



CITY OF SOUTH ST. PAUL MEETING AGENDA

ECONOMIC DEVELOPMENT AUTHORITY

Council Chambers
125 3rd Avenue North
South St. Paul, MN 55075

Monday, August 4, 2025

IMMEDIATELY FOLLOWING THE CONCLUSION OF THE 7:00 P.M. MEETING OF THE CITY
COUNCIL

1. CALL TO ORDER

2. ROLL CALL

3. APPROVAL OF AGENDA

4. CONSENT AGENDA:

All items listed on the Consent Agenda are items, which are considered routine by the City Council and will be approved by one motion. There will be no separate discussion of these items unless a Council member or citizens requests, in which case the item will be removed from the consent agenda and considered at the end of the Consent Agenda.

A. Minutes of the July 7th, 2025 EDA Meeting

B. Mortgage Satisfaction - Applicant #635

C. Mortgage Satisfaction - Applicant #938

D. Amendment #1 to Preliminary Development Agreement - ZAS, LLC

E. Loan Subordination - Watson Trading

5. PUBLIC HEARING

A. Approving the Sale of Lot 3, Block 1 of Mississippi Landing 2nd Addition

6. GENERAL BUSINESS:

7. ITEMS FOR FUTURE FOLLOW-UP:

General communications of the President and Commissioners are provided and may be considered for inclusion on a future agenda. There will be no discussion or decisions made related to these items at this meeting.

8. ADJOURNMENT



ECONOMIC DEVELOPMENT AUTHORITY AGENDA REPORT

DATE: August 4, 2025
DEPARTMENT: City Clerk
PREPARED BY: Deanna Werner
AGENDA ITEM NUMBER: 4.A.

MEETING TYPE

Regular Meeting

AGENDA ITEM

Minutes of the July 7th, 2025 EDA Meeting

ACTION TO BE CONSIDERED OR DESIRED OUTCOME

Approve as presented by consent.

OVERVIEW

Approval of meeting minutes for South St. Paul EDA Meeting of Monday, July 7th, 2025.

SOURCE OF FUNDS

N/A

ATTACHMENTS

1. 07-07-2025 EDA Minutes



SOUTH ST. PAUL ECONOMIC DEVELOPMENT AUTHORITY MINUTES OF JULY 7, 2025

1. CALL TO ORDER

President Jimmy Francis called the regular meeting of the Economic Development Authority to order at 8:58 PM on Monday, July 7, 2025.

2. ROLL CALL

Present: Tom Seaberg, Jimmy Francis, Lori Hansen, Pam Bakken, Todd Podgorski, Joe Kaliszewski

Absent: Matthew Thompson

Staff Present: Ryan Garcia, City Administrator
Kori Land, City Attorney
Deanna Werner, City Clerk
Clara Hilger, Director of Finance

3. APPROVAL OF AGENDA

Moved by: Joe Kaliszewski / Lori Hansen
Moved: To approve the Agenda as presented.
Vote: 6 ayes / 0 nays, motion Passed

4. CONSENT AGENDA:

All items listed on the Consent Agenda are items, which are considered routine by the City Council and will be approved by one motion. There will be no separate discussion of these items unless a Council member or citizens requests, in which case the item will be removed from the consent agenda and considered at the end of the Consent Agenda.

A. Minutes of the June 2, 2025 EDA Meeting

Moved by: Tom Seaberg / Pam Bakken
Moved: To approve the Consent Agenda as presented.
Vote: 6 ayes / 0 nays, motion Passed

5. PUBLIC HEARING

A. Approving the Sale of Lots 8 - 9, Block 1, Sunnyside Addition to South Park, Resolution 2025 - 10

Moved by: Todd Podgorski / Pam Bakken
Moved: To Approve the Sale of Lots 8 - 9, Block 1, Sunnyside Addition to South Park, Resolution 2025 - 10
Vote: 6 ayes / 0 nays, motion Passed

6. GENERAL BUSINESS:

A. Redevelopment Grant Application - Resolution 2025 - 11

Moved by: Joe Kaliszewski / Lori Hansen

Moved: To approve Redevelopment Grant Application - Resolution 2025 - 11

Vote: 6 ayes / 0 nays, motion Passed

B. Redevelopment Incentive Grant Application - Resolution 2025 - 12

Moved by: Joe Kaliszewski / Pam Bakken

Moved: To approve Redevelopment Incentive Grant Application - Resolution 2025 - 12

Vote: 6 ayes / 0 nays, motion Passed

7. ITEMS FOR FUTURE FOLLOW-UP:

General communications of the President and Commissioners are provided and may be considered for inclusion on a future agenda. There will be no discussion or decisions made related to these items at this meeting.

8. ADJOURNMENT

A handwritten signature in black ink that reads "Deanna Werner". The signature is written in a cursive style and is positioned above a horizontal line.

/s/: Deanna Werner
City Clerk



ECONOMIC DEVELOPMENT AUTHORITY AGENDA REPORT

DATE: August 4, 2025
DEPARTMENT: Housing
PREPARED BY: Ryan Garcia
AGENDA ITEM NUMBER: 4.B.

MEETING TYPE

Regular Meeting

AGENDA ITEM

Mortgage Satisfaction - Applicant #635

ACTION TO BE CONSIDERED OR DESIRED OUTCOME

Through Consent, motion to approve Resolution No. 2025 – 13

OVERVIEW

Applicant #635 received an HRA rehabilitation loan of \$7,200.00 in 2002 with a mortgage recorded at that time. The mortgage recently paid back the loan in full, thus satisfying the mortgage. Therefore, the EDA is advised to approve Resolution No. 2025 – 13, which will authorize the designated officers of the City's Housing and Redevelopment Authority to execute all necessary documentation required to record the Satisfaction of Mortgage.

SOURCE OF FUNDS

The HRA's rehabilitation loan program was retired in 2015, upon the transfer of programs, projects and employees to either the Dakota County CDA or South St. Paul Economic Development Authority. Outstanding loans in this program, upon repayment, are transferred into the EDA's Housing Reinvestment Fund, which is a fund used to extend low-interest loans for eligible South St. Paul homeowners to make improvements to their property.

ATTACHMENTS

1. Resolution 2025-13

South St. Paul Economic Development Authority
Dakota County, Minnesota

RESOLUTION NO. 2025 – 13

WHEREAS, the City Council transferred all administration of the South St. Paul Housing and Redevelopment Authority (HRA) programs to the South St. Paul Economic Development Authority (“EDA”) by City Council Resolution 2015-197; and

WHEREAS, one of those programs was a rehabilitation loan program, for which there are several outstanding loans; and

WHEREAS, the South St. Paul Housing and Redevelopment Authority of the City of South St. Paul, Minnesota issued a mortgage to Applicant #635 in the amount of \$7,200.00.

WHEREAS, such mortgage recorded on December 5th, 2002, in Dakota County has been satisfied in full by the applicant.

NOW, THEREFORE, BE IT RESOLVED by the Economic Development Authority of the City of South St. Paul that:

1. The EDA shall secure the signatures of the appropriate representatives of the HRA to execute the required documents to satisfy the loan and mortgage.

Adopted this 4th day of August, 2025

President, James P. Francis

Executive Director, Ryan Garcia



ECONOMIC DEVELOPMENT AUTHORITY AGENDA REPORT

DATE: August 4, 2025
DEPARTMENT: Housing
PREPARED BY: Ryan Garcia
AGENDA ITEM NUMBER: 4.C.

MEETING TYPE

Regular Meeting

AGENDA ITEM

Mortgage Satisfaction - Applicant #938

ACTION TO BE CONSIDERED OR DESIRED OUTCOME

Through Consent, motion to approve Resolution No. 2025 – 14

OVERVIEW

Applicant #938 received an HRA rehabilitation loan of \$8,900.00 in 2010 with a mortgage recorded at that time. The mortgagee recently paid back the loan in full, thus satisfying the mortgage. Therefore, the EDA is advised to approve Resolution No. 2025 – 14, which will authorize the designated officers of the City's Housing and Redevelopment Authority to execute all necessary documentation required to record the Satisfaction of Mortgage.

SOURCE OF FUNDS

The HRA's rehabilitation loan program was retired in 2015, upon the transfer of programs, projects and employees to either the Dakota County CDA or South St. Paul Economic Development Authority. Outstanding loans in this program, upon repayment, are transferred into the EDA's Housing Reinvestment Fund, which is a fund used to extend low-interest loans for eligible South St. Paul homeowners to make improvements to their property.

