ECONOMIC DEVELOPMENT AUTHORITY AGENDA

3RD FLOOR CONFERENCE ROOM	THURSDAY, FEBRUARY 20, 2025	7:00 AM

1. Oath of Office - Thomas Spooner, Kevin Voracek, Adama Youhn Doumbouya, and Teri Menard
2. Call to Order/ Approve Agenda
3. Election of Officers
4. Approval of the Minutes
5. Routine Business: *Agenda items below are approved by one motion unless an EDA member requests separate action.*
   A. Monthly Loan Status Report
   B. Permit Activity Update Report
   C. Budget Status Report
6. Items for Discussion
   A. Main Street Program Annual Report
   B. Review EDA enabling resolution
   C. Review EDA policies
      1 Conflict of Interest
      2 Social Media
   D. DIC Holdings Loan Extension
   E. Hotel Market Study proposals
   F. Voluntary Tree Removal Program
   G. Resolution 2025-05: Adopt Grant Management Policy
   H. Resolution 2025-04 Reject Compeer Financial Rural Feasibility Grant
7. Announcements and Updates
   A. Strategic Planning
   B. Staff updates - Verbal report
8. Adjournment

Request for Action

TO:	Faribault Economic Development Authority
FROM:	Robert Harris III, Economic Development Coordinator
THROUGH:	David Wanberg, CED Director
MEETING DATE:	February 20, 2025
SUBJECT:	Election of Officers

BACKGROUND:
The EDA is a seven (7) member board originally established in May 1986 pursuant to Minnesota Statutes. Per the enabling resolution, EDA members may serve a maximum of two (2) consecutive terms (full or partial) and all terms shall expire at the first City Council meeting of January. Commissioners may re-apply for additional terms after a one (1) year absence from the EDA.

The EDA officer positions include President, Vice President, Secretary, Treasurer, and Assistant Treasurer. Annually, the EDA must elect officers for the positions of President and Treasurer/Secretary – and traditionally the EDA has also elected Vice President on an annual basis.

REQUESTED ACTION:
Elect EDA Officers

ATTACHMENTS:

ECONOMIC DEVELOPMENT AUTHORITY MINUTES

3RD FLOOR CONFERENCE ROOM	THURSDAY, JANUARY 16, 2025	7:00 AM

Meeting Items

1. Call to Order/Approve Agenda

   Chair Gramse called the Economic Development Authority's regular meeting to order at 7:00 a.m. Commissioners Chris Jeanes, Thomas Spooner, Kevin Voracek, AJ Smith, Dave Campbell, and Chair Gramse attended. David Wanberg, Robert Harris, III, and Jessica Kinser also attended.

   Motion by Kevin Voracek, seconded by Dave Campbell to approve the agenda as presented. The motion passed unanimously.

2. Acknowledgement and Appreciation of Outgoing Members

   Harris said a few words to acknowledge the service and commitment of outgoing EDA members Fort, Gramse, and Voracek.

3. Approval of the Minutes

   Motion by Kevin Voracek, seconded by Tom Spooner to approve the minutes as presented. The motion passed unanimously.

4. Routine Business: *Agenda items below are approved by one motion unless an EDA member requests separate action.*

A. Monthly Loan Status Report

B. Permit Activity Update Report

C. Budget Status Report

   Harris gave a brief overview and let the board know that a budget status report for 2024 will be available in February. **Motion by AJ Smith, seconded by Dave Campbell to approve the Routine Business as presented. The motion passed unanimously.**

5. Items for Discussion

A. Vetrotech North America Closure

   Motion by Tom Spooner, seconded by AJ Smith to recommend to the City Council that the tax abatement incentives to Vetrotech be ended. The motion passed unanimously.

B. Resolution 2025-01: Amend Business Subsidy Policy and Fee Schedule

   Motion by Kevin Voracek, seconded by Christine Jeanes to approve Resolution 2025-01 as presented. The motion passed unanimously.

C. Resolution 2025-02 The Dream - Downtown Rehab Grant Amendment

   Motion by Kevin Voracek, seconded by Christine Jeanes to <u>deny</u> Resolution 2025-

02 as presented. The motion passed unanimously.

D. Resolution 2025-03: Support for the submission of an LOI to the Saint Paul and Minnesota Foundation IDEAS Grant to support small business and entrepreneurship

Motion by Tom Spooner, seconded by Kevin Voracek to approve Resolution 2025-03 as presented. The motion passed unanimously.

E. EDA Grant Management Policy

Harris requested input from the board on the development of a grant management policy. Board members provided comments centered around maintaining communication and transparency, avoiding scope creep, and focusing on continuous improvement.

F. Hotel Feasibility Study

Motion by AJ Smith, seconded by Tom Spooner to issue an RFP to collect Hotel Feasibility Study proposals. The motion passed unanimously.

G. SelectUSA Investment Summit 2025

Motion by Christine Jeanes, seconded by AJ Smith to approve up to $3000 in budget for the Economic Development Coordinator to attend the 2025 SelectUSA Investment Summit. The motion passed unanimously.

H. EDAM Grant to host Economic Development Summer Intern

Motion by AJ Smith, seconded by Tom Spooner to accept the $2000 grant from EDAM and approve a $3000 match to host a summer Economic Development Intern. The motion passed unanimously.

I. Approve annual contribution to Southern MN Initiative Foundation (SMIF)

Motion by Kevin Voracek, seconded by AJ Smith to approve the annual contribution of $5000 to Southern MN Initiative Foundation as presented. The motion passed unanimously.

J. Data Center Economic Impact Analysis

Harris update the board that there is an opportunity to work with the University of MN- Extension on an Economic Impact Analysis for Data Centers in Faribault. The board gave staff direction to move forward.

6. Announcements and Updates

A. Strategic Planning Committee Update

Harris gave a brief update on the strategic planning activities.

B. Project updates - Staff verbal update

Harris and Wanberg gave an update on ongoing economic development projects.

7. Adjournment

Motion by AJ Smith, seconded by Kevin Voracek to adjourn the meeting at 8:12 a.m. The motion passed unanimously.

By:_____________________________

Robert Harris III, Recording Secretary

City Of Faribault

Request for Action

TO:	Faribault Economic Development Authority
FROM:	Robert Harris III, Economic Development Coordinator
THROUGH:	David Wanberg, CED Director
MEETING DATE:	February 20, 2025
SUBJECT:	Monthly Loan Status Report

BACKGROUND:
The Economic Development Authority (EDA) has the authority to provide financial incentives to businesses growing and/or relocating to the City. The various loan funds in the EDA's portfolio are made up of local, state, and federal dollars – all with their own set of criteria associated with each type of funding source. Staff continually reviews loan files to ensure that loan obligations have been met and loans are closed out as appropriate.

The historical loan information is valuable in understanding how the EDA has assisted projects in the past, and what kinds of loans have been beneficial/impactful. This information can inform various EDA decisions as it relates to developing new loan programs and retooling existing loan programs. Cataloging which businesses have utilized the various programs over time is also an important data set that can be used for other purposes, such as identifying tiers of businesses to visit as part of a business retention and expansion (BRE) program.

The attached is a summary of the various City and EDA loan programs

REQUESTED ACTION:
Receive and file as presented

ATTACHMENTS:
1. Loan Status Reports(3)

Agenda Item: 3A

September 2024 Totals

Fund	Program Name	Available Balance	Notes
Fund 249	Minnesota Investment Fund (MIF)	$14,053.89	2018 MN Legislature authorized a one-time exception to "cash out" MN MIF funds. The cashed-out funds are now part of the EDA's program budget. Available MIF balance must follow re-use guidelines. - Trystar $125,000 – Pass through.
Fund 292	EDA Revolving Loan - Commercial Development Loan Program (and Grant) - Façade Improvement Micro Loan - EDIF - Economic Development Incentive Program-	$406,457.34	- A new program in 2021 – dedicated $200,000 of loan balance. - $50,000 for Vetrotech/Sage - $50,000 is requested by Forest to Fork. - $100,000 TruVue *(Forgivable)* - Faribault Mill Loan or $50,000 *(Forgivable)* - **$100,000 Bowling Center
			***$311,457.34 Committed payments are $100,000 for TruVue; Available unrestricted funds $61,457.34
Fund 243	Industrial Development Loan	$295,521.10	- Last activity was a loan for Cry Baby Craig's. - 2024 Budgeted $100,000. - Loan to FaribaultMill of $250,000.
TOTAL EDA LOAN FUNDS AVAILABLE		***$716,032.33***	
Fund 290	EDA Operating Fund/Fund Balance	*$664,346.76	Includes a one-time transfer from the 2002 land sale 12/20/2017 – Authorized $100,000 for the airport building demo/site prep (paid 12/2019) to support commercial development at the airport -2021 Microgrant Program of $25,000 FACC -2021 Upstairs Downtown $5,000 FACC -2021 SBDC Office Contribution $3,000 FACC -2022-12-28 FDC $250,000 -2022 Main Street Contribution $14,000 FACC -2022 SBDC Office Contribution $3,000 FACC -2022 Main Street Contribution, $14,000 FACC -2023 DCERIP Darrell Jensen $30,000 -2023 The Golf Box $2,300 2024 FDC $250,000 2024 $30,000 DCERIP – Drevlow 2024 $11,860 DCERIP - Hvistendahl, 10,000 Drops 2024 $2,775 -- 13 3rd Beckmann DCERIP 2024 Hvistendahl 10,000 DCERIP $15,000
Fund 248	Federal MIF Loan	$626,620.25	Funds are difficult to spend. Uses must meet a national (federal) objective, public benefit standard, environmental review, Davis-Bacon, and extra business reporting requirements. The City Council may request funds be transferred into the Small Cities Development Program (same federal objectives). This requires a spending plan and DEED/HUD approval

*Does not include EDA Program Funds of $650,000.00
**Earmarked.

Agenda Item: 5.B

Request for Action

TO:	Faribault Economic Development Authority
FROM:	Robert Harris III, Economic Development Coordinator
THROUGH:	David Wanberg, CED Director
MEETING DATE:	February 20, 2025
SUBJECT:	Permit Activity Update Report

BACKGROUND:

Permit activity (building permits, etc.) is a reflection on the status of the economy. Over the last few years, the City of Faribault has seen an increase in permit activity – which translates into investment in our community.

To track and follow trends, monthly permit activity reports are prepared. This information is shared on a monthly basis with the Economic Development Authority (EDA) to ensure the EDA has a pulse on the development activity occurring in the community. Trend information will also be one resource that the EDA can utilize to develop annual work plans and develop/modify programs to respond to and address business needs.

REQUESTED ACTION:

Receive and file as presented

ATTACHMENTS:

1. 2024-12 EDA - Permit Activity Report

Permit Activity Report 2025				Permit Activity Report 2024		
	Valuation	# of Permits	Permit Fees	Valuation	# of Permits	Permit Fees
January	$ 2,544,403.90	103	$ 46,047.78	$ 1,028,550.52	81	$ 21,977.30
February				$ 4,245,529.34	111	$ 59,132.10
March				$ 3,652,527.64	120	$ 64,002.34
April				$ 14,300,701.74	161	$ 127,751.61
May				$ 4,384,481.00	149	$ 79,092.05
June				$ 7,695,949.56	176	$ 64,129.64
July				$ 19,668,944.00	221	$ 166,673.70
August				$ 2,708,491.13	195	$ 46,832.69
September				$ 4,984,079.97	197	$ 86,106.03
October				$ 5,249,918.86	177	$ 93,721.04
November				$ 2,554,150.46	126	39,827.00
December				$ 3,815,735.23	135	61,803.19
Total:				**$ 74,289,059.45**		**$ 911,048.69**
YTD Permits:		**103**			**1849**	

**All Permits includes Building Permits in total (plumbing, heating, signs and electrical).*

Agenda Item: 5.C

Request for Action

TO:	Faribault Economic Development Authority
FROM:	Robert Harris III, Economic Development Coordinator
THROUGH:	David Wanberg, CED Director
MEETING DATE:	February 20, 2025
SUBJECT:	Budget Status Report

BACKGROUND:

The budget is divided into "operating expenses" and "program funds." The Program Funds budget is made up of fund balances and various different one-time lump funds. These funds are targeted for specific projects based on the approved Work Plan in the categories of: Available Land, Gateways, Regionalism, Workforce/Data Analysis, and Ongoing Operations.

Attached is the Budget Status report for Fund 250 (Economic Development Authority). This information is being provided for informational purposes.

REQUESTED ACTION:

Receive and file as presented

ATTACHMENTS:

Request for Action

TO:	Faribault Economic Development Authority
FROM:	Robert Harris III, Economic Development Coordinator
THROUGH:	David Wanberg, CED Director
MEETING DATE:	February 20, 2025
SUBJECT:	Main Street Program Annual Report

BACKGROUND:

Nort Johnson from the Faribault Area Chamber of Commerce will be attending the meeting to provide an update on the 2024 Main Street Program. His presentation will include an overview of the program's accomplishments, ongoing initiatives, and future plans to support downtown development and business growth. Additionally, Johnson will present a proposal requesting an increase in the EDA's financial commitment to the Main Street Program. Currently, the EDA contributes $17,000 annually. The proposal seeks to increase this commitment to $50,000 per year for a three-year period.

REQUESTED ACTION:

Receive and file update as presented. Provide direction on Nort Johnson's request to increase the EDA's commitment to the Main Street Program from $17,000 annually to $50,000 annually over a three-year period.

ATTACHMENTS:

1. EDA Main Street Chamber report
2. Chamber letter to EDA

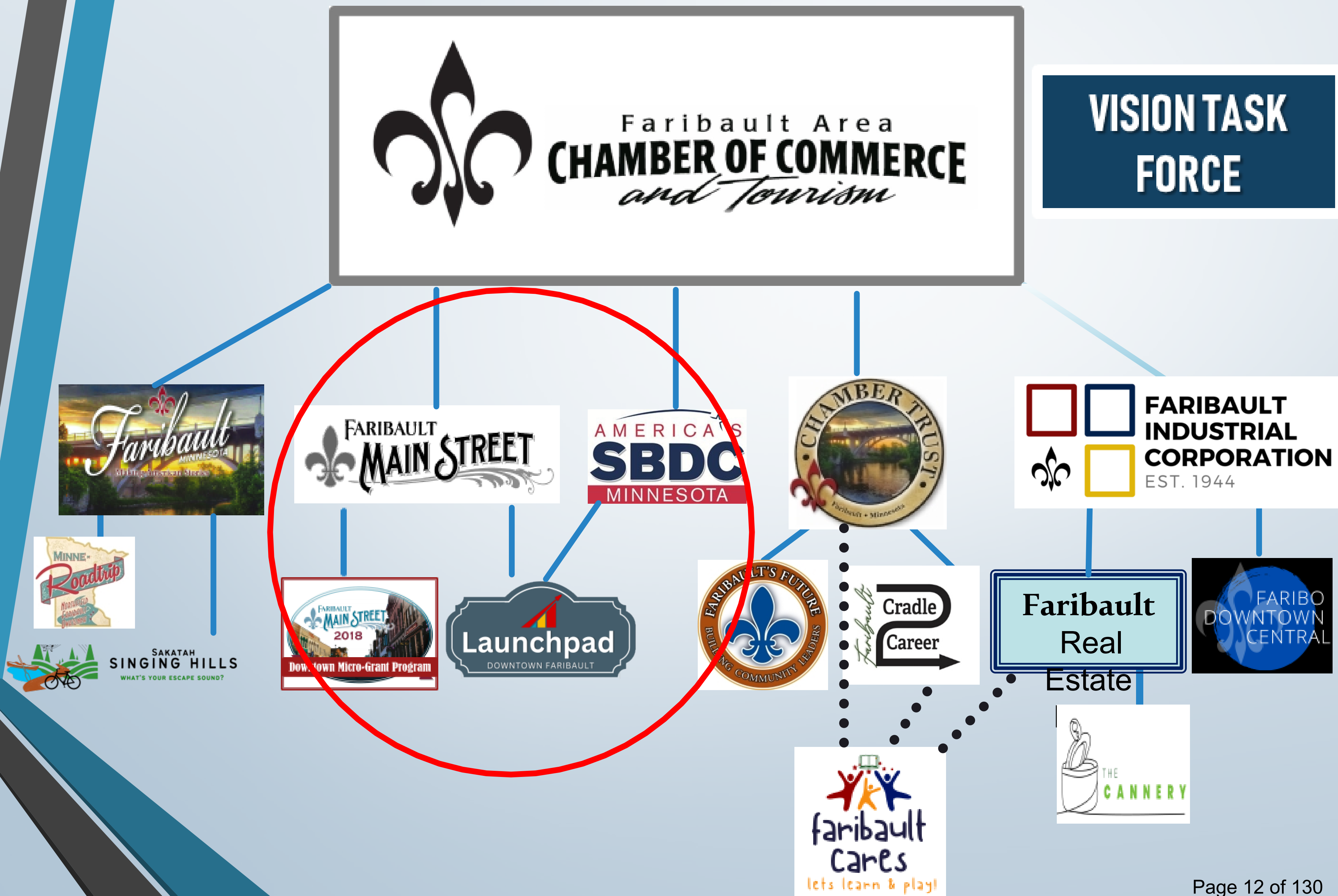
Faribault Area
CHAMBER OF COMMERCE
and Tourism

Historic Downtown

SBDC

EDA Funding Presentation

Faribault Model



2024 Visionary Priorities

1. Excellence in Education
2. Leadership Collaboration
3. A Fabulous Downtown
4. Housing – Home Ownership Options
5. Daycare/Early Childhood Education

Faribault Main Street **Program**

- Promotions
- Events
- Business Assistance
- Economic Restructuring

A Fabulous Downtown

Events/Promotions

1. **WinterFest**
2. **Flannel Formal**
3. **Car Cruises X 6** *With Live Bands!*
4. ~~**Blue Collar Festival**~~
5. **Crazy Days**
6. **Fall Chili Contest** *and Festival*
7. **Ladies Night Out** *X 3*
8. **Shop Small Saturday**

A Fabulous Downtown

2023/24 efforts

1. **Faribo Downtown Central**
   - FDC formed to purchase entire Scheesley portfolio
   - 13* Buildings now under FDC ownership

   Clean and Dry Phase I
   - EDA/HRA funding for roof and other repairs
   - 8 NEW downtown businesses in these properties
   - 217 Central Rescue

30,000 sq ft of new and repaired roofs
28 dump trucks of debris

2. **Chamber Trust**
   - $780,000 DEED Grant recipients include 9 properties outside th FDC portfolio
3. **Chamber/SBDC/FDC**
   - ***The Launchpad*** – Incubator in 223 Central Avenue
   - 5 Start-ups

Chamber/SBDC/FDC

The Launchpad – Incubator in 223 Central Avenue

5 Start-ups

Faribault Industrial Corporation

Faribo Downtown Central

Faribault Real Estate Fund

Important Partners for Supporting Visionary Downtown Initiatives

Faribo Downtown Central

Historic District Portfolio

Faribault Real Estate Fund

The Cannery

Pipeline...

Business Acquisition
Business Retention Loan
Daycare Real Estate
Housing Development,
Corporate Office Retention
Hotel

Downtown Faribault 2025

- More renovations
- Resuscitate Wayfinding Signage to include Trails?
- Continuing Business Development
- Signature Events
- ***Funding for Director / VP Development***

Thanks so much! Steady Ahead…

Memorandum
from the desk of
Nort Johnson

Faribault Area
CHAMBER OF COMMERCE
and Tourism

Memo: SBDC and Downtown Faribault Agreement
To; Robert Harris III, Dave Wanberg, Jessica Kinser, Faribault EDA

1/28/2025

EDA Board,

Thank you so much for your support in our efforts to lift Downtown Faribault, and for contributing to our SBDC counseling activities.

We appreciate the $17,000 in funding and do our best to deliver both tangible and subtle improvements with Events, Promotions, Economic Restructuring in our Historic Downtown as well as business assistance across Rice County.

We'd like to open a conversation about a funding level in line with some of our nearby communities for similar activities. Our goal is to add another Director level position in our office to elevate our capacity for enhanced outcomes in Downtown efforts, Business/Economic Development and of course our Workforce Development focusing on local education.

Thanks in advance for your consideration. We propose moving to a $50,000 commitment per year over the next 3 years. Our scope of work under the Visionary Priorities will continue to impact the most important factors supporting our invaluable human capital. Please consider this advanced partnership proposal as a strategic investment moving Visionary Priorities forward for Faribault.

My Team would work out an expanded reporting process with City Staff to keep the EDA regularly informed on a broader base of activities supporting Economic and Community Development here in Faribault.

Thanks so much,

Nort Johnson

Cc; file, Chamber Board

Agenda Item: 6.B

City Of Faribault

Request for Action

TO:	Faribault Economic Development Authority
FROM:	Robert Harris III, Economic Development Authority
THROUGH:	David Wanberg, CED Director
MEETING DATE:	February 20, 2025
SUBJECT:	Review EDA enabling resolution

BACKGROUND:

Section 469.092, Subdivision 3 of Minnesota Statutes requires the EDA to "submit to the City Council a report each year stating whether and how the enabling resolution should be modified." Under the Statute, the City Council has 30 days after receipt of the recommendation to review the enabling resolution, consider the recommendations of the EDA, and make any appropriate amendments. Any amendment must be made per the procedural requirements of Section 469.093.

> Subd. 3. **Report on resolution.** Without limiting the right of the authority to petition the city council at any time, each year, within 60 days of the anniversary date of the first adoption of the enabling resolution, the authority shall submit to the city council a report stating whether and how the enabling resolution should be modified. Within 30 days of receipt of the recommendation, the city council shall review the enabling resolution, consider the recommendations of the authority, and make any modification it considers appropriate. Modifications must be made in accordance with the procedural requirements of section 469.093.

Occasionally, the EDA recommends updates to its enabling resolution. Most updates ensure the enabling resolution is consistent with state statutes. The most recent recommendations included clarifications to term limits and modifications to the EDA composition to be consistent with state statutes and provide the City Council with flexibility when making future appointments (see the attached City Council Resolution #2021-082). No issues or concerns have been identified with the current language in the enabling resolution.

REQUESTED ACTION:

Review the attached enabling resolution last updated via City Council Resolution #2021-082. Identify recommended amendments (if any) to the enabling resolution.

