AGENDA
ECONOMIC DEVELOPMENT AUTHORITY
CHASKA CITY HALL COUNCIL CHAMBERS
Monday, July 16, 2018
7:00 PM

1. Call to Order
2. Roll Call
3. Adopt Agenda
4. Approve Previous Meeting Minutes
   A. EDA Draft Minutes 06/18/2018
5. Consent Items
   A. Adopt Resolution EDA 2018-11, Brewery Project - Resolution Approving and Authorizing the Execution of an Amended and Restated Purchase Agreement and an Amended and Restated Purchase and Development Agreement
   B. Adopt Resolution EDA 2018-12, Formacoat Project - Resolution Approving the Execution and Authorization of a First Amendment to Development Agreement
6. Other Business
7. Adjourn

- MINUTES -
CHASKA ECONOMIC DEVELOPMENT AUTHORITY
JUNE 18, 2018

DRAFT

1. Call to Order

President Windschitl called the meeting to order at 8:57 pm.

2. Roll Call

Roll call was taken. Present: Commissioners Schulz, Rohe, Geisler and President Windschitl. Absent: Commissioner Boe.

Also Present: Nate Kabat, Assistant Executive Director and Matt Podhradsky, Executive Director.

3. Agenda

Motion by Commissioner Geisler, second by Commissioner Schulz, to adopt the agenda as presented.
Motion carried.

4. Minutes

Motion by Commissioner Rohe, second by Commissioner Geisler, to approve the minutes of the June 4, 2018 EDA meeting.
Motion carried.

5. Adopt Resolution EDA 2018-09, Public Hearing: Approving Land Sale and Authorizing the Execution of a Purchase and Development Agreement (FormaCoat)

Executive Director Podhradsky presented the item to the Commission.

President Windschitl opened the public hearing at 8:59 pm.

President Windschitl closed the public hearing at 9:00 pm.

Motion by Commissioner Schulz, second by Commissioner Rohe to adopt Resolution No. EDA 2018-09 Approving Land Sale and Authorizing the Execution of a Purchase Agreement and Development Agreement and Approving an Interfund Loan.
Motion carried.

6. Adopt Resolution EDA 2018-10, Public Hearing: Approving Conveyance of Property, Establishing Redevelopment Tax Increment Financing Dist. No. 21, Adoption of TIF Plan, and Authorizing Execution of Purchase & Development Agreements (Hot Spot Redevelopment)

Executive Director Podhradsky presented the item to the Commission.

President Windschitl opened the public hearing at 9:02 pm.

President Windschitl closed the public hearing at 9:03 pm.

Motion by Commissioner Geisler, second by Commissioner Schulz to adopt Resolution No. EDA 2018-10 Establishing a Redevelopment Tax Increment Financing District, and Approving a Tax Increment Financing Plan Therefor, Authorizing Execution of a Purchase Agreement and a Purchase and Development Agreement and Approving Conveyance of Certain Property.
Motion carried.

DRAFT

7. Other Business

None.

8. Adjourn

Motion by Commissioner Schulz, second by Commissioner Rohe to adjourn the meeting at 9:04 pm. Motion carried.

REQUEST FOR ACTION
CHASKA CITY COUNCIL
07/16/2018

Subject: **Brewery Project - Resolution Approving and Authorizing the Execution of an Amended and Restated Purchase Agreement and an Amended and Restated Purchase and Development Agreement**

Prepared By: Nate Kabat

History

The City and Chaska EDA have been working over the past couple years to bring a brewery into the City, specifically targeting the former Carver County Public Works facility at 850 Chaska Blvd.

On January 9, 2017, the City Council and EDA unanimously approved execution of the Purchase Agreement with Carver County and the Purchase and Development Agreement with MSP/Chaska, LLC pertaining to property located at 850 Chaska Blvd for a project that would develop a brewery on the site.

On November 20, 2017 the Council approved a Conditional Use Permit (CUP) and created a Tax Increment Financing (TIF) district to support a brewery to operate at 850 Chaska Boulevard. The CUP allows the facility to be used to produce beer and to serve its product in a taproom of up to 76 indoor seats and an outdoor patio.

On March 19, 2018 the Council approved an Ordinance to brewer taproom on-sale and off-sales licenses.

Analysis

Since the progress outlined in the above timeline, the original brewery operator has formally withdrawn from the project. Because of that change, the City staff have worked to connect Aaron Schram with the development team of Alex Young and Brad Kerber (MSP/Chaska, LLC). Mr. Schram currently operates Schram Vineyards Winery and Brewery at his facility at 8785 Airport Road in Laketown Township. Mr. Schram has been in communication with the City for a number of months seeking a location to expand his operations. Connecting Mr. Schram with the development team has proven to be a good fit. The groups have now come together to form a new development team MSP/850, LLC, to own the facility as a join venture involving Mr. Young, Mr. Kerber, and Mr. Schram. The brewery will then be owned and operated by Schram Vineyards Winery and Brewery, who will rent the facility from MSP/850, LLC.

Schram Vineyards Winery and Brewery intends to establish a brewery and taproom at the former County Public Works facility in line with the already approved CUP. This will allow Schram to expand their winemaking operations at their current location and divide off to expand their beer brewing operations into the 850 Chaska Blvd. site. State statutes and regulations dictate that the brewery location will serve only beer at the new location.

To reflect this change in ownership structure, and brewery operator and also to accurately reflect current timelines, the Purchase and Development agreements between the EDA and the County and between the EDA and MSP/850, LLC have been amended. The amended documents set August 16, 2018 as the date to close on the property.

Recommendation

The partnership with Schram Vineyards Winery and Brewery has resulted in significant progress on moving this project forward. Over a short time, the group has been able to solidify plans for the redevelopment to be executed. Staff is heartened that Mr. Schram has an established track record of operating a successful winery and brewery in our region and has confidence that moving the brewery to Chaska will benefit our City in addition to the benefits of Schram being able to increase their production. This project is a win-win for everyone involved.

Accordingly, staff recommends the Board approve a resolution authorizing the execution of the amended and restated purchase and development agreement between the Chaska EDA and MSP/850, LLC, and the amended and restated purchase and development agreement between he Chaska EDA and Carver County

BOARD ACTION REQUESTED

Motion to adopt Resolution approving and authorizing the execution of an amended and restated purchase agreement and an amended and restated purchase and development agreement.

CITY OF CHASKA
CARVER COUNTY, MINNESOTA

RESOLUTION

DATE_________________________________RESOLUTION NO.______________________

MOTION BY COUNCILMEMBER____________SECOND BY COUNCILMEMBER____________

A RESOLUTION APPROVING AND AUTHORIZING THE EXECUTION OF AN AMENDED AND RESTATED PURCHASE AGREEMENT AND AN AMENDED AND RESTATED PURCHASE AND DEVELOPMENT AGREEMENT

BE IT RESOLVED by the Board of Commissioners (the "Board") of the Chaska Economic Development Authority (the "EDA"), that:

Section 1. Recitals.

1.01. The City of Chaska, Minnesota (the "City") and the EDA have undertaken a program to promote economic development and job opportunities, promote the development and redevelopment of land which is underutilized within the City and, in connection therewith, have established Tax Increment Financing (Redevelopment) District No. 20 (the "TIF District") within Redevelopment Project Area No. 4 (the "Project Area").

1.02. On January 9, 2017, the EDA approved, and thereafter the EDA and the County of Carver, Minnesota (the "County") entered into, a Purchase Agreement dated March 12, 2018 (the "Original Purchase Agreement") in connection with the purchase by the EDA from the County of certain property located at 850 Chaska Boulevard in the City, Tax Parcel Identification Number 300082700 (the "Property").

1.03. On January 9, 2017, the City and the EDA approved, and thereafter the City and the EDA and Terrain Holdings, LLC, a Minnesota limited liability company (the "Original Developer") entered into, a Purchase Agreement and Development Agreement dated March 13, 2018 (the "Original Development Agreement") in connection with a proposal to redevelop the Property, including an existing substandard building thereon, for use as a brewery, taproom, and other commercial facilities (the "Development").

1.04. The Original Developer has reorganized as MSP/850, LLC, a Minnesota limited liability company, (the "Developer"), and the Developer has requested that the Original Purchase Agreement and the Original Development Agreement be amended and restated to reflect (1) the new entity structure, (2) a new closing date of approximately August 16, 2018, and (3) a change in the Development to include a lease of the Property to Schram Vineyards (as so amended and restated, the "Purchase Agreement" and the "Development Agreement", respectively).

1.05. There has been prepared and presented to the Council for its consideration, the Development Agreement, stating the Developer's responsibilities and the terms and conditions the City's and the EDA's assistance with the financing of certain costs of the Development, and the Purchase Agreement stating the terms and conditions for the acquisition of the site of the Development from the County.

Section 2. Approval of Purchase Agreement and Development Agreement.

2.01. The EDA hereby approves the Development Agreement and the Purchase Agreement substantially in accordance with the terms set forth in the forms presented to the Board, together with any related documents necessary in connection therewith, including without limitation all documents or certifications referenced in or attached to the Agreement (collectively, the "Development Documents") and hereby authorizes the President and Executive Director to negotiate the final terms thereof and, in their discretion and at such time as they may deem appropriate, to execute the Development Documents on behalf of the EDA, and to carry out, on behalf of the EDA, the EDA's obligations thereunder.

2.02. The approval hereby given to the Development Documents includes approval of such additional details therein as may be necessary and appropriate and such modifications thereof, deletions therefrom and additions thereto as may be necessary and appropriate and approved by legal counsel to the EDA and by the officers authorized herein to execute said documents prior to their execution; and said officers are hereby authorized to approve said changes on behalf of the EDA. The execution of any instrument by the appropriate officers of the EDA herein authorized shall be conclusive evidence of the approval of such document in accordance with the terms hereof. In the event of absence or disability of the officers, any of the documents authorized by this Resolution to be executed may be executed without further act or authorization of the Board by any duly designated acting official, or by such other officer or officers of the Board as, in the opinion of the City Attorney, may act in their behalf.

2.03. Upon execution and delivery of the Development Documents, the officers and employees of the EDA are hereby authorized and directed to take or cause to be taken such actions as may be necessary on behalf of the EDA to implement the Development Documents, including without limitation the issuance of the pay-as-you-go tax increment revenue note thereunder when all conditions precedent thereto have been satisfied.

2.04. The Board hereby determines that the execution and performance of the Development Documents will help realize the public purposes of the Act.

Approved by the Board of Commissioners of the Chaska Economic Development Authority this 16th day of July, 2018.

____

Mark Windschitl, Mayor

Attest:____

Chaska Deputy Clerk

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AMENDED AND RESTATED PURCHASE AGREEMENT

1. **PARTIES**. This amended and restated purchase agreement (the "Amended and Restated Purchase Agreement") is made this ____ day of July, 2018, by and between the County of Carver, Minnesota, a public body politic and corporate having the power under the laws of the State of Minnesota to sell and convey real estate owned by Carver County (the "Seller") and the Chaska Economic Development Authority, a public body politic and corporate having the power under the laws of the State of Minnesota to purchase and sell real estate for the purpose of economic development in the City of Chaska, Carver County, Minnesota (the "Buyer").

2. **SUBJECT PROPERTY**. The Seller is the owner in fee simple of real estate (the "Property") located at 850 Chaska Boulevard in the City of Chaska, Carver County, Minnesota, Tax Parcel Identification Number 300082700, which is legally described in **Exhibit A**, attached hereto, and which is depicted in **Exhibit B**, attached hereto.

3. **OFFER/ACCEPTANCE**. The Buyer and the Seller heretofore entered into a Purchase Agreement dated March 12, 2018 (the "Original Agreement") for the purchase of Property by the Buyer from the Seller. Under Section 7 of the Original Agreement, the Closing shall take place or before April 30, 2018 unless the Seller and the Buyer otherwise mutually agree. The Buyer and the Seller hereby mutually agree to extend the Closing Date to August 16, 2018, as stated herein in Section 7. In addition, the business entity identified to be a party to the Purchase and Development Agreement referred to in Section 4.E. of the Original Agreement, a required contingency, changed. The Buyer and the Seller hereby agree to change the name of the business entity in Section 4.E. in the Amended and Restated Purchase Agreement to "MSP/850, LLC", thereby correctly identifying the name of the business entity which shall be a party to the Purchase and Development Agreement referenced in Section 4.E. herein. In consideration of the mutual agreements between the Seller and the Buyer contained herein, the Seller agrees to sell the Property to the Buyer, and the Buyer agrees to purchase the Property from the Seller.

4. **CONTINGENCIES.** This Amended and Restated Purchase Agreement is contingent upon the satisfaction of the following conditions:

   A. Approval of this Amended and Restated Purchase Agreement by the Board of Commissioners of Carver County, the Seller's official governing body;

B. Approval of this Amended and Restated Purchase Agreement by the Board of Commissioners of the Chaska Economic Development Authority, the Buyer's official governing body;

C. Satisfaction of the Buyer with the results of the environmental inspection and soil tests conducted under Section 8 of this Amended and Restated Purchase Agreement;

D. The Buyer's examination of title as provided at Section 11 of this Amended and Restated Purchase Agreement;

E. The Buyer entering into a legally binding purchase and development agreement (the "Purchase and Development Agreement") with MSP/850, LLC, a Minnesota limited liability company or an affiliated entity to be formed by MSP Metro Operating Company, LLC, a Minnesota limited liability company d/b/a MSP Commercial, (the "Developer") for the resale of the Property to the Developer for the purpose of advancing economic development in Chaska, Minnesota;

F. Approval of the Purchase and Development Agreement by the Board of Commissioners of the Chaska Economic Development Authority, the Buyer's official governing body;

G. Removal by the Seller of all of the above-ground fuel tanks and the salt shed from the Property;

H. The Buyer acknowledges that any use of the Property for a commercial purpose requires a standard Carver County Commercial Access Permit for use of either the existing access or a relocated access from the Property onto County State Aid Highway 61 ("CSAH 61"), or vice versa. Upon the approval by the Carver County Public Works Division of a standard application for a Commercial Access Permit for use of the existing access on the Property as commercial access from the Property onto CSAH 61, or vice versa, the permittee may use the access only in accordance with the terms and requirements of that permit. The permittee shall be bound by all of the terms and requirements of the permit, including but not limited to the reservation of the right of the Seller to modify, reconstruct, or adjust the access. The Buyer acknowledges that the Carver County Public Works Division will review any application for a Commercial Access Permit for the Property according to its customary practices, standards, and criteria. Approval of such permit is a contingency to the Closing on the acquisition of the Property by the Buyer. The Buyer acknowledges that the Seller has plans to conduct a corridor study along CSAH 61, the results of which could impact the access from the Property onto CSAH 61, or vice versa;

I. Execution by the Seller and the Buyer, and the delivery to the Seller and the Buyer of an agreement regarding the allocation of all of the costs of any remediation necessary in the future to cleanup any existing hazardous substance, pollutant or contaminant on the real property identified by Parcel Number 300085900 located directly north of the Property, which was caused by the former use of the real property identified by Parcel Number 300085900 as a shooting range by law enforcement officers of the Carver County Sheriff's Office and the Chaska Police Department (the "Agreement for Ammunition Clean Up of Parcel Number 300085900");

J. Delivery from the Seller to the Buyer of a satisfactory septic tank compliance inspection, or execution and delivery by the Seller and the Buyer of an agreement regarding the allocation of any costs of any necessary remediation of the Property in the future as a result of contamination from the existing subsurface septic tank on the Property as determined by a compliance inspection prior to Closing (the "Septic Tank Clean Up Agreement"); and

K. Receipt by the Buyer of all easements from the owner of the adjacent property, identified by Tax Parcel Identification Number 301250040, necessary to extend sewer and water utilities to the Property as determined by the Buyer. The current owner of said adjacent property is Total Loss Brokers, LLC, a Minnesota limited liability company.

The parties shall have until the date of the closing of the sale of the Property ("Closing") to satisfy the foregoing contingencies. The contingencies set forth in A, B, E, H, I, and J are for the benefit of both the Seller and the Buyer and may be waived in writing only if the Buyer and Seller mutually agree. The contingencies set forth in C, D, F, G, and K are solely for the benefit of the Buyer and may be waived in writing solely by the Buyer. If the contingencies are duly satisfied or waived in writing by the Buyer, or by the Buyer and the Seller, as applicable herein, then the Buyer and the Seller shall proceed to close the transaction as contemplated herein. If, however, one or more of the contingencies is not timely satisfied and is not waived in writing by the Buyer, or by the Buyer and the Seller, as applicable herein, then this Amended and Restated Purchase Agreement shall thereupon be void, at the option of the Buyer or at the option of the Buyer and the Seller, as applicable herein. If this Amended and Restated Purchase Agreement is voided at the option of the Buyer or at the option of the Buyer and the Seller, as applicable herein, then the Buyer and the Seller shall execute and deliver to each other a termination of this Amended and Restated Purchase Agreement.

