



AGENDA
CHASKA ECONOMIC DEVELOPMENT AUTHORITY
CHASKA CITY HALL - COUNCIL CHAMBERS & ZOOM
Monday, September 15, 2025
IMMEDIATELY FOLLOWING CITY COUNCIL MEETING

1. Call to Order
2. Roll Call
3. Adopt Agenda
4. Approve Previous Meeting Minutes
 - 4.A. Meeting Minutes 08/04/2025
5. Discussion Items
 - 5.A. Public Hearing: Consider Modification of the Redevelopment Plan for Redevelopment Dist. No. 4, Establishing Tax Increment Financing (TIF) Dist. No. 25, Adopting a TIF Plan, and Authorizing the Execution of a TIF Agreement and Granting a Business Subsidy
6. Other Business
7. Adjourn

**- MINUTES -
CHASKA ECONOMIC DEVELOPMENT AUTHORITY
AUGUST 4, 2025**

1. Call to Order

President Hubbard called the meeting to order at 7:35 p.m.

2. Roll Call

Roll call was taken. Present: President Hubbard and Commissioners Hatfield, Grau, and Sheveland.

Absent: Commissioner Benesh.

Also Present: Matt Podhradsky, Executive Director and Elise Durbin, Assistant Executive Director

3. Agenda

Motion by Commissioner Sheveland, second by Commissioner Hatfield to adopt the agenda as presented.

Motion carried.

4. Minutes

4.A. Approve EDA Meeting Minutes of 21-07-2025

Motion by Commissioner Grau, second by President Hubbard to approve the minutes of the July 21, 2025, EDA Meeting Minutes.

Motion carried.

5. Discussion Items

5A. Adopt EDA Resolution 2025-45 Calling for a Public Hearing on the Approval of a Business Subsidy for EDCO Products Inc.

Executive Director Podhradsky introduced and provided an overview of this item.

Motion by Commissioner Hatfield, second by Commissioner Grau to adopt Resolution 2025-45 calling for a public hearing on September 15, 2025, to consider the approval of a business subsidy for EDCO Products Inc.

Motion carried.

6. Other Business

There was no other business.

7. Adjourn

Motion by Commissioner Hatfield, second by Commissioner Grau to adjourn the meeting at 7:40 p.m.

Motion carried.

REQUEST FOR ACTION
CHASKA ECONOMIC DEVELOPMENT AUTHORITY
9/15/25

Subject: **Public Hearing: Modification of the Redevelopment Plan for Redevelopment Dist. No. 4, Establishing Tax Increment Financing (TIF) Dis. No. 25, Adopting a TIF Plan, and Authorizing the Execution of a TIF Agreement and Granting a Business Subsidy**

Prepared By: Julie Grove, Economic Development Coordinator

BACKGROUND

EDCO Products Inc is proposing to construct a two-story office/manufacturing/warehouse building totaling approximately 235,000 square feet southeast of Engler Blvd and Creek Road in the SW Chaska Business Park. The planned project will include manufacturing and warehousing of prefinished metal siding products, along with office space to serve as the corporate headquarters and accommodate supporting operations. To help make the construction financially feasible, EDCO has submitted an application requesting Tax Increment Financing (TIF) assistance.

On May 19, 2025, Chaska City Council approved the EDCO Preliminary Site & Building Plan, Preliminary Plat & Rezoning for a two-story office/manufacturing/warehouse building.

On July 21, 2025, the EDA approved a letter of intent defining the general terms with EDCO for TIF assistance.

On August 4, 2025, the City Council called for a public hearing to be held on September 15, 2025, on the establishment of TIF District No. 25.

On September 10, 2025, the Planning Commission recommended approval of the final site & Building Plan and Plat & Rezoning. The Planning Commission also approved a resolution finding that the TIF Plan for TIF District 25 conforms to the Comprehensive Plan and general plans for the development and redevelopment of the city.

On September 29, 2025, the City Council is expected to consider the final Site and Building Plan, Final Plat and Rezoning approvals. These final approvals were initially scheduled on September 15, 2025, however had to be delayed to allow time for final wetland approvals. Following final planning approvals, the City Council and EDA will be asked to consider approving the establishment of the TIF District.

ANALYSIS

Modification Redevelopment District #4, Establishing TIF District No. 24, and Adopting a Tax Increment Financing Plan

For the Chaska EDA and City Council to have the authority to establish a TIF District and enter into a development agreement with the developer for financial assistance, the TIF District must be located within an established Development District. For the past several decades, the City of Chaska has placed all its TIF Districts within Redevelopment District No. 4, which outlines the overarching goals and policies guiding the creation and use of TIF Districts within its boundaries. The project site is located within the existing Redevelopment District No. 4, however a modification to the Plan/Area for the establishment of TIF District #25 is necessary. A map showing the boundaries of the proposed TIF District No. 25 is attached to this report.

The TIF Plan for District No. 25 establishes findings such as the public purpose, objectives, need, duration and estimated public costs and revenue within the district.

As outlined in the TIF Plan, the established TIF District will be created as an Economic Development District, which may remain for eight years from the date of receipt of the first tax increment. The first increment is anticipated in 2028, and the district is expected to expire in 2036.

Under the City's policy, industrial development is eligible for TIF assistance and may receive TIF assistance equal to two times the amount of TIF-eligible property taxes generated upon project completion. That amount may increase to three times the eligible taxes if the project includes sufficient land to accommodate a future expansion of at least 50% of the building's size. This project meets that later criterion and is therefore eligible for TIF assistance equal to three times the TIF-eligible property taxes generated. This was outlined in the Letter of Intent entered into earlier this year.

The TIF Plan finds that there is no reasonable expectation that development generating a comparable increase in market value would occur on the site without the proposed TIF assistance. Furthermore, it has been determined that the proposed development is not reasonably expected to occur without the use of tax increment financing assistance.

Objectives for the District established by the plan include:

1. Redevelopment of underutilized property.
2. Funding eligible improvements related to the qualification of the property as an economic development district, through the use tax increment.
3. Expansion of tax base and facilitation of job growth.

The Plan finds the proposed development within the district consists of the construction of an approximate 235,000 square foot manufacturing and warehouse facility for EDCO with small ancillary office space. There is a potential for a future expansion of up to 120,000 square feet.

The Developer has requested financial assistance to write down a portion of the site improvement costs associated with development of the site. There are also extraordinary costs

related to the installation of public infrastructure. The City intends to use a portion of the tax increment to finance the public infrastructure. The Developer has provided supplemental financial information demonstrating that the development of this site would not occur without the assistance provided in this TIF Plan.

The attached TIF plan summarizes estimated public costs associated with this development at a total of just over \$4.8 million. The estimated revenue to be generated by the TIF is also just over \$4.8 million.

Authorizing the Execution of a TIF Agreement and Granting a Business Subsidy

The TIF Agreement for EDCO's development is in line with the Letter of Intent approved by Chaska City Council and EDA on July 21, 2025. It should be noted that the TIF Agreement will be executed with TCWG, LLC, who is acting as the developer on behalf of EDCO (both are identified in the agreement). The LOI applies the City and EDA's policy that industrial development is eligible for an 8-year economic development TIF district to receive an amount equal to three times the eligible taxes generated if the project includes sufficient land to accommodate a future expansion of at least 50% of the building's size.

The total development cost to construct the proposed manufacturing headquarters is approximately \$43,700,000 million. There are significant infrastructure extensions that will be required to serve both the building directly and future industrial development in the area. Among the needed public improvements include the sewer extension on Creek Road, water connections, and the upgrade of Creek Road west of Chaska Creek Boulevard.

The TIF Agreement commits up to \$1,644,173 in pay-as-you-go TIF assistance to the developer for eligible site improvement/prep costs. The remainder of the tax increment generated by the district will be used to pay for administrative expenses and public infrastructure improvements as indicated above. The full details are included in the attached substantially finalized TIF Agreement.

The new headquarters will create both significant tax base and bring valuable industrial jobs to the community. EDCO plans to relocate its corporate offices, along with approximately 150 full-time equivalent (FTE) employees, from its existing facility in Hopkins. In addition to retaining these jobs, the proposed project is expected to create 25 new full-time positions within two years with an average wage of \$20/hour.

Staff has worked with Baker Tilly (city's financial consultant) to analyze the TIF request and Dorsey and Whitney (city's economic development attorney) in drafting the TIF Agreement and TIF plan to ensure it is consistent with State Statutes regarding TIF.

The City Council was originally expected to consider the Developer's final site and building plan, plat, and rezoning request at tonight's meeting on September 15th. However, this approval has been delayed to allow time for final wetland approvals. Typically, the EDA establishes the TIF district after all final planning approvals are complete. Based on the original timeline, the public hearing for the TIF district was scheduled and published for September 15th. Despite the delay in planning approvals, staff is recommending that the EDA proceed with holding the public

hearing on the TIF Plan and business subsidy tonight. Formal action to establish the TIF district will be requested at a future meeting, once the final planning approvals are in place.

Recommendation

The project proposed by EDCO aligns with the City's and EDA's goals for job growth and industrial development west of Hwy 212. The City and EDA's previous approvals for this project demonstrates their support. The TIF established through tonight's proposed action, along with the associated TIF Agreement with EDCO, will generate significant revenue to support EDCO's project and fund essential City infrastructure that will also open up additional areas for further industrial development.

Staff recommends holding the public hearing for consideration of establishing TIF District #25. No approvals on the establishment of the TIF District will take place at this meeting and will be considered on September 29th.

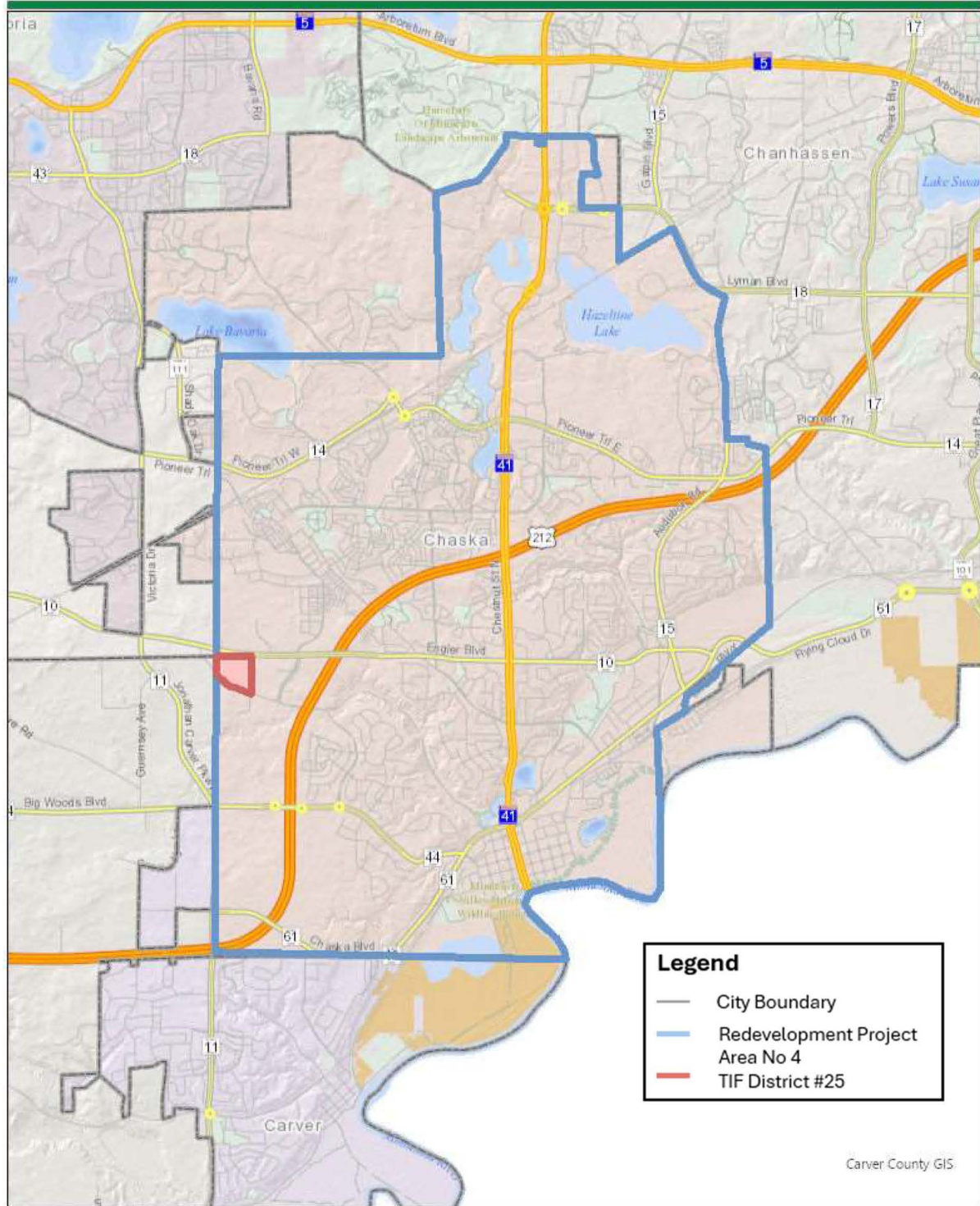
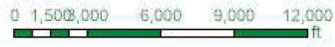
CHASKA EDA ACTION REQUESTED

Hold a public hearing considering the establishment of TIF District #25 and the granting of the business subsidy.

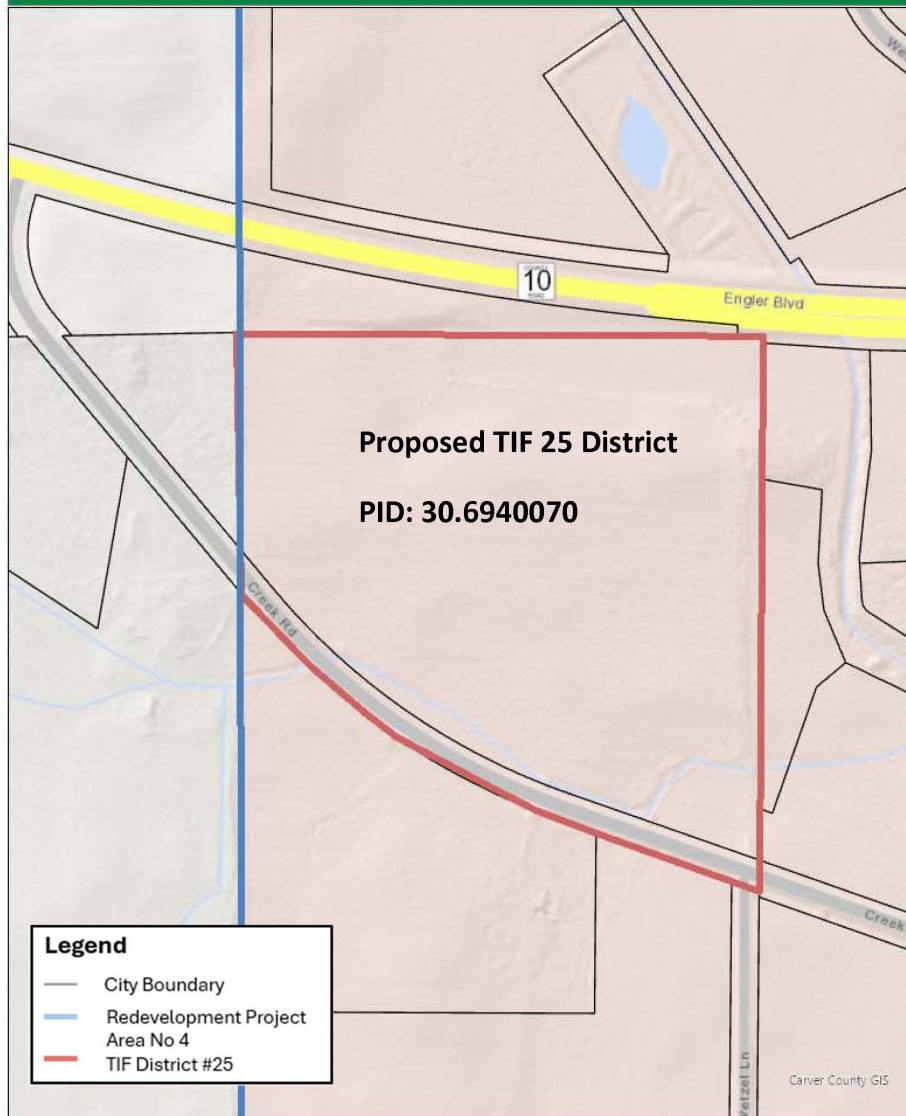
CITY OF CHASKA

City of Chaska

Date: 8/15/2025



Carver County GIS



Tax Increment Financing Plan
for
Tax Increment Financing (Economic
Development) District No. 25
within
Redevelopment Project Area No. 4
(EDCO Industrial Project)

City of Chaska, Minnesota

Economic Development Authority of the City of Chaska

Prepared by
Baker Tilly Municipal Advisors, LLC

Draft Dated: September 15, 2025

Public Hearing Scheduled: September 15, 2025
Anticipated Approval by City Council: September 15, 2025

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TABLE OF CONTENTS

<u>Section</u>	<u>Page(s)</u>
A. Definitions.....	1
B. Statutory Authorization	1
C. Statement of Need and Public Purpose	2
D. Statement of Objectives	2
E. Designation of Tax Increment Financing District as an Economic Development District	2
F. Duration of the TIF District	3
G. Property to be Included in the TIF District.....	3
H. Property to be Acquired in the TIF District	3
I. Specific Development Expected to Occur Within the TIF District	3
J. Findings and Need for Tax Increment Financing	4
K. Estimated Public Costs	5
L. Estimated Sources of Revenue.....	6
M. Estimated Amount of Bonded Indebtedness.....	6
N. Original Net Tax Capacity	6
O. Original Tax Capacity Rate	7
P. Projected Retained Captured Net Tax Capacity and Projected Tax Increment.....	7
Q. Use of Tax Increment.....	8
R. Excess Tax Increment.....	9
S. Tax Increment Pooling and the Five-Year Rule	9
T. Limitation on Administrative Expenses	10
U. Limitation on Property Not Subject to Improvements - Four Year Rule.....	10
V. Estimated Impact on Other Taxing Jurisdictions.....	10
W. Prior Planned Improvements.....	11
X. Development Agreements.....	11
Y. Assessment Agreements	12
Z. Modifications of the Tax Increment Financing Plan	12
AA. Administration of the Tax Increment Financing Plan	12
AB. Financial Reporting and Disclosure Requirements.....	13
Map of the Tax Increment Financing District	EXHIBIT I
Assumptions Report.....	EXHIBIT II
Projected Tax Increment Report.....	EXHIBIT III
Estimated Impact on Other Taxing Jurisdictions Report.....	EXHIBIT IV
Market Value Analysis Report.....	EXHIBIT V

**SECTION I – MODIFICATION TO THE REDEVELOPMENT PLAN
FOR REDEVELOPMENT PROJECT NO. 4**

Foreword

The following text represents a Modification to the Redevelopment Plan for Redevelopment Project No. 4. This modification represents a continuation of the goals and objectives set forth in the Redevelopment Plan for Redevelopment Project No. 4. The changes include a change to the geographic boundaries of the Project Area and the establishment of Tax Increment Financing (Economic Development) District No. 25.