ATTACHMENTS:

1. 2021-082 - Amending and Restating the Enabling Resolution Establishing an Economic Development Authority for the City of Faribault

State of Minnesota
County of Rice

CITY OF FARIBAULT

RESOLUTION #2021-082

AMENDING AND RESTATING THE ENABLING RESOLUTION ESTABLISHING AN ECONOMIC DEVELOPMENT AUTHORITY FOR THE CITY OF FARIBAULT

WHEREAS, the City is authorized by Minnesota Statutes, Chapter 469 (the "Act") and specifically Section 469.091, to establish an Economic Development Authority (hereinafter the "EDA") to coordinate and administer economic development and redevelopment plans and programs of the City of Faribault; and

WHEREAS, an Economic Development Authority would facilitate and assist economic development in the City of Faribault by directly involving certain groups and agencies in the process; and

WHEREAS, such an Authority will increase the overall efficiency of business recruitment, to the greatest benefit of the entire community; and,

WHEREAS, a public hearing was held for the establishment of an Economic Development Authority pursuant to Minnesota Statutes prior to the adoption of Resolution 86-77, the initial enabling resolution originally adopted May 27, 1986, for the EDA and Resolution 86-77 was amended and restated on January 22, 2008, following a public hearing by Resolution No. 2008-015, and was again amended and restated on June 22, 2010, following a public hearing by Resolution No. 2010-092, and amended and restated again on June 10, 2014, following a public hearing by Resolution No. 2014-097; and

WHEREAS, the City desires to amend the enabling resolution for the EDA, as hereinafter set forth, pursuant to Minnesota Statutes Section 469.093; and

WHEREAS, a public hearing has been held for this amendment to the enabling resolution of the EDA pursuant to Minnesota Statutes Section 469.093.

NOW, THEREFORE, THE CITY OF FARIBAULT RESOLVES:

SECTION 1. APPOINTMENT OF AN ECONOMIC DEVELOPMENT AUTHORITY FOR THE CITY OF FARIBAULT, MINNESOTA

Section 1.1. Economic Development Authority Established. The Economic Development Authority for the City of Faribault, Minnesota (hereinafter the "EDA") is hereby established. The EDA shall have all the powers, duties and responsibilities set forth in Sections 469.090 to 469.108 of the Act and as said Act may be amended from time to time and all other applicable laws, except as limited by this Resolution.

Section 1.2. Purpose. The appointment of an EDA, pursuant to the provisions, restrictions and regulations contained herein, is intended to provide the City with a board comprised of representatives from both city government and private enterprise, capable of administering business incentives and other economic development measures. The EDA shall be the chief economic development agency for the City, and shall be under the authority of the City Council.

Section 1.3. Definition. An EDA is a public body corporate and politic and a political subdivision of the state with the right to sue and be sued in its own name. An EDA carries out an essential governmental function when it exercises its power, but the EDA is not immune from liability because of this.

Section 1.4. Responsibility. The EDA shall have primary responsibility for commercial and industrial development and redevelopment and the Housing and Redevelopment Authority in and for the City of Faribault shall have primary responsibility for residential development and redevelopment.

SECTION 2. COMPOSITION OF THE EDA

Section 2.1. Composition. The seven commissioners of the EDA shall be selected or appointed as follows:

a. Two City Council members shall be appointed as commissioners by the City Council.

b. The City Council may appoint the remaining commissioners to serve at large or from organizations which may have a role in economic development. An appointment could be from such organizations as City Commissions, the Faribault Industrial

Corporation, the School District, County, Community Board or Chamber of Commerce.

Section 2.2. Terms. Initial appointees receive terms of 1, 2, 3, 4, 5, 6 and 6 years; thereafter all terms are for six years, except as hereinafter provided. The City Council shall set the term of the commissioners who are members of the City Council to coincide with their term of office as members of the City Council. All terms shall expire at the City Council meeting at which the EDA appointments are made. Commissioners may serve no more than a maximum of two (2) consecutive terms (full or partial) and no more than a total of twelve (12) consecutive years. Commissioners may re-apply for additional terms after a one (1) year absence from the EDA.

Section 2.3. Compensation and Reimbursement. EDA members shall be reimbursed for actual expenses as determined by the City Council.

Section 2.4. Vacancies. A vacancy is created in the membership of the EDA when a City Council member of the EDA ends Council membership. A vacancy for this or another reason must be filled for the balance of the unexpired term, in the manner in which the original appointment was made.

Section 2.5. Conflict of Interest. Except as authorized in Minnesota Statutes Section 471.88, a commissioner, officer, or employee of the EDA must not acquire any financial interest, direct or indirect, in any project or in any property included or planned to be included in any project, nor shall the person have any financial interest, direct or indirect, in any contract or proposed contract for materials or service to be furnished or used in connection with any project.

Section 2.6. Removal for Cause. An EDA commissioner may be removed by the City Council as provided in Minnesota Statutes Section 469.095, subd. 5.

SECTION 3. TRANSFER OF TAX INCREMENT AUTHORITY

Section 3.1. The City shall transfer the control, authority and operation of its tax increment development plans pursuant to Chapter 462, implemented by Resolutions 85-151, 85-140, 85-22, 85-21, 85-20, 81-168, 81-5, and pursuant to Chapter 472A, implemented by Resolutions 85-141 and 83-58, located within the City, from the governmental agency or subdivision that established the project to the EDA. The City Council requires acceptance of control, authority, and operation of the tax increment development plans by the EDA. The EDA may exercise all of the powers that the governmental unit establishing the project could exercise with respect to the project.

When a project or program is transferred to the EDA, it shall covenant and pledge to perform the terms, conditions, and covenants of the bond indenture or other agreements executed for the security of any bonds issued by the governmental subdivision that initiated the project or program. The EDA may exercise all of the powers necessary to perform the terms, conditions, and covenants of any indenture or other agreements executed for the security of the bonds when the project or program is transferred.

SECTION 4. ORGANIZATIONAL MATTERS

Section 4.1. Staffing. All required EDA staffing will be appointed by the City Administrator from the City of Faribault staff, for purposes of technical assistance, accounting, purchasing supplies, etc., as needed for the operation of the EDA.

Section 4.2. By-Laws. The EDA may adopt by-laws and rules of procedure and shall adopt an official seal.

Section 4.3. Officers. The EDA shall elect a president, a vice president, a treasurer, a secretary, and an assistant treasurer. The EDA shall elect the president, treasurer and secretary annually. A commissioner shall not serve as president and vice president at the same time. The other offices may be held by the same commissioner. The offices of secretary and assistant treasurer need not be held by a commissioner.

Section 4.4. Treasurer. The City of Faribault shall assist the official treasurer for the EDA in performing the statutory duties of the treasurer, with the City handling EDA funds and accounting through the City's financial management system.

Section 4.5. Public Money. EDA money is public money.

Section 4.6. Legal Services. The EDA shall use the services of the City Attorney for its legal needs. The City Attorney is its chief legal advisor.

Section 4.7. City Purchasing. The EDA may use the facilities of the City's purchasing department in connection with construction work and to purchase supplies, equipment or materials.

Section 4.8. Delegation Power. The EDA may delegate to one or more of its agents or employees powers or duties as it may deem proper.

SECTION 5. FINANCIAL MATTERS

Section 5.1. Budget to City. The EDA shall annually submit its budget to the City Council for approval. The budget must include a detailed written estimate of the amount of money that the EDA expects to need from the City to perform its business during the next fiscal year.

Section 5.2. Fiscal Year. The fiscal year for the EDA shall be the same as the City.

Section 5.3. Report to City. Annually, at a time and in a form fixed by the City Council, the EDA shall make a written report to the Council giving a detailed account of its activities and of its receipts and expenditures during the preceding calendar year, together with additional matters and recommendations it deems advisable for the economic development of the City.

Section 5.4. Financial Statement. The EDA's financial statement must show all receipts and disbursements, their nature, the money on hand, the purposes to which the money is to be applied, the EDA's credits and assets, and its outstanding liabilities, in a form required for the City's financial statements. The EDA shall examine the statement together with the treasurer's vouchers. If the EDA finds the vouchers are correct, it shall approve them by resolution and enter the resolution into its records.

Section 5.5. Audits. The financial statements of the EDA must be prepared, audited, filed and published or posted in a manner required for the financial statements of the City. The financial statements must permit comparison and reconciliation with the City's accounts and financial reports. The report must be filed with the state auditor by June 30 of each year. The auditor shall review the report and may accept it or, in the public interest, audit the books of the EDA.

SECTION 6. SCHEDULE OF POWERS

Section 6.1. Economic Development Districts. The EDA may establish and define the boundaries of economic development districts at any place and at any time within the City. The EDA must hold a public hearing on the matter, with notice published at least 10 days prior to the hearing in the official city newspaper. The establishment of an economic development district must be approved by the City Council pursuant to Minnesota Statues.

Section 6.2. Acquisition of Property. The EDA may acquire by lease, purchase, gift, devise or condemnation proceedings the needed right, title and interest in property to create economic development districts.

Section 6.3. Revolving Loan Fund. The EDA shall have the power to administer the Economic Development Revolving Loan Fund.

Section 6.4. Options. The EDA may sign options to purchase, sell or lease property.

Section 6.5. Eminent Domain. The EDA may use eminent domain under Chapter 117, or under the City Charter to acquire property it is authorized to acquire through condemnation.

Section 6.6. Contracts. The EDA may make contracts for the purposes of economic development within its granted powers. The EDA may arrange with the federal government, any of its agencies, with persons, public corporations, the state, or any of its political subdivisions, commissions or agencies, for separate or joint action, on any matter related to the EDA's powers or doing its duties. The EDA may contract to purchase and sell real and personal property. However, the EDA is not authorized to issue debt without prior Council approval.

Section 6.7. Limited Partner. The EDA may be a limited partner in a partnership whose purpose is consistent with the EDA's purpose.

Section 6.8. Rights and Easements. The EDA may acquire rights or easements for a term of years or perpetually for development of an economic development district.

Section 6.9. Receipt of Public Property. The EDA may accept land, money, or other assistance, whether by gift, loan or otherwise, in any form from the federal or state governments, or any political subdivisions or agencies thereof, to acquire and develop economic development districts.

Section 6.10. Development District Authority. The EDA may sell or lease land held by it for economic development in economic development districts.

Section 6.11. As Agent. The EDA may cooperate or act as an agent for the federal or state government, or a state public body, or an agency or instrumentality of a government or public body, to carry out the EDA's duties, or any other related federal, state or local law in the area of economic development district improvement.

Section 6.12. Studies, Analysis and Research. The EDA may study and analyze economic development needs in the City, and ways to meet those needs.

Section 6.13. Public Relations. To further an authorized purpose, the EDA may: (1) join an official, industrial, commercial or trade association, or other organization concerned with the purpose; (2) have a reception of officials who may contribute to advancing the City and its economic development; and (3) carry out other public relations activities to promote the City and its economic development.

Section 6.14. Accept Public Land. The EDA may accept conveyances of land from all other public agencies, commissions, or other units of government, if the land can be properly used by the EDA in an economic development district.

Section 6.15. Economic Development. The EDA may carry out the law on economic development districts to develop and improve lands in an economic development district to make it suitable and available for its purposes.

SECTION 7. DEBT ISSUANCE.

Section 7.1. Debt Issuance. The EDA cannot issue debt obligations without the prior approval of the City Council.

Section 7.2. Bonds. General Obligation Bonds, Industrial Development Bonds, Tax Increment Bonds, and Revenue Bonds, whose proceeds are required for EDA approved projects, must be issued by the City Council pursuant to the City of Faribault Charter and applicable Minnesota Statutes.

Section 7.3. Pledge. All bonds issued by the City Council for the debt obligations of the EDA must be secured by the full faith, credit and resources of the City.

Section 7.4. Tax Levy. The tax levy must be certified by the City Council, and must be pledged back to the City.

Section 7.5. As Borrower and Lender. The EDA may borrow for its approved projects from the City; and, from its own proceeds, may make or purchase loans for economic development facilities which it believes requires financing.

SECTION 8. SALE OF PROPERTY

Section 8.1. Power. The EDA may sell and convey property owned by it within the city or an economic development district consistent with the requirements of Minnesota Statutes Section 469.105.

SECTION 9. ADVANCES BY EDA

Section 9.1. Advances by the EDA. The EDA may advance its general fund money or its credit, or both, without interest, for its objectives and purposes.

SECTION 10. DATE EFFECTIVE

Section 10.1. Adoption. This resolution shall be adopted upon affirmative vote of the majority of the City Council.

Section 10.2. Effect. This resolution shall be in full force upon its adoption and shall continue until such time as it may be amended or rescinded by the City Council.

Section 10.3. Conflicts. Any conflicts arising out of the conduct and operation of the EDA shall be resolved with reference to Minnesota statutes, and if there arises any conflict between this resolution and Minnesota statutes, Minnesota statutes shall prevail.

Date Adopted: April 27, 2021

Faribault City Council

Kevin F. Voracek

Kevin F. Voracek, Mayor

ATTEST:

Timothy C. Murray

Timothy C. Murray, City Administrator

Request for Action

TO:	Faribault Economic Development Authority
FROM:	Robert Harris III, Economic Development Coordinator
THROUGH:	David Wanberg, CED Director
MEETING DATE:	February 20, 2025
SUBJECT:	Conflict of Interest

BACKGROUND:
Staff will review the Minnesota State Statute regarding conflict of interest as it relates to the Economic Development Authority.

REQUESTED ACTION:
Receive and file as presented.

ATTACHMENTS:
1. Conflict of Interest

469.098 CONFLICT OF INTEREST.

Subdivision 1. **Disclosure; criminal penalty.** (a) Before taking an action or making a decision which could substantially affect the commissioner's or an employee's financial interests or those of an organization with which the commissioner or an employee is associated, a commissioner or employee of an authority shall:

(1) prepare a written statement describing the matter requiring action or decision and the nature of the potential conflict of interest; and

(2) submit the statement to the commissioners of the authority.

(b) The disclosure under paragraph (a) shall be entered upon the minutes of the authority at its next meeting. The disclosure statement must be submitted no later than one week after the employee or commissioner becomes aware of the potential conflict of interest. However, no disclosure statement is required if the effect on the commissioner or employee of the decision or act will be no greater than on other members of the business, profession, or occupation or if the effect on the organization with which the commissioner or employee is affiliated is indirect, remote, and insubstantial.

(c) A potential conflict of interest is present if the commissioner or employee knows or has reason to know that the organization with which the commissioner or employee is affiliated is, or is reasonably likely to become, a participant in a project or development which will be affected by the action or decision.

(d) Any individual who knowingly fails to submit a statement required by this subdivision or submits a statement which the individual knows contains false information or omits required information is guilty of a misdemeanor.

Subd. 2. **Effect of disclosure; criminal penalty.** (a) If an employee has a potential conflict of interest, the employee's superior shall immediately assign the matter to another employee who does not have a potential conflict of interest.

(b) A commissioner who has a potential conflict of interest shall not attempt to influence an employee in any matter related to the action or decision in question, shall not take part in the action or decision, and shall not be counted toward a quorum during the portion of any meeting of the authority in which the action or decision is to be considered.

(c) Any individual who knowingly violates this subdivision is guilty of a misdemeanor.

Subd. 3. **Conflicts forbidden; criminal penalty.** A commissioner or employee of an authority who knowingly takes part in any manner in making any sale, lease, or contract in the commissioner's or employee's official capacity in which the commissioner or employee has a personal financial interest is guilty of a misdemeanor.

Subd. 4. **Agent or attorney.** For one year after termination of a position as a commissioner or employee of an authority, no former commissioner or former employee of an authority shall appear personally before any court or governmental department or agency as agent or attorney for anyone other than the authority in connection with any proceeding, application, request for ruling or other determination, contract, claim, controversy, charge, accusation, arrest, or other particular matter in which the authority is substantially interested, and with respect to which the commissioner or employee took any action or made any decision as a commissioner or employee of the authority at any time within a period of one year prior to the termination of that position.

Subd. 5. **Limitations.** With respect to each program established by the authority to provide financial assistance or financing for real property other than rental assistance programs, an employee or commissioner may not receive such financial assistance or financing more than once.

Subd. 6. **Injunction.** The county attorney may seek an injunction in the district court to enforce the provisions of this section.

Subd. 7. **Exceptions.** The exceptions in section 471.88 apply to this section.

History: *1987 c 291 s 99; 2008 c 197 s 1*

Request for Action

TO:	Faribault Economic Development Authority
FROM:	Robert Harris III, Economic Development Coordinator
THROUGH:	David Wanberg, CED Director
MEETING DATE:	February 20, 2025
SUBJECT:	Social Media

BACKGROUND:
Following the March 2024 U.S. Supreme Court ruling related to public officials' use of social media, City staff proposed changes to the City Social Media Policy which includes better guidance on distinguishing the difference between personal and government pages. These changes were adopted by the city council on 2/11/2025 via Resolution 2025-039.

Staff will present the updated policy to the EDA.

REQUESTED ACTION:
Receive and file as presented.

ATTACHMENTS:
1. Faribault Social Media Policy - 2025
2. Resolution 2025-039 Approve Social Media Policy

City of Faribault, Minnesota
Social Media Policy

Purpose

Social networking in government serves two primary functions: to communicate and deliver messages directly to citizens and to encourage citizen involvement, interaction, and feedback. Information which is distributed via social networking must be accurate, consistent, and timely and meet the information needs of the City's intended audience. Social media is used for social networking, and this policy seeks to ensure proper administration of the City of Faribault's social media sites by its representatives.

The City has limited control of social media accounts with third parties (i.e., Facebook, Instagram, X (formerly Twitter), etc.). At the same time, there is a general expectation by the public that the City maintains a social media presence by which to share information about current City projects and City business. For municipal purposes, the City's social media accounts will be used for incidental, non-vital communication and general information only. It is not the purpose of the City's social media accounts to be a medium for transactions of City business. The one exception is in the case of a natural or man-made disaster, if it is determined by the City that the best means of communicating with the public is through the social media account(s).

The City of Faribault wishes to establish a positive and informative social media presence. City representatives have the responsibility to use the City's social media resources in an efficient, effective, ethical, and lawful manner pursuant to all existing City policies. This policy seeks to ensure proper use of the City of Faribault's social media sites by its representatives to minimize risk associated with social networking activities. City representatives include its employees and other agents of the City, including independent contractors and elected officials.

Policy

The City of Faribault will determine, at its discretion, how its web-based social media resources will be designed, implemented, and managed as part of its overall communication and information sharing strategy.

City of Faribault social media accounts are considered a City asset and administrator access to these accounts will be securely administered in accordance with the City's Computer Use Policy.

All social media websites created and utilized during the course and scope of an employee's performance of his/her job duties will be identified as belonging to the City of Faribault, including a link to the City's official website.

Scope
This policy applies to any existing or proposed social media websites sponsored, established, registered, or authorized by the City of Faribault. A formal list of the City's social media accounts is maintained by the City Administrator's Office.

The City does not create, collect, disseminate, or regulate use of any other social media accounts, including the personal accounts of its elected officials and staff. Questions regarding the scope of this policy should be directed to the Communications Manager.

Definition
Social media are internet and mobile-based applications, websites, and functions, other than email, for sharing and discussing information, where users can post photos, video, comments, and links to other information to create content on any imaginable topic. This may be referred to as "user-generated content" or "consumer-generated media."

Social media includes, but is not limited to:

- Social networking sites and apps such as Facebook, LinkedIn, Twitter, and Nextdoor
- Blogs
- Social news sites such as Reddit and Buzzfeed
- Video and photo sharing sites and apps such as YouTube, Instagram, SnapChat, and Flickr
- Wikis, or shared encyclopedias, such as Wikipedia
- An ever-emerging list of new web-based platforms generally regarded as social media or having many of the same functions as those listed above

As used in this policy, "employees and agents" means all City representatives, including its employees and other agents of the City, such as independent contractors, or elected officials.

"Social media manager" means any City employee or agent with administrator access who, when posting or responding to a post, appears to be the City social media account owner.

Rules of Use
City social media managers are responsible for managing City social media accounts or websites.

Facilities or departments wishing to have a new social media presence must initially submit a request to the Communications Manager in order to ensure social media accounts are kept to a sustainable number and policies are followed. All approved sites will be clearly marked as the City of Faribault site and will be linked with the official City website (www.ci.faribault.mn.us). No one may establish social media accounts or websites on behalf of the City unless authorized in accordance with this policy.

The City's social media page must conspicuously display or link to Appendix A of this policy which informs the public of the purpose of the social media presence and the terms one agrees to in accessing, using, or posting to the City's social media page.

Administration of all City social media websites will comply with applicable laws, regulations, and policies as well as proper business etiquette.

City social media accounts covered by this policy will not be used by social media managers for private or personal purposes or for the purpose of expressing private or personal views on personal, political, or policy issues or to express personal views or concerns pertaining to City employment relations matters.

The City respects employees and agents' rights to post and maintain personal websites, blogs and social media pages and to use and enjoy social media on their own personal devices during non-work hours. The City requires employees and agents to act in a prudent manner with regard to website and internet postings that reference the City of Faribault, its personnel, its operation or its property.

Employees and agents and others affiliated with the City may not use a City brand, logo or other City identifiers on their personal sites, nor post information that purports to be the position of the City without prior authorization, other than listing the City of Faribault as an employer under employment on their page. Failure to adhere to this could result in the Courts finding your page being deemed as a government page.

No City social media account may be used by the City or any social media manager to disclose private or confidential information. No social media website should be used to disclose sensitive information; if there is any question as to whether information is private, confidential, or sensitive, contact the Communications Manager.

Outside of situations of disaster, no City social media account will be used for transactions of city business. In the event a user initiates a request, application, or question through social media that affects city business or requires another city policy or process to be followed, follow up with that user by phone, email, or other channels. If comments are allowed, in the event of a question of general interest, a response may be given in comments, the initial post may be edited, or a subsequent post may be created to include the information.

City staff and Councilmembers are prohibited from deleting and/or hiding posts and related comments without prior approval to avoid violating Minnesota Public Records Law and to refrain from infringing on First Amendment rights. Comments posted by members of the public may be removed if they are in violation of Appendix A of this policy. Please consult with the Communications Manager and/or City Administrator before removing content.

City staff and Councilmembers are prohibited from blocking individuals and/or individual pages.

A member of the public whose comment is removed may appeal the removal of the comment and seek reconsideration of its removal by contacting the City in writing and explaining how the comment does not fall into one of the categories for removal. A written response should be provided as soon as reasonably possible.

A member of the public who disputes the legality of any portion of this policy may dispute the particular portion in writing. The City should acknowledge the claim promptly and, upon consultation of the city attorney, respond to the claim concerning legality of the policy portion as soon as reasonably possible under the circumstances.

