



GRAND RAPIDS ECONOMIC DEVELOPMENT AUTHORITY MEETING AGENDA

Thursday, March 13, 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, March 13, 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 the February 13, 2025 regular meeting minutes.

APPROVE CLAIMS

2. Consider approval of claims in the amount of \$70,240.84.

BUSINESS

3. UMN Natural Resources Research Institute (NRRI) Update - Rolf Weberg, Executive Director
4. Consider approval of a Commercial Building Improvement Loan with Alexander L'Amie for improvements to 611 NW 4th St.
5. Consider adoption of a resolution approving conveyance of certain lots owned by the Economic Development Authority and Purchase and Development Agreement including an option to purchase certain property with Premier Custom Homes, Inc.
6. Consider the adoption of a resolution approving a Right of Entry Agreement with Ryan Companies US, Inc.
7. Consider approval of disbursement agreements and escrow agreements for the previously approved Commercial Building Improvement Loan and the Downtown Mandated Building Improvement Loan for renovation of commercial buildings at 16 NE 3rd St. and 210 N. Pokegama Ave.

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

Malissa Bahr - 3/1/30



GRAND RAPIDS ECONOMIC DEVELOPMENT AUTHORITY MEETING MINUTES

Thursday, February 13, 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, February 13th, 2025 at 4:00 PM.

CALL TO ORDER

CALL OF ROLL

PRESENT

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

ABSENT

Commissioner Bill Martinetto
Commissioner Malissa Bahr

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 January 23, 2025 regular meeting.

Motion by Commissioner Hodnik, second by Commissioner Mertes to approve the minutes from the January 23, 2025 regular meeting. The following voted in favor thereof: R. Blake, S. Blake, Mertes, Bruns, Hodnik. Opposed: None, motion passed unanimously.

APPROVE CLAIMS

2. Consider approval of claims in the amount of \$9,182.18.

Motion by Commissioner R. Blake, second by Commissioner Bruns to approve claims in the amount of \$9,182.18. The following voted in favor thereof: Hodnik, Bruns, Mertes, S. Blake, R. Blake. Opposed: None, motion passed unanimously.

BUSINESS

3. Consider adopting a resolution approving a Development Assistance Agreement with KTJ 435 LLC

Item 1.

Commissioner Bruns noted the year on the resolution should be amended to 2024 not 2025.

Motion by Commissioner Hodnik, second by Commissioner Bruns to adopt a resolution approving a Development Assistance Agreement with KTJ 435, LLC with the noted amendments. The following voted in favor thereof: Hodnik, Bruns, Mertes, S. Blake, R. Blake. Opposed: None, motion passed unanimously.

4. Consider approval of a limited term land lease with Lamar Companies for the existing sign located on GREDA property at 900 NW 4th St. (former Itasca Farm Service Co-op)

Motion by Commissioner Bruns, second by Commissioner Mertes to approve a limited term land lease with Lamar Companies for the existing sign located on GREDA property at 900 NW 4th Street. The following voted in favor thereof: R. Blake, S. Blake, Mertes, Bruns, Hodnik. Opposed: None, motion passed unanimously.

UPDATES

ADJOURN

There being no further business the meeting adjourned at 4:05 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

Malissa Bahr - 3/1/30

DATE: 03/07/2025
 TIME: 14:04:17
 ID: AP443GR0.WOW

CITY OF GRAND RAPIDS
 DEPARTMENT SUMMARY REPORT

PAGE: 1

INVOICES DUE ON/BEFORE 03/13/2025

VENDOR #	NAME	AMOUNT DUE

ECONOMIC DEVELOPMENT AUTHORITY		
2018225	TREASURE BAY PRINTING	21.50
	TOTAL	21.50
EDA - CAPITAL PROJECTS		
0718010	CITY OF GRAND RAPIDS	50,000.00
	TOTAL	50,000.00
MISCELLANEOUS PROJECT		
0215460	BOLTON & MENK, INC	7,066.50
1920240	CHAD B STERLE	375.00
	TOTAL MISCELLANEOUS PROJECT	7,441.50
AIRPORT SOUTH INDUSTRIAL PARKS		
1415511	NORTHERN STAR COOPERATIVE SERV	659.60
1900225	SEH	1,215.00
2018680	TRU NORTH ELECTRIC LLC	611.79
	TOTAL AIRPORT SOUTH INDUSTRIAL PARKS	2,486.39
FARM SERVICE REDEVELOPMENT		
1309289	MN POLLUTION CONTROL AGENCY	450.00
	TOTAL FARM SERVICE REDEVELOPMENT	450.00
ISD 318 ADM REDEVELOPMENT		
0218115	BRAUN INTERTEC CORPORATION	5,614.53
1900225	SEH	2,279.64
1903330	SCHOOL DISTRICT #318	92.87
	TOTAL ISD 318 ADM REDEVELOPMENT	7,987.04
	TOTAL UNPAID TO BE APPROVED IN THE SUM OF:	\$68,386.43
CHECKS ISSUED-PRIOR APPROVAL		
PRIOR APPROVAL		
0205640	LEAGUE OF MN CITIES INS TRUST	1,342.00
1309199	MINNESOTA ENERGY RESOURCES	48.77
1621130	P.U.C.	316.43

DATE: 03/07/2025
TIME: 14:04:17
ID: AP443GR0.WOW

CITY OF GRAND RAPIDS
DEPARTMENT SUMMARY REPORT

PAGE: 2

INVOICES DUE ON/BEFORE 03/13/2025

VENDOR #	NAME	AMOUNT DUE
----------	------	------------

CHECKS ISSUED-PRIOR APPROVAL		
PRIOR APPROVAL		
2209665	VISA	147.21
TOTAL PRIOR APPROVAL ALLOWED IN THE SUM OF:		\$1,854.41
TOTAL ALL DEPARTMENTS		\$70,240.84



REQUEST FOR GRAND RAPIDS EDA ACTION

AGENDA DATE: March 13, 2025

STATEMENT OF ISSUE: Consider approval of a Commercial Building Improvement Loan with Alexander L'Amie for improvements to 611 NW 4th St.

PREPARED BY: Rob Mattei, Executive Director

BACKGROUND:

Mr. Alexander L'Amie is the new owner of a commercial building located at 611 NW 4th St. L'Amie has applied for a \$17,798 Commercial Building Improvement Loan (CBIL) for a project involving interior and exterior painting, new flooring and exterior signage. As permitted under the CBIL program guidelines, the requested loan is for 75% of the total estimated project cost of \$23,730.

The renovations will be for the new use of the building as Northern Lights Rapid Growth, a retail store specializing in supplying plan growing equipment for both indoor and outdoor gardening.

GREDA Commissioners Bruns and Mertes met with staff to review the details of the loan application and have recommended approval of the \$17,798.00 loan for this project.

REQUIRED ACTION: Pass a motion to approve the Commercial Building Improvement Loan with Alexander L'Amie for improvements to 611 NW 4th St.



Commercial Building Improvement Loan Application

Grand Rapids Economic Development Authority
c/o Community Development Department
420 North Pokegama Ave.
Grand Rapids, MN 55744
Tel. (218) 326-7601 Fax (218) 326-7621
www.grandrapidsmn.org

Community Development Office Use Only	
Date Received	_____
GREDA Review Date	_____
GREDA Approval	_____

Applicant Information:

The undersigned do hereby respectfully request the Grand Rapids Economic Development Authority's consideration of a Commercial Building Improvement Loan: *(If the applicant is not the property owner, the property owner must, also, sign the application.)*

Alexander L'Amie

Name of Applicant *(print)* _____

30672 Sunny Beach rd

Address

Grand Rapids MN 55744

City

303-818-3657

State Zip

Telephone/ E-Mail

Panel Clearer LLC

Name of Owner *(print)* _____

Address

City State Zip

Telephone/E-Mail

Doing business as:

What is your interest in the building/property? *(check one)*

- Own the Business Lease the building
- Purchasing the building on contract for deed Other: _____

Project Information:

Tax Parcel # 91-420-2040

Existing Zoning: Commercial

Existing Use: Telemarketing

Proposed Use: Retail

Property Address / Location: 611 NW 4th st.

Legal Description: _____
(attach additional sheet if necessary)

Description of your proposed commercial building improvement project: Renovations: Electrical, Paint
New Flooring and Signage

(attach additional sheet if necessary)

Are you coordinating your project with any neighboring businesses? Yes No

If yes, please provide their name(s) and the nature of their project(s): _____

When would you like to begin your project? ASAP

How much time will be needed to complete the project? One Week

If your project is located in the CBD (Central Business District), please explain how it furthers the objectives stated within the *Downtown Redevelopment Master Plan*.*(if applicable)*

Renovation upgrades are meant to bring new life and
better curb appeal to the west side of hwy 2

(attach additional sheet if necessary)

Project Cost/Financing:

The GREDA Commercial Building Improvement Loan Program may finance up to 75% or \$40,000 of eligible project costs, whichever is less.