ATTACHMENTS

1. Resolution 2025-14

South St. Paul Economic Development Authority
Dakota County, Minnesota

RESOLUTION NO. 2025 – 14

WHEREAS, the City Council transferred all administration of the South St. Paul Housing and Redevelopment Authority (HRA) programs to the South St. Paul Economic Development Authority (“EDA”) by City Council Resolution 2015-197; and

WHEREAS, one of those programs was a rehabilitation loan program, for which there are several outstanding loans; and

WHEREAS, the South St. Paul Housing and Redevelopment Authority of the City of South St. Paul, Minnesota issued a mortgage to Applicant #938 in the amount of \$8,900.00.

WHEREAS, such mortgage recorded on June 25th, 2010, in Dakota County has been satisfied in full by the applicant.

NOW, THEREFORE, BE IT RESOLVED by the Economic Development Authority of the City of South St. Paul that:

1. The EDA shall secure the signatures of the appropriate representatives of the HRA to execute the required documents to satisfy the loan and mortgage.

Adopted this 4th day of August, 2025

President, James P. Francis

Executive Director, Ryan Garcia



ECONOMIC DEVELOPMENT AUTHORITY AGENDA REPORT

DATE: August 4, 2025
DEPARTMENT: Economic Development
PREPARED BY:
AGENDA ITEM NUMBER: 4.D.

MEETING TYPE

Regular Meeting

AGENDA ITEM

Amendment #1 to Preliminary Development Agreement - ZAS, LLC

ACTION TO BE CONSIDERED OR DESIRED OUTCOME

Through Consent, motion to approve the Amendment to Preliminary Development Agreement with ZAS, LLC and the City of South St. Paul.

OVERVIEW

On November 4, 2024, the EDA approved a Preliminary Development Agreement (PDA) with the City of South St. Paul and ZAS, LLC for a proposed mixed-use redevelopment of the approximately 5.6-acre site at the northeast corner of Grand Avenue East and Concord Street North. The Developer's proposed concept envisions transforming the site, which is currently vacant but was previously developed with industrial uses including the Dakota County Technical College's meatcutting school, 20/20 Brand Solutions, yard space for Twin City Pallet Co., and more historically several ag-industrial buildings of the former Swift & Co. packinghouse campus. ZAS's concept aligns closely to the mixed-use, walkable, livable vision for this area as identified in numerous City plans over the past 25 years: they propose adding an independent restaurant, "destination retail" (currently vetting an indoor pickleball center), and more than 150 units of market-rate housing at the site in a two-phase development program. Given the conditions of the site, including challenging geotechnical and environmental conditions, for the project to be economically viable we anticipate the necessity of utilizing a creative funding approach involving Tax Increment Financing and the leveraging of state and regional grant programs.

ZAS and the EDA continue to make significant progress towards the advancement of this development; however, the executed PDA is set to terminate on August 31, 2025. Due to outstanding issues related to site control, stormwater and other infrastructure, and Response Action Plan preparation and approval, the Developer and EDA agree that the project is not yet ripe for a formal purchase and development agreement(s). With this in mind, we have mutually resolved that a 60-day extension to the PDA is desirable as we continue to collaborate on these elements.

SOURCE OF FUNDS

The PDA as executed required an option payment, payable in installments to a total of \$30,000, by the developer to retain the exclusive option to negotiate a purchase and development agreement and to assist with the City's administrative costs. The Developer has satisfied this obligation.

ATTACHMENTS

1. Preliminary Development Agreement (November 2024)
2. Amendment to Preliminary Development Agreement

**THE SOUTH ST. PAUL ECONOMIC DEVELOPMENT AUTHORITY,
THE CITY OF SOUTH ST. PAUL
AND
ZAS LLC**

PRELIMINARY DEVELOPMENT AGREEMENT

THIS PRELIMINARY DEVELOPMENT AGREEMENT (this “Agreement”), dated the 4th day of November, 2024, by and between the City of South St. Paul, a public body corporate and politic under the laws of the State of Minnesota (the “City”), the South St. Paul Economic Development Authority, a public body corporate and politic under the laws of the State of Minnesota (the “EDA”) and ZAS LLC, a South Dakota limited liability company (the “Developer”);

WITNESSETH:

WHEREAS, the EDA owns and desires to promote the development of certain property known as 125, 135, and 139 Grand Avenue East, South St. Paul, Dakota, County, Minnesota, as further described and depicted on Exhibit A attached hereto and incorporated by reference herein (the “Property”); and

WHEREAS, the EDA has determined that it is in the best interests of the EDA that the Developer be designated as the sole developer of the Property during the term of this Agreement; and

WHEREAS, the EDA intends that the site design for the Property be generally consistent with the 2040 Comprehensive Plan, the 2020 Hardman Triangle Redevelopment Plan, and the Concord Gateway Mixed-Use Zoning District and the current site design for the Property includes the following uses on the Property:

1. An approximately 4-story, market-rate residential apartment building with an estimated 145 residential units and not fewer than 140 garage parking stalls and adequate surface parking to, when combined with the garage parking stalls, meets a ratio of one stall per bedroom (the “Market-Rate Building”);

2. A 1- to 2- story, “destination retail” building to include experience-based commercial and/or retail uses, including a 1-story, full-service restaurant located near the northeast corner of Grand Avenue and Concord Street North (the “Commercial Building”);

3. An approximately 5-story, potentially independent senior-focused or workforce-focused apartment building with an estimated 40 to 110 residential units and adequate parking to meet a ratio of one stall per bedroom (the “Senior/Workforce Building”); and

4. A shared surface parking facility with an estimated 75 surface parking spaces serving the improvements described above (the “Parking”); and

WHEREAS, the Developer desires to acquire and develop all or a portion of the Property for purposes of constructing thereon the aforementioned mixed-use development (collectively the "Development"); and

WHEREAS, the EDA and Developer are interested in further planning and negotiation for the Developer's proposal for the Development; and

WHEREAS, Developer has indicated to the EDA that it will seek financial assistance from the City and/or the EDA to make the Development feasible; and

WHEREAS, the City or the EDA will need to determine if various studies, as may be determined to be reasonably necessary, should be conducted, including without limitation an environmental impact or related study, an infrastructure feasibility study, an economic impact study, and any other required analysis of the Development (the "Studies") and will need to determine that the proposed Development of the Property will have a positive impact on the City; and

WHEREAS, the City and the EDA will discuss with the Developer available financial assistance, grants, gifts or loans for the Development; and

WHEREAS, various land use, zoning, and subdivision issues and actions related to the Development and the Property are required to be approved by the City in order to facilitate the Development by the Developer; and

WHEREAS, the City and EDA agree to cooperate with the Developer to review and process various land use, zoning, and subdivision issues and actions related to the Development and the Property in order to facilitate the Development by the Developer; and

WHEREAS, the City, the EDA and the Developer are willing to undertake the Development if (i) a satisfactory agreement can be reached regarding EDA's commitment for public costs necessary for the Development; (ii) satisfactory mortgage and equity financing, or adequate equity resources for the Development can be secured by Developer; (iii) the parties reach a satisfactory resolution of zoning, land use, public infrastructure and site design issues; and (iv) the feasibility and soundness of the Development and other necessary preconditions have been determined to the satisfaction of the parties.

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

1. Future Negotiations.

The parties agree to continue negotiations in an attempt to formulate a definitive plan for review and approval of all land use, zoning and subdivision approvals and any necessary development agreements or contracts based on the following:

- (a) Developer's current proposal for the Development, which shows the scope of the proposed Development in its latest form as of the date of this Agreement, together

with such changes or modifications to the proposal as agreed to by the Developer, the City and the EDA;

(b) Financial projections for the Development and related financial analysis of necessary public assistance;

(c) Other terms and conditions of this Agreement.

2. Statement of Intent.

Although not conclusive or binding on either party beyond the designation of Developer as the sole developer of the Property as set forth herein, it is the intention of the parties that this Agreement: (a) documents the present understanding and commitments of the parties; (b) will provide the EDA and City with the necessary information to determine the amount of available financial assistance for the Development, following receipt of pertinent financial projections related to the Development and subsequent, independent review by the City's financial consultants; (c) will lead to negotiation and execution of a mutually satisfactory development agreements or contracts prior to the termination date of this Agreement; and (d) will lead to an appropriate land use, zoning, and subdivision application or applications. The development agreements or contracts (together with any other agreements entered into between the parties hereto contemporaneously therewith) when executed and any land use, zoning, and subdivision approvals, will supersede all obligations of the parties hereunder.

3. Term; Duties.

(a) During the term of this Agreement, EDA and City agree to:

(i) Proceed to seek all necessary information with regard to the anticipated public costs, if any, associated with the Development.

(ii) Provide to the Developer copies of all due diligence items in EDA's and City's possession, including without limitation: title, survey, environmental (Environmental Phase I & Phase II reports), soils, and market studies.

(iii) Use good faith efforts to negotiate and enter into one or more development agreements with the Developer for the phased development of the Market Rate Building, the Commercial Building, the Senior/Workforce Building, and the Parking (and, if applicable, any future phases of Development).