For further information, a review of the Redevelopment Plan for Redevelopment Project No. 4 is recommended. It is available from the City Administrator at the City of Chaska. Other relevant information is contained in the Tax Increment Financing Plans for the Tax Increment Financing Districts located within Redevelopment Project No. 4.

**SECTION II – ESTABLISHMENT OF THE TAX INCREMENT FINANCING PLAN
FOR TAX INCREMENT FINANCING (ECONOMIC DEVELOPMENT) DISTRICT NO. 25**

Section A Definitions

The terms defined in this section have the meanings given herein, unless the context in which they are used indicates a different meaning:

"Authority" means the Economic Development Authority of the City.

"City" means the City of Chaska, Minnesota; also referred to as a "Municipality".

"City Council" means the City Council of the City.

"County" means Carver County, Minnesota.

"Redevelopment Project" means Redevelopment Project Area No. 4 in the City, which is described in the corresponding Redevelopment Plan.

"Redevelopment Plan" means the Redevelopment Plan for the Redevelopment Project Area.

"Project Area" means the geographic area of the Redevelopment Project Area.

"School District" means Independent School District No. 112, Minnesota.

"State" means the State of Minnesota.

"TIF Act" means Minnesota Statutes, Sections 469.174 through 469.1794, both inclusive.

"TIF District" means Tax Increment Financing (Economic Development) District No. 25.

"TIF Plan" means the tax increment financing plan for the TIF District (this document).

Section B Statutory Authorization

Minnesota Statutes, Sections 469.001-469.047, as amended (Housing and Redevelopment Authority Act) grants the authority to designate redevelopment areas within the boundaries of the municipality. Within

these areas, the governing body of a state public body may adopt a redevelopment plan and establish a project consistent with the municipality's public purpose. The project consists of a redevelopment project as defined in Section 469.002, Subdivision 14.

Section C Statement of Need and Public Purpose

The Authority has determined that conditions exist within the Redevelopment Area which has prevented further development of land by private enterprise. It has been found that the Redevelopment Area is potentially more useful and valuable for contributing to the public health, safety and welfare than has been realized under existing development.

The development of these parcels is not attainable in the foreseeable future without the intervention of the Authority in the private development process. The City and Authority have prepared the Redevelopment Plan, which provides for the elimination of these conditions, thereby making the land useful and valuable for contributing to the public health, safety and welfare.

Section D Statement of Objectives

The Authority, through implementation of this plan, seeks to achieve the following objectives:

1. Redevelopment of underutilized property.
2. Funding of eligible improvements related to the qualification of the property as an economic development district, through the use tax increment.
3. Expansion of tax base and facilitation of job growth.

Section E Designation of Tax Increment Financing District as an Economic Development District

Economic development districts are a type of tax increment financing district which consists of any project, or portions of a project, which the Authority finds to be in the public interest because:

- (1) it will discourage commerce, industry, or manufacturing from moving their operations to another state or municipality;
- (2) it will result in increased employment in the state; or
- (3) it will result in preservation and enhancement of the tax base of the state.

The TIF District qualifies as an economic development district in that the proposed development described in this TIF Plan (see Section I) meets the criteria listed above in (1), (2) and (3).

Tax increments from an economic development district must be used to provide improvements, loans, subsidies, grants, interest rate subsidies, or other assistance in which at least 85% of the square footage of the facilities to be constructed are used for any of the following purposes:

- (1) manufacturing, production, or processing of tangible personal property;
- (2) warehousing, storage and distribution of tangible personal property, excluding retail sales;
- (3) research and development related to the activities listed in (1) or (2) above;

- (4) telemarketing if that activity is the exclusive use of the property;
- (5) tourism facilities (see M.S. Section 469.174, Subd. 22);
- (6) space necessary for and related to the activities listed in (1) through (5) above;
- (7) a workforce housing project that satisfies the requirements under Minnesota Statutes, Section 469.176, subdivision 4c, paragraph (d).

Tax increments from the TIF District will be used to provide financial assistance to the proposed development (see Section I) as related to the construction of an approximate 235,000 square foot manufacturing and warehouse facility for EDCO with small ancillary office space, and a potential future expansion of up to 120,000 square feet; which improvements meet the criteria listed in (1) and (2) above.

Section F Duration of the TIF District

Economic development districts may remain in existence 8 years from the date of receipt by the Authority of the first tax increment. The Authority anticipates that the TIF District will remain in existence for the maximum duration allowed by law (projected to be through the year 2036, due to anticipated receipt of first increment in 2028). Modifications of this plan (see Section AA) shall not extend these limitations.

Section G Property to be Included in the TIF District

The TIF District is an area of land comprising of the parcel listed below that is located within the Project Area. A map showing the boundaries of the TIF District is shown in Exhibit I.

<u>Parcel ID Number</u>	<u>Legal Description*</u>
306940070	SECTION 06 TOWNSHIP 115 RANGE 023 WETZELS WOODS (C) OUTLOT C ANNEXED FOR PAY 2006

The area encompassed by the TIF District shall also include all street or utility right-of-ways located upon or adjacent to the property described above.

Section H Property to be Acquired in the TIF District

The City and/or Authority may acquire and sell any or all of the property located within the TIF District. Neither the City nor Authority will be acquiring any property at this time or will be selling the property to facilitate development.

Section I Specific Development Expected to Occur Within the TIF District

The proposed project is anticipated to include construction of one building which will consist of approximately 235,000 square foot manufacturing and warehouse facility for EDCO with small ancillary office space with a potential future expansion of up to 120,000 square feet. Tax increment is a financing tool the Authority is planning to use for financing of a portion of the eligible costs associated with construction of the project. The square footage of the completed buildings will comply with the requirements of an economic development district in which the project will be with a qualifying purpose.

It is anticipated that the Authority will use the tax increment to finance all or a portion of the related site development, acquisition and other related costs that are necessary for this project to proceed. In addition, the Authority may use tax increment for related administrative expenses, and any other eligible expenditures associated with development of the site that may include additional necessary public improvements.

Construction of the project is expected to commence in mid-2026 with construction expected to be 100% completed by December 31, 2027, for assessment year 2028 and taxes payable in 2029.

Section J Findings and Need for Tax Increment Financing

In establishing the TIF District, the City makes the following findings:

- (1) The TIF District qualifies as an economic development district;

See Section E of this document for the reasons and facts supporting this finding.

- (2) The proposed development, in the opinion of the City, would not reasonably be expected to occur solely through private investment within the reasonably foreseeable future and the increased market value of the site that could reasonably be expected to occur without the use of tax increment financing would be less than the increase in the market value estimated to result from the proposed development after subtracting the present value of the projected tax increments for the maximum duration of the district permitted by the TIF Plan.

Factual basis:

Proposed development not expected to occur:

The proposed development consists of the construction of a new industrial building within the City. The developer has requested financial assistance to finance a portion of the site development and preparation costs as needed for the project to proceed. The Developer has provided supplemental financial information demonstrating that the development of this site would not occur without the assistance provided in this TIF Plan.

Therefore, the City has determined that the proposed development would not occur but for the financial assistance provided in this TIF Plan because of the increased costs related to development within the TIF District and construction of the project. The cost of constructing the project and incurring additional costs as related to site development and public improvements has created a financial gap that requires public assistance from the Authority.

No higher market value expected:

The project to be constructed within TIF District No. 25 requires significant investment. Assistance with financing a portion of the extraordinary costs that are barriers to the project occurring will be necessary to commence construction of the project. Given the nature of this project, there is no reasonable expectation of any development occurring that would generate as much market value increase as is estimated to be generated by the proposed development by the new business. Therefore, the Authority has concluded that substantial development at this particular site--and hence any significant increase in market value--is not reasonably expected to occur unless the Authority provides tax increment assistance as described in this Tax Increment Plan.

To summarize the basis for the City's findings regarding alternative market value, in accordance with Minnesota Statutes, Section 469.175, Subd. 3(d), the City makes the following determinations:

- a. The City's estimate of the amount by which the market value of the site will increase without the use of tax increment financing is \$0 (for the reasons described above), except some unknown amount of appreciation.
 - b. If the proposed development to be assisted with tax increment occurs in the District, the total increase in market value would be approximately \$32,016,190, including the value of the building (See Exhibit V).
 - c. The present value of tax increments from the District for the maximum duration of the district permitted by the TIF Plan is estimated to be \$3,524,557 (See Exhibit V).
 - d. Even if some development other than the proposed development were to occur, the Council finds that no alternative would occur that would produce a market value increase greater than \$28,491,633 (the amount in clause b less the amount in clause c) without tax increment assistance.
- (3) The TIF Plan will afford maximum opportunity, consistent with the sound needs of the City as a whole, for development of the Project Area by private enterprise.

Factual basis: The proposed development is the construction of an industrial facility in the Project Area that is expected to be utilized as additional manufacturing spaces that will create new tax base and employment opportunities for the City and the state. The development meets the City's community development goals in terms of land use, tax base and employment opportunities.

- (4) The TIF Plan conforms to general plans for development of the City as a whole including Planning Commission opinion following review.

Factual basis: The City Council has determined that the development proposed in the TIF Plan conforms to the City comprehensive plan.

- (5) The City is electing the method of tax increment computation set forth in Minnesota Statutes, Section 469.177, Subdivision 3(a) (see Section P).

Section K Estimated Public Costs

The estimated public costs of the TIF District are listed below. Such costs are eligible for reimbursement from tax increments of the TIF District.

Estimated Public Costs	Estimated Amount
Land/Building acquisition	\$0
Site Improvements/Preparation costs	\$1,644,173
Utilities	\$0
Other public improvements	\$2,395,855
Construction of affordable housing	\$0
Administrative expenses	\$240,091
Total Estimated Public Costs	\$4,280,118
Interest expenses	\$521,691
Total Costs	\$4,801,809

The Authority reserves the right to administratively adjust the amount of any of the items listed above or to incorporate additional eligible items, so long as the total estimated public costs (\$4,801,809) do not

increase. The Authority also reserves the right to fund any of the identified costs with any other legally available revenues, such as grants and/or loans, but anticipates that such costs will be primarily financed with tax increments.

Section L Estimated Sources of Revenue

Estimated Sources of Revenue	Estimated Amount
Tax Increment revenue	\$4,801,809
Interest on invested funds	\$0
Total	\$4,801,809

The Authority anticipates providing financial assistance to the proposed development through pay-as-you-go financing for site improvement costs. As revenues are generated and collected from the TIF District in future years, the Authority will retain a portion to finance public improvement costs within the district, administrative and other expenses. The remaining funds will be pledged to the Developer as reimbursement for certain identified site improvement/preparation costs as necessary within the TIF District to assist with financing the public costs incurred (see Section K).

The Authority reserves the right to finance any or all public costs of the TIF District using pay-as-you-go assistance, internal funding, general obligation or revenue debt, or any other financing mechanism authorized by law. The Authority also reserves the right to use other sources of revenue legally applicable to the Project Area to pay for such costs including, but not limited to, special assessments, utility revenues, federal or state funds, and investment income. The projected tax increment report is included as Exhibit III.

Section M Estimated Amount of Bonded Indebtedness

The maximum principal amount of bonds (as defined in the TIF Act) secured in whole or part with tax increment from the TIF District are \$4,801,809. The Authority currently plans to finance the public costs through pay-as-you-go financing. However, the Authority reserves the right to issue an interfund loan or issue bonds in any form, including without limitation any interfund loan with interest not to exceed the maximum permitted under Section 469.178, subd. 7 of the TIF Act.

Section N Original Net Tax Capacity

The County Auditor shall certify the original net tax capacity of the TIF District. This value will be equal to the total net tax capacity of all property in the TIF District as certified by the State Commissioner of Revenue. For districts certified between January 1 and June 30, inclusive, this value is based on the previous assessment year. For districts certified between July 1 and December 31, inclusive, this value is based on the current assessment year.

The Estimated Market Value of all property within the TIF District as of July 2, 2024, for taxes payable in 2025, is \$1,080,700. Upon establishment of the TIF District, it is estimated that the original net tax capacity of the TIF District will be \$20,864, upon classification as commercial/industrial.

Each year the County Auditor shall certify the amount that the original net tax capacity has increased or decreased as a result of:

- (1) changes in the tax-exempt status of property;

- (2) reductions or enlargements of the geographic area of the TIF District;
- (3) changes due to stipulation agreements or abatements; or
- (4) changes in property classification rates.

Section O Original Tax Capacity Rate

The County Auditor shall also certify the original tax capacity rate of the TIF District. This rate shall be the sum of all local tax rates that apply to property in the TIF District. This rate shall be for the same taxes payable year as the original net tax capacity.

In future years, the amount of tax increment generated by the TIF District will be calculated using the lesser of (a) the sum of the current local tax rates at that time or (b) the original tax capacity rate of the TIF District.

It is anticipated that the request for certification of the District will occur before June 30, 2026, and the local tax rates for taxes levied in 2025 and payable in 2026 will apply. For purposes of estimating the tax increment generated by the TIF District, the sum of the local tax rates for taxes levied in 2024 and payable in 2025 as shown below has been used to prepare the projections as the payable 2026 tax rate are not available at the time of drafting this plan.

<u>Taxing Jurisdiction</u>	<u>2024/2025 Local Tax Rate</u>
City of Chaska	38.886%
Carver County	30.934%
ISD #112	27.552%
Other	<u>4.599%</u>
Total	101.971%

Section P Projected Retained Captured Net Tax Capacity and Projected Tax Increment

The Authority anticipates that a portion of the site construction will be completed by December 31, 2026, creating a total tax capacity of \$133,804 as of January 2, 2027. The captured tax capacity as of that date is estimated to be \$112,940. Final development is expected to occur by December 31, 2027, creating a total tax capacity of \$537,466 as of January 2, 2028, with an estimated captured tax capacity of \$516,602. A complete schedule of estimated tax increment from the TIF District is shown in Exhibit III.

The estimates shown in this TIF Plan assume the property is classified as commercial/industrial. Commercial/industrial class rates assume 1.5% of the first \$150,000 of taxable value and 2% for taxable value above \$150,000. The projections also assume 3% annual increase in taxable values.

Each year the County Auditor shall determine the current net tax capacity of all property in the TIF District. To the extent that this total exceeds the original net tax capacity, the difference shall be known as the captured net tax capacity of the TIF District.

For communities affected by the fiscal disparity provisions of Minnesota Statutes, Chapter 473F and Chapter 276A, the original net tax capacity of the TIF District shall be determined before the application of fiscal disparity. In subsequent years, the current net tax capacity shall either (a) be determined before the application of fiscal disparity or (b) exclude the product of any fiscal disparity increase in the TIF District (since the original net tax capacity was certified) times the appropriate fiscal disparity ratio. The method the Authority elects shall remain the same for the life of the TIF District, except that a single change may

be made at any time from method (a) to method (b) above. The Authority elects method (a), or M.S. Section 469.177, Subdivision 3(a).

The County Auditor shall certify to the Authority the amount of captured net tax capacity each year. The Authority may choose to retain any or all of this amount. It is the Authority's intention to retain 100% of the captured net tax capacity of the TIF District. Such amount shall be known as the retained captured net tax capacity of the TIF District.