Elected Officials and Officials Appointed to City Boards, Committees and Commissions

Official city social media sites shall not be used for campaigning purposes. Comments or links to any content that endorses or opposes political candidates or ballot propositions, including links to an elected official's campaign site, shall not be posted.

Elected officials and members serving on a City board, commission, or committee should be mindful of the risks of electronic communication in relation to the Minnesota Data Practices Act and Open Meeting Law; two-way communication between elected officials or between members of the City boards, commissions, committees should be avoided. Adding to a post or comment on a non-public, private social media website that would create a quorum of the group you represent is prohibited. If the comment or posting requires official review it should be handled before the group at a public meeting.

Account Transition

When an elected official leaves office, and if a social media account has been created for that seat, the account will transfer to the new office-holder. The accounts will be updated to reflect the new elected official.

Data Ownership and Retention

All communications or messages within social media accounts covered by this policy composed, sent, or received on City or personal equipment are the property of the City and will be subject to the Minnesota Government Data Practices Act. This law classifies certain information as available to the public upon request. As no transactions of City business shall be conducted through social media accounts (outside of disasters), in accordance with the City's records retention schedule, the City shall retain all social media messages only until read.

All City social media accounts (including those administered by City staff and elected officials) shall be archived via archiving software to allow for easy management of content. This web-based software is administered by the Communications Manager.

Policy Violations

Violations of this Policy will subject the employee to disciplinary action up to and including discharge from employment.

APPENDIX A

The purpose of the City of Faribault's social media presence is to provide members of the community with information in more places and more ways than were traditionally available. All content of this site is public and is subject to disclosure pursuant to the Minnesota Government Data Practices Act. Please be aware that anything you post may survive deletion, whether by you or others. Do not post sensitive or personally identifiable information, such as social security numbers.

Following or "friending" persons or organizations is not an endorsement by the City and is only intended as a means of broadening communication. The City is not responsible for content found at links to third parties, nor the views or opinions expressed by third-party comments.

Please be advised that comments falling into the following category or categories may be removed:

- Obscene or pornographic content
- Direct threats to persons or property
- Material asserted to violate the intellectual property of another person
- Private, personal information about a person published without his/her consent
- Information that endangers the public by compromising a public safety security system
- Statutorily private, confidential, or nonpublic data
- Commercial promotions or spam
- Hyperlinks to material that falls into at least one of the foregoing categories

Should your comment be removed by the City and you believe it does not fall into one of the above categories, contact the Communications Manager (accessibility@ci.farbault.mn.us) in writing to explain how the comment does not fall into one of these categories.

Should you wish to challenge the legality of any portion of this notice or the City's social media policy, you may contact Communications Manager (accessibility@ci.farbault.mn.us) in writing and explain the basis for the challenge in detail.

If you have any other questions about the City of Faribault's social media presence, contact Communications Manager at accessibility@ci.faribault.mn.us .

By accessing, using, or posting to this City of Faribault's social media page, you acknowledge you have been advised of the foregoing.

Representative Acknowledgement

I have received and read the above policy and have had an opportunity to ask any questions. I understand that my failure to follow this policy may result in disciplinary action, including revocation of system privileges or termination.

____ (Print Name)

____ (Signature)

____ (Position Title)

____ (Date)

State of Minnesota County of Rice

State of Minnesota
County of Rice

CITY OF FARIBAULT

RESOLUTION #2025- 039

APPROVE SOCIAL MEDIA POLICY

WHEREAS, the City of Faribault (the "City") wishes to continues its positive and informative social media presence by sharing information and engaging with its citizens; and

WHEREAS, the U.S. Supreme Court has issued a ruling which required the need to update the current Social Media Policy to provide better guidance on distinguishing the difference between personal and government pages; and

WHEREAS, the City wishes to provide City representatives and employees with the most up-to-date best practices and guidelines to ensure proper use of social media sites and to minimize risk associated with social networking activities; and

NOW, THEREFORE BE IT RESOLVED, the Faribault City Council approve the Social Media Policy.

Date Adopted: Feb. 11, 2025

Faribault City Council

____
Thomas J. Spooner, Mayor

ATTEST:

____
Jessica L. Kinser, City Administrator

City Of Faribault

Request for Action

TO:	Faribault Economic Development Authority
FROM:	Robert Harris III, Economic Development Coordinator
THROUGH:	David Wanberg, CED Director
MEETING DATE:	February 20, 2025
SUBJECT:	DIC Holdings Loan Extension

BACKGROUND:

In 2018, the EDA refinanced a loan originally made to DIC Holdings, an entity owned and operated by Matthew Drevlow, for improvements at 316, 318, and 320 Central. The refinance amount was $96,719.94, amortized over 15 years, with a balloon payment due in year 5. The remaining balloon payment of $63,490.90 is due in February 2025.

Mr. Drevlow has requested an extension on the loan until the project is complete, at which time he intends to pay the loan in full. The original loan was made from Fund 242 – Small Cities Development Program Revolving Loan Fund, which the City plans to repurpose for a downtown streetscape improvement project.

To accommodate this request while preserving Fund 242 for its intended use, staff recommends refinancing the remaining balance of $63,490.90 through Fund 251 – EDA Revolving Loan Fund. Staff further recommends fully amortizing the loan over the remaining 10-year period at the same interest rate of 2.5%, ensuring consistent and manageable repayment terms.

REQUESTED ACTION:

Refinance the loan through Fund 251 and fully amortize over 10 years at the same interest rate.

ATTACHMENTS:

1. Amended-Restated Loan Agreement - DIC Holdings - Executed Copy
2. DIC Holding loan amortization DRAFT

AMENDED AND RESTATED LOAN AGREEMENT

between

THE ECONOMIC DEVELOPMENT AUTHORITY OF FARIBAULT
as Authority

and

DIC HOLDINGS, LLC
as Borrower

Dated as of August 16, 2018

540267v1 AMB FA275-57

AMENDED AND RESTATED LOAN AGREEMENT

THIS AMENDED AND RESTATED LOAN AGREEMENT, dated this 16th Day of August, 2018 (the "Amended Agreement"), is made and entered into by and between the ECONOMIC DEVELOPMENT AUTHORITY OF FARIBAULT, a public body corporate and politic under the laws of Minnesota (the "EDA"), and Matt Drevlow d.b.a. DIC Holdings LLC (the "Borrower").

RECITALS

WHEREAS, pursuant to the resolutions, repayment agreements, mortgages, and promissory notes referenced herein and attached hereto, (collectively, the "Loans Documents") the city of Faribault (the "City") and the EDA loaned the Borrower three separate loans each in a principal amount of fifty thousand dollar loans for the addresses located at 316, 318, and 320 Central Avenue within the City, respectively, which Loans totaled one-hundred fifty thousand dollars in principal ($150,000.00) (collectively, the "Loans"); and

WHEREAS, the EDA previously approved Resolution 2006-28 wherein the EDA and the Borrower contemporaneously entered into a loan repayment agreement dated December 13, 2006, along with a mortgage and promissory note, copies of which are attached hereto as Exhibit A; and

WHEREAS, the EDA previously approved Resolution 2006-29 wherein the EDA and the Borrower contemporaneously entered into a loan repayment agreement dated December 13, 2006, along with a mortgage and promissory note, copies of which are attached hereto as Exhibit B; and

WHEREAS, the EDA previously approved Resolution 2006-30 wherein the EDA and the Borrower contemporaneously entered into a loan repayment agreement dated December 13, 2006, along with a mortgage and promissory note, copies of which are attached hereto as Exhibit C; and

WHEREAS, on or around July 18, 2013, the EDA and the Borrower agreed to terms which were not reduced to writing but which were intended to amend the terms of the Loan Documents to provide for a modification to the amortization of the Loan repayments and combine the Loans into a single loan; and

WHEREAS, as of the date of this Amended Agreement, the outstanding balance on the Loan is $96,719.94; and

WHEREAS, the Borrower has recently requested certain modifications to the Loan Documents to provide for an adjustment to the amortization of and payment schedule of Loan repayments, and to further memorialize the changes intended to be agreed upon in 2013; and

WHEREAS, the Authority and the Borrower have determined that it is necessary and desirable to make said modifications.

NOW, THEREFORE, in consideration of the promises and the mutual covenants hereinafter contained, the parties hereto covenant and agree as follows:

I. The recitals set forth and the exhibits attached hereto are incorporated herein by reference to this Amended Agreement as if set forth herein.

II. Notwithstanding anything to the contrary in the Loan Documents, the Borrower hereby agrees to repay the remaining principal and interest loan balance over a five-year term, commencing on September 1, 2018, with monthly payment amounts of $600.00, with a balloon payment for the remaining outstanding Loan amount due on August 1, 2023, in the approximate amount of $71,730.04. The payment schedule is attached hereto as <u>Exhibit D</u>.

III. The Borrower expressly agrees that the EDA shall retain its authority to foreclose on the prior mortgages and promissory notes executed by Borrower in favor of the EDA, pursuant to the updated loan terms of this Amended Agreement. It is the Borrower's express intent that the EDA shall have a fully-secured interest in the Loan as provided for in the mortgages and promissory notes previously issued and attached hereto.

IV. To the extent that any provision of the Loan Documents and this Amended Agreement conflict, the terms of this Amended Agreement shall supersede. Except as specifically amended herein, the Loan Documents remain in full force and effect.

V. The Borrower shall pay all costs of preparing this Second Amendment to Loan Documents.

[Remainder of this page intentionally left blank.]

IN WITNESS WHEREOF, the Authority has caused this Second Amendment to Loan Documents to be duly executed in its name and behalf and the Borrower has caused this Second Amendment t Loan Documents to be duly executed in its name and behalf as of the date and year first written above.

ECONOMIC DEVELOPMENT AUTHORITY OF FARIBAULT

By: ______________________
Steve Underdahl
Its: President

By: ______________________
Dave Albers
Its: Secretary/Treasurer

STATE OF MINNESOTA)
)ss
COUNTY OF RICE)

On this 30th day of December, 2018, before me, a Notary Public within and for said County, Steve Underdahl and Dave Albers, President and Secretary of the Faribault Economic Development Authority, respectively, personally appeared to me known to be the person(s) described herein and who executed the foregoing instrument and acknowledging that they executed the same as their own free act and deed, on behalf of the Economic Development Authority.

SANDRA K TIDEMANN
Notary Public
Minnesota
My Comm. Expires
Jan 31, 2019

Sandra Tidemann
____
Notary Public

BORROWER:

By: ______________________

STATE OF MINNESOTA)
)ss
COUNTY OF RICE)

On this 30th day of December, 2018, before me, a Notary Public within and for said County, Matt Drevlow a managing partner for DIC Holdings LLC, personally appeared to me known to be the person(s) described herein and who executed the foregoing instrument and acknowledging that they executed the same as their own free act and deed, on behalf of the Economic Development Authority.

Sandra Tidemann
____
Notary Public

SANDRA K TIDEMANN
Notary Public
Minnesota
My Comm. Expires
Jan 31, 2019

EXHIBIT A

Resolution 2006-28

Resolution 2006-28

A RESOLUTION APPROVING SCDP and SCDP DEFERRED FINANCING
FOR 316 CENTRAL AVENUE NORTH
Matt Drevlow d.b.a. D.I.C. Holdings L.L.C.

WHEREAS, the Economic Development Authority (EDA) and the City of Faribault support private efforts to rehabilitate, renovate, and restore targeted commercial properties in the central business district; and

WHEREAS, the City of Faribault was awarded funding through the Minnesota Department of Employment and Economic Development's Small Cities Development Program (SCDP) on May 05, 2004 for the rehabilitation of deteriorating commercial properties (CDAP 03-0600-O-FY04); and

WHEREAS, the Economic Development Authority and the City of Faribault have committed SCDP revolving loan fund revenues by Resolution No. 2004-174 and Resolution No. 2004-175 respectively, as stipulated in the above referenced SCDP contract, to assist in the rehabilitation and restoration of downtown commercial properties; and

WHEREAS, the EDA, on behalf of the City of Faribault, has received a request from Matt Drevlow d.b.a. D.I.C. Holdings L.L.C. for funds to assist in the rehabilitation of 316 Central Avenue; and

WHEREAS, the EDA has reviewed said request and found it to be in compliance with the goals and objectives of the City's 2004 South Central Comprehensive Revitalization Program SCDP program as amended and is not subject to the Business Subsidy requirements set forth in state law. According to MN Statutes 116J.993, assistance provided for the sole purpose of renovating old or decaying building stock or bringing it up to code and assistance provided for designated historic preservation districts, provided that the assistance is equal to or less than 50 percent of the total cost; are not considered a business subsidy.

NOW, THEREFORE, BE IT RESOLVED by the Economic Development Authority of the City of Faribault, Minnesota:

Section 1: That a $50,000.00 loan is awarded to Matt Drevlow d.b.a. D.I.C. Holdings L.L.C. for improvements at 316 Central Avenue in accordance with the guidelines established by the City of Faribault for the 2004 South Central Comprehensive Revitalization Program SCDP.

Section 2: That a $15,000.00 Deferred Loan is awarded to Matt Drevlow d.b.a. D.I.C. Holdings L.L.C. for improvements at 314 Central Avenue in accordance with the guidelines established by the EDA for 2004 South Central Comprehensive Revitalization Program SCDP.

Section 3: That the President and the Secretary are hereby authorized to execute on behalf of the EDA all required grant and loan agreements in furtherance of the above-approved project.

ADOPTED: 16 November, 2006

John Carlander, President

Attest

Timothy Madigan, Secretary

540267v1 AMB FA275-57

IA: City of Fault #46

58 37

Date 2-8-07 Receipt # 3327
Mortgage Registration Tax Paid of $ 115.00
Fran Windschitl, Rice County Auditor/Treasurer
Darlene Thibrault
Deputy

Document No
584637

OFFICE OF COUNTY RECORDER
RICE COUNTY, MINN
No. of Pages 5

I hereby certify that the within instrument was filed in this office for record on 02-08-2007 at 08:50 ☒ AM ☐ PM

02082007

Marsha DeGroot
Rice County Recorder

City of Faribault
Commercial Rehabilitation Loan Program
Mortgage

7

THIS INDENTURE, made this 17 day of December, 2006, between D.I.C. Holdings L.L.C., a Minnesota Limited Liability Company Matt Drevlow Manager referred to as Mortgagor), and the City of Faribault, Mortgagee.

WITNESSETH, that the Mortgagor, in consideration of the sum of Fifty Thousand dollars and 00/100 ($50,000.00), the Mortgagor in hand paid by the Mortgagee, the receipt whereof is hereby acknowledged, does hereby convey unto the Mortgagee, Forever, all of the land located in the County of Rice, and State of Minnesota, described as follows: See Attached Legal, *Rice County, Minnesota,* together with all hereditaments and appurtenances belonging thereto (the property).

TO HAVE AND TO HOLD THE SAME, to the Mortgagee forever. The Mortgagor covenants with Mortgagee as follows: That Mortgagor is lawfully seized of the Property and has good right to convey the same; that the Property is free from all encumbrances except as follows:

PROVIDED, NEVERTHELESS, That if the Mortgagor shall pay to the Mortgagee the sum of Fifty Thousand dollars and 00/100 ($50,000.00), according to the terms of the promissory note of even date herewith (the Note), the final payment being due and payable September 1, 2012, with interest at the rate of three (3%) percent per annum, and shall repay to the Mortgagee at the times and with interest as specified, all sums advanced in protecting the lien of this Mortgage, in payment of taxes of the Property, insurance premiums covering buildings thereon, principal or interest on any prior liens, expenses and attorney's fees herein provided for and sums advanced for any other purpose authorized herein, and shall keep and perform all the covenants and agreements herein contained, then this Mortgage shall be null and void, and shall be released at the Mortgagor's expense.

AND THE MORTGAGOR covenants with the Mortgagee as follows:

1. To pay the principal sum of money and interest as specified in the Note;

2. To pay all taxes and assessments now due or that may hereinafter become liens against the Property before penalty attaches thereto;

3. To keep all buildings, improvements and fixtures now or later located on or a part of the Property insured against loss by fire, extended coverage perils, vandalism, malicious mischief and, if applicable, steam boiler explosion, for at least the amount of full and insurable value at all times while any amount remains unpaid under this Mortgage. If any of the buildings, improvements or fixtures are located in a federally designated flood zone, and if flood insurance is available for that area, Mortgagor shall procure and maintain flood insurance in amounts reasonably satisfactory to the Mortgagee. Each insurance policy shall contain a loss payable clause in favor of the Mortgagee affording all rights and privileges customarily provided under the so-called standard mortgage clause. In the event of damage to the Property by fire or other casualty, the Mortgagor shall promptly give notice of such damage to the Mortgagee and the insurance company. The insurance shall be issued by an insurance company or companies licensed to do business in the State of Minnesota and acceptable to the Mortgagee. The insurance policies shall provide for not less than ten days written notice to the Mortgagee before cancellation, non-renewal, termination, or change in coverage, and the Mortgagor shall deliver to the Mortgagee a duplicate original or certificate of such insurance policies;

4. To pay, when due, both principal and interest of all prior liens or encumbrances;

5. To commit or permit no waste on the Property and to keep it in good repair;

6. To complete forthwith any improvements which may hereafter be under course of construction on the Property;

7. To preserve the Property façade for a period of ten years. Alterations of any kind to the Property's façade by the Mortgagor are prohibited without the expressed written consent of the Mortgage;

8. To pay any other expenses and attorney's fees incurred by the Mortgagee by reason of litigation with any third party for the protection of the lien of this Mortgage; and

In case of failure to pay said taxes and assessments, prior liens or encumbrances, expenses and attorney's fees as above specified, or to insure said buildings, improvements, and fixtures and deliver the policies as aforesaid, the Mortgagee may pay such taxes, assessments, prior liens, expenses and attorney's fees and interest thereon, or obtain such insurance, and the sums so paid shall bear interest from the date of such payment at the same rate set forth in the Note, and shall be impressed as an additional lien upon the Property and be immediately due and payable from the Mortgagor to the Mortgagee and this Mortgage shall from date thereof secure

the repayment of such advances with interest.

In case of default in any of the foregoing covenants, the Mortgagor confers upon the Mortgagee the option of declaring the unpaid balance of the Note and the interest accrued thereon, together with all sums advanced hereunder, immediately due and payable without notice, and hereby authorizes and empowers the Mortgagee to foreclose this Mortgage by judicial proceedings or to sell the Property at public auction and convey the same to the purchaser in fee simple in accordance with the statute, and out of the moneys arising from such sale to retain all sums secured hereby, with interest and all legal costs and charges of such foreclosure and the maximum attorney's fee permitted by law, which costs, charges and fees the Mortgagor herein agrees to Pay.

The Mortgagor and the Mortgagee further covenant and agree as follows:

1. Mortgagor shall be furnished a conformed copy of the Note and of this Mortgage at the time of execution or after recordation hereof.

2. Upon default of any covenant or agreement by Mortgagor under the terms of the Note or this Mortgage, Mortgagee prior to foreclosure shall mail notice to Mortgagor as provided herein specifying: (a) the nature of the default by the Mortgagor; (b) the action required to cure such default; (c) a date, not less than thirty (30) days from the date the notice is mailed to Mortgagor by which such default must be cured; and (d) that failure to cure such default on or before the date specified in the notice may result in acceleration of the sums secured by this Mortgage and sale of the Property. The notice shall further inform Mortgagor of the right to reinstate after acceleration and the right to bring a court action to assert the non-existence of a default or any other defense of the Mortgagor to acceleration and sale.

3. In addition to any notice required under applicable law to be given in another manner, (a) any notice to the Mortgagor provided for in this Mortgage shall be given by mailing such notice by certified mail addressed to the Mortgagor at the

   Property address or at such other address as the Mortgagor may designate by notice in writing to the Mortgagee as provided herein, and (b) any notice to the Mortgagee shall be given by certified mail, return receipt requested, to Mortgagee at the following address: City of Faribault, 208 First Avenue NW, Faribault, MN 55021 or to such other address as Mortgagee may designate by notice in writing to the Mortgagor as provided herein. Any notice provided for in this Mortgage shall be deemed to have been given to Mortgagor or Mortgagee when given in the manner designated herein.

The terms of this Mortgage shall run with the Property and bind the parties hereto and their successors in interest.

IN TESTIMONY WHEREOF, the Mortgagor has hereunto set their hand the day and year first above written.

Mortgagor(s)

Matt Drevlow, as manager

____

____

Date

STATE OF Minnesota)
)ss.
COUNTY OF Rice)

On this 13 day of December, 2006, before me, a Notary Public within and for said County, personally appeared Matt Drevlow, to be known to be the person(s) described in; and who executed the foregoing instrument, and acknowledged that they executed same as their free act and deed.

Notary Public

This document was drafted by:
The Economic Development Authority
208 First Avenue NW; Faribault, MN 55021

STANLEY E. GUSTAFSON
Notary Public-Minnesota
My Commission Expires Jan 31, 2011

Jan 31, 2011

STANLEY E. GUSTAFSON
Notary Public-Minnesota
My Commission Expires Jan 31, 2011

Jan 31, 2011

The North Two-thirds (N 2/3) of Lot 3, in Block 45, in the Original Town, now City, of Faribault, Rice County, Minnesota; Excepting therefrom the West 16 feet thereof, taken for alley purposes.

584637

A
City
Plat
SD-4-16

58 638

Document No.
584638

OFFICE OF COUNTY RECORDER
RICE COUNTY, MINN

No. of Pages 4

I hereby certify that the within instrument was filed in this office for record on 02-08-2007 at 08:51 [X] AM [ ] PM

02082007

Marsha DeGroot
Rice County Recorder

ECONOMIC DEVELOPMENT AUTHORITY
FACADE DEFERRED LOAN PROGRAM
REPAYMENT AGREEMENT

D

THIS AGREEMENT, made and entered into this 13 day of December, 2006, by and between D.I.C. Holdings L.L.C., a Minnesota Limited Liability Company Matt Drevlow Manager (hereinafter referred to as "Owner"), and the Economic Development Authority of the City of Faribault having its principal office at 208 NW First Avenue, Faribault, Minnesota (hereinafter referred to as "EDA").

WHEREAS, by Resolution No. 2006-28 on November 16, 2006, the EDA agreed to a deferred loan to the Owner, deferred loan Program funds (hereinafter referred as "Façade Deferred Loan"), relating to the real estate hereinafter described, in the amount of fifteen Thousand dollars ($15,000.00), but only on condition that Owner executes this Agreement.