Please provide a breakdown of this estimated cost by construction category (*attach copies of quotes*):

Construction Item/Category	Estimated Cost (Quote)
Interior Paint	\$5,150
Exterior Paint	\$5,680
Flooring (vinyl glue-down/ labor)	\$11,900
Electrician	\$700
Signage	\$300
Total Estimated Cost:	\$23,730

(attach additional sheet if necessary)

Please provide a list of proposed/secured financing sources:

Source	Secured (yes/no)	Amount
GREDA Commercial Bldg. Improvement Loan (requested amount)	No	\$17,798
Bank		
Cash		
Other (specify) <u>IEDC</u>		\$5,932
Other (specify) _____		
Total \$		\$23,730

Required Submittals with Application:

- Application Fee - \$150.00
- Building/Site Photos
- Concept Plan
- Copies of Tax Returns (past 3 years)
- Cash Flow Projections (3 years)*
- Estim. Income Statements (3 years)*
- Business Plan
- Letters of Commitment
- Credit Report
- Evidence of ownership in the form of title insurance, title opinion, or copy of deed
- Marketing Information

* MN Small Business Development Center at Itasca Economic Development Corp. can assist with this, free of charge.

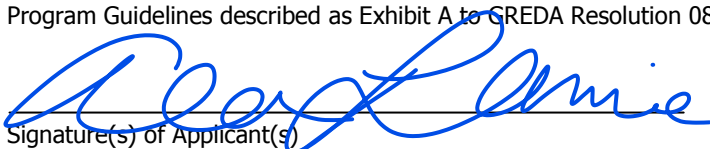
If Loan is Approved, Additional Submittals Required Prior to Disbursement of Funds:

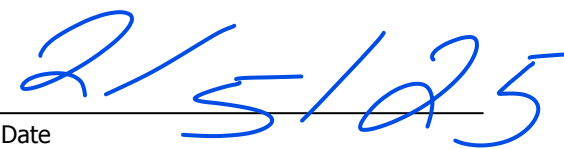
- Verification that building is insured at a level equal to its value, with the GREDA listed as an additional insured.
- Ownership and encumbrance report
- Copies of receipts for project expenses.
- Verification from the City Building Official that the project is complete.
- Security: Personal guarantee in the form of a Promissory Note (*form provided by City*) and a mortgage.

INCOMPLETE APPLICATIONS WILL NOT BE ACCEPTED

More information may be requested by the Grand Rapid Economic Development Authority, if deemed necessary, to properly evaluate your request.

I certify that, to the best of my knowledge, information, and belief, all of the information presented by me in this application is accurate and complete and includes all required information and submittals, and that I consent to entry upon the subject property by public officers, employees, and agents of the City of Grand Rapids wishing to view the site for purposes of processing, evaluating, and deciding upon this application. Further, I have read and fully understand the CBIL Program Guidelines described as Exhibit A to GREDA Resolution 08-03.





Signature(s) of Applicant(s) Date

**Grand Rapids Economic Development Authority
Commercial Building Improvement Loan Application**

TENESSEN WARNING: DATA PRIVACY STATEMENT

The information provided in the application materials or to be obtained separately as a part of the application process will be used by the lender to determine whether you qualify as a prospective borrower for the Grand Rapids Economic Development Authority (GREDA) Commercial Building Improvement Loan program. The information provided in the application and information authorized above for assistance will become a matter of public record with the exception of those items protected under Minnesota Statutes Chapter 13, *Minnesota Government Data Practices Act*.

The groups or individuals with whom this private data information may be shared includes:

1. The GREDA Loan Review Committee and GREDA; and
2. Staff who are involved in program administration; and
3. Auditors who perform required audits of the program; and
4. Authorized personnel from other County, State, Federal or Regional Agencies providing funding assistance to you; and
5. Those other persons who you authorize to see the information; and
6. Law Enforcement personnel in the case of suspected fraud

Unless otherwise authorized by MN Statutes or Federal Law, other government agencies using the private data must also handle the data as private. You may wish to exercise your rights as contained in the MN Government Data Practices Act. Those rights include:

1. The right to see and obtain copies of the data maintained on you; and
2. Be told the contents and meaning of the data; and
3. Challenge the accuracy and completeness of the data

To exercise these rights, contact the Grand Rapids Economic Development Authority Director at (218) 326.7622 or 420 Pokegama Avenue North, Grand Rapids, MN 55744.



REQUEST FOR GRAND RAPIDS EDA ACTION

AGENDA DATE: March 13, 2025

STATEMENT OF ISSUE: Consider adoption of a resolution approving conveyance of certain lots owned by the Economic Development Authority and Purchase and Development Agreement including an option to purchase certain property with Premier Custom Homes, Inc.

PREPARED BY: Rob Mattei, Executive Director

BACKGROUND: [Premier Custom Homes](#) of Elk River, MN has provided a Letter of Intent to purchase and develop single family homes on lots owned by GREDA in the plat of Great River Acres.

Premier Custom Homes, owned by Brandon Vasquez, will be working together with [Brian Johnson](#) a realtor that lives locally but operates a branch of Keller Williams Classic Realty in Coon Rapids.

Premier would like to initially purchase and develop a spec single-family home on Lot 2, Block 2. Premier would also like to have an option to purchase additional currently available parcels: Lot 3, Block 2, Lot 5, Block 2, Lot 6, Block 2, Lot 7, Block 2, Lot 3, Block 3, and Lot 5, Block 3 in accordance with the schedule set forth below:

- Second lot purchased on or before 3/12/26
- Third lot purchased on or before 9/12/26
- Fourth lot purchased on or before 3/12/27
- Fifth lot purchased on or before 9/12/27
- Sixth lot purchased on or before 3/12/28
- Seventh lot purchased on or before 9/12/28

In addition, if and only if, the Purchase and Development Agreement with JBS Holdings, LLC (the "Prior Developer") expires on July 28, 2025, without the Prior Developer acquiring the lots below, then the Buyer shall have the Option to purchase the following Additional Lots.

- Lot 1, Block 3: purchased on or before 9/12/28
- Lot 2, Block 3: purchased on or before 9/12/28
- Lot 4, Block 3: purchased on or before 9/12/28
- Lot 7, Block 3: purchased on or before 9/12/28

Under the terms of the Purchase and Development Agreement, should Premier fail to provide notice to exercise its Option for any Additional Lot or otherwise fails to close on the purchase of the Property or any Additional Lot within the timelines set forth, then GREDA may declare the Agreement terminated and both parties will be released from any further obligations.

All purchase prices within the Purchase and Development Agreement are at the amount of the asking price.

Premier intends to offer several floor plans in prices anticipated to range from \$350,000 to \$500,000.

REQUIRED ACTION: Pass a motion to adopt a resolution approving conveyance of certain lots owned by the Economic Development Authority and Purchase and Development Agreement including an option to purchase certain property with Premier Custom Homes, Inc.

GRAND RAPIDS ECONOMIC DEVELOPMENT AUTHORITY

RESOLUTION NO. 25-

RESOLUTION APPROVING CONVEYANCE OF CERTAIN LOTS OWNED BY THE ECONOMIC DEVELOPMENT AUTHORITY AND PURCHASE AND DEVELOPMENT AGREEMENT INCLUDING AN OPTION TO PURCHASE CERTAIN PROPERTY

BE IT RESOLVED By the Board of Commissioners ("Board") of the Grand Rapids Economic Development Authority ("Authority") as follows:

Section 1. Recitals.

1.01. The Authority currently administer its Development District No. 1 ("Development District") pursuant to Minnesota Statutes, Sections 469.090 to 469.1081 ("EDA Act") and has determined a need to exercise the powers of a housing and redevelopment authority, as authorized pursuant to Section 469.091 of the EDA Act; and

1.02. Within the Development District, the Authority has acquired certain parcels within the plat of Great River Acres that are suitable for the construction of single-family homes, which parcels are described in Exhibit A hereto (the "Subject Parcels").

1.03. The Authority intends to convey the Subject Parcels to Premier Custom Homes, a Minnesota Corporation, or an affiliate thereof or entity related thereto (the "Developer") to construct homes for sale to owner-occupants and to that end has prepared a Purchase and Development Agreement between the Authority and the Developer for the sale of the property legally described as Lot 2, Block 2, all in the plat of Great River Acres, Itasca County, Minnesota and providing an option for the Developer to purchase the remaining property (the "Purchase Agreement").

1.04. The Board held a duly noticed public hearing regarding the proposed sale of the Subject Parcels.

1.05. The Board has determined that sale of the Subject Parcels as described in this resolution is in the best interest of the City and its residents, and further finds and determines that conveyance of the Subject Parcels has no relationship to the City's comprehensive plan, in that no amendment or modification of the comprehensive plan is required for the conveyance. The Authority further finds and determines that conveyance of the Subject Parcels for residential purposes is consistent with the objectives of the City's comprehensive plan pertaining to development of a portion of the Great River Acres plat for single-family homes.

Section 2. Sale of Subject Parcels Approved; Further Proceedings.

2.01. The Board approves the Purchase Agreement in substantially the form presented to the Board, together with any related documents necessary in connection therewith, including without limitation all documents, exhibits, certifications, or consents referenced in or attached to the Agreement including without limitation the quit claim deeds and any documents required by the title company relating to the conveyance of Subject Parcels (the "Conveyance Documents"). The Board

hereby approves the conveyance of the Subject Parcels to the Developer, or an entity affiliated therewith, in accordance with the terms of the Purchase Agreement.

2.02 The Board hereby authorizes the President and Executive Director, in their discretion and at such time, if any, as they may deem appropriate, to execute the Purchase Agreement and the Conveyance 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 Purchase Agreement shall be in substantially the form on file with the Authority and the approval hereby given to the Purchase Agreement 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 Agreement shall not be effective until the date of execution thereof as provided herein.

