

MEMORANDUM

TO: RPBCWD Board of Managers  
FROM: Terry Jeffery, District Administrator  
RE: Acquisition of Spring Road Properties  
DATE: March 26, 2024

As was discussed at the March 13, 2024 Regular Meeting of the Board of Managers, we are providing for your consideration under this cover two separate but related resolutions.

- Resolution 24-025 - APPROVING FIRST AMENDMENT TO AGREEMENT FOR ASSIGNMENT OF PURCHASE AGREEMENT AND PROMISSORY NOTE WITH TDI HOLDINGS, LLC, SEVENTH AMENDMENT TO PURCHASE AND SALE AGREEMENT WITH CAROL L. STANDAL, AND CONTRACT FOR DEED WITH CAROL L. STANDAL FOR SPRING ROAD CONSERVATION PROJECT.
- Resolution 24-026 - APPROVING AGREEMENT WITH THE CITY OF EDEN PRAIRIE REGARDING DEFERRED SPECIAL ASSESSMENTS FOR SPRING ROAD CONSERVATION PROJECT

**RESOLUTION NO. 24-025**  
**RILEY PURGATORY BLUFF CREEK WATERSHED DISTRICT**  
**BOARD OF MANAGERS**

**APPROVING FIRST AMENDMENT TO AGREEMENT FOR ASSIGNMENT OF  
PURCHASE AGREEMENT AND PROMISSORY NOTE WITH TDI HOLDINGS, LLC,  
SEVENTH AMENDMENT TO PURCHASE AND SALE AGREEMENT WITH CAROL  
L. STANDAL, AND CONTRACT FOR DEED WITH CAROL L. STANDAL FOR  
SPRING ROAD CONSERVATION PROJECT**

Manager \_\_\_\_\_ offered the following resolution and moved its adoption, seconded by  
Manager \_\_\_\_\_:

**WHEREAS** on October 4, 2023, the Board of Managers of the Riley Purgatory Bluff Creek Watershed District (District) adopted Resolution 23-063 approving an assignment agreement with TDI Holdings, LLC which provided for the District to acquire three contiguous parcels on Spring Road in Eden Prairie for conservation purposes; the District determined that its acquisition of the Spring Road properties will complete a contiguous corridor following Riley Creek from Lake Riley to the Minnesota River; the District identified a series of location, topography, ecological and other benefits for the watershed through conservation of this site;

**WHEREAS** on November 16, 2023, the Board of Managers adopted Resolution 23-072, adopting the plan amendment for the Spring Road Conservation Project (Project) which incorporated this Project into the District's Plan; and adopted Resolution 23-073, which ordered the Spring Road Conservation Project;

**WHEREAS** having learned that Hennepin County was willing to provide long-term financing for the Project, but could not do so until September 2024, the Board of Managers identified short-term financing available through the issuance of a General Obligation Temporary Bond with Huntington Public Capital Corporation;

**WHEREAS** on December 12, 2023, Larry Koch filed an action in Hennepin County District Court against the District challenging the authority to proceed with the Project; shortly thereafter Huntington Public Capital Corporation withdrew its short-term financing for the Project; the District has further determined that long-term financing will not be available for the Project until the pending litigation is resolved;

**WHEREAS** the owner of the Spring Road parcels, Carol L. Standal, through her legal representative, and TDI Holdings, LLC through its legal representative have offered to make the short-term financing of the Project available through a Contract for Deed, related Seventh Amendment to the Purchase and Sale Agreement, and a First Amendment to the Assignment Agreement and Promissory Note with TDI Holdings, Inc.;

**WHEREAS** the Board of Managers has carefully considered the terms of the proposed Contract for Deed, related Seventh Amendment to the Purchase and Sale Agreement, and First Amendment to the Assignment Agreement and Promissory Note with TDI Holdings, Inc with advice of real estate counsel;

**NOW THEREFORE BE IT RESOLVED** that the Board of Managers hereby approves the proposed Contract for Deed, related Seventh Amendment to the Purchase and Sale Agreement, and First Amendment to the Assignment Agreement and Promissory Note with TDI Holdings, Inc for the Spring Road properties, and further authorizes the President to execute the agreement with non-substantive changes on advice of legal counsel.