NOW THEREFORE, in consideration of said Façade Deferred Loan, the parties do hereby agree as follows.

1. Owner covenants and agrees with the EDA that if the real estate hereinafter described is sold, transferred or otherwise conveyed, voluntarily or involuntarily, either while the Owner is living or by reason of the death of the Owner within a period of ten (10) years after the date of the Deferred Loan, Owner shall repay to the EDA a sum equal to the full amount of the Deferred Loan as set forth above.

   Any such repayment shall be made to the EDA no later than the 30th day following such sale, transfer or other conveyance, or on such later date or dates as EDA, in its sole discretion, may designate.

2. Owner further covenants and agrees with the EDA that if the façade of the real estate hereinafter described and benefiting from the use of Deferred Loan Program funds is altered in any way without the expressed written consent of the EDA within a period of ten (10) years after the date of the Deferred Loan, Owner shall repay to the EDA a sum equal to the full amount of the Facade Grant as set forth above.

   Any such repayment shall be made to the EDA no later than the 30th day following such sale, transfer or other conveyance, or on such later date or dates as EDA, in its sole discretion, may designate.

540267v1 AMB FA275-57

3. As security for Owner's obligation of repayment, and subject to the terms and conditions of this Agreement, Owner hereby grants and EDA shall and hereby does have, a lien on the real estate hereinafter described in the full amount necessary to satisfy said repayment obligation and the cost including reasonable attorney's fees, of collecting the same. The real estate subject to said lien is situated in Rice County, Minnesota, and is legally described as: SEE ATTACHED LEGAL

4. Promptly after the date of any sale, transfer or other conveyance of the above-described real estate (or, in the event of a sale by contract for deed at least ten (10) days prior to such date of sale), Owner or his/her heirs, executors, or representatives, shall give the EDA notice thereof.

5. In the event Owner or his/her heirs, executors or representatives shall fail or refuse to make a required repayment within said limited period, the EDA may, with or without notice to Owner, foreclose said lien in the same manner as an action for the foreclosure of mortgages upon said real estate, as by statute provided.

6. Said lien shall terminate and shall be of no further force or effect in the event the EDA has not, on or before, October 1, 2017, commenced an action in the aforesaid manner to foreclose the same.

7. This Agreement shall run with the aforesaid real estate and shall inure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, representatives, successors, and assigns.

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

Owner

Matt Drevlow

Matt Drevlow as manager of DIC Holdings

EDA

John Carlander, President

STATE OF MINNESOTA)
)ss
COUNTY OF RICE)

On this 13 day of December 2006, before me, a Notary Public within and for said County, Matt Drevlow, personally appeared to me known to be the person(s) described in and who executed the foregoing instrument and acknowledging that he executed the same as his free act and deed.

Notary Public

STANLEY E. GUSTAFSON
Notary Public-Minnesota
My Commission Expires Jan 31, 2011

Jan 31, 2011

STANLEY E. GUSTAFSON
Notary Public-Minnesota
My Commission Expires Jan 31, 2011

Jan 31, 2011

The foregoing instrument was acknowledged before me this 13 day of [illegible] 2006 by John Carlander, President of the EDA.

Notary Public

This document was drafted by:
The Faribault Economic Development Authority
208 First Avenue NW; Faribault, MN 55021

STANLEY E. GUSTAFSON
Notary Public-Minnesota
My Commission Expires Jan 31, 2011

Jan 31, 2011

8. If this Agreement is executed by a contract for deed vendor or a mortgagee of the property, as one of the Owners, such execution shall be deemed for the purpose of establishing and continuing the existence of the indebtedness described herein and the lien granted herein. However, in the event of default of the terms hereof, neither the EDA nor its assigns shall take any action against such contract for deed vendor except such as may be necessary in order to subject to the satisfaction of said indebtedness the property described herein.

The North Two-thirds (N 2/3) of Lot 3, in Block 45, in the Original Town, now City, of Faribault, Rice County, Minnesota; Excepting therefrom the West 16 feet thereof, taken for alley purposes.

584638

City of Faribault
Commercial Rehabilitation Loan Program
Promissory Note

Date: December 13, 2006

The undersigned, D.I.C. Holdings L.L.C., a Minnesota Limited Liability Company Matt Drevlow Manager grantee, for value received, promise to pay to the order of the City of Faribault (hereinafter called the Lender), at its main office located at 208 First Avenue NW Faribault, MN 55021, money of the United States of America, the principal sum Fifty Thousand dollars and 00/100 ($50,000.00) together with interest (calculated on the basis of actual days elapsed and a 365-day year) on the unpaid principal hereof, until this Note is fully paid at the annual rate of three (3%) percent.

Principle and interest, amortized over a twenty year period, shall be payable in Monthly installments of $ 277.30 each, beginning on the 1st day of October, 2007 and on the same day of each month thereafter for a period of 60 months, until on the 1st day of September, 2012. A final payment of Forty thousand Four hundred Thirty-one dollars and 61/100 (40,431.61) will be due on the 1st day of September, 2012, when the entire unpaid principal and accrued and unpaid interest shall become due and payable. Each installment when paid shall be applied first in payment of accrued interest and the balance thereof shall be applied in reduction of principal.

Additional Provisions

If interest hereon is not paid when due, or if any other indebtedness of the undersigned to the Lender is not paid when due, or if a garnishment summons or a writ of attachment is issued against or served upon the Lender for the attachment of any property of the undersigned in the Lender's possession or any indebtedness owing to the undersigned, or if the undersigned shall submit to the Lender any credit application or financial statement containing information which shall prove to be incorrect in any respect when made, or if the undersigned shall fail to pay when due any indebtedness the undersigned may owe for money borrowed, or if the holder shall at any time in good faith believe that the prospect of due and punctual payment of the Note is impaired, then, in any such event, the holder hereof may, at its option, declare this Note to be immediately due and payable and thereupon this Note shall be immediately due and payable, together with all unpaid interest accrued hereon, without notice or demand; provided, however, that if this Note is payable upon demand, nothing herein contained shall preclude or limit the holder hereof from demanding payment of this Note at any time and for any reason, without notice.

This Note shall also become automatically due and payable (including unpaid interest accrued hereon) without notice or demand should the undersigned die (if an individual) or should a petition be filed by or against the undersigned under the United States Bankruptcy Code, or if a trustee, receiver or similar officer is appointed for the undersigned or for the undersigned's property. If this Note is not paid on the due date, the Lender shall have the right to set off the indebtedness evidenced by this Note against any indebtedness of the Lender to the undersigned. The holder hereof may at any time renew this Note or extend its maturity date for any period and

releasing any accommodation maker, endorser or guarantor. The undersigned agrees to pay all costs of collection, including attorney's fees and legal expenses, in the event this Note is not paid when due whether suit is commenced or not, including costs and expenses in litigation, bankruptcy, or insolvency proceedings. Presentment or other demand for payment, notice of dishonor and protest are hereby waived by the undersigned. This Note shall be governed by the substantive laws of the State of Minnesota, except insofar as the Lender may rely on the laws of the United States to justify the interest rate charged hereunder.

Matt Drader as manager of O.J.C. Holdings — 12/13/06
Date

_______________________ ___________________
Date

EXHIBIT B

Resolution 2006-29

Resolution 2006-29

A RESOLUTION APPROVING SCDP and SCDP DEFERRED FINANCING
FOR 318 CENTRAL AVENUE NORTH
Matt Drevlow d.b.a. D.I.C. Holdings L.L.C.

WHEREAS, the Economic Development Authority (EDA) and the City of Faribault support private efforts to rehabilitate, renovate, and restore targeted commercial properties in the central business district; and

WHEREAS, the City of Faribault was awarded funding through the Minnesota Department of Employment and Economic Development's Small Cities Development Program (SCDP) on May 05, 2004 for the rehabilitation of deteriorating commercial properties
(CDAP 03-0600-O-FY04); and

WHEREAS, the Economic Development Authority and the City of Faribault have committed SCDP revolving loan fund revenues by Resolution No. 2004-174 and Resolution No. 2004-175 respectively, as stipulated in the above referenced SCDP contract, to assist in the rehabilitation and restoration of downtown commercial properties; and

WHEREAS, the EDA, on behalf of the City of Faribault, has received a request from Matt Drevlow d.b.a. D.I.C. Holdings L.L.C. for funds to assist in the rehabilitation of 318 Central Avenue; and

WHEREAS, the EDA has reviewed said request and found it to be in compliance with the goals and objectives of the City's 2004 South Central Comprehensive Revitalization Program SCDP program as amended and is not subject to the Business Subsidy requirements set forth in state law. According to MN Statutes 116J.993, assistance provided for the sole purpose of renovating old or decaying building stock or bringing it up to code and assistance provided for designated historic preservation districts, provided that the assistance is equal to or less than 50 percent of the total cost; are not considered a business subsidy.

NOW, THEREFORE, BE IT RESOLVED by the Economic Development Authority of the City of Faribault, Minnesota:

Section 1: That a $50,000.00 loan is awarded to Matt Drevlow d.b.a. D.I.C. Holdings L.L.C. for improvements at 318 Central Avenue in accordance with the guidelines established by the City of Faribault for the 2004 South Central Comprehensive Revitalization Program SCDP.

Section 2: That a $15,000.00 Deferred Loan is awarded to Matt Drevlow d.b.a. D.I.C. Holdings L.L.C. for improvements at 318 Central Avenue in accordance with the guidelines established by the EDA for 2004 South Central Comprehensive Revitalization Program SCDP.

Section 3: That the President and the Secretary are hereby authorized to execute on behalf of the EDA all required grant and loan agreements in furtherance of the above-approved project.

ADOPTED: 16 November, 2006

John Carlander, President

Attest

Timothy Madigan, Secretary

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City of
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Y-B 46

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Document No.
584640

OFFICE OF COUNTY RECORDER
RICE COUNTY, MINN

No. of Pages 4

I hereby certify that the within instrument was filed in this office for record on 02-08-2007 at 08:56 ☒ AM ☐ PM

02082007

Marsha DeGroot
Rice County Recorder

ECONOMIC DEVELOPMENT AUTHORITY
FACADE DEFERRED LOAN PROGRAM
REPAYMENT AGREEMENT

Y

THIS AGREEMENT, made and entered into this 13 day of December, 2006 by and between D.I.C. Holdings L.L.C., a Minnesota Limited Liability Company Matt Drevlow Manager (hereinafter referred to as "Owner"), and the Economic Development Authority of the City of Faribault having its principal office at 208 NW First Avenue, Faribault, Minnesota (hereinafter referred to as "EDA").

WHEREAS, by Resolution No. 2006-29 on November 16, 2006, the EDA agreed to a deferred loan to the Owner, deferred loan Program funds (hereinafter referred as "Façade Deferred Loan"), relating to the real estate hereinafter described, in the amount of fifteen Thousand dollars ($15,000.00), but only on condition that Owner executes this Agreement.

NOW THEREFORE, in consideration of said Façade Deferred Loan, the parties do hereby agree as follows.

1. Owner covenants and agrees with the EDA that if the real estate hereinafter described is sold, transferred or otherwise conveyed, voluntarily or involuntarily, either while the Owner is living or by reason of the death of the Owner within a period of ten (10) years after the date of the Deferred Loan, Owner shall repay to the EDA a sum equal to the full amount of the Deferred Loan as set forth above.

   Any such repayment shall be made to the EDA no later than the 30th day following such sale, transfer or other conveyance, or on such later date or dates as EDA, in its sole discretion, may designate.

2. Owner further covenants and agrees with the EDA that if the façade of the real estate hereinafter described and benefiting from the use of Deferred Loan Program funds is altered in any way without the expressed written consent of the EDA within a period of ten (10) years after the date of the Deferred Loan, Owner shall repay to the EDA a sum equal to the full amount of the Facade Grant as set forth above.

   Any such repayment shall be made to the EDA no later than the 30th day following such sale, transfer or other conveyance, or on such later date or dates as EDA, in its sole discretion, may designate.

3. As security for Owner's obligation of repayment, and subject to the terms and conditions of this Agreement, Owner hereby grants and EDA shall and hereby does have, a lien on the real estate hereinafter described in the full amount necessary to satisfy said repayment obligation and the cost including reasonable attorney's fees, of collecting the same. The real estate subject to said lien is situated in Rice County, Minnesota, and is legally described as: SEE ATTACHED LEGAL

4. Promptly after the date of any sale, transfer or other conveyance of the above-described real estate (or, in the event of a sale by contract for deed at least ten (10) days prior to such date of sale), Owner or his/her heirs, executors, or representatives, shall give the EDA notice thereof.

5. In the event Owner or his/her heirs, executors or representatives shall fail or refuse to make a required repayment within said limited period, the EDA may, with or without notice to Owner, foreclose said lien in the same manner as an action for the foreclosure of mortgages upon said real estate, as by statute provided.

6. Said lien shall terminate and shall be of no further force or effect in the event the EDA has not, on or before, October 1, 2017, commenced an action in the aforesaid manner to foreclose the same.

7. This Agreement shall run with the aforesaid real estate and shall inure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, representatives, successors, and assigns.

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

Owner EDA

Matt Drevlow, as manager D.I.C. Holdings Inc

______________________ John Carlander, President

STATE OF MINNESOTA)
)ss
COUNTY OF RICE)

On this 13 day of Dec. 2006, before me, a Notary Public within and for said County, Matt Drevlow, personally appeared to me known to be the person(s) described in and who executed the foregoing instrument and acknowledging that he executed the same as his free act and deed.

Notary Public

STANLEY E. GUSTAFSON
Notary Public-Minnesota
My Commission Expires Jan 31, 2011

Jan 31, 2011

STANLEY E. GUSTAFSON
Notary Public-Minnesota
2011

Jan, 31, 2006

540267v1 AMB FA275-57

The foregoing instrument was acknowledged before me this 13 day of Dec. 2006 by John Carlander, President of the EDA.

Notary Public

This document was drafted by:
The Faribault Economic Development Authority
208 First Avenue NW; Faribault, MN 55021

STANLEY E. GUSTAFSON
Notary Public-Minnesota
My Commission Expires Jan 31, 2011
Jan 31, 2011

8. If this Agreement is executed by a contract for deed vendor or a mortgagee of the property, as one of the Owners, such execution shall be deemed for the purpose of establishing and continuing the existence of the indebtedness described herein and the lien granted herein. However, in the event of default of the terms hereof, neither the EDA nor its assigns shall take any action against such contract for deed vendor except such as may be necessary in order to subject to the satisfaction of said indebtedness the property described herein.

The North Two-thirds (N 2/3) of Lot 3, in Block 45, in the Original Town, now City, of Faribault, Rice County, Minnesota; Excepting therefrom the West 16 feet thereof, taken for alley purposes.

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584639

Date 2-8-07 Receipt # 3227
Mortgage Registration Tax Paid of $ 115.00
Fran Windschitl, Rice County Auditor/Treasurer
Deputy

Document No. 584639

OFFICE OF COUNTY RECORDER
RICE COUNTY, MINN
No. of Pages 5

I hereby certify that the within instrument was filed in this office for record on 02-08-2007 at 08:55 ☒ AM ☐ PM

02082007

Marsha DeGroot
Rice County Recorder

City of Faribault
Commercial Rehabilitation Loan Program
Mortgage

D

THIS INDENTURE, made this 13 day of December, 2006, between D.I.C. Holdings L.L.C., a Minnesota Limited Liability Company Matt Drevlow Manager referred to as Mortgagor), and the City of Faribault, Mortgagee.

WITNESSETH, that the Mortgagor, in consideration of the sum of Fifty Thousand dollars and 00/100 ($50,000.00), the Mortgagor in hand paid by the Mortgagee, the receipt whereof is hereby acknowledged, does hereby convey unto the Mortgagee, Forever, all of the land located in the County of Rice, and State of Minnesota, described as follows: See Attached Legal, *Rice County, Minnesota,* together with all hereditaments and appurtenances belonging thereto (the property).

TO HAVE AND TO HOLD THE SAME, to the Mortgagee forever. The Mortgagor covenants with Mortgagee as follows: That Mortgagor is lawfully seized of the Property and has good right to convey the same; that the Property is free from all encumbrances except as follows:

PROVIDED, NEVERTHELESS, That if the Mortgagor shall pay to the Mortgagee the sum of Fifty Thousand dollars and 00/100 ($50,000.00), according to the terms of the promissory note of even date herewith (the Note), the final payment being due and payable September 1, 2012, with interest at the rate of three (3%) percent per annum, and shall repay to the Mortgagee at the times and with interest as specified, all sums advanced in protecting the lien of this Mortgage, in payment of taxes of the Property, insurance premiums covering buildings thereon, principal or interest on any prior liens, expenses and attorney's fees herein provided for and sums advanced for any other purpose authorized herein, and shall keep and perform all the covenants and agreements herein contained, then this Mortgage shall be null and void, and shall be released at the Mortgagor's expense.

AND THE MORTGAGOR covenants with the Mortgagee as follows:

1. To pay the principal sum of money and interest as specified in the Note;

2. To pay all taxes and assessments now due or that may hereinafter become liens against the Property before penalty attaches thereto;

3. To keep all buildings, improvements and fixtures now or later located on or a part of the Property insured against loss by fire, extended coverage perils, vandalism, malicious mischief and, if applicable, steam boiler explosion, for at least the amount of full and insurable value at all times while any amount remains unpaid under this Mortgage. If any of the buildings, improvements or fixtures are located in a federally designated flood zone, and if flood insurance is available for that area, Mortgagor shall procure and maintain flood insurance in amounts reasonably satisfactory to the Mortgagee. Each insurance policy shall contain a loss payable clause in favor of the Mortgagee affording all rights and privileges customarily provided under the so-called standard mortgage clause. In the event of damage to the Property by fire or other casualty, the Mortgagor shall promptly give notice of such damage to the Mortgagee and the insurance company. The insurance shall be issued by an insurance company or companies licensed to do business in the State of Minnesota and acceptable to the Mortgagee. The insurance policies shall provide for not less than ten days written notice to the Mortgagee before cancellation, non-renewal, termination, or change in coverage, and the Mortgagor shall deliver to the Mortgagee a duplicate original or certificate of such insurance policies;

4. To pay, when due, both principal and interest of all prior liens or encumbrances;

5. To commit or permit no waste on the Property and to keep it in good repair;

6. To complete forthwith any improvements which may hereafter be under course of construction on the Property;

7. To preserve the Property façade for a period of ten years. Alterations of any kind to the Property's façade by the Mortgagor are prohibited without the expressed written consent of the Mortgage;

8. To pay any other expenses and attorney's fees incurred by the Mortgagee by reason of litigation with any third party for the protection of the lien of this Mortgage; and

In case of failure to pay said taxes and assessments, prior liens or encumbrances, expenses and attorney's fees as above specified, or to insure said buildings, improvements, and fixtures and deliver the policies as aforesaid, the Mortgagee may pay such taxes, assessments, prior liens, expenses and attorney's fees and interest thereon, or obtain such insurance, and the sums so paid shall bear interest from the date of such payment at the same rate set forth in the Note, and shall be impressed as an additional lien upon the Property and be immediately due and payable from the Mortgagor to the Mortgagee and this Mortgage shall from date thereof secure

the repayment of such advances with interest.

In case of default in any of the foregoing covenants, the Mortgagor confers upon the Mortgagee the option of declaring the unpaid balance of the Note and the interest accrued thereon, together with all sums advanced hereunder, immediately due and payable without notice, and hereby authorizes and empowers the Mortgagee to foreclose this Mortgage by judicial proceedings or to sell the Property at public auction and convey the same to the purchaser in fee simple in accordance with the statute, and out of the moneys arising from such sale to retain all sums secured hereby, with interest and all legal costs and charges of such foreclosure and the maximum attorney's fee permitted by law, which costs, charges and fees the Mortgagor herein agrees to Pay.

The Mortgagor and the Mortgagee further covenant and agree as follows:

1. Mortgagor shall be furnished a conformed copy of the Note and of this Mortgage at the time of execution or after recordation hereof.

2. Upon default of any covenant or agreement by Mortgagor under the terms of the Note or this Mortgage, Mortgagee prior to foreclosure shall mail notice to Mortgagor as provided herein specifying: (a) the nature of the default by the Mortgagor; (b) the action required to cure such default; (c) a date, not less than thirty (30) days from the date the notice is mailed to Mortgagor by which such default must be cured; and (d) that failure to cure such default on or before the date specified in the notice may result in acceleration of the sums secured by this Mortgage and sale of the Property. The notice shall further inform Mortgagor of the right to reinstate after acceleration and the right to bring a court action to assert the non-existence of a default or any other defense of the Mortgagor to acceleration and sale.

3. In addition to any notice required under applicable law to be given in another manner, (a) any notice to the Mortgagor provided for in this Mortgage shall be given by mailing such notice by certified mail addressed to the Mortgagor at the

   Property address or at such other address as the Mortgagor may designate by notice in writing to the Mortgagee as provided herein, and (b) any notice to the Mortgagee shall be given by certified mail, return receipt requested, to Mortgagee at the following address: City of Faribault, 208 First Avenue NW, Faribault, MN 55021 or to such other address as Mortgagee may designate by notice in writing to the Mortgagor as provided herein. Any notice provided for in this Mortgage shall be deemed to have been given to Mortgagor or Mortgagee when given in the manner designated herein.

The terms of this Mortgage shall run with the Property and bind the parties hereto and their successors in interest.

IN TESTIMONY WHEREOF, the Mortgagor has hereunto set their hand the day and year first above written.

Mortgagor(s)

Matt Drevlow as manager, D.I.C. Holdings

____

12/13/06
Date

STATE OF Minnesota)
)ss.
COUNTY OF Rice)

On this 13 day of December, 2006, before me, a Notary Public within and for said County, personally appeared Matt Drevlow, to be known to be the person(s) described in, and who executed the foregoing instrument, and acknowledged that they executed same as their free act and deed.

Notary Public

This document was drafted by:
The Economic Development Authority
208 First Avenue NW; Faribault, MN 55021

STANLEY E. GUSTAFSON
Notary Public-Minnesota
My Commission Expires Jan 31, 2011

Jan 31, 2011

STANLEY E. GUSTAFSON
Notary Public-Minnesota
My Commission Expires Jan 31, 2011

Jan 31, 2011

540267v1 AMB FA275-57

The North Two-thirds (N 2/3) of Lot 3, in Block 45, in the Original Town, now City, of Faribault, Rice County, Minnesota; Excepting therefrom the West 16 feet thereof, taken for alley purposes.