Exhibit II gives a listing of the various information and assumptions used in preparing a number of the exhibits contained in this TIF Plan, including Exhibit III which shows the projected tax increment generated over the anticipated life of the TIF District.

Section Q Use of Tax Increment

Each year the County Treasurer shall deduct 0.36% of the annual tax increment generated by the TIF District and pay such amount to the State's General Fund. Such amounts will be appropriated to the State Auditor for the cost of financial reporting and auditing of tax increment financing information throughout the state. Exhibit III shows the projected deduction for this purpose over the anticipated life of the TIF District.

The Authority has determined that it will use 100% of the remaining tax increment generated by the TIF District for any of the following purposes:

- (1) pay for the estimated public costs of the TIF District (see Section K) and County administrative costs associated with the TIF District (see Section T);
- (2) pay principal and interest on tax increment bonds or other bonds issued to finance the estimated public costs of the TIF District;
- (3) accumulate a reserve securing the payment of tax increment bonds or other bonds issued to finance the estimated public costs of the TIF District;
- (4) pay all or a portion of the county road costs as may be required by the County Board under M.S. Section 469.175, Subdivision 1a; or
- (5) return excess tax increments to the County Auditor for redistribution to the City, County and School District.

Tax increments from property located in one county must be expended for the direct and primary benefit of a project located within that county, unless both county boards involved waive this requirement. Tax increments shall not be used to circumvent levy limitations applicable to the City.

Tax increment shall not be used to finance the acquisition, construction, renovation, operation, or maintenance of a building to be used primarily and regularly for conducting the business of a municipality, county, school district, or any other local unit of government or the State or federal government, or for a commons area used as a public park, or a facility used for social, recreational, or conference purposes. This prohibition does not apply to the construction or renovation of a parking structure or of a privately-owned facility for conference purposes.

If there exists any type of agreement or arrangement providing for the developer, or other beneficiary of assistance, to repay all or a portion of the assistance that was paid or financed with tax increments, such payments shall be subject to all of the restrictions imposed on the use of tax increments. Assistance includes sale of property at less than the cost of acquisition or fair market value, grants, ground or other

leases at less than fair market rent, interest rate subsidies, utility service connections, roads, or other similar assistance that would otherwise be paid for by the developer or beneficiary.

Section R Excess Tax Increment

In any year in which the tax increments from the TIF District exceed the amount necessary to pay the estimated public costs authorized by the TIF Plan, the Authority shall use the excess tax increments to:

- (1) prepay any outstanding tax increment bonds;
- (2) discharge the pledge of tax increments thereof;
- (3) pay amounts into an escrow account dedicated to the payment of the tax increment bonds; or
- (4) return excess tax increments to the County Auditor for redistribution to the City, County and School District. The County Auditor must report to the Commissioner of Education the amount of any excess tax increment redistributed to the School District within 30 days of such redistribution.

Section S Tax Increment Pooling and the Five-Year Rule

At least 80% of the tax increments from the TIF District must be expended on activities within the district or to pay for bonds used to finance the estimated public costs of the TIF District (see Section E for additional restrictions). No more than 20% of the tax increments may be spent on costs outside of the TIF District but within the boundaries of the Project Area, except to pay debt service on credit enhanced bonds. All administrative expenses are considered to have been spent outside of the TIF District. Tax increments are considered to have been spent within the TIF District if such amounts are:

- (1) actually paid to a third party for activities performed within the TIF District within five years after certification of the district;
- (2) used to pay bonds that were issued and sold to a third party, the proceeds of which are reasonably expected on the date of issuance to be spent within the later of the five-year period or a reasonable temporary period or are deposited in a reasonably required reserve or replacement fund.
- (3) used to make payments or reimbursements to a third party under binding contracts for activities performed within the TIF District, which were entered into within five years after certification of the district;
- (4) used to reimburse a party for payment of eligible costs (including interest) incurred within five years from certification of the district;
- (5) revenues are spent for housing purposes.

Beginning with the sixth year following certification of the TIF District, at least 80% of the tax increments must be used to pay outstanding bonds or make contractual payments obligated within the first five years. When outstanding bonds have been defeased and sufficient money has been set aside to pay for such contractual obligations, the TIF District must be decertified.

The Authority anticipates that a portion of tax increments may be spent outside of the TIF District (including allowable administrative expenses) and reserves the right to allow for tax increment pooling from the TIF District in the future.

Section T Limitation on Administrative Expenses

Administrative expenses are defined as all costs of the Authority other than:

- (1) amounts paid for the purchase of land or buildings;
- (2) amounts paid to contractors or others providing materials and services directly connected with the physical development of the real property in the project, including architectural and engineering services and materials and services for demolition, soil correction, and the construction or installation of public improvements;
- (3) relocation benefits paid to, or services provided for persons residing or businesses located in the project;
- (4) amounts paid for property taxes or payments in lieu of taxes; and
- (5) amounts used to pay principal or interest on, fund a reserve for, or sell at a discount bonds issued pursuant to section 469.178 or other financial obligations to the extent those obligations were used to finance costs described in clauses (1) to (4).

Administrative expenses include amounts paid for services provided by bond counsel, fiscal consultants, planning or economic development consultants, and actual costs incurred by the County in administering the TIF District. Tax increments may be used to pay administrative expenses of the TIF District up to the lesser of (a) 10% of the total tax increment expenditures authorized by the TIF Plan or (b) 10% of the total tax increments received by the TIF District.

Section U Limitation on Property Not Subject to Improvements - Four Year Rule

If after four years from certification of the TIF District no demolition, rehabilitation, renovation of property or other site preparation, including qualified improvement of an adjacent street, has commenced on a parcel located within the TIF District, then that parcel shall be excluded from the TIF District, and the original net tax capacity shall be adjusted accordingly. Qualified improvements of a street are limited to construction or opening of a new street, relocation of a street, or substantial reconstruction or rebuilding of an existing street. The Authority must submit to the County Auditor, by February 1 of the fifth year, evidence that the required activity has taken place for each parcel in the TIF District.

If a parcel is excluded from the TIF District and the Authority or owner of the parcel subsequently commences any of the above activities, the Authority shall certify to the County Auditor that such activity has commenced, and the parcel shall once again be included in the TIF District. The County Auditor shall certify the net tax capacity of the parcel, as most recently certified by the Commissioner of Revenue, and add such amount to the original net tax capacity of the TIF District.

Section V Estimated Impact on Other Taxing Jurisdictions

Exhibit IV shows the estimated impact on other taxing jurisdictions if the maximum projected retained captured net tax capacity of the TIF District was hypothetically available to the other taxing jurisdictions. The Authority believes that there will be no adverse impact on other taxing jurisdictions during the life of the TIF District, since the proposed development would not have occurred without the establishment of

the TIF District and the provision of public assistance. A positive impact on other taxing jurisdictions will occur when the TIF District is decertified, and the development therein becomes part of the general tax base.

The fiscal and economic implications of the proposed tax increment financing district, as pursuant to Minnesota Statutes, Section 469.175, Subdivision 2, are listed below.

1. The total amount of tax increment that will be generated over the life of the district is estimated to be \$4,819,159.
2. To the extent the facility in the proposed TIF District generates any public cost impacts on city-provided services such as police and fire protection, public infrastructure, and borrowing costs attributable to the district, such costs will be levied upon the taxable net tax capacity of the City, excluding that portion captured by the District. The City does not anticipate issuing tax increment revenue bonds in conjunction with this project but reserves the right to issue bonds as necessary to facilitate development.
3. The amount of tax increments over the life of the district that would be attributable to school district levies, assuming the school district's share of the total local tax rate for all taxing jurisdictions remained the same, is estimated to be \$1,302,112.
4. The amount of tax increments over the life of the district that would be attributable to county levies, assuming the county's share of the total local tax rate for all taxing jurisdictions remained the same is estimated to be \$1,461,963.
5. No additional information has been requested by the county or school district that would enable it to determine additional costs that will accrue to it due to the development proposed for the district.

Section W Prior Planned Improvements

The Authority shall accompany its request for certification to the County Auditor (or notice of district enlargement), with a listing of all properties within the TIF District for which building permits have been issued during the 18 months immediately preceding approval of the TIF Plan. The County Auditor shall increase the original net tax capacity of the TIF District by the net tax capacity of each improvement for which a building permit was issued.

There have been no building permits issued in the last 18 months in conjunction with any of the properties within the TIF District.

Section X Development Agreements

If within a project containing an economic development district, more than 10% of the acreage of the property to be acquired by the Authority is purchased with tax increment bonds proceeds (to which tax increment from the property is pledged), then prior to such acquisition, the Authority must enter into an agreement for the development of the property. Such agreement must provide recourse for the Authority should the development not be completed.

The City and Authority anticipate entering into an agreement with the Developer relating to the project but does not anticipate acquiring any property located within the TIF District.

Section Y Assessment Agreements

The Authority may, upon entering into a development agreement, also enter into an assessment agreement with the developer, which establishes a minimum market value of the land and improvements for each year during the life of the TIF District.

The assessment agreement shall be presented to the County or City Assessor who shall review the plans and specifications for the improvements to be constructed, review the market value previously assigned to the land, and so long as the minimum market value contained in the assessment agreement appears to be an accurate estimate, shall certify the assessment agreement as reasonable. The assessment agreement shall be filed for record in the office of the County Recorder of each county where the property is located. Any modification or premature termination of this agreement must first be approved by the City, County and School District.

The City and Authority anticipate entering into an assessment agreement.

Section Z Modifications of the Tax Increment Financing Plan

Any reduction or enlargement in the geographic area of the Project Area or the TIF District; increase in the amount of bonded indebtedness to be incurred; determination to capitalize interest on the debt if it was not part of original plan; increase in that portion of the captured net tax capacity to be retained by the Authority; increase in the total estimated public costs; or designation of additional property to be acquired by the Authority shall be approved only after satisfying all the necessary requirements for approval of the original TIF Plan. This paragraph does not apply if:

- (1) the only modification is elimination of parcels from the TIF District; and
- (2) the current net tax capacity of the parcel eliminated equals or exceeds the net tax capacity of those parcels in the TIF District's original net tax capacity, or the Authority agrees that the TIF District's original net tax capacity will be reduced by no more than the current net tax capacity of the parcels eliminated.

The Authority must notify the County Auditor of any modification that reduces or enlarges the geographic area of the TIF District. The geographic area of the TIF District may be reduced but not enlarged after five years following the date of certification.

Section AA Administration of the Tax Increment Financing Plan

Upon adoption of the TIF Plan, the Authority shall submit a copy of such plan to the Minnesota Department of Revenue. The Authority shall also request that the County Auditor certify the original net tax capacity and net tax capacity rate of the TIF District. To assist the County Auditor in this process, the Authority shall submit copies of the TIF Plan, the resolution establishing the TIF District and adopting the TIF Plan, and a listing of any prior planned improvements. The Authority shall also send the County Assessor any assessment agreement establishing the minimum market value of land and improvements in the TIF District and shall request that the County Assessor review and certify this assessment agreement as reasonable.

The County shall distribute to the Authority the amount of tax increment as it becomes available. The amount of tax increment in any year represents the applicable property taxes generated by the retained captured net tax capacity of the TIF District. The amount of tax increment may change due to development anticipated by the TIF Plan, other development, inflation of property values, or changes in property classification rates or formulas. In administering and implementing the TIF Plan, the following actions should occur on an annual basis:

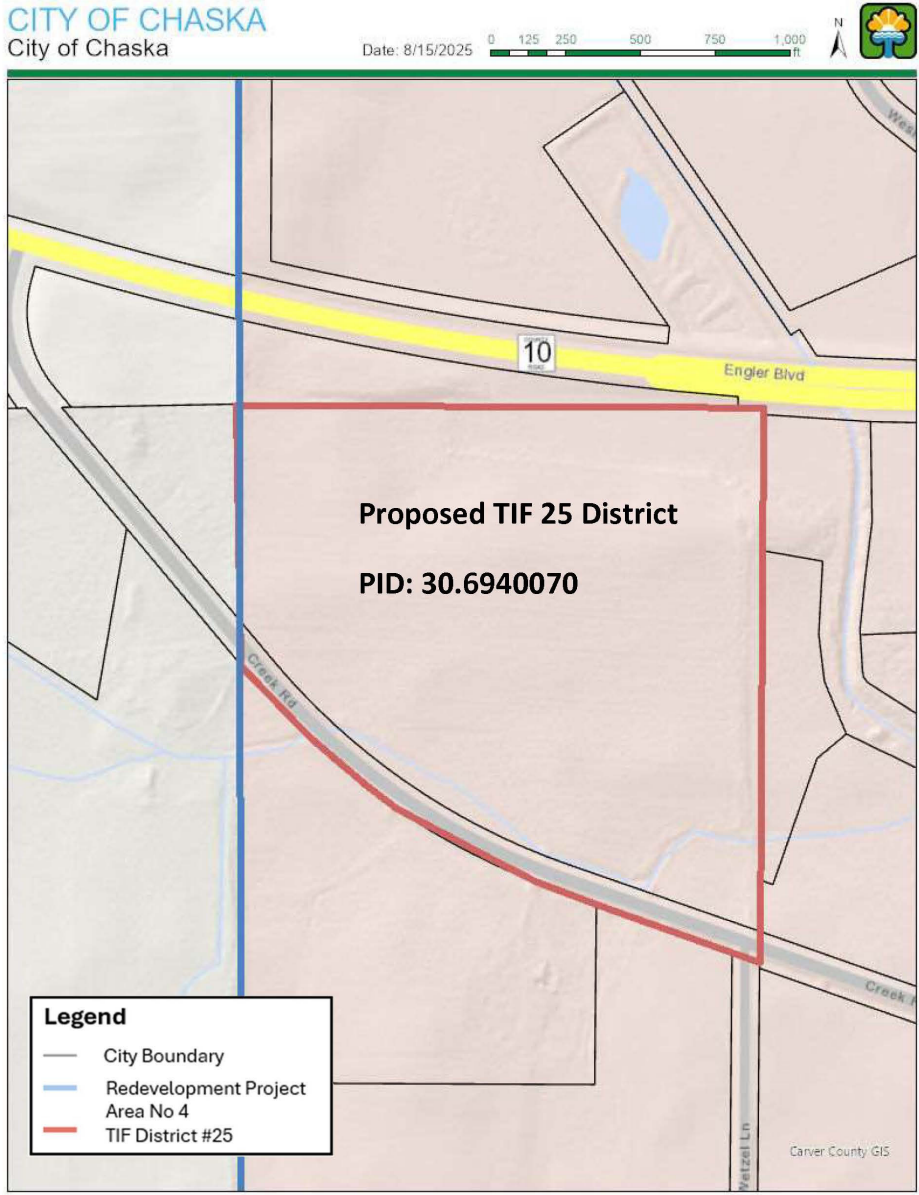
- (1) prior to July 1, the Authority shall notify the County Assessor of any new development that has occurred in the TIF District during the past year to ensure that the new value will be recorded in a timely manner.
- (2) if the County Auditor receives the request for certification of a new TIF District, or for modification of an existing TIF District, before July 1, the request shall be recognized in determining local tax rates for the current and subsequent levy years. Requests received on or after July 1 shall be used to determine local tax rates in subsequent years.
- (3) each year the County Auditor shall certify the amount of the original net tax capacity of the TIF District. The amount certified shall reflect any changes that occur as a result of the following:
 - (a) the value of property that changes from tax-exempt to taxable shall be added to the original net tax capacity of the TIF District. The reverse shall also apply;
 - (b) the original net tax capacity may be modified by any approved enlargement or reduction of the TIF District;
 - (c) if laws governing the classification of real property cause changes to the percentage of estimated market value to be applied for property tax purposes, then the resulting increase or decrease in net tax capacity shall be applied proportionately to the original net tax capacity and the retained captured net tax capacity of the TIF District.

The County Auditor shall notify the Authority of all changes made to the original net tax capacity of the TIF District.