(b) During the term of this Agreement, Developer agrees to:

(i) Develop and submit its detailed proposal, including the plans and specifications, for the Development.

(ii) Conduct additional due diligence review of the Property. It is mutually understood and agreed that the EDA has completed, without Developer's assistance or financial contribution, Geotechnical Assessments and Phase I and Phase II

environmental site assessments prior to execution of this Agreement, which assessments have been and / or will be provided to Developer.

(iii) Use good faith efforts to obtain approval by the EDA and the City (including its Engineer, Planning and Inspection Department, and any other necessary governing authority) for approval of the site plan, exterior elevations and finishes, and such other zoning approvals as may be required.

(iv) Use good faith efforts to obtain any other necessary governmental approval from any governing authority.

(v) Use good faith effort to obtain financing on terms acceptable to Developer, in its sole discretion, which may include, but are not limited to public financial assistance (such as pay-as-you-go tax increment financing ("TIF") in a mutually agreeable amount), grants from other governmental entities (as applicable), private loans and equity investment for the Development.

(vi) Use good faith efforts to negotiate and enter into one or more development agreements with the EDA for the phased development of the Market Rate Building, the Commercial Building, the Senior/Workforce Building, and the Parking (and, if applicable, any future phases of Development).

4. Financial Assistance; TIF.

(a) EDA understands that the Developer is seeking financial assistance from the City and/or the EDA. During the term of this Agreement, Developer shall:

(i) Submit to EDA a design proposal to be reviewed by EDA showing the location, size, and nature of the proposed Development, including layouts, renderings, elevations, and other graphic or written explanations of the Development. The design proposal shall be accompanied by a proposed schedule for the starting and completion of the Development.

(ii) Submit an overall cost estimate for the design and construction of the Market-Rate Building, Parking, Commercial Building, and if applicable, a separate overall cost estimate for any subsequent phases.

(iii) Submit an anticipated time schedule for each planned phase of the Development.

(iv) Undertake and obtain such other preliminary economic feasibility studies, income and expense projections, and such other economic information as Developer may desire to further confirm the economic feasibility and soundness of the Development.

(v) Submit to EDA the Developer's financing plan showing that the proposed initial phase of the Development is financially feasible, and if applicable, a separate financial plan for any subsequent phases.

(vi) Furnish information in its possession or provide additional information as reasonably requested by the City or EDA to assist the City and EDA's determination of the appropriate amount of financial assistance needed for the Development, including good faith cooperation with the City or EDA's financial consultants and legal counsel.

(b) Developer understands that the TIF sought for the proposed Development must comply with state statute and the EDA's TIF policy. The EDA agrees in any development agreement or contract entered into as contemplated herein that the EDA will review and consider such financing as allowed by law, but no provision shall be construed as an affirmative approval of such financing until such time that a separate TIF agreement is entered into by both parties.

5. Feasibility.

It is expressly understood that execution and implementation of any development agreement or contract (together with any other agreements entered into between the parties hereto contemporaneously therewith) and any land use, zoning and subdivision approvals shall be subject to:

(a) A determination by the City and the EDA in their sole discretion that the undertakings are feasible based on (i) satisfaction of City Code requirements; (ii) the purposes and objectives of any development plan created or proposed for the Development; (iii) the Studies, if any; and (iv) the best interests of the City and the EDA.

(b) A determination by Developer in its sole discretion that the Development is feasible and in the best interests of Developer.

6. Costs; Exclusive Option and Administrative.

Developer shall be solely responsible for all costs incurred by Developer. Within five business days of full execution of this Agreement, the Developer agrees to submit a non-refundable option payment to the EDA in the amount of \$15,000, with additional payments of \$5,000 each due to the EDA on or before each the following subsequent dates: January 1, 2025, April 1, 2025, and July 1, 2025, as long as this Agreement has not been terminated or replaced with a formal development agreement for the Development prior to any such date. For the purposes of this Agreement, the term "Administrative Costs" means out of pocket costs incurred by the EDA or the City, together with consultants (including engineering, surveys, legal, financial advisor, acquisition specialist, relocation consultant, environmental analysis, environmental advisor, planning advisor, etc.), all attributable to or incurred in connection with the review of the development agreement, Development or other related contracts or agreements (together with any other agreements entered into between the parties hereto contemporaneously therewith), the negotiation and preparation of the definitive development agreement or agreements, and other documents and agreements in connection with the Development. Any application or escrow fees generally collected by the City for planning applications such as the Developer may file in relation to the Development will be collected separately pursuant to the City's applicable ordinances.

7. Effective Date; Expiration.

This Agreement is effective from the date hereof through August 31, 2025. After such date, neither party shall have any obligation hereunder except as expressly set forth to the contrary herein.

8. Termination.

This Agreement may be terminated upon fourteen (14) days written notice by EDA to Developer, or Developer to EDA, if:

(a) An essential precondition to the execution of a contract cannot be met; or

(b) If, in the respective sole discretion of the City, EDA or Developer, an impasse has been reached in the negotiation or implementation of any material term or condition of this Agreement, and the parties have been unable to resolve such impasse through good-faith negotiations within 30 days after the party determining the impasse has notified the other party in writing of such determination.

9. Sole Developer.

Developer is hereby designated by the City and the EDA as the sole developer of the Property during the term of this Agreement and the City and the EDA agree to negotiate solely with Developer with respect to the acquisition or development of the Property. The City and EDA agree not to market the Property or to make, accept, negotiate, or otherwise pursue any other offers for sale, purchase or development of the Property until this Agreement expires or is terminated pursuant to Section 7 or Section 8 herein.

10. Right of Entry.

In connection with this Agreement, EDA hereby grants to the Developer, its agents, employees, officers, and contractors (the "Authorized Parties") a right of entry on the Property for the purpose of performing all due diligence work and inspections deemed necessary by the Developer to fulfill its obligations under this Agreement (the "Permitted Activities"). Developer is responsible for any and all costs related to the Permitted Activities conducted on the Property. Developer agrees to indemnify, save harmless, and defend the Authority and its officers and employees, from and against any and all claims, actions, damages, liability and expense in connection with personal injury and/or damage to the Property arising from or out of any occurrence in, upon or at the Property to the extent caused by the act or omission of the Authorized Parties in conducting the Permitted Activities on the Property, except (a) to the extent caused by the negligence, gross negligence, willful misrepresentation or any willful or wanton misconduct by the City or the EDA, or their officers, employees, agents or contractors; and (b) to the extent caused by a "Pre-Existing Condition" as defined in this paragraph 10. "Pre-Existing Condition" shall mean any geologic or soil condition, any defect in the condition of improvements located on the Property, or any condition caused by the existence of hazardous substances or materials in, on, or under Property, including without limitation hazardous substances released or discharged into the drainage systems, soils, groundwater, waters or atmosphere, which condition existed as of the

date of this Agreement and became known or was otherwise disclosed or discovered by reason of the Authorized Parties' entry onto the Property.

11. Severability.

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

12. Breach; Waiver.

In the event any covenant contained in this Agreement should be breached by one party and subsequently waived by another party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other concurrent, previous or subsequent breach.

13. Notice.

Notice or demand or other communication between or among the parties shall be sufficiently given if sent by email (provided such message is not rejected and does not otherwise "bounceback"), by mail, postage prepaid, return receipt requested, by nationally recognized overnight courier or delivered personally to the following address (which may be changed by either party by notice provided in accordance with this section):

- (a) As to EDA/City: South St. Paul Economic Development Authority
125 3rd Avenue N
South St. Paul, MN 55075
Attn: Executive Director
Email: rgarcia@southstpaul.org
- (b) As to Developer: ZAS LLC
5605 Tracy Avenue
Edina, MN 55436
Attn: Alex Gese
Email: alex@zavidevelopment.com

14. Assignment.

Developer may assign its rights and obligations under this Agreement to an affiliate or subsidiary of Developer, or to any entity under common control with Developer, without the prior consent of the City or EDA.

15. Counterparts.

This Agreement may be executed simultaneously in any number of counterparts (and counterparts may be exchanged by electronic transmission (including by email)), all of which shall constitute one and the same instrument.

16. Governing Law.

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

17. Incorporation.

The Recitals set forth in the preamble to this Agreement and the Exhibits attached to this Agreement are incorporated into this Agreement as if fully set forth herein.

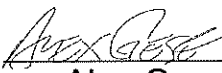
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IN WITNESS WHEREOF, each of the parties hereto have caused this Agreement to be duly executed in its name and behalf as of the day and year first above written.

