 Lender 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 of Commissioners by any duly designated acting official, or by such other officer or officers of the Board of Commissioners as, in the opinion of the Authority Attorney, may act in their behalf.

2.03. Upon execution and delivery of the Lender 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 Lender Documents.

Adopted on August 14, 2025 by the Board of Commissioners of the Grand Rapids Economic Development Authority.

Executive Director

President

CONSENT TO COLLATERAL ASSIGNMENT OF TAX INCREMENT NOTE AND PURCHASE AND DEVELOPMENT AGREEMENT

JLL REAL ESTATE CAPITAL, LLC, a Delaware limited liability company (“**Lender**”) has agreed, subject to the satisfaction of certain terms and conditions, to make a loan in the original principal amount of \$6,063,000.00 (the “**Mortgage Loan**”) to UNIQUE OPPORTUNITIES GRAND RAPIDS, L.L.C., a Minnesota limited liability company (“**Borrower**”), which loan is or will be secured by a lien on that certain multifamily residential apartment project located at 2105 SE 7th Ave, Grand Rapids, Minnesota 55744 (the “**Mortgaged Property**”). Lender is requiring this Consent to Collateral Assignment of Tax Increment Revenue Note and Purchase and Development Agreement (the “**Consent**”) as a condition to making the Mortgage Loan.

The CITY OF GRAND RAPIDS, a municipal corporation organized and existing under the laws of the State of Minnesota (the “**City**”), and the GRAND RAPIDS ECONOMIC DEVELOPMENT AUTHORITY, a public body corporate and politic (the “**Authority**” and collectively with the City, the “**TIF Issuer**”), hereby consent to the collateral assignment by Borrower of (1) that certain **Purchase and Development Agreement** (the “**Development Agreement**”) between the City, Authority, and Borrower, and (2) that certain **Tax Increment Revenue Note** in the original principal amount of \$372,000.00 in favor of Borrower, as payee and holder, dated as of January 22, 2022 (the “**TIF Note**”), from the City, as Maker, pursuant to the terms of that certain Collateral Assignment of Tax Increment Note from Borrower to Lender, dated as of August _____, 2025 (the “**Assignment**”), for the purpose of (i) securing the Mortgage Loan, (ii) assigning the Development Agreement to Lender as collateral for the Mortgage Loan as provided in the Assignment, and (iii) redirecting the payments under the TIF Note directly to Lender in accordance with the Assignment after Lender’s written demand has been delivered to the TIF Issuer subject to the conditions set forth in the Development Agreement. Until such time that Lender succeeds to Borrower’s interest under the Development Agreement and TIF Note pursuant to the terms of the Assignment, TIF Issuer agrees that Lender shall not be deemed to have assumed any of the obligations or liabilities under the Development Agreement or TIF Note, nor shall Lender be liable to the TIF Issuer by reason of any default by any party under the Development Agreement or TIF Note. At such time that Lender succeeds to Borrower’s interest under the Development Agreement, Lender’s liability shall be strictly limited to acts and omissions of Lender occurring during the period of ownership and operation of the Mortgaged Property and the improvements located thereon by Lender.

(1) The TIF Issuer Representations and Warranties.

The TIF Issuer hereby represents and warrants to Lender that:

- (a) it has the right to exercise and deliver this Consent under the terms of the Development Agreement and the TIF Note. The execution of this Consent and performance and observance of its terms have been duly authorized by necessary action;
- (b) to the actual knowledge of the TIF Issuer without inquiry or investigation, Borrower has made no prior assignments of the TIF Note or Development Agreement;

(c) the Development Agreement and the TIF Note are in full force and effect, subject to no defenses, setoffs or counterclaims; and to the actual knowledge of the undersigned without inquiry or investigation there exists no event, condition or occurrence that would cause the Development Agreement or the TIF Note to be subject to any defenses, setoffs or counterclaims;

(d) to the undersigned actual knowledge without inquiry or investigation, the TIF Issuer has performed all of its obligations under the Development Agreement and the TIF Note and there exists no event, condition or occurrence which constitutes, or which with notice and/or the passage of time would constitute, a breach of or default under any terms or conditions of the Development Agreement or the TIF Note; and

(e) the TIF Issuer has not delivered any notice to Borrower of the TIF Issuer's intention to prepay all or any portion of the TIF Note in advance of the regularly scheduled payments thereunder.