5. **PERSONAL PROPERTY INCLUDED IN SALE**. The following items of personal property and fixtures owned by the Seller and currently located on the Property are included in this sale: None.

6. **PURCHASE PRICE AND TERMS:** The total Purchase Price for the Property is Four Hundred and Fifty Thousand Dollars and No Cents ($450,000). The Seller acknowledges it does not have any tenant on the Property who is entitled to any relocation services or relocation benefits. The Buyer shall pay the full Purchase Price to the Seller at the Closing. In accordance with Minn. Stat. § 373.01, subd. 1(h), all iron ore and other valuable minerals in and upon the Property shall be reserved to the Seller, and the Seller shall retain the right to explore for, mine, and remove the iron ore and other valuable minerals in and upon the Property.

7. **CLOSING DATE.** The Closing shall take place on or before August 16, 2018 unless otherwise mutually agreed upon by the Seller and the Buyer. The Closing shall take place at Chaska City Hall, or such other location as mutually agreed upon by the Seller and the Buyer.

8. **ENVIRONMENTAL INSPECTION AND SOIL TESTS.** After execution of this Amended and Restated Purchase Agreement and before the Closing, the Buyer and its duly authorized agents, servants or employees shall have the right to enter upon the Property for purposes of investigating, monitoring, testing, boring or other similar activities necessary or appropriate to identify the existence and extent of a threat of release or a release of a hazardous substance, pollutant, or contaminant. The Buyer agrees to do no unnecessary damage to the Property, and to restore the Property to substantially the same condition in which it was found. The Buyer agrees to defend, indemnify, and hold harmless the Seller against any and all liability, loss, costs, damages, expenses, claims, liens, or actions including attorney's fees which the Seller may sustain, incur or be required to pay arising out of or by reason of any act or omission of the Buyer or the Buyer's agents, servants, or employees, in exercising the Buyer's right to enter and work upon the Property for environmental inspection and soil tests, as stated in this section. The Buyer agrees to provide the Seller with a copy of any report prepared as a result of such examination and tests, upon the request by the Seller. Buyer shall have the right to assign the right to inspect and examine the Property, to the Developer at the Buyer's sole discretion. If the Buyer assigns the right to inspect and examine the Property to the Developer, then the Buyer agrees to defend, indemnify, and hold harmless the Seller against any and all liability, loss, costs, damages, expenses, claims, liens, or actions including attorney's fees which the Seller may sustain, incur or be required to pay arising out of or by reason of any act or omission of the Developer, or the Developer's agents, servants, or employees, in exercising the Buyer's right to enter and work upon the Property for environmental inspection and soil tests, as stated in this section.

9. **DOCUMENTS TO BE DELIVERED AT CLOSING.** The Seller agrees to deliver the following documents to the Buyer at Closing:

A. A duly recordable quit claim deed conveying marketable fee simple title to the Property to the Buyer, free and clear of any mortgages, liens or encumbrances other than matters created by or acceptable to the Buyer;

B. An affidavit from the Seller sufficient to remove any exception in the Buyer's policy of title insurance for mechanics' and materialmens' liens and rights of parties in possession;

C. Affidavit of the Seller confirming that the Seller is not a foreign person within the meaning of Section 1445 of the Internal Revenue Code;

D. A completed Minnesota Well Disclosure Certificate;

E. Any notices, certificates, and affidavits regarding any private sewage systems, underground storage tanks, and environmental conditions as may be required by Minnesota statutes, rules or ordinances;

F. Customary affidavits, certificates and such other documents as the Buyer may request to carry out this transaction; and

G. The documents required by Sections 4H, 4I, and 4J.

10. **REAL ESTATE TAXES AND SPECIAL ASSESSMENTS.**

A. The Seller shall be responsible for all taxes attributable to the Property, including any deferrals or penalties assessed against the Property before the Closing. The Buyer shall be responsible for all taxes allocable to the period after the Closing.

B. The Seller shall pay at or before Closing all special assessments levied against the Property as of the date of Closing.

11. **EXAMINATION OF TITLE; CURING TITLE DEFECTS.** The Seller will provide to the Buyer any available title records in its possession. The Buyer will obtain a commitment for title insurance ("Commitment") for the Property, and the Buyer shall have 20 business days after receipt thereof to examine the same and to deliver written objections to title, if any, to the Seller, or the Buyer's right to do so shall be deemed waived. The Seller shall have until Closing to make title marketable at the Seller's cost. In the event that title to the Property cannot be made marketable or is not made marketable by the Seller by Closing, then this Amended and Restated Purchase Agreement may be terminated at the option of the Buyer.

12. **CLOSING COSTS AND RELATED ITEMS.** The Seller shall be responsible for the following Closing costs and related items: all charges relating to the filing of any instrument required to make title marketable; its own legal fees associated with this transaction; any costs of preparation of a title commitment, including any abstracting fees and fees for standard searches with respect to the Seller and the Property; and any state deed tax and conservation fee with respect to the quit claim deed. The Buyer shall be responsible for the following costs and related items: premiums required for issuance of the Buyer's title insurance policy, if purchased by Buyer; its own legal fees associated with this transaction; all other recording fees; fees of any soil tests, environmental assessments, inspection reports, appraisals, or other tests or reports ordered by the Buyer in connection with its purchase of the Property; and closing fees charged by the title company or closer.

13. **POSSESSION/CONDITION OF PROPERTY.** The Seller shall deliver possession of the Property to the Buyer at Closing in the same condition as the Property existed on the date of execution of this Amended and Restated Purchase Agreement, subject to the removal by the Seller of all above-ground fuel tanks and the salt shed from the Property prior to Closing in accordance with Section 4G. Subject to the preceding sentence and the terms of the Agreement for Ammunition Clean Up of Parcel Number 300085900 to be delivered at Closing in accordance with Section 4I, the Property will be sold "As-Is." The Buyer acknowledges that Seller provided copies of the environmental assessments Phase I Environmental Site Assessment, conducted by Nova Consulting (Nova Project No. E12-3284), Limited Phase II Subsurface Investigation, conducted by Nova Consulting (Nova Project No. E12-3919), and Construction Contingency Plan, conducted by Nova Consulting (Nova Project No. E15-5066), to the Buyer, and that the Buyer had sufficient time and

opportunity to fully review and consider said documents. Upon Closing, the Buyer agrees to fully and exclusively assume any and all current or future costs, known or unknown to the Buyer, associated with any necessary remediation or cleanup of any known or unknown hazardous substance, pollutant, or contaminant on the Property. The Buyer acknowledges that an existing well and septic tank shall remain on the Property.

14. **INDIVIDUAL SEWAGE TREATMENT SYSTEM**. Subject to any Septic Tank Clean Up Agreement delivered in accordance with Section 4J, the Seller will not be required to remove the existing subsurface septic tank prior to Closing, as the tank shall be abandoned when the City of Chaska connects utilities, including sewer, to the Property.

15. **WELL DISCLOSURE**. The Buyer acknowledges that the Seller disclosed in writing to the Buyer information about the status and location of all wells on the Property known to the Seller by delivering to the Buyer a disclosure statement indicating the legal description and county, and a map drawn from available information showing the location of each well to the extent practicable to Seller. The Buyer acknowledges that the disclosure statement indicated, for each well, whether the well was in use, not in use, or sealed. The quit claim deed given by the Seller must include the statement specified in Section 9D of this Amended and Restated Purchase Agreement.

16. **SUBSURFACE SEWAGE TREATMENT SYSTEM DISCLOSURE**. The Buyer acknowledges that the Seller disclosed in writing to the Buyer, information on how the sewage generated at the Property is managed and that the Seller delivered a statement to the Buyer which either indicated that the sewage goes to a facility permitted by the agency or which indicated that the sewage does not go to a permitted facility and then described the system in use, including the legal description of the Property, the county in which the Property is located, and a map drawn from available information showing the location of the system on the property to the extent practicable.

17. **SELLER'S WARRANTIES.** The Seller warrants that there has been no labor or material furnished to the Property for which payment has not been made. The Seller agrees not to place any liens or encumbrances on the Property after the date of execution of this Amended and Restated Purchase Agreement.

The Seller warrants that the Seller has not received any notice from any governmental authority regarding a violation of any regulation, ordinance, or law related to the Property. If the Property is subject to any restrictive covenants, then the Seller warrants that the Seller has not received any notice from any person or authority concerning a breach of those covenants. The Seller shall provide any notices which the Seller receives concerning a breach of those covenants to the Buyer immediately.

18. **RELOCATION BENEFITS.** The Seller acknowledges that neither it nor any tenant currently having an interest in the Property is being displaced from the Property as a result of the transaction contemplated by this Amended and Restated Purchase Agreement and that neither the Seller nor any such tenant is eligible for relocation assistance or benefits or that the Purchase Price includes compensation for any and all relocation assistance and benefits for which it or any such tenant may be eligible. The provisions of this Section shall not merge with the deed and

shall survive the Closing of the transaction contemplated by this Amended and Restated Purchase Agreement.

19. **TENANTS.** The Seller warrants that there are no tenants on the Property with a lawful leasehold interest. In the event that any tenant comes forward and claims an interest in the Property at the time of or following the execution of this Amended and Restated Purchase Agreement, then the Seller hereby agrees to fully indemnify the Buyer for any and all costs associated with terminating such tenancy and for any and all relocation assistance and benefits that may be due to such tenant together with attorneys' fees that the Buyer would have to incur in connection with legal action required to resolve any relocation assistance or benefits dispute with such tenant. "Relocation assistance and benefits" shall have the meaning ascribed to them by the Uniform Relocation Assistance and Real Property Acquisition Policies Act, 42 U.S.C. Sections 4601-4655 (the federal URA) and the regulations implementing the federal URA, 49 C.F.R. Sections 24.1-24.603. The provisions of this Section shall not merge with the deed and shall survive the Closing of the transaction contemplated by this Amended and Restated Purchase Agreement.

20. **EASEMENTS.** The Seller represents and warrants that there are no easements, or claims of easements, other than the easements of public record on the Property.

21. **BROKER COMMISSIONS.** The Seller and the Buyer represent and warrant to each other that there is no real estate agent or broker involved in this transaction with whom either has negotiated, or to whom either has agreed to pay any agent or broker commission or fees. Each party agrees to defend, indemnify, and hold harmless the other for any and all claims for any agent or brokerage commissions or fees in connection with negotiations for purchase of the Property arising out of any alleged agreement or commitment or negotiation by the indemnifying party.

22. **NO MERGER OF REPRESENTATIONS, WARRANTIES.** The representations and warranties contained in this Amended and Restated Purchase Agreement will not be merged into any instrument or conveyance delivered at the Closing, and the parties shall be bound accordingly.

23. **SUBSEQUENT SALE OF PROPERTY.** The Buyer intends to redevelop the Property and offer the Property for resale for the purpose of advancing the Buyer's general plan of advancing economic development in Chaska, Minnesota. The Buyer agrees to comply with all public notice requirements and laws applicable to said resale of the Property.

24. **ENTIRE AGREEMENT; AMENDMENTS.** This Amended and Restated Purchase Agreement constitutes the entire agreement between the parties and no other agreement prior to this Amended and Restated Purchase Agreement or contemporaneous herewith shall be effective except as expressly set forth or incorporated herein. Any purported amendment hereto shall not be effective unless it shall be set forth in writing and executed by both parties or their respective successors or assigns.

25. **BINDING EFFECT; ASSIGNMENT.** This Amended and Restated Purchase Agreement shall be binding upon and inure to the benefit of the parties and their respective heirs, executors, administrators, successors and assigns.

26. **NOTICE.** Any notice, demand, request or other communication which may or shall be given or served by the parties shall be deemed to have been given or served on the date the same is deposited in the United States Mail, registered or certified, postage prepaid and addressed as follows:

a. If to Seller: Carver County
Carver County Government Center
600 East 4th Street
Chaska, MN 55318

b. If to Buyer: Chaska Economic Development Authority
Chaska City Hall
One City Hall Plaza
Chaska, MN 55318

with a copy to: Jenny Boulton
Kennedy & Graven
470 U.S. Bank Plaza
200 South Sixth Street
Minneapolis, MN 55402

or such other address as either party may give to another party in accordance with this Section 26.

27. **ORIGINAL AGREEMENT**. Upon execution of the Amended and Restated Purchase Agreement by the Buyer and the Seller, all provisions of, rights granted in, and covenants made in the Original Agreement shall be waived, released, and superseded in their entirety by the Amended and Restated Purchase Agreement, and all provisions of, rights granted in, and covenants made in the Original Agreement shall have no further force or effect.

28. **DEFAULT; REMEDIES; SPECIFIC PERFORMANCE.** If either party defaults in any of its obligations under this Amended and Restated Purchase Agreement, then the other party may terminate this Amended and Restated Purchase Agreement by written notice pursuant to Section 26 hereof. If this Amended and Restated Purchase Agreement is not so terminated, then the Buyer or the Seller may seek actual damages for breach of this Amended and Restated Purchase Agreement or specific performance of this Amended and Restated Purchase Agreement, provided that any action for specific enforcement of this Amended and Restated Purchase Agreement must be brought within six months after the date the party receives actual notice of the alleged breach.

IN WITNESS WHEREOF, the Seller and the Buyer have executed this Amended and Restated Purchase Agreement as of the date written above.

COUNTY OF CARVER, MINNESOTA

By:__________________________________

CHASKA ECONOMIC DEVELOPMENT AUTHORITY

By: ___________________________________

By: ___________________________________

EXHIBIT A

LEGAL DESCRIPTION OF THE PROPERTY

The real property situated in the City of Chaska, County of Carver, State of Minnesota, described as follows:

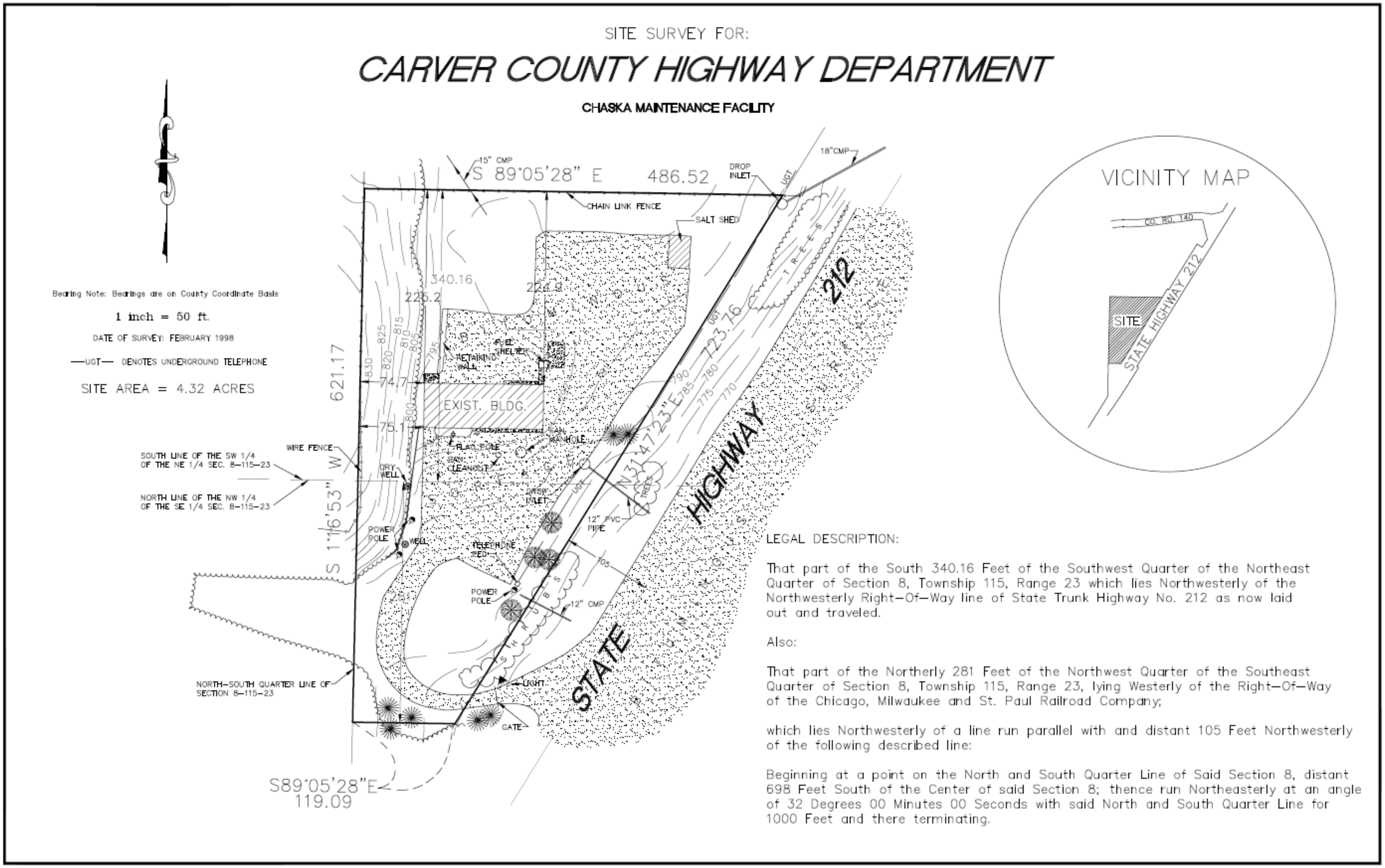
That part of the South 340.16 feet of the Southwest Quarter of the Northeast Quarter of Section 8, Township 115 North, Range 23 West of the 5th Principal Meridian, which lies northwesterly of the northwesterly right-of-way line of State Trunk Highway No. 212 as now laid out and traveled.