DEVELOPER:

ZAS LLC.

a South Dakota limited liability company

By: 
Name: Alex Gese
Its: Owner

CITY:

CITY OF SOUTH ST. PAUL

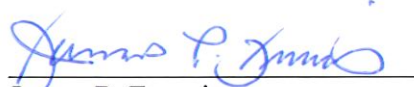
By: James P. Francis
James P. Francis
Its Mayor

By: Deanna Werner
Deanna Werner
Its Clerk

EDA:

SOUTH ST. PAUL ECONOMIC DEVELOPMENT
AUTHORITY

By:



James P. Francis
Its President

By:



Ryan Garcia
Its Executive Director

EXHIBIT A

PARCEL ID NUMBERS AND DEPICTION OF PROPERTY

36-03800-00-062

36-03800-00-061

36-03800-00-073

36-03800-00-072

(Full Legal Description of Development Property to be prepared prior to Development Agreement)



**DRAFT DEVELOPMENT PROPOSAL (PRELIMINARY DRAFT -
SUBJECT TO UPDATE AND REVISION)**



**THE SOUTH ST. PAUL ECONOMIC DEVELOPMENT AUTHORITY,
THE CITY OF SOUTH ST. PAUL
AND
ZAS LLC**

AMENDMENT TO PRELIMINARY DEVELOPMENT AGREEMENT

THIS AMENDMENT TO PRELIMINARY DEVELOPMENT AGREEMENT (this “Amendment”), is made as of the 5th day of August, 2025, by and between the City of South St. Paul, a public body corporate and politic under the laws of the State of Minnesota (the “City”), the South St. Paul Economic Development Authority, a public body corporate and politic under the laws of the State of Minnesota (the “EDA”) and ZAS LLC, a South Dakota limited liability company (the “Developer”).

WITNESSETH:

WHEREAS, the EDA, City and Developer are parties to that certain Preliminary Development Agreement dated November 4, 2024 (the “Agreement”), with respect to the development of certain property known as 125, 135, and 139 Grand Avenue East, South St. Paul, Dakota County, Minnesota, as further described in the Agreement; and

WHEREAS, the EDA, City and Developer are working in good faith to modify and update the Agreement to reflect current circumstances and conditions and wish to enter into this Amendment to provide additional time to do so.

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

1. Extension of Term. Section 7 of the Agreement is hereby amended to provide that the term of the Agreement is extended through October 31, 2025.
2. Counterparts. This Amendment may be executed simultaneously in any number of counterparts (and counterparts may be exchanged by electronic transmission (including by email)), all of which shall constitute one and the same instrument.
3. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the state of Minnesota.
4. Incorporation. The Recitals set forth in the preamble to this Amendment are incorporated into this Amendment as if fully set forth herein.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, each of the parties hereto have caused this Amendment to be duly executed in its name and behalf as of the day and year first above written.

DEVELOPER:

ZAS LLC.

a South Dakota limited liability company

By: Alex Gese
Name: Alex Gese
Its: CEO

CITY:

CITY OF SOUTH ST. PAUL

By: _____
James P. Francis
Its Mayor

By: _____
Deanna Werner
Its Clerk

EDA:

SOUTH ST. PAUL ECONOMIC DEVELOPMENT
AUTHORITY

By: _____
James P. Francis
Its President

By: _____
Ryan Garcia
Its Executive Director



ECONOMIC DEVELOPMENT AUTHORITY AGENDA REPORT

DATE: August 4, 2025
DEPARTMENT: City Administrator
PREPARED BY: Ryan Garcia
AGENDA ITEM NUMBER: 4.E.

MEETING TYPE

Regular Meeting

AGENDA ITEM

Loan Subordination - Watson Trading

ACTION TO BE CONSIDERED OR DESIRED OUTCOME

In September 2023, the EDA recorded a mortgage against the property located at 512 Concord Exchange South, now developed as the "Asian Mart", to coincide with the extension of a business and development loan from the EDA's revolving loan fund. The current owner/developer, Watson Trading LLC, is refinancing the property through Amplio (a U.S. Small Business Administration lender), and Amplio has requested that the EDA subordinate our debt to the primary loan. The EDA should note that our original Mortgage was subordinated in September 2023 to the primary construction loan/mortgage, so in effect this is a very common, procedural action.

The loan was structured with a five-year interest only payment, and also includes a provision that the loan will be fully forgiven at the end of five years if the developer met all forgiveness conditions. Watson Trading has remained current on their interest-only payment, and has met all forgiveness conditions to date, so the loan is in good standing.

OVERVIEW

SOURCE OF FUNDS

The EDA's Business and Development Loan Fund was the source of funds for the loan, and all interest payment is deposited in this fund to revolve and fund future economic development projects.

ATTACHMENTS

1. Subordination Agreement (Torrens)

Mortgage Subordination Agreement

THIS AGREEMENT is made this 4th day of August, 2025, (the “Effective Date”), by and between South St. Paul Economic Development Authority, a Minnesota nonprofit corporation organized under the laws of Minnesota (herein called the “Subordinating Creditor”), its successors and assigns, and Amplio Economic Development Corporation, a Minnesota nonprofit corporation (herein called "Amplio").

RECITALS

First: Subordinating Creditor is the Mortgagee under a mortgage securing a note in the amount of \$125,000.00. Which mortgage is dated September 20, 2023 and filed September 25, 2023 as Document No. T877111 of Dakota County Registrar of Titles, Minnesota Records (the "Subordinated Mortgage"). The Mortgagor on said Subordinated Mortgage is Watson Trading LLC, a Minnesota limited liability company (the "Debtor"). The Subordinated Mortgage encumbers the property which is legally described on attached Exhibit A (the “Property”).

Second: Amplio shall facilitate a loan to Watson Trading LLC by and through the Small Business Administration, an agency created under and by virtue of an Act of Congress (the “SBA”) and such parties shall enter into a Mortgage, Security Agreement, Fixture Financing Statement and Assignment of Leases and Rents upon the Property, dated _____ to secure a Note or Notes in the sum of One Million Sixty-Four Thousand Dollars, the (“SBA Mortgage”). The SBA Mortgage was recorded on _____, _____ as Document Number _____ of Dakota County Registrar of Titles, Minnesota Records.

AGREEMENT

THEREFORE, in consideration of the premises and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Subordinating Creditor hereby agrees with Amplio as follows:

1. Regardless of any priority otherwise available to the Subordinating Creditor, the lien of the Subordinated Mortgage is and shall be and shall remain fully subordinated for all purposes to the lien of the SBA Mortgage, in the maximum principal amount of \$125,000.00 together with accrued and unpaid interest on the principal indebtedness secured thereby and all other sums (but excluding any increased or additional principal) secured by the SBA Mortgage, from time to time in accordance with its terms.
2. Subordinating Creditor warrants to Amplio and the SBA that (i) Subordinating Creditor presently holds the Subordinated Mortgage and indebtedness secured thereby, free and clear of all liens, security interests and encumbrances, and (ii) the total of the unpaid balance of the indebtedness secured by the Subordinated Mortgage as of the date of this Agreement is approximately \$_____, and (iii) to Subordinating Creditor’s knowledge, there are no defaults in the Subordinated Mortgage or the note secured thereby.

3. Amplio and the SBA, which shall receive the SBA Mortgage by assignment, shall have no obligation whatsoever to Subordinating Creditor with respect to the transaction evidenced by the SBA Mortgage, and the SBA may make and administer the loan secured by the SBA Mortgage, in any manner it sees fit and may from time to time extend, modify, suspend, revoke, rescind, change, or terminate provisions of the SBA Mortgage, the promissory note secured thereby or any other documents issued to the SBA in connection therewith or pursuant thereto, doing so without notice to or consent by the Subordinating Creditor and without affecting or impairing in any fashion the terms in this Subordination Agreement.

4. Neither Subordinating Creditor nor Amplio (i) makes any representation or warranty concerning the Property or any other property of Watson Trading LLC or the validity, perfection or (except as to the subordination accomplished hereby) priority of any mortgage lien thereon or security interest therein, or (ii) shall have any duty to preserve, protect, care for, insure, take possession of, collect, dispose of, or otherwise realize upon the Property or any other property of Watson Trading LLC.

5. This Agreement is governed by federal law. It cannot be waived or changed except in writing agreed to and signed by both parties. This Agreement is made between and Subordinating Creditor and the successors and assigns of Subordinating Creditor, and shall inure to the benefit of, and shall be enforceable by, Amplio and its successors and assigns, including without limitation the SBA. The SBA, and its' successors and assigns, shall be entitled to rely on, have the benefit of or enforce this Agreement.

IN WITNESS WHEREOF, the undersigned have executed this subordination agreement as of the Effective Date set forth above.

South St. Paul Economic Development Authority

By: _ Ryan Garcia
Its: Executive Director

STATE OF MINNESOTA
COUNTY OF DAKOTA

The foregoing document was acknowledged before me on the ____ day of _____, 2025, by Ryan Garcia, the Executive Director of South St. Paul Economic Development Authority, A Minnesota nonprofit corporation organized under the laws of Minnesota on behalf of the nonprofit corporation.