(2) The TIF Issuer Covenants Regarding Collateral Assignment of Tax Increment Revenue Note And Development Agreement.

The TIF Issuer hereby covenants and agrees:

- (a) to comply with the provisions of TIF Note and Development Agreement, if any;
- (b) not to do any act which to its knowledge would destroy or impair the security afforded to Lender under the Assignment;
- (c) to simultaneously deliver to Lender a copy of each notice delivered by the TIF Issuer to Borrower pursuant to the Development Agreement and the TIF Note, including any notice relating to any default, alleged default, or potential default of Borrower, under and pursuant to the Development Agreement and the TIF Note; and
- (d) not permit or consent to the amendment, modification, cancellation or surrender of the Redevelopment Agreement or the TIF Note without the prior written consent of Lender.

The TIF Issuer acknowledges and agrees that at the request of the Borrower it is

- (i) executing this Consent to induce Lender to make (A) the Mortgage Loan and (B) approve of the Development Agreement and TIF Note as additional security for the Mortgage Loan, and
- (ii) Lender will rely on the representations and agreements made by the TIF Issuer herein in connection with Lender's agreement to make the Mortgage Loan and the Authority agrees that Lender may so rely on such representations and agreements.

[SIGNATURES CONTINUE ON NEXT PAGE]

TIF Project Name: Unique Opportunities Project

Executed _____, 2025.

CITY OF GRAND RAPIDS, MINNESOTA, a
municipal corporation organized and existing under
the laws of the State of Minnesota

By: _____
Its Mayor

By: _____
Its City Administrator

AUTHORITY:

GRAND RAPIDS ECONOMIC DEVELOPMENT
AUTHORITY, a public body corporate and politic

By: _____
Name: _____
Title: President

By: _____
Name: _____
Title: Executive Director

----- [Space Above This Line For Recording Data] -----

**COLLATERAL ASSIGNMENT OF
TAX INCREMENT NOTE AND DEVELOPMENT AGREEMENT**

This COLLATERAL ASSIGNMENT OF TAX INCREMENT NOTE AND DEVELOPMENT AGREEMENT (“**Assignment**”) is made as of August ____, 2025, by UNIQUE OPPORTUNITIES GRAND RAPIDS, L.L.C., a Minnesota limited liability company (“**Borrower**”), whose address is 3155 Pioneer Road SE, Alexandria, MN 56308, in favor of JLL REAL ESTATE CAPITAL, LLC, a Delaware limited liability company (“**Lender**”), whose address is 2177 Youngman Avenue, Suite 100, St. Paul, Minnesota 55116.

RECITALS:

A. Pursuant to that certain Multifamily Loan and Security Agreement dated as of the date hereof, executed by and between Borrower and Lender (as amended, restated, replaced, supplemented or otherwise modified from time to time, the “**Loan Agreement**”), Lender has agreed to make a loan to Borrower in the original principal amount of \$6,063,000.00 (the “**Mortgage Loan**”), as evidenced by that certain Multifamily Note dated as of the date hereof, executed by Borrower and made payable to the order of Lender in the amount of the Mortgage Loan (as amended, restated, replaced, supplemented or otherwise modified from time to time, the “**Note**”).

B. In addition to the Loan Agreement, the Mortgage Loan and the Note are also secured by, among other things, a certain Multifamily Mortgage, Deed of Trust or Deed to Secure Debt dated as of the date hereof, which encumbers the Mortgaged Property (as amended, restated, replaced, supplemented or otherwise modified from time to time, the “**Security Instrument**”; the Loan Agreement, the Note, the Security Instrument, and all other documents evidencing or securing the Mortgage Loan, the “**Loan Documents**”).

C. Borrower is the owner of a multifamily residential apartment project located in Itasca County, Minnesota (the “**State**”) and described on the attached Exhibit A (the “**Mortgaged Property**”).

D. Borrower, CITY OF GRAND RAPIDS, a municipal corporation organized and existing under the laws of the State of Minnesota (the “**City**”), and the GRAND RAPIDS ECONOMIC DEVELOPMENT AUTHORITY, a public body corporate and politic (the “**Authority**”) are parties to that certain Purchase and Development Agreement dated May 11, 2020 (as may be further amended, modified or supplemented from time to time, the “**Development Agreement**”). The Development Agreement represents a agreement between Borrower, City, and the Authority for the development of the Mortgaged Property (as hereinafter defined), and authorized the City’s and Authority’s participation in the development of the Mortgaged Property by providing up to \$372,000.00 to offset Tax Increment Financing (TIF) eligible expenses for the construction of improvements at the Mortgaged Property which included the construction of a multifamily development with approximately 48 units by Borrower on the Mortgaged Property.