The question was on the adoption of the resolution and there were \_\_\_\_\_ yeas and \_\_\_\_\_ nays as follows:

Yea                      Nay                      Abstain                      Absent

**CRAFTON**  
**DUEVEL**  
**KOCH**  
**PEDERSEN**  
**ZIEGLER**

Upon vote, the president declared the resolution \_\_\_\_\_.

Dated: March \_\_\_\_, 2024.

\_\_\_\_\_  
Thomas Duevel, Secretary

\* \* \* \* \*

I, Thomas Duevel, secretary of the Riley Purgatory Bluff Creek Watershed District, do hereby certify that I have compared the above resolution with the original thereof as the same appears of record and on file with the District and find the same to be a true and correct transcription thereof.

IN TESTIMONY WHEREOF, I set my hand this \_\_\_\_\_ day of \_\_\_\_\_, 2024.

\_\_\_\_\_  
Thomas Duevel, Secretary

**FIRST AMENDMENT TO AGREEMENT FOR ASSIGNMENT OF PURCHASE AGREEMENT**

THIS A(this “Amendment”) is made and entered into as **April 3, 2024** (the “Amendment Effective Date”), by and between **TDI Holdings LLC**, a Minnesota limited liability company (“Assignor”), and **Riley Purgatory Bluff Creek Watershed District**, a watershed district with purposes and powers as set forth in Minnesota Statutes Chapters 103B and 103D (“Assignee”).

RECITALS:

A. Assignor and Assignee entered into an Agreement for Assignment of Purchase Agreement dated October 11, 2023 (the “Assignment Agreement”), wherein Assignor agreed to assign to Assignee, and Assignee agreed to assume from Assignor, that certain Purchase and Sale Agreement dated November 10, 2021 (as amended from time to time, collectively, the “Purchase Agreement”), with **Carol L. Standal**, as the surviving joint owner (“Seller”), pursuant to which Assignor has the right to purchase approximately 27.52 acres of real property located in the Eden Prairie, Minnesota (as more particularly described in the Assignment Agreement and the Purchase Agreement, the “Property”).

B. Assignor and Assignee desire to amend the Assignment Agreement pursuant to the terms and conditions of this Amendment.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing Recitals, which are hereby incorporated into this Amendment as if fully set forth herein, and the covenants and agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Assignor and Assignee agree as follows:

1. Closing Date. Notwithstanding anything to the contrary in the Assignment Agreement, the Closing Date shall be **April 3, 2024**.
2. Assignment Purchase Price. Notwithstanding anything to the contrary in the Assignment Agreement, the Assignment Purchase Price shall be payable as follows:
  - (a) **\$125,000.00** in cash at Closing; and
  - (b) the balance of the Assignment Purchase Price by Assignor and Assignee entering into a promissory note at Closing in substantially the form attached hereto as **Exhibit A**.
3. Conflict Provision. This Amendment is intended to supplement and amend the provisions of the Assignment Agreement. To the extent that any of the provisions contained herein are inconsistent with the provisions of the Assignment Agreement, the provisions of this Amendment shall control.
4. Counterparts/Facsimile and Electronic Signatures. This Amendment may be executed in any number of counterparts, each of which shall be deemed to be an original, and all of which together shall be deemed to be a single instrument. A facsimile or electronically mailed signature to this Amendment shall be deemed to have the same effect as an original signature.

[Remainder of page intentionally left blank; signature(s) on following page(s)]

IN WITNESS WHEREOF, Seller and Buyer have executed this Amendment as of the Amendment Effective Date.

**ASSIGNOR:**

**TDI Holdings LLC,**  
a Minnesota limited liability company

By: \_\_\_\_\_

Name: \_\_\_\_\_

Its: \_\_\_\_\_

**ASSIGNEE:**

**Riley Purgatory Bluff Creek Watershed District,**  
a watershed district with purposes and powers as set forth in Minnesota Statutes Chapters 103B and 103D

By: \_\_\_\_\_

Name: \_\_\_\_\_

Its: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Its: \_\_\_\_\_

**Exhibit A.**

**Form of Promissory Note**

[See attached]

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**SEVENTH AMENDMENT TO PURCHASE AND SALE AGREEMENT**

THIS SEVENTH AMENDMENT TO PURCHASE AND SALE AGREEMENT (this “Amendment”) is made and entered into as **April 3, 2024** (the “Amendment Effective Date”), by and between **Carol L. Standal**, as the surviving joint owner (“Seller”), and **Riley Purgatory Bluff Creek Watershed District**, a watershed district with purposes and powers as set forth in Minnesota Statutes Chapters 103B and 103D (as successor to TDI Holdings LLC, a Minnesota limited liability company) (“Buyer”).