AND

That part of the northerly 281 feet of the Northwest Quarter of the Southeast Quarter of Section 8, Township 115 North, Range 23 West of the 5th Principal Meridian, lying westerly of the right-of-way of the Chicago, Milwaukee and St. Paul Railroad Company, and which lies northwesterly of a line run parallel with and distant 105 feet northwesterly of the following described line: Beginning at a point on the North and South Quarter line of said Section 8, distant 698 feet south of the center of said Section 8; thence run northeasterly at an angle of 32°00’00” with said North and South Quarter Line for 1000 feet and there terminating.

EXHIBIT B

DEPICTION OF THE PROPERTY



LEGAL DESCRIPTION:

That part of the South 340.16 Feet of the Southwest Quarter of the Northeast Quarter of Section 8, Township 115, Range 23 which lies Northwesterly of the Northwesterly Right-Of-Way line of State Trunk Highway No. 212 as now laid out and traveled.

Also:

That part of the Northerly 281 Feet of the Northwest Quarter of the Southeast Quarter of Section 8, Township 115, Range 23, lying Westerly of the Right-Of-Way of the Chicago, Milwaukee and St. Paul Railroad Company;

which lies Northwesterly of a line run parallel with and distant 105 Feet Northwesterly of the following described line:

Beginning at a point on the North and South Quarter Line of Said Section 8, distant 698 Feet South of the Center of said Section 8; thence run Northeasterly at an angle of 32 Degrees 00 Minutes 00 Seconds with said North and South Quarter Line for 1000 Feet and there terminating.

AMENDED AND RESTATED PURCHASE AND DEVELOPMENT AGREEMENT

BETWEEN

CHASKA ECONOMIC DEVELOPMENT AUTHORITY,

CITY OF CHASKA, MINNESOTA

AND

MSP/850, LLC

This document drafted by:
KENNEDY & GRAVEN, CHARTERED (JSB)
470 U.S. Bank Plaza
200 South Sixth Street
Minneapolis, MN 55402

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AMENDED AND RESTATED PURCHASE AND DEVELOPMENT AGREEMENT

THIS AGREEMENT, made as of the ___ day of July, 2018, by and between the Chaska Economic Development Authority (the “EDA”), a body corporate and politic organized and existing under the laws of the State of Minnesota, the City of Chaska, Minnesota (the “City”), a municipal corporation under the Constitution and laws of the State of Minnesota, and MSP/850, LLC, a Minnesota limited liability company (the “Developer”),

WITNESSETH:

WHEREAS, pursuant to Sections 469.001 through 469.047 and 469.090 through 469.1082, as amended (the “Development Act”), the EDA has created Redevelopment Project Area No. 4 (the “Project Area”) and has adopted or proposes to adopt a Redevelopment Plan therefor (the “Redevelopment Plan”); and

WHEREAS, pursuant to the provisions of Minnesota Statutes, Section 469.174 through 469.1794, as amended, (the “TIF Act”), the EDA has established, within the Project Area, a Tax Increment Financing (Redevelopment) District No. 20 (Brewery Project) qualified as a redevelopment tax increment financing district (the “TIF District”), the legal description of which is attached hereto as **Exhibit A**, and proposes to adopt a tax increment financing plan therefor (the “TIF Plan”) which provides for the use of tax increment financing in connection with certain development within the Project Area and TIF District; and

WHEREAS, the Developer proposes to redevelop an existing 7,202 square foot substandard building located on the Development Property for use as a commercial building which Developer will lease as a winery/brewery (taproom and related facilities, the “Brewery”) and other commercial tenants (collectively, the “Project”) and has requested that the EDA use tax increment financing and that the City provide certain other financial assistance to assist the Developer with certain costs thereof in order to fill the gap between the Total Development Costs (as hereinafter defined) and the funds available to pay such costs;

NOW, THEREFORE, in consideration of the premises and the mutual obligations of the parties hereto, each of them does hereby covenant and agree with the other as follows:

ARTICLE I
DEFINITIONS

Section 1.1. Definitions. All capitalized terms used and not otherwise defined herein shall have the following meanings unless a different meaning clearly appears from the context:

Access Easement means the Easement provided by the Developer to the City and the EDA to permit access over the Developer Property in accordance with the terms thereof, as the same may be from time to time modified, amended or supplemented, in substantially the form of the Easement contained in **Exhibit J** attached hereto**;**

Administrative Costs shall have the meaning set forth in Section 3.3;

Agreement means this Amended and Restated Purchase and Development Agreement, as the same may be from time to time modified, amended or supplemented;

Affiliate means a corporation, partnership, joint venture, association, business trust or similar entity organized under the laws of the United States of America or a state thereof which is directly controlled by or under common control with the Developer or any other Affiliate. For purposes of this definition, control means the power to direct management and policies through the ownership of at least a majority of its voting securities or interests, or the right to designate or elect at least a majority of the members of its governing body by contract or otherwise;

Architect means __________________, __________, Minnesota;

Assessment Agreement means the agreement, in substantially the form of the agreement contained in **Exhibit H** attached hereto and made a part of this Agreement, between the Developer and the EDA and including the attached certification by the assessor for the County, entered into pursuant to Article III of this Agreement;

Assessor's Minimum Market Value means the agreed minimum market value of the Project for calculation of real property taxes as determined by the assessor for the County as of January 2, 2019 and as further set forth in the Assessment Agreement;

Available Tax Increments means the Tax Increments received by the EDA less the amount of Tax Increments, if any, which the EDA must pay to the school district, the County and the State pursuant to Minnesota Statutes, Sections 469.177, Subds. 3, 9, 10, and 11; 469.176, Subd. 4h; and 469.175, Subd. 1a, as the same may be amended from time to time;

Business Day means any day except a Saturday, Sunday or a legal holiday or a day on which banking institutions in the City are authorized by law or executive order to close;

City means the City of Chaska, Minnesota and its authorized successors and assigns;

Closing Date or Closing means August 16, 2018 or such other date as agreed to by the EDA and Developer, or as extended by Developer as provided herein;

Completion Date means the date on which the Certificate of Completion with respect to the Project is executed by the EDA and the City pursuant to Section 3.7;

Construction Costs means the capital costs of the construction of the Project, including the costs of labor and materials; construction management and supervision expenses; insurance and payment or performance bond premiums; architectural and engineering fees and expenses; property taxes; usual and customary fees or costs payable to the EDA or the City, or any other public body with regulatory authority over construction of the Project (e.g. building permits and inspection fees); the developer fee; and all other costs chargeable to the capital account of the Project under generally accepted accounting principles;

Construction Documents shall mean the following documents, all of which shall be in form and substance acceptable to the Developer, the EDA and the City: (a) evidence satisfactory to EDA and the City showing that the Project conforms to applicable zoning, subdivision and building code laws and ordinances, including a copy of the building permit for the Project; (b) a copy of the executed standard form of agreement between owner and architect for architectural services for the Project, if any, and (c) a copy of the executed general contractor's contract for the Project, if any;

Construction Plans means the plans, specifications, drawings and related documents for the construction of the Project which shall be as detailed as the plans, specifications, drawings and related documents which are submitted to the building inspector of the City;

County means Carver County, Minnesota;

County Purchase Agreement means the Purchase Agreement dated July ___, 2018 between the EDA and the County related to the acquisition of the Development Property by the EDA;

Deed means the Quit Claim Deed in the form attached hereto as **Exhibit F**, to be executed by the EDA conveying the Development Property to the Developer;

Design Drawings means the floor plans, renderings, elevations and material specifications for the Project to be prepared by the Architect;

Developer means MSP/850, LLC, a Minnesota limited liability company, and its authorized successors and assigns;

Development Property means the real property legally described in **Exhibit B** attached to this Agreement under the heading "Development Property", which property is within the Project Area;

EDA means the Chaska Economic Development Authority and its authorized successors and assigns;

Event of Default means any of the events described in Section 5.1 hereof;

Interfund Loan means the interfund loan of non-federal funds from the City's Electric Fund or other fund of the City which was used to finance certain costs of the Project, in the aggregate amount of $250,000, all as set forth in a resolution to be adopted by the EDA;

Interfund Payment Date has the meaning as set forth in Section 3.2.

Organizational Documents shall mean the following which shall be in form and substance acceptable to EDA and the City: (a) Articles of Organization and Operating Agreement of the Developer, accompanied by a Certificate of Good Standing from the Minnesota Secretary of State; (b) An opinion of counsel for Developer stating that the Developer is a Minnesota limited liability company duly organized and existing under the laws of the State of Minnesota, that each of the Developer's Documents have been duly executed and delivered and are the legal and binding obligations of Developer, enforceable in accordance with their respective terms, subject to matters of bankruptcy, stay, insolvency, reorganization or other laws relating to or affecting creditors' rights generally or by principles of equity;

Project means the redevelopment of an existing 7,202 square foot substandard building located on the Development Property at 850 Chaska Boulevard in the City for use by the Developer as a commercial building including initially a winery/brewery, taphouse and related facilities and other commercial/retail space;

State means the State of Minnesota;

Tax Increments means the tax increments derived from the TIF District and the improvements thereon which have been received and retained by the EDA in accordance with Minnesota law, as amended from time to time, including without limitation the provisions of Minnesota Statutes, Section 469.177;

TIF Act means Minnesota Statutes, Sections 469.174 through 469.1794, as amended;

TIF District means the Tax Increment Financing (Redevelopment) District No. 20 (Brewery Project) consisting of the property legally described in **Exhibit A** attached hereto, which the EDA proposes to establish as a redevelopment district under the TIF Act;

TIF Plan means the tax increment financing plan approved for the TIF District;

Title Company means Title Mark, LLC, or other title company designated by Developer;

Termination Date means the earlier of (i) February 1, 2046; or (ii) any earlier date this Agreement is cancelled in accordance with the terms hereof or deemed paid in full; or (iii) the final Interfund Payment Date following the final collection of Tax Increments prior to the decertification of the TIF District in accordance with the law;

Total Development Costs means the costs as set forth on **Exhibit D**; and

Unavoidable Delays means delays, outside the control of the party claiming their occurrence, which are the direct result of strikes, other labor troubles, unusually severe or prolonged bad weather, acts of God, acts of war or terrorism, fire or other casualty to the Project, litigation commenced by third parties which, by injunction or other similar judicial action or by the exercise of reasonable discretion, directly results in delays, or acts of any federal, state or local governmental unit (other than the City or the EDA) which directly result in delays, acts of the public enemy or acts of terrorism and discovery of unknown hazardous materials or other concealed site conditions or delays of contractors due to such discovery.

ARTICLE II
REPRESENTATIONS AND WARRANTIES

Section 2.1. Representations and Warranties of the EDA. The EDA makes the following representations and warranties:

(1) The EDA is a body corporate and politic organized and existing under the laws of the State and has the power to enter into this Agreement and carry out its obligations hereunder.

(2) The EDA has established the TIF District as a "redevelopment district" within the meaning of Minnesota Statutes, Section 469.174, Subdivision 10.

(3) The development contemplated by this Agreement is in conformance with the development objectives set forth in the Redevelopment Plan.

(4) The EDA proposes, subject to the further provisions of this Agreement, to apply Tax Increments to repay the Interfund Loan and provide the proceeds of the Interfund Loan and certain other financial assistance to the Developer as set forth herein.

(5) The EDA makes no representation or warranty, either express or implied, as to the Development Property or its condition, or that the Development Property shall be suitable for the Developer's purposes or needs.

(6) No member of the Board of Commissioners of the EDA, or officer of the EDA, has either a direct or indirect financial interest in this Agreement.

Section 2.2. Representations and Warranties of the City. The City makes the following representations and warranties:

(1) The City is a municipal corporation organized and existing under the laws of the State and has the power to enter into this Agreement and carry out its obligations hereunder.

(2) The City has approved the creation of the TIF District and TIF Plan in accordance with the provisions of the TIF Act.

(3) The development contemplated by this Agreement is in conformance with the development objectives set forth in the Redevelopment Plan.

(4) The City proposes, subject to the further provisions of this Agreement, to provide certain financial assistance to the Developer for certain costs incurred in connection with the Project as further provided in this Agreement.

(5) The City makes no representation or warranty, either express or implied, as to the Development Property or its condition, or that the Development Property shall be suitable for the Developer's purposes or needs.

(6) No Councilmember of the City, or officer of the City, benefit financially from this Agreement within the meaning of Minnesota Statutes, Sections 412.311 and 471.87.

Section 2.3. Representations and Warranties of the Developer. The Developer makes the following representations and warranties:

(1) The Developer is a Minnesota limited liability company duly and validly organized and existing in good standing under the laws of the State, and has power and authority to enter into this Agreement and to perform its obligations hereunder and is not in violation of any provision of the laws of the State.

(2) The Developer has or will acquire, fee title to the Development Property, and will cause the Project to be constructed in accordance with the terms of this Agreement, the Redevelopment Project, and all local, state and federal laws and regulations including, but not limited to, environmental, zoning, energy conservation, building code and public health laws and regulations.

(3) The Total Development Costs of the Project are estimated to be approximately $1,100,000, and the sources of revenue to pay such costs are approximately $800,000, excluding the financial assistance provided by the City and the reimbursement of the Purchase Price provided herein by the EDA, and the Developer has been unable to obtain additional private financing or investment for the total estimated Total Development Costs at rates or returns that allow the Project to be economically feasible within the reasonably foreseeable future.

(4) The Project would not be undertaken by the Developer, and in the opinion of the Developer would not be economically feasible within the reasonably foreseeable future, without the assistance and benefit to the Developer provided for in this Agreement.

(5) The Developer will obtain, or cause to be obtained, in a timely manner, all required permits, licenses and approvals, and will meet, in a timely manner, all requirements of all applicable local, state, and federal laws and regulations which must be obtained or met for the construction and operation of the Project.

(6) Neither the execution and delivery of this Agreement, the consummation of the transactions contemplated hereby, nor the fulfillment of or compliance with the terms and conditions of this Agreement is prevented, limited by or conflicts with or results in a breach of, the terms, conditions or provision of any contractual restriction, evidence of indebtedness, agreement or instrument of whatever nature to which the Developer is now a party or by which it is bound, or constitutes a default under any of the foregoing.

(7) The Developer understands that the EDA and the City may subsidize or encourage the development of other developments in the City, including properties that compete with the Development Property and the Project, and that such subsidies may be more favorable than the terms of this Agreement, and that neither the EDA nor the City has represented that development of the Development Property will be favored over the development of other properties.

(8) Subject to Unavoidable Delays, the construction of the Project will commence on or before November 1, 2018 and, barring Unavoidable Delays, the Project will be substantially completed by July 31, 2019. Notwithstanding the foregoing, failure of the Developer to substantially complete the Project shall not be an Event of Default unless the Project is not substantially completed by April 30, 2020.

(9) As of January 2, 2019, the estimated market value of the property described in **Exhibit A** is expected to be at least $681,980.

ARTICLE III
UNDERTAKINGS BY DEVELOPER, EDA AND CITY

Section 3.1. Total Development Costs and Public Costs. Based on the Developer's representation that the Total Development Costs are approximately $1,100,000, that the sources of revenue available to pay such costs, excluding the EDA's land cost reimbursement and the City's financial assistance contemplated herein, is $800,000, and that the Developer is unable to obtain additional private financing or investment for the total estimated Total Development Costs at rates or returns that allow the Project to be economically feasible within the reasonably foreseeable future, the EDA has agreed to provide tax increment financing assistance, subject to the EDA's confirmation of the Developer's need for assistance after delivery, on or before the Closing Date, of the Developer's statement of Sources and Uses for the Project to be attached as **Exhibit D** hereto, and the City has agreed to provide certain other financial assistance as hereinafter set forth, subject to satisfaction of certain conditions as provided herein. The Developer agrees that it will construct the Project on the Development Property.