E. In connection with the Development Agreement, the City, as maker, issued a **Tax Increment Revenue Note** in the original principal amount of \$372,000.00 in favor of Borrower, as payee and holder, dated as of January 12, 2022 (as amended, modified, consolidated or restated from time to time, the “**TIF Note**”).

F. Lender requires and Borrower is willing to assign all of its interest in the Development Agreement and the TIF Note to Lender as additional security for the Mortgage Loan.

AGREEMENTS:

NOW, THEREFORE, for good and valuable consideration, including the material financial benefit to be derived by Borrower as a result of Lender’s making of the Mortgage Loan, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound, Borrower does hereby covenant, agree, warrant, represent, assign, set over and transfer, to the extent assignable and transferable, as set forth herein:

Section 1. Definitions.

Capitalized terms used and not specifically defined herein have the meanings given to such terms in the Loan Agreement or the Security Instrument, as applicable. The following term in this Assignment shall have the following meanings:

“**UCC**” means the applicable Uniform Commercial Code.

Section 2. Assignment of TIF Note.

In consideration of Lender's making of the Mortgage Loan and approval of the Development Agreement and TIF Note as additional security for the Mortgage Loan, to the extent permitted by applicable law, Borrower hereby (a) pledges and grants Lender a security interest in the TIF Note, and (b) assigns, transfers and sets over unto Lender all of its current and future right, title and interest in and to the payments under the TIF Note, and all rights and benefits therefrom. To the extent permitted by applicable law, it is the intention of Borrower to establish a present, absolute, and irrevocable transfer and assignment to Lender of all of Borrower's right, title and interest in, to and under the TIF Note.

Section 3. Collateral Assignment of the Development Agreement.

Borrower hereby collaterally assigns to Lender its right, title and interest to and under the Development Agreement as security for the full, timely and faithful repayment by Borrower of the Mortgage Loan, and performance by Borrower of its obligations under the Loan Documents.

Section 4. Payments Under the TIF Note.

(a) Until an Event of Default has occurred, Borrower shall have a revocable license to exercise all rights, power and authority granted to Borrower under the TIF Note, and all payments made by the City under the TIF Note shall be paid directly to Borrower in accordance with the terms of the TIF Note. Upon the occurrence of an Event of Default, Borrower shall cause the City, upon written demand by Lender, to pay directly and exclusively to Lender or its assigns all sums due under the TIF Note, subject to the terms thereof. Payments under the TIF Note to the City shall be made upon the satisfaction of the following conditions: (i) written demand by Lender to the City; (ii) the delivery of an investment letter by JLL Real Estate Capital, LLC, or other entity duly appointed by Lender as servicer for the Mortgage Loan; and (iii) the re-registration of the TIF Note in the name of the Lender. Borrower hereby irrevocably authorizes and directs the City to recognize the claims of Lender without investigating the reason for any action taken or the validity of or the amount of Indebtedness owing to Lender or the existence of any Event of Default. To the extent such sums are paid to Lender, Borrower agrees that the City shall have no further liability to Borrower for the same.

(b) Lender may, if an Event of Default shall have occurred, without notice to or demand upon Borrower, notify any and all persons obligated to Borrower under the Development Agreement and TIF Note that payment thereof is to be made directly to Lender. After the making of such a request or the giving of any such notification, Borrower shall hold any proceeds of the Development Agreement and TIF Note received by Borrower as trustee for Lender without commingling the same with other funds of Borrower and shall turn the same over to Lender in the identical form received, together with any necessary endorsements or assignments. Lender shall apply the proceeds of the Development Agreement and TIF Note to the obligations under the Loan Documents. The receipt by Lender or Borrower of any sum paid by the City shall be in discharge and release of that portion of any amount owed by the City. The Lender acknowledges that the City and the Authority's rights and remedies against the Borrower under the Development Agreement are unaffected by this Agreement.

Section 5. Representations and Warranties.