NOTARY PUBLIC

Additional Signatures continue on following page

Amplio Economic Development Corporation

By: _____

Andrew D. Clausen

Its: Assistant Treasurer

STATE OF MINNESOTA)

) ss

COUNTY OF _____)

The foregoing document was acknowledged before me on the _____ day of _____, 2023, by Jonathan Sage-Martinson, the Assistant Secretary of Amplio Economic Development Corporation, a Minnesota non-profit corporation, on behalf of the corporation.

NOTARY PUBLIC

This instrument was drafted by:
Amplio Economic Development Corporation
3900 Northwoods Drive, Suite 225 Arden Hills, MN 55112



ECONOMIC DEVELOPMENT AUTHORITY AGENDA REPORT

DATE: August 4, 2025
DEPARTMENT: Economic Development
PREPARED BY: Ryan Garcia
AGENDA ITEM NUMBER: 5.A.

MEETING TYPE

Regular Meeting

AGENDA ITEM

Approving the Sale of Lot 3, Block 1 of Mississippi Landing 2nd Addition

ACTION TO BE CONSIDERED OR DESIRED OUTCOME

Hold Public Hearing as required by Minnesota Statutes to dispose of real property.
Following Public Hearing, Motion to approve Resolution 2025 – 15

OVERVIEW

The Proposed Development

Staff has been negotiating with representatives of Riverside Holdings, LLC (the real estate holding company owned by the principal of Bonfe Plumbing & Heating, currently located in a building they own at 455 Hardman Avenue South as well as a leased facility in Little Canada) to purchase the "Armour Gate" site for the development of an office / warehouse building of approximately 50,000 square feet with about 2/3 occupied by their business and the rest of the building available in the near-term for lease to small businesses. The Company has a pressing need and strong desire to consolidate their facilities within one location, and approached EDA staff in late-2024 to express their intentions to find an existing building or new development option that could accommodate all of their operations in one place. Riverside Holdings previously developed Bonfe's existing building in 2015 - 2016, and has experienced continued growth in the decade since they established their headquarters here in South St. Paul. At this point, the company has outgrown that building and are seeking to build new, preferably here in South St. Paul, while continuing to occupy the 455 Hardman Avenue building as well.

The Development Property

The property was acquired by the Housing and Redevelopment Authority of South St. Paul (HRA) over 25 years ago. Historically, the property was a part of the much larger Armour complex which fronted the Mississippi River, although with the exception of the two entry monuments which still stand today, no structures are known to have ever stood on the property. The property was generally used for surface parking and outdoor storage during the Armour years, and has remained vacant and zoned "Industrial" (currently "I-1, Light Industrial") for the entire time that the HRA/EDA have owned it.

Upon its acquisition, the HRA conducted significant predevelopment due diligence on the site,

including Phase I and Phase II environmental assessments and targeted environmental mitigation activities. From 2006 – 2009, the HRA was actively negotiating a development project with a private developer (“Armourgate Properties”), with a site plan approved in 2006 for an approximately 49,000 SF single-story office/warehouse building occupying most of the Hardman Avenue frontage. Within a year of City approval, the site plan went through (several iterations of) dramatic changes. Ultimately, the proposed building was downsized pretty significantly (almost by ½), and in 2009, the property was sold to Armourgate Properties for the purpose of constructing a 25,000 SF office-warehouse building. The developer was given until December 31, 2010 to secure a tenant/buyer and commence construction. Unfortunately, due to sagging market conditions brought on by the recession, in late 2010 Armourgate notified the HRA that they declared themselves in default of the Development Agreement and wanted to convey the property back to the HRA. Re-conveyance occurred in 2011, and the site has had fleeting interest in the years since then.

Today, we are left with a site that was prepared for a building that would not meet today’s floor area ratio (FAR) standards (approximately 40,000 SF would be required without a variance) and is particularly difficult to develop due to various site constraints. In this way, the site is not really “shovel-ready”, with the following issues representing additional work needed to maximize the site:

- Any building(s) constructed on site will potentially be required to include a sub-slab vapor mitigation system, per MPCA review and requirements, or at least conduct additional testing to “test out” of vapor mitigation requirements;
- Due to highly compressible native and fill soils at the site, geotechnical assessments of the site indicate that additional geotechnical soil correction or ground improvements will be needed to support any structures;
- Overhead Utility lines cross the site’s southern and western portions; and
- The gate monuments located along the Armour Avenue frontage present a practical challenge to effectively meeting the City’s required Floor Area Ratio (FAR) standard of 0.2, building placement/orientation, parking/loading, and site circulation.

The Purchase Agreement

A Purchase and Development Agreement has been negotiated between Riverside Holdings, LLC and the EDA for the purchase and development of the EDA property. Staff is recommending approval of Resolution 2025-15, and thereby authorization to execute the Agreement and move this project forward. Staff notes the following essential elements of the agreement:

- **Purchase Price (Section 1.2, Page 1)** – The agreement establishes a purchase price of \$480,750 for the site (approximately \$3 per square foot), payable with \$20,000 due at execution of the Agreement and the balance due at closing. This per square foot costs lands above recent EDA land sales, with sales on Concord Exchange for the Asian Mart (\$2.28/SF) and at 285 Hardman for Beck Enterprises (\$2.58/SF) coming in a bit lower.

- **Timeline** –The Agreement suggests the following “Key Dates” for the project:

1. **November 3, 2025 (Section 5.1, Page 3, Contingencies)** – The agreement requires that all surveys, inspections, testing, title commitment, and governmental approvals for the proposed "approximately 50,000 square foot office-warehouse facility... to serve as an expanded primary location for Bonfe Plumbing and Heating..." must be completed by this date.
2. **December 31, 2025 (Section 5.1.A.8 and Section 5.1.B, Page 4 - Armour Gates Contingencies)** - The agreement requires that the EDA remove the Armour Gatehouse Structures from the site on or before December 31. In the event that the EDA is unable to meet this contingency date, the Buyer has the option to either terminate the Agreement, or to remain in the Agreement provided the EDA has scheduled and awarded the work to remove the Structures on a "date certain". If EDA fails to remove the Structures by the Closing Date, the EDA is on the hook to reimburse the Buyer for its out-of-pocket due diligence costs.
3. **April 1, 2026 (Section 6, Page 5-6, Closing)** – The agreement requires that the date of closing shall be no later than this date, with one 45-day extension option granted to the Buyer.

- **Environmental and Geotechnical Escrow** – As noted above, previous environmental and geotechnical investigations in this area raise the likelihood that soil vapor mitigation and some moderate soil management may be required as part of the development of the site, and that engineered ground improvements (structural piers) are necessary to support buildings at this site. In acknowledgment of this contingency, the Agreement proposes that at closing the EDA will deposit with title an escrow to be used to reimburse the buyer for any environmental mitigation and geotechnical costs up to \$380,750. If these mitigation costs are less than \$380,750, any remaining escrow would be released to the EDA. Based on the information that we have, that is unlikely. It should be noted that this approach has been taken by the EDA/HRA/City throughout history, including recent developments at the Holiday Gas Station development on Southview Boulevard, the MidWestOne Bank on Southview Boulevard, the Kaposia Library on Marie Avenue, the Rihm-Kenworth development on Concord Street, the Asian Mart on Concord Exchange, and the AVM Development on Hardman Court. Unfortunately, the geological and development history of our area have left soil conditions that introduce extraordinary site costs to virtually every redevelopment project that is undertaken, serving as a practical economic impediment to the financial viability of developments.

SOURCE OF FUNDS

The EDA-owned property is currently exempt from property taxes, and has been for most of the past 25 years. Using existing comparable development as a barometer, it is estimated that the proposed development would generate between \$143,000 and \$175,000 per year in total property tax payments beginning in Pay 2028 (assuming 2026 completion). The local portion of this amount would be an estimated \$35,000 - \$46,500 (SSP) and \$28,500 - \$35,000 (SSPSSD #6)

ATTACHMENTS

1. Purchase Agreement
2. Resolution 2025-15
3. Preliminary Site Sketch

PURCHASE AGREEMENT

THIS PURCHASE AGREEMENT (Agreement) is entered into as of August 5, 2025, (the “**Effective Date**”) by and between **RIVERSIDE HOLDINGS, LLC**, a Minnesota limited liability company or its successor or assigns (**Buyer**), and the **South St. Paul Economic Development Authority**, a public body corporate and politic organized and existing under the laws of the State of Minnesota (**Seller or EDA**).

RECITALS

Recital No. 1. Seller is the owner of certain real property located in South St. Paul, Minnesota with Parcel Identification Numbers of 36-48841-03-011, and 36-48841-03-012 and legally described on Exhibit A attached hereto (“**Property**”).

Recital No. 2. Buyer desires to purchase the Property from Seller on the terms and conditions of this Agreement.