2.03. Authority staff and officials are authorized to take all actions necessary to perform the Authority’s obligations under the Purchase Agreement as a whole, including without limitation execution of the Conveyance Documents.

Approved by the Board of Commissioners of the Grand Rapids Economic Development Authority this 13th day of March 2025.

President

ATTEST:

Secretary

EXHIBIT A

Subject Parcels

Lots 2, 3, 5, 6, 7, Block 2, and Lots 1, 2, 3, 4, 5 and 7, Block 3, of the Great River Acres Plat, City of Grand Rapids, Itasca County

PURCHASE AND DEVELOPMENT AGREEMENT

Between

Grand Rapids Economic Development Authority

And

Premier Custom Homes Inc.

For the property located at

**Lots 2, 3, 5, 6, 7, Block 2, and Lots 1, 2, 3, 4, 5 and 7, Block 3, of the Great River Acres Plat,
City of Grand Rapids, Itasca County**

This document drafted by:

Kutak Rock LLP
60 South Sixth Street, Suite 3400
Minneapolis, MN 55402

(612) 334-5000

PURCHASE AND DEVELOPMENT AGREEMENT

for

the Property Legally Described as

**Lots 2, 3, 5, 6, 7, Block 2, and Lots 1, 2, 3, 4, 5 and 7, Block 3, of the Great River Acres Plat,
City of Grand Rapids, Itasca County**

1. Parties. This Purchase and Development Agreement (the “Agreement”) is made on the ____ of _____, 2025 (the “Effective Date”) between the Grand Rapids Economic Development Authority, a public body corporate and politic under the laws of Minnesota, having its office located at 420 North Pokegama Avenue, Grand Rapids, Minnesota, 55744 (“Seller”), and Premier Custom Homes Inc., a Minnesota corporation having its principal office at 17205 Yale Street NW, Elk River, MN 55330 (“Buyer”).

2. Offer/Acceptance. Buyer offers to purchase and Seller agrees to sell the real property legally described as:

Lot 2, Block 2, Great River Acres Plat, according to the recorded plat thereof, Itasca County, Minnesota.

(the “Property”).

Seller agrees that Buyer shall have the option to purchase additional property according to the terms of Section 18 of this Agreement. Such additional property is legally described as:

Lots 3, 5, 6, 7, Block 2, and Lots 1, 2, 3, 4, & 5 and 7, Block 3, of the Great River Acres Plat, according to the recorded plat thereof, Itasca County, Minnesota.

(each an “Additional Lot” and collectively, the “Additional Property”).

The sale of each Additional Lot shall be subject to the same terms, covenants, and conditions of this Agreement, with the exception that the purchase price shall be determined by Section 4 of this Agreement, and each Additional Lot shall be subject to a new Purchase and Development Agreement substantially in the form hereof except for the differences in purchase price.

3. Redevelopment and Improvement. Buyer is purchasing the Property for the purpose of developing the Property with a single-family residential home with an estimated value of between \$350,000 and \$500,000.

4. Price and Terms. Purchase Price. The total purchase price for the Property shall be \$19,500.00 (NINETEEN THOUSAND FIVE HUNDRED and 00/100 dollars) (the “Purchase Price”) payable to Seller by Buyer by wire transfer or certified check on the Closing Date. The purchase price of each Additional Lot shall be payable by Buyer by wire transfer or certified check from the proceeds of the conveyance of each Additional Lot by Buyer, upon the date of each such conveyance.

The purchase price for each Additional Lot shall be as follows:

Lot 3, Block 2: \$19,500.00
 Lot 5, Block 2: \$19,500.00
 Lot 6, Block 2: \$21,000.00
 Lot 7, Block 2: \$25,000.00
 Lot 1, Block 3: \$25,000.00
 Lot 2, Block 3: \$23,500.00
 Lot 3, Block 3: \$23,500.00
 Lot 4, Block 3: \$23,500.00
 Lot 5, Block 3: \$21,000.00
 Lot 7, Block 3: \$30,000.00

5. **Personal Property Included in Sale.** There are no items of personal property or fixtures owned by Seller and currently located on the Property for purposes of this sale.
6. **Deed.** Upon performance by Buyer, Seller shall deliver a quit claim deed conveying title to the Property to Buyer, in substantially the form attached hereto as Exhibit A, subject to the conditions subsequent required by Sections 15, 16, and 17 of this Agreement (the "Deed").
7. **Real Estate Taxes; Earnest Money; and Special Assessments.**
 - A. Seller shall pay, at or before closing all real estate taxes due and payable in all years prior to the year of closing, if any. Real estate taxes due and payable in the year of closing, if any, shall be pro-rated to Seller and Buyer based on the Closing Date.
 - B. On or prior to the Closing Date, Seller shall pay all special assessments levied or pending against the Real Property as of the Closing Date. The provisions of this Section 7 shall survive Closing.
 - C. The sum of TWO THOUSAND DOLLARS (\$2,000.00) earnest money shall be paid by Buyer to Seller ("Earnest Money") on the Effective Date. The earnest money shall be nonrefundable.
8. **Closing/ Payment of Closing Costs and Related Items.** The closing hereunder (the "Closing") shall take place no later than sixty (60) days after the Effective Date, or such earlier date as agreed upon in writing by the parties (the "Closing Date"). Buyer will pay: (a) the closing fees charged by the title insurance or other closing agent, if any, utilized to close the transaction contemplated by this Agreement; (b) fees for title evidence obtained by Buyer; and (c) the recording fees for the Purchase and Development Agreement and the deed transferring title to Buyer. Seller will pay (a) any transfer taxes and Well Disclosure fees required to enable Buyer to record its deed from Seller under this Agreement, and (b) fees and charges related to the filing of any instrument required to make title marketable. Each party shall pay its own attorneys' fees.

- 9. Condition of Property. “AS IS, WHERE IS.”** Seller makes no warranties as to the condition of the Property. Buyer acknowledges that it has inspected or has 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, nor any official, employee or agent of 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 the Buyer’s own investigation, experience and knowledge obtained from the 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, its officials, employees and agents from the 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.
- 11. Marketability of Title.** As soon as reasonably practicable after the execution of this Agreement by both parties, Buyer shall obtain the title evidence determined necessary or desirable by Buyer. Buyer shall have ten (10) days from the date it receives such title evidence to raise any objections to title (the “Objections”). Objections not made within such time will be deemed waived. Seller may effect a cure satisfactory to Buyer or may give written notice to Buyer that Seller elects not to cure. Buyer may then elect to close notwithstanding the uncured Objections, or may declare this Agreement null and void and the parties will thereby be released from any further obligations hereunder.
- 12. Title Clearance and Remedies.** In the event that title to the Property cannot be made marketable or is not made marketable by the Seller by the Closing Date, then, at the option of the Buyer: this Agreement shall be null and void; neither party shall be liable for

damages hereunder to the other and Buyer and Seller agree to sign a cancellation of this Agreement.

If title is marketable, or is made marketable as provided herein, and Buyer defaults in any of the agreements herein, Seller may elect either of the following options, as permitted by law:

- A. Cancel this Agreement as provided by statute; or
- B. Seek specific performance within six months after such right of action arises, including costs and reasonable attorneys' fees, as permitted by law.

If title is marketable, or is made marketable as provided herein, and Seller defaults in any of the agreements herein, Buyer may, as permitted by law:

- A. Seek specific performance within six months after such right of action arises.

13. Well Disclosure. To Seller's best knowledge, there are no wells, either in use, not in use, or sealed located on the Property.

14. Individual Sewage Treatment System Disclosure. Seller has no knowledge of any individual sewage treatment system on or serving the Property.

15. Construction of Dwelling. Buyer agrees that it will construct a new single-family dwelling on the Property, intended for sale to a person or persons for Residential Occupancy (an "Owner Occupant"). **This covenant shall survive the delivery of the deed.**

- A. The single-family dwelling to be constructed on the Property as described in this Section 15 and Section 3 is referred to as the "Minimum Improvements."
- B. The Minimum Improvements shall consist of a new single-family dwelling, and shall be constructed and occupied substantially in accordance with the Declaration of Restrictive Covenants attached as Exhibit B.
- C. Construction of the Minimum Improvements must be substantially completed as follows within one year of the Date of Closing and construction shall be considered completed when a certificate of occupancy has been issued by the City of Grand Rapids building inspector.
- D. Promptly after substantial completion of the Minimum Improvements in accordance with those provisions of the Agreement relating solely to the obligations of Buyer to construct such Minimum Improvements (including the date for completion thereof), Seller will deliver to Buyer a Certificate of Completion, in substantially the form attached hereto as Exhibit C, for each such Improvement. Such certification by Seller shall be (and it shall be so provided in the deed and in

the certification itself) a conclusive determination of satisfaction and termination of the agreements and covenants in the Agreement and in the deed with respect to the obligations of Buyer and its successors and assigns, to construct the Improvements and the dates for completion thereof.