584639

City of Faribault
Commercial Rehabilitation Loan Program
Promissory Note

Date: December 13, 2006

The undersigned, D.I.C. Holdings L.L.C., a Minnesota Limited Liability Company Matt Drevlow Manager grantee, for value received, promise to pay to the order of the City of Faribault (hereinafter called the Lender), at its main office located at 208 First Avenue NW Faribault, MN 55021, money of the United States of America, the principal sum Fifty Thousand dollars and 00/100 ($50,000.00) together with interest (calculated on the basis of actual days elapsed and a 365-day year) on the unpaid principal hereof, until this Note is fully paid at the annual rate of three (3%) percent.

Principle and interest, amortized over a twenty year period, shall be payable in Monthly installments of $ 277.30 each, beginning on the 1st day of October, 2007 and on the same day of each month thereafter for a period of 60 months, until on the 1st day of September, 2012. A final payment of Forty thousand Four hundred Thirty-one dollars and 61/100 (40,431.61) will be due on the 1st day of September, 2012, when the entire unpaid principal and accrued and unpaid interest shall become due and payable. Each installment when paid shall be applied first in payment of accrued interest and the balance thereof shall be applied in reduction of principal.

Additional Provisions

If interest hereon is not paid when due, or if any other indebtedness of the undersigned to the Lender is not paid when due, or if a garnishment summons or a writ of attachment is issued against or served upon the Lender for the attachment of any property of the undersigned in the Lender's possession or any indebtedness owing to the undersigned, or if the undersigned shall submit to the Lender any credit application or financial statement containing information which shall prove to be incorrect in any respect when made, or if the undersigned shall fail to pay when due any indebtedness the undersigned may owe for money borrowed, or if the holder shall at any time in good faith believe that the prospect of due and punctual payment of the Note is impaired, then, in any such event, the holder hereof may, at its option, declare this Note to be immediately due and payable and thereupon this Note shall be immediately due and payable, together with all unpaid interest accrued hereon, without notice or demand; provided, however, that if this Note is payable upon demand, nothing herein contained shall preclude or limit the holder hereof from demanding payment of this Note at any time and for any reason, without notice.

This Note shall also become automatically due and payable (including unpaid interest accrued hereon) without notice or demand should the undersigned die (if an individual) or should a petition be filed by or against the undersigned under the United States Bankruptcy Code, or if a trustee, receiver or similar officer is appointed for the undersigned or for the undersigned's property. If this Note is not paid on the due date, the Lender shall have the right to set off the indebtedness evidenced by this Note against any indebtedness of the Lender to the undersigned. The holder hereof may at any time renew this Note or extend its maturity date for any period and

releasing any accommodation maker, endorser or guarantor. The undersigned agrees to pay all costs of collection, including attorney's fees and legal expenses, in the event this Note is not paid when due whether suit is commenced or not, including costs and expenses in litigation, bankruptcy, or insolvency proceedings. Presentment or other demand for payment, notice of dishonor and protest are hereby waived by the undersigned. This Note shall be governed by the substantive laws of the State of Minnesota, except insofar as the Lender may rely on the laws of the United States to justify the interest rate charged hereunder.

Matt Dreelan as manager D.T.C. Holdings

Date 12/13/06

Date

540267v1 AMB FA275-57

EXHIBIT C

Resolution 2006-30

Resolution 2006-30

A RESOLUTION APPROVING SCDP and SCDP DEFERRED FINANCING
FOR 320 CENTRAL AVENUE NORTH
Matt Drevlow d.b.a. D.I.C. Holdings L.L.C.

WHEREAS, the Economic Development Authority (EDA) and the City of Faribault support private efforts to rehabilitate, renovate, and restore targeted commercial properties in the central business district; and

WHEREAS, the City of Faribault was awarded funding through the Minnesota Department of Employment and Economic Development's Small Cities Development Program (SCDP) on May 05, 2004 for the rehabilitation of deteriorating commercial properties (CDAP 03-0600-O-FY04); and

WHEREAS, the Economic Development Authority and the City of Faribault have committed SCDP revolving loan fund revenues by Resolution No. 2004-174 and Resolution No. 2004-175 respectively, as stipulated in the above referenced SCDP contract, to assist in the rehabilitation and restoration of downtown commercial properties; and

WHEREAS, the EDA, on behalf of the City of Faribault, has received a request from Matt Drevlow d.b.a. D.I.C. Holdings L.L.C. for funds to assist in the rehabilitation of 320 Central Avenue; and

WHEREAS, the EDA has reviewed said request and found it to be in compliance with the goals and objectives of the City's 2004 South Central Comprehensive Revitalization Program SCDP program as amended and is not subject to the Business Subsidy requirements set forth in state law. According to MN Statutes 116J.993, assistance provided for the sole purpose of renovating old or decaying building stock or bringing it up to code and assistance provided for designated historic preservation districts, provided that the assistance is equal to or less than 50 percent of the total cost; are not considered a business subsidy.

NOW, THEREFORE, BE IT RESOLVED by the Economic Development Authority of the City of Faribault, Minnesota:

Section 1: That a $50,000.00 loan is awarded to Matt Drevlow d.b.a. D.I.C. Holdings L.L.C. for improvements at 320 Central Avenue in accordance with the guidelines established by the City of Faribault for the 2004 South Central Comprehensive Revitalization Program SCDP.

Section 2: That a $15,000.00 Deferred Loan is awarded to Matt Drevlow d.b.a. D.I.C. Holdings L.L.C. for improvements at 320 Central Avenue in accordance with the guidelines established by the EDA for 2004 South Central Comprehensive Revitalization Program SCDP.

Section 3: That the President and the Secretary are hereby authorized to execute on behalf of the EDA all required grant and loan agreements in furtherance of the above-approved project.

ADOPTED: 16 November, 2006

John Carlander, President

Attest

Timothy Madigan, Secretary

540267v1 AMB FA275-57

R.L.
City Clerk
#46

#10221

Date 2-8-07 Receipt # 3227 Mortgage Registration Tax Paid of $ 115.00 Fran Windschitl, Rice County Auditor/Treasurer Darlene L. Lebrault Deputy	**Document No.** 041107 OFFICE OF REGISTRAR OF TITLES RICE COUNTY, MINN No. of Pages 5 I hereby certify that the within instrument was filed in this office for record on 02-08-2007 at 09:00 ☒ AM ☐ PM 02082007 **Marsha DeGroot** Registrar of Titles

City of Faribault
Commercial Rehabilitation Loan Program
Mortgage

D
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THIS INDENTURE, made this 13 day of December, 2006, between D.I.C. Holdings L.L.C., a Minnesota Limited Liability Company Matt Drevlow Manager referred to as Mortgagor), and the City of Faribault, Mortgagee.

WITNESSETH, that the Mortgagor, in consideration of the sum of Fifty Thousand dollars and 00/100 ($50,000.00), the Mortgagor in hand paid by the Mortgagee, the receipt whereof is hereby acknowledged, does hereby convey unto the Mortgagee, Forever, all of the land located in the County of Rice, and State of Minnesota, described as follows: See Attached Legal, *Rice County, Minnesota,* together with all hereditaments and appurtenances belonging thereto (the property).

TO HAVE AND TO HOLD THE SAME, to the Mortgagee forever. The Mortgagor covenants with Mortgagee as follows: That Mortgagor is lawfully seized of the Property and has good right to convey the same; that the Property is free from all encumbrances except as follows:

PROVIDED, NEVERTHELESS, That if the Mortgagor shall pay to the Mortgagee the sum of Fifty Thousand dollars and 00/100 ($50,000.00), according to the terms of the promissory note of even date herewith (the Note), the final payment being due and payable September 1, 2012, with interest at the rate of three (3%) percent per annum, and shall repay to the Mortgagee at the times and with interest as specified, all sums advanced in protecting the lien of this Mortgage, in payment of taxes of the Property, insurance premiums covering buildings thereon, principal or interest on any prior liens, expenses and attorney's fees herein provided for and sums advanced for any other purpose authorized herein, and shall keep and perform all the covenants and agreements herein contained, then this Mortgage shall be null and void, and shall be released at the Mortgagor's expense.

AND THE MORTGAGOR covenants with the Mortgagee as follows:

1. To pay the principal sum of money and interest as specified in the Note;

2. To pay all taxes and assessments now due or that may hereinafter become liens against the Property before penalty attaches thereto;

3. To keep all buildings, improvements and fixtures now or later located on or a part of the Property insured against loss by fire, extended coverage perils, vandalism, malicious mischief and, if applicable, steam boiler explosion, for at least the amount of full and insurable value at all times while any amount remains unpaid under this Mortgage. If any of the buildings, improvements or fixtures are located in a federally designated flood zone, and if flood insurance is available for that area, Mortgagor shall procure and maintain flood insurance in amounts reasonably satisfactory to the Mortgagee. Each insurance policy shall contain a loss payable clause in favor of the Mortgagee affording all rights and privileges customarily provided under the so-called standard mortgage clause. In the event of damage to the Property by fire or other casualty, the Mortgagor shall promptly give notice of such damage to the Mortgagee and the insurance company. The insurance shall be issued by an insurance company or companies licensed to do business in the State of Minnesota and acceptable to the Mortgagee. The insurance policies shall provide for not less than ten days written notice to the Mortgagee before cancellation, non-renewal, termination, or change in coverage, and the Mortgagor shall deliver to the Mortgagee a duplicate original or certificate of such insurance policies;

4. To pay, when due, both principal and interest of all prior liens or encumbrances;

5. To commit or permit no waste on the Property and to keep it in good repair;

6. To complete forthwith any improvements which may hereafter be under course of construction on the Property;

7. To preserve the Property façade for a period of ten years. Alterations of any kind to the Property's façade by the Mortgagor are prohibited without the expressed written consent of the Mortgage;

8. To pay any other expenses and attorney's fees incurred by the Mortgagee by reason of litigation with any third party for the protection of the lien of this Mortgage; and

In case of failure to pay said taxes and assessments, prior liens or encumbrances, expenses and attorney's fees as above specified, or to insure said buildings, improvements, and fixtures and deliver the policies as aforesaid, the Mortgagee may pay such taxes, assessments, prior liens, expenses and attorney's fees and interest thereon, or obtain such insurance, and the sums so paid shall bear interest from the date of such payment at the same rate set forth in the Note, and shall be impressed as an additional lien upon the Property and be immediately due and payable from the Mortgagor to the Mortgagee and this Mortgage shall from date thereof secure

the repayment of such advances with interest.

In case of default in any of the foregoing covenants, the Mortgagor confers upon the Mortgagee the option of declaring the unpaid balance of the Note and the interest accrued thereon, together with all sums advanced hereunder, immediately due and payable without notice, and hereby authorizes and empowers the Mortgagee to foreclose this Mortgage by judicial proceedings or to sell the Property at public auction and convey the same to the purchaser in fee simple in accordance with the statute, and out of the moneys arising from such sale to retain all sums secured hereby, with interest and all legal costs and charges of such foreclosure and the maximum attorney's fee permitted by law, which costs, charges and fees the Mortgagor herein agrees to Pay.

The Mortgagor and the Mortgagee further covenant and agree as follows:

1. Mortgagor shall be furnished a conformed copy of the Note and of this Mortgage at the time of execution or after recordation hereof.

2. Upon default of any covenant or agreement by Mortgagor under the terms of the Note or this Mortgage, Mortgagee prior to foreclosure shall mail notice to Mortgagor as provided herein specifying: (a) the nature of the default by the Mortgagor; (b) the action required to cure such default; (c) a date, not less than thirty (30) days from the date the notice is mailed to Mortgagor by which such default must be cured; and (d) that failure to cure such default on or before the date specified in the notice may result in acceleration of the sums secured by this Mortgage and sale of the Property. The notice shall further inform Mortgagor of the right to reinstate after acceleration and the right to bring a court action to assert the non-existence of a default or any other defense of the Mortgagor to acceleration and sale.

3. In addition to any notice required under applicable law to be given in another manner, (a) any notice to the Mortgagor provided for in this Mortgage shall be given by mailing such notice by certified mail addressed to the Mortgagor at the

   Property address or at such other address as the Mortgagor may designate by notice in writing to the Mortgagee as provided herein, and (b) any notice to the Mortgagee shall be given by certified mail, return receipt requested, to Mortgagee at the following address: City of Faribault, 208 First Avenue NW, Faribault, MN 55021 or to such other address as Mortgagee may designate by notice in writing to the Mortgagor as provided herein. Any notice provided for in this Mortgage shall be deemed to have been given to Mortgagor or Mortgagee when given in the manner designated herein.

The terms of this Mortgage shall run with the Property and bind the parties hereto and their successors in interest.

IN TESTIMONY WHEREOF, the Mortgagor has hereunto set their hand the day and year first above written.

Mortgagor(s)

Matt Drohar as manager, DIC Holdings, LLC

____

____
Date

STATE OF Minnesota)
)ss.
COUNTY OF Rice)

On this 13 day of December 2006, before me, a Notary Public within and for said County, personally appeared Matt Drohar, to be known to be the person(s) described in, and who executed the foregoing instrument, and acknowledged that they executed same as their free act and deed.

Notary Public

This document was drafted by:
The Economic Development Authority
208 First Avenue NW; Faribault, MN 55021

STANLEY E. GUSTAFSON
Notary Public-Minnesota
My Commission Expires Jan 31, 2011

Jan 31, 2011

EXHIBIT "A"

THE SOUTH ONE-THIRD (1/3) OF LOT FOUR (4) OF BLOCK FORTY-FIVE (45) OF THE ORIGINAL TOWN (NOW CITY) OF FARIBAULT, EXCEPT THE WEST SIXTEEN (16) FEET THEREOF, TOGETHER WITH AND SUBJECT TO THE RIGHTS AND OBLIGATIONS PROVIDED FOR IN AND BY THAT CERTAIN PARTY WALL AGREEMENT DATED MARCH 19, 1874, FILED FOR RECORD IN THE OFFICE OF THE REGISTER OF DEEDS OF RICE COUNTY, MINNESOTA, ON JULY 31, 1913 AND RECORDED IN SAID OFFICE IN BOOK 73 OF MORTGAGES ON PAGES 47 TO 49 INCLUSIVE, ACCORDING TO THE PLAT THEREOF ON FILE AND OF RECORD IN THE OFFICE OF THE REGISTER OF DEEDS IN AND FOR SAID COUNTY OF RICE.

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City
Fbdt
P. #46

10221

Document No. 041108

OFFICE OF REGISTRAR OF TITLES
RICE COUNTY, MINN

No. of Pages 4

I hereby certify that the within instrument was filed in this office for record on 02-08-2007 at 09:01 ☒ AM ☐ PM

02082007

Marsha DeGroot
Registrar of Titles

ECONOMIC DEVELOPMENT AUTHORITY
FACADE DEFERRED LOAN PROGRAM
REPAYMENT AGREEMENT

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THIS AGREEMENT, made and entered into this 13 day of December, 2006, by and between D.I.C. Holdings L.L.C., a Minnesota Limited Liability Company Matt Drevlow Manager (hereinafter referred to as "Owner"), and the Economic Development Authority of the City of Faribault having its principal office at 208 NW First Avenue, Faribault, Minnesota (hereinafter referred to as "EDA").

WHEREAS, by Resolution No. 2006-30 on November 16, 2006, the EDA agreed to a deferred loan to the Owner, deferred loan Program funds (hereinafter referred as "Façade Deferred Loan"), relating to the real estate hereinafter described, in the amount of fifteen Thousand dollars ($15,000.00), but only on condition that Owner executes this Agreement.

NOW THEREFORE, in consideration of said Façade Deferred Loan, the parties do hereby agree as follows.

1. Owner covenants and agrees with the EDA that if the real estate hereinafter described is sold, transferred or otherwise conveyed, voluntarily or involuntarily, either while the Owner is living or by reason of the death of the Owner within a period of ten (10) years after the date of the Deferred Loan, Owner shall repay to the EDA a sum equal to the full amount of the Deferred Loan as set forth above.

   Any such repayment shall be made to the EDA no later than the 30th day following such sale, transfer or other conveyance, or on such later date or dates as EDA, in its sole discretion, may designate.

2. Owner further covenants and agrees with the EDA that if the façade of the real estate hereinafter described and benefiting from the use of Deferred Loan Program funds is altered in any way without the expressed written consent of the EDA within a period of ten (10) years after the date of the Deferred Loan, Owner shall repay to the EDA a sum equal to the full amount of the Facade Grant as set forth above.

   Any such repayment shall be made to the EDA no later than the 30th day following such sale, transfer or other conveyance, or on such later date or dates as EDA, in its sole discretion, may designate.

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3. As security for Owner's obligation of repayment, and subject to the terms and conditions of this Agreement, Owner hereby grants and EDA shall and hereby does have, a lien on the real estate hereinafter described in the full amount necessary to satisfy said repayment obligation and the cost including reasonable attorney's fees, of collecting the same. The real estate subject to said lien is situated in Rice County, Minnesota, and is legally described as: SEE ATTACHED LEGAL

4. Promptly after the date of any sale, transfer or other conveyance of the above-described real estate (or, in the event of a sale by contract for deed at least ten (10) days prior to such date of sale), Owner or his/her heirs, executors, or representatives, shall give the EDA notice thereof.

5. In the event Owner or his/her heirs, executors or representatives shall fail or refuse to make a required repayment within said limited period, the EDA may, with or without notice to Owner, foreclose said lien in the same manner as an action for the foreclosure of mortgages upon said real estate, as by statute provided.

6. Said lien shall terminate and shall be of no further force or effect in the event the EDA has not, on or before, October 1, 2017, commenced an action in the aforesaid manner to foreclose the same.

7. This Agreement shall run with the aforesaid real estate and shall inure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, representatives, successors, and assigns.

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

Owner

Matt Drevlow, as manager of D.T.C. Holdings LLC

EDA

John Carlander, President

STATE OF MINNESOTA)
)ss
COUNTY OF RICE)

On this 17 day of December 2006, before me, a Notary Public within and for said County, Matt Drevlow, personally appeared to me known to be the person(s) described in and who executed the foregoing instrument and acknowledging that he executed the same as his free act and deed.

Notary Public

STANLEY E. GUSTAFSON
Notary Public-Minnesota
My Commission Expires Jan 31, 2011

Jan 31, 2006

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The foregoing instrument was acknowledged before me this 13 day of December 2006 by John Carlander, President of the EDA.

Notary Public

This document was drafted by:
The Faribault Economic Development Authority
208 First Avenue NW; Faribault, MN 55021

STANLEY E. GUSTAFSON
Notary Public-Minnesota
My Commission Expires Jan 31, 2011

Jan 31/2011

8. If this Agreement is executed by a contract for deed vendor or a mortgagee of the property, as one of the Owners, such execution shall be deemed for the purpose of establishing and continuing the existence of the indebtedness described herein and the lien granted herein. However, in the event of default of the terms hereof, neither the EDA nor its assigns shall take any action against such contract for deed vendor except such as may be necessary in order to subject to the satisfaction of said indebtedness the property described herein.

EXHIBIT "A"

THE SOUTH ONE-THIRD (1/3) OF LOT FOUR (4) OF BLOCK FORTY-FIVE (45) OF THE ORIGINAL TOWN (NOW CITY) OF FARIBAULT, EXCEPT THE WEST SIXTEEN (16) FEET THEREOF, TOGETHER WITH AND SUBJECT TO THE RIGHTS AND OBLIGATIONS PROVIDED FOR IN AND BY THAT CERTAIN PARTY WALL AGREEMENT DATED MARCH 19, 1874, FILED FOR RECORD IN THE OFFICE OF THE REGISTER OF DEEDS OF RICE COUNTY, MINNESOTA, ON JULY 31, 1913 AND RECORDED IN SAID OFFICE IN BOOK 73 OF MORTGAGES ON PAGES 47 TO 49 INCLUSIVE, ACCORDING TO THE PLAT THEREOF ON FILE AND OF RECORD IN THE OFFICE OF THE REGISTER OF DEEDS IN AND FOR SAID COUNTY OF RICE.

City of Faribault
Commercial Rehabilitation Loan Program
Promissory Note

Date: December 13, 2006

The undersigned, D.I.C. Holdings L.L.C., a Minnesota Limited Liability Company Matt Drevlow Manager grantee, for value received, promise to pay to the order of the City of Faribault (hereinafter called the Lender), at its main office located at 208 First Avenue NW Faribault, MN 55021, money of the United States of America, the principal sum Fifty Thousand dollars and 00/100 ($50,000.00) together with interest (calculated on the basis of actual days elapsed and a 365-day year) on the unpaid principal hereof, until this Note is fully paid at the annual rate of three (3%) percent.

Principle and interest, amortized over a twenty year period, shall be payable in Monthly installments of $ 277.30 each, beginning on the 1st day of October, 2007 and on the same day of each month thereafter for a period of 60 months, until on the 1st day of September, 2012. A final payment of Forty thousand Four hundred Thirty-one dollars and 61/100 (40,431.61) will be due on the 1st day of September, 2012, when the entire unpaid principal and accrued and unpaid interest shall become due and payable. Each installment when paid shall be applied first in payment of accrued interest and the balance thereof shall be applied in reduction of principal.

Additional Provisions

If interest hereon is not paid when due, or if any other indebtedness of the undersigned to the Lender is not paid when due, or if a garnishment summons or a writ of attachment is issued against or served upon the Lender for the attachment of any property of the undersigned in the Lender's possession or any indebtedness owing to the undersigned, or if the undersigned shall submit to the Lender any credit application or financial statement containing information which shall prove to be incorrect in any respect when made, or if the undersigned shall fail to pay when due any indebtedness the undersigned may owe for money borrowed, or if the holder shall at any time in good faith believe that the prospect of due and punctual payment of the Note is impaired, then, in any such event, the holder hereof may, at its option, declare this Note to be immediately due and payable and thereupon this Note shall be immediately due and payable, together with all unpaid interest accrued hereon, without notice or demand; provided, however, that if this Note is payable upon demand, nothing herein contained shall preclude or limit the holder hereof from demanding payment of this Note at any time and for any reason, without notice.

This Note shall also become automatically due and payable (including unpaid interest accrued hereon) without notice or demand should the undersigned die (if an individual) or should a petition be filed by or against the undersigned under the United States Bankruptcy Code, or if a trustee, receiver or similar officer is appointed for the undersigned or for the undersigned's property. If this Note is not paid on the due date, the Lender shall have the right to set off the indebtedness evidenced by this Note against any indebtedness of the Lender to the undersigned. The holder hereof may at any time renew this Note or extend its maturity date for any period and

releasing any accommodation maker, endorser or guarantor. The undersigned agrees to pay all costs of collection, including attorney's fees and legal expenses, in the event this Note is not paid when due whether suit is commenced or not, including costs and expenses in litigation, bankruptcy, or insolvency proceedings. Presentment or other demand for payment, notice of dishonor and protest are hereby waived by the undersigned. This Note shall be governed by the substantive laws of the State of Minnesota, except insofar as the Lender may rely on the laws of the United States to justify the interest rate charged hereunder.