NOW, THEREFORE, Buyer and EDA agree as follows:

1. **Sale.**

1.1. **Sale.** Subject to the terms and provisions of this Agreement, EDA shall sell the Property to Buyer, and Buyer shall purchase the Property from EDA free and clear of all defects, liens and encumbrances.

1.2. **Purchase Price.** The purchase price to be paid by Buyer to EDA for the Property shall be Three and 00/100 Dollars (\$3.00) per square foot multiplied by One Hundred Sixty-Eight Thousand Six Hundred Eighty (168,680) square feet as finally determined by the Survey (as defined below) (the “**Purchase Price**”). The Purchase Price of Four Hundred Eighty Thousand Seven Hundred Fifty and 00/100 Dollars (\$480,750.00) shall be payable as follows: (a) Twenty Thousand and 00/100 Dollars (\$20,000.00), as earnest money, to be paid within three (3) business days following the Effective Date to Guaranty Commercial Title, Inc., 465 Nicollet Mall, Suite 230, Minneapolis, MN 55402 (“**Title**”), to be held in escrow by Title (“**Original Earnest Money**”); and (b) the balance of the Purchase Price on the Closing Date (as defined in Section 6) subject to those adjustments, prorations and credits described in this Agreement, in certified funds or by wire transfer pursuant to instructions from EDA or Title.

1.3. **Stockpiled Material.** There exists on the property a significant volume of stockpiled structural material including topsoil and clean fill soil (“**Stockpiled Material**”) which may be beneficial in preparing the Property for the development of the Buyer’s Proposed Use. Buyer and Seller agree that the Sale of the Property includes transfer of ownership of Stockpile Material to the Buyer.

2. **Available Surveys, Tests, and Reports.** Within ten (10) days following the Effective Date, EDA shall cause to be delivered to Buyer (a) copies of any surveys, soil tests,

environmental reports, and any other studies and/or site analyses previously conducted on the Property and in the possession of EDA, and (b) copies of existing title work for the Property and in the possession of EDA (the “**Due Diligence Materials**”). EDA represents that to the best of its knowledge, the Due Diligence Materials are accurate and complete. If Buyer so requests, Seller shall request the preparers of any such surveys, soil tests, environmental reports, and any other studies and/or site analyses to re-issue or re-certify the same for the direct benefit of Buyer, at Buyer’s expense except as otherwise provided in this Agreement, so that Buyer may rely on such site analyses or surveys as if prepared for Buyer in the first instance, but Seller makes no representation as to whether any such reissuance or recertification will be available.

3. **Buyer’s Investigations.** For a period from the Effective Date up to the Closing Date, EDA shall allow Buyer and Buyer’s agents access to the Property without charge and at all times for the purpose of Buyer’s investigation and testing of the Property, including surveying and testing of soil and groundwater, and Phase I and Phase II environmental assessments (“**Buyer’s Investigations**”). EDA shall have the right to accompany Buyer during any of Buyer’s Investigations of the Property. Buyer shall provide to EDA copies of all third-party, non-confidential written test results and reports conducted as part of Buyer’s Investigations Except as otherwise provided herein, Buyer agrees to pay all of the costs and expenses associated with Buyer’s Investigations, to cause to be released any lien on the Property arising as a result of Buyer’s Investigations and to repair and restore, at Buyer’s expense, any damage to the Property caused by Buyer’s Investigations. Seller agrees to retain AET to update the existing Phase I Environmental Site Assessment and perform all geotechnical investigations and soil, vapor and groundwater tests which may be required to obtain a No Association Determination Letter from the MPCA to Buyer and its lender (“Geo Tech and Environmental Reports”). EDA shall pay all expenses related thereto pursuant to a professional services scope agreement agreed upon by Buyer and Seller on or prior to August 15, 2025 which provides that the Geo Tech and Environmental Reports will be completed by October 15, 2025.. Buyer shall indemnify and hold EDA and the Property harmless from all costs and liabilities, including, but not limited to, reasonable attorneys’ fees, arising from Buyer’s Investigations. The indemnification obligations provided herein shall survive the termination or cancellation of this Agreement.

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

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

5. Contingencies.

5.1. Buyer's Contingencies.

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

(1) On or before November 3, 2025 (the "**Contingency Date**"), Buyer shall have determined, in its sole discretion, that it is satisfied with (a) the results of and matters disclosed by Buyer's Investigations, soil tests, engineering inspections, hazardous substance and environmental reviews of the Property and (b) all other inspections and due diligence regarding the Property, including any Due Diligence Materials.

(2) On or before the Closing Date, Buyer shall have determined the acceptability and zoning of the Property for its proposed use as an approximately 50,000 square foot office-warehouse facility, generally in conformance with the I-1 Light Industrial Zoning District standards and regulations, to serve as an expanded primary location for Bonfe Plumbing and Heating (collectively, the "**Proposed Use**"). All costs and expenses related to applying for and obtaining any governmental permits and approvals for the Property for the Proposed Use shall be the responsibility of the Buyer.

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

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

(5) On or before the Contingency Date, Buyer shall have determined that it is satisfied with the books and records in EDA's

possession, if any, including site plans, surveys, engineering or environmental reports associated with the Property.

(6) On or before the Closing Date, Buyer shall have secured a construction contract and financing that is satisfactory to Buyer in Buyer's sole discretion for the purpose of acquiring and constructing the Proposed Use.

(7) On or before the Contingency Date, Buyer shall have obtained an Alta Survey for the Property certified to Buyer and Title, and acceptable to Buyer in Buyer's sole discretion.

(8) On or before December 31, 2025, (the "Armour Gates Contingency Date"), EDA shall have removed or cause to be removed the two brick Armour Gatehouse Structures ("Armour Gates") currently situated on Parcel 36-48841-03-011 at EDA's sole cost, effort, and expense.

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

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

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

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

(13) On or before the Closing Date, Buyer shall have obtained all Approvals, as described in Section 10.6 hereof, necessary for the Proposed Use.

B. The foregoing contingencies are for Buyer's sole and exclusive benefit and one (1) or more may be waived in writing by Buyer in its sole discretion. EDA shall reasonably cooperate with Buyer's efforts to satisfy such contingencies, at no out of pocket cost to EDA or assumption of any obligation or liability by Buyer except as otherwise provided herein. If any of the foregoing contingencies have not been satisfied on or before the applicable date, then this Agreement may be terminated, at Buyer's option, by written notice from Buyer to EDA. If Buyer terminates this Agreement pursuant to this Section, any refundable portion of the Earnest Money shall immediately be refunded to Buyer. In the event EDA has not completed its obligations required under Section 5.1(A)(8) above prior to the Armour Gates Contingency Date, Buyer may either (a) terminate this Agreement and the Earnest Money shall immediately be refunded to Buyer or (b) not terminate

this Agreement provided EDA has awarded a contract with a specific date certain to complete the removal of the Armour Gates satisfactory to Buyer. In the event EDA has not completed such removal of the Armour Gates on or prior to the Closing Date, Buyer may terminate this Agreement and the Earnest Money shall immediately be refunded to Buyer and EDA will reimburse Buyer for all of its out of pocket costs for due diligence relating to this Agreement including, but not limited to, design and architect's fees, engineers fees, environmental, soil, geo-technical and other consultants fees, costs for obtaining a No Association Determination Letter from the MPCA, permit and application fees, attorneys' fees and brokers' commissions and consulting fees ("Due Diligence Costs"). If Buyer elects not to exercise any of the contingencies set out herein, such election may not be construed as limiting any representations or obligations of EDA set out in this Agreement, including, without limitation, any indemnity or representations with respect to environmental matters.

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

A. On or before the Closing Date, Buyer and Seller shall have entered into a Development Agreement that will govern the development and use of the Property, which final form (including Buyer's approved construction drawings which will be attached as Exhibits thereto) shall be mutually agreeable between all parties.

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

C. On or before the Closing Date, all representations and warranties of Buyer contained in this Agreement shall be accurate as of the Closing Date.

D. On or before the Closing Date, Buyer shall have cured any default of its obligations under this Agreement, not otherwise waived by EDA.

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

EDA shall have the right to waive any contingency in this Section 5.2 by written notice to Buyer.