Section 3.2. Agreement to Pay Tax Increment Shortfall. In order to assist with the costs of site acquisition, the EDA agrees, subject to satisfaction of all conditions required by law to implement the terms of this Agreement, to acquire the Development Property from the County in accordance with the County Purchase Agreement, to convey the Development Property to the Developer in accordance with the terms of the Article IV of this Agreement and to reimburse the Developer from proceeds of the Interfund Loan in an amount equal to $250,000 as further set forth in this Agreement.

Commencing August 1, 2020, on each February 1 and August 1 thereafter to and including February 1, 2046, or, if the first day of either February 1 or August 1 should not be a Business Day, the next succeeding Business Day (the "Interfund Payment Dates") the EDA will credit against the principal amount of the Interfund Loan, an amount equal to 90% of the Tax Increments received by the EDA in the 6-month period preceding such Interfund Payment Date (the "Available Tax Increments"). If, on any Interfund Payment Date, the Available Tax Increments received by the EDA in the 6-month period preceding such Interfund Payment Date are less than the amount shown in the schedule below, the Developer shall pay, by check or draft mailed to the EDA, an amount equal to the deficiency. The Developer's obligation to make such payments is evidenced by the Purchase Price Note delivered in accordance with Section 4.5(3) hereof.

Date	Amount	Date	Amount	Date	Amount	Date	Amount
8/1/20	$2,024,50	2/1/27	$3,336.50	8/1/33	$5,192.50	2/1/40	$7,120.00
2/1/21	$2,024,50	8/1/27	$3,579.00	2/1/34	$5,192.50	8/1/40	$7,475.50
8/1/21	$2,227.50	2/1/28	$3,579.00	8/1/34	$5,490.50	2/1/41	$7,475.50
2/1/22	$2,227,50	8/1/28	$3,828.00	2/1/35	$5,490.50	8/1/41	$7,841.50
8/1/22	$2,436.50	2/1/29	$3,828.00	8/1/35	$5,797.50	2/1/42	$7,841.50
2/1/23	$2,436,50	8/1/29	$4,085.00	2/1/36	$5,797.50	8/1/42	$8,219.00
8/1/23	$2,651,50	2/1/30	$4,085.00	8/1/36	$6,113.50	2/1/43	$8,219.00
2/1/24	$2,651,50	8/1/30	$4,350.00	2/1/37	$6,113.50	8/1/43	$8,608.00

Date	Amount	Date	Amount	Date	Amount	Date	Amount
8/1/24	$2,873.00	2/1/31	$4,350.00	8/1/37	$6,439.00	2/1/44	$8,608.00
2/1/25	$2,873.00	8/1/31	$4,623.00	2/1/38	$6,439.00	8/1/44	$9,008.00
8/1/25	$3,101,50	2/1/32	$4,623.00	8/1/38	$6,774.50	2/1/45	$9,008.00
2/1/26	$3,101,50	8/1/32	$4,903.50	2/1/39	$6,774.50	8/1/45	$9,421.00
8/1/26	$3,336.50	2/1/33	$4,903.50	8/1/39	$7,120.00	2/1/46	$9,421.00

If, as of the termination date of the TIF District, the EDA has received Tax Increments in excess of an amount sufficient to repay the principal amount of $250,000, the EDA will, on or before December 31, 2046, apply such excess to reimburse the Developer for any amounts paid to the EDA pursuant to this Section 3.2 or the Purchase Price Note in an amount equal to such excess.

If, as of the termination date of the TIF District, the EDA has received Tax Increments in an amount less than $250,000, the EDA will, if the Tax Increments have been received by the EDA in an amount at least equal to the amounts set forth above or the Developer has paid all deficiency amounts in accordance with this Section 3.2 and the Purchase Price Note, forgive the remaining principal amount of the Purchase Price Note.

Section 3.3. Developer to Pay EDA's and City Fees and Expenses. The Developer will pay the EDA's and City's Administrative Costs (as defined below) in an amount not to exceed $20,000. For the purposes of this Agreement, the term "Administrative Costs" means out of pocket costs incurred by the EDA or the City together with staff and consultant (including engineering, legal, financial adviser, environmental advisor, planning advisor, etc.) costs of the EDA and the City, all attributable to or incurred in connection with the establishment of the TIF District and the TIF Plan and review, negotiation and preparation of this Agreement (together with any other agreements entered into between the parties hereto contemporaneously therewith) and review and approvals of any land use, zoning and subdivision applications for the Development Property, and other documents and agreements in connection with the Project provided. The Developer is obligated pay such Administrative Costs within 10 days after receipt of a written notice from the EDA or the City containing evidence of Administrative Costs incurred by the EDA or the City or at the Closing, whichever is later. The City and the EDA acknowledge that the Developer has deposited $5,000 for this purpose which has been applied to the payment of Administrative Costs.

Section 3.4. Compliance with Environmental Requirements.

(1) The Developer shall comply with all applicable local, state, and federal environmental laws and regulations, and will obtain, and maintain compliance under, any and all necessary environmental permits, licenses, approvals or reviews.

(2) The EDA and the City make no warranties or representations regarding, nor does it indemnify the Developer with respect to, the existence or nonexistence on or in the vicinity of the Development Property or anywhere within the TIF District of any toxic or hazardous substances or wastes, pollutants or contaminants (including, without limitation, asbestos, urea formaldehyde, the group of organic compounds known as polychlorinated biphenyls, petroleum

products including gasoline, fuel oil, crude oil and various constituents of such products, or any hazardous substance as defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA"), 42 U.S.C. §§ 961-9657, as amended) (collectively, the "Hazardous Substances").

(3) The Developer agrees to take all necessary action to remove or remediate any Hazardous Substances located on the Development Property to the extent required by and in accordance with all applicable local, state and federal environmental laws and regulations.

(4) Developer acknowledges the existence of the conditions set forth in the Phase I environmental report for the Development Property and Developer waives any claims against the EDA or the City, for indemnification, contribution, reimbursement or other payments arising under federal and state law and the common law or relating to the environmental condition of the land comprising the Development Property.

Section 3.5. Construction Plans.

(1) Prior to the commencement of construction of the Project, the Developer will deliver to the EDA and the City the Construction Plans and a sworn construction cost statement certified by the Developer and the general contractor (the "Sworn Construction Cost Statement"). The EDA and the City shall promptly review any Construction Plans upon submission and deliver to the Developer a written statement approving the Construction Plans or a written statement rejecting the Construction Plans and specifying the deficiencies in the Construction Plans. The EDA and the City shall approve the Construction Plans if: (i) the Construction Plans substantially conform to the terms and conditions of this Agreement; (ii) the Construction Plans are consistent with the goals and objectives of the Redevelopment Project; (iii) the Construction Plans comply with the site plan, including without limitation using consistent construction materials and architectural style; and (iv) the Construction Plans do not violate any applicable federal, State or local laws, ordinances, rules or regulations. If the Construction Plans are not approved by the EDA and the City, then the Developer shall make such changes as the EDA and the City may reasonably require and resubmit the Construction Plans to the EDA or the City for approval. If the EDA and the City have not rejected the Construction Plans in writing within 15 calendar days of submission, such Construction Plans shall automatically be deemed approved by the EDA and the City.

(2) The approval of the Construction Plans, or any proposed amendment to the Construction Plans, by the EDA or the City does not constitute a representation or warranty by the EDA or the City that the Construction Plans or the Project comply with any applicable building code, health or safety regulation, zoning regulation, environmental law or other law or regulation, or that the Project will meet the qualifications for issuance of a certificate of occupancy, or that the Project will meet the requirements of the Developer or any other users of the Project. Approval of the Construction Plans, or any proposed amendment to the Construction Plans, by the EDA or the City will not constitute a waiver of an Event of Default. Nothing in this Agreement shall be construed to relieve the Developer of its obligations to receive any required approval of the Construction Plans from any City department.

Section 3.6. Commencement and Completion of Construction. Subject to the terms and conditions of this Agreement and to Unavoidable Delays, the Developer will commence construction of the Project by November 1, 2018 and shall substantially complete the Project by July 31, 2019. Notwithstanding the foregoing, failure of the Developer to substantially complete the Project shall not be an Event of Default unless the Project is not substantially completed by April 30, 2020. The Project will be constructed by the Developer on the Development Property in conformity with this Agreement and the Construction Plans approved by the EDA and the City. No changes shall be made to the Construction Plans for the Project without the EDA's and the City's prior written approval, unless the aggregate of such changes do not increase or decrease the Total Development Costs by more than 10%. No changes which materially alter (a) the Project's site plan, (b) exterior appearance, (c) quality, (d) exterior materials, or (e) number of parking spaces included in the Design Drawings and Construction Plans shall be made without the EDA's and the City's prior written consent, which will not be unreasonably withheld, unreasonably conditioned or unreasonably delayed. Prior to completion, upon the request of the EDA or the City, and subject to applicable safety rules, the Developer will provide the EDA or the City reasonable access to the Development Property. "Reasonable access" means at least one site inspection per week during regular business hours. During construction, marketing and rentals of the Project, the Developer will deliver progress reports to the EDA and the City from time to time as mutually agreed upon by the EDA, the City and the Developer.

Section 3.7. Certificate of Completion. The Developer shall notify the EDA and the City when construction of the Project has been substantially completed. At no cost to Developer, the EDA and the City shall promptly inspect the Project in order to determine whether the Project has been constructed in substantial conformity with this Agreement, the approved Construction Plan. If the EDA and the City determine that the Project has not been constructed in substantial conformity with this Agreement, the approved Construction Plans, the EDA and the City shall deliver a written statement to the Developer indicating in adequate detail the specific respects in which the Project has not been constructed in substantial conformity with the approved Construction Plans and Developer shall promptly remedy such deficiencies. Promptly upon determining that the Project has been constructed in substantial conformity with this Agreement, the approved Construction Plans, the EDA and the City will furnish to the Developer a Certificate of Completion in the form attached hereto as **Exhibit E** certifying the completion of the Project. The Certificate of Completion issued for the Project shall conclusively satisfy and terminate the agreements and covenants of the Developer in this Agreement and the Deed to construct the Project. The Developer may cause the Certificate of Completion to be recorded in the proper office for recordation of deeds and other instruments pertaining to the Development Property.

Section 3.8. Additional Responsibilities of the Developer.

(1) The Developer will construct, operate and maintain, or cause to be operated and maintained, the Project in substantial accordance with the terms of this Agreement, the Redevelopment Project and all local, State, and federal laws and regulations including, but not limited to zoning, building code, public health laws and regulations, except for approved variances necessary to construct the Project contemplated in the Construction Plans approved by the EDA and the City.

(2) The Developer will obtain, in a timely manner, all required permits, licenses, and approvals, and will meet, in a timely manner, all requirements of all applicable local, State, and federal laws and regulations which must be obtained or met before the Project may be lawfully constructed.

(3) The Developer will not construct any building or other structures on, over, or within the boundary lines of any public utility easement unless such construction is provided for in such easement or has been approved by the utility involved.

(4) The Developer, at its own expense, will replace any public facilities and public utilities damaged during the construction of the Project, in accordance with the technical specifications, standards and practices of the owner thereof.

(5) The Developer will provide and maintain or cause to be maintained at all times and, from time to time at the request of the EDA or the City, furnish the EDA or the City with proof of payment of premiums on insurance of amounts and coverages normally held by owners of property similar to the Project.

Section 3.9. Encumbrance of the Development Property. Until the final Interfund Payment Date, without the prior written notice to the EDA, neither the Developer nor any successor in interest to the Developer will engage in any financing or any other transaction creating any mortgage or other encumbrance or lien upon the Development Property, or portion thereof, whether by express agreement or operation of law, or suffer any encumbrance or lien to be made on or attach to the Development Property, except for any encumbrance required herein, including delivery of the Access Easement and the Assessment Agreement at Closing.

Section 3.10. Business Subsidy Act. The County assessor has estimated the current year's market value of the Development Property to be $455,000. The Developer represents that the Developer's investment (net of amounts paid pursuant to this Agreement) in acquisition and site preparation of the Development Property will be not less than $800,000 (i.e. $1,100,000 - $300,000). The Developer represents that because this is a redevelopment of a blighted property and the Developer's investment in the purchase price and cost of site preparation for the Development Property will equal 70% or more of the assessor's current year's estimated market value of the Development Property (i.e. $318,500) the assistance for the Project does not constitute a "business subsidy" and therefore the provisions of the Business Subsidy Law do not apply.

Section 3.11. Execution of Assessment Agreement.

(1) On the Closing Date, the Developer and the EDA shall execute the Assessment Agreement relating to the Project pursuant to the provisions of Minnesota Statutes, Section 469.177, Subdivision 8, specifying the Assessor's Minimum Market Value for calculation of real property taxes. Specifically, the Developer shall agree to a market value in the amount of $681,980 as of January 2, 2019. Nothing in the Assessment Agreement or this Agreement limits the discretion of the assessor for the County to assign a market value to the property in excess of such Assessor's Minimum Market Value nor prohibits the Developer from seeking, through the exercise of legal or administrative remedies, a reduction in such market value for property tax

purposes, provided however, the Developer shall not seek a reduction of such market value below the Assessor's Minimum Market Value for any year so long as the Assessment Agreement remains in effect for that year.

(2) The Assessment Agreement shall remain in effect until the earlier of (i) January 31, 2044, or (ii) the date on which the TIF District expires or is otherwise terminated. Minnesota Statutes, Section 469.177, Subdivision 8, upon a finding by the assessor of the County that the Assessor's Minimum Market Value represents a reasonable estimate based upon the plans and specifications for the Project to be constructed on the Development Property. Pursuant to Minnesota Statutes, Section 469.177, Subdivision 8, the Assessment Agreement shall be filed for record in the office of the county recorder or registrar of titles of the County prior to any lien on the Development Property, including any mortgage, and such filing shall constitute notice to any subsequent encumbrancer or purchaser of the Development Property, whether voluntary or involuntary, and such Assessment Agreements shall be binding and enforceable in its entirety against any such subsequent purchaser or encumbrancer, including the holder of any mortgage.

(3) The Developer agrees to pay the cost of filing such Assessment Agreement with the Carver County Recorder and Registrar of Titles.

(4) The Developer agrees that prior to the Termination Date it will not cause a reduction in the real property taxes paid in respect of the Project through willful destruction of the Project or any part of the Development Property; or willful refusal to reconstruct damaged or destroyed property. Developer also agrees that it will not, prior to the Termination Date, apply for a deferral of property tax on the Development Property and the improvements thereon pursuant to any law, or transfer or permit transfer of the Development Property to any entity whose ownership or operation of the property would result in the Development Property being exempt from real estate taxes under State law.

(5) The Developer shall notify the City and the EDA within 10 days of filing any petition to seek reduction in market value or property taxes on any portion of the Development Property under any State law (referred to as a "Tax Appeal"). If as of any Interfund Payment Date, any Tax Appeal is then pending, the EDA will withhold payments of Tax Increments attributable to the disputed tax payment that is the subject of the Tax Appeal to determine any shortfall pursuant to Section 3.2. The EDA will apply any withheld amount to the extent not reduced as a result of the Tax Appeal promptly after the Tax Appeal is fully resolved and the amount of Tax Increment attributable to the disputed tax payments is finalized.

(6) The City and the EDA will not oppose the subdivision or lot split of the Development Property on the basis of the existence of this Agreement and the Assessment Agreement; provided however, that such subdivision or lot split of the Development Property (i) shall not reduce the Assessor's Minimum Market Value as set forth in the Assessment Agreement and (ii) the Assessment Agreement reflecting the Assessor's Minimum Market Value of $681,980 shall remain an encumbrance with respect to the portion of the Development Property which contains the Project building.

Section 3.12. Other EDA Financial Assistance. The City, the EDA and the Developer acknowledge that the conditions to providing the assistance set forth in this Section 3.12 will not have been satisfied as of the Closing Date and, therefore, such amounts will not be provided to the Developer on the Closing Date.

(1) EDA Sign/Awning Matching Grant. Subject to satisfaction of the conditions set forth in Section 4.4(2) and all other conditions required by law to implement the terms of this Agreement, the EDA agrees to provide a sign/awning matching grant in an amount not to exceed $2,500 to the Developer subject to the following conditions:

(A) The Developer has submitted an Application for Storefront Improvement Matching Grant for Signs/Awnings to the EDA;

(B) The Developer's proposed sign and/or awnings are found by the EDA to be consistent with the Historic Chaska Downtown Design Manual and/or the Downtown Chaska Signage Design Guidelines and meet the Storefront Improvement Program Objectives; and

(C) Upon completion of the Project, the Developer has submitted evidence in the form of invoices or other evidence acceptable to the EDA that it has provided matching funds for the acquisition and installation of a new sign and/or awnings for the Project. The EDA grant will be provided in an amount equal to the matching funds provided by the Developer in an amount not to exceed $2,500.