Matt Drevlow as manager of D.T.C. Holdings — 12/13/06
Date

_______________________ — _______________________
Date

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EXHIBIT D

Updated Payment Schedule

Current Balance	$ 96,719.94	Approx 16.5 Year Amortization
Proposed Rate	2.5%	
Proposed Int Payment	$ 201.50	Est 5 Year Balloon $71,730.04
Proposed Payment	$ 600.00	

5 Year Payment Schedule				
Date	Balance	Payment	Interest	Principal
9/1/2018	$ 96,719.94	$ 600.00	$ 201.50	$ 398.50
10/1/2018	$ 96,321.44	$ 600.00	$ 200.67	$ 399.33
11/1/2018	$ 95,922.11	$ 600.00	$ 199.84	$ 400.16
12/1/2018	$ 95,521.95	$ 600.00	$ 199.00	$ 401.00
1/1/2019	$ 95,120.95	$ 600.00	$ 198.17	$ 401.83
2/1/2019	$ 94,719.12	$ 600.00	$ 197.33	$ 402.67
3/1/2019	$ 94,316.45	$ 600.00	$ 196.49	$ 403.51
4/1/2019	$ 93,912.94	$ 600.00	$ 195.65	$ 404.35
5/1/2019	$ 93,508.60	$ 600.00	$ 194.81	$ 405.19
6/1/2018	$ 93,103.41	$ 600.00	$ 193.97	$ 406.03
7/1/2018	$ 92,697.37	$ 600.00	$ 193.12	$ 406.88
8/1/2019	$ 92,290.49	$ 600.00	$ 192.27	$ 407.73
9/1/2019	$ 91,882.76	$ 600.00	$ 191.42	$ 408.58
10/1/2019	$ 91,474.18	$ 600.00	$ 190.57	$ 409.43
11/1/2019	$ 91,064.76	$ 600.00	$ 189.72	$ 410.28
12/1/2019	$ 90,654.47	$ 600.00	$ 188.86	$ 411.14
1/1/2020	$ 90,243.34	$ 600.00	$ 188.01	$ 411.99
2/1/2020	$ 89,831.34	$ 600.00	$ 187.15	$ 412.85
3/1/2020	$ 89,418.49	$ 600.00	$ 186.29	$ 413.71
4/1/2020	$ 89,004.78	$ 600.00	$ 185.43	$ 414.57
5/1/2020	$ 88,590.21	$ 600.00	$ 184.56	$ 415.44
6/1/2020	$ 88,174.77	$ 600.00	$ 183.70	$ 416.30
7/1/2020	$ 87,758.47	$ 600.00	$ 182.83	$ 417.17
8/1/2020	$ 87,341.30	$ 600.00	$ 181.96	$ 418.04
9/1/2020	$ 86,923.26	$ 600.00	$ 181.09	$ 418.91
10/1/2020	$ 86,504.35	$ 600.00	$ 180.22	$ 419.78
11/1/2020	$ 86,084.57	$ 600.00	$ 179.34	$ 420.66
12/1/2020	$ 85,663.91	$ 600.00	$ 178.47	$ 421.53
1/1/2021	$ 85,242.38	$ 600.00	$ 177.59	$ 422.41
2/1/2021	$ 84,819.97	$ 600.00	$ 176.71	$ 423.29
3/1/2021	$ 84,396.67	$ 600.00	$ 175.83	$ 424.17
4/1/2021	$ 83,972.50	$ 600.00	$ 174.94	$ 425.06
5/1/2021	$ 83,547.44	$ 600.00	$ 174.06	$ 425.94
6/1/2021	$ 83,121.50	$ 600.00	$ 173.17	$ 426.83
7/1/2021	$ 82,694.67	$ 600.00	$ 172.28	$ 427.72
8/1/2021	$ 82,266.95	$ 600.00	$ 171.39	$ 428.61
9/1/2021	$ 81,838.34	$ 600.00	$ 170.50	$ 429.50
10/1/2021	$ 81,408.84	$ 600.00	$ 169.60	$ 430.40
11/1/2021	$ 80,978.44	$ 600.00	$ 168.71	$ 431.29

12/1/2021	$ 80,547.14	$ 600.00	$ 167.81	$ 432.19
1/1/2022	$ 80,114.95	$ 600.00	$ 166.91	$ 433.09
2/1/2022	$ 79,681.86	$ 600.00	$ 166.00	$ 434.00
3/1/2022	$ 79,247.86	$ 600.00	$ 165.10	$ 434.90
4/1/2022	$ 78,812.96	$ 600.00	$ 164.19	$ 435.81
5/1/2022	$ 78,377.15	$ 600.00	$ 163.29	$ 436.71
6/1/2022	$ 77,940.44	$ 600.00	$ 162.38	$ 437.62
7/1/2022	$ 77,502.81	$ 600.00	$ 161.46	$ 438.54
8/1/2022	$ 77,064.28	$ 600.00	$ 160.55	$ 439.45
9/1/2022	$ 76,624.83	$ 600.00	$ 159.64	$ 440.36
10/1/2022	$ 76,184.46	$ 600.00	$ 158.72	$ 441.28
11/1/2022	$ 75,743.18	$ 600.00	$ 157.80	$ 442.20
12/1/2022	$ 75,300.98	$ 600.00	$ 156.88	$ 443.12
1/1/2023	$ 74,857.86	$ 600.00	$ 155.95	$ 444.05
2/1/2023	$ 74,413.81	$ 600.00	$ 155.03	$ 444.97
3/1/2023	$ 73,968.84	$ 600.00	$ 154.10	$ 445.90
4/1/2023	$ 73,522.94	$ 600.00	$ 153.17	$ 446.83
5/1/2023	$ 73,076.11	$ 600.00	$ 152.24	$ 447.76
6/1/2023	$ 72,628.36	$ 600.00	$ 151.31	$ 448.69
7/1/2023	$ 72,179.67	$ 600.00	$ 150.37	$ 449.63
8/1/2023	$ 71,730.04	$ 600.00	$ 149.44	$ 450.56

Loan amortization schedule

Enter values

Loan amount	$63,490.90
Annual interest rate	2.50%
Loan period in years	10
Number of payments per year	12
Start date of loan	2/14/2025

Optional extra payments $100.00

Loan summary

Scheduled payment	$598.53
Scheduled number of payments	120
Actual number of payments	88
Total early payments	$0.00
Total interest	$7,649.63

Lender name Woodgrove Bank

Payment number	Payment date	Beginning balance	Scheduled payment	Extra payment	Total payment	Principal	Interest	Ending balance	Cumulative interest
1	2/14/2025	$63,490.90	$598.53		$598.53	$466.26	$132.27	$63,024.64	$132.27
2	3/14/2025	$63,024.64	$598.53		$598.53	$467.23	$131.30	$62,557.42	$263.57
3	4/14/2025	$62,557.42	$598.53		$598.53	$468.20	$130.33	$62,089.22	$393.90
4	5/14/2025	$62,089.22	$598.53		$598.53	$469.18	$129.35	$61,620.04	$523.25
5	6/14/2025	$61,620.04	$598.53		$598.53	$470.15	$128.38	$61,149.89	$651.63
6	7/14/2025	$61,149.89	$598.53		$598.53	$471.13	$127.40	$60,678.76	$779.03
7	8/14/2025	$60,678.76	$598.53		$598.53	$472.11	$126.41	$60,206.64	$905.44
8	9/14/2025	$60,206.64	$598.53		$598.53	$473.10	$125.43	$59,733.55	$1,030.87
9	10/14/2025	$59,733.55	$598.53		$598.53	$474.08	$124.44	$59,259.46	$1,155.31
10	11/14/2025	$59,259.46	$598.53		$598.53	$475.07	$123.46	$58,784.39	$1,278.77
11	12/14/2025	$58,784.39	$598.53		$598.53	$476.06	$122.47	$58,308.33	$1,401.24
12	1/14/2026	$58,308.33	$598.53		$598.53	$477.05	$121.48	$57,831.28	$1,522.72
13	2/14/2026	$57,831.28	$598.53		$598.53	$478.05	$120.48	$57,353.23	$1,643.20

Payment number	Payment date	Beginning balance	Scheduled payment	Extra payment	Total payment	Principal	Interest	Ending balance	Cumulative interest
14	3/14/2026	$57,353.23	$598.53		$598.53	$479.04	$119.49	$56,874.19	$1,762.68
15	4/14/2026	$56,874.19	$598.53		$598.53	$480.04	$118.49	$56,394.15	$1,881.17
16	5/14/2026	$56,394.15	$598.53		$598.53	$481.04	$117.49	$55,913.11	$1,998.66
17	6/14/2026	$55,913.11	$598.53		$598.53	$482.04	$116.49	$55,431.07	$2,115.14
18	7/14/2026	$55,431.07	$598.53		$598.53	$483.05	$115.48	$54,948.02	$2,230.63
19	8/14/2026	$54,948.02	$598.53		$598.53	$484.05	$114.48	$54,463.97	$2,345.10
20	9/14/2026	$54,463.97	$598.53		$598.53	$485.06	$113.47	$53,978.91	$2,458.57
21	10/14/2026	$53,978.91	$598.53		$598.53	$486.07	$112.46	$53,492.83	$2,571.02
22	11/14/2026	$53,492.83	$598.53		$598.53	$487.08	$111.44	$53,005.75	$2,682.47
23	12/14/2026	$53,005.75	$598.53		$598.53	$488.10	$110.43	$52,517.65	$2,792.90
24	1/14/2027	$52,517.65	$598.53		$598.53	$489.12	$109.41	$52,028.53	$2,902.31
25	2/14/2027	$52,028.53	$598.53		$598.53	$490.14	$108.39	$51,538.40	$3,010.70
26	3/14/2027	$51,538.40	$598.53		$598.53	$491.16	$107.37	$51,047.24	$3,118.07
27	4/14/2027	$51,047.24	$598.53		$598.53	$492.18	$106.35	$50,555.06	$3,224.42
28	5/14/2027	$50,555.06	$598.53		$598.53	$493.21	$105.32	$50,061.86	$3,329.74
29	6/14/2027	$50,061.86	$598.53		$598.53	$494.23	$104.30	$49,567.62	$3,434.04
30	7/14/2027	$49,567.62	$598.53		$598.53	$495.26	$103.27	$49,072.36	$3,537.30
31	8/14/2027	$49,072.36	$598.53		$598.53	$496.29	$102.23	$48,576.07	$3,639.54
32	9/14/2027	$48,576.07	$598.53		$598.53	$497.33	$101.20	$48,078.74	$3,740.74
33	10/14/2027	$48,078.74	$598.53		$598.53	$498.36	$100.16	$47,580.38	$3,840.90
34	11/14/2027	$47,580.38	$598.53		$598.53	$499.40	$99.13	$47,080.97	$3,940.03
35	12/14/2027	$47,080.97	$598.53		$598.53	$500.44	$98.09	$46,580.53	$4,038.11
36	1/14/2028	$46,580.53	$598.53		$598.53	$501.49	$97.04	$46,079.05	$4,135.16
37	2/14/2028	$46,079.05	$598.53		$598.53	$502.53	$96.00	$45,576.52	$4,231.15
38	3/14/2028	$45,576.52	$598.53		$598.53	$503.58	$94.95	$45,072.94	$4,326.11
39	4/14/2028	$45,072.94	$598.53		$598.53	$504.63	$93.90	$44,568.31	$4,420.01
40	5/14/2028	$44,568.31	$598.53		$598.53	$505.68	$92.85	$44,062.63	$4,512.86

Payment number	Payment date	Beginning balance	Scheduled payment	Extra payment	Total payment	Principal	Interest	Ending balance	Cumulative interest
41	6/14/2028	$44,062.63	$598.53		$598.53	$506.73	$91.80	$43,555.90	$4,604.66
42	7/14/2028	$43,555.90	$598.53		$598.53	$507.79	$90.74	$43,048.12	$4,695.40
43	8/14/2028	$43,048.12	$598.53		$598.53	$508.84	$89.68	$42,539.27	$4,785.08
44	9/14/2028	$42,539.27	$598.53		$598.53	$509.90	$88.62	$42,029.37	$4,873.70
45	10/14/2028	$42,029.37	$598.53		$598.53	$510.97	$87.56	$41,518.40	$4,961.27
46	11/14/2028	$41,518.40	$598.53		$598.53	$512.03	$86.50	$41,006.37	$5,047.76
47	12/14/2028	$41,006.37	$598.53		$598.53	$513.10	$85.43	$40,493.27	$5,133.19
48	1/14/2029	$40,493.27	$598.53		$598.53	$514.17	$84.36	$39,979.10	$5,217.55
49	2/14/2029	$39,979.10	$598.53		$598.53	$515.24	$83.29	$39,463.87	$5,300.84
50	3/14/2029	$39,463.87	$598.53		$598.53	$516.31	$82.22	$38,947.55	$5,383.06
51	4/14/2029	$38,947.55	$598.53		$598.53	$517.39	$81.14	$38,430.17	$5,464.20
52	5/14/2029	$38,430.17	$598.53		$598.53	$518.47	$80.06	$37,911.70	$5,544.26
53	6/14/2029	$37,911.70	$598.53		$598.53	$519.55	$78.98	$37,392.16	$5,623.25
54	7/14/2029	$37,392.16	$598.53		$598.53	$520.63	$77.90	$36,871.53	$5,701.15
55	8/14/2029	$36,871.53	$598.53		$598.53	$521.71	$76.82	$36,349.82	$5,777.96
56	9/14/2029	$36,349.82	$598.53		$598.53	$522.80	$75.73	$35,827.02	$5,853.69
57	10/14/2029	$35,827.02	$598.53		$598.53	$523.89	$74.64	$35,303.13	$5,928.33
58	11/14/2029	$35,303.13	$598.53		$598.53	$524.98	$73.55	$34,778.15	$6,001.88
59	12/14/2029	$34,778.15	$598.53		$598.53	$526.07	$72.45	$34,252.07	$6,074.33
60	1/14/2030	$34,252.07	$598.53		$598.53	$527.17	$71.36	$33,724.91	$6,145.69
61	2/14/2030	$33,724.91	$598.53		$598.53	$528.27	$70.26	$33,196.64	$6,215.95
62	3/14/2030	$33,196.64	$598.53		$598.53	$529.37	$69.16	$32,667.27	$6,285.11
63	4/14/2030	$32,667.27	$598.53		$598.53	$530.47	$68.06	$32,136.80	$6,353.17
64	5/14/2030	$32,136.80	$598.53		$598.53	$531.58	$66.95	$31,605.22	$6,420.12
65	6/14/2030	$31,605.22	$598.53		$598.53	$532.68	$65.84	$31,072.54	$6,485.96
66	7/14/2030	$31,072.54	$598.53		$598.53	$533.79	$64.73	$30,538.74	$6,550.70
67	8/14/2030	$30,538.74	$598.53		$598.53	$534.91	$63.62	$30,003.84	$6,614.32

Payment number	Payment date	Beginning balance	Scheduled payment	Extra payment	Total payment	Principal	Interest	Ending balance	Cumulative interest
68	9/14/2030	$30,003.84	$598.53		$598.53	$536.02	$62.51	$29,467.82	$6,676.83
69	10/14/2030	$29,467.82	$598.53		$598.53	$537.14	$61.39	$28,930.68	$6,738.22
70	11/14/2030	$28,930.68	$598.53		$598.53	$538.26	$60.27	$28,392.43	$6,798.49
71	12/14/2030	$28,392.43	$598.53		$598.53	$539.38	$59.15	$27,853.05	$6,857.64
72	1/14/2031	$27,853.05	$598.53		$598.53	$540.50	$58.03	$27,312.55	$6,915.67
73	2/14/2031	$27,312.55	$598.53		$598.53	$541.63	$56.90	$26,770.92	$6,972.57
74	3/14/2031	$26,770.92	$598.53		$598.53	$542.76	$55.77	$26,228.16	$7,028.34
75	4/14/2031	$26,228.16	$598.53		$598.53	$543.89	$54.64	$25,684.28	$7,082.99
76	5/14/2031	$25,684.28	$598.53		$598.53	$545.02	$53.51	$25,139.26	$7,136.49
77	6/14/2031	$25,139.26	$598.53		$598.53	$546.15	$52.37	$24,593.11	$7,188.87
78	7/14/2031	$24,593.11	$598.53		$598.53	$547.29	$51.24	$24,045.81	$7,240.10
79	8/14/2031	$24,045.81	$598.53		$598.53	$548.43	$50.10	$23,497.38	$7,290.20
80	9/14/2031	$23,497.38	$598.53		$598.53	$549.58	$48.95	$22,947.80	$7,339.15
81	10/14/2031	$22,947.80	$598.53		$598.53	$550.72	$47.81	$22,397.08	$7,386.96
82	11/14/2031	$22,397.08	$598.53		$598.53	$551.87	$46.66	$21,845.22	$7,433.62
83	12/14/2031	$21,845.22	$598.53		$598.53	$553.02	$45.51	$21,292.20	$7,479.13
84	1/14/2032	$21,292.20	$598.53		$598.53	$554.17	$44.36	$20,738.03	$7,523.49
85	2/14/2032	$20,738.03	$598.53		$598.53	$555.32	$43.20	$20,182.71	$7,566.69
86	3/14/2032	$20,182.71	$598.53		$598.53	$556.48	$42.05	$19,626.23	$7,608.74
87	4/14/2032	$19,626.23	$598.53		$598.53	$557.64	$40.89	$19,068.59	$7,649.63

City Of Faribault

Request for Action

TO:	Faribault Economic Development Authority
FROM:	Robert Harris III, Economic Development Coordinator
THROUGH:	David Wanberg, CED Director
MEETING DATE:	February 20, 2025
SUBJECT:	Hotel Market Study proposals

BACKGROUND:
In January, the EDA approved issuing a Request for Proposals (RFP) for a hotel market feasibility study. The RFP was formally issued on Friday, February 7th, and the submission period closed on Friday, February 14th.

We received three responses to the RFP. Staff will review the proposals and provide a recommendation for EDA consideration at an upcoming meeting.

REQUESTED ACTION:
Staff recommendation is to move forward with HVS to conduct the Hotel Market Feasibility Study.

ATTACHMENTS:
1. Faribault EDA Hotel Market Study RFP
2. HVS- Hotel Market Study response
3. GSG- Hotel Market Study response

REQUEST FOR PROPOSALS (RFP)
Hotel Feasibility Study
Faribault Economic Development Authority

I. INTRODUCTION

The City of Faribault Economic Development Authority (EDA) is seeking proposals from qualified consulting firms to conduct a comprehensive Hotel Feasibility Study. The study will evaluate the market demand, site suitability, and economic impact of a potential new hotel development in Faribault, Minnesota. The findings will help inform future investment decisions and guide potential developers.

II. BACKGROUND

Faribault is a growing community located in southern Minnesota, with a strong industrial base, vibrant downtown, and a variety of recreational and cultural amenities. The city has seen increased visitor traffic due to its proximity to major highways, educational institutions, and regional attractions. The EDA aims to assess the feasibility of a new hotel to support local tourism, business travel, and event-driven demand.

III. SCOPE OF WORK

The selected consultant will be expected to perform the following tasks:

1. **Market Analysis**
   - Assess current and projected demand for hotel accommodations in Faribault.
   - Evaluate occupancy rates, ADR (Average Daily Rate), and RevPAR (Revenue per Available Room) trends.
   - Analyze visitor demographics and purpose of travel.
2. **Competitive Analysis**
   - Identify and analyze existing lodging facilities in and around Faribault.
   - Assess potential market gaps and opportunities for differentiation.
3. **Site Analysis**
   - Evaluate potential locations for hotel development.
   - Assess site accessibility, infrastructure, and proximity to key demand generators.

4. **Financial Feasibility**
    - Estimate development costs, financing options, and potential revenue projections.
    - Provide recommendations on hotel type (limited-service, full-service, boutique, etc.).
5. **Economic Impact Assessment**
    - Analyze the potential economic benefits of a hotel, including job creation and local tax revenue.
6. **Final Report & Presentation**
    - Provide a detailed written report with findings and recommendations.
    - Present findings to the EDA and key stakeholders.

IV. PROPOSAL REQUIREMENTS
Interested firms should submit a proposal that includes the following:

- **Company Information**: Name, address, and contact details.
- **Project Team**: Resumes and relevant experience of key personnel.
- **Project Approach**: Description of methodology, timeline, and deliverables.
- **Relevant Experience**: Examples of similar studies completed, including references.
- **Cost Proposal**: Detailed budget, including professional fees and expenses.

V. EVALUATION CRITERIA
Proposals will be evaluated based on:

- Demonstrated experience and expertise in hotel feasibility studies (30%)
- Quality and clarity of proposed methodology (25%)
- Understanding of the Faribault market and economic landscape (20%)
- Cost-effectiveness of proposal (15%)
- References and past performance (10%)

VI. SUBMISSION DEADLINE
Proposals must be submitted no later than **Friday, February 14, 2025** Late submissions will not be considered. Proposals should be submitted electronically in PDF format to Robert Harris III (rharristhe3rd@ci.faribault.mn.us) or mailed to:

Faribault Economic Development Authority
Attn: Robert Harris III, Economic Development Coordinator
208 1st Ave NW

Faribault, MN 55021

VII. QUESTIONS
For inquiries regarding this RFP, please contact Robert Harris III, Economic Development Coordinator at rharristhe3rd@ci.faribault.mn.us or (507) 606-1524. All questions must be submitted by Wednesday, February 12, 2025, and responses will be provided to all interested parties.

VIII. RIGHTS RESERVED
The EDA reserves the right to reject any or all proposals, waive informalities, and negotiate contract terms with the selected consultant. This RFP does not commit the EDA to award a contract or pay any costs associated with proposal preparation.