6. **Closing.** The closing of the purchase and sale contemplated by this Agreement (the “**Closing**”) shall occur on or before April 1, 2026 (the “**Closing Date**”) at Title; provided, however, Buyer shall have the right and option to extend the Closing Date for one extension of forty-five (45) days (“**Extension Option**”). Buyer shall exercise its Extension Option, if at all, by giving EDA notice of such election on or before the Closing Date, as the same may be extended. Upon the exercise of the Extension Option, Buyer shall deposit an additional \$10,000.00 as earnest money (“**Additional Earnest Money**”). The Original Earnest Money and Additional Earnest Money shall be referred to collectively as the “**Earnest Money**.” If the parties proceed to Closing, all of the Earnest Money will be applied to the Purchase Price. EDA agrees to deliver legal and actual possession of the Property to Buyer on the Closing Date, as the same may be extended. The net Purchase Price (less \$100,000.00 which will be paid to the EDA at Closing) will be held in escrow by Title Company pursuant to an escrow agreement between EDA, Buyer and Title Company in the form of Exhibit B attached hereto (the “**Escrow Agreement**”) for the purpose of payment of any expenses after Closing for additional vapor testing, installation of a vapor mitigation system or environmental cleanup as may be required by the MPCA to obtain a No Association Determination Letter issued to Buyer and its lender and installation of geo-piers to prepare the soil for construction of the development of the improvements on the Property.

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

A. **Warranty Deed.** A warranty deed conveying title to the Property to Buyer, free and clear of all encumbrances, except the Permitted Encumbrances (the “**Deed**”). Such Deed shall include as a covenant running with the land the conditions of Minnesota Statutes, Sections [469.090](#) to [469.108](#) relating to the use of the land. If the covenant is violated, the EDA may declare a breach of the covenant and seek a judicial decree from the district court declaring a forfeiture and a cancellation of the deed which must be completed within one (1) year after the Closing Date

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

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

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

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

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

G. **Development Agreement.** The Development Agreement, which final form (including Buyer's approved construction drawings which will be attached as Exhibits thereto) shall be mutually agreeable between all parties.

H. **Escrow Agreement.** The Escrow Agreement in the form of Exhibit B attached hereto.

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

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

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

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

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

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

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

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

G. **Development Agreement.** The Development Agreement, which final form (including Buyer's approved construction drawings which will be attached as Exhibits thereto) shall be mutually agreeable between all parties.

H. **Escrow Agreement.** The Escrow Agreement in the form of Exhibit B attached hereto.

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

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

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

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

7.3. **Recording Costs.** EDA shall pay the cost of recording all documents necessary to place record title to the Property in the EDA including, but not limited to,

costs of recording any documents necessary to cure any Objections, as hereinafter defined. Buyer shall pay all recording costs with respect to the recording of the Deed, Development Agreement and for the recording of any mortgage required by Buyer if any, and any mortgage registration tax, if any. Buyer shall pay the recording costs with respect to the deed restriction identified in Section 6.1.A., if any.

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

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

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

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

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

8. **Title Examination.** (i) Within seven (7) days following the Effective Date, EDA shall, at EDA's expense, order a current and updated title commitment for an owner's title insurance policy (ALTA Form 2021) issued by Title for the Property, and copies of all encumbrances described in the commitment (the "**Commitment**"); and, if desired, (ii) Buyer may at its sole option obtain, at Buyer's expense, an ALTA-certified survey bearing the legal description of the Property, and showing the area, dimensions and location of the Property and the matters shown in the Commitment (the "**Survey**" and, together with the Commitment, the "**Title Evidence**").

8.1. **Buyer's Objections.** Within twenty (20) days after Buyer's receipt of the Survey, Buyer may make written objections ("**Objections**") to the form or content of the Title Evidence. The Objections may include, without limitation, any easements, restrictions or other matters which may interfere with the Proposed Use of the Property or matters which may be revealed by the Survey. Any matters reflected on the Title Evidence which

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

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

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

9. **Warranties and Representations.**

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

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

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

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

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

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

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

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

H. To EDA's knowledge, except as may be disclosed as part of the Due Diligence Materials, (i) no condition exists on the Property that may support a claim or cause of action under any Environmental Law (as defined below) and there are no Hazardous Substances (as defined below) on the Property, (ii) there has been no release, spill, leak or other contamination or otherwise onto the Property, and (iii) there are no restrictions, clean ups or remediation plans regarding the Property. To

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

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

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

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

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

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

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

A. Buyer is a limited liability company, duly organized and in good standing under the laws of the state of Minnesota and is not in violation of any provisions of its company documents or its operating agreement.

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

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

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

10. **Additional Obligations of EDA.**

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

10.2. **Condition of the Property at Closing.** Prior to Closing, the Property shall be operated in the ordinary course consistent with previous practice. On the Closing Date, EDA shall deliver to Buyer exclusive vacant possession of the Property, except for Stockpiled Materials, free and clear of any personal property, surface waste and surface debris of any kind. EDA agrees that Buyer may dispose of any trash or personal property remaining on the Property as of the Closing Date in Buyer's sole discretion and EDA agrees to pay all costs and expenses incurred by Buyer with respect to the transport and/or disposal of the personal property within ten (10) days after receipt of an invoice from Buyer. From the Effective Date hereof until the Closing Date, EDA shall refrain from entering into any leases, licenses, rental, and/or occupancy agreements, however captioned, with respect to the Property and refrain from entering into or amending any contracts or other agreements (other than contracts in the ordinary course of business which are cancelable by the owner of the Property without penalty within thirty (30) days after giving notice thereof) without the prior written consent of Buyer, prior to the Closing Date.

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

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

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

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

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

10.7. **Additional Costs.** EDA agrees to use its best efforts to assist Buyer in obtaining additional funds and grants to pay for the geo-piers or soil correction costs for unstable soils and costs for clean up, testing, mitigation or remediation of any contamination, hazardous materials or environmental issues relating to the re-development of the Property ("Extraordinary Development Costs")

11. **Commissions.** Each party represents that all negotiations on its behalf relative to this Agreement and the transactions contemplated by this Agreement have been carried on directly between the parties, without the intervention of any party as broker, finder or otherwise, and that there are no claims for brokerage commissions or finders' fees in connection with the execution of this Agreement. Buyer represents that it is working with John Young of Forte Real Estate Partners and Buyer will pay its broker at Closing pursuant to a separate agreement.

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

If to EDA: South St. Paul Economic Development Authority
125 Third Avenue North
South St. Paul, MN 55075
Attn: Ryan Garcia, EDA Executive Director
Email: rgarcia@southstpaul.org

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

If to Buyer: Riverside Holdings, LLC
Attn: Peter Bonfe
455 Hardman Avenue South
South St. Paul, MN 55075

Email: peter@bonfe.com

With a copy to:

Hope Law PLLC
4999 France Avenue South, Suite 245
Minneapolis, MN 55410
Attn: Roseanne Hope
roseanne@hopelawoffice.com

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

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

14. **Assignment.** This Agreement is not assignable, except that Buyer may freely assign its rights and obligations under this Agreement to a single-purpose entity created by Buyer for the purpose of owning and developing the Property, without the consent of Seller, provided and on the condition that Buyer shall provide Seller written notice of the assignment and the identity of the assignee prior to the Closing Date and such assignee shall have assumed Buyer's obligations hereunder by a written instrument of assumption.

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

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

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

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

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

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

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

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

23. **Termination.** Upon termination of this Agreement, neither EDA nor Buyer shall have any further rights or obligations to the other party, except for such obligations as survive termination of this Agreement. Any refundable portion of the Earnest Money shall be refunded to Buyer upon termination.

[remainder of page intentionally blank]

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

SELLER:
SOUTH ST. PAUL ECONOMIC
DEVELOPMENT AUTHORITY

By _____
James P. Francis
Its President

By _____
Ryan Garcia
Its Executive Director

BUYER:
RIVERSIDE HOLDINGS, LLC

Signed by:
By: Peter Bonfe
Name: Peter Bonfe
Title: CEO

EXHIBIT A

Legal Description of Property:

PID: 36-48841-03-012; Torrens Property; Certificate of Title No. 168721

A part of Lot One (1), Block Three (3), Mississippi Landing 2nd Addition described as follows:

Lot 1, Block 3, Mississippi Landing 2nd Addition, on file and of record in the office of the County Recorder, Dakota County, Minnesota, except that part described as follows:

Commencing at the Northwest corner of said Lot 1; thence North 63 degrees, 00 minutes 57 seconds East, bearing assumed, along the Northwesterly line of said Lot 1, a distance of 177.62 feet to the point of beginning of the land to be described; thence north 63 degrees 00 minutes 57 seconds East, a distance of 38.12 feet; thence South 26 degrees 00 minutes 48 seconds East, a distance of 109.54 feet; thence South 64 degrees 01 minutes 08 seconds West a distance of 38.12 feet; thence North 26 degrees 00 minutes 48 seconds west a distance of 108.88 feet to the point of beginning, and that the exterior boundaries of said plat have been registered and judicial landmarks have been placed pursuant Court File No. C5-93-8829.