(2) EDA Storefront Rehabilitation Loan. Subject to satisfaction of the conditions set forth in Section 4.4(2) and all other conditions required by law to implement the terms of this Agreement, the EDA agrees to provide a low interest loan to the Developer for the construction of certain storefront improvements on the Closing Date in an amount not to exceed $50,000 subject to the following conditions:

(A) The Developer shall have submitted an Application for Storefront Improvement Loan to the EDA;

(B) The Developer's proposed architectural design for the building shall have been found by the planning staff of the City to be consistent with the City's Comprehensive Plan and zoning ordinance, to have an architectural relationship with other downtown structures, and to be "quality" in nature in accordance with the Historic Chaska Downtown Design Manual and the Planning Commission has approved the site and building plans;

(C) The EDA shall have determined that the Project qualifies for loan in the amount $50,000, or such other amount to be provided, in accordance with the Storefront Improvement Program guidelines; and

(D) The Developer shall have entered into the Storefront Improvement Loan Agreement with the EDA regarding the provision of the loan and has delivered to the EDA the Storefront Improvement Note and the Storefront Improvement Mortgage, all in forms satisfactory to the EDA.

(3) EDA Architectural Grant. Subject to satisfaction of the conditions set forth in Section 4.4(2) and all other conditions required by law to implement the terms of this Agreement, the EDA agrees to provide an architectural feasibility grant in an amount not to exceed $500 to the Developer subject the following conditions:

(A) The City Planning Department shall have approved the initial rehabilitation plans;

(B) The Developer shall have submitted an Application for Initial Architectural Feasibility Grant to the EDA; and

(C) The EDA shall have found that the Project is determined to be both architecturally and financially feasible.

Section 3.13. City Assistance.

(1) City Energy Retrofit Rebate. Upon the submission of applications substantially in the forms attached hereto as **Exhibit H** for the City of Chaska's Electric Utility rebate programs and subject to satisfaction of the conditions set forth in Section 4.4(2) and all other conditions required by law to implement the terms of this Agreement, the City agrees to provide all available rebates to the Developer that the Developer qualifies for in accordance with the terms of those programs.

(2) City Sewer and Water Trunk Extension. Subject to satisfaction of the conditions set forth in Section 4.4(2), Unavoidable Delays and all other conditions required by law to implement the terms of this Agreement, including without limitation satisfaction of the following conditions:

(a) The City's planning commission and City Council shall have accepted and approved plans and specifications for the extension of the sewer and water trunk utilities to the property line of the Development Property (the "Public Improvements");

(b) The City shall have obtained all necessary easements and public right of way for the Public Improvements;

(c) The City shall have completed all proceedings required under applicable law and in accordance with the City Code and all City ordinances, requirements and procedures as necessary to undertake the Public Improvements; and

(d) The City shall have obtained satisfactory bids in accordance with approved plans and specifications for the Public Improvements and shall have awarded and entered into a contract for the construction thereof;

on or before the later of September 30, 2018 or 4 weeks after the Developer has obtained a building permit for the Project and commenced demolition work on the Development Property, the City agrees to install the Public Improvements and the City will not levy any special assessments on the Development Property for the Public Improvements. Upon connection of the Development Property to the municipal sewer and water systems, the City agrees that, as part of the utility extension project, it will abandon the existing septic tank on the Development Property. The Developer shall pay sewer and water connection charges as determined through the permitting process and all other City utility fees in connection with the Project as invoiced. The City agrees will not oppose the Developer's continued use of the existing on-site well along with the City's water system for the provision of water to the Development Property provided that the Developer shall be responsible for obtaining any necessary approvals in connection with such use.

(3) City Ordinances. The City agrees to consider an ordinance authorizing the operation of a brewery and taproom on the Development Property, including Sunday sales of growlers, prior to the Closing Date.

ARTICLE IV
ACQUISITION AND CONVEYANCE OF DEVELOPMENT PROPERTY

Section 4.1. Purchase and Sale of Development Property; Purchase Price. Subject to satisfaction of all conditions required by law to implement the terms of this Agreement, satisfaction of the conditions set forth in Section 4.4(2) and the other terms of this Agreement and the County Purchase Agreement, the EDA agrees to acquire the Development Property from the County in accordance with the County Purchase Agreement and to sell to the Developer, and Developer agrees to purchase from the EDA, the Development Property for a purchase price in the amount of Four Hundred and Fifty Thousand and no/100 Dollars ($450,000) (the "Purchase Price") and to pay the Purchase Price as provided in Section 4.3 hereof.

Section 4.2. As Is Conveyance. In recognition of the significant economic contributions which the EDA has made to redevelop the Development Property, the Developer shall take the conveyance of Development Property on an "AS IS" "WHERE IS" basis, with all faults and defects, without any warranties, express or implied, except such representations and warranties as specifically set forth in this Agreement, and the Developer waives any claims against the EDA and its governing bodies' members, officers, agents, including the independent contractors, consultants and legal counsel, servants and employees thereof (for purposes of this Section, collectively the "Indemnified Parties"), for indemnification, contribution, reimbursement or other payments arising under federal and state law and the common law relating to environmental or any other condition of Development Property. The EDA has no obligation to produce any evidence of title. The Developer will obtain its own title evidence from the Title Company. The Developer acknowledges that the EDA has provided copies of the environmental assessments Phase I Environmental Site Assessment, conducted by Nova Consulting (Nova Project No. E12-3284), Limited Phase II Subsurface Investigation, conducted by Nova Consulting (Nova Project No. E12-3919), and Construction Contingency Plan, conducted by Nova Consulting (Nova Project No. E15-5066), to the Developer, and that the Developer has had sufficient time and opportunity to fully review and consider said documents. The EDA and the City have no actual knowledge of any other reports in their possession regarding the condition of the Development Property.

Section 4.3. Payment of Purchase Price. The Purchase Price for the Development Property shall be paid by Developer to the City at Closing as follows: (a) Two Hundred Thousand and no/100 Dollars ($200,000) in cash or certified funds or by wire transfer; and (b) the balance of Two Hundred and Fifty Thousand Dollars and no/100 Dollars ($250,000) by a promissory note in the form of **Exhibit C** attached hereto ("Purchase Price Note"). Taxes attributable to the Development Property due and payable in the year of Closing, pro rated through the date of Closing, and balances of special assessments and any deferrals or penalties assessed against the Development Property, if any, will be paid by the County at Closing in accordance with the County Purchase Agreement. The Developer shall pay all taxes, special assessments and similar governmental impositions due and payable in the year of Closing, except as provided in the preceding sentence, and after the Closing Date and all future years. In addition, on the Closing Date, the Developer shall execute the Access Easement for the benefit of the City and the EDA.

Section 4.4. Contingencies to Closing on Development Property.

(1) Developer's Contingencies. The Developer's obligation to close on the purchase of the Development Property is expressly conditioned upon each of the following contingencies being satisfied or waived:

(a) obligations required to be performed by the City and the EDA under this Agreement as of the Closing Date, including but not limited to, the final approvals for and establishment of the TIF District and TIF Plan, final approval of an ordinance permitting growler sales by the Brewery, and delivery of all of the EDA's Documents described in Section 4.5(2) hereof; and

(b) the Developer shall have received all necessary rezoning, variances, conditional use permits and other permits, site plan and other approvals needed to permit the construction of the Project; and

(c) the Developer shall have completed such environmental investigation (including soil conditions) with respect to the Development Property as it deems prudent and shall be satisfied with the results thereof; and

(d) the Developer shall have obtained financing acceptable to the Developer for development of the Project; and

(e) on the Closing Date, the Title Company shall be irrevocably committed to issue to Developer an owner's and lender's policy of title insurance with respect to the Development Property in form and substance approved by Developer and its lender.

If the Developer determines that any of the foregoing contingencies have not been satisfied on or before the Closing Date, the Developer may, at the option of the Developer, extend the Closing Date for a period of up to 90 days by giving written notice to the EDA.

(2) EDA's Contingencies. The EDA's obligation to close on the sale of the Development Property is expressly conditioned upon each of the following contingencies being satisfied or waived:

(a) Developer shall have performed all of the obligations required to be performed by Developer under this Agreement as of the Closing Date;

(b) Developer shall have delivered to the EDA all of the Developer's Documents described in Section 4.5(3);

(c) The Developer shall have submitted the Construction Plans to the EDA and the City, and the EDA and the City shall have approved the Construction Plans pursuant to Section 3.6 hereof.

(d) The City has approved a building permit for the construction of the Project;

(e) The County shall have satisfied the conditions set forth in Section 4 of the Purchase Agreement between the County and the EDA, dated as of the date hereof, and shall have closed on the sale and delivered the Development Property to the EDA;

(f) Developer shall have received or the EDA shall have determined that the Developer will receive all necessary rezoning, variances, conditional use permits and other permits, site plan and other approvals needed to permit the construction of the Project including without limitation any needed variances; and

(g) Developer shall have obtained all necessary financing for development of the Project;

(h) The City shall have obtained an easement over property adjacent to the Development Property to extend water and sewer trunk utilities to the property line of the Development Property; and

(i) The Developer shall have delivered the Developer's statement of the Total Development Costs of the Project and sources of revenue to pay such costs, to be attached as **Exhibit D** hereto, demonstrating the Developer's need for assistance as provided in this Agreement.

(3) EDA's and Developer's Options. In the event that any of the foregoing contingencies fail to be satisfied on or before the Closing Date, and Developer does not extend the Closing Date as described in Section 4.4(1) above, the Developer or the EDA, as the case may be, may:

(a) terminate this Agreement; or

(b) waive such failure and proceed to close; or

(c) the Developer and EDA may mutually agree to extend the Closing Date.

Section 4.5. Closing.

(1) Time and Place. Subject to the terms and conditions of this Agreement, the Closing on the purchase and sale of the Development Property shall take place on the Closing Date and shall take place at such place which is mutually acceptable to the parties. The EDA shall deliver possession of the Development Property on the Closing Date.

(2) EDA's Documents. At the Closing, the EDA shall execute, where appropriate, and deliver all of the following "EDA's Documents":

(a) The Deed, in substantially the form as **Exhibit F** attached hereto, properly executed on behalf of the EDA conveying the Development Property to the Developer, together with any other documents reasonably required to be delivered by the EDA.

(b) Abstracts of title, if any, in the EDA's possession to any portion of the Development Property which is abstract property, and any owner's duplicate certificate of title to any portion thereof which is registered property. The EDA has no obligation to have any abstracts updated.

(c) An affidavit of EDA regarding liens, judgments, tax liens, bankruptcies, parties in possession, survey and mechanics' or materialmen's liens and other matters affecting title to the Development Property and/or as may be reasonably required by Title Company to delete the so-called "standard exceptions" from the title insurance policy.

(d) A transferor's certification stating that EDA is not a "foreign person", "foreign partnership", "foreign trust" or "foreign estate" as those terms are defined in Section 1445 of the Internal Revenue Code, and containing such additional information as may be required thereunder.

(e) A settlement statement consistent with this Agreement.

(f) The Assessment Agreement.

(g) Such other documents as shall be required to carry out the intent of this Agreement.

(3) Developer's Documents. At the Closing, the Developer shall execute, where appropriate, and deliver all of the following "Developer's Documents":

(a) A sworn construction cost statement executed by the Developer and the general contractor setting forth total Construction Costs of the Project.

(b) Proof of insurance required by this Agreement.

(c) To the extent required and obtainable as of the Closing Date, environmental clearances, subdivision approvals, permits, and any other required governmental approvals for the Project.

(d) An affidavit from Developer indicating on the Closing Date that there are no outstanding, unsatisfied judgments, tax liens or bankruptcies against or involving the Developer; that there has been no skill, labor or material furnished to the Development Property for which payment has not been made or for which mechanic's liens could be filed.

(e) Funds sufficient for payment by the Developer at Closing of the recording charges or fees for all documents which are to be placed on record, the fee or charge imposed by any closing agent designated by the Title Company, and any other incidental or related closing costs.

(f) The Organizational Documents and Construction Documents.

(g) The Assessment Agreement.

(h) The Purchase Price Note.

(i) Evidence satisfactory to the EDA that the Developer has sufficient financing to complete the Project.

(j) A lease, with a term of at least 5 years, between the Developer and Schram Vineyards LLC as the operating entity of the brewery and tap room.

(k) The Access Easement.

(l) The Developer's statement of the Total Development Costs of the Project and sources of revenue to pay such costs, to be attached as **Exhibit D** hereto.

(m) Such other documents as shall be required to carry out the intent of this Agreement.

Section 4.6. Closing Costs. The Developer shall pay the premium for the Developer's owner's policy of title insurance, filing and recording fees, and the costs of the Title Company to conduct and insure the Closing. The Developer shall also pay any state deed tax on the Deed on behalf of the EDA.

Section 4.7. Title. The Developer will obtain a commitment for an owner's title insurance policy issued by the Title Company naming Developer as the proposed owner-insured of the Development Property (the "Commitment"). The Developer agrees to take title to the Development Property subject to Permitted Encumbrances approved by the Developer and its lender and as set forth in **Exhibit G**.

Section 4.8. Environmental Remediation. The EDA makes no representations concerning nor shall have any responsibility or obligation to undertake any cleanup or remediation on the Development Property. Following delivery of the Deed, the Developer agrees to remediate any environmental contamination or pollution on the Development Property that may be required by law.

Section 4.9. Developer's Right to Inspect. The Developer is hereby granted the right to enter upon and inspect, analyze and test the Development Property for all reasonable purposes, including conducting soil tests. The Developer shall pay for the cost of all investigations of the Development Property which are ordered by Developer for purposes of conducting its own investigations of the Development Property. Developer hereby agrees to indemnify and hold the EDA harmless from any claims, damages, costs and liability, including without limitation reasonable attorneys' fees, resulting from entering upon the Development Property or the performing of the analysis, tests or inspections referred to in this section.

Section 4.10. Conveyance Subject to Right of Re-entry. The EDA's conveyance of the Development Property to the Developer pursuant to this Agreement will be made subject to a right of re-entry for breach of a condition subsequent in favor of the EDA. The condition subsequent is that, barring any Unavoidable Delays, the Developer shall have completed, not later than January 31, 2019, interior demolition of the existing building on the Development Property in accordance with permits issued by the City. If Developer breaches such condition subsequent, the EDA shall give notice to Developer thereof and Developer shall have 30 days from receipt of said notice to comply with the condition. If the Developer fails to comply within said 30 days, the Developer shall re-convey the Development Property back to the EDA. If the Developer fails to re-convey the Development Property to the EDA, the EDA may elect to exercise its right of reentry by commencing an action in Carver County District Court to establish the breach of the condition subsequent. If the EDA establishes a breach of the condition subsequent, title to and the right to possession of the Development Property and title to all improvements located thereon reverts to the EDA, and the Developer is not entitled to any compensation from the EDA for the value of any improvements the Developer has made to the Development Property.

ARTICLE V
EVENTS OF DEFAULT

Section 5.1. Events of Default Defined. The following shall be “Events of Default” under this Agreement and the term “Event of Default” shall mean whenever it is used in this Agreement any one or more of the following events:

(1) Failure by the Developer to timely pay any ad valorem real property taxes assessed with respect to the Development Property.

(2) Subject to Unavoidable Delays, failure by the Developer to proceed with due diligence to substantially complete the construction of the Project pursuant to the terms, conditions and limitations of this Agreement by April 30, 2020.

(3) Failure of the Developer to observe or perform any other material covenant, condition, obligation or agreement on its part to be observed or performed under this Agreement.

(4) Failure by the Developer to make a payment within 10 days after such payment is due under the Purchase Price Note or pursuant to Section 3.2.

(5) If, prior to the Completion Date, the Developer shall

(a) file any petition in bankruptcy or for any reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief under the United States Bankruptcy Act of 1978, as amended or under any similar federal or state law; or

(b) be adjudicated a bankrupt or insolvent; or if a petition or answer proposing the adjudication of the Developer, as a bankrupt or its reorganization under any present or future federal bankruptcy act or any similar federal or state law shall be filed in any court and such petition or answer shall not be discharged or denied within 60 days after the filing thereof; or a receiver, trustee or liquidator of the Developer, or of the Project, or part thereof, shall be appointed in any proceeding brought against the Developer, and shall not be discharged within 60 days after such appointment, or if the Developer, shall consent to or acquiesce in such appointment.

Section 5.2. Remedies on Default. Whenever any Event of Default referred to in Section 5.1 occurs and is continuing, either the EDA or the City, as specified below, may take any one or more of the following actions after the giving of 30 days’ written notice to the Developer, but only if the Event of Default has not been cured within said 30 days; provided that if such Event of Default cannot be reasonably cured within the 30 day period, and the Developer has provided reasonable assurances to EDA and the City that it is proceeding with due diligence to cure such default, such 30-day cure period shall be extended for an additional period deemed reasonably necessary by the EDA and the City to effect the cure, but in any event not to exceed an additional 180 days:

(1) The EDA or the City may suspend its performance under this Agreement until it receives assurances from the Developer, deemed reasonably adequate by the EDA and the City, that the Developer will cure its default and continue its performance under this Agreement.