Borrower represents and warrants to Lender that:

(a) subject to receipt of any consent of the City and/or Authority required under the Development Agreement, it has the right to exercise and deliver this Assignment under the terms of the Development Agreement and the TIF Note. The execution of this Assignment and performance and observance of its terms hereof have been duly authorized by necessary company action and do not contravene or violate any provision of Borrower's organizational documents;

(b) Borrower has made no prior assignments of the TIF Note or Development Agreement;

(c) the Development Agreement and the TIF Note are in full force and effect, subject to no defenses, setoffs or counterclaims and there exists no event, condition or occurrence that would cause the Development Agreement or the TIF Note to be subject to any defenses, setoffs or counterclaims;

(d) Borrower has performed all of its obligations under the Development Agreement and the TIF Note and there exists no event, condition or occurrence which constitutes, or which with notice and/or the passage of time would constitute, a breach of or default under any terms or conditions of any of the Development Agreement or the TIF Note; and

(e) the outstanding principal balance under the TIF Note is \$. Borrower has not received from the City and/or Authority any notice of the City's intention to prepay all or any portion of the TIF Note in advance of the regularly scheduled payments thereunder.

Borrower acknowledges and agrees that the City and Authority are relying on, and are authorized to rely on, the representations, certifications, covenants, and acknowledgments given by Borrower in this Section 5 in connection with the City's and Authority's execution of that certain Consent to Collateral Assignment of Tax Increment Note and Development Agreement dated as of an even date herewith.

Section 6. Covenants.

Borrower hereby covenants and agrees:

(a) to faithfully observe and perform all of the obligations and agreements of the TIF Note and Development Agreement, if any;

(b) not to do any act which would destroy or impair the security afforded to Lender under this Assignment;

(c) to promptly deliver to Lender a copy of each notice delivered by the City and/or Authority and received by Borrower pursuant to the Development Agreement and the TIF Note,

including any notice relating to any default, alleged default, or potential default of Borrower, under and pursuant to the Development Agreement and the TIF Note; and

(d) not permit or consent to the amendment, modification, cancellation or surrender of the Development Agreement or the TIF Note without the prior written consent of Lender.

Section 7. Limitation of Liability.

Until such time that Lender succeeds to Borrower's interest under the Development Agreement and TIF Note pursuant to the terms of this Assignment, Lender shall not be deemed to have assumed any of the obligations or liabilities under the Development Agreement or TIF Note, nor shall Lender be liable to the City or Authority by reason of any default by any party under the Development Agreement or TIF Note. At such time that Lender succeeds to Borrower's interest under the Development Agreement, Lender's liability shall be strictly limited to acts and omissions of Lender occurring during the period of ownership and operation of the Mortgaged Property and the improvements located thereon by Lender.

Section 8. Indemnification.

Borrower agrees to indemnify, defend and hold Lender harmless of and from any and all liability, loss or damage which it may or might incur by reason of any claims or demands against it based on its alleged assumption of Borrower's duty and obligation to perform and discharge the terms, covenants and agreements in the Development Agreement or the TIF Note.

Section 9. Further Assurances.

Within ten (10) days after request by Lender, Borrower shall execute, acknowledge, deliver, and, if necessary, file or record, at its cost and expense, all further acts, deeds, conveyances, assignments, financing statements, transfers, documents, agreements, assurances, and such other instruments as Lender may reasonably require from time to time in order to better assure, grant, and convey to Lender the rights intended to be granted, now or in the future, to Lender under this Assignment.

Section 10. Events of Default; Remedies.

Any default by Borrower under the terms and conditions of this Assignment, the Development Agreement or the TIF Note beyond applicable notice, grace and/or cure periods thereunder, shall be an "Event of Default" under the Loan Documents. Upon the occurrence of an Event of Default under this Assignment or any other Loan Documents:

(a) Lender may elect to exercise any and all of Borrower's rights and remedies under the TIF Note, without any interference or objection from Borrower, and Borrower shall cooperate in causing the City and/or Authority to comply with all the terms and conditions of the TIF Note;

(b) Lender may exercise Borrower's rights under the TIF Note and perform all acts in the same manner and to the same extent as Borrower is permitted thereunder;

(c) Lender may exercise Borrower's rights under the provisions of the Development Agreement and perform all acts in the same manner and to the same extent as Borrower is permitted thereunder;

(d) with the consent of the City and Authority, Lender may amend the terms of the Development Agreement and/or the TIF Note, and, at Lender's sole and absolute election, make concessions to the City or Authority; and

(e) Lender may exercise any of its rights and remedies under the Loan Documents.