RECITALS:

A. Seller and TDI Holdings LLC, a Minnesota limited liability company (“Original Buyer”) entered into a Purchase and Sale Agreement dated November 10, 2021, which was amended by Amendment to Purchase and Sale Agreement dated December 7, 2021, and by Second Amendment to Purchase Agreement dated December 23, 2021, and by Third Amendment to Purchase Agreement dated January 17, 2022, and by Fourth Amendment to Purchase Agreement dated January 26, 2022, by Fifth Amendment to Purchase and Sale Agreement dated March 17, 2022, and by Sixth Amendment to Purchase and Sale Agreement dated October 11, 2023 (as so amended, the “Purchase Agreement”), wherein Buyer agreed to purchase the Property (as defined and described in the Purchase Agreement) from Seller, and Seller agreed to sell the Property to Buyer. Any capitalized term used herein and not otherwise defined herein shall have the meaning ascribed to such term in the Purchase Agreement.

B. On an even date herewith Original Buyer has assigned its interest in the Purchase Agreement to Buyer, and Buyer has assumed the same.

C. Seller and Buyer desire to amend the Purchase Agreement pursuant to the terms and conditions of this Amendment.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing Recitals, which are hereby incorporated into this Amendment as if fully set forth herein, and the covenants and agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller and Buyer agree as follows:

1. Closing Date. Notwithstanding anything to the contrary in the Purchase Agreement, the Closing Date shall be **April 3, 2024**.

2. Purchase Price. Notwithstanding anything to the contrary in the Purchase Agreement, the Purchase Price shall be payable as follows:

(a) **\$250,000.00** in cash at Closing;

(b) Buyer’s assumption of the obligation to pay that certain deferred special assessment, number 15795Z, together with interest thereon, levied against that portion of the Property being assigned Parcel No. 28-116-22-32-0005; and

(c) the balance of the Purchase Price by Buyer and Seller entering into a contract for deed at Closing in substantially the form attached hereto as Exhibit A.

3. Notice. Buyer's address for notices under Section 12 of the Exiting Agreement is hereby amended to be:

If to Buyer: Riley-Purgatory-Bluff Creek Watershed District  
18681 Lake Drive East  
Chanhassen, MN 55317  
Attn: Terry Jeffery  
Email: tjeffery@rpbcwd.org

With a copy to: Smith Partners PLLP  
Attn: Louis Smith  
250 Marquette Avenue South, Suite 250  
Minneapolis, Minnesota 55401  
Email: smith@smithpartners.com

And with a copy to: Ballard Spahr LLP  
2000 IDS Center, 80 South 8th Street  
Minneapolis, MN 55402-2119  
Attention: Alex Sellke  
Email: sellkea@ballardspahr.com

4. Conflict Provision. This Amendment is intended to supplement and amend the provisions of the Purchase Agreement. To the extent that any of the provisions contained herein are inconsistent with the provisions of the Purchase Agreement, the provisions of this Amendment shall control.

5. Counterparts/Facsimile and Electronic Signatures. This Amendment may be executed in any number of counterparts, each of which shall be deemed to be an original, and all of which together shall be deemed to be a single instrument. A facsimile or electronically mailed signature to this Amendment shall be deemed to have the same effect as an original signature.

[Remainder of page intentionally left blank; signature(s) on following page(s)]

IN WITNESS WHEREOF, Seller and Buyer have executed this Amendment as of the Amendment Effective Date.

**SELLER:**

\_\_\_\_\_  
**Carol L. Standal**, a single person

**BUYER:**

**Riley Purgatory Bluff Creek Watershed District**,  
a watershed district with purposes and powers as set  
forth in Minnesota Statutes Chapters 103B and 103D

By: \_\_\_\_\_

Name: \_\_\_\_\_

Its: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Its: \_\_\_\_\_

**Exhibit A.**

**Form of Contract for Deed**

[See attached]

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(Top 3 inches reserved for recording data)

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**CONTRACT FOR DEED**

DATE: **April 3, 2024** (the "Effective Date")

THIS CONTRACT FOR DEED (the "Contract") is made on the above date by **Carol L. Standal**, a single person ("Seller"), and **Riley Purgatory Bluff Creek Watershed District**, a watershed district with purposes and powers as set forth in Minnesota Statutes Chapters 103B and 103D ("Purchaser").