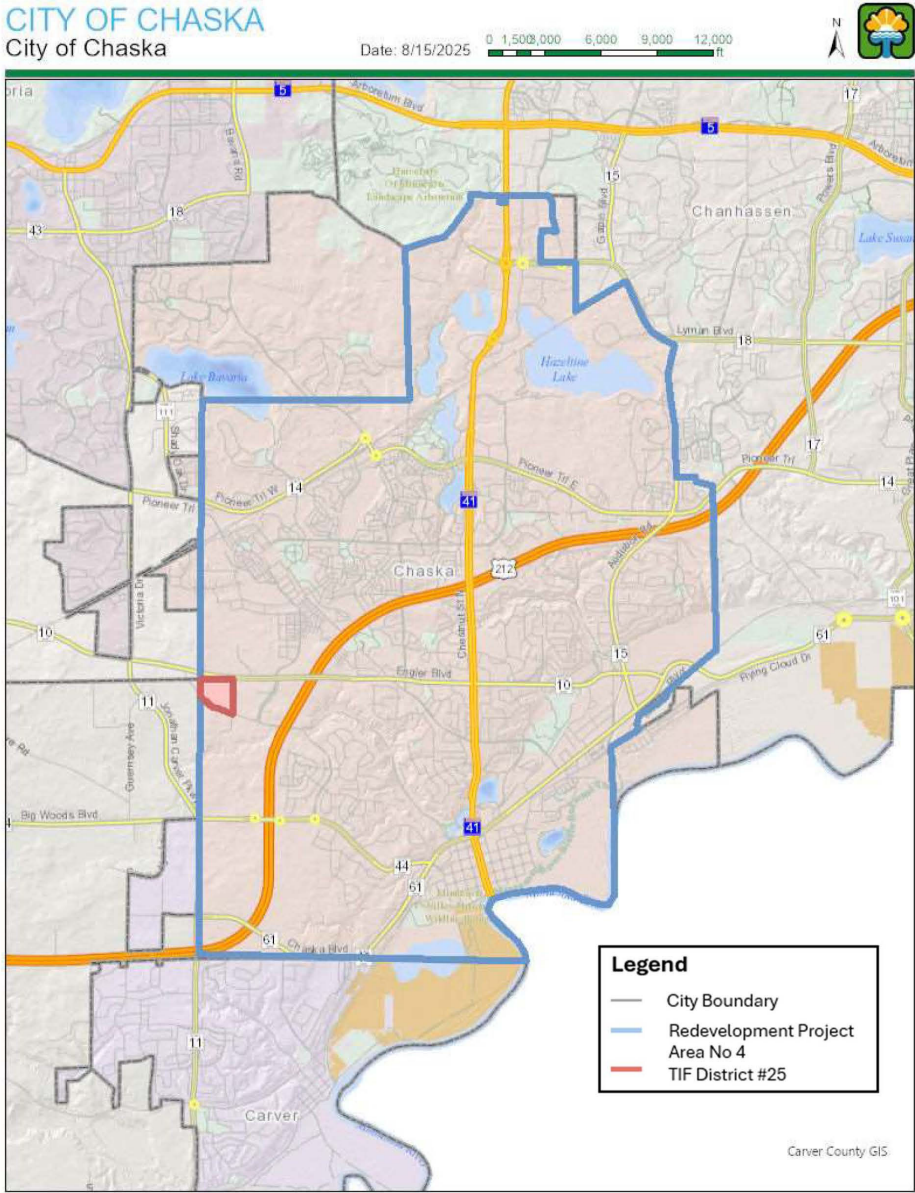
Section AB Filing TIF Plan, Financial Reporting and Disclosure Requirements

The City and Authority will file the TIF Plan, and any subsequent amendments thereto, with the Commissioner of Revenue and the Office of the State Auditor pursuant to Minnesota Statutes, Section 469.175, subdivision 4A. The Authority will comply with all reporting requirements for the TIF District under Minnesota Statutes, Section 469.175, subdivisions 5 and 6.

**Map of
Tax Increment Financing (Economic Development) District No. 25**



Map of Tax Increment Financing (Economic Development) District No. 25 within Redevelopment Project Area No. 4



Assumptions Report

City of Chaska, Minnesota
Tax Increment Financing (Economic Development) District No. 25
EDCO Products Inc
Draft TIF Plan Exhibits: 235,000 SF Building with \$26.9 million taxable value

Type of Tax Increment Financing District	Economic Development
Maximum Duration of TIF District	8 years from 1st increment
Projected Certification Request Date	06/30/25
Decertification Date	12/31/36 (9 Years of Increment)

	<u>2024/2025</u>			
Base Estimated Market Value	\$1,080,700			
Original Net Tax Capacity	\$ 20,864.00			
	Assessment/Collection Year			
	2025/2026	2026/2027	2027/2028	2028/2029
Base Estimated Market Value	\$1,080,700	\$1,080,700	\$1,080,700	\$1,080,700
Estimated Increase in Value - New Construction	0	0	5,647,000	25,830,100
Total Estimated Market Value	1,080,700	1,080,700	6,727,700	26,910,800
Total Net Tax Capacity	\$20,864	\$20,864	\$133,804	\$537,466

City of Chaska	38.886%	
Carver County	30.934%	
ISD #112	27.552%	
Other	4.599%	
Local Tax Capacity Rate	101.971%	2024/2025
Fiscal Disparities Contribution From TIF District	0.0000%	
Administrative Retainage Percent (maximum = 10%)	5.00%	
Pooling Percent	65.00%	

<u>Bonds</u>		<u>Note (Pay-As-You-Go)</u>	
Bonds Dated	NA	Note Dated	08/01/27
Bond Rate	NA	Note Rate	5.00%
Bond Amount	NA	Note Amount	\$1,036,953
Present Value Date & Rate	08/01/27	5.00% PV Amount	\$1,597,898

Notes
 Projections assume no future changes to classification rates and current tax rates remain constant.
 Projections are based on certified pay 2025 rates.
 Projections assume project 100% completed in 2027
 Projections assume 3% market inflation

Projected Tax Increment Report

**City of Chaska, Minnesota
 Tax Increment Financing (Economic Development) District No. 25
 EDCO Products Inc
 Draft TIF Plan Exhibits: 235,000 SF Building with \$26.9 million taxable value**

Annual Period Ending (1)	Total Market Value (2)	Total Net Tax Capacity (3)	Less: Original Net Tax Capacity (4)	Less: Fiscal Disp. @ 0.0000% (5)	Retained Captured Net Tax Capacity (6)	Times: Tax Capacity Rate (7)	Annual Gross Tax Increment (8)	Less: State Aud. Deduction 0.360% (9)	Subtotal Net Tax Increment (10)	Less: City Retainage 5.00% (11)	Less: City Infrastructure 49.50% (12)	Annual Net Revenue to Developer * (13)	P.V. Annual Net Rev. To 08/01/27 5.00%
12/31/25	1,080,700	20,864	20,864	0	0	101.971%	0	0	0	0	0	0	0
12/31/26	1,080,700	20,864	20,864	0	0	101.971%	0	0	0	0	0	0	0
12/31/27	1,080,700	20,864	20,864	0	0	101.971%	0	0	0	0	0	0	0
12/31/28	6,727,700	133,804	20,864	0	112,940	101.971%	115,166	415	114,751	5,738	56,802	52,211	47,357
12/31/29	26,910,800	537,466	20,864	0	516,602	101.971%	526,782	1,896	524,886	26,244	259,819	238,823	206,304
12/31/30	27,718,124	553,612	20,864	0	532,748	101.971%	543,247	1,956	541,291	27,065	267,939	246,287	202,621
12/31/31	28,549,668	570,243	20,864	0	549,379	101.971%	560,206	2,017	558,189	27,909	276,304	253,976	198,997
12/31/32	29,406,158	587,373	20,864	0	566,509	101.971%	577,673	2,080	575,593	28,780	284,919	261,894	195,429
12/31/33	30,288,342	605,017	20,864	0	584,153	101.971%	595,664	2,144	593,520	29,676	293,792	270,052	191,921
12/31/34	31,196,993	623,190	20,864	0	602,326	101.971%	614,196	2,211	611,985	30,599	302,933	278,453	188,468
12/31/35	32,132,903	641,908	20,864	0	621,044	101.971%	633,283	2,280	631,003	31,550	312,346	287,107	185,072
12/31/36	33,096,890	661,188	20,864	0	640,324	101.971%	652,942	2,351	650,591	32,530	322,043	296,018	181,729
							\$4,819,159	\$17,350	\$4,801,809	\$240,091	\$2,376,897	\$2,184,821	\$1,597,898

⁽¹⁾ Total estimated market value based on information provided by City and County
 Includes 3% annual market value inflator.

⁽²⁾ Total net tax capacity based on commercial-industrial class rate of 1.5% first \$150,000 value and 2% value above \$150,000

⁽³⁾ Original net tax capacity based on existing land value for the property to be included in the development

⁽⁴⁾ Total local tax capacity rate for taxes payable 2025

* to support TIF PayGO Note of \$1,644,173

Estimated Impact on Other Taxing Jurisdictions Report

**City of Chaska, Minnesota
 Tax Increment Financing (Economic Development) District No. 25
 EDCO Products Inc
 TIF Plan Exhibits based on \$26.9 million new taxable value**

Taxing Jurisdiction	Without Project or TIF District		With Project and TIF District					
	Final 2024/2025 Taxable Net Tax Capacity (1)	2024/2025 Local Tax Rate	2024/2025 Taxable Net Tax Capacity (1)	Projected Retained Captured Net Tax Capacity +	New Taxable Net Tax Capacity =	Hypothetical Adjusted Local Tax Rate (*)	Hypothetical Decrease In Local Tax Rate (*)	Hypothetical Tax Generated by Retained Captured N.T.C. (*)
City of Chaska	48,195,903	38.886%	48,195,903	\$640,324	48,836,227	38.376%	0.510%	245,731
Carver County	223,633,170	30.934%	223,633,170	640,324	224,273,494	30.846%	0.088%	197,514
ISD #112	132,758,671	27.552%	132,758,671	640,324	133,398,995	27.420%	0.132%	175,575
Other (2)	-	4.599%	-	-	-	4.599%	-	-
Totals		101.971%				101.240%	0.730%	

*** Statement 1:** If the projected Retained Captured Net Tax Capacity of the TIF District was hypothetically available to each of the taxing jurisdictions above, the result would be a lower local tax rate (see Hypothetical Adjusted Tax Rate above) which would produce the same amount of taxes for each taxing jurisdiction. In such a case, the total local tax rate would decrease by 0.730% (see Hypothetical Decrease in Local Tax Rate above). The hypothetical tax that the Retained Captured Net Tax Capacity of the TIF District would generate is also shown above.

Statement 2: Since the projected Retained Captured Net Tax Capacity of the TIF District is not available to the taxing jurisdictions, then there is no impact on taxes levied or local tax rates.

(1) Taxable net tax capacity = total net tax capacity - captured TIF - fiscal disparity contribution, if applicable.
 (2) The impact on these taxing jurisdictions is negligible since they represent only 4.51% of the total tax rate.

Market Value Analysis Report

City of Chaska, Minnesota

Tax Increment Financing (Economic Development) District No. 25

EDCO Products Inc

Draft TIF Plan Exhibits: 235,000 SF Building with \$26.9 million taxable value

<u>Assumptions</u>				
Present Value Date		06/30/25		
P.V. Rate - Gross T.I.		5.00%		
Increase in EMV With TIF District		\$32,016,190		
Less: P.V of Gross Tax Increment		<u>3,524,557</u>		
Subtotal		\$28,491,633		
Less: Increase in EMV Without TIF		<u>0</u>		
Difference		\$28,491,633		
	Year	Annual Gross Tax Increment	Present Value @ 5.00%	
1	2028	115,166	104,459	
2	2029	526,782	455,054	
3	2030	543,247	446,931	
4	2031	560,206	438,936	
5	2032	577,673	431,068	
6	2033	595,664	423,327	
7	2034	614,196	415,712	
8	2035	633,283	408,220	
9	2036	<u>652,942</u>	<u>400,850</u>	
		\$4,819,159	\$3,524,557	

TAX INCREMENT FINANCING AGREEMENT

IN

REDEVELOPMENT PROJECT AREA NO. 4

AND

TAX INCREMENT FINANCING DISTRICT NO. 25

CHASKA,
CARVER COUNTY, MINNESOTA

By and Among

CHASKA ECONOMIC DEVELOPMENT AUTHORITY

And

CITY OF CHASKA, MINNESOTA

And

TCWG, LLC

for the

EDCO MANUFACTURING FACILITY

Dated as of September 30, 2025

This Document Was Drafted By:

DORSEY & WHITNEY LLP (GIT)
Suite 1500
50 South Sixth Street
Minneapolis, Minnesota 55402

TABLE OF CONTENTS

ARTICLE 1 DEFINITIONS.....	2
1.01. Definitions.....	2
ARTICLE 2 REPRESENTATIONS AND WARRANTIES.....	4
2.01. EDA Representations.....	4
2.02. Developer Representations	4
2.03. Use, Ownership of Property; Restrictions; Use of Property	5
2.04. Ownership of Property	5
2.05. Declaration of Restrictive Covenants	6
2.06. Damage or Destruction	6
2.07. Relocation Costs	6
ARTICLE 3 CONSTRUCTION OF PROJECT.....	6
3.01. Construction Plans	6
3.02. Undertaking of Project.....	7
3.03. Certificate of Occupancy; Certificate of Completion	7
3.04. Progress Reports	7
3.05. Access to Property	8
3.06. Modification; Subordination.....	8
ARTICLE 4 DEFENSE OF CLAIMS; INSURANCE.....	8
4.01. Defense of Claims.....	8
4.02. Insurance	9
ARTICLE 5 PUBLIC ASSISTANCE	10
5.01. Development Costs	10
5.02. Reimbursement for Qualified Costs.....	10
5.03. Conditions Precedent to Provision of Public Assistance.	11
5.04. Satisfaction of Conditions Precedent	11
5.05. Notice of Default.....	12
5.06. Real Property Taxes.....	12
ARTICLE 6 PROHIBITIONS AGAINST ASSIGNMENT AND TRANSFER	13
6.01. Transfer of Property and Assignment	13
6.02. Termination of Limitations on Transfer	14
ARTICLE 7 EVENT OF DEFAULT; FEES.....	14
7.01. Events of Default	14

7.02.	Remedies on Default.....	15
7.03.	No Remedy Exclusive.....	16
7.04.	Waivers	16
7.05.	Agreement to Pay Attorneys' Fees	16
ARTICLE 8 GENERAL PROVISIONS		16
8.01.	Conflicts of Interest; EDA and City Representatives Not Individually Liable	16
8.02.	Equal Employment Opportunity	16
8.03.	Restrictions on Use	17
8.04.	Titles of Articles and Sections	17
8.05.	Business Subsidies Act	17
8.06.	Term of Agreement.....	17
8.07.	Provisions Surviving Termination	18
ARTICLE 9 ADMINISTRATIVE PROVISIONS.....		18
9.01.	Notices and Demands	18
9.02.	Counterparts.....	18
9.03.	Binding Effect.....	18
9.04.	Severability	18
9.05.	Amendments, Changes and Modifications	19
9.06.	Further Assurances and Corrective Instruments.....	19
9.07.	Captions	19
9.08.	Applicable Law	19
EXHIBIT A PROPERTY		
EXHIBIT B COVENANTS AND RESTRICTIONS		
EXHIBIT C PROJECT DESCRIPTION; QUALIFIED COSTS		
EXHIBIT D CERTIFICATE OF COMPLETION		
EXHIBIT E FORM OF LIMITED TAX INCREMENT REVENUE NOTE		
EXHIBIT F ASSESSMENT AGREEMENT		

TAX INCREMENT FINANCING AGREEMENT

THIS Tax Increment Financing Agreement (this “Agreement”), is made and entered into as of September 30, 2025, by and among the CHASKA ECONOMIC DEVELOPMENT AUTHORITY, a body corporate and politic, duly organized under the laws of the State of Minnesota (the “EDA”), the CITY OF CHASKA, a municipal corporation and political subdivision of the State of Minnesota (the “City”), and TCWG, LLC, a Minnesota limited liability company (the “Developer”).

WITNESSETH:

WHEREAS, the EDA has designated a Redevelopment District in the City denominated the Redevelopment Project Area No. 4 (the “Redevelopment District”) and adopted a Redevelopment Plan (the “Redevelopment Plan”) therefor, pursuant to and in accordance with Minnesota Statutes (“M.S.”), Sections 469.090 through 469.1082, as amended; and

WHEREAS, following a public hearing held by the City Council of the City on September 15, 2025, the City adopted a resolution establishing Tax Increment Financing District No. 25, an “economic development district” (the “TIF District”) pursuant to M.S., Section 469.174, Subdivision 12, and approved a Tax Increment Financing Plan therefor (the “TIF Plan”); and

WHEREAS, in order to achieve the objectives of the Redevelopment Plan and the TIF Plan, the EDA intends to provide assistance to the Developer through tax increment financing, as described in M.S., Sections 469.174 through 469.1794 (the “TIF Act”), to finance construction of an approximately 235,000 square foot office, manufacturing, and warehouse facility (the “Project”);

WHEREAS, the EDA has determined that, in order to accomplish the purposes specified in and to carry out the Redevelopment Plan and the TIF Plan, it is necessary and desirable for the EDA to reimburse the Developer for certain costs to be incurred and paid by the Developer in connection with the Project; and

WHEREAS, the EDA will apply tax increment revenues generated from the TIF District to (i) pay or reimburse the EDA for administrative expenses relating to the TIF District to the extent permitted by the TIF Act and (ii) reimburse the Developer, with interest, for certain costs incurred in connection with the construction of the Project; and

WHEREAS, the EDA and the City believe that the development activities associated with the Project pursuant to this Agreement are in the best interests of the City and benefit the health, safety, morals and welfare of its residents, and comply with the applicable state and local laws and requirements under which the Project has been undertaken and is being assisted.

NOW, THEREFORE, in consideration of the foregoing premises and the mutual obligations set forth in this Agreement, the parties hereto hereby agree as follows:

ARTICLE 1
Definitions

1.01. Definitions.

In this Agreement, unless a different meaning clearly appears from the context:

“Act” means M.S., Sections 469.090 through 469.1082.

“Agreement” means this Agreement, as the same may be from time to time modified, amended or supplemented.

“Assessment Agreement” means the Assessment Agreement between the Governmental Authorities and the Developer in the form set forth as Exhibit F hereto.