Section 11. Enforcement by Lender.

Subject to the terms and conditions herein, this Assignment may be enforced from time to time by Lender at its discretion, with or without order of any court, as Lender shall determine. Lender shall have no obligation to enforce or continue to enforce this Assignment. Any failure on the part of Lender promptly to exercise any option hereby given or reserved shall not prevent the exercise of any such option at any time thereafter. Lender may pursue and enforce any remedy or remedies accorded it herein independently of, in conjunction or concurrently with, or subsequent to its pursuit and enforcement of any remedy or remedies which it may have under the Loan Documents.

Section 12. Protection of Lender's Security.

Lender may, at its option, disburse or pay such sums and take such actions as Lender reasonably deems necessary to protect its interest in the TIF Note and the Development Agreement. Any amounts so disbursed or paid by Lender shall be added to, and become part of, the principal balance of the Indebtedness, be immediately due and payable and bear interest at the Default Rate from the date of disbursement until fully paid. The provisions of this Section 12 shall not be deemed to obligate or require Lender to incur any expense or take any action. All of the powers herein granted to Lender shall be liberally construed against Borrower.

Section 13. No Waiver of Rights by Lender.

Nothing herein contained shall be construed as constituting a waiver or suspension by Lender of its right to enforce payment of the debts under the terms of the Loan Documents. Lender is not the agent, partner or joint venturer of Borrower, the City, or the Authority.

Section 14. Survival.

This Assignment shall inure to the benefit of and be binding upon the parties hereto and their successors and assigns.

Section 15. Notice.

(a) All notices under this Assignment shall be:

(1) in writing, and shall be

- (A) delivered, in person,
 - (B) mailed, postage prepaid, either by registered or certified delivery, return receipt requested, or
 - (C) sent by overnight express courier;
- (2) addressed to the intended recipient at its respective address set forth in the preamble to this Assignment; and
- (3) deemed given on the earlier to occur of:
- (A) the date when the notice is received by the addressee; or
 - (B) if the recipient refuses or rejects delivery, the date on which the notice is so refused or rejected, as conclusively established by the records of the United States Postal Service or such express courier service.
- (b) Any party to this Assignment may change the address to which notices intended for it are to be directed by means of notice given to the other party in accordance with this Section 15.
- (c) Any required notice under this Assignment which does not specify how notices are to be given shall be given in accordance with this Section 15.

Section 16. Security Agreement.

This Assignment constitutes a security agreement under the UCC. Borrower hereby authorizes Lender to file financing statements, continuation statements and financing statement amendments in such form as Lender may require to perfect or continue the perfection of this security interest without the signature of Borrower. If an Event of Default has occurred, Lender shall have the remedies of a secured party under the UCC or otherwise provided at law or in equity, in addition to all remedies provided by this Assignment and in any Loan Document. Lender may exercise any or all of its remedies with respect to the TIF Note and Development Agreement, separately or together, and in any order, without in any way affecting the availability or validity of Lender's other remedies.

Section 17. Appointment of Lender as Attorney-In-Fact.

(a) Borrower hereby irrevocably makes, constitutes, and appoints Lender (and any officer of Lender or any Person designated by Lender for that purpose) as Borrower's true and lawful proxy and attorney-in-fact (and agent-in-fact) in Borrower's name, place, and stead, with full power of substitution, solely for the purpose of carrying out the terms of this Assignment, to take any and all appropriate action and to execute any and all documents and instruments that may be necessary or desirable to accomplish the purposes of this Assignment and, without limiting the generality of the foregoing, hereby gives said attorney-in-fact the power and right, on behalf of Borrower, without notice to or assent by Borrower, to, upon the occurrence and during the

continuance of an Event of Default generally to sell, transfer, pledge, make any agreement with respect to or otherwise deal with any of the Development Agreement and TIF Note in such manner as is consistent with the UCC and as fully and completely as though Lender were the absolute owner thereof for all purposes, and to do at Borrower's expense, at any time, or from time to time, all acts and things which Lender deems necessary to protect, preserve or realize upon the Development Agreement and TIF Note and Lender's security interest therein, in order to effect the intent of this Assignment, all as fully and effectively as Borrower might do, including, without limitation, the execution, delivery and recording, in connection with any sale or other disposition of any Development Agreement and TIF Note, of the endorsements, assignments or other instruments of conveyance or transfer with respect to such Development Agreement and TIF Note.