Seller and Purchaser agree to the following terms:

1. **Property Description.** Seller hereby sells and Purchaser hereby buys real property in Hennepin County, Minnesota, described as follows: See **Exhibit A**;

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

together with all hereditaments and appurtenances belonging thereto (the "Property"). Seller hereby delivers possession of the Property to Purchaser on the Effective Date.

*Check applicable box:*

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

2. **Title.** Seller warrants that title to the Property is, on the date of this Contract, subject only to the following exceptions (the "Permitted Exceptions"):

(a) Minerals and mineral rights reserved by the State of Minnesota in the Conveyance of Forfeited Lands, dated July 23, 1946, recorded August 8, 1946 as Document No. 2387123 in Book 1693 of Deeds at Page 5, and recited on the Certificate of Title;

(b) Public right of way for Spring Road, also identified as Hennepin County State Aid Highway No. 4, as currently established and maintained, including but not limited to the portions thereof shown and described in Hennepin County State Aid Highway Number 4, Plat 60 recorded December 4, 1985 as Document No. 1689716 in the records of the Registrar of Titles, and recorded December 10, 1985 as Document No. 5060347 in the records of the County Recorder;

(c) Mortgage executed by John B. Standal and Carol L. Standal, husband and wife, as mortgagor, in favor of M&I Marshall & Ilsley Bank, a Wisconsin corporation, as mortgagee, dated December 13, 2006, recorded January 10, 2007 as Document No. 8919296 in the records of the County Recorder, to secure the original principal amount of \$975,000.00, and any other amounts which may become due and payable under the terms thereof. (Affects Parcel 2) (the "Existing Mortgage");

(d) Any defect, lien, encumbrance, adverse claim, or other matter created by or arising out of the Minnesota State District Court Case between Larry Koch, Plaintiff, vs. Riley Purgatory Bluff Creek Watershed District and Terrance Jeffery, Defendants, Court File No. 27-CV-23-18762;

(e) Applicable laws, ordinances, and regulations; and

(f) The lien of real estate taxes and installments of special assessments which are payable by Purchaser pursuant to Section 6 of this Contract.

During the term of this Contract, Seller shall not pledge or otherwise encumber, create or permit to exist any mortgage, pledge, lien or claim for lien or encumbrance (except for the Permitted Exceptions) upon any part of the Property or interest therein.

3. **Delivery of Deed.** Upon Purchaser's full performance of this Contract, Seller shall:

(a) Execute, acknowledge, and deliver to Purchaser a Limited Warranty Deed (the "Deed"), in recordable form and on a Minnesota Uniform Conveyancing Blank form, conveying marketable title to the Property to Purchaser, subject only to the following exceptions:

(i) The Permitted Exceptions; and

(ii) Liens, encumbrances, adverse claims or other matters which Purchaser has created, suffered or permitted to accrue after the date of this Contract.

(b) Pay the deed tax due upon the Deed as provided in Section 14 of this Contract.

4. **Purchase Price; Interest; Payments; Maturity Date.** Purchaser shall pay to Seller the sum of **\$5,400,000.00**, as and for the purchase price (the "Purchase Price") for the Property, payable as follows:

(a) As of the Effective Date, Seller acknowledges receipt of a down payment on the Purchase Price from Purchaser in the amount of **\$250,000.00**.

(b) As of the Effective Date, Seller acknowledges that Purchaser has assumed Seller's obligation to pay or otherwise satisfy the Deferred Special Assessment (defined below) in the amount of **\$274,178.64** in accordance with Section 6 of this Contract, and the amount of such Deferred Special Assessment is hereby credited against the Purchase Price.

(c) The unpaid balance of the Purchase Price, in the initial amount of **\$4,875,821.36** as of the Effective Date, will initially accrue interest at the rate of **6.0%** per annum from the Effective Date until **December 31, 2024**. Commencing on January 1 2025 and until paid in full by Purchaser, the unpaid balance of the Purchase Price will accrue interest at the rate of **7.00%** per annum.