“Available Tax Increment” means 45.5% of the tax increment revenues generated by the Project, as computed pursuant to M.S., Section 469.177, as amended from time to time. Such percentage represents 100% of the tax increment revenues generated by the Project less 10% to be retained by the EDA for Administrative Expenses (as defined in the TIF Act), less 44.5% to be retained by the EDA for the City Improvements.

“Business Subsidies Act” means M.S., Sections 116J.993 through 116J.995.

“Certificate of Completion” means a certification in the form attached hereto as Exhibit D, to be provided to the Developer pursuant to this Agreement.

“City” means the City of Chaska, Minnesota.

“City Council” means the City Council of the City.

“City Improvements” means the public improvements beneficial to the Project to be constructed by the City on Creek Road, including the sewer extension, water connections, and the upgrade of Creek Road west of Chaska Creek Boulevard.

“Construction Plans” means the plans, specifications, drawings and related documents for the construction work to be performed by the Developer on the Property.

“County” means Carver County, Minnesota, a political subdivision of the State of Minnesota.

“Default Notice” means written notice from the City to the Developer setting forth the Event of Default and the action required to remedy the same.

“Developer” means TCWG, LLC, a limited liability company under the laws of the State of Minnesota.

“Event of Default” means as any of the events set forth in Section 7.01 hereof.

“EDA” means the Chaska Economic Development Authority, a body corporate and politic, duly organized under the laws of the State.

“Governmental Authorities” means, collectively, the City and the EDA.

“Legal and Administrative Expenses” means the fees and expenses incurred by the City or EDA in connection with review and analysis of the development proposed under this Agreement with the adoption and administration of the TIF Plan and establishment of the TIF District, the preparation of this Agreement and the issuance of the TIF Note including, but not limited to, attorney and municipal advisor fees and expenses.

“Mortgage” means any mortgage made by the Developer which covers, in whole or in part, the Property.

“Mortgagee” means the owner or holder of a Mortgage.

“M.S.” means Minnesota Statutes.

“Project” means the construction of an approximately 235,000 square foot office, manufacturing, and warehouse facility.

“Property” means the Property described in Exhibit A to this Agreement.

“Public Assistance” means the Available Tax Increment to be paid under Article 5 hereof.

“Qualified Costs” means costs incurred by Developer in connection with construction of the Project that are reimbursable from tax increment pursuant to Sections 469.174, Subd. 12 and 469.1761 of the TIF Act, which are shown on Exhibit C to this Agreement. The total principal amount of any and all tax increment notes issued to reimburse the Developer for Qualified Costs of the Project will not exceed \$1,644,173.

“Redevelopment District” means Redevelopment Project Area No. 4, designated pursuant to the Act.

“Redevelopment Plan” means the Redevelopment Plan developed for Redevelopment Project Area No. 4.

“Restrictions” means the easements, covenants, conditions and restrictions set forth in Exhibit B attached hereto.

“Section” means a Section of this Agreement, unless used in reference to M.S..

“State” means the State of Minnesota.

“Termination Date” means the earlier of (i) February 1, 2037, (ii) the date the TIF Note is paid in full, (iii) the date on which the Tax Increment District expires or is otherwise terminated, or (iv) the date this Agreement is terminated or rescinded in accordance with its terms.

“TIF Act” means M.S., Sections 469.174 through 469.1794, as amended.

“TIF District” means Tax Increment Financing District No. 25, an economic development district established in Redevelopment Project Area No. 4 by the City Council on September 15, 2025.

“TIF Note” means the Tax Increment Revenue Note (Edco Manufacturing Facility) to be executed by the EDA and delivered to the Developer pursuant to Article 5 hereof, the form of which is attached hereto as Exhibit E. The total principal amount of any and all tax increment notes issued to reimburse the Developer for Qualified Costs of the Project will not exceed \$1,644,173.

“TIF Plan” means the Tax Increment Financing Plan for the TIF District approved by the City Council and EDA.

“Unavoidable Delay” means a failure or delay in a party’s performance of its obligations under this Agreement, or during any cure period specified in this Agreement which does not entail the mere payment of money, not within the party’s reasonable control, including but not limited to acts of God, governmental agencies, the other party, strikes, labor disputes (except disputes which could be resolved by using union labor), fire or other casualty, or lack of materials; provided that within ten (10) business days after a party impaired by the delay has knowledge of the delay it shall give the other party notice of the delay and the estimated length of the delay, and shall give the other party notice of the actual length of the delay within ten (10) business days after the cause of the delay has ceased to exist. The parties shall pursue with reasonable diligence the avoidance and removal of any such delay. Unavoidable Delay shall not extend performance of any obligation unless the notices required in this definition are given as herein required.

ARTICLE 2 Representations and Warranties

2.01. EDA Representations.

The EDA makes the following representations to the Developer:

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

(b) The EDA has designated the Redevelopment District and has adopted the Redevelopment Plan in accordance with the provisions of the Act and has assisted with creation of the TIF District and adopted the TIF Plan and shall administer the TIF District in accordance with the provisions of the TIF Act.

2.02. Developer Representations.

The Developer makes the following representations to the Governmental Authorities:

(a) The Developer is a Minnesota limited liability company and has power to enter into this Agreement and has duly authorized, by all necessary corporate action, the execution and delivery of this Agreement.

(b) Developer will, to the extent required by this Agreement, construct the Project in accordance with the terms of this Agreement, the TIF Plan and all local, state and federal laws and regulations.

(c) At such time or times as may be required by law, the Developer will have complied with all local, state and federal environmental laws and regulations applicable to the Project, will have obtained any and all necessary environmental reviews, licenses and clearances, and obtained approvals of the final site plan and final plat. The Developer has received no written notice or communication from any local, state or federal official that the activities of the Developer or the Governmental Authorities with respect to the Property may be or will be in violation of any environmental law or regulation. The Developer is aware of no facts the existence of which would cause it to be in violation of any local, state or federal environmental law, regulation or review procedure with respect to the Property.

(d) Neither the execution or 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 by, limited by, conflicts with, or results in a breach of, any restriction, agreement or instrument to which the Developer is now a party or by which the Developer is bound.

(e) The Developer has no knowledge or information that any member of the EDA Board of Commissioners, City Council, or any other officer of the Governmental Authorities has any direct or indirect financial interest in the Developer, the Property, or the Project.

(f) 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 local, state and federal laws and regulations which must be obtained or met in connection with the Project. Without limitation to the foregoing, the Developer will request and seek to obtain from the Governmental Authorities all necessary variances, conditional use permits and zoning changes and obtain approvals of the final site plan and final plat.

(g) The Developer would not undertake the Project without the financial assistance to be provided by the Governmental Authorities pursuant to this Agreement and the TIF Plan.

(h) Apart from the assistance to be provided under this Agreement, the Developer shall pay all standard charges and fees due with respect to real estate developments and allocable to the Property under City ordinances and the City Code, including but not limited to special assessments for local improvements, sewer and water use charges, building permit fees, plat fees, inspection fees, storm water fees and the like used against the Property.

2.03. Use, Ownership of Property; Restrictions; Use of Property. The Developer's use of the Property shall be subject to and in compliance with all of the conditions, covenants, restrictions and limitations imposed by this Agreement, the Restrictions, and all applicable laws, ordinances and regulations.

2.04. Ownership of Property. The Developer hereby represents and warrants that it is the owner in fee simple of the Property and that there are no liens, defects or other encumbrances upon title to the Property that would hinder the development of the Property by the Developer as contemplated by this Agreement.

2.05. Declaration of Restrictive Covenants. The Developer shall prepare, execute, and record on the title to the Property a Declaration of Restrictive Covenants, in form approved by the City, which includes the Restrictions set forth in Exhibit B. If the Developer determines that operation of the Property and the Project would endanger the financial viability thereof, the Developer may request the Governmental Authorities to consent to the amendment, modification or termination of any of the restrictions in any respect. The Governmental Authorities are under no obligation to amend, modify or terminate any of the restrictions and may, in their sole and absolute discretion, refuse to do so.

2.06. Damage or Destruction. Subject to any mortgage requirements that would require the Developer to act sooner, upon any damage or destruction of the Project, or any portion thereof, by fire or other casualty, the Developer shall within one hundred eighty (180) days after such damage or destruction, commence the process required to repair, reconstruct and restore the damaged or destroyed Project, or portion thereof, to substantially the same condition or utility value as existed prior to the event causing such damage or destruction and shall diligently pursue such repair, reconstruction and restoration.

2.07. Relocation Costs. The Developer shall pay all relocation costs or expenses required under federal or state law to be paid to any owner or occupant of the Property as a result of the Project, and shall indemnify and hold harmless the Governmental Authorities, their governing body members, officers, and agents including the independent contractors, consultants, and legal counsel, servants and employees thereof from any such relocation costs and expenses in accordance with the provisions of Section 4.01.

2.08. Assessment Agreement. The Assessment Agreement shall be executed by the Developer and the Governmental Authorities as of the date hereof, and the Developer shall cause the Assessment Agreement and the exhibits thereto to be executed (as necessary) and recorded on the title to the Property.

2.09 Developer Contingency for Property Acquisition. Notwithstanding anything contained herein to the contrary, Developer representations, covenants and agreements set forth in this Agreement are contingent on Developer acquiring the Property on or before October 31, 2025. If Developer does not acquire the Property by such date, this Agreement shall have no further force and effect.

ARTICLE 3
Construction of Project

3.01. Construction Plans. Prior to commencing construction of the Project, the Developer shall make available to the City for review Construction Plans for the Project. The Construction Plans shall provide for construction of the Project in conformity with the Redevelopment Plan, the TIF Plan, this Agreement, and all applicable state and local laws and regulations. The City shall approve the Construction Plans in writing if, in the reasonable discretion of the City, the Construction Plans: (a) conform to the Redevelopment Plan, the Modification, the TIF Plan, this Agreement, and to any subsequent amendments thereto approved by the City; (b) conform to all applicable federal, state and local laws, ordinances, rules and regulations; (c) are adequate to provide for construction of the Project; and (d) no Event of Default has occurred.

No approval by the City shall relieve the Developer of the obligation to comply with the terms of this Agreement, applicable federal, state and local laws, ordinances, rules and regulations, or to properly construct the Project. No approval by the City shall constitute a waiver of an Event of Default. Any disapproval of the Construction Plans shall set forth the reasons therefore and shall be made within thirty (30) days after the date of their receipt by the City. If the City rejects the Construction Plans, in whole or in part, the Developer shall submit new or corrected Construction Plans within thirty (30) days after written notification to the Developer of the rejection. The provisions of this Section relating to approval, rejection and resubmission of corrected Construction Plans shall continue to apply until the Construction Plans have been approved by the City.

3.02. Undertaking of Project.

(a) Subject to Unavoidable Delay, Developer shall commence the Project by December 31, 2026, and cause the Project to be completed in accordance with the terms of this Agreement by December 31, 2028.

(b) All work with respect to the Project shall be in substantial conformity with the Construction Plans approved by the City.

(c) The Developer shall not materially interfere with, or construct any improvements over, any public street or utility easement without the prior written approval of the City. All connections to public utility lines and facilities shall be subject to approval of the City and any private utility Developer involved. Except for public improvements, including the City Improvements, which are undertaken by the City or other governmental body and assessed against benefited properties, all street and utility installations, relocations, alterations and restorations shall be at the Developer's expense and without expense to the City. Unless the restoration thereof is covered by insurance carried by the City, the Developer, at its own expense, shall replace any public facilities or utilities damaged during the Project by the Developer or its agents or by others acting on behalf of or under the direction or control of the Developer.

(d) The City agrees to commence and complete construction of the City Improvements relating to the Project and commence and complete the utility portion of the City Improvements in accordance with the plans and timeline in the Developer's agreement with the City associated with planning case file P.C. No. 2025-13.

3.03. Certificate of Occupancy; Certificate of Completion.

(a) Upon the Developer's request following the City's issuance of a certificate of occupancy with respect to the Project, the City will furnish the Developer with a Certificate of Completion for the Project, in substantially the form attached hereto as Exhibit D, as conclusive evidence of satisfaction and termination of the agreements and covenants of this Agreement with respect to the obligations of the Developer to complete the Project. The furnishing by the City of such Certificate of Completion shall not constitute evidence of compliance with or satisfaction of any obligation of the Developer to any Mortgagee.

(b) If the City shall refuse or fail to provide a Certificate of Completion following the Developer's request, the City shall, within ten (10) days after the Developer's request, provide the Developer with a written statement specifying in what respects the Developer has failed to complete the Project in accordance with this Agreement, or is otherwise in default, and what measures or acts will be necessary, in the reasonable opinion of the City, for the Developer to obtain the Certificate of Completion.

3.04. Progress Reports. Until the Certificate of Completion is issued for the Project, the Developer shall make, in such detail as may reasonably be required by the Governmental Authorities, and forward to the Governmental Authorities, within five (5) days after request therefor (which request will not be made more than once every fourteen (14) days) by either or both of the Governmental Authorities, a written report as to the actual progress of construction.

3.05. Access to Property. Provided the Governmental Authorities use reasonable efforts to minimize interference with the Project, the Developer agrees to permit the Governmental Authorities and any of their officers, employees or agents access to the Property at all reasonable times for the purpose of inspection of all work being performed in connection with the Project; provided, however, that neither Governmental Authority shall have an obligation to inspect such work.

3.06. Modification; Subordination. The Governmental Authorities agree to subordinate their respective rights under this Agreement to the holder of any Mortgage securing construction or permanent financing, in accordance with the terms of a subordination agreement in a form reasonably acceptable to the Governmental Authorities.

ARTICLE 4
Defense of Claims; Insurance

4.01. Defense of Claims.

(a) The Developer shall indemnify and hold harmless the Governmental Authorities, their governing body members, officers, and agents including the

independent contractors, consultants, and legal counsel, servants and employees thereof (hereinafter, for the purposes of this Section, collectively the “Indemnified Parties”) for any expenses (including attorneys’ fees), loss, damage to property, or death of any person occurring at or about, or resulting from any defect in, the Project; provided, however, the Developer shall not be required to indemnify any Indemnified Party for any claims or proceedings arising from any negligent or unlawful acts or omissions of such Indemnified Party. Promptly after receipt by either of the Governmental Authorities of notice of the commencement of any action in respect of which indemnity may be sought against the Developer under this Section 4.01, such person will notify the Developer in writing of the commencement thereof, and, subject to the provisions hereinafter stated, the Developer shall assume the defense of such action (including the employment of counsel, who shall be counsel reasonably satisfactory to the Governmental Authorities) and the payment of expenses insofar as such action shall relate to any alleged liability in respect of which indemnity may be sought against the Developer. The Governmental Authorities shall have the right to employ separate counsel in any such action and to participate in the defense thereof, but the fees and expenses of such counsel shall not be at the expense of the Developer unless the employment of such counsel has been specifically authorized by the Developer. Notwithstanding the foregoing, if the Governmental Authorities have been advised by independent counsel that there may be one or more legal defenses available to it which are different from or in addition to those available to the Developer and provide notice thereof with a copy of such legal counsel’s analysis, the Developer shall not be entitled to assume the defense of such action on behalf of the Governmental Authorities, but the Developer shall be responsible for the reasonable fees, costs and expenses (including the employment of counsel) of the Governmental Authorities in conducting their defense. The Developer shall not be liable to indemnify any person for any settlement of any such action effected without the Developer’s consent.

(b) The Developer agrees to protect and defend the Indemnified Parties, and further agrees to hold the aforesaid harmless, from any claim, demand, suit, action or other proceeding whatsoever by any person or entity arising or purportedly arising from the actions or inactions of the Developer (or 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, however, the Developer shall not be required to indemnify any Indemnified Party for any claims or proceedings arising from any negligent or unlawful acts or omissions of such Indemnified Party and further provided that this indemnification shall not apply to the warranties made or obligations undertaken by the Governmental Authorities in this Agreement or to any actions undertaken by the Governmental Authorities which are not contemplated by this Agreement or other Agreements between the parties hereto but shall, in any event, apply to any pecuniary loss or penalty (including interest thereon from the date the loss is incurred or penalty is paid by the Governmental Authorities at a rate equal to the prime rate) as a result of the Project, as constructed and operated by the Developer, causing the TIF District to cease to qualify as an “economic development district” under the TIF Act or to violate limitations as to the use of the revenues therefrom as set forth in the TIF Act.

(c) All covenants, stipulations, promises, agreements and obligations of the Governmental Authorities contained herein shall be deemed to be the covenants, stipulations, promises, agreements and obligations of the Governmental Authorities and not of any governing body member, officer, agent, servant or employee of the Governmental Authorities, as the case may be.

4.02. Insurance.

(a) Subject to the terms of any Mortgage relating to the Property, the Developer shall keep and maintain the Property and Project at all times insured against such risks and in such amounts, with such deductible provisions, as are customary in connection with facilities of the type and size comparable to the Project, and the Developer shall carry and maintain, or cause to be carried and maintained, and pay or cause to be paid timely the premiums for direct damage insurance covering all risks of loss covered by a standard causes of loss-special form policy of insurance on a replacement cost basis in an amount equivalent to the full insurable value thereof. (“Full insurable value” shall include the actual replacement cost of the Project, exclusive of foundations and footings, without deduction for architectural, engineering, legal or administrative fees or for depreciation.) Insurance in effect with respect to any portion of the Project to be rehabilitated or renovated as a part of the Project prior to the issuance by the City of a Certificate of Completion under Section 3.03 hereof with respect thereto shall be maintained on an “all-risk” builder’s risk basis during the course of construction. The policies required by this Section 4.02 shall be subject to a no coinsurance clause or contain an agreed amount clause, and may contain a deductibility provision not exceeding \$50,000.