The certificate provided for in this Section 15 of this Agreement shall be in such form as will enable it to be recorded in the proper office for the recordation of deeds and other instruments pertaining to the Property. If Seller shall refuse or fail to provide any certification in accordance with the provisions of this Section 15, Seller shall, within thirty (30) days after written request by Buyer, provide Buyer with a written statement, indicating in adequate detail in what respects Buyer has failed to complete the Minimum Improvements in accordance with the provisions of the Agreement, or is otherwise in default, and what measures or acts it will be necessary, in the opinion of Seller for Buyer to take or perform in order to obtain such certification.

E. The Buyer represents and agrees that until issuance of the Certificate of Completion for the Minimum Improvements:

(1) Except for any agreement for sale to an Owner-Occupant, Buyer has not made or created and will not make or create or suffer to be made or created any total or partial sale, assignment, conveyance, or lease, or any trust or power, or transfer in any other mode or form of or with respect to this Agreement or the Property or any part thereof or any interest therein, or any contract or agreement to do any of the same, to any person or entity (collectively, a "Transfer"), without the prior written approval of the Seller's board of commissioners. The term "Transfer" does not include encumbrances made or granted by way of security for, and only for, the purpose of obtaining construction, interim or permanent financing necessary to enable Buyer to construct the Improvements or component thereof.

(2) If Buyer seeks to effect a Transfer prior to issuance of the Certificate of Completion, Seller shall be entitled to require as conditions to such Transfer that:

(i) Any proposed transferee shall have the qualifications and financial responsibility, in the reasonable judgment of Seller, necessary and adequate to fulfill the obligations undertaken in this Agreement by Buyer as to the portion of the Property to be transferred; and

(ii) Any proposed transferee, by instrument in writing satisfactory to Seller and in form recordable in the public land records of Itasca County, Minnesota, shall, for itself and its successors and assigns, and expressly for the benefit of Seller, have expressly assumed all of the obligations of Buyer under this Agreement as to the portion of the Property to be transferred and agreed to be subject to all the conditions and restrictions to which Buyer is subject as to such portion; provided, however, that the fact that any transferee of, or any other successor in interest whatsoever to, the Property, or any part thereof, shall not, for whatever

reason, have assumed such obligations or so agreed, and shall not (unless and only to the extent otherwise specifically provided in this Agreement or agreed to in writing by Seller) deprive Seller of any rights or remedies or controls with respect to the Property, the Minimum Improvements or any part thereof or the construction of the Minimum Improvements; it being the intent of the parties as expressed in this Agreement that (to the fullest extent permitted at law and in equity and excepting only in the manner and to the extent specifically provided otherwise in this Agreement) no transfer of, or change with respect to, ownership in the Property or any part thereof, or any interest therein, however consummated or occurring, and whether voluntary or involuntary, shall operate, legally, or practically, to deprive or limit the Seller of or with respect to any rights or remedies on controls provided in or resulting from this Agreement with respect to the Property that Seller would have had, had there been no such transfer or change. In the absence of specific written agreement by Seller to the contrary, no such transfer or approval by Seller thereof shall be deemed to relieve Buyer, or any other party bound in any way by this Agreement or otherwise with respect to the Property, from any of its obligations with respect thereto; and

(iii) Any and all instruments and other legal documents involved in effecting the transfer of any interest in this Agreement or the Property governed by this subsection E. shall be in a form reasonably satisfactory to Seller.

(3) If the conditions described in paragraph (2) above are satisfied then the Transfer will be approved and Buyer shall be released from its obligation under this Agreement with respect to the portion of the Property that is transferred, assigned, or otherwise conveyed. The provisions of this paragraph (3) apply to all subsequent transferors; and

F. Buyer, and its successors and assigns, agree that (a) they will use the Minimum Improvements only as a single-family, owner-occupied dwelling, (b) they will not seek exemption from real estate taxes on the Property under State law, and (c) they will not transfer or permit transfer of the Property to any entity whose ownership or operation of the property would result in the Property being exempt from real estate taxes under State law (other than any portion thereof dedicated or conveyed to the City of Grand Rapids or Seller in accordance with this Agreement). **The covenants in this Section 15.F. run with the land, survive both delivery of the deed and issuance of the Certificate of Completion for the Minimum Improvements, and shall remain in effect for 5 (five) years after the date of the Deed.**

16. Revesting Title in Seller upon Happening of Event Subsequent to Conveyance to Buyer. In the event that subsequent to conveyance of the Property or any part thereof to Buyer and prior to receipt by Buyer of the Certificate of Completion for of the Minimum Improvements,

Buyer, subject to Unavoidable Delays (as hereafter defined), fails to carry out its obligations with respect to the construction of the Minimum Improvements (including the nature and the date for the completion thereof), or abandons or substantially suspends construction work, and any such failure, abandonment, or suspension shall not be cured, ended, or remedied within thirty (30) days after written demand from Seller to Buyer to do so, then Seller shall have the right to re-enter and take possession of the Property and to terminate (and revert in Seller) the estate conveyed by the Deed to Buyer, it being the intent of this provision, together with other provisions of the Agreement, that the conveyance of the Property to Buyer shall be made upon, and that the deed shall contain a condition subsequent to the effect that in the event of any default on the part of Buyer and failure on the part of Buyer to remedy, end, or abrogate such default within the period and in the manner stated in such subdivisions, Seller at its option may declare a termination in favor of Seller of the title, and of all the rights and interests in and to the Property conveyed to Buyer, and that such title and all rights and interests of Buyer, and any assigns or successors in interest to and in the Property, shall revert to the Seller, but only if the events stated in this Section have not been cured within the time periods provided above.

For the purposes of this Agreement, the term “Unavoidable Delays” means delays beyond the reasonable control of Buyer as a result thereof which are the direct result of strikes, other labor troubles, prolonged adverse weather or acts of God, fire or other casualty to the Minimum Improvements, litigation commenced by third parties which, by injunction or other similar judicial action, directly results in delays, or acts of any federal, state or local governmental unit (other than Seller in exercising its rights under this Agreement) which directly results in delays. Unavoidable Delays shall not include delays in the Buyer’s obtaining of permits or governmental approvals necessary to enable construction of the Minimum Improvements by the dates such construction is required under this section of this Agreement.

17. Resale of Reacquired Property; Disposition of Proceeds. Upon the reversioning in Seller of title to and/or possession of the Property or any part thereof as provided in Section 16 of this Agreement, Seller shall apply the purchase price paid by Buyer under Section 4 of this Agreement as follows:

- (a) First, to reimburse Seller for all costs and expenses incurred by Seller, including but not limited to proportionate salaries of personnel, in connection with the recapture, management, and resale of the Property (but less any income derived by Seller from the Property in connection with such management); all taxes, assessments, and water and sewer charges with respect to the Property (or, in the event the Property is exempt from taxation or assessment or such charge during the period of ownership thereof by Seller, an amount, if paid, equal to such taxes, assessments, or charges (as determined by Seller assessing official) as would have been payable if the Property were not so exempt); any payments made or necessary to be made to discharge any encumbrances or liens existing on the Property thereof at the time of reversioning of title thereto in Seller or to discharge or prevent from attaching or being made any subsequent encumbrances or liens due to obligations, defaults or acts of Buyer, its successors or transferees; any expenditures made or obligations incurred with respect to the making or completion of the Minimum

Improvements or any part thereof on the Property or part thereof; and any amounts otherwise owing Seller by Buyer and its successor or transferee; and

- (b) Second, to reimburse Buyer for the balance of the Purchase Price remaining after the reimbursements specified in Paragraph (a) above. Such reimbursement shall be paid to the Buyer upon delivery of an executed, recordable warranty deed to the Property by the Buyer to the Seller.

- 18. Option to Purchase.** In accordance with the schedule stated below, Buyer shall have the option (the “Option”) to purchase the Additional Lots at the purchase prices set forth in Section 4.

The Buyer shall purchase any of Lot 3, Block 2, Lot 5, Block 2, Lot 6, Block 2, Lot 7, Block 2, Lot 3, Block 3, and Lot 5, Block 3 in accordance with the schedule set forth below:

Second lot purchased on or before 3/12/26
 Third lot purchased on or before 9/12/26
 Fourth lot purchased on or before 3/12/27
 Fifth lot purchased on or before 9/12/27
 Sixth lot purchased on or before 3/12/28
 Seventh lot purchased on or before 9/12/28

In addition, if and only if, the Purchase and Development Agreement with JBS Holdings, LLC (the “Prior Developer”) expires on July 28, 2025 without the Prior Developer acquiring the lots below, then the Buyer shall have the Option to purchase the following Additional Lots at the prices set forth in Section 4.

Lot 1, Block 3: purchased on or before 9/12/28
 Lot 2, Block 3: purchased on or before 9/12/28
 Lot 4, Block 3: purchased on or before 9/12/28
 Lot 7, Block 3: purchased on or before 9/12/28

In order to exercise an option on any of the Additional Lots, the Buyer shall provide 30 days written notice to the Seller and both parties shall enter into a Purchase and Development Agreement in substantially the form of this Agreement for such Additional Lot. If Buyer fails to provide notice to exercise its Option for any Additional Lot or otherwise fails to close on the purchase of the Property or any Additional Lot within the timelines set forth above, then Seller may declare this Agreement terminated and the parties will be released from any further obligations hereunder. This Section 18 shall survive Closing.

- 19. Time is of the essence for all provisions of this contract.**

- 20. Notices.** All notices required herein shall be in writing and delivered personally or mailed to the address shown in Section 1 above and, if mailed, are effective as of the date of

mailing. Each party may update their address for purposes of notice in accordance with the provisions of this Section 20.