(d) Commencing on **July 5, 2024**, and continuing thereafter on the fifth (5<sup>th</sup>) day of April, July, October, and January, of each calendar year through the Maturity Date (defined below), Purchaser shall make quarterly interest-only payments of all accrued interest on the unpaid balance of the Purchase Price.

(e) On **December 31, 2029** (the "Maturity Date"), the entire unpaid principal balance of the Purchase Price together with all accrued interest (if any), if not sooner paid, shall become due and payable in full. Notwithstanding the Maturity Date, Purchaser will use commercially reasonable efforts to close on permanent and/or other replacement financing as soon as reasonably practicable.

5. **Prepayment.** Notwithstanding anything to the contrary in this Contract, Purchaser shall have the right to fully or partially prepay this Contract at any time without penalty. Any partial prepayment shall be applied first to payment of amounts then due under this Contract, including unpaid accrued interest, and the balance shall be applied to the principal balance. Partial prepayment shall not postpone the Maturity Date.

6. **Real Estate Taxes and Assessments.** Real estate taxes due and payable in the year in which this Contract is dated which are currently delinquent and/or deferred (including Green Acres taxes under Minn. Stat. § 273.11) (the "Deferred Real Estate Taxes") shall be paid by Purchaser on the Effective Date, or soon as practical thereafter after the final amount is determined by Hennepin County. Seller agrees to escrow with First American Title Insurance Company 150% of the reasonably estimated amount of the Deferred Real Estate Taxes until such final amount is determined and paid. The obligation to pay that certain deferred special assessment, number 15795Z, together with interest thereon, levied against Parcel No. 28-116-22-32-0005 with an outstanding balance of **\$274,178.64** (the "Deferred Special Assessment") shall be assumed by Purchaser pursuant to an agreement to be executed by Purchaser and the City of Eden Prairie on or about the date hereof. Except for the Deferred Real Estate Taxes and Deferred Special Assessment, real estate taxes and installments of special assessments which are due and payable in the year in which this Contract is dated shall be prorated as of the date of this Contract. Purchaser shall pay, before penalty accrues, all real estate taxes and installments of special assessments assessed against the Property which are due and payable in all subsequent years. Except for the Deferred Real Estate Taxes and Deferred Special Assessment, Seller warrants that the real estate taxes and installments of special assessments which were due and payable in the years preceding the year in which this Contract is dated are paid in full. If the Property is subject to a recorded declaration providing for assessments to be levied against the Property by any owners' association, Purchaser shall promptly pay, when due, all assessments imposed by the owners' association or other governing body as required by the provisions of the declaration or other related documents. Notwithstanding anything herein to the contrary, to the extent that real estate taxes and installments of special assessments are paid by the mortgagee under the Existing Mortgage through escrow deposits, then, to the extent Purchaser is obligated to pay such real estate taxes and installments of special assessments hereunder, Seller shall initially pay such costs as required by the mortgagee under the Existing Mortgage and Purchaser shall reimburse Seller for the actual costs of the same on a quarterly basis at the same time as the interest payments are due from Purchaser under Section 4 hereof. Seller will provide Purchaser reasonable supporting documentation to confirm the actual amount of such quarterly reimbursements.

7. **Property Insurance.**

(a) Insured Risks and Amounts. Purchaser shall keep all buildings, improvements, and fixtures now or later located on or a part of the Property insured against loss by fire, lightning and such other perils as are included in a standard "all-risk" endorsement, and against loss or damage by all other risks and hazards covered by a standard extended coverage insurance policy, including, without limitation, vandalism, malicious mischief, burglary, theft and, if applicable, steam boiler explosion. Such insurance shall be in an amount no less than the full replacement cost of the buildings, improvements, and fixtures located on the Property from time to time, without deduction for physical depreciation. If any of the buildings, improvements, or fixtures are located in a federally designated flood prone area, and if flood insurance is available for that area, Purchaser shall procure and maintain flood insurance in reasonable amounts.

(b) Notice of Damage. In the event of damage to the Property by fire or other casualty, Purchaser shall promptly give notice of such damage to Seller and the insurance company.