(b) Subject to the terms of any Mortgage relating to the Property, policies of insurance required by this Section 4.02 shall insure and be payable to the Developer, and shall provide for release of insurance proceeds to the Developer for restoration of loss. The City shall be furnished certificates showing the existence of such insurance. In case of loss, the Developer is hereby authorized to adjust the loss and execute proof thereof in the name of all parties in interest. On an annual basis and from time to time at the Governmental Authorities’ request, the Developer shall file with the Governmental Authorities, as applicable, a certificate of insurance for each of the policies required under this Section.

ARTICLE 5
Public Assistance

5.01. Development Costs. The Developer has agreed to and shall be responsible to pay all of its respective costs of the Project, as herein provided. However, the EDA, in order to encourage the Developer to proceed with the construction of the Project, and to assist the Developer in paying the costs thereof, is willing to provide the Public Assistance and thereby reimburse the Developer for Qualified Costs, as permitted by the TIF Act and in accordance with the TIF Plan, that will be incurred by the Developer to construct the Project.

5.02. Reimbursement for Qualified Costs.

The EDA agrees to reimburse the Developer, using Available Tax Increment on a pay-as-you-go basis, for Qualified Costs of the Project. The EDA shall, upon completion of the Project and the issuance by the City of a the Certificate of Completion therefor, make reimbursement payments pursuant to a limited revenue tax increment note for the Project, the form of which is attached hereto as Exhibit E, with said payments of principal and interest to be made on the dates (the "Payment Dates") specified in the TIF Note, subject to the following terms and conditions:

(a) The total principal amount of any and all TIF notes issued for the Project will not exceed one million six hundred forty-four thousand one hundred seventy-three dollars (\$1,644,173).

(b) The unpaid principal of the TIF Note shall bear simple non-compounding interest from the date of issuance of the TIF Note, at the lesser of 5.00% per annum or the interest rate on the financing that the Developer obtains for the construction of the Project. Interest shall be computed on the basis of a 360 day year consisting of twelve (12) 30-day months.

(c) No payments shall be made by the EDA to the Developer unless and until the Developer has provided written evidence reasonably satisfactory to the EDA that (i) Qualified Costs in the amount to be reimbursed from the Available Tax Increment have been incurred for the Project and paid by the Developer and (ii) the Certificate of Completion has been issued by the City as contemplated in Section 3.03 hereof.

(d) The EDA shall be obligated to make the payments to the Developer required pursuant to this Section 5.02 *only from and to the extent of* the Available Tax Increment actually received from the TIF District for any tax year, and such payments shall never be considered to be a general obligation or indebtedness of the EDA or the City.

(e) The EDA will retain 10% of the tax increment revenues generated for administrative costs and apply the retained tax increment revenues first to pay any administrative expenses relating to the Property to the extent permitted by the TIF Act and to the extent that such expenses have not been paid or reimbursed to the EDA by the Developer. The EDA will also retain 44.5% of the tax increment revenues generated to be applied to the City Improvements. The percentage of retained tax increment revenues remaining (45.5%) after such retainage for administrative expense and City Improvements (the "Available Tax Increment") shall be paid to the Developer for reimbursement of the Qualified Costs plus interest on the Payment Dates.

(f) Upon thirty (30) days' written notice to the Developer, the EDA may prepay all or a portion of the outstanding principal balance due to the Developer pursuant to this Section 5.02 without penalty, on any date at a prepayment price equal to the outstanding principal balance to be prepaid plus accrued interest to the prepayment date.

(g) The EDA shall not be obligated to make any payments hereunder subsequent to the termination of this Agreement as provided in Section 8.06 hereof, and any amounts remaining unpaid as of such date (other than by reason of failure of the EDA to comply

with the terms of this Agreement) shall be considered forgiven by the Developer and shall cease to be owing.

(h) In addition to other permitted assignments under this Agreement, the Developer may assign its rights under this Agreement (including the payments to be made to the Developer hereunder) to third parties to secure financing incurred by the Developer to pay costs of the Project, including but not limited to any Mortgagee, or, after Certificate of Completion has been issued by the City.

5.03. Conditions Precedent to Provision of Public Assistance.

Upon payment by the Developer of Qualified Costs for the Project, the Developer will deliver to the EDA an instrument executed by the Developer (i) specifying the amount and nature of the Qualified Costs of the Project to be reimbursed and (ii) certifying that such costs have been paid to third parties unrelated to the Developer, or if any costs have been paid to third parties related to the Developer, that such costs do not exceed the reasonable and customary costs of services, labor or materials of comparable quality, dependability, availability and other pertinent criteria and that such costs have not previously been contained in an instrument furnished to the EDA pursuant to this Section 5.03. Together with such instrument, the Developer shall deliver to the EDA evidence reasonably satisfactory to the EDA of the payment by the Developer of such costs to be reimbursed. Thereafter, the EDA will provide to the Developer reimbursement for the Project, constituting a portion of the Public Assistance described in this Article 5, paid up to the maximum amount then due and payable, in accordance with Section 5.02.

5.04. Satisfaction of Conditions Precedent. Notwithstanding anything to the contrary contained herein, the EDA's obligation to reimburse the Developer for Qualified Costs shall be subject to satisfaction, or waiver in writing by the EDA, of all of the following conditions precedent:

- (a) the conditions precedent in this Section 5.04 hereof have been satisfied;
- (b) the Developer shall have cured any title defects with respect to the Property;
- (c) the Developer shall not be in default under the terms of this Agreement beyond any applicable cure period;
- (d) the Developer shall have executed and recorded on the title to the Property, the Declaration of Restrictive Covenants, required by Section 2.05 hereof, as set forth in Exhibit B; and
- (e) the Developer shall provide to the Governmental Authorities reasonable evidence of funds sufficient to pay all costs to be incurred in connection with the Project.
- (f) the Developer shall have executed the Assessment Agreement described in Section 2.08

In the event that all of the above conditions required to be satisfied as provided in this Section 5.04 have not been satisfied by December 31, 2028, either the Governmental Authorities or the Developer may terminate this Agreement. Upon such termination, the provisions of this Agreement relating to the Project shall terminate and, except as provided in Article 8, neither the Developer nor the Governmental Authorities shall have any further liability or obligation to the other hereunder.

5.05. Notice of Default. Whenever either of the Governmental Authorities shall deliver any notice or demand to the Developer with respect to any breach or default by the Developer in its obligations or covenants under this Agreement, the respective Governmental Authority shall at the same time forward a copy of such notice or demand to each investor, lender, or holder of any permitted mortgage, lien or other similar encumbrance at the last address of such holder shown in the records of the Governmental Authorities. Each such investor, lender, or holder shall have the right, at its option, to cure or remedy such breach or default and to add the cost thereof to the mortgage debt and the lien of its mortgage; provided that if the breach or default is with respect to construction of the Project, nothing contained in this Agreement shall be deemed to permit or authorize such holder, either before or after foreclosure or action in lieu thereof, to undertake or continue the construction or completion of the Project without first having expressly assumed the obligation to the Governmental Authorities, by written agreement reasonably satisfactory to the Governmental Authorities, to complete the construction the Project in accordance with the plans and specifications therefor and this Agreement. Any such holder who shall properly complete the construction of the Project shall be entitled, upon written request made to the Governmental Authorities, to a certification by the Governmental Authorities to such effect in the manner provided in Section 3.03.

5.06. Real Property Taxes. Prior to the Termination Date, the Developer shall pay all real property taxes and all standard charges and fees due with respect to the Property (as described in 2.02(h) herein, payable with respect to all and any parts of the Property acquired and owned by it until the Developer's obligations have been assumed by any other person pursuant to the provisions of this Agreement.

The Developer agrees that prior to the Termination Date:

(1) It will not seek administrative review or judicial review of the applicability of any tax statute relating to the ad valorem property taxation of real property contained on the Property determined by any tax official to be applicable to the Project or the Developer or raise the inapplicability of any such tax statute as a defense in any proceedings with respect to the Property, including delinquent tax proceedings; provided, however, "tax statute" does not include any local ordinance or resolution levying a tax;

(2) It will not seek administrative review or judicial review of the constitutionality of any tax statute relating to the taxation of real property contained on the Property determined by any tax official to be applicable to the Project or the Developer or raise the unconstitutionality of any such tax statute as a defense in any proceedings, including delinquent tax proceedings with respect to

the Property; provided, however, “tax statute” does not include any local ordinance or resolution levying a tax;

(3) It will not seek any tax deferral or abatement, either presently or prospectively authorized under M.S., Section 469.1813, or any other State or federal law, of the ad valorem property taxation of the Property between the date of execution of this Agreement and the Termination Date.

5.07 Action to Reduce Taxes. The Developer may seek through petition or other means to have the market value for the Property reduced; provided such reduction is not below the minimum market value set forth in the Assessment Agreement. Until the TIF Note is fully paid, such activity must be preceded by written notice from the Developer. Upon receiving such notice, or otherwise learning of the Developer's intentions, the EDA may suspend payments due under the TIF Note until the actual amount of the reduction is determined, whereupon the EDA will make the suspended payments less any amount that the EDA is required to repay the County as a result any reduction in market value of the Property. During the period that the payments are subject to suspension, the EDA may make partial payments on the TIF Note if it determines, in its sole and absolute discretion, that the amount retained will be sufficient to cover any repayment which the County may require. The EDA's suspension of payments on the TIF Note pursuant to this Section shall not be considered a default under this Agreement.

ARTICLE 6

Prohibitions Against Assignment and Transfer

6.01. Transfer of Property and Assignment. Other than leases made in the ordinary course of business, the Developer has not made and will not make, or suffer to be made, any total or partial sale, assignment, conveyance, lease, or other transfer, with respect to this Agreement, the Project or Property or any part thereof or any interest therein (other than any Mortgage or Mortgages securing financing for the Project or other than any assignment of the payments to be made to the Developer under Section 5.02 hereof that is permitted under Section 5.02 hereof), or any contract or agreement to do any of the same, without the prior written approval of the Governmental Authorities, which shall not be unreasonably withheld or delayed. The Governmental Authorities shall be entitled to require as conditions to any such approval that: (i) the proposed transferee have the qualifications and financial responsibility, as reasonably determined by the Governmental Authorities, necessary and adequate to fulfill the obligations undertaken in this Agreement by the Developer; (ii) the proposed transferee, by recordable instrument satisfactory to the Governmental Authorities shall, for itself and its successors and assigns, assume all of the obligations of the Developer under this Agreement. No transfer of, or change with respect to, ownership in the Project or Property or any part thereof, or any interest therein, however consummated or occurring and whether voluntary or involuntary, shall operate, legally or practically, to deprive or limit the Governmental Authorities of or with respect to any rights or remedies or controls provided in or resulting from this Agreement with respect to the Project or Property and the completion of the Project that the Governmental Authorities would have had, had there been no such transfer or change. There shall be submitted to the Governmental Authorities for review all legal documents relating to the transfer.

Notwithstanding the foregoing, this Section 6.01 shall not apply to any transfer or assignment to (i) any entity controlling, controlled by or under common control with the Developer or (ii) any entity in which the majority equity interest is owned by the parties that have a majority equity interest in the Developer.

Provided that no Event of Default exists hereunder, any such transfer or assignment shall release the Developer from its obligations hereunder upon execution and delivery to the Governmental Authorities by the transferee or assignee of an instrument in form and substance satisfactory to the Governmental Authorities by which the transferee or assignee assumes the obligations of the Developer hereunder.

Notwithstanding anything in this Agreement to the contrary, the Governmental Authorities acknowledge and agree that the initial named Developer is a qualified intermediary who is acquiring the Property and who will begin and proceed with the construction of the Project to facilitate an exchange under Section 1031 of the Internal Revenue (the "Exchange") for the benefit of EDCO Products, Incorporated ("EDCO"). EDCO will be granted an option to purchase the Property from Developer as part of the Exchange. If EDCO exercises the option to purchase, in connection with the closing of such purchase, the Governmental Authorities hereby consent to the acquisition of the Property by EDCO, either through a purchase of the membership interests in the Developer or by a deed from the Developer. In connection therewith, the rights under this Agreement will be assigned to EDCO and EDCO will assume all obligations under this Agreement, including, without, limitation, the right to be the payee of the TIF Note and the obligations to pay real estate taxes and comply with the Business Subsidy Act requirements. Developer and EDCO will notify the Governmental Authorities of the purchase and provide to the Governmental Authorities a copy of the assignment and assumption of this Agreement.

In the absence of specific written agreement by the Governmental Authorities to the contrary including the express provisions of the foregoing paragraphs, no such transfer or approval by the Governmental Authorities 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 completion of the Project, from any of their obligations with respect thereto.

6.02. Termination of Limitations on Transfer. The provisions of Section 6.01 shall terminate at such time as the Certificate of Completion has been issued by the City under Section 3.03 of this Agreement with respect to the Project; provided, however, that any assignment of the payments to be made to the Developer under Section 5.02 may only be assigned as permitted under Section 5.02 hereof.

ARTICLE 7 Event of Default; Fees

7.01. Events of Default. Subject to Unavoidable Delay, 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 (unless the context otherwise provides), any one or more of the following events which occurs and continues for more than thirty (30) days from receipt of a Default Notice to cure or remedy the Event of Default specified in the Default Notice, or such longer

period as may be reasonably required to complete the cure as soon as reasonably possible under the circumstances (and the term “default” shall mean any event which would with the passage of time or giving of notice, or both, be an “Event of Default” hereunder):

(a) Failure of the Developer to construct or reconstruct the Project as required hereunder.

(b) Failure of the Developer to furnish the Construction Plans as required hereunder.

(c) Failure of the Developer to pay to the EDA any amounts required to be paid by the Developer hereunder.

(d) Failure of the Developer or the Governmental Authorities to observe and perform any other covenant, condition, obligation or agreement on its part to be observed or performed hereunder.

(e) Failure of the Developer to pay any taxes or standard charges and fees due with respect to the Property as they become due.

(f) Filing of any voluntary petition in bankruptcy or similar proceedings by the Developer; general assignment for the benefit of creditors made by the Developer or admission in writing by the Developer of inability to pay its debts generally as they become due; or filing of any involuntary petition in bankruptcy or similar proceedings against the Developer which are not dismissed or stayed within sixty (60) days.

7.02. Remedies on Default. In the event the Governmental Authorities desire to exercise any of their respective rights or remedies to the extent provided herein, the Governmental Authorities shall first provide written notice to Developer setting forth with specific particularity the Event of Default and the action required to cure or remedy the same (the “Default Notice”). Developer or any transferee or assignee under Section 6.01 hereof, shall have thirty (30) days from receipt of a Default Notice to cure or remedy the Event of Default specified in the Default Notice, or such longer period as may be reasonably required to complete the cure as soon as reasonably possible under the circumstances. If, following Developer’s receipt of a Default Notice, Developer does not cure or remedy the Event of Default therein specified within the time provided above, the Governmental Authorities may, as its sole and exclusive remedies, take any one or more of the following actions at any time prior to Developer’s curing or remedying the Event of Default:

(a) Suspend its performance under this Agreement until it receives assurances from Developer, deemed adequate by the Governmental Authorities, that Developer will cure its default and continue its performance under this Agreement.

(b) In the case of a material default that is not cured within a reasonable period of time, Terminate all rights of Developer under this Agreement.

(c) Withhold the Certificate of Completion.

In the event the Governmental Authorities should fail to observe or perform any covenant, agreement or obligation of the Governmental Authorities on their part to be observed and performed under this Agreement, and such failure occurs and continues for more than thirty (30) days from receipt of a Default Notice to cure or remedy the Event of Default specified in the Default Notice, or such longer period as may be reasonably required to complete the cure as soon as reasonably possible under the circumstances, Developer may take any one or more of the following actions:

(a) Suspend its performance under this Agreement until it receives assurances from the Governmental Authorities deemed adequate by Developer, that the Governmental Authorities will cure its default and continue its performance under this Agreement.

(b) In the case of a material default that is not cured within a reasonable period of time, Terminate all rights of the Governmental Authorities under this Agreement.

7.03. No Remedy Exclusive. No remedy herein conferred upon or reserved to the Governmental Authorities or to the Developer 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. 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. In order to entitle the Governmental Authorities or Developer to exercise any remedy reserved to them, it shall not be necessary to give notice, other than such notice as may be required under this Agreement.

7.04. Waivers. All waivers by any party to this Agreement shall be in writing. If any provision of this Agreement is breached by any party and thereafter waived by another party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other concurrent, previous or subsequent breach hereunder.

7.05. Agreement to Pay Attorneys' Fees. Whenever any Event of Default occurs and either of the Governmental Authorities shall employ attorneys or incur other expenses for the collection of payments due or to become due or for the enforcement or performance or observance of any obligation or agreement on the part of the Developer herein contained, the Developer agrees that it shall, on demand therefor, pay to the Governmental Authorities the reasonable fees of such attorneys and such other expenses so incurred by the Governmental Authorities.