(2) The EDA or the City may terminate this Agreement.

(3) The EDA may accelerate the payments of the Purchase Price Note and the obligations of the Developer under Section 3.2.

(4) If the Event of Default constitutes a breach of the condition subsequent set forth in the right of re-entry in Section 4.10 the EDA reserves in a deed conveying the Development Property to the Developer, the EDA may exercise its right of re-entry as set forth in the deed and Section 4.10 hereof.

(5) The EDA may seek specific performance of the obligations of the Developer pursuant to this Agreement and the Purchase Price Note or damages to the extent otherwise set forth herein as to any obligation, agreement, or covenant of the Developer under this Agreement or the Purchase Price Note.

(6) The EDA or the City may take any action, including legal or administrative action, in law or equity, which may appear necessary or desirable to enforce performance and observance of any obligation, agreement, or covenant of the Developer under this Agreement.

Section 5.3. No Remedy Exclusive. No remedy herein conferred upon or reserved to the EDA or the City is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient.

Section 5.4. No Implied Waiver. In the event any agreement contained in this Agreement should be breached by any party and thereafter waived by any other 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 hereunder.

Section 5.5. Indemnification of EDA and the City.

(1) The Developer releases from and covenants and agrees that the EDA and the City, and their governing bodies' members, officers, agents, including the independent contractors, consultants and legal counsel, servants and employees thereof (hereinafter, for purposes of this Section, collectively the "Indemnified Parties") shall not be liable for and agrees to indemnify and hold harmless the Indemnified Parties against any loss or damage to property or any injury to or death of any person occurring at or about or resulting from any defect in the Project, except to the extent caused by any willful misrepresentation or any willful or wanton misconduct of the Indemnified Parties.

(2) Except for any willful misrepresentation or any willful or wanton misconduct of the Indemnified Parties, the Developer agrees to protect and defend the Indemnified Parties, now and forever, and further agrees to hold the aforesaid harmless from any claim, demand, suit, action or other proceeding whatsoever by any person or entity whatsoever arising or purportedly arising from the actions or inactions of the Developer (or if other persons acting on its behalf or under its direction or control) under this Agreement, or the transactions contemplated hereby or the acquisition, construction, installation, ownership, and operation of the Project; provided, that this indemnification shall not apply to the warranties made or obligations undertaken by the EDA or the City in this Agreement.

(3) All covenants, stipulations, promises, agreements and obligations of the EDA or the City, respectively, contained herein shall be deemed to be the covenants, stipulations, promises, agreements and obligations of the EDA or the City, respectively, and not of any governing body member, officer, agent, servant or employee of the EDA or the City, respectively.

Section 5.6. Reimbursement of Attorneys' Fees. If the Developer shall default under any of the provisions of this Agreement, and the EDA and the City shall employ attorneys or incur other reasonable expenses for the collection of payments due hereunder, or for the enforcement of performance or observance of any obligation or agreement on the part of the Developer contained in this Agreement, the Developer will on demand therefor reimburse the EDA and the City for the reasonable fees of such attorneys and such other reasonable expenses so incurred.

Section 5.7. Developer Remedies on Default. Whenever any Event of Default occurs by the EDA or the City, the Developer may, after 30 days' prior written notice to the City and the EDA, suspend its performance under this Agreement and/or take whatever action at law or in equity may appear necessary or desirable to the Developer to enforce performance and observance of any obligation, agreement, or covenant of the EDA or the City under this Agreement. Nothing in this Agreement shall entitle the Developer to make any claim against the EDA or the City for any damages whatsoever and the Developer's remedies are strictly limited to the foregoing. However, if the Developer prevails in an adjudicated proceeding to compel specific performance of any obligation, agreement, or covenant of the EDA or the City under this Agreement on which the City or the EDA is in default and the Developer shall employ attorneys or incur other reasonable expenses in connection with such proceeding, the City or the EDA will on demand therefor reimburse the Developer for the reasonable fees of such attorneys and such other reasonable expenses so incurred.

ARTICLE VI
ADDITIONAL PROVISIONS

Section 6.1. Restrictions on Use. The Developer agrees for itself, its successors and assigns and every successor in interest to the Development Property, or any part thereof, that, throughout the term of this Agreement, the Developer and such successors and assigns shall operate, or cause to be operated, the Project as a commercial/retail property in accordance with City zoning, which does not qualify for an exemption from property taxes. The conversion of any portion of the Project to any other use shall result in the termination of the use of the Tax Increments and require immediate payment in full of the outstanding balance of the Purchase Price Note and the Interfund Loan, unless the City first approves said change in use.

Section 6.2. Reports. The Developer shall provide the EDA and the City reports in a timely manner with such information about the Project as the EDA or the City may reasonably request for purposes of satisfying any reporting requirements imposed by law on the EDA and the City.

Section 6.3. Limitations on Transfer and Assignment.

(1) Except as provided in Section 3.9 or Section 6.3(4), the Developer will not sell, assign, convey, lease or transfer in any other mode or manner (collectively, "Transfer") this Agreement or the Development Property or the Project, or any interest therein, without the express written approval of the EDA and the City, which consent will not be unreasonably withheld, conditioned or delayed;

(2) The EDA and the City shall be entitled to require, as conditions to any approval of any Transfer of this Agreement, the Development Property, the Project, or applicable portion thereof, that:

(a) Any proposed transferee shall have the qualifications and financial responsibility, as reasonably determined by the EDA and the City, necessary and adequate to fulfill the obligations undertaken in this Agreement and the Purchase Price Note by the Developer;

(b) Any proposed transferee, by instrument in writing satisfactory to the EDA and the City shall, for itself and its successors and assigns, and expressly for the benefit of the EDA and the City have expressly assumed any of the remaining obligations of the Developer under this Agreement and the Purchase Price Note and agreed to be subject to all the conditions and restrictions to which the Developer is subject.

(c) There shall be submitted to the EDA and the City for review all instruments and other legal documents involved in effecting transfer, and if approved by EDA and the City, their approval shall be promptly indicated to the Developer in writing;

(d) The Developer and its transferees shall comply with such other conditions as the EDA may reasonably require in order to achieve and safeguard the purposes of the Act, the TIF Act, this Agreement, and the Purchase Price Note; and

(e) In the absence of a specific written agreement by the EDA and the City to the contrary, no such transfer or approval by the EDA and the City thereof shall be deemed to relieve the Developer or any other party bound in any way by this Agreement or otherwise with respect to the construction of the Project, from any of its obligations with respect thereto.

(3) The Developer agrees to pay all reasonable legal fees and expenses of the EDA and the City, including fees of the city attorney and outside counsel retained by the EDA or the City to review the documents submitted to the EDA in connection with any Transfer. The City will notify the Developer if at any point it has received invoices for such costs equal, in aggregate, to $2,500 and review of the Transfer has not been completed. And if the Developer fails to notify the EDA within 5 Business Days of such notification from the EDA of its willingness to continue to incur additional review costs in an amount greater than $2,500, the EDA will instruct all service providers to discontinue further work and the request for approval of the Transfer will be deemed withdrawn.

(4) Nothing contained in this Section shall prohibit the Developer from (i) entering into leases with tenants in the ordinary course of business, (ii) entering into easement or other agreements necessary for the operation of the Project, (iii) admitting or removing members in accordance with the applicable organizational documents, (iv) Transferring this Agreement or the Development Property or the Project to an Affiliate so long as the proposed transferee expressly assumes in writing provided to the City and the EDA the obligations of the Developer hereunder.

Section 6.4. Conflicts of Interest. No member of the governing body or other official of the EDA or the City shall have any financial interest, direct or indirect, in this Agreement, the Development Property or the Project, or any contract, agreement or other transaction contemplated to occur or be undertaken thereunder or with respect thereto, nor shall any such member of the governing body or other official participate in any decision relating to this Agreement which affects his or her personal interests or the interests of any corporation, partnership or association in which he or she is directly or indirectly interested. No member, official or employee of the EDA or the City shall be personally liable to the EDA or the City in the event of any default or breach by the Developer or successor or on any obligations under the terms of this Agreement.

Section 6.5. Titles of Articles and Sections. Any titles of the several parts, articles and sections of this Agreement are inserted for convenience of reference only and shall be disregarded in construing or interpreting any of its provisions.

Section 6.6. Notices and Demands. Except as otherwise expressly provided in this Agreement, a notice, demand or other communication under this Agreement by any party to any other shall be sufficiently given or delivered if it is dispatched by registered or certified mail, postage prepaid, return receipt requested, or delivered personally, and

(a) in the case of the Developer is addressed to or delivered personally to:

MSP/850, LLC
1215 Town Centre Drive, Suite 130
Eagan, MN 55123
Attn: Alex Young

(b) in the case of the EDA is addressed to or delivered personally to the EDA at:

Chaska Economic Development Authority
Chaska City Hall
One City Hall Plaza
Chaska, MN 55318
Attn: Executive Director

(c) in the case of the City is addressed to or delivered personally to the City at:

City of Chaska
Chaska City Hall
One City Hall Plaza
Chaska, MN 55318
Attn: City Administrator

or at such other address with respect to any such party as that party may, from time to time, designate in writing and forward to the other, as provided in this Section.

Section 6.7. No Additional Waiver Implied by One Waiver. If any agreement contained in this Agreement should be breached by either party and thereafter waived by the other 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 hereunder.

Section 6.8. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall constitute one and the same instrument.

Section 6.9. Law Governing. This Agreement will be governed and construed in accordance with the laws of the State.

Section 6.10. Term; Termination. This Agreement shall terminate on the Termination Date. In addition, the Developer may elect to terminate this Agreement and the Assessment Agreement at any time by prepaying the outstanding principal balance of and accrued interest on the Purchase Price Note as of the date of such prepayment and termination. After the Termination Date, if requested by the Developer, the EDA and the City will provide a termination certificate as to the Developer's obligations hereunder.

Section 6.11. Provisions Surviving Rescission, Expiration or Termination. Sections 5.5 and 5.6 shall survive any rescission, termination or expiration of this Agreement with respect to or arising out of any event, occurrence or circumstance existing prior to the date thereof.

Section 6.12. Superseding Effect. This Agreement reflects the entire agreement of the parties with respect to the development of the Development Property, and supersedes in all respects all prior agreements of the parties, whether written or otherwise, with respect to the development of the Development Property.

Section 6.13. Relationship of Parties. Nothing in this Agreement is intended, or shall be construed, to create a partnership or joint venture among or between the parties hereto, and the rights and remedies of the parties hereto shall be strictly as set forth in this Agreement. All covenants, stipulations, promises, agreements and obligations of the EDA or the City contained herein shall be deemed to be the covenants, stipulations, promises, agreements and obligations of the EDA and the City and not of any governing body member, officer, agent, servant or employee of the EDA or the City.

Section 6.14. Venue. All matters, whether sounding in tort or in contract, relating to the validity, construction, performance, or enforcement of this Agreement shall be controlled by and determined in accordance with the laws of the State of Minnesota, and the Developer agrees that all legal actions initiated by the Developer, the City or the EDA with respect to or arising from any provision contained in this Agreement shall be initiated, filed and venued exclusively in the State of Minnesota, Carver County, District Court and shall not be removed therefrom to any other federal or state court.

Section 6.15. Merger. None of the provisions of this Agreement are intended to or shall be merged by reason of any deed transferring any interest in the Development Property and any such deed shall not be deemed to affect or impair the provisions and covenants of this Agreement. No waiver, consent, modification or change of terms of this Agreement shall bind any party unless in writing and signed by all parties. Such waiver, consent, modification or change, if made, shall be effective only in the specific instance and for the specific purpose given. There are no understandings, agreements, or representations, oral or written, not specified herein regarding this Agreement.

IN WITNESS WHEREOF, the EDA has caused this Agreement to be duly executed in its name and on its behalf, the City has caused this Agreement to be duly executed in its name and on its behalf, and the Developer has caused this Agreement to be duly executed in its name and on its behalf, on or as of the date first above written.

CHASKA ECONOMIC DEVELOPMENT AUTHORITY

By: ___________________________________
Mark Windschitl
Its: President

By: ___________________________________
Matt Podhradsky
Its: Executive Director

This is a signature page to the Amended and Restated Purchase and Development Agreement, dated as of the date first written above, by and between the Chaska Economic Development Authority, the City of Chaska, Minnesota, and MSP/850, LLC

CITY OF CHASKA, MINNESOTA

By: ________________________________
Mark Windschitl
Its: Mayor

By: ________________________________
Matt Podhradsky
Its: City Administrator

This is a signature page to the Amended and Restated Purchase and Development Agreement, dated as of the date first written above, by and between the Chaska Economic Development Authority, the City of Chaska, Minnesota, and MSP/850, LLC

MSP/850, LLC

By: ________________________________

Its: ________________________________

This is a signature page to the Amended and Restated Purchase and Development Agreement, dated as of the date first written above, by and between the Chaska Economic Development Authority, the City of Chaska, Minnesota, and MSP/850, LLC

EXHIBIT A

DESCRIPTION OF TIF DISTRICT

The real property situated in the City of Chaska, County of Carver, State of Minnesota, described as follows:

That part of the South 340.16 feet of the Southwest Quarter of the Northeast Quarter of Section 8, Township 115 North, Range 23 West of the 5th Principal Meridian, which lies northwesterly of the northwesterly right-of-way line of State Trunk Highway No. 212 as now laid out and traveled.
(Torrens Property)

AND

That part of the northerly 281 feet of the Northwest Quarter of the Southeast Quarter of Section 8, Township 115 North, Range 23 West of the 5th Principal Meridian, lying westerly of the right-of-way of the Chicago, Milwaukee and St. Paul Railroad Company, and which lies northwesterly of a line run parallel with and distant 105 feet northwesterly of the following described line: Beginning at a point on the North and South Quarter line of said Section 8, distant 698 feet south of the center of said Section 8; thence run northeasterly at an angle of 32°00'00" with said North and South Quarter Line for 1000 feet and there terminating.
(Abstract Property)

EXHIBIT B

LEGAL DESCRIPTION OF DEVELOPMENT PROPERTY

The real property situated in the City of Chaska, County of Carver, State of Minnesota, described as follows:

That part of the South 340.16 feet of the Southwest Quarter of the Northeast Quarter of Section 8, Township 115 North, Range 23 West of the 5th Principal Meridian, which lies northwesterly of the northwesterly right-of-way line of State Trunk Highway No. 212 as now laid out and traveled.
(Torrens Property)

AND

That part of the northerly 281 feet of the Northwest Quarter of the Southeast Quarter of Section 8, Township 115 North, Range 23 West of the 5th Principal Meridian, lying westerly of the right-of-way of the Chicago, Milwaukee and St. Paul Railroad Company, and which lies northwesterly of a line run parallel with and distant 105 feet northwesterly of the following described line: Beginning at a point on the North and South Quarter line of said Section 8, distant 698 feet south of the center of said Section 8; thence run northeasterly at an angle of 32°00’00” with said North and South Quarter Line for 1000 feet and there terminating.
(Abstract Property)

EXHIBIT C

PURCHASE PRICE NOTE

MSP/850, LLC (the "Developer"), hereby acknowledges itself to be indebted and, for value received, hereby promises to pay to the Chaska Economic Development Authority (the "EDA") or its registered assigns (the registered owner of this Note is referred to herein as the "Registered Owner"), the principal sum of Two Hundred and Fifty Thousand Dollars ($250,000).

The principal amount of this Note shall equal, from time to time, the principal amount stated above, as reduced to the extent that such principal shall have been paid in whole or in part pursuant to the terms hereof. This Note is issued pursuant to that certain Amended and Restated Purchase and Development Agreement, dated as of July ___, 2018, as the same may be amended from time to time (the "Purchase and Development Agreement"), by and between the EDA and the Developer.

The amounts due under this Note shall be payable in 52 semiannual installments, commencing August 1, 2020, and on each February 1 and August 1 thereafter to and including February 1, 2046, or, if the first day of either February 1 or August 1 should not be a Business Day (as defined in the Purchase and Development Agreement), the next succeeding Business Day (the "Payment Dates") in the amounts shown in the schedule below (each a "Payment Installment"). On each Payment Date the EDA will credit against the Payment Installment then due, an amount equal to 90% of the Tax Increments (as defined in the Purchase and Development Agreement) received by the EDA in the 6-month period preceding such Payment Date. If, on any Payment Date, 90% of the Tax Increments received by the EDA in the 6-month period preceding such Payment Date is less than the amount shown in the schedule below, the Developer shall pay, by check or draft mailed to the EDA, an amount equal to the deficiency.