HVS
33972 North Oak Drive
Pequot Lakes, Minnesota, 56472

+1 (303) 588-6558

www.hvs.com

February 7, 2025

Mr. Robert Harris III
Economic Development Coordinator
City of Faribault
208 NW 1st Avenue
Faribault, Minnesota 55021
507-333-0376
rharristhe3rd@ci.faribault.mn.us

Re: Proposed Hotel
Faribault, Minnesota

Dear Mr. Harris:

Thank you for your recent call pertaining to your Faribault, Minnesota project; we are pleased to submit this proposal for our services. We are certain that we will be able to provide you with the precise mix of experience and skills you will need for this engagement. HVS is internationally recognized as the leader in hospitality consulting, providing the highest quality experience in this arena.

The attached proposal sets forth a description of the objectives and scope of the assignment, along with a detailed description of the methodology to be employed, an estimate of the time requirements, and a schedule of professional fees. The proposal also includes a list of requested information that we would require for completing the study.

If the proposal meets your acceptance, please sign and return a copy with your retainer payment. If you have any questions regarding the contents of the proposal, please do not hesitate to contact me. Thank you for the opportunity to submit this proposal for your project.

Very truly yours,
HVS division of TS Worldwide LLC

Tanya Pierson, MAI
Senior Managing Director
TPierson@hvs.com
+1 (303) 588-6558

HVS

PROPOSAL FOR A HOTEL MARKET STUDY

Faribault, Minnesota

SUBMITTED TO:

Mr. Robert Harris III
Economic Development Coordinator
City of Faribault
208 NW 1st Avenue
Faribault, Minnesota 55021
507-333-0376
rharristhe3rd@ci.faribault.mn.us

PREPARED BY:

HVS
HVS division of TS Worldwide LLC
33972 North Oak Drive
Pequot Lakes, Minnesota, 56472
+1 (303) 588-6558

February 7, 2025

Proposal for a Market Study

Pursuant to our conversation, we are pleased to submit this proposal for services of HVS division of TS Worldwide LLC in connection with the proposed hotel project in Faribault, Minnesota. This letter sets forth a description of the objectives and scope of the assignment, along with the methodology to be employed, an estimate of the time requirements, and a schedule of professional fees.

Intended Use and User of the Engagement

The feasibility study is being prepared for the use of the City of Faribault in connection with internal business decisions related to the development of a new hotel property. We are acting as consultants to test the needs of the market and feasibility of the project.

Objective

The objective of this assignment is to perform a market feasibility study for the purpose of evaluating the market demand and analyzing the economics in Faribault. Our study will also include an evaluation of two hotel sites, recommendation of the size, quality and type of lodging facility, and an optimal brand chain scale for a limited-service hotel. We will forecast occupancy and average rate (ADR) levels, and project income and expense for a proposed hotel in Faribault, Minnesota.

Phase Ia: Fieldwork

To accomplish the objective described above, our work will be conducted in phases, beginning with fieldwork, which typically includes the following steps:

a) An onsite inspection of up to two potential sites will be made. The physical orientation of the subject sites with respect to access and visibility to highways, other forms of transportation, and the local demand for accommodations will be analyzed. We will also review the supportive nature of surrounding land uses as they relate to the subject sites. We will provide feedback/SWOT on each of the sites

b) The demand for transient accommodations will be investigated to identify the various generators of visitation operating within the local market. The current and anticipated potential of each of these market segments will be evaluated to determine the extent of existing and future demand. Interviews with officials of business and government, as well as statistical data collected during the fieldwork, are useful in locating and quantifying transient demand. In conjunction with the identification of potential demand, an investigation will be made of the respective strengths of these markets in terms of seasonality, weekly demand fluctuations, vulnerability to economic trends and changes in travel patterns, and other related factors. Similar market-research procedures are utilized in estimating the demand for food and beverage (F&B) outlets, meeting space, and other facilities, as applicable.

c) The market orientation of nearby lodging facilities will be evaluated to determine their competitive position with respect to the subject site. Those properties displaying similar market attributes will receive a physical inspection, along with selective management interviews, to estimate levels of occupancy, room rates, market segmentation, and other pertinent operational characteristics. Some of the competitive factors that will be specifically reviewed include location, type and quality of facilities, physical condition, management expertise, and chain affiliation.

d) Statistical data relating to general economic and demographic trends often foreshadow future potential for market areas and neighborhoods. Interviews with local Chambers of Commerce, economic development agencies, and other related organizations, along with an investigation of the proposed subject property's primary market area, will reveal patterns reflecting growth, stability, or decline.

e) Through interviews with hotel operators, developers, governmental officials, and others, we will ascertain the status of projects under construction, proposed, or rumored that might be competitive with the proposed subject hotel.

Phase Ib: Demand Interviews

Surveys of potential users provide vital information regarding the market potential of proposed facilities. We will have to disclose the nature of our work to area businesses/generators of hotel demand. HVS will identify an appropriate sample of corporate demand generators (major employers and area businesses), and area event centers, if applicable, that reflect primary segments of potential demand:

a) HVS will select various corporate and group demand generators to contact directly to attain detail on their views of the market. These interviews engage corporate travel departments in conversation regarding their lodging needs, meeting facility needs, impressions of the market, proposed site, and desired accommodations. In addition, we will try to ascertain the number of annual room nights required, average length of stay, and average rate (when this information can be disclosed/quantified). For this phase we will need to disclose that we are working on a hotel market study for a project in Faribault, and would appreciate your assistance with introductions/contacts.

Phase II: Market Analysis

The following analysis phase will utilize data and information gathered during the fieldwork phase, along with our extensive library of actual hotel operating statements, financial statistics, area hotel trends, and investor requirements. We will first compose recommendations for the proposed hotel's facilities and brand chain scale, which will be based on the demands of the local and pertinent regional market and will address the following points:

- Room count and room type
- F&B facilities
- Meeting/function space
- Recreational amenities
- Brand chain scale

Based on the above-noted recommendations, we will then perform a supply-and-demand analysis for the competitive market, which typically includes the following steps:

a) Using the occupancy levels and market segmentations of the competitive properties, the number of room nights accommodated in each segment is calculated by multiplying each property's room count by its occupancy, market segmentation, and 365 days, which yields the accommodated-room-night demand. The annual number of room nights occupied per room in each segment is also calculated (room nights occupied per year divided by the room count), and the resulting figure serves as a competitive index.

b) Latent demand (unaccommodated and induced demand) is estimated for each market segment.

c) Growth rates are projected for each of the market segments.

d) The total usable room-night demand, which consists of usable latent demand and accommodated demand, is projected.

e) The area's guestroom supply and total room nights available are quantified for each projection year.

f) The overall competitive occupancy is calculated for each projection year.

Phase III: Analysis for Proposed Subject Property

Using competitive indexes, the relative competitiveness of each of the area hotels will be evaluated. The proposed subject property will be positioned accordingly by demand segment, reflecting the hotel's expected competitiveness across all relevant user groups. This will result in a market- and property-appropriate forecast of segmentation, penetration, and occupancy levels.

We will also perform a similar competitive positioning analysis for the proposed hotel's forecasted room rate, which will result in a quantification and documentation of probable future trends in the proposed subject property's overall rooms revenues.

A similar procedure will be utilized in projecting F&B revenues, if applicable, and other revenues. Using actual income and expense statements of comparable lodging facilities, we will develop income and expense estimates corresponding to the level of activity and quality of operations indicated by the projected occupancy and ADR.

A projection of income and expenses representing future expectations of income potential will be made for a ten-year period. This analysis will utilize HVS Software—a sophisticated, computerized financial-analysis package that was developed by Steve Rushmore and Suzanne Mellen. The logic behind the projection of income and expense is based on the premise that hotel revenue and expenses have one component that is fixed and another that varies directly with occupancy and facility usage. The software takes a known level of revenue or expense and calculates the fixed and variable components. The fixed component is then held constant, while the variable component is adjusted for the percent change between the projected occupancy and facility usage that produced the known level of revenue or expense. Our projected income statements conform with the Uniform System of Accounts for the Lodging Industry (USALI) and include a detailed line-by-line account of all revenue sources and expenses.

Phase IV: Feasibility Analysis

Based on an estimated all-in cost (provided from outside source) and the forecasted EBITDA, the return on investment (ROI) to the total property will be calculated. The indicated ROI will be compared to surveys reflecting the prevailing return requirements in the current market.

Upon completion of our fieldwork and analysis (Phases I-IV), we will provide you with a series of tables that include market research and projections for discussion purposes. At this point you may choose to end our engagement or continue onto the written report or summary of findings (Phase V).

Phase V: Written Report

Complete documentation of our fieldwork and analyses will be set forth in a written report and will contain the following sections:

- Purpose of the market study
- Site evaluation
- Review of the market area
- Analysis of the market for hotel accommodations
- Examination of existing and proposed competition
- Facilities and brand chain-scale recommendation
- Projection of occupancy and average rate
- Income and expense projections

As an alternative, our fieldwork and analyses could be set forth in a summary letter of findings report (15-20 page document) which would contain the following sections:

1. Overview of the local economy
2. Lodging market trends and facility review
3. Projection of occupancy and average rate
4. Income and expense projections

When appropriate, we will include graphics such as photographs, maps, surveys, plans, and charts to assist in visualizing our findings.

Additional Services

Following the completion of this engagement, HVS can be engaged for additional development consulting services at the client's discretion, including the following:

- Design and Architecture
- Development Project Management
- Construction Management
- Financing
- Franchise/Brand Search and Contract Negotiations
- Management/Operator Search and Contract Negotiations
- Hotel Management

- Asset Management
- Spa & Wellness Consulting

Requested Information

To aid us in performing this assignment, we request that you provide us with the following information (where applicable):

a) Name of contact person for site tours

b) Terms of purchase or sale of the site, including options and listings, as well as the price, date, and financing information; please include a copy of the contract and closing statement

c) The most recent real property tax bill for the land

d) Name of legal owner and detailed ownership history for the subject site for the last five years

e) survey, and legal description in PDF

f) If available: any preliminary management contracts and franchise agreements that may be in place

g) If available: past appraisals, market and feasibility studies, impact studies, prospectuses, STAR reports, and any Phase I or Phase II environmental audit reports

Timing

We anticipate that Phases I - IV of the market study will be completed within approximately 40 days from the date we receive the signed proposal, retainer payment, and all requested information. At that time, we will provide you with a *verbal* summary of findings; for this conference, we will provide you with various charts and data tables that support our findings.

After your review of our findings, upon your authorization and payment of our invoice, we will then prepare the market study report or summary of findings (Phase V), which will take an additional 10-15 business days.

Signed Proposal & Retainer Received by HVS
Requested Information Received by HVS

↓

Fieldwork & Analysis Timing Commences

↓

Study Findings (Tables) Provided to You
Invoice Provided for Narrative Report

↓

Payment for Remaining Assignment Fee Received by HVS
Writing Phase Commences (after full payment)

↓

Narrative Report Provided to You

Professional Fees

Our fee for Phases I, II, III and IV will be $9,500, payable *upon execution* of this agreement. Our fee for Phase V (as a narrative market study) will be an additional $3,000, payable upon your request for this phase. As an alternative, should you choose to have us prepare a summary of findings report instead of a narrative study, our fee for Phase V would be reduced to $1,500 and the balance payable *upon request* for the report.

It is our normal policy to provide an electronic draft copy of our final report for your review. After confirmation that our invoice for services has been paid in full, this draft will be provided in PDF and will include a watermark "DRAFT." Upon your approval of this draft, we will commence preparation of the final report. This fee includes one electronic copy of the final report, which will be delivered to you via email in PDF. Reports are not transmitted in Microsoft Word format.

In addition to our professional fees, you agree to reimburse us for reasonable out-of-pocket travel and related expenses (including a $750 charge for an STR Trend Report) up to a maximum of $900, incurred while traveling on your behalf. You will be billed periodically for these expenses, which will be due and payable upon presentation of our bills. Our professional fee includes one site visit to the market.

After completing the fieldwork phase of this assignment, should it become necessary to alter the parameters of the study, such as the property description, opening date, location, or any other factor that could change the final conclusions, the TS Worldwide LLC will be entitled to charge an additional fee based on our current per-diem rates and the time required to incorporate the necessary changes into our analysis and report. In addition, the estimate of timing will be extended by an amount equal to the added work.

Payment Due Dates

If payment for professional fees and out-of-pocket travel and related expenses is not received within thirty (30) days of the billing date, HVS reserves the right to suspend all work until payment is made and apply a service charge of 1.5% per month, or fraction thereof, to the total unpaid sum. Should any type of action become necessary to enforce collection of bills rendered, it is further agreed that you (the client) or the prevailing party will be responsible for all collection costs, including but not limited to court costs and reasonable legal fees. It is understood that HVS may extend the time for payment on any part of billings rendered without affecting the understanding outlined above.

Collection of Outstanding Professional Fees

The parties to this contract agree that any disputes regarding professional fees and/or other charges owed to HVS will be resolved in accordance with Texas law (TS Worldwide is a Texas-based LLC with a home office location of 2601 Sagebrush Drive, Suite 101, Flower Mound, Texas, 75028). The parties to this contract further agree that (a) any legal action regarding money owed to HVS will take place in Texas; (b) Texas courts have exclusive jurisdiction for resolution of disputes; and (c) the plaintiff will have the choice of venue in any county in the State of Texas.

Limitations of Liability

It is agreed that our company's liability, our employees, and anyone else associated with this assignment is limited to the amount of the fee paid as liquidated damages. You acknowledge that any opinions, recommendations, and conclusions expressed during this assignment will be rendered by the staff acting solely as employees and not as individuals. Our responsibility is limited to the client; use of our product by third parties shall be solely at the risk of the client and/or third parties. The study described in this proposal will be made subject to certain assumptions and limiting conditions. A copy of our normal assumptions and limiting conditions will be provided upon request.

Conclusion

If the foregoing proposal meets with your acceptance, please sign and return with your retainer payment in the amount of $9,500. Your signature beneath the words "Agreed to and Accepted" signifies your agreement to employ the HVS division of TS Worldwide LLC for these services. To schedule our assignments and perform your study in accordance with the timing set forth above, we ask that you return an executed copy of this agreement by March 6, 2025. We appreciate the opportunity of submitting this proposal and look forward to working with you on this assignment.

Very truly yours,
HVS division of TS Worldwide LLC

Tanya Pierson, MAI
TPierson@hvs.com
+1 (303) 588-6558

AGREED TO AND ACCEPTED

Robert Harris
City of Faribault

Signature: ______________________

Date: __________________________

INVOICE FOR RETAINER

Date: February 7, 2025
Terms: *Due Prior to Start of Assignment*

Mr. Robert Harris
City of Faribault
208 NW 1st Avenue
Faribault, Minnesota 55021

Re: Proposed Hotel
Faribault, Minnesota
(HVS staff member: Tanya Pierson, MAI)

HVS Accounting Office
1615 Foxtrail Drive
Suite 230
Loveland, CO80538
(970) 666-1377
www.hvs.com

Project	*Amount Due*
Hotel Market Report	$9,500

Please make all checks payable to TS Worldwide, LLC
(dba HVS)
Tax ID #20-2762887
Please remit to:
HVS
1615 Foxtrail Drive
Suite 230
Loveland, CO 80538

****PLEASE INCLUDE A COPY OF THIS INVOICE WITH YOUR CHECK PAYMENT****

Wire Instructions:
Please notify mculbertson@hvs.com of all wire transmissions.
JPMorgan Chase Bank
270 Park Avenue
New York, NY 10017
Account Name: TS Worldwide, LLC
Transit ABA #: 021000021
Swift Code: CHASUS33
Account Number: 682090837

Superior Results Through Unrivaled
Hospitality Intelligence. Everywhere.

Statement of Qualifications & Professional Services Proposal for: Faribault Economic Development Authority
Faribault, MN

Prepared for:

Robert Harris III
Economic Development Coordinator
Faribault EDA
rharristhe3rd@ci.faribault.mn.us

By:

Corey J. Mehaffy, IMPM
CEO
Growth Services Group, LLC
cjm@growthservicesgroup.com

February 14, 2025

Overview

GSG Hospitality Group Experience and Resources

GSG Hospitality Group is a national consulting firm focused on data and primary intelligence insights for local municipalities who are interested in promoting the retail/hospitality/residential sectors in their area. We have a unique approach that focuses on local economic development and the assets that make your community unique. Not a one-size-fits-all approach, but rather a custom approach tailored to your community's specific needs. We are focused on what is advisable for the local economy and we let the data speak for itself.

Our years of experience in regional economic development give us unique insights into what it is like to grow a local geographic economy, and how data about business development should be interpreted. Our experience in conducting market analysis across multiple sectors, gives us the perfect mix for local municipalities interested in feasibility studies, economic impact studies, and regional supplemental market studies. We speak the language of the local economy and our data and instincts are focused on the best possible outcomes for your community or region.

Additionally, we know how to structure our data in ways that developers and industry leaders insist on. We also provide the value-added capability to turn your data into infographics, brochures and even videos to help attract business investment to your area for hospitality and other mixed-use developments. We do this because we know that reports sitting on shelves alone do not help grab the attention of potential investment.

GSG Hospitality Group is uniquely positioned to complete studies, interpret reports based on success patterns, and produce materials that will help you reach your economic development goals.

The principal contact for ongoing services will be Corey J. Mehaffy, IMPM. Other GSG team members include Mr. Randal Weidenaar, and Mr. Dalton Goewey.

Since its inception in 1994, GSG has conducted consulting and research projects for hundreds of clients across the country including state governments, county governments, city governments, colleges/universities, regional economic development groups, site consultants and private businesses. GSG has developed and conducted labor studies, workforce surveys, market feasibility studies as well as education and training needs assessments. These projects have included one-on-one interviews, focused groups and working with project coordinating committees for customization to achieve client goals.

GSG team members have over 60 years of combined economic development experience and are certified to facilitate numerous databases. The use of public and private databases in combination with GSG's proprietary processes uniquely qualifies GSG to provide research, reporting and consulting services for clients. GSG team members are dedicated to accuracy, superior quality, reliability and ethical behavior.

Additional information regarding GSG Hospitality Group is available on the company's website at https://www.gsghospitalitygroup.com/

A Few of Our Valued Clients:

Project Team

Corey J. Mehaffy, IMPM, CEO https://www.linkedin.com/in/cmehaffy

Corey J Mehaffy is the executive vice president and general manager of Orscheln Properties. Prior to joining the Orscheln team, Corey served as the president of two regional economic development organizations directing business attraction, business retention and expansion, and entrepreneurship initiatives for multiple counties in Northeast Missouri.

Prior to his 15 years in economic development, Corey held several senior management positions in a variety of industries from higher-ed, to finance and retail, while owning several businesses. Corey has more than 30 years of experience in business development.

Corey has a bachelor's degree in business from William Woods University. Corey has completed several professional development programs including Experience in Community Enterprise and Leadership Development, Heartland Economic Development Course, Association of Business Administrators of Christian Colleges Certification Program, and McConkey-Johnson International Fundamentals of Development, and Performance Measurements for Effective Management of Non-Profit Organizations from Harvard University. Corey is a graduate of the International Economic Development Council and the University of Oklahoma's Economic Development Institute. In addition, Corey holds a professional certification as an Inland Marine Port Manager.

Randal Weidenaar https://www.linkedin.com/in/randalweidenaar

Randal Weidenaar is a marketing professional specializing in creating market energy. He knows how to connect products with markets through creative intuition like few can. Ideas are his greatest asset and result in new business, stunning marketing campaigns, and compelling stories.

Randal was educated in Europe and worked there for a decade. This cross-cultural experience gives him unique insight into what makes people tick. Randal founded his own marketing business in Philadelphia in the early 1990s and later merged with a Chicago based firm to forge Ergo Creative. Randal also has unique technical abilities in the areas of web development, video production, internet savvy, and programming. The convergence of business, social experience, and technical skills that Randal brings is truly unique.

Randal has created new brands and breathed new life into existing ones. His focus is in the areas of identity, branding, Internet marketing strategies, and product development. Some notable engagements are: US Cellular, AccuWeather, Moberly Area Economic Development Corporation, Franciscan Health Systems, CHS, Bluewater, and Sam's Health Mart.

Randal lives on his farm in central Missouri with his wife and two daughters. He is an avid mountain biker and into sustainable farming. His faith is deep part of who he is and what gives him life.

Specialties: Web Content Development, Video, Photography, Writing, Identity, Branding, Market Strategies, Web design and Internet Campaigns

Dalton Goewey https://www.linkedin.com/in/dalton-goewey-a1397022b/

Dalton is the property operations specialist at Orscheln Properties Co. L.L.C. He joined the Orscheln team in 2023. Dalton organizes asset management, tenant services and marketing efforts. He also assists in the coordination of the safety program with Orscheln Risk Management.

Prior to joining OP, Dalton worked as a credit analyst at Great Rivers Bank. In addition to this, he served as a sponsorship coordinator and core group member of the Ignite Program; a partnership dedicated to fostering an entrepreneurial ecosystem in Northeast Missouri. Dalton became involved with Ignite during his time as an intern at the Hannibal Regional Economic Development Council. At HREDC, he assisted the director of economic development and the entrepreneurship specialist with economic development projects.

Dalton is a research analyst for Growth Services Group. There, he manages a variety of projects including hotel feasibility studies and labor studies. Dalton has a bachelor's degree in economics from Truman State University. There, he was a member of the Bulldog Student Investment Fund and the business fraternity Alpha Kappa Psi

Scope of Work and Pricing

The GSG team is grateful for the opportunity to submit this proposal for consideration. The GSG team believes that the City of Faribault is uniquely positioned to capture new revenues from both overnight accommodations as well as new retail/mixed-use development opportunities. To that end, the GSG team is honored to propose the following products for your consideration:

GSG Market Feasibility Study (Hotel)

Product Description:

GSG will provide a Market Feasibility Study Report for the subject area that is customizable to meet the needs of our clients. This Market Study provides a demographic and economic overview of the subject area to determine the overall feasibility of the expansion of an existing asset or a new Greenfield hotel development. A written report will be provided based on research and analysis of the variables that may impact the turnaround, expansion or new development project.

GSG will analyze market conditions, economic and demographic factors, and site conditions to determine their impact on the proposed project. GSG will utilize both primary and secondary data sources to analyze the subject area's demand for additional rooms. Research will include local interviews with area representatives from a variety of public and private sector organizations. The Research will gather primary data and input regarding the overall feasibility of the project today as well as analyze the potential for future growth in demand in the subject area.

The GSG Market Feasibility Study Report will address the estimated operating performance of the project and will provide recommendations as to size and scope of the development. The Report provides owners, investors, operators and lenders with a snapshot of the overall feasibility of the project based on market conditions at the time of the survey.