ARTICLE 8 General Provisions

8.01. Conflicts of Interest; Governmental Authorities Representatives Not Individually Liable. No member, official, employee, or consultant or employee of a consultant of the Governmental Authorities shall have any personal interest, direct or indirect, in this Agreement, nor shall any such member, official, consultant or the consultant's employees or employee 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, consultant or consultant's employee, or employee of the Governmental Authorities shall be personally liable to Developer, or any successor in interest, in the event of any default or breach by the Governmental Authorities or for any amount which may become due to Developer or successors or on any obligations under the terms of this Agreement.

8.02. Equal Employment Opportunity. Developer, for itself and its successors and assigns, agrees that during the construction of the Project it will comply with any applicable affirmative action and nondiscrimination laws or regulations.

8.03. Restrictions on Use. Developer agrees for itself, and its successors and assigns, and every successor in interest to the Property, or any part thereof, that Developer, and such successors and assigns, shall devote the Property to, and only to and in accordance with, the uses specified in the Redevelopment Plan, this Agreement and other agreements entered into between the Developer and the City, and shall not discriminate upon the basis of race, color, creed, religion, national origin, sex, marital status, disability, status with regard to public assistance, sexual orientation, and familial status in the sale, lease, or rental or in the use or occupancy of the Property or any improvements erected or to be erected thereon, or any part thereof.

8.04. 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.

8.05. Business Subsidies Act.

(a) *Representations and Covenants.* The provisions of this Section constitute the "Business Subsidy Agreement" for purposes of the Business Subsidies Act.

(1) The Developer acknowledges and agrees that the provisions of the Business Subsidy Act apply to this Agreement, as Developer is receiving the Public Assistance under the terms of this Agreement in the form of Available Tax Increment, which Public Assistance constitutes a "Business Subsidy" for purposes of the Business Subsidies Act.

(2) The public purposes and goals of the subsidy are to create jobs, enhance economic diversity of the city, and increase the tax base in the City.

(3) The goals for the subsidy are to create jobs that pay a livable wage, per Section 8.05(b) of this Agreement.

(4) The subsidy is needed because the Project is economically infeasible without the Public Assistance and the Governmental Authorities are desirous of the Developer undertaking the Project in order to create jobs and increase the tax base in the City's area of operation.

(5) The Developer represents and covenants to continue operations in the City for at least five years following the Benefit Date (as such term is defined in the Business Subsidy Act).

(6) The Developer represents and covenants to meet the job and wage goals for the Business Subsidy, as described in subsection (b) below.

(7) The Developer does not have a parent corporation.

(8) In addition to the assistance provided under this Agreement, the Developer has received or expects to receive as part of this Project, the following financial assistance from other “grantors” as defined in the Business Subsidies Act:

- NONE

(b) *Job and Wage Goals for the Business Subsidy.* The Developer agrees that the job and wage goals for the Project are 25 new full-time equivalent jobs located in the City of Chaska with an average hourly wage of \$20.00 per hour. Such wage and jobs and goals must be met within two years after the Benefit Date.

(c) *Financial Obligation of the Developer if Business Subsidy Agreement Not Fulfilled.* If the Developer does not fulfill this Business Subsidy portion of this Agreement, the Developer will repay to the EDA a pro rata portion of the Business Subsidy which has been paid to the Developer plus interest from the date of such payments (“Interest”) set at the implicit price deflator for government consumption expenditures and gross investment for state and local governments prepared by the bureau of economic analysis of the United States Department of Commerce for the 12-month period ending March 31 of the previous year. *For instance, if Developer only creates 20 new jobs meeting the wage goals for the Project (80% of the goal of 25 new jobs), the Developer will repay to the EDA 20% of the Business Subsidy which has been paid to the Developer plus Interest. The Public assistance in years after any such failure to create 100% of the job and wage goals shall be paid in proportion to the actual jobs created meeting the wage goals within two years after the Benefit Date.*

(d) *Reporting Requirements; Term of Business Subsidy portion of this Agreement.*

(a) The Developer agrees to furnish to the Governmental Authorities on or before March 1 in each year the report required in Section 116J.994, Subdivision 7 of the Business Subsidies Act on forms developed by the Minnesota Department of Employment and Economic Development. Developer’s obligation to provide such a report shall continue for two years after the Benefit Date or until the goals are met, whichever is later. If the goals are not met, Developer is required to continue to provide information on the Business Subsidy until it is repaid.

(b) If the Governmental Authorities do not receive the reports, either of the Governmental Authorities will mail the Developer a warning within one week of the required filing date. If within 14 days of the post marked date of the warning the reports are not made, the Developer agrees to pay to the EDA a penalty of \$100 for each subsequent day until the report is filed up to a maximum of \$1,000.

This Business Subsidy portion of this Agreement will be in full force and effect until the earlier of the Developer meeting all of its obligations hereunder or the provisions of the Business Subsidies Act no longer apply to the Governmental Authorities, the Developer, or the Project, in which case this Business Subsidy portion of the Agreement will be terminated.

8.06. Term of Agreement. This Agreement shall terminate upon the earlier to occur of (i) February 1, 2037, (ii) the date the TIF Note is paid in full, (iii) the date on which the TIF District expires or is otherwise terminated, or (iv) the date this Agreement is terminated or rescinded in accordance with its terms; it being expressly agreed and understood that the provisions of this Agreement are intended to survive the expiration and satisfaction of any security instruments placed of record contemporaneously with this Agreement, if such expiration and satisfaction occurs prior to the expiration of the term of this Agreement, as stated in this Section 8.06.

8.07. Provisions Surviving Termination. Sections 4.01 and 7.05 hereof shall survive any termination, rescission, or expiration of this Agreement with respect to or arising out of any event, occurrence, or circumstance existing prior to the date thereof.

ARTICLE 9 Administrative Provisions

9.01. Notices and Demands. Except as otherwise expressly provided in this Agreement, a notice, demand, or other communication under this Agreement by any party to another party shall be sufficiently given or delivered if it is dispatched by registered or certified mail, postage prepaid, return receipt requested, or sent by recognized overnight delivery service, or delivered personally as follows:

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

TCWG, LLC
c/o Commercial Partners Exchange Company, LLC
Attention: Jeffrey R. Peterson
222 South Ninth Street, Suite 4050
Minneapolis, Minnesota 55402

With copies to:

Edco Products, Incorporated
8700 Excelsior Blvd.

Hopkins, MN 55343
Attention: President and CEO

Savills
650 3rd Avenue South, Suite 1800
Minneapolis, Mn 55402
Attention: Jim Vos; Ashley Moen; and Jon Theis

Fredrikson & Byron, P.A.
60 South Sixth Street, Suite 1500
Minneapolis, Minnesota 55402-4400
Attention: Christopher J. Dolan and John J. Erhart

(b) in the case of the City, addressed or delivered personally to:

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

(c) in the case of the EDA, addressed or delivered personally to:

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

The Governmental Authorities and the Developer, by notice given hereunder, may designate different addresses to which subsequent notices, certificates or other communications should be sent.

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

9.03. Binding Effect. This Agreement shall inure to the benefit of and shall be binding upon the Governmental Authorities and the Developer and their respective successors and assigns.

9.04. Severability. In the event any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

9.05. Amendments, Changes and Modifications. This Agreement may be amended or any of its terms modified only by written amendment authorized and executed by the Governmental Authorities and the Developer. The Chair and Executive Director of the EDA are authorized to execute and deliver amendments and any documents related to this Agreement on

behalf of the EDA without further Board of Commissioner approval. The Mayor and City Administrator are authorized to execute and deliver amendments and any documents related to this Agreement on behalf of the City without further Council approval.

9.06. Further Assurances and Corrective Instruments. The Governmental Authorities and the Developer agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required for correcting any inadequate or incorrect description of the Property or the Project or for carrying out the expressed intention of this Agreement.

9.07. Captions. The captions or headings in this Agreement are for convenience only and in no way define, limit or describe the scope of intent of any provisions or Sections of this Agreement.

9.08. Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Minnesota without giving effect to the conflicts-of-laws principles thereof.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date first above written.

CHASKA ECONOMIC DEVELOPMENT
AUTHORITY

By _____
Chair

And _____
Executive Director

STATE OF MINNESOTA)
) ss.
COUNTY OF CARVER)

The foregoing instrument was acknowledged before me on this ____ day of _____, 2025, by Taylor Hubbard and Matt Podhradsky, the Chair, and Executive Director, respectively, of the Chaska Economic Development Authority, a body politic and corporate under the laws of the state of Minnesota, on behalf of the Authority.

IN WITNESS WHEREOF, I have set my hand and my official seal this ____ day of _____, 2025.

Notary Public

EXHIBIT A
TO
TIF AGREEMENT

PROPERTY

The real property and interests in such property located in the County of Carver, State of Minnesota and described as follows: OUTLOT C, WETZELS WOODS, CARVER COUNTY, MN

To be platted as Lot 1, Block 1, Wetzles Woods 3rd Addition, Carver County, MN

Parcel ID: 306940070

EXHIBIT B
TO
TIF AGREEMENT

COVENANTS AND RESTRICTIONS

[See Attached]

This Document Was Drafted By:

DORSEY & WHITNEY LLP (GIT)
Suite 1500
50 South Sixth Street
Minneapolis, Minnesota 55402

COVENANTS AND RESTRICTIONS

During the term of that certain Tax Increment Financing Agreement between the Chaska Economic Development Authority, the City of Chaska, and TCWG, LLC, a Minnesota limited liability company, dated [_____] 1, 20[___] and recorded in the Office of the Carver County Registrar as Document No. [_____] on [_____] 20[___], the Property legally described in Exhibit A attached hereto and made a part hereof (the "Property") shall be subject to the following covenants and restrictions:

2. The Property shall not be exempt from real estate taxes notwithstanding the ownership or use of the land.

3. The Property shall not be sold, transferred, conveyed or leased to any of the following parties:

- (a) An institution of purely public charity;
- (b) A church or ancillary tax-exempt housing;
- (c) A public hospital;
- (d) A public school district;
- (e) An organization exempt from federal income taxes pursuant to Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, if as a result of such sale, transfer, conveyance or lease the Property would become exempt from real estate taxes; or
- (f) A Minnesota cooperative association organized under Minnesota Statutes, Section 308.05 and 308.18 for the purpose of complying with the provisions of Minnesota Statutes, Section 273.133, subdivision 3, or any other party that would cause the Property to be valued and assessed for

real estate tax purposes at a lower percentage of its market value than the Property is then being valued and assessed for real estate tax purposes or would result in the Property becoming exempt from real estate taxes.

4. The Property shall not be used for any of the following purposes:

- (a) The operation of a public charity;
- (b) A church or house of worship;
- (c) The operation of a public hospital;
- (d) The operation of a public schoolhouse, academy, college, university or seminary of learning; or
- (e) Any other use which would cause the Property to be valued and assessed for real estate tax purposes at a lower percentage of its market value than the Property is then being valued and assessed for real estate tax purposes or would result in the Property becoming exempt from real estate taxes.

5. The Property shall be devoted to uses consistent with an “economic development district” under Minnesota Statutes, Sections 469.174 through 469.1794.

6. The Property owner shall:

- (a) not discriminate on the basis of color, creed, national origin, or sex in the sale, lease, use or occupancy of the Property, the Project or any part thereof;
- (b) develop the Property in an orderly manner consistent with the City’s zoning ordinances and comprehensive plan.

7. The covenants and restrictions herein contained shall run with the title to the Property and shall be binding upon all present and future owners and occupants of the Property; provided, however, that the covenants and restrictions herein contained shall inure only to the benefit of the City and may be released or waived in whole or in part at any time, and from time to time, by the sole act of the City, and variances may be granted to the covenants and restrictions herein contained by the sole act of the City. These covenants and restrictions shall be enforceable only by the City, and only the City shall have the right to sue for and obtain an injunction, prohibitive or mandatory, to prevent the breach of the covenants and restrictions herein contained, or to enforce the performance or observance thereof.

8. The covenants and restrictions herein contained shall remain in effect until the later of (i) February 1, 2037, or (ii) the payment in full of principal of, and interest on, the limited revenue tax increment note issued in accordance with the Agreement, and thereafter shall be null and void. Upon request of the owner of the Property, the City will execute a release of these covenants and restrictions in recordable form.

CITY OF CHASKA, MINNESOTA

By: _____
Mayor

By: _____
City Administrator

STATE OF MINNESOTA)
) ss.
COUNTY OF CARVER)

The foregoing instrument was acknowledged before me this ____ day of _____, 2025, by Taylor Hubbard and Matt Podhradsky, the Mayor and City Administrator, respectively, of the City of Chaska, Minnesota, on behalf of the City of Chaska.

In WITNESS WHEREOF, I have set my hand and my official seal this ____ day of _____, 2025.

Notary Public

[City Signature Page to Covenants and Restrictions – Edco Manufacturing Facility]

TCWG, LLC
a Minnesota limited liability company

By: _____
Jeffrey R. Peterson
Its: President

STATE OF MINNESOTA)
) ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me on this ___ day of _____, 2025, by _____, the _____ of TCWG, LLC, a Minnesota limited liability company, on behalf of the company.

IN WITNESS WHEREOF, I have set my hand and my official seal this ___ day of _____, 2025.

Notary Public

[Developer Signature Page to Covenants and Restrictions - Edco Manufacturing Facility]

EXHIBIT A
to
Covenants and Restrictions

The real property and interests in such property located in the County of Carver, State of Minnesota and described as follows: OUTLOT C, WETZELS WOODS, CARVER COUNTY, MN

To be platted as Lot 1, Block 1, Wetzles Woods 3rd Addition, Carver County, MN

Parcel ID: 306940070

EXHIBIT C
TO
TIF AGREEMENT

PROJECT DESCRIPTION; QUALIFIED COSTS

Project Description

The Project involves the construction of an approximately 235,000 square foot office, manufacturing, and warehouse facility. Total Development Costs are anticipated to be approximately \$44,000,000.

Qualified Costs

The estimated public costs of the TIF District are listed below. Such costs (“Qualified Costs”) are eligible for reimbursement from tax increments of the TIF District. The categories below identify the categories of expenses that the parties agree may be reimbursed through tax increment financing. The amounts assigned to each category are estimates only and not independent limitations of Developer’s Qualified Costs.

Site Improvements

[]

Total

\$*

* Developer’s estimated Qualified Cost. The total principal amount of any and all tax increment notes issued to reimburse the Developer for Qualified Costs of the Project will not exceed \$1,644,173.

EXHIBIT D
TO
TIF AGREEMENT

CERTIFICATE OF COMPLETION

(See Attached)

This Document Was Drafted By:

DORSEY & WHITNEY LLP (GIT)
Suite 1500
50 South Sixth Street
Minneapolis, Minnesota 55402

CERTIFICATE OF COMPLETION

[Date]

WHEREAS, _____, _____ (“the Developer”), is the owner and the Developer of the property in the County of Carver and State of Minnesota described on Exhibit A hereto and made a part hereof (the “Property”); and

WHEREAS, the Property is subject to the provisions of a certain Tax Increment Financing Agreement (the “Agreement”) in the Redevelopment Project Area No. 4 and Tax Increment Financing District No. 25, dated as of September 30, 2025, between the Developer, Chaska Economic Development Authority, and the City of Chaska, Minnesota; and

WHEREAS, the Developer has fully and duly performed all of the covenants and conditions of Developer under the Agreement with respect to the completion of the Project (as defined in the Agreement).

NOW, THEREFORE, it is hereby certified that all requirements of the Developer under the Agreement with respect to the completion of the Project have been completed and duly and fully performed, and this instrument is to be conclusive evidence of the satisfactory termination of the covenants and conditions of the Agreement as they relate to the completion of the Project. All other covenants and conditions of the Agreement shall remain in effect and are not terminated hereby.

[Signature pages to follow]

**Exhibit A
To
Certificate of Completion**

Property

The real property and interests in such property located in the County of Carver, State of Minnesota and described as follows: OUTLOT C, WETZELS WOODS, CARVER COUNTY, MN

To be platted as Lot 1, Block 1, Wetzles Woods 3rd Addition, Carver County, MN

Parcel ID: 306940070

EXHIBIT E
TO
TIF AGREEMENT

FORM OF LIMITED TAX INCREMENT REVENUE NOTE

No. R-_____

\$[_____]

UNITED STATES OF AMERICA
STATE OF MINNESOTA

ECONOMIC DEVELOPMENT AUTHORITY OF
THE CITY OF CHASKA

LIMITED REVENUE TAXABLE TAX INCREMENT NOTE
(EDCO MANUFACTURING FACILITY)

PRINCIPAL AMOUNT:

INTEREST RATE: 5.0%

The Chaska Economic Development Authority (the “EDA”) for value received, promises to pay, but solely from the source, to the extent and in the manner hereinafter provided, to [Developer], or its registered assigns (the “Owner”), the principal sum of _____ (\$ _____), in semi-annual installments payable on August 1, 2028, and on each February 1 and August 1 thereafter up to and including February 1, 2037 (each being a “Scheduled Payment Date”), together with interest on the outstanding and unpaid principal balance of this Note at the rate of five percent (5.0%) per annum. Installment payments shall be applied first to interest and then to a reduction of outstanding principal. Interest on the outstanding balance of this Note shall accrue from the date hereof as simple, non-compounding interest. Each payment on this Note is payable in any coin or currency of the United States of America which on the date of such payment is legal tender for public and private debts and shall be made by check or draft made payable to the Owner and mailed to the Owner at the postal address within the United States designated from time to time by the Owner.