21. **Minnesota Law.** This Agreement shall be governed by the laws of the State of Minnesota.
22. **No Broker Involved.** Seller and Buyer represent and warrant to each other that there is no broker involved in this transaction with whom it has negotiated or to whom it has agreed to pay a broker commission. Buyer agrees to indemnify Seller and its officials employees and agents for any and all claims for brokerage commissions or finders' fees in connection with negotiations for purchase of the Property arising out of any alleged agreement or commitment or negotiation by Buyer, and Seller agrees to indemnify Buyer for any and all claims for brokerage commissions or finders' fees in connection with negotiations for purchase of the Property arising out of any alleged agreement or commitment or negotiation by Seller.
23. **Specific Performance.** This Agreement may be specifically enforced by the parties, provided that an action is brought within one year of the date of alleged breach of this Agreement.
24. **No Remedy Exclusive.** No remedy herein conferred upon or reserved to the Seller or Buyer is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient.
25. **Successors and Assigns.** This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. Buyer acknowledges that it may only assign its rights under this Agreement pursuant to Section 15 of this Agreement, and that no assignment of this Agreement will relieve the assigning party of primary liability for the performance of its obligations hereunder.
26. **Complete Agreement.** This is the final Agreement between the parties and contains their entire agreement and supersedes all previous understandings and agreements, oral or written, relative to the subject matter of this Agreement. This Agreement may be amended only in a writing dated subsequent to the date of this Agreement and duly executed by all parties.
27. **Severability.** If any provision of this Agreement is determined by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions herein will remain in full force and effect and shall in no way be affected, impaired or invalidated thereby, so long as the economic or legal substance of the agreements contemplated herein are not affected in any manner materially adverse to any party. Upon such determination, the parties shall negotiate in good faith in an effort to agree upon a suitable and equitable substitute provision to affect the original intent of the parties.

**Exhibit A to Purchase and Development Agreement
QUIT CLAIM DEED**

Deed Tax Due: \$ _____

ECRV: _____

Date: _____, 202_

FOR VALUABLE CONSIDERATION, Grand Rapids Economic Development Authority, a public body corporate and politic under the laws of the State of Minnesota, Grantor, hereby conveys and quitclaims to Premier Custom Homes Inc., a corporation under the laws of the State of Minnesota, Grantee, real property in Itasca County, Minnesota, described as follows:

[insert legal description]

Check here if part or all of the land is Registered (Torrens)

together with all hereditaments and appurtenances, and subject to easements of record.

Section 1. This deed is subject to that certain Purchase and Development Agreement between Grantor and Grantee, dated _____, 20__, recorded _____, 202_, in the office of the Itasca County Registrar of Titles [or County Recorder] as Document No. _____ (the "Agreement"), including without limitation the Grantor's right of reverter in the event of certain defaults by Grantee under the Agreement as more fully described in Section 16 thereof.

Section 2. Grantor's rights under Section 15.F. of the Agreement remain until _____, 20__, unless earlier released by Grantor.

- The Seller certifies that the Seller does not know of any wells on the described real property.
- A well disclosure certificate accompanies this document or has been electronically filed. (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: President

By _____
Its: Executive Director

STATE OF MINNESOTA)
) ss
COUNTY OF ITASCA)

The foregoing was acknowledged before me this _____ day of _____, 20__, by _____ and _____, the President and Executive Director respectively, of the Grand Rapids Economic Development Authority, a public body corporate and politic under the laws of Minnesota, on behalf of the public body corporate and politic, Grantor.

NOTARY STAMP

SIGNATURE OF PERSON TAKING ACKNOWLEDGMENT

This instrument was drafted by:

Tax Statements should be sent to:

Kutak Rock LLP
60 South Sixth Street, Suite 3400
Minneapolis, MN 55402
(612) 334-5000

**Exhibit B to Purchase and
Development Agreement**

DECLARATION OF RESTRICTIVE COVENANTS

**Exhibit C to Purchase and
Development Agreement**
Form of Certificate of Completion

CERTIFICATE OF COMPLETION

WHEREAS, the Grand Rapids Economic Development Authority, a public body, corporate and politic (the “Grantor”), conveyed land in Itasca County, Minnesota to Premier Custom Homes Inc. a Minnesota corporation (the “Grantee”), by a Deed recorded in the Office of the County Recorder [and or in the Office of the Registrar of Titles] in and for the County of Itasca and State of Minnesota, as Document Number _____;

and

WHEREAS, said Deed is subject to a Purchase and Development Agreement recorded in the Office of the County Recorder [and or in the Office of the Registrar of Titles] in and for the County of Itasca and State of Minnesota, as Document Number _____; which contained certain covenants and restrictions set forth in Sections 3, 15.A., 15.B., 15.C., 15.D. and 15.E. thereof; and

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

NOW, THEREFORE, this is to certify that all building construction and other physical improvements specified to be done and made by the Grantee have been completed and the above covenants and conditions in said Deed and the agreements and covenants in Sections 3, 15.A. and 15.B. of the Agreement have been performed by the Grantee therein, and the County Recorder [and/or the Registrar of Titles] in and for the County of Itasca and State of Minnesota are hereby authorized to accept for recording and to record, the filing of this instrument, to be a conclusive determination of the satisfactory termination of the covenants and conditions of Sections 3, 15.A. and 15.B. of the Agreement and the covenants and restrictions set forth in Section 1 of said Deed; provided that the covenants set forth in Sections 15.F. of the Agreement, and in Section 2 of the Deed, remain in full force and effect through the period stated thereon.

Dated: _____, 20____.

**GRAND RAPIDS ECONOMIC DEVELOPMENT
AUTHORITY**

By _____
Its: President

By _____
Its: Executive Director

STATE OF MINNESOTA)
) ss
COUNTY OF ITASCA)

The foregoing instrument was acknowledged before me this ____ day of _____, 20__, by _____ and _____, the _____ and _____ respectively, of the Grand Rapids Economic Development Authority, a public body corporate and politic under the laws of Minnesota, on behalf of the authority.

Notary Public

This document drafted by:
Kutak Rock LLP
60 South Sixth Street, Suite 3400
Minneapolis, MN 55402
(612) 334-5000

Letter of Intent to Purchase Real Estate

Premier Custom Homes Inc.

17205 Yale Street NW

Elk River, MN 55330

763-464-4827

brandonv@premierhomesmn.com

2/12/25

Dear Grand Rapids Economic Development Authority,

a public body corporate and politic under the laws of Minnesota, having its office located at 420 North Pokegama Avenue, Grand Rapids, Minnesota, 55744

This Letter of Intent (“LOI”) is submitted by Premier Custom Homes Inc. (“Buyer”) to Grand Rapids Economic Development Authority (“Seller”) regarding the potential purchase of the property located at Great River Acres Lot 2 Block 2 (“Property”). This LOI is non-binding, except for the confidentiality and exclusivity provisions, and is intended to outline the principal terms and conditions under which Buyer is interested in purchasing the Property.

1. Purchase Price

The proposed purchase price for the Property is \$19,500.

2. Earnest Money Deposit

Buyer shall provide an earnest money deposit of \$2,000 within executing a formal Purchase Agreement.

3. Closing Date

Closing shall occur within 30 days after the execution of a Purchase Agreement. Permit Application for a single-family home will be applied for with the city of Grand Rapids within 45 days of Lot closing.

4. Option for Additional Lot Purchase

Seller agrees that Buyer shall have the option to purchase additional Lots. The purchase price of each additional Lot shall be as follows:

Lot 3 Block 2 \$19,500

Lot 5 Block 2 \$19,500

Lot 6 Block 2 \$21,000

Lot 7 Block 2 \$25,000

Lot 3 Block 3 \$23,500

Lot 5 Block 3 \$21,000

5. Lot Takedown Schedule

Buyer agrees to purchase 2nd Lot within 1 year of closing Lot 2 Block 2. Buyer is required to purchase 1 additional Lot every 6 months. See takedown schedule:

-2nd Lot purchased by 3/12/26

-3rd Lot purchased by 9/12/26

-4th Lot purchased by 3/12/27

-5th Lot purchased by 9/12/27

-6th Lot purchased by 3/12/28

-7th Lot purchased by 9/12/28

6. Lots currently under option agreement

Buyer to have 4 additional Lots currently under contract added to option agreement. If or when they become available. Buyers would have option to purchase these Lots any time prior to 9/12/28.

The purchase price of each additional Lot shall be as follows:

Lot 1 Block 3 \$25,000

Lot 2 Block 3 \$23,500

Lot 4 Block 3 \$23,500

Lot 7 Block 3 \$30,000

7. Exclusivity & Confidentiality

The Seller agrees not to solicit or entertain other offers for the Property for a period of 14 days from the execution of this LOI. Both parties agree to keep the terms of this LOI and any related discussions confidential.

8. Non-Binding Agreement

This Letter of Intent is not a legally binding contract but serves as a basis for negotiating a formal Purchase Agreement. The only binding obligations are the exclusivity and confidentiality provisions stated above.

If the terms outlined above are acceptable, please sign below and return a copy to me. We look forward to moving forward with this transaction in good faith.

Sincerely,

Brandon Vasquez

Premier Custom Homes Inc.