Date	Amount	Date	Amount	Date	Amount	Date	Amount
8/1/20	$2,024,50	2/1/27	$3,336.50	8/1/33	$5,192.50	2/1/40	$7,120.00
2/1/21	$2,024,50	8/1/27	$3,579.00	2/1/34	$5,192.50	8/1/40	$7,475.50
8/1/21	$2,227.50	2/1/28	$3,579.00	8/1/34	$5,490.50	2/1/41	$7,475.50
2/1/22	$2,227,50	8/1/28	$3,828.00	2/1/35	$5,490.50	8/1/41	$7,841.50
8/1/22	$2,436.50	2/1/29	$3,828.00	8/1/35	$5,797.50	2/1/42	$7,841.50
2/1/23	$2,436,50	8/1/29	$4,085.00	2/1/36	$5,797.50	8/1/42	$8,219.00
8/1/23	$2,651,50	2/1/30	$4,085.00	8/1/36	$6,113.50	2/1/43	$8,219.00
2/1/24	$2,651,50	8/1/30	$4,350.00	2/1/37	$6,113.50	8/1/43	$8,608.00
8/1/24	$2,873.00	2/1/31	$4,350.00	8/1/37	$6,439.00	2/1/44	$8,608.00
2/1/25	$2,873.00	8/1/31	$4,623.00	2/1/38	$6,439.00	8/1/44	$9,008.00
8/1/25	$3,101,50	2/1/32	$4,623.00	8/1/38	$6,774.50	2/1/45	$9,008.00
2/1/26	$3,101,50	8/1/32	$4,903.50	2/1/39	$6,774.50	8/1/45	$9,421.00
8/1/26	$3,336.50	2/1/33	$4,903.50	8/1/39	$7,120.00	2/1/46	9,421.00

This Note is prepayable at any time without penalty.

If, as of the termination date of the TIF District (as defined in the Purchase and Development Agreement), the EDA has received Tax Increments in an amount less than $250,000, the EDA will, if the Tax Increments have been received by the EDA in an amount at least equal to the amounts set forth above or the Developer has paid all deficiency amounts in accordance with this Section 3.2 of the Purchase and Development Agreement and this Note, forgive the remaining principal amount of this Note.

IN WITNESS WHEREOF, MSP/850, LLC, has caused this Note to be executed and delivered as of ___________ ____, 2018.

MSP/850, LLC

By:_______________________________________

Its: ____________________________________

EXHIBIT D

SOURCES AND USES

[To be inserted at Closing]

EXHIBIT E

CERTIFICATE OF COMPLETION OF PROJECT

THIS CERTIFICATE, made this ____ day of __________, 201___ from the CHASKA ECONOMIC DEVELOPMENT AUTHORITY, a body corporate and politic organized and existing under the laws of the State of Minnesota (the “EDA”), the CITY OF CHASKA, MINNESOTA, a municipal corporation existing under the Constitution and laws of the State of Minnesota (the “City”), for the benefit MSP/850, LLC, a Minnesota limited liability company (the “Developer”).

WHEREAS, the EDA and the City entered into an Amended and Restated Purchase and Development Agreement (the “Agreement”), dated July ___, 2018, with the Developer which requires the Developer to rehabilitate and existing facility for use as a brewery, taproom and related facilities (the “Project”) on the property situated in the City of Chaska, County of Carver, State of Minnesota legally described as follows (the “Development Property”):

> That part of the South 340.16 feet of the Southwest Quarter of the Northeast Quarter of Section 8, Township 115 North, Range 23 West of the 5th Principal Meridian, which lies northwesterly of the northwesterly right-of-way line of State Trunk Highway No. 212 as now laid out and traveled.
> (Torrens Property)
>
> AND
>
> That part of the northerly 281 feet of the Northwest Quarter of the Southeast Quarter of Section 8, Township 115 North, Range 23 West of the 5th Principal Meridian, lying westerly of the right-of-way of the Chicago, Milwaukee and St. Paul Railroad Company, and which lies northwesterly of a line run parallel with and distant 105 feet northwesterly of the following described line: Beginning at a point on the North and South Quarter line of said Section 8, distant 698 feet south of the center of said Section 8; thence run northeasterly at an angle of 32°00’00” with said North and South Quarter Line for 1000 feet and there terminating.
> (Abstract Property)

WHEREAS, the Developer has constructed the Project in a manner deemed sufficient by the EDA and the City to permit the execution of this certification;

NOW THEREFORE, the EDA and the City do hereby certify that the Developer has satisfactorily completed the Project and terms and conditions as recited in the Agreement. The Developer is released and forever discharged from its obligations with respect to construction of the Project under Article III of the Agreement. Any remaining obligations under the Agreement shall be solely contractual obligations of the Developer and parties to whom the Developer expressly assigns, and who expressly assume, the Developer’s obligations under the Agreement. The remaining covenants of the Developer under the Agreement are not intended to run with title to the Development Property or bind successors in title to the Development Property.

The EDA has, as of the date and year first above written, set its hand hereon.

CHASKA ECONOMIC DEVELOPMENT AUTHORITY

By ________________________________
Its Executive Director

STATE OF MINNESOTA)
) ss
COUNTY OF CARVER)

On this ____ day of _________, 201___, before me a Notary Public within and for said County, personally appeared _______, to me personally known, who, being by me duly sworn, did say that she/he is the Executive Director of the Chaska Economic Development Authority, the corporation named in the foregoing instrument, and said instrument was signed in behalf of said political subdivision by authority of its Board of Commissioners, and said __________ acknowledged said instrument to be the free act and deed of said corporation.

____
Notary Public

The City has, as of the date and year first above written, set its hand hereon.

CITY OF CHASKA, MINNESOTA

By: ____________________________________

Its: City Administrator

STATE OF MINNESOTA)
) ss
COUNTY OF CARVER)

On this ____ day of _________, 201___, before me a Notary Public within and for said County, personally appeared ___________________, to me personally known, who, being by me duly sworn, did say that she/he is the City Administrator of the City of Chaska, Minnesota, the municipal corporation named in the foregoing instrument, and said instrument was signed in behalf of said municipal corporation by authority of its City Council, and said ___________________ acknowledged said instrument to be the free act and deed of said municipal corporation.

____
Notary Public

THIS INSTRUMENT WAS DRAFTED BY:
KENNEDY & GRAVEN, CHARTERED (JSB)
470 U.S. Bank Plaza
200 South Sixth Street
Minneapolis, MN 55402

EXHIBIT F
FORM OF QUIT CLAIM DEED

(Top 3 inches reserved for recording data)

QUIT CLAIM DEED

DEED TAX DUE: $______________________ DATE: ______________________
ECRV: ________________ *(month/day/year)*

FOR VALUABLE CONSIDERATION, Chaska Economic Development Authority
(insert name of Grantor)

a body corporate and politic under the laws of Minnesota, ("**Grantor**"),
hereby conveys and quitclaims to ______________________
(insert name of Grantee)
MSP/850, LLC
a Minnesota limited liability company under the laws of Minnesota, ("**Grantee**"),
real property in Carver County, Minnesota, legally described as follows:

That part of the South 340.16 feet of the Southwest Quarter of the Northeast Quarter of Section 8, Township 115 North, Range 23 West of the 5th Principal Meridian, which lies northwesterly of the northwesterly right-of-way line of State Trunk Highway No. 212 as now laid out and traveled. (Torrens Property)

AND

That part of the northerly 281 feet of the Northwest Quarter of the Southeast Quarter of Section 8, Township 115 North, Range 23 West of the 5th Principal Meridian, lying westerly of the right-of-way of the Chicago, Milwaukee and St. Paul Railroad Company, and which lies northwesterly of a line run parallel with and distant 105 feet northwesterly of the following described line: Beginning at a point on the North and South Quarter line of said Section 8, distant 698 feet south of the center of said Section 8; thence run northeasterly at an angle of 32°00'00" with said North and South Quarter Line for 1000 feet and there terminating. (Abstract Property)

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

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

Check applicable box:

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

Chaska Economic Development Authority

By: ______________________________
Mark Windschitl

Its: President

By: ______________________________
Matt Podhradsky

Its: Executive Director

State of Minnesota, County of CARVER

This instrument was acknowledged before me on __________________________, 2018 by Mark Windschitl, as President and by Matt Podhradsky, as Executive Director of the Chaska Economic Development Authority, a body corporate and politic organized and existing under the laws of the State of Minnesota under the laws of the State of Minnesota, on behalf of the body corporate and politic.

____
Notary Public

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

Kennedy & Graven, Chartered (JSB)
470 U.S. Bank Plaza
200 South 6th Street
Minneapolis, MN 55402

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

MSP/850, LLC
Attn: Alex Young
1215 Town Centre Drive, Suite 130
Eagan, MN 55123

EXHIBIT A

TO QUIT CLAIM DEED
EXECUTED BY
THE CHASKA ECONOMIC DEVELOPMENT AUTHORITY, GRANTOR,
IN FAVOR OF MSP/850, LLC, GRANTEE.

The Chaska Economic Development Authority, Grantor, is conveying the property described in the attached Quit Claim Deed (the "Development Property") to MSP/850, LLC, Grantee, subject to a right of re-entry for breach of conditions subsequent in favor of Grantor. The condition subsequent is that, barring any Unavoidable Delays, Grantee shall have completed interior demolition of the existing building on the Development Property in accordance with permits issued by the City not later than January 31, 2019 as set forth in Section 4.10 of that certain Amended and Restated Purchase and Development Agreement between the Grantor and Grantee dated as of July ___, 2018 (the "Purchase and Development Agreement"). If Grantee breaches the condition subsequent, Grantee shall re-convey the Development Property back to Grantor. If Grantee fails to re-convey the Development Property to the Grantor, Grantor may elect to exercise its right of reentry by commencing an action in Carver County District Court to establish the breach of the condition subsequent. If Grantor establishes a breach of the condition subsequent, title to and the right to possession the Development Property, and title to all improvements located thereon reverts to Grantor, and Grantee is not entitled to any compensation from Grantor for the value of any improvements Grantee has made to the Development Property.

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

EXHIBIT G

PERMITTED ENCUMBRANCES TO FEE TITLE

1. Permitted Encumbrances, as defined in this Agreement, are those items listed in [**Schedule B-I and B-II**] in the Loan Policy File No. _______ issued by Title Mark, LLC, of even date herewith.

2. In accordance with Minn. Stat. § 373.01, subd. 1(h), all iron ore and other valuable minerals in and upon the Property shall be reserved to the County of Carver, Minnesota, and the County of Carver, Minnesota shall retain the right to explore for, mine, and remove the iron ore and other valuable minerals in and upon the Property.

3. The restrictions set forth in the Deed.

EXHIBIT H

ASSESSMENT AGREEMENT

THIS AGREEMENT, dated as of this __ day of ___________, 2018, is between Chaska Economic Development Authority (the “EDA”), and MSP/850, LLC (the “Developer”).

WITNESSETH

WHEREAS, on or before the date hereof the EDA and the Developer have entered into an Amended and Restated Purchase and Development Agreement dated as of July ___, 2018 (the “Purchase and Development Agreement”) regarding certain real property located in the EDA including the property legally described in **Exhibit A** (the “Developer Property”).

WHEREAS, it is contemplated that pursuant to said Purchase and Development Agreement, the Developer will rehabilitate an existing building for use as a brewery, taproom and related facility (the “Project”) on the Developer Property in accordance with construction plans approved by the EDA.

WHEREAS, the EDA and the Developer desire to establish a minimum market value for the Developer Property and the improvements constructed or to be constructed thereon, pursuant to Minnesota Statutes, Section 469.177.

WHEREAS, the Developer has acquired the land included in the Developer Property legally described in **Exhibit A** attached hereto.

WHEREAS, the EDA and the Assessor have reviewed Construction Plans for the Project.

NOW, THEREFORE, the parties to this Agreement, in consideration of the promises, covenants and agreements made by each to the other, do hereby agree as follows:

1. As of January 2, 2019, the minimum market value, which shall be assessed for the Developer Property, shall be $681,980.

2. The minimum market values herein established shall be of no further force and effect after assessment on January 2, 2044 for taxes payable in 2045 and this Agreement shall terminate automatically on January 31, 2044; provided, however, this Agreement shall terminate on such earlier date as the TIF District (as defined in the Purchase and Development Agreement) is decertified, defeased or terminated in accordance with its terms (the

“Termination Date”). If the Termination Date is earlier than January 31, 2044 for taxes payable in 2045, the EDA shall duly execute and record a release of this Agreement upon the written request and sole expense of the then holder of fee title to the Developer Property.

3. This Agreement shall be recorded by the EDA with the County Recorder of Carver County, Minnesota. The Developer shall pay all costs of recording.

4. Upon any subdivision or lot split of the Developer Property, this Agreement, reflecting a minimum market value of $681,980, shall remain an encumbrance with respect to the portion of the Developer Property which contains the Project building.

5. Neither the preambles nor provisions of this Agreement are intended to, or shall they be construed as, modifying the terms of the Purchase and Development Agreement among the EDA and the Developer.

6. This Agreement shall inure to the benefit of and be binding upon the successors and assigns of the parties.

This instrument was drafted by:
Kennedy & Graven, Chartered (JSB)
470 U.S. Bank Plaza
200 South 6th Street
Minneapolis, MN 55402

IN WITNESS WHEREOF, the EDA and the Developer have caused this Agreement to be executed in their names and on their behalf all as of the date set forth above.

CHASKA ECONOMIC DEVELOPMENT AUTHORITY

By____________________________
Its President

By____________________________
Its Executive Director

STATE OF MINNESOTA)
): ss
COUNTY OF CARVER)

The foregoing instrument was acknowledged before me this ____ day of _______, 2018, by __________________, the President of the Chaska Economic Development Authority on behalf of said Authority.

____
Notary Public

STATE OF MINNESOTA)
) ss.
COUNTY OF CARVER)

The foregoing instrument was acknowledged before me this ____ day of __________, 2018, by __________________, the Executive Director of the Chaska Economic Development Authority, on behalf of said Authority.

____
Notary Public

Signature page for Assessment Agreement by and among Chaska Economic Development Authority and MSP/850, LLC

MSP/850, LLC, a Minnesota
corporation

By___________________________________
Name: ______________________________
Its: _________________________________

STATE OF MINNESOTA)
): ss
COUNTY OF _________)

The foregoing instrument was acknowledged before me this ____ day of _______, 2018, by Alex Young, the Chief Manager of MSP/850, LLC, a Minnesota limited liability company, on behalf of said corporation.

____
Notary Public

Signature page for Assessment Agreement by and among the Chaska Economic Development Authority and MSP/850, LLC

CERTIFICATION BY COUNTY ASSESSOR

The undersigned, having reviewed the Assessment Agreement dated as of ___________ __, 2018 by and between Chaska Economic Development Authority and MSP/850, LLC, the plans and specifications for the Project, as defined in the foregoing Assessment Agreement, and the market value currently assigned to land upon which the improvements are to be constructed and being of the opinion that the minimum market value contained in the Assessment Agreement appears reasonable, hereby certifies as follows:

The undersigned Assessor, being legally responsible for the assessment of the above described property, hereby certifies that the minimum market value as of January 2, 2019 of $681,980 assigned to such land and improvements is reasonable.

____
County Assessor for Carver County

STATE OF MINNESOTA)
) ss.
COUNTY OF CARVER)

This instrument was acknowledged before me on ___________, 2018, by ______________________, the County Assessor of Carver County.

____
Notary Public

EXHIBIT A TO MINIMUM ASSESSMENT AGREEMENT

Legal Description of Developer Property

The real property situated in the City of Chaska, County of Carver, State of Minnesota, described as follows:

That part of the South 340.16 feet of the Southwest Quarter of the Northeast Quarter of Section 8, Township 115 North, Range 23 West of the 5th Principal Meridian, which lies northwesterly of the northwesterly right-of-way line of State Trunk Highway No. 212 as now laid out and traveled.
(Torrens Property)

AND

That part of the northerly 281 feet of the Northwest Quarter of the Southeast Quarter of Section 8, Township 115 North, Range 23 West of the 5th Principal Meridian, lying westerly of the right-of-way of the Chicago, Milwaukee and St. Paul Railroad Company, and which lies northwesterly of a line run parallel with and distant 105 feet northwesterly of the following described line: Beginning at a point on the North and South Quarter line of said Section 8, distant 698 feet south of the center of said Section 8; thence run northeasterly at an angle of 32°00’00” with said North and South Quarter Line for 1000 feet and there terminating.

(Abstract Property)

EXHIBIT I

CITY ELECTRIC UTILITY REBATE APPLICATIONS

EXHIBIT J

ACCESS EASEMENT

THIS INSTRUMENT is made by MSP/850, LLC, a Minnesota limited liability company, Grantor, in favor of the City of Chaska (the "City"), a Minnesota municipal corporation, and the Chaska Economic Development Authority (the "EDA"), a Minnesota body corporate and politic, and the County of Carver, Minnesota, a Minnesota body corporate and politic (the "County"), Grantees.