This Note is subject to prepayment on any Scheduled Payment Date at the option of the EDA, in whole or in part, upon payment to the Owner of the principal amount of the Note to be prepaid, without premium or penalty.

This Note is a special and limited obligation and not a general obligation of the EDA, which has been issued by the EDA in aid of financing a project pursuant to and in full conformity with the Constitution and laws of the State of Minnesota, including M.S., Sections 469.174 through 469.1794. This Limited Tax Increment Revenue Note (Edco Manufacturing Facility) (or “Note”) is issued pursuant to the provisions of that certain Tax Increment Financing Agreement, dated as of September 30, 2025, as the same may be amended from time to time (the “Tax Increment Financing Agreement”), by and between the EDA, the City of Chaska,

Minnesota (the “City”) and [TCWG, LLC, as assigned to Edco Products, Incorporated (the “Developer”) pursuant to that assignment agreement dated _____].

THIS NOTE IS NOT PAYABLE OUT OF ANY FUNDS OR PROPERTIES OTHER THAN AVAILABLE TAX INCREMENT, AS DEFINED BELOW.

The Note Payment Amounts due hereon shall be payable solely from a portion of the tax increments, less the EDA’s administrative fee of ten percent (10%), less the percentage retained by the EDA for certain City improvements (44.5%), from the Property within the EDA’s Tax Increment Financing District No. 25 (the “TIF District”) within its Redevelopment Project Area No. 4, which are paid to the EDA and which the EDA is entitled to retain pursuant to the provisions of M.S., Sections 469.174 through 469.1794, as the same may be amended or supplemented from time to time, to pay a portion of the interfund loan for the City’s project related expenses (the “Available Tax Increment”). The EDA makes no representation or covenant, express or implied, that the Available Tax Increments will be sufficient to pay, in whole or in part, the amounts which are or may become due and payable hereunder.

The EDA shall pay to the Owner on each Scheduled Payment Date all Available Tax Increment on that date to the extent necessary to pay principal and interest then due and any past due installment. To the extent that the EDA is unable to pay the total principal and interest due on this Note at or prior to the February 1, 2037 maturity date hereof as a result of its having received as of such date insufficient Available Tax Increment, such failure shall not constitute a default under this Note and the EDA shall have no further obligation hereon.

This Note shall not be payable from or constitute a charge upon any funds of the EDA, and the EDA shall not be subject to any liability hereon or be deemed to have obligated itself to pay hereon from any funds except the Available Tax Increment, and then only to the extent and in the manner herein specified.

The Owner shall never have or be deemed to have the right to compel any exercise of any taxing power of the EDA or of any other public body, and neither the EDA nor any council member, officer, employee or agent of the EDA, nor any person executing or registering this Note shall be personally liable hereon by reason of the issuance or registration hereof or otherwise. The Owner may assign its rights hereunder, with notice thereof provided to EDA, in accordance with the associated TIF Agreement.

IT IS HEREBY CERTIFIED AND RECITED that all acts, conditions, and things required by the Constitution and laws of the State of Minnesota to be done, to have happened, and to be performed precedent to and in the issuance of this Note have been done, have happened, and have been performed in regular and due form, time, and manner as required by law; and that this Note, together with all other indebtedness of the EDA outstanding on the date hereof and on the date of its actual issuance and delivery, does not cause the indebtedness of the EDA to exceed any constitutional or statutory limitation thereon.

IN WITNESS WHEREOF, the Chaska Economic Development Authority has caused this Note to be executed by the manual signatures of the Chair and the Executive Director and has caused this Note to be dated as of _____, 20__.

CHASKA ECONOMIC DEVELOPMENT
AUTHORITY

By _____
Chair

And _____
Executive Director

[Signature Page to Limited Revenue Taxable Tax Increment Note]
(Edco Manufacturing Facility)

EXHIBIT F
TO
TIF AGREEMENT

ASSESSMENT AGREEMENT

THIS ASSESSMENT AGREEMENT is dated as of September _____, 2025, and is by and among the CHASKA ECONOMIC DEVELOPMENT AUTHORITY, a body corporate and politic, duly organized under the laws of the State of Minnesota (the “EDA”), the CITY OF CHASKA, a municipal corporation and political subdivision of the State of Minnesota (the “City,” together with the EDA, the “Governmental Authorities”), and TCWG, LLC, a Minnesota limited liability company (the “Developer”).

IN CONSIDERATION OF the mutual covenants and benefits herein described, the Governmental Authorities and the Developer recite and agree as follows:

Section 1. Recitals.

1.01. Redevelopment District; Redevelopment Plan. The Governmental Authorities have heretofore undertaken certain development activities, which is a “project” as defined in Minnesota Statutes, Section 469.174, subdivision 8, in Redevelopment Project Area No. 4 (the “Project Area”) pursuant to a Project Plan for the Project Area.

1.02. Tax Increment Financing District; Project. Pursuant to the Minnesota Tax Increment Financing Act, Minnesota Statutes, Sections 469.174 to 469.1794, as amended (the “TIF Act”), the Governmental Authorities have approved a tax increment financing plan (the “TIF Plan”), which is the proposed method for financing the development activities currently proposed to be undertaken pursuant to the Project Plan and the City has established a portion of the Project Area as a tax increment financing district – Tax Increment Financing District No. 25, an economic development district, established by the City Council on September 15, 2025 (“TIF District”). The TIF Plan proposes to finance the cost of the construction of an approximately 235,000 square foot office, manufacturing, and warehouse facility (the “Project”).

1.03. Implementation. The Governmental Authorities has authorized and directed their respective officers to take all actions necessary to implement and carry out the Project Plan and the TIF Plan. The Project Plan and the TIF Plan propose that the EDA finance certain costs of or related to the Project, payable from tax increment (as defined in the TIF Act) derived from the District (“Tax Increment”).

1.04. TIF Agreement. The Governmental Authorities and the Developer have entered into a Tax Increment Financing Agreement, dated as of September 30, 2025 (the “TIF Agreement”), which provides that the Developer, or its permitted assignee, will improve the real property described in Exhibit A hereto (the “Land”) by the construction of the portion of the Project located thereon. The TIF Agreement provides that upon the execution and delivery of the TIF Agreement, the City and Developer are to enter into this Assessment Agreement.

Section 2. Minimum Market Value.

2.01. Agreed Upon Minimum. The Developer agrees that the minimum market value of the Land and Project located thereon for ad valorem tax purposes, for the assessment made as of January 2, 2028, shall be not less than \$26,910,800, and shall not be reduced by any action taken by the Developer (other than a deed in lieu of, or under threat of, condemnation by the City, Carver County or other condemning authority), to less than the said amount, and that during the term of this Assessment Agreement no reduction of the market value therefor below said minimum market value shall be sought by the Developer or granted by any public official or court except in accordance with Minnesota Statutes, Section 469.177, subdivision 8. This minimum market value shall apply only to the Land, the portion of the Project located thereon and any other facilities situated on the Land. In the event of involuntary conversion of the Land and the portion of the Project located thereon for any reason (other than condemnation by a public entity), the minimum market value shall not be reduced to an amount less than said minimum market value.

The Developer acknowledges and agrees that the Land and the portion of the Project located thereon are subject to ad valorem property taxation and that such property taxes constitute taxes on “real property” (as provided in Section 469.174 of the TIF Act) and, to the extent reflecting net tax capacity rates of taxing jurisdictions levied against the captured net tax capacity of the District, tax increment.

2.02. Higher Market Value. Nothing in this Assessment Agreement shall limit the discretion of the assessor of the City or any other public official or body having the duty to determine the market value of the Land, the portion of the Project located thereon and other facilities on the Land for ad valorem tax purposes, to assign to the Land, the portion of the Project located thereon or to any other improvements constructed on the Land, on a nondiscriminatory basis and treated fairly and equally with all other property so classified in the respective counties, a market value in excess of the minimum market value specified in Section 2.01. The Developer shall have the normal remedies available under the law to contest any estimated assessor’s estimated value in excess of said minimum market values, but only to the extent of the excess.

2.03. Substantial Completion. For purposes of this Assessment Agreement and the determination of the market value of the Land and the portion of the Project located thereon for ad valorem tax purposes, the Developer agrees that Project shall be deemed to be completed in accordance with the TIF Agreement as of December 31, 2028 (the required date of completion), whether in fact completed or not.

Section 3. Filing and Certification.

3.01. Assessor Certification. The City or EDA shall present this Assessment Agreement to the assessor of the City and request such assessor to execute the certification attached hereto as Exhibit C. The Developer shall provide to the assessor all information relating to the Land and the portion of the Project located thereon requested by the assessor for the purposes of discharging the assessor’s duties with respect to the certification.

3.02. Filing. Prior to the recording of any mortgage, security agreement or other instrument creating a lien on the Land, the Developer shall cause this Assessment Agreement and a copy of Minnesota Statutes, Section 469.177, subdivision 8, attached hereto as Exhibit B, to be recorded in the office of the County Recorder or Registrar of Titles of Carver County, and shall pay all costs of such recording.

Section 4. Relation to TIF Agreement. The covenants and agreements made by the Developer in this Assessment Agreement are separate from and in addition to the covenants and agreements made by the Developer in the TIF Agreement and nothing contained herein shall in any way alter, diminish or supersede the duties and obligations of the Developer under the TIF Agreement.

Section 5. Miscellaneous Provisions.

5.01. Binding Effect. This Assessment Agreement shall inure to the benefit of and shall be binding upon the Governmental Authorities and the Developer and their respective successors and assigns, and upon all subsequent owners of the Land and the portion of the Project located thereon.

5.02. Severability. In the event any provision of this Assessment Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

5.03. Amendments, Changes and Modifications. Except as provided in Section 5.04, this Assessment Agreement may be amended or any of its terms modified only by written amendment authorized and executed by the Governmental Authorities and the Developer and otherwise in compliance with Section 469.177, subdivision 8, of the Act.

5.04. Further Assurances and Corrective Instruments. The Governmental Authorities and the Developer agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged or delivered, such supplements hereto and such further instruments as may reasonably be required for correcting any inadequate or incorrect description of the Land or the portion of the Project located thereon, or for carrying out the expressed intention of this Assessment Agreement.

5.05. Execution Counterparts. This Assessment Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

5.06. Applicable Law. This Assessment Agreement shall be governed by and construed in accordance with the internal laws of the State of Minnesota.

5.07. Captions. The captions or headings in this Assessment Agreement are for convenience only and in no way define, limit or describe the scope or intent of any provisions or Sections of this Assessment Agreement.

5.08. Effective Date. This Assessment Agreement shall be effective as of September ____, 2025.

5.09. Termination Date. This Assessment Agreement shall terminate upon the termination of the District in accordance with Minnesota Statutes, Section 469.176, subdivision 1.

5.10. Definitions. Terms used with initial capital letters but not defined herein shall have the meanings given such terms in the TIF Agreement, unless the context hereof clearly requires otherwise.

IN WITNESS WHEREOF, the parties hereto have caused this Assessment Agreement to be executed as of the date first above written.

CHASKA ECONOMIC DEVELOPMENT
AUTHORITY

By _____
Chair

And _____
Executive Director

STATE OF MINNESOTA)
) ss.
COUNTY OF CARVER)

The foregoing instrument was acknowledged before me on this ____ day of _____, 2025, by Taylor Hubbard and Matt Podhradsky, the Chair, and Executive Director, respectively, of the Chaska Economic Development Authority, a body politic and corporate under the laws of the state of Minnesota, on behalf of the Authority.

IN WITNESS WHEREOF, I have set my hand and my official seal this ____ day of _____, 2025.

Notary Public

[EDA Signature Page to Assessment Agreement - Edco Manufacturing Facility]

Exhibit A
To
Assessment Agreement

DESCRIPTION OF LAND

The real property and interests in such property located in the County of Carver, State of Minnesota and described as follows: OUTLOT C, WETZELS WOODS, CARVER COUNTY, MN

To be platted as Lot 1, Block 1, Wetzles Woods 3rd Addition, Carver County, MN

Parcel ID: 306940070

Exhibit B
To
Assessment Agreement

COPY OF MINNESOTA STATUTES, SECTION 469.177, SUBDIVISION 8

Assessment agreements. An authority may enter into a written assessment agreement with any person establishing a minimum market value of land, existing improvements, or improvements to be constructed in a district, if the property is owned or will be owned by the person. The minimum market value established by an assessment agreement may be fixed, or increase or decrease in later years from the initial minimum market value. If an agreement is fully executed before July 1 of an assessment year, the market value as provided under the agreement must be used by the county or local assessor as the taxable market value of the property for that assessment. Agreements executed on or after July 1 of an assessment year become effective for assessment purposes in the following assessment year. An assessment agreement terminates on the earliest of the date on which conditions in the assessment agreement for termination are satisfied, the termination date specified in the agreement, or the date when tax increment is no longer paid to the authority under section 469.176, subdivision 1. The assessment agreement shall be presented to the county assessor, or city assessor having the powers of the county assessor, of the jurisdiction in which the tax increment financing district and the property that is the subject of the agreement is located. The assessor shall review the plans and specifications for the improvements to be constructed, review the market value previously assigned to the land upon which the improvements are to be constructed and, so long as the minimum market value contained in the assessment agreement appears, in the judgment of the assessor, to be a reasonable estimate, shall execute the following certification upon the agreement:

The undersigned assessor, being legally responsible for the assessment of the above described property, certifies that the market values assigned to the land and improvements are reasonable

The assessment agreement shall be filed for record and recorded in the office of the county recorder or the registrar of titles of each county where the real estate or any part thereof is situated. After the agreement becomes effective for assessment purposes, the assessor shall value the property under section 273.11, except that the market value assigned shall not be less than the minimum market value established by the assessment agreement. The assessor may assign a market value to the property in excess of the minimum market value established by the assessment agreement. The owner of the property may seek, through the exercise of administrative and legal remedies, a reduction in market value for property tax purposes, but no city assessor, county assessor, county auditor, board of review, board of equalization, commissioner of revenue, or court of this state shall grant a reduction of the market value below the minimum market value established by the assessment agreement during the term of the agreement filed of record regardless of actual market values which may result from incomplete construction of improvements, destruction, or diminution by any cause, insured or uninsured, except in the case of acquisition or reacquisition of the property by a public entity. Recording an assessment agreement constitutes notice of the agreement to anyone who acquires any interest in

the land or improvements that is subject to the assessment agreement, and the agreement is binding upon them.

An assessment agreement may be modified or terminated by mutual consent of the current parties to the agreement. Modification or termination of an assessment agreement must be approved by the governing body of the municipality. If the estimated market value for the property for the most recently available assessment is less than the minimum market value established by the assessment agreement for that or any later year and if bond counsel does not conclude that termination of the agreement is necessary to preserve the tax exempt status of outstanding bonds or refunding bonds to be issued, the modification or termination of the assessment agreement also must be approved by the governing bodies of the county and the school district. A document modifying or terminating an agreement, including records of the municipality, county, and school district approval, must be filed for record. The assessor's review and certification is not required if the document terminates an agreement. A change to an agreement not fully executed before July 1 of an assessment year is not effective for assessment purposes for that assessment year. If an assessment agreement has been modified or prematurely terminated, a person may seek a reduction in market value or tax through the exercise of any administrative or legal remedy. The remedy may not provide for reduction of the market value below the minimum provided under a modified assessment agreement that remains in effect. In no event may a reduction be sought for a year other than the current taxes payable year.

Exhibit C
To
Assessment Agreement

ASSESSOR'S CERTIFICATE

The undersigned, being the duly qualified and acting assessor of the City of Chaska, Minnesota, hereby certifies that.

1. I am the assessor responsible for the assessment of the Land described in the foregoing Exhibit A;

2. I have read the foregoing Assessment Agreement dated as of [_____], 2025;

3. I have received and read a duplicate original of the TIF Agreement referred to in the Assessment Agreement;

4. I have received and reviewed the architectural and engineering plans and specifications for the portion of the Project agreed to be constructed on the Land pursuant to the TIF Agreement;

5. I have received and reviewed an estimate prepared by the Developer of the cost of the Land and the portion of the Project to be constructed thereon;

6. I have reviewed the market value previously assigned to the Land on which the applicable portion of the Project is to be constructed, and the minimum market value to be assigned to the Land and the portion of the Project located thereon by the Assessment Agreement is a reasonable estimate; and

7. I hereby certify that the market value assigned to the Land and the portion of the Project located thereon described on the foregoing Exhibit A by the Assessment Agreement is reasonable and the market value assigned to the Land and the portion of the Project located thereon: for the Project (as defined in the TIF Agreement) the assessment made as of January 2, 2028, shall be not less than \$26,910,800, and continuing throughout the term of the Assessment Agreement.

Dated: _____, 20__.

Carver County Assessor, City of Chaska, Minnesota