17205 Yale Street NW

Elk River, MN 55330

Acknowledged and Agreed:



REQUEST FOR GRAND RAPIDS EDA ACTION

AGENDA DATE: March 13, 2025

STATEMENT OF ISSUE: Consider the adoption of a resolution approving a Right of Entry Agreement with Ryan Companies US, Inc.

PREPARED BY: Rob Mattei, Executive Director

BACKGROUND:

GREDA has previously entered a Purchase and Sale Contract (the “Contract”) with Ryan Companies US, Inc. (the “Developer”), dated January 14, 2025.

Plans have been submitted to the City for the intended development of a 42,000 square foot delivery and distribution center. The closing on that sale is tentatively scheduled for the second half of this coming month of April 2025.

To avoid potential impacts to the Northern Long Eared Bat, a species protected under the Endangered Species Act, the clearing of trees must be conducted during the winter months between November 15 and March 31. Therefore, the Developer has requested access to the GREDA property to conduct the tree clearing prior to closing on the purchase of the property under the Contract.

The attached Right of Entry Agreement presented for approval, provides for that access conduct the tree clearing activities. As you may recall a similar type of agreement was used prior to the sale of land to L&M Fleet Supply prior to the closing on that sale.

REQUIRED ACTION: Pass a motion to adopt the resolution approving a Right of Entry Agreement with Ryan Companies US, Inc.

**GRAND RAPIDS ECONOMIC DEVELOPMENT AUTHORITY
CITY OF GRAND RAPIDS, MINNESOTA**

RESOLUTION NO. 25-

**RESOLUTION APPROVING A RIGHT OF ENTRY
AGREEMENT WITH RYAN COMPANIES US, INC.**

BE IT RESOLVED by the Grand Rapids Economic Development Authority (the “Authority”) a body corporate and politic organized and existing under the laws of the State of Minnesota as follows:

Section 1. Recitals.

1.01. The Authority owns certain property which it has entered a Purchase and Sale Contract (the “Contract”) dated January 14, 2025, with Ryan Companies US a Minnesota Corporation, or an affiliate thereof or an entity related thereto (the “Developer”).

1.02. The Developer intends to construct, improve and equip on the Property and on adjacent property an approximately 42,000 square foot warehouse and distribution center (the “Project”) to be constructed by the Developer on behalf of a client, in accordance with the Contract.

1.03. The Developer would like to begin work on the Project, specifically site clearance (the “Site Preparation Activities”), pursuant to the Contract prior to purchasing the Property. To facilitate that work, the Authority is now presented with a Right of Entry Agreement by and between the Authority and the Developer related to the Property (the “Right of Entry”).

1.04. The Authority finds that it is in the best interest of the Authority to allow the Developer and its employees, officers, contractors, subcontractors, representatives, and agents on the Property in order to commence the Site Preparation Activities at the Developer’s sole risk and expense.

Section 2. Right of Entry Approved.

2.01. The Authority hereby approves the Right of Entry substantially in accordance with the terms set forth in the form presented to the Authority, together with any related documents necessary in connection therewith, and without limitation all documents, exhibits, certifications or consents referenced in or attached to the Right of Entry (collectively, the “Right of Entry 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 Right of Entry 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 Right of Entry 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 Right of Entry 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 Authority by any duly designated acting official, or by such other officer or officers of the Authority as, in the opinion of the City Attorney, may act in their behalf.

2.03. Upon execution and delivery of the Right of Entry 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 Right of Entry Documents.

Adopted on March 13, 2025, by the Grand Rapids Economic Development Authority of Grand Rapids, Minnesota.

President

Executive Director

EXHIBIT A

LEGAL DESCRIPTION OF PROPERTY

Lots 3-6, Block 2, Airport South Industrial Park – Phase 1, according to the recorded plat thereof,
County of Itasca, State of Minnesota.

PID 91-433-0230, 91-433-0240, 91-433-0250, and 91-433-0260

Abstract Property.

RIGHT OF ENTRY AGREEMENT

This Right of Entry Agreement (this “Agreement”) is made and entered into as of this ____ day of _____, 2025, by and between the GRAND RAPIDS ECONOMIC DEVELOPMENT AUTHORITY, a Minnesota body corporate and politic (“Seller”), and RYAN COMPANIES US, INC., a Minnesota corporation (“Purchaser”).

RECITALS

- A. Seller is the owner of the property legally described on the attached Exhibit A (the “Property”) located in the City of Grand Rapids, Minnesota (the “City”). Seller and Purchaser have entered into a Purchase and Sale Contract dated January 14, 2025 (the “Contract”), for the Purchaser to acquire the Property from Seller.
- C. Seller has agreed to allow Purchaser and its employees, contractors, subcontractors, representatives, and agents to enter upon on the Property prior to the Closing (as that term is defined in the Contract) in order to commence tree clearing and grading on the portions of the Property shown on Exhibit B (the “Site Preparation Activities”).

TERMS

Seller and Purchaser agree as follows:

1. Right of Entry. Beginning on the date hereof, Seller hereby agrees to permit Purchaser and its employees, contractors, subcontractors, representatives and agents to enter upon the Property for the purpose of conducting the Site Preparation Activities. The Site Preparation Activities shall be paid for by Purchaser. Purchaser shall undertake the Site Preparation Activities in conformity with all applicable federal, state and local laws, ordinances, rules and regulations. Under no circumstances shall Purchaser commence construction of any buildings or other improvements on the Property prior to Closing. Purchaser acknowledges that it is proceeding at its own risk in starting work in advance of the Closing on the purchase of the Property.
2. Scope of Right of Entry. The grant of this right of entry to Purchaser shall not confer any estate, title, or exclusive possessory rights in the Property upon Purchaser. Purchaser acknowledges that it is proceeding at its own risk in starting work in advance of the Closing on the purchase of the Property.
3. Indemnification. Except to the extent caused by any willful misrepresentation or willful or wrongful misconduct of the City or the Seller or their agents, officials, or employees, and except to the extent caused by any breach by Seller, the City, or any of their agents, officials, or employees of the Seller’s obligations under this Agreement, Purchaser agrees to indemnify, defend and hold harmless the Seller, the City and their agents, officials, and employees from and against any liens, claims, losses, judgments, causes of actions, costs or expenses, or damages claimed by any third parties and directly attributable to Purchaser’s exercise of its right to enter the Property and conduct the Site Preparation Activities pursuant to this Agreement. Notwithstanding the preceding provisions of this Section, Purchaser shall not be liable for the mere

discovery of existing conditions on the Property, and shall have no obligation to remediate any hazardous or dangerous condition created by Seller or existing on the Property prior to Purchaser's entry pursuant to this Agreement prior to Closing. Notwithstanding any terms or provisions of this Agreement to the contrary, in the event that the Closing of the sale of the Property does not occur pursuant to the Contract, Purchaser shall not be required to restore any trees or otherwise restore or repair the Property, or compensate the Seller for any trees removed as part of the Site Preparation Activities.

4. Term. This Agreement shall automatically terminate on the earlier to occur of (i) _____, 2025, or (ii) the Closing of the sale of the Property pursuant to the Contract.

5. Insurance. Before commencing any Site Preparation Activities on the Property, Purchaser and its contractors and subcontractors entering the Property shall maintain liability insurance coverage issued with combined single limits of not less than \$2,000,000 per occurrence, which limit may be satisfied by any combination of primary and excess or umbrella policies, and shall include Seller as an additional insured. If requested by Seller in writing, Purchaser will provide Seller with proof of such coverage.

6. Binding Effect; Modification. This Agreement shall be binding on and shall inure to the benefit of the parties hereto and their successors and permitted assigns and may only be modified by written agreement of the parties. This Agreement may not be assigned, transferred, or conveyed by either party without the prior written consent of the other, which consent may be granted in such other parties' sole and absolute discretion; provided, however, that Purchaser may assign this Agreement without Seller's consent to any assignee of Purchaser's right and interest in and to the Contract in accordance with the terms thereof.

7. Governing Law. The laws of the State of Minnesota shall govern this Agreement.

8. Mechanics' Liens. Purchaser shall not permit any mechanics', materialmen's' or other liens against the Property or any part thereof for work or materials furnished to Purchaser in connection with the right of entry granted pursuant to this Agreement and Purchaser agrees to indemnify, defend and hold harmless Seller and the City from and against the same.

9. Default. If Purchaser shall default on any of its agreements contained in this Agreement which default is not cured within thirty (30) days of written notice from the Seller, Seller may terminate this Agreement and enter the Property to remove Purchaser or any other person occupying the Property pursuant to this Agreement, and to repossess the Property free and clear of any rights of Purchaser.

10. Risk. Developer acknowledges that it is proceeding at its own risk in starting work in advance of the closing on the purchase of the Property, and understands that this Agreement imposes no obligation on the City or the EDA to take any action or do anything that would compromise the City's and the EDA's ability to exercise its legislative discretion.

[Signature page follows]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date and year first above written.

**GRAND RAPIDS ECONOMIC
DEVELOPMENT AUTHORITY**

By: _____
Name: _____
Title: Executive Director

By: _____
Name: _____
Title: Chair

RYAN COMPANIES US, INC.

By: _____
Name: _____
Title: _____

EXHIBIT A

Legal Description of the Property

Lots 3-6, Block 2, Airport South Industrial Park – Phase 1, according to the recorded plat thereof, County of Itasca, State of Minnesota.