(c) Insurance Escrows under Existing Mortgage. Notwithstanding anything herein to the contrary, to the extent that property insurance costs are paid by the mortgagee under the Existing Mortgage through escrow deposits, then, to the extent Purchaser is obligated to pay such property insurance costs hereunder, Seller shall initially pay such costs as required by the mortgagee under the Existing Mortgage and Purchaser shall reimburse Seller for the actual costs of the same on a quarterly basis at the same time as the interest payments are due from Purchaser under Section 4 hereof. Seller will provide Purchaser reasonable supporting documentation to confirm the actual amount of such quarterly reimbursements.

8. **Damage to the Property.**

(a) Application of Insurance Proceeds. If the Property is damaged by fire or other casualty, the insurance proceeds paid on account of such damage shall be applied (i) first, pursuant to the terms and conditions of the loan documents for the Existing Mortgage, if applicable; and (ii) second, to payment of the amounts payable by Purchaser under this Contract, even if such amounts are not then due to be paid, unless Purchaser makes a permitted election described in the next paragraph. Any such amounts applied to amounts payable under this Contract shall be applied in the same manner as a prepayment as provided in Section 5 of this Contract. Such payment shall not postpone the due date of the installments to be paid pursuant to this Contract or change the amount of such installments. The balance of insurance proceeds, if any, shall be the property of Purchaser.

(b) Purchaser's Election to Rebuild. If Purchaser is not in default under this Contract, or after curing any such default, and if the mortgagees in any prior mortgages and sellers in any prior contracts for deed do not require otherwise, Purchaser may elect to have that portion of such insurance proceeds necessary to repair, replace, or restore the damaged Property (the "Repairs") deposited

in escrow with a bank or title insurance company qualified to do business in the State of Minnesota, or such other party as may be mutually agreeable to Seller and Purchaser. The election may only be made by written notice to Seller within sixty (60) days after the damage occurs. Also, the election will only be permitted if the plans and specifications and contracts for the Repairs are approved by Seller, which approval Seller shall not unreasonably withhold or delay. If such a permitted election is made by Purchaser, Seller and Purchaser shall jointly deposit, when paid, such insurance proceeds into such escrow. If such insurance proceeds are insufficient for the Repairs, Purchaser shall, before the commencement of the Repairs, deposit into such escrow sufficient additional money to insure the full payment for the Repairs. Even if the insurance proceeds are unavailable or are insufficient to pay the cost of the Repairs, Purchaser shall at all times be responsible to pay the full cost of the Repairs. All escrowed funds shall be disbursed by the escrowee in accordance with any requirements of the Existing Mortgage, if applicable, and otherwise in accordance with generally accepted sound construction disbursement procedures. The costs incurred or to be incurred on account of such escrow shall be deposited by Purchaser into such escrow before the commencement of the Repairs. Purchaser shall complete the Repairs as soon as reasonably possible and in a good and workmanlike manner, and in any event the Repairs shall be completed by Purchaser within a reasonable time after the damage occurs. If, following the completion of and payment for the Repairs, there remains any undisbursed escrow funds, such funds shall be applied to payment of the amounts payable by Purchaser under this Contract in accordance with Section 8(a) above.

9. **Injury or Damage Occurring on the Property.**

(a) Liability. Seller shall be free from liability and claims for damages by reason of injuries occurring on or after the date of this Contract to any person or persons or property while on or about the Property, except to the extent caused by Seller, its agents, employees, and/or contractors. Purchaser shall defend and indemnify Seller from all liability, loss, cost, and obligations, including reasonable attorneys' fees, on account of or arising out of any such injuries. However, Purchaser shall have no liability or obligation to Seller for such injuries which are caused by the negligence or intentional wrongful acts or omissions of Seller, its agents, employees, and/or contractors, and Seller agrees to indemnify Purchaser from all liability, loss, cost, and obligations, including reasonable attorneys' fees, on account of or arising out of any such injuries caused by the negligence or intentional wrongful acts or omissions of Seller, its agents, employees, and/or contractors.

(b) Liability Insurance. Purchaser shall, at Purchaser's own expense, procure and maintain liability insurance against claims for bodily injury, death and property damage occurring on or about the Property in amounts reasonably satisfactory to Seller and naming Seller as an additional insured.