PID: 36-48841-03-011; Torrens Property; Certificate of Title No. 168724

That part of Lot One (1), Block Three (3), Mississippi Landing Second Addition, according to the recorded plat thereof, described as follows:

Commencing at the Northwest corner of said Lot 1; thence North 63 degrees, 00 minutes 57 seconds East, bearing assumed, along the Northwesterly line of said Lot 1, a distance of 177.62 feet to the point of beginning of the land to be described; thence north 63 degrees 00 minutes 57 seconds East, a distance of 38.12 feet; thence South 26 degrees 00 minutes 48 seconds East, a distance of 109.54 feet; thence South 64 degrees 01 minutes 08 seconds West a distance of 38.12 feet; thence North 26 degrees 00 minutes 48 seconds west a distance of 108.88 feet to the point of beginning, and that the northwesterly exterior boundaries of said Lot 1 has been registered and judicial landmarks have been placed pursuant Court File No. C5-93-8829.

[Commitment legal description to govern]

EXHIBIT B
ESCROW AGREEMENT

**SOUTH ST. PAUL ECONOMIC DEVELOPMENT AUTHORITY
DAKOTA COUNTY, MINNESOTA**

RESOLUTION NO. 2025 - 15

**RESOLUTION APPROVING THE SALE OF PROPERTY TO
RIVERSIDE HOLDINGS LLC FOR REDEVELOPMENT PURPOSES
AND APPROVING THE RELATED PURCHASE AGREEMENT**

WHEREAS, the South St. Paul Economic Development Authority (“EDA”) owns certain real property located in the City of South St. Paul, County of Dakota, State of Minnesota, legally described on the attached Exhibit A (“Property”); and

WHEREAS, the EDA desires to sell the Property; and

WHEREAS, RIVERSIDE HOLDINGS, LLC, a Minnesota limited liability company (“Developer”), desires to purchase the Property for the purpose of constructing An approximately 50,000 square foot commercial building, including office, shop and warehouse facilities for Bonfe Plumbing and Heating, and related improvements, as articulated in the Purchase Agreement between the EDA and Developer; and

WHEREAS, on August 4, 2025, the EDA held a public hearing on the sale of the Property and the EDA considered all of the information presented at the public hearing.

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the South St. Paul Economic Development Authority as follows:

1. The sale of the Property to Developer is in the public interest of the City and its people, furthers its general plan of economic development and furthers the aims and purposes of Minn. Stat. Sections 469.090 to 469.108; and the appropriate officials are authorized to take such action so as to effectuate such sale.
2. The EDA approves the Purchase Agreement, subject to minor modification as approved by the City Attorney, and the appropriate officials are authorized to take such action as to effectuate its execution and implementation.

Adopted this 4th day of August, 2025.

James P. Francis, President

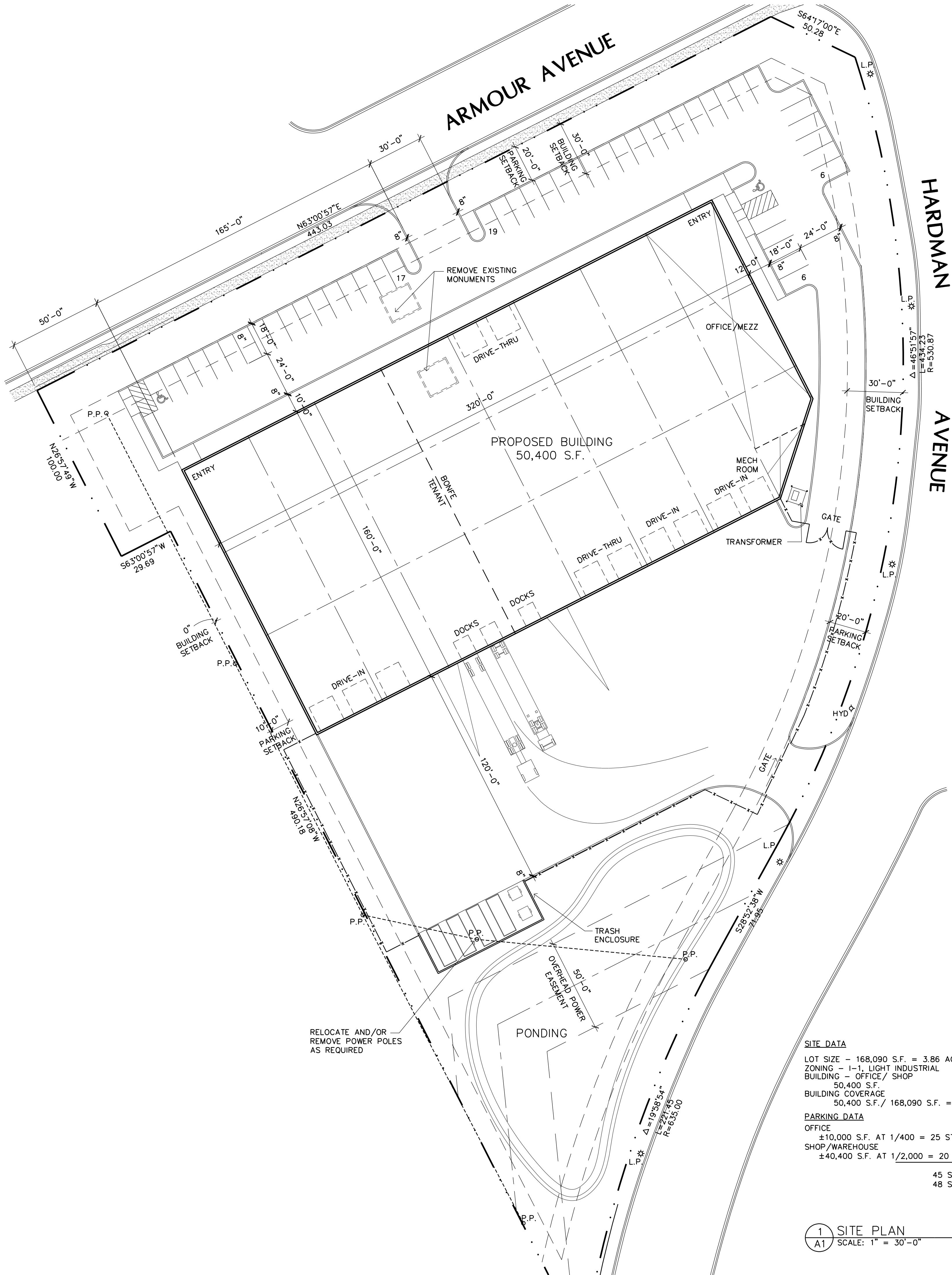
Ryan D. Garcia, Executive Director

EXHIBIT A
LEGAL DESCRIPTION OF PROPERTY

Real property in Dakota County, Minnesota legally described as follows:

PID: 36-48841-03-012 & 36-48841-03-011

Lot 1, Block 3, Mississippi Landing Second Addition
Torrens Property

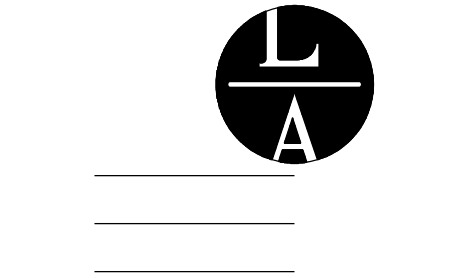


SITE DATA
LOT SIZE - 168,090 S.F. = 3.86 ACRES
ZONING - I-1, LIGHT INDUSTRIAL
BUILDING - OFFICE / SHOP
50,400 S.F.
BUILDING COVERAGE
50,400 S.F. / 168,090 S.F. = 30.0% < 40% MAX

PARKING DATA
OFFICE
±10,000 S.F. AT 1/400 = 25 STALLS
SHOP / WAREHOUSE
±40,400 S.F. AT 1/2,000 = 20 STALLS

45 STALLS REQUIRED
48 STALLS PROVIDED

1 SITE PLAN
A1 SCALE: 1" = 30'-0"



LAMPERT
ARCHITECTS

420 Summit Avenue
St. Paul, MN 55102
Phone: 763.755.1211 Fax: 763.757.2849
lampert@lampert-arch.com

ARCHITECT CERTIFICATION:
I HEREBY CERTIFY THAT THIS PLAN,
SPECIFICATION OR REPORT WAS
PREPARED BY ME OR UNDER MY DIRECT
SUPERVISION AND THAT I AM A DULY
LICENSED ARCHITECT UNDER THE
LAWS OF THE STATE OF MINNESOTA.

PRELIMINARY
NOT FOR
CONSTRUCTION

RJR Ryan
Construction, Inc.
Commercial Design and Construction

1100 Mendota Heights Road
Mendota Heights, MN 55120
Ph: 651-481-0200
Fax: 651-481-0205

BONFE
South St. Paul, Minnesota

Copyright 2025
Leonard Lampert Architects Inc.

Project Designer: JAMES B

Drawn By: JRB

Checked By: LL

Revisions

6/20/25	PRELIMINARY

SITE PLAN

Sheet Number

A1

Project No. 250604-4