PID 91-433-0230, 91-433-0240, 91-433-0250, and 91-433-0260

EXHIBIT B

Map of Site Preparation Activities



REQUEST FOR GRAND RAPIDS EDA ACTION

AGENDA DATE: March 13, 2025

STATEMENT OF ISSUE: Consider approval of disbursement agreements and escrow agreements for the previously approved Commercial Building Improvement Loan and the Downtown Mandated Building Improvement Loan for renovation of commercial buildings at 16 NE 3rd St. and 210 N. Pokegama Ave.

PREPARED BY: Rob Mattei, Executive Director

BACKGROUND:

On December 12, 2024, GREDA approved a Commercial Building Improvement Loan of \$40,000 and a Downtown Mandated Building Improvement Loan of \$50,000 for improvements to the commercial building at 16 NE 3rd St., aka the Ledger and Ladle Restaurant.

The same loans and loan amounts were also approved at that time for improvements to the commercial building at 210 N. Pokegama Ave., aka Rapids Dive Bar.

The applicant has formed a new business entity called 323 NE, LLC for these projects and they as well as their lender, Park State Bank, would like the loan proceeds advanced to Midland Title for disbursement. The attached disbursement agreements and escrow agreements are for that purpose.

(Commissioner Martinetto has declared his conflict of interest as a minority owner of Rapids Brewing in the attached statement. He will not be participating in any discussion or vote on this matter.)

REQUIRED ACTION: Pass a motion approving disbursement agreements and escrow agreements for the previously approved Commercial Building Improvement Loan and the Downtown Mandated Building Improvement Loan for renovation of commercial buildings at 16 NE 3rd St. and 210 N. Pokegama Ave.



DISBURSEMENT AGREEMENT

THIS DISBURSEMENT AGREEMENT ("Agreement") is made this 13th day of February, 2025, by and Among 323 NE, LLC, with an address located at 214 N Pokegama Ave, Grand Rapids, MN 55744 ("Borrower"), Hawk Construction Inc., with an address located at 1833 US-2, Grand Rapids, MN 55744 ("Contractor"), Park State Bank, a banking corporation with its principal officers located at 117 Central Avenue, Nashwauk, MN 55769 ("Lender"), and Grand Rapids Economic Development Authority ("EDA") and SMB Enterprises, LLC dba Midland Title with its principal offices located at 7760 France Avenue So. , Suite 140, Bloomington, MN 55435 ("Disbursement Agent").

RECITALS:

WHEREAS, Lender requests that Disbursing Agent disburse funds for construction on certain real property owned by Borrower and legally described on Exhibit A attached hereto, with the address of 16 NE 3rd St, Grand Rapids, MN 55744 ("Premises"); and

WHEREAS, the disbursed sum will be \$ 585,000.00 for certain construction on the Premises ("Loan Funds"); and

WHEREAS, Construction funds, which include EDA funds of \$90,000.00 over the Lender monies of \$585,000.00 shall be held in escrow with Midland Title in the total amount of \$675,000.00.

WHEREAS, the parties desire that the Loan Funds and EDA funds be disbursed according to this Agreement.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the parties, the parties hereby agree as follows:

Disbursement Procedure

- (1) Prior to the Lender advancing any funds Borrower shall comply (the adequacy of which compliance shall be in the sole discretion of the Lender) with the following:
 - (a) Contractor to provide a sworn cost statement to Lender and Disbursing Agent itemizing expenses to be incurred in connection with the construction, which sworn cost statement shall list the names and addresses of the subcontractors and suppliers providing labor and material, together with the amounts of their contract bids.
 - (b) Contractor to provide a Draw Request to the Lender and Disbursing Agent five (5) days prior to the time an advance is desired which shall be no more often than once monthly. Each Draw Request shall:
 - (A) Be in writing and in form and substance satisfactory to the Lender and Disbursing Agent;
 - (B) Accompanied by changes, if any, in all sworn cost statements provided to the Lender and Disbursing Agent;
 - (C) Accompanied by such evidence of lien waivers as may be required by the Lender and Disbursing Agent;
 - (D) Accompanied by such certification of inspection as may be required by the Lender and Disbursing Agent;
 - (E) Accompanied by current invoices for the costs incurred for which the Draw Request is submitted.
 - (c) Contractor to provide to the Lender and Disbursing Agent certification of amounts paid or to be currently payable by Borrower for costs related to the construction of the Mortgaged Premises;
 - (d) Obtain approval in writing for all costs for which a Draw Request is submitted by an inspector of the Lender's choosing;
 - (e) Obtain Lender approval for all loan and carrying charges

- (2) Upon Borrower and Contractor complying, in the sole discretion of the Lender and Disbursing Agent, with all of the above conditions, the Lender shall disburse to Disbursing Agent on behalf of the Borrower the funds requested in the Draw Request. NOTE: Lender requires EDA funds to be applied first to draws then Lender shall disburse funds.
- (3) Upon receipt of funds from the Lender for disbursement to the Borrower and/or Contractor, the Disbursing agent shall disburse all funds advanced to it under this Agreement to Borrower, or other person or entity in payment of project costs due and owing, in such a manner as the Disbursing Agent, in its sole discretion, shall deem necessary to perform its obligations under this Agreement.
- (4) The Disbursing Agent shall not disburse any advance hereunder unless it shall insure the priority of the lien of the Mortgage against all other liens, including but not limited to claims for mechanic's liens, against the Premises. Within three (3) business days of the date of each disbursement, the Disbursing Agent shall deliver to the Lender such written documents, if any, as may be necessary to confirm the Disbursing Agent's commitment to insure the priority of the lien of the Mortgage against all liens and any changes in the status of the title shown in the original commitment or binder issued by the Disbursing Agent unless waived by the Lender.
- (5) The Borrower and/or Contractor shall have delivered to the Lender and Disbursing Agent a written lien waiver from each subcontractor for work done and materials supplied by such subcontractor which were paid pursuant to the immediately preceding Draw Request, as required by the Lender.
- (6) The following events shall be conditions precedent to the final advance under this Agreement:
 - (a) The Construction shall have been completed in substantial accordance with the terms of this Agreement, as evidenced by written certification of substantial completion by the Borrower and the satisfactory final inspection thereof by an inspector of the Lender's choosing.
 - (b) All of the other terms, conditions and requirements of this Agreement shall have been satisfied.
- (7) Disbursing Agent's fees shall be One Hundred Fifty And No/100 Dollars (\$150.00) per Draw Request plus any reasonable costs incurred pursuant to each Draw Request.
- (8) All the terms of this Agreement shall be binding upon and inure to the benefit of and be enforceable by the successors, heirs and assigns of the parties hereto.
- (9) This Agreement is being executed in and is intended to be performed in the State of Minnesota, and shall be construed and enforced in accordance with the laws of such state.
- (10) This instrument contains the entire agreement between the parties, with respect to the covenants and promises contemplated herein, and may be amended only in writing, signed by the parties.
- (11) All notices herein required shall be in writing and shall be considered given and delivered personally or mailed by certified or express mail, postage pre-paid, to the party to whom notice is to be given at the addresses set forth below.
- (12) This instrument may be executed in counterparts, each of which shall be deemed to be an original and all of which, when taken together, shall constitute one instrument.
- (13) If any of the terms hereof prove to be invalid or unenforceable under any of the laws of the State of Minnesota, said invalidity or unenforceability shall not affect the validity or enforceability of any of the other provisions hereof.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement the day and year first written above.

BORROWER:

323 NE, LLC

BY: _____
Rapids Brewing Company, LLC, Member
William Martinetto
Chief Manager

LENDER:

Park State Bank

BY: _____

ATTEST:

DISBURSING AGENT:

SMB ENTERPRISES, LLC DBA MIDLAND TITLE

By: _____
Lori Flint
Its: Closer

EDA:

GRAND RAPIDS ECONOMIC DEVELOPMENT
AUTHORITY

By: _____

Its: _____

CONTRACTOR

Hawk Construction Inc.

By: _____

Print Name
Its: _____



DISBURSEMENT AGREEMENT

THIS DISBURSEMENT AGREEMENT ("Agreement") is made this 13th day of February, 2025, by and Among 323 NE, LLC, with an address located at 214 N Pokegama Ave, Grand Rapids, MN 55744 ("Borrower"), , with an address located at ("Contractor"), Park State Bank, a banking corporation with its principal officers located at 117 Central Avenue, Nashwauk, MN 55769 ("Lender"), and Grand Rapids Economic Development Authority ("EDA") and SMB Enterprises, LLC dba Midland Title with its principal offices located at 7760 France Avenue So. , Suite 140, Bloomington, MN 55435 ("Disbursement Agent").

RECITALS:

WHEREAS, Lender requests that Disbursing Agent disburse funds for construction on certain real property owned by Borrower and legally described on Exhibit A attached hereto, with the address of 210 North Pokegama Avenue, Grand Rapids, MN 55744 ("Premises"); and

WHEREAS, the disbursed sum will be \$ 504,171.61 for certain construction on the Premises ("Loan Funds"); and

WHEREAS, Construction funds, which include EDA funds of \$90,000.00 over the Lender monies of \$504,171.61 shall be held in escrow with Midland Title in the total amount of \$594,171.61.