<u>Recitals</u>

A. Grantor is the fee owner of the property located in Carver County Minnesota (the "Property") and legally described on <u>Exhibit A</u> attached hereto;

B. The City and the County have previously operated a gun range on property that is adjacent to the Property (the "Range Parcel"), which adjacent property is identified by Parcel No. 300085900; and

C. The City and the County have agreed to clean up said Range Parcel pursuant to that certain Remediation Agreement for Firing Range Property in Chaska, dated ______, 2018 (collectively, the "Clean Up Work"); and

D. The City has requested an easement over the Property so that the Grantees may access the Range Parcel; and

E. Grantor desires to grant to the Grantees an easement, according to the terms and conditions contained herein.

<u>Terms of Easement</u>

1. <u>Grant of Easement</u>. For good and valuable consideration, receipt of which is acknowledged by Grantor, Grantor grants and conveys to the Grantees a limited, exclusive access easement over, under, and across the portion of the Property described on <u>Exhibit B</u> and depicted on <u>Exhibit C</u> attached hereto (the "Easement Area").

2. <u>Scope of Easement</u>. The limited, exclusive access easement granted herein includes the right of the Grantees, its contractors, agents, and employees and their vehicles and equipment to enter the Easement Area at all reasonable times for the purpose of accessing the Range Parcel to complete the Clean Up Work. At least 30 days prior to exercising its rights hereunder, Grantees

shall give written notice to Grantor, and meet with Grantor to provide details as to the scope and timing of the Clean Up Work. Once the Clean Up Work is commenced, it shall proceed with due diligence until completed. Grantees shall repair any damage to the Property caused Grantees or its contractors, agents, and employees and their vehicles and equipment in connection with the Clean Up Work. The Clean-Up Work shall not materially interfere with access to or the operation of Grantor's business on the Property.

The easement granted herein will expire on the earlier of (i) the completion of the Clean Up Work, or (ii) July 21, 2025.

3. <u>Warranty of Title</u>. Grantor warrants that it is the owner of the Property and has the right, title and capacity to convey to Grantees the easement herein.

4. <u>Environmental Matters</u>. The Grantees shall not be responsible for any costs, expenses, damages, demands, obligations, including penalties and reasonable attorneys' fees, or losses resulting from any claims, actions, suits or proceedings based upon a release or threat of release of any hazardous substances, pollutants, or contaminants which may have existed on, or which relate to, the easement area or the Property prior to the date of this instrument. Grantees shall be responsible for and shall indemnify Grantor for any costs, expenses, damages, demands, obligations, including penalties and reasonable attorneys' fees, or losses resulting from any claims, actions, suits or proceedings based upon a release or threat of release of any hazardous substances, pollutants, or contaminants (i) from the Range Parcel or (ii) resulting from the Clean Up Work.

5. <u>Binding Effect</u>. The terms and conditions of this instrument shall run with the land and be binding on Grantor, its heirs, successors and assigns.

Dated this ____ day of ______________, 2018.

MSP/850, LLC

By: ______________________________
Its: ____________________________

STATE OF MINNESOTA)
) ss.
COUNTY OF _______)

The foregoing instrument was acknowledged before me this _____ day of _________, 2018 by ____________________, the _________________ of MSP/850, LLC, Grantor.

____
Notary Public

NOTARY STAMP OR SEAL

CHASKA ECONOMIC DEVELOPMENT AUTHORITY

By______________________________
Its President

By______________________________
Its Executive Director

STATE OF MINNESOTA)
): ss
COUNTY OF CARVER)

The foregoing instrument was acknowledged before me this ____ day of _______, 2018, by ___________________, the President of the Chaska Economic Development Authority on behalf of said Authority.

____
Notary Public

NOTARY STAMP OR SEAL

STATE OF MINNESOTA)
) ss.
COUNTY OF CARVER)

The foregoing instrument was acknowledged before me this ____ day of __________, 2018, by ___________________, the Executive Director of the Chaska Economic Development Authority, on behalf of said Authority.

____
Notary Public

NOTARY STAMP OR SEAL

CITY OF CHASKA, MINNESOTA

By: ______________________________
Mark Windschitl
Its: Mayor

By: ______________________________
Matt Podhradsky
Its: City Administrator

STATE OF MINNESOTA)
) ss.
COUNTY OF CARVER)

The foregoing instrument was acknowledged before me this ____ day of __________, 2018, by Mark Windschitl, the Mayor of the City of Chaska and Matt Podhradsky, the City Administrator of the City of Chaska, on behalf of the City.

____
Notary Public

NOTARY STAMP OR SEAL

COUNTY OF CARVER, MINNESOTA

By: ______________________________

Name: ______________________________

Its: ______________________________

By: ______________________________

Name: ______________________________

Its: ______________________________

STATE OF MINNESOTA)
) ss.
COUNTY OF CARVER)

The foregoing instrument was acknowledged before me this ____ day of __________, 2018, by ___________________, the _____________ of the City of Chaska and ____________, the ___________________ of the County of Carver, on behalf of the County.

____

Notary Public

NOTARY STAMP OR SEAL

THIS INSTRUMENT DRAFTED BY:

Kennedy & Graven, Chartered
470 US Bank Plaza
200 South Sixth Street
Minneapolis, MN 55402
(612) 337-930

EXHIBIT A TO
ACCESS EASEMENT

Legal Description of the Property

The real property situated in the City of Chaska, County of Carver, State of Minnesota, described as follows:

That part of the South 340.16 feet of the Southwest Quarter of the Northeast Quarter of Section 8, Township 115 North, Range 23 West of the 5th Principal Meridian, which lies northwesterly of the northwesterly right-of-way line of State Trunk Highway No. 212 as now laid out and traveled. (Torrens Property)

AND

That part of the northerly 281 feet of the Northwest Quarter of the Southeast Quarter of Section 8, Township 115 North, Range 23 West of the 5th Principal Meridian, lying westerly of the right-of-way of the Chicago, Milwaukee and St. Paul Railroad Company, and which lies northwesterly of a line run parallel with and distant 105 feet northwesterly of the following described line: Beginning at a point on the North and South Quarter line of said Section 8, distant 698 feet south of the center of said Section 8; thence run northeasterly at an angle of 32°00'00" with said North and South Quarter Line for 1000 feet and there terminating. (Abstract Property)

EXHIBIT B TO
ACCESS EASEMENT

<u>Description of the Easement Area</u>

That portion of the private access road from the public right-of-way to and across the Property (the “Driveway”), as presently laid out and traveled, which runs from said right-of-way to the north line extended of an existing road accessing the Range Parcel, as depicted in the attached **Exhibit C**.

EXHIBIT C TO
ACCESS EASEMENT

<u>Depiction of Access Easement Area</u>

REQUEST FOR ACTION
ECONOMIC DEVELOPMENT AUTHORITY
07/16/2018

Subject: **Formacoat Project - Resolution Approving the Execution and Authorization of a First Amendment to Development Agreement**

Prepared By: Nate Kabat

Background
On June 18, 2018 Council and EDA approved execution of a Development Agreement with Formacoat, LLC to build a 31,840 square foot building on 3.85 acres of the former building center site. Formacoat is a medical device contract manufacturing company. The company specializes in applying medical device coating applications. Closing on the property is schedule for July 18, 2018.

Update
As all partied prepare to close, it has been determined that the plat will not be fully recorded with the County in time to close. Due to the Developer's need to close on its financing and acquire the property on July 18, 2018, the Developer has requested that the replatting occur after the conveyance of the property. In connection with the delay in replatting, the parties desire to amend the Development Agreement to reflect that the Developer must replat the property prior to obtaining a certificate of occupancy for the development.

Recommendation
Staff recommends Council and the EDA approve the amendment to the development agreement to allow the replatting to occur after conveyance of the property and before award of the certificate of occupancy.

BOARD ACTION REQUESTED
Approve resolution authorizing the execution of a first amendment to the development agreement.

CITY OF CHASKA
CARVER COUNTY, MINNESOTA

RESOLUTION

DATE________________________________RESOLUTION NO._____________________

MOTION BY COUNCILMEMBER____________SECOND BY COUNCILMEMBER____________

A RESOLUTION APPROVING AND AUTHORIZING THE EXECUTION OF A FIRST AMENDMENT TO DEVELOPMENT AGREEMENT AND FIRST AMENDMENT TO CONTRACT FOR DEED

BE IT RESOLVED by the Board of Commissioners (the "Board") of the Chaska Economic Development Authority (the "EDA"), that:

Section 1. Recitals.

1.01. The City of Chaska, Minnesota (the "City") and the EDA have undertaken a program to promote economic development and job opportunities, promote the development and redevelopment of land which is underutilized within the City and, in connection therewith, have established Tax Increment Financing (Redevelopment) District No. 18 (the "TIF District") within Redevelopment Project Area No. 4 (the "Project Area").

1.02. On June 18, 2018, the City and the EDA approved, and thereafter the City and the EDA and Formacoat Leasing LLC, a Minnesota limited liability company (the "Developer") entered into, a Development Agreement ,dated June 18, 2018 (the "Original Development Agreement"), in connection with the Developer's proposal to construct an approximately 31,840 square foot manufacturing facility for use in its medical device manufacturing business (the "Development") on certain property located at approximately 2960 Chaska Boulevard within the TIF District (the "Development Property"). The EDA has an interest in the Development Property pursuant to a Contract for Deed, dated July 17, 2012, between Klingelhutz Land and Building Company ("Klingelhutz") and the EDA. The EDA proposes to acquire fee title to the Development Property in accordance with the Contract for Deed. After acquiring fee title to the Development Property, the EDA proposes to convey the Development Property to the Developer pursuant to a Purchase Agreement (the "Purchase Agreement"), dated June 18, 2018.

1.03. The Original Development Agreement contemplated that the Development Property would be replatted prior to conveyance of the Development Property to the Developer. Due to the Developer's need to close on its financing and acquire the Development Property by July 20, 2018, the Developer has requested that the replatting occur after the conveyance of the Development Property. In connection with the delay in replatting, the parties desire to amend the Development Agreement to reflect that the Developer must replat the Development Property prior to obtaining a certificate of occupancy for the Development.

1.04. There has been prepared and presented to the Board for its consideration, a First Amendment to Development Agreement (the "Amendment"), stating the Developer's responsibility to replat the Development Property prior to the issuance of a certificate of occupancy for the Development.

1.05. There has also been prepared and presented to the Board for its consideration a First Amendment to Contract for Deed between Klingelhutz and the EDA (the "First Amendment to Contract for Deed") amending the Contract for Deed to reflect updated terms.

Section 2. Approval of Amendment and First Amendment to Contract for Deed.

2.01. The EDA hereby approves the Amendment and the First Amendment to Contract for Deed substantially in accordance with the terms set forth in the forms presented to the Board, including the provisions for the acquisition of the Development Property pursuant to the Contract for Deed and the First Amendment to Contract for Deed, together with any related documents necessary in connection therewith, including without limitation all documents or certifications referenced in or attached to the Amendment and the First Amendment to Contract for Deed (collectively, the "Development Documents") and hereby authorizes the President and Executive Director to negotiate the final terms thereof and, in their discretion and at such time as they may deem appropriate, to execute the Development Documents on behalf of the EDA, and to carry out, on behalf of the EDA, the EDA's obligations thereunder.

2.02. The approval hereby given to the Development Documents includes approval of such additional details therein as may be necessary and appropriate and such modifications thereof, deletions therefrom and additions thereto as may be necessary and appropriate and approved by legal counsel to the EDA and by the officers authorized herein to execute said documents prior to their execution; and said officers are hereby authorized to approve said changes on behalf of the EDA. The execution of any instrument by the appropriate officers of the EDA herein authorized shall be conclusive evidence of the approval of such document in accordance with the terms hereof. In the event of absence or disability of the officers, any of the documents authorized by this Resolution to be executed may be executed without further act or authorization of the Board by any duly designated acting official, or by such other officer or officers of the Board as, in the opinion of the City Attorney, may act in their behalf.

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

2.04. The Board hereby determines that the execution and performance of the Development Documents will help realize the public purposes of the Act.

Passed and adopted by the City Council of the City of Chaska, Minnesota, this 16th day of July 2018.

____
Mark Windschitl, Mayor

Attest:____
Chaska Deputy Clerk

FIRST AMENDMENT TO DEVELOPMENT AGREEMENT

THIS FIRST AMENDMENT TO DEVELOPMENT AGREEMENT (the "Amendment") is made effective July _____, 2018, (the "Effective Date") by and between the Chaska Economic Development Authority (the "EDA"), a body corporate and politic organized and existing under the laws of the State of Minnesota, the City of Chaska, Minnesota (the "City"), a municipal corporation under the Constitution and laws of the State of Minnesota, and Formacoat Leasing LLC, a Minnesota limited liability company (the "Developer").

RECITALS

WHEREAS, the EDA, the City and the Developer executed a Development Agreement dated June 18, 2018 (the "Original Agreement" and together with this Amendment, the "Agreement") providing for the redevelopment of certain property located within the City;

WHEREAS, the Original Agreement contemplated that the Development Property would be replatted prior to the Developer's acquisition of the Development Property;

WHEREAS, the Development Property will not be replatted prior to the Developer's acquisition of the Development Property;

WHEREAS, the EDA, the City and the Developer desire to amend the Original Agreement as provided in this Amendment to reflect that replatting will occur after the Developer has obtained fee title to the Development Property; and

WHEREAS, all capitalized terms in this Amendment shall have the meanings ascribed to them in the Original Agreement.

AGREEMENT

In consideration of the mutual covenants of the parties set out in this Amendment and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Section 3.13 of the Original Agreement shall be deleted in its entirety and replaced with the following:

Section 3.13. Replatting of Development Property. At the Developer's sole cost and expense, and as part of the planning process, the Developer shall commence and complete the process necessary to legally replat the Development Property, subject to and in accordance with all City ordinances and procedures. The City shall not issue a certificate of occupancy for the Project until the new plat for the Development Property is recorded in the property records of the County.

2. Exhibit B. Exhibit B attached to the Original Agreement is deleted in its entirety and replaced with Exhibit A attached hereto.

3. Exhibit D. Exhibit D attached to the Original Agreement is deleted in its entirety and replaced with Exhibit B attached hereto.

4. No further amendment. Except as amended above, all other terms and conditions of the Original Agreement shall remain in full force and effect.

5. Effective Date. The amendments made to the Original Agreement, as amended by this Amendment, shall be effective as of the date hereof.

[Signatures on the following pages]

IN WITNESS WHEREOF, this Amendment has been executed as of the day and year first above written.

CHASKA ECONOMIC DEVELOPMENT AUTHORITY

By: ______________________________
Mark Windschitl
Its: President

By: ______________________________
Matt Podhradsky
Its: Executive Director

CITY OF CHASKA, MINNESOTA

By: ________________________________
Mark Windschitl
Its: Mayor

By: ________________________________
Matt Podhradsky
Its: City Administrator

FORMACOAT LEASING LLC

By: ______________________________

Its: ______________________________

EXHIBIT A

LEGAL DESCRIPTION OF DEVELOPMENT PROPERTY

PRIOR TO REPLATTING:

All of Tracts I and J, together with that part of Tracts G and H lying southwesterly of a line drawn parallel with and 347.25 feet southwesterly of the northeasterly line of Tract F, all in Registered Land Survey No. 107, Carver County, Minnesota.

AFTER REPLATTING:

Lot 1, Block 1, Formacoat Addition (which will be transferred to Formacoat)

EXHIBIT B

SOURCES AND USES

Formacoat LLC
12500 Zinran Avenue
Savage, MN 55378 USA
Office: 952-895-0200 Fax: 952-895-6020
www.formacoat.com

Formacoat Amendment to Development Agreement
Formacoat Chaska Site Building Project
Funding Sources and Uses

July 12, 2018

The following represents the Sources and Uses being targeted for the purchase of the land and building the building and the select equipment being financed, in part, by the State of Minnesota's MIF (Minnesota Investment Fund).

Sources and Uses for Land and Building and MIF Application	MIF	Bank	Equity (describe below)	Local Govern-ment	Other (describe below)	Total
Property Acquisition			251,559	250,000		501,559
Site Improvement				205,000		205,000
New Construction (Proforma Estimate, June 2018)		3,430,645	617,796			4,048,441
Renovation of existing building						-
Purchase of M &E	100,000		200,000			300,000
Other						-
Total Project Cost	100,000	3,430,645	1,069,355	455,000	-	5,055,000
Ratios	2%	68%	21%	9%	0%	100%
Equity Descriptions: Property Acquisition: Cash; New Construction: TIF Equity; Purchase of M&E: Cash						

Mark C. Gross, CEO