While GSG will customize the scope of the Market Feasibility Study to reflect the individual needs of our clients, the typical report will include the following:

- Area Analysis
- Site Analysis
- Supply & Demand Analysis
- Financial Analysis to include Five-Year Financial Projections
- Conclusions & Recommendations

Pricing:

GSG will provide a GSG Market Feasibility Study (Hotel) as described in the scope of work above for a lump sum price of **$9,500.00, plus travel expenses**. The enclosed Product Work Order (Exhibit A) details the terms by which GSG proposes to provide a GSG Market Feasibility Study (Hotel) for the Faribault EDA as requested. Additional information regarding the product can be found at: https://www.gsghospitalitygroup.com/market-feasibility-study

Should the client have initial concerns regarding the overall feasibility of a new hotel development, GSG also offers a Preliminary Market Overview which is designed to provide a preliminary assessment of the market's ability to support a hotel development. GSG will provide a Preliminary Market Overview for the 50% deposit required for the full Market Feasibility Study (Hotel) or **$4,750**. Should it be determined that the market can in fact generate the appropriate demand to support the hotel development, a comprehensive GSG Market Feasibility Study (Hotel) should be completed to address the overall feasibility of the project. Should the client choose to move forward with the Market Feasibility Study (Hotel), upon delivery of the final report the remaining payment of **$4,750** will be due. Should it be determined that a full Market Feasibility Study (Hotel) is not warranted, GSG will provide the client with a written overview report detailing GSG's findings. Additional information can be found at: https://www.gsghospitalitygroup.com/preliminary-market-overview

Mixed-Use Development Opportunities:

As a catalyst project, typically a new hotel development will also lead to additional mixed-use development near the hotel site. The Supplement Retail Overview was developed based on demand from GSG clients who were interested in attracting additional mixed-use development opportunities in addition to a new hotel development. Clients requested a standalone product in addition to the Hotel Feasibility Study that was designed to market numerous development sites as well as the benefits for business investment in the area. The Retail Supplement Overview is not required for completion of the Hotel Feasibility Study, however over 80% of clients request this add-on to their Hotel Feasibility Study. The GSG team wanted to make the Client team aware of this opportunity. Additional information regarding the product including a sample Retail Flyer can be found at: https://www.gsghospitalitygroup.com/supplement-retail-overview

GSG Supplement Retail Overview

Product Description:

GSG will provide a Supplement Retail Overview for the subject area that is customizable to meet the needs of our clients. This Retail Overview provides a demographic and economic overview of the subject area to determine the overall feasibility of the expansion of an existing project or a new greenfield retail/mixed-use development. Information and findings will be delivered via professionally designed multi-page Retail Marketing Flyer ready for use by the community/developer in their attraction efforts.

GSG will analyze market conditions, economic and demographic factors, and site conditions to determine their impact on the proposed retail/mixed-use development project. GSG will conduct a retail analysis of the subject area including the 15 minute and 20 minute drive times. The analysis will include a Housing Summary, Traffic Count Profile, Retail Market Profile, Retail Market Potential, Retail Marketplace Profile (Leakage/Surplus), Population Summary and Household Income Profile. The analysis will also include Retail Goods and Services Expenditures for various retail sectors.

While GSG will customize the scope of the Supplement Retail Overview to reflect the individual needs of our clients; GSG will design and provide a Retail Development Opportunities Flyer that will typically include:

- Graphs and Charts to demonstrate retail advantages listed above
- Aerial photo of the proposed development sites
- Site Description and listing of specific advantages to the sites
- List of Current Retailers in the Area
- Pictures of area attractions/retailers/community photos

Pricing:

GSG will provide a GSG Supplement Retail Overview as described in the scope of work above for a lump sum price of **$2,500.00**. (multi-product discount included) The enclosed Product Work Order (Exhibit B) details the terms by which GSG proposes to provide a GSG Supplement Retail Overview for the Faribault EDA if desired.

Exhibit A

Market Feasibility Study (Hotel)

GSG Market Feasibility Study

Item	Unit Price	Quantity	Total
Market Feasibility Study	$9,500	1	$9,500
Contents: General Market Overview, Site Analysis, Economic Overview, Lodging Demand, Lodging Supply, Financial Analysis and Conclusions.			
Taxes—Tax Exempt Status			
Core GSG Market Feasibility Study Sub-Total			**$9,500**

Product Work Order Total			**$9,500**

Agreement for Services

Faribault EDA (Client) hereby requests and contracts the services of the Growth Services Group, LLC (GSG) and agrees to the following terms:

Upon execution of this agreement, Client agrees to pay a non-refundable deposit of 50 percent ($4,750) of the total amount outlined on the Product Work Order, incorporated herein and attached hereto, and the remaining balance ($4,750) shall be due and payable within 15 days of completion and acceptance of the final report (s). A service charge of 1.5% will be applied monthly on all overdue invoices. Should this agreement be executed without a deposit being paid, no work shall begin until the deposit is received in full.

Any modification of this agreement or additional obligations assumed by either party in connection with this agreement shall be binding only if executed in writing, signed by the parties, and attached hereto as an addendum.

Should any modification or additional obligation be made by either party, said modifications and the additional obligations shall be subject to the terms of this agreement, unless stated otherwise in the addendum.

GSG shall perform the services outlined in the Product Work Order, attached hereto and incorporated herein.

GSG represents to Client, stipulates, and agrees that it shall perform all work specified in this agreement and the Exhibits attached hereto, as an independent contractor.

This agreement and the Exhibits attached hereto shall constitute the entire agreement by and between the parties. Any prior understandings or representations of any kind proceeding the execution of this agreement shall not be biding upon either party except to the extent that those agreements are incorporated herein.

This Agreement shall be construed in accordance with and governed by the laws of the State of Missouri. In the event any action is filed in a court of law in relation to this agreement or any services related hereto, venue and jurisdiction shall be proper in Randolph County, Missouri unless otherwise agreed to by the parties. Should any action be filed in regard to this agreement, the unsuccessful party in that action shall pay the successful party, in addition to all sums that either party may be called upon to pay, reasonable sums for the successful party's attorney's fees as well as interest on any judgement obtained.

This agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but all of which together shall constitute but one in the same instrument.

Should any provision of the Agreement be found to be invalid or unenforceable, for any reason, the other remaining provisions shall remain in full force and effect.

Financial Worksheet

Item	Price
Core GSG Market Feasibility Study Sub-Total	$9,500
Product Work Order Sub-Total	$9,500
Total	**$9,500**

Signature: ______________________________ Date: ______________

Faribault EDA (Client)

Signature: ______________________________ Date: ______________

Growth Services Group (GSG)

Exhibit B

Supplement Retail Overview
Product Work Order

GSG Supplement Retail Overview

Item	Unit Price	Quantity	Total
GSG Supplement Retail Overview	$2,500	1	$2,500
Contents: Retail Analysis of the Subject Area to include 15 and 20 Minute Drive Times, Demographics, Traffic Counts, Actual/Potential Retail Sales Dollars			
GSG Retail Marketing Flyer	$1,000	1	$1,000
Contents: Design Retail Opportunities Flyer to include Retail Analysis Data, Aerial of site, Site Description, Site Advantages, Community Assets, Photos, List of Current			
Multi-Product Discount	($1,000)	1	($1,000)
Taxes—Tax Exempt Status			
Core GSG Supplement Retail Overview Sub-Total			**$2,500**

Product Work Order Total			**$2,500**

Agreement for Services

Faribault EDA (Client) hereby requests and contracts the services of the Growth Services Group, LLC (GSG) and agrees to the following terms:

Upon execution of this agreement, Client agrees to pay a non-refundable deposit of 50 percent ($1,250) of the total amount outlined on the Product Work Order, incorporated herein and attached hereto, and the remaining balance ($1,250) shall be due and payable within 15 days of completion and acceptance of the final report (s). A service charge of 1.5% will be applied monthly on all overdue invoices. Should this agreement be executed without a deposit being paid, no work shall begin until the deposit is received in full.

Any modification of this agreement or additional obligations assumed by either party in connection with this agreement shall be binding only if executed in writing, signed by the parties, and attached hereto as an addendum.

Should any modification or additional obligation be made by either party, said modifications and the additional obligations shall be subject to the terms of this agreement, unless stated otherwise in the addendum.

GSG shall perform the services outlined in the Product Work Order, attached hereto and incorporated herein.

GSG represents to Client, stipulates, and agrees that it shall perform all work specified in this agreement and the Exhibits attached hereto, as an independent contractor.

This agreement and the Exhibits attached hereto shall constitute the entire agreement by and between the parties. Any prior understandings or representations of any kind proceeding the execution of this agreement shall not be biding upon either party except to the extent that those agreements are incorporated herein.

This Agreement shall be construed in accordance with and governed by the laws of the State of Missouri. In the event any action is filed in a court of law in relation to this agreement or any services related hereto, venue and jurisdiction shall be proper in Randolph County, Missouri unless otherwise agreed to by the parties. Should any action be filed in regard to this agreement, the unsuccessful party in that action shall pay the successful party, in addition to all sums that either party may be called upon to pay, reasonable sums for the successful party's attorney's fees as well as interest on any judgement obtained.

This agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but all of which together shall constitute but one in the same instrument.

Should any provision of the Agreement be found to be invalid or unenforceable, for any reason, the other remaining provisions shall remain in full force and effect.

Financial Worksheet

Item	Price
Core GSG Supplement Retail Overview Sub-Total	$2,500
Product Work Order Sub-Total	$2,500
Total	**$2,500**

Signature: ______________________ Date: __________

Faribault EDA (Client)

Signature: ______________________ Date: __________

Growth Services Group (GSG)

City Of Faribault

Request for Action

TO:	Faribault Economic Development Authority
FROM:	Robert Harris III, Economic Development Coordinator
THROUGH:	David Wanberg, CED Director
MEETING DATE:	February 20, 2025
SUBJECT:	Voluntary Tree Removal Program

BACKGROUND:

The City of Faribault continues to face significant challenges due to the Emerald Ash Borer (EAB) infestation, which was first detected in January 2021. Nearly one-third of the City's tree canopy is composed of ash trees, many of which are now dead or severely decayed. This widespread tree loss negatively impacts property values, safety, and the overall appearance of the community, particularly along key corridors and gateway areas.

While the City has been actively removing and replacing ash trees on public land, many property owners have struggled with the high costs of removing dead or diseased trees on private property and adjacent right-of-way, which are their responsibility under City Code. To address this issue, the City is launching a voluntary special assessment program that allows property owners to spread the cost of tree removal over five years. This program will help mitigate blight and improve public safety.

Given the EDA's focus on enhancing gateway corridors and supporting beautification efforts, staff is requesting the EDA's assistance in participating in this initiative. Some ideas to consider include:

- Providing grants or loans to assist with the removal of stumps in the right-of-way, which would improve the visual appeal of priority areas.
- Exploring additional funding mechanisms to support tree removal and replanting efforts in key commercial and economic development corridors.

This effort aligns with the EDA's broader goals of enhancing property values, attracting investment, and improving the aesthetic appeal of Faribault's business districts and entry points. Staff is seeking feedback and direction from the EDA on potential ways to contribute to this initiative.

REQUESTED ACTION:

Discuss options for EDA participating in the city's Voluntary Tree Removal program.

ATTACHMENTS:

City Of Faribault

Request for Action

TO:	Faribault Economic Development Authority
FROM:	Robert Harris III, Economic Development Coordinator
THROUGH:	David Wanberg, CED Director
MEETING DATE:	February 20, 2025
SUBJECT:	Resolution 2025-05: Adopt Grant Management Policy

BACKGROUND:

In January, the EDA reviewed a draft of the proposed Grant Management Policy to streamline the process of working with businesses on grant proposals and pursuing grants directly on behalf of the EDA. Based on that discussion, staff has finalized the policy and is now presenting Resolution 2025-05 for formal adoption.

Key provisions of the policy, outlined in Exhibit A, include:

- Ensuring all grants awarded to the EDA require formal approval of acceptance by the EDA Board.
- Requiring Board approval for any grant that includes a financial match, unless the match has already been allocated in the approved budget.

This policy will enhance efficiency, transparency, and oversight in the EDA's grant activities.

REQUESTED ACTION:

Adopt Resolution 2025-05.

ATTACHMENTS:

1. Resolution 2025-05 Adopt Grant Management Policy

ECONOMIC DEVELOPMENT AUTHORITY OF FARIBAULT, MINNESOTA

RESOLUTION #2025-05

ADOPT GRANT MANAGEMENT POLICY

WHEREAS, the Faribault Economic Development Authority (EDA) recognizes the importance of grants as a tool to support economic development initiatives, attract investment, and assist local businesses in securing financial resources; and

WHEREAS, the EDA frequently collaborates with businesses on grant proposals and pursues grants directly to support economic development priorities; and

WHEREAS, establishing a formal Grant Management Policy will streamline the process of identifying, applying for, and managing grants, ensuring consistency, efficiency, and compliance with funding requirements; and

WHEREAS, this policy, as outlined in Exhibit A, provides clear procedures for administration of both EDA-led and business-supported initiatives; and

WHEREAS, to ensure transparency and financial oversight, all grants awarded to the EDA require formal approval of acceptance by the EDA Board; and

WHEREAS, any grant requiring a financial match must be approved by the EDA Board prior to submission, unless the matching funds are already allocated within the approved budget.

NOW, THEREFORE, BE IT RESOLVED, that the Faribault Economic Development Authority hereby adopts the Grant Management Policy as presented in Exhibit A to guide the EDA's efforts in pursuing and administering grant opportunities.

ADOPTED: February 20, 2025

____
President

ATTEST:

____
David Wanberg, CED Director

Exhibit A:

ECONOMIC DEVELOPMENT AUTHORITY OF FARIBAULT

Grant Management Policy

Purpose

The Economic Development Authority (EDA) of Faribault is committed to responsibly managing grants in compliance with applicable local, state, and federal laws. This policy establishes standards and procedures to ensure the effective administration of grants received and awarded by the EDA.

Applicability

This policy applies to all grants for which the EDA serves as the applicant, recipient, or pass-through entity.

Grant Administration and Oversight

1. Responsibility

The Community and Economic Development Director and the Economic Development Coordinator will oversee grant management activities. Responsibilities include:

- Ensuring grant applications align with the EDA's strategic priorities.
- Administering grant funds in compliance with applicable regulations.
- Monitoring performance metrics and reporting requirements.

2. Application Process

All grant applications must be reviewed and approved by the Community and Economic Development Director before submission. The Economic Development Coordinator will assist in preparing and compiling necessary documentation.

3. Grant Tracking Form

A Grant Tracking Form will be maintained for all active grants and presented to the EDA as part of the consent agenda at each regular meeting. This form will include details such as grant name, funding source, current status, key deadlines, and financial updates.

Grant Implementation

1. Fund Management

- Grant funds will be managed by the Finance Department and will follow all applicable City policies.

- Separate object codes will be established to track and manage grants accurately.
- All expenditures must align with the approved grant budget and comply with funding source requirements.

2. Reporting and Compliance

- The Economic Development Coordinator will prepare required reports for submission to funding agencies.
- The Community and Economic Development Director will review and approve all reports before submission.

3. Monitoring
The EDA will implement procedures to monitor grant activities and ensure adherence to funding agreements.

Policy Review
This policy will be reviewed annually by the EDA to ensure compliance with current regulations and alignment with organizational goals.

Request for Action

TO:	Faribault Economic Development Authority
FROM:	Robert Harris III, Economic Development Coordinator
THROUGH:	David Wanberg, CED Director
MEETING DATE:	February 20, 2025
SUBJECT:	Resolution 2025-04 Reject Compeer Financial Rural Feasibility Grant

BACKGROUND:

On November 21, 2024, the Faribault EDA approved Resolution 2024-20, which accepted a $5,000 Compeer Rural Feasibility Grant to support planning and design efforts to locate a 3Cricketeers' cricket growing operation in Faribault. 3Cricketeers reassessed its business strategy and is now focusing on sourcing crickets from elsewhere in the country rather than developing a facility in Faribault. Consequently, the awarded grant is no longer needed nor applicable, so the EDA should reject the Compeer grant.

REQUESTED ACTION:

Approve Resolution 2025-04, which rejects the Compeer grant.

ATTACHMENTS:

1. Resolution 2025-04 Reject Compeer Financial Rural Feasiblity Study Grant

ECONOMIC DEVELOPMENT AUTHORITY OF FARIBAULT, MINNESOTA

RESOLUTION #2025-04

REJECT COMPEER FINANCIAL RURAL FEASIBILITY STUDY GRANT

WHEREAS*,* the Economic Development Authority of Faribault applied for and was awarded a $5,000 grant from Compeer Rural Feasibility Study Program for the purpose of funding 3Cricketeers Cricket Barn Design; and

WHEREAS, due to unforeseen circumstances, the originally proposed project will no longer be moving forward; and

WHEREAS, the Faribault Economic Development Authority acknowledges the support and generosity of Compeer Rural Feasibility Study Program in awarding this grant but recognizes that accepting the funds without executing the intended project would not align with responsible financial stewardship; and

WHEREAS, the Faribault Economic Development Authority wishes to formally decline the awarded grant and ensure that the funds remain available for other projects that align with Compeer Rural Feasibility Study Program's mission and objectives.

NOW, THEREFORE, BE IT RESOLVED by the Economic Development Authority of Faribault that the $5,000 grant awarded by Compeer Rural Feasibility Study Program is hereby rejected due to the cancellation of the originally proposed project.

BE IT FURTHER RESOLVED, that the City staff, consultants, and contractors are authorized and directed to notify the Compeer Financial corporate giving team of this decision and take any necessary actions to cancel the corporate sponsorship agreement (Exhibit A) and ensure the proper return of the funds.

ADOPTED: February 20, 2025

____
President

ATTEST:

____
David Wanberg, CED Director

Exhibit A:

SPONSORSHIP AGREEMENT

This SPONSORSHIP AGREEMENT ("Agreement"), dated November 4, 2024, is made by and between Economic Development Authority of Faribault (hereinafter referred to as "Grantee") and Compeer Financial, ACA (hereinafter referred to as "Compeer" or "Sponsor").

WHEREAS, Compeer has in place a discretionary fund for rural America and sponsorship program named the Compeer Financial Fund for Rural America, and

WHEREAS, Grantee desires to commence or has commenced a project for which Grantee desires financial sponsorship (the "Project"); and

WHEREAS, the project and its goals are consistent with the mission of the Compeer Financial Fund for Rural America; and

NOW THEREFORE, the parties agree to the following terms and conditions:

1. The Project for which Grantee desires financial sponsorship is described as follows:

   Finalize the building design, an initial site plan layout, and conduct an in-depth analysis of the proposed cricket barn operation.

   Total Amount Granted: $5,000

2. Compeer will provide financial sponsorship to Grantee for the Project in the amount of $5,000. Grantee understands and agrees that the funds provided by Sponsor may be spent only for the Project and for no other purpose. Grantee has full responsibility for the conduct of the Project sponsored hereunder and for adherence to this Agreement. Grantee shall not use the funds for any purpose prohibited by applicable law, and shall use the funds only for those purposes which are permissible under all applicable laws and regulations, including but not limited to the Internal Revenue Code, as amended and the regulations issued thereunder. Grantee shall comply with all applicable federal, state, and local laws, rules, regulations and ordinances.

3. Grantee shall return to Compeer any funds provided by Compeer which are not used for the Project. Grantee is responsible for the appropriate expenditure of funds and for maintaining adequate supporting records. Grantee shall provide to the Compeer Financial Fund for Rural America Liaison, Melanie Olson, periodic status reports, which shall include a progress narrative and a report of expenditures, on a (check one)

___ monthly ___ quarterly ___ year-end X other (study completion) basis. If Compeer determines, in its sole discretion, that the funds have not been used for the Project or Grantee has otherwise failed to comply with this Agreement, the funds shall be promptly returned to Compeer.

4. Grantee is required to recognize Sponsor and/or Compeer Financial Fund for Rural America in all publicity materials related to the Project, unless requested otherwise by Compeer or as mutually agreed upon by Grantee and Sponsor. Approval of Compeer is required prior to any announcement or release of publicity which references Compeer. Grantee shall not use the Compeer name or logo for any purpose or under any circumstance except as agreed upon in advance by Compeer.

5. Grantee agrees to indemnify and hold Compeer and Compeer Financial Fund for Rural America, harmless and, at Grantee's cost and expense, defend Compeer, Compeer Financial Fund for Rural America, and Compeer's and Compeer Financial Fund for Rural America's officers, employees and directors from and against any and all liability and claims for damages or loss, including but not limited to costs, expenses and reasonable attorney's fees, arising out of Grantee's actions in furtherance of the Project. Compeer and/or Compeer Financial Fund for Rural America shall not be liable for any claims arising out of the Project or for any work performed in connection therewith. Grantee shall be solely responsible for the acts or omissions of its officers, agents, employees, directors and contractors.

6. Grantee warrants and represents that it has not made to Compeer or Compeer Financial Fund for Rural America any material false statement or misstatement of fact in connection with the Project or its receipt of sponsorship funds from Compeer, and all information provided to Compeer and Compeer Financial Fund for Rural America, whether previously provided or to be provided in the future, is and will be true and correct.

7. Grantee shall not engage in discriminatory practices with respect to the Project for which sponsorship funds have been provided, and shall, with respect to the Project, fully comply with all applicable state and federal nondiscrimination laws.

8. Grantee agrees that Compeer's financial sponsorship of the Project is done with the understanding that Compeer has no obligation to provide other or additional support to the Grantee.

9. Nothing contained in this Agreement, nor in the provision of funds, shall be intended or construed in any manner as creating or establishing a relationship of partners or joint venture between the Grantee and Compeer or Compeer Financial Fund for Rural America, nor shall Grantee be considered or deemed to be an agent, representative or employee of Compeer.

10. This Agreement shall be construed in accordance with the laws of the State of Wisconsin and any proceedings or disputes arising out of this Agreement shall be venued in Dane County, Wisconsin.

11. The waiver of any breach of any provision of this Agreement shall not be deemed to be a waiver of any breach in the future or any other breach of any other provision.

12. Grantee may not assign this Agreement or the sponsorship funds provided by Compeer.

13. Grantee hereby states that no goods or services were received in exchange for the donation from Compeer.

IN WITNESS WHEREOF, this Agreement is entered into as of the date first written above.

GRANTEE:
ECONOMIC DEVELOPMENT AUTHORITY OF FARIBAULT

By: Rodney Gramse Rodney Gramse

Its: President

SPONSOR:
COMPEER FINANCIAL, ACA

By: ______________________________

Its: ______________________________