WHEREAS, the parties desire that the Loan Funds and EDA Funds be disbursed according to this Agreement.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the parties, the parties hereby agree as follows:

Disbursement Procedure

- (1) Prior to the Lender advancing any funds Borrower shall comply (the adequacy of which compliance shall be in the sole discretion of the Lender) with the following:
 - (a) Contractor to provide a sworn cost statement to Lender and Disbursing Agent itemizing expenses to be incurred in connection with the construction, which sworn cost statement shall list the names and addresses of the subcontractors and suppliers providing labor and material, together with the amounts of their contract bids.
 - (b) Contractor to provide a Draw Request to the Lender and Disbursing Agent five (5) days prior to the time an advance is desired which shall be no more often than once monthly. Each Draw Request shall:
 - (A) Be in writing and in form and substance satisfactory to the Lender and Disbursing Agent;
 - (B) Accompanied by changes, if any, in all sworn cost statements provided to the Lender and Disbursing Agent;
 - (C) Accompanied by such evidence of lien waivers as may be required by the Lender and Disbursing Agent;
 - (D) Accompanied by such certification of inspection as may be required by the Lender and Disbursing Agent;
 - (E) Accompanied by current invoices for the costs incurred for which the Draw Request is submitted.
 - (c) Contractor to provide to the Lender and Disbursing Agent certification of amounts paid or to be currently payable by Borrower for costs related to the construction of the Mortgaged Premises;
 - (d) Obtain approval in writing for all costs for which a Draw Request is submitted by an inspector of the Lender's choosing;
 - (e) Obtain Lender approval for all loan and carrying charges.

- (2) Upon Borrower and Contractor complying, in the sole discretion of the Lender and Disbursing Agent, with all of the above conditions, the Lender shall disburse to Disbursing Agent on behalf of the Borrower the funds requested in the Draw Request. NOTE: Lender requires EDA funds to be first applied to draws then Lender shall disburse funds.
- (3) Upon receipt of funds from the Lender for disbursement to the Borrower and/or Contractor, the Disbursing agent shall disburse all funds advanced to it under this Agreement to Borrower, or other person or entity in payment of project costs due and owing, in such a manner as the Disbursing Agent, in its sole discretion, shall deem necessary to perform its obligations under this Agreement.
- (4) The Disbursing Agent shall not disburse any advance hereunder unless it shall insure the priority of the lien of the Mortgage against all other liens, including but not limited to claims for mechanic's liens, against the Premises. Within three (3) business days of the date of each disbursement, the Disbursing Agent shall deliver to the Lender such written documents, if any, as may be necessary to confirm the Disbursing Agent's commitment to insure the priority of the lien of the Mortgage against all liens and any changes in the status of the title shown in the original commitment or binder issued by the Disbursing Agent unless waived by the Lender.
- (5) The Borrower and/or Contractor shall have delivered to the Lender and Disbursing Agent a written lien waiver from each subcontractor for work done and materials supplied by such subcontractor which were paid pursuant to the immediately preceding Draw Request, as required by the Lender.
- (6) The following events shall be conditions precedent to the final advance under this Agreement:
 - (a) The Construction shall have been completed in substantial accordance with the terms of this Agreement, as evidenced by written certification of substantial completion by the Borrower and the satisfactory final inspection thereof by an inspector of the Lender's choosing.
 - (b) All of the other terms, conditions and requirements of this Agreement shall have been satisfied.
- (7) Disbursing Agent's fees shall be One Hundred Fifty And No/100 Dollars (\$150.00) per Draw Request plus any reasonable costs incurred pursuant to each Draw Request.
- (8) All the terms of this Agreement shall be binding upon and inure to the benefit of and be enforceable by the successors, heirs and assigns of the parties hereto.
- (9) This Agreement is being executed in and is intended to be performed in the State of Minnesota, and shall be construed and enforced in accordance with the laws of such state.
- (10) This instrument contains the entire agreement between the parties, with respect to the covenants and promises contemplated herein, and may be amended only in writing, signed by the parties.
- (11) All notices herein required shall be in writing and shall be considered given and delivered personally or mailed by certified or express mail, postage pre-paid, to the party to whom notice is to be given at the addresses set forth below.
- (12) This instrument may be executed in counterparts, each of which shall be deemed to be an original and all of which, when taken together, shall constitute one instrument.
- (13) If any of the terms hereof prove to be invalid or unenforceable under any of the laws of the State of Minnesota, said invalidity or unenforceability shall not affect the validity or enforceability of any of the other provisions hereof.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement the day and year first written above.

BORROWER:

323 NE, LLC

BY: _____
Rapids Brewing Company, LLC , Member
William Martinetto
Chief Manager

LENDER:

Park State Bank

BY: _____

ATTEST:

DISBURSING AGENT:

SMB ENTERPRISES, LLC DBA MIDLAND TITLE

By: _____
Lori Flint
Its: Closer

EDA:

GRAND RAPIDS ECONOMIC DEVELOPMENT
AUTHORITY

By: _____

Its: _____

CONTRACTOR

By: _____

Print Name
Its: _____

ESCROW AGREEMENT DRAFT

Re: Property Address: 210 North Pokegama Avenue, Grand Rapids, MN 55774
Escrow File No: MT25-180062-C
Date: February 13, 2025

It is hereby agreed by and between 323 NE, LLC (hereinafter borrower) that the following sum will be held in escrow by Midland Title (hereinafter Escrow Agent) as escrow agent for the purpose of payment of the following items on the subject property:

Construction and Project Costs

Commercial Business Improvement Loan (GR EDA)	\$ 40,000.00
Downtown Mandated Building Improvements (GR EDA)	\$ 50,000.00

Total: \$ 90,000.00

It is understood and agreed that any money deposited herewith shall be held in a non-interest bearing fiduciary account.

This escrow agreement is executed in conjunction with and hereby incorporated into the Disbursement Agreement dated February 13, 2025 by and between Borrower, Lender, Contractor, EDA and Escrow Agent. Escrowed Funds shall ONLY be disbursed pursuant to the terms of the Disbursement Agreement.

Borrower does hereby indemnify and save harmless Escrow Agent against all costs, damages, attorney’s fees, expenses and liabilities which it may incur or sustain by reason of any action taken in good and with due care in connection with these instructions or the escrow created hereby, or any Court action arising therefrom and will pay same upon demand. Escrow Agent shall have the right to deduct such items from escrowed funds being held by it and retain them for its own account.

323 NE, LLC

BY: _____
Rapids Brewing Company, LLC , Member
William Martinetto
Its: Chief Manager

The terms and conditions of the escrow agreement are fully approved and accepted by the undersigned, and the undersigned shall be liable only as escrow holder herein.

Dated this _____ day of February, 2025

By: _____

ESCROW AGREEMENT DRAFT

Re: Property Address: 16 NE 3rd St, Grand Rapids, MN 55774
Escrow File No: MT25-180060-C
Date: February 13, 2025

It is hereby agreed by and between 323 NE, LLC (hereinafter borrower) that the following sum will be held in escrow by Midland Title (hereinafter Escrow Agent) as escrow agent for the purpose of payment of the following items on the subject property:

Construction and Project Costs

Commercial Business Improvement Loan (GR EDA)	\$ 40,000.00
Downtown Mandated Building Improvements (GR EDA)	\$ 50,000.00

Total: \$ 90,000.00

It is understood and agreed that any money deposited herewith shall be held in a non-interest bearing fiduciary account.

This escrow agreement is executed in conjunction with and hereby incorporated into the Disbursement Agreement dated February 13, 2025 by and between Borrower, Lender, Contractor, EDA and Escrow Agent. Escrowed Funds shall ONLY be disbursed pursuant to the terms of the Disbursement Agreement.

Borrower does hereby indemnify and save harmless Escrow Agent against all costs, damages, attorney’s fees, expenses and liabilities which it may incur or sustain by reason of any action taken in good and with due care in connection with these instructions or the escrow created hereby, or any Court action arising therefrom and will pay same upon demand. Escrow Agent shall have the right to deduct such items from escrowed funds being held by it and retain them for its own account.

323 NE, LLC

BY: _____
Rapids Brewing Company, LLC , Member
William Martinetto
Its: Chief Manager

The terms and conditions of the escrow agreement are fully approved and accepted by the undersigned, and the undersigned shall be liable only as escrow holder herein.

Dated this _____ day of February, 2025

By: _____

11/18/2024

I, Bill Martinetto of the Grand Rapids Economic Development Authority (the "EDA"), hereby declare that I am aware that a business of which I am a minority owner is proposing two loan approvals that will be affected by decisions of the EDA and its board of commissioners.

Specifically, Rapids Brewing Company, of which I am a minority owner may receive a Commercial Business Improvement Loan and a Downtown Mandated Improvement Loan for each of the two projects. I own a minority interest in Rapids Brewing Company and Rapids Brewing Company would receive a financial benefit from the proposed loans.

Pursuant to Minnesota Statutes, Section 469.098, I hereby submit this statement of conflict of interest and request that it be entered in the minutes of the next EDA board meeting.

Moreover, I will not attempt to influence any EDA commissioner or employee in any matter related to the proposed approval of the loan applications, nor will I take part in any action or decision related to the loan application approvals. Finally, I understand that I will not be counted toward a quorum during the portion of any meeting of the EDA board of commissioners in which this matter will be considered.



Bill Martinetto, GREDA Commissioner