(b) Borrower hereby acknowledges that the appointment of such proxy and attorney-in-fact is coupled with an interest and is irrevocable and shall not be affected by the disability or incompetence of Borrower. Borrower specifically acknowledges and agrees that this power of attorney granted to Lender may be assigned by Lender to Lender's successors or assigns as holder of the Note (and the other Loan Documents). The foregoing powers conferred on Lender under this Section 17 shall not impose any duty upon Lender to exercise any such powers and shall not require Lender to incur any expense or take any action. Borrower hereby ratifies and confirms all that such attorney-in-fact may do or cause to be done by virtue of any provision of this Assignment and any other Loan Documents.

Section 18. Conflict.

In the event of any conflict between the terms of this Assignment and the applicable Loan Documents, the terms and conditions of the Loan Documents shall control.

Section 19. Counterparts.

This Assignment may be executed in any number of counterparts, each of which shall be considered an original for all purposes; provided, however, that all such counterparts shall constitute one and the same instrument.

Section 20. Governing Law; Venue.

(a) The validity, enforceability, interpretation, and performance of this Assignment shall be governed by State (as defined in the Security Instrument) law without giving effect to any conflict of law or choice of law rules that would result in the application of the laws of another jurisdiction.

(b) In the administration or litigation of a controversy arising under or in relation to this Assignment or the security for the Indebtedness, Borrower consents to the exercise of personal jurisdiction by State (as defined in the Security Instrument) court or federal court in such State. Borrower agrees that the State courts have subject matter jurisdiction over such controversies. If Lender elects to sue in State court, Borrower waives any right to remove to federal court or to contest the State court's jurisdiction. Borrower waives any objection to venue in any State court

or federal court in such State, and covenants and agrees not to assert any objection to venue, whether based on inconvenience, domicile, habitual residence, or other ground.

Section 21. Entire Agreement; Amendments and Waivers.

The invalidity or unenforceability of any provision of this Assignment shall not affect the validity or enforceability of any other provision of this Assignment, all of which shall remain in full force and effect. This Assignment contains the complete and entire agreement among the parties as to the matters covered, rights granted and the obligations assumed in this Assignment. This Assignment may not be amended or modified except with the prior written consent of Lender.

Section 22. Construction.

(a) The captions and headings of the sections of this Assignment are for convenience only and shall be disregarded in construing this Assignment.

(b) Any reference in this Assignment to an “Exhibit” or “Schedule” or a “Section” or an “Article” shall, unless otherwise explicitly provided, be construed as referring, respectively, to an Exhibit or Schedule attached to this Assignment or to a Section or Article of this Assignment. All Exhibits and Schedules attached to or referred to in this Assignment, if any, are incorporated by reference into this Assignment.

(c) Any reference in this Assignment to a statute or regulation shall be construed as referring to that statute or regulation as amended from time to time.

(d) Use of the singular in this Assignment includes the plural and use of the plural includes the singular.

(e) As used in this Assignment, the term “including” means “including, but not limited to” or “including, without limitation,” and is for example only and not a limitation.

(f) Unless otherwise provided in this Assignment, if Lender’s approval, designation, determination, selection, estimate, action or decision is required, permitted or contemplated hereunder, such approval, designation, determination, selection, estimate, action or decision shall be made in Lender’s sole and absolute discretion.

(g) All references in this Assignment to a separate instrument or agreement shall include such instrument or agreement as the same may be amended or supplemented from time to time pursuant to the applicable provisions thereof.

[Remainder of Page Intentionally Blank]

IN WITNESS WHEREOF, Borrower has caused this Assignment to be executed as of the day and year first above written.

BORROWER:

UNIQUE OPPORTUNITIES GRAND RAPIDS, L.L.C.,
a Minnesota limited liability company

By: _____
Name: Samuel P. Herzog
Title: Manager

STATE OF MINNESOTA

COUNTY OF _____

This instrument was acknowledged before me _____, 2025 by Samuel P. Herzog as Manager of UNIQUE OPPORTUNITIES GRAND RAPIDS, L.L.C., a Minnesota limited liability company.

Notary Public

Printed Name: _____

My Commission Expires: _____

EXHIBIT A
[DESCRIPTION OF MORTGAGED PROPERTY]