10. **Insurance Generally.** The insurance which Purchaser is required to procure and maintain pursuant to Sections 7 and 9 of this Contract shall be issued by an insurance company or companies licensed to do business in the State of Minnesota and acceptable to Seller. The insurance shall be maintained by Purchaser at all times while any amount remains unpaid under this Contract. Purchaser shall provide to Seller not less than thirty (30) days written notice before any cancellation, non-renewal, termination or change in coverage, and Purchaser shall deliver to Seller a duplicate original or certificate of such insurance policy or policies.

11. **Condemnation.** If all or any part of the Property is taken in condemnation proceedings instituted under power of eminent domain or is conveyed in lieu thereof under threat of condemnation, the money paid pursuant to such condemnation or conveyance in lieu thereof shall be applied (i) first, pursuant to the terms and conditions of the loan documents under the Existing Mortgage, if applicable; and (ii) second, to the payment of the amounts payable by Purchaser under this Contract, even if such amounts are not then due to be paid. Any such amounts applied to amounts payable under this Contract shall be applied in the same manner as a prepayment as provided in Section 5 of this Contract. Such payments shall not postpone the due date of the installments to be paid pursuant to this Contract or change the amount of such installments. The balance, if any, shall be the property of Purchaser.

12. **Waste, Repair, and Liens.** Purchaser shall not remove or demolish any buildings, improvements or fixtures now or later located on or a part of the Property, nor shall Purchaser commit or allow waste of the Property. Purchaser shall maintain the Property in good condition and repair. Purchaser shall not create or permit to accrue liens or adverse claims against the Property which constitute a lien or claim against Seller's interest in the Property. Purchaser shall pay to Seller all amounts, costs and expenses, including reasonable attorneys' fees, incurred by Seller to remove any such liens or adverse claims. Notwithstanding the foregoing, for avoidance of doubt, Purchaser may perform environmental management, modification, restoration, and conservation work on the Property (e.g., removal and planting of vegetation, prescribed burnings, watershed project related activities, etc.).

13. **Compliance with Laws.** Except for matters which Seller has created, suffered, or permitted to exist prior to the date of this Contract, Purchaser shall comply or cause compliance with all laws and regulations of any governmental authority which affect the Property or the manner of using or operating the same, and with all restrictive covenants, if any, affecting title to the Property or the use thereof.

14. **Recording of Contract; Deed Tax.** Purchaser shall, at Purchaser's expense, record this Contract in the Office of the County Recorder and/or Registrar of Titles, as applicable, in the county in which the Property is located promptly after the Effective Date. Purchaser

shall pay any penalty imposed under Minn. Stat. 507.235 for failure to timely record the Contract. Seller shall, upon Purchaser's full performance of this Contract, pay the deed tax due upon the recording of the Deed to be delivered by Seller.

15. **Notice of Assignment.** If either Seller or Purchaser assigns its interest in the Property, the assigning party shall promptly furnish a copy of such assignment to the non-assigning party.

16. **Protection of Interests.** If Purchaser fails to pay any sum of money required under the terms of this Contract or fails to perform any of the Purchaser's obligations as set forth in this Contract, and such failure is not cured within sixty (60) days of Seller's written notice to Purchaser of such failure, Seller may, at Seller's option, pay the same or cause the same to be performed, or both, and the amounts so paid by Seller and the cost of such performance shall be payable at once, with interest at the rate stated in Section 4 of this Contract, as an additional amount due Seller under this Contract. If there now exists, or if Seller hereafter creates, suffers or permits to accrue, any mortgage, contract for deed, lien or encumbrance against the Property which is not herein expressly assumed by Purchaser, and provided Purchaser is not in default under this Contract beyond any applicable notice, grace or cure period, Seller shall timely pay all amounts due thereon, and if Seller fails to do so, Purchaser may, at Purchaser's option, pay any such delinquent amounts or take any actions reasonably necessary to cure defaults there under and deduct the amounts so paid together with interest at the rate provided in this Contract from the payments next coming due under this Contract.

17. **Defaults and Remedies.** The time of performance by Purchaser of the terms of this Contract is an essential part of this Contract. If Purchaser fails to timely perform any term of this Contract within sixty (60) days after receipt from Seller of written notice of such failure, Seller may:

(a) with respect to any such failure to timely perform any of its obligations contained in Sections 6 (Real Estate Taxes and Assessments), 7 (Property Insurance), 9 (Injury or Damage Occurring on the Property), 12 (Waste, Repair, and Liens), 13 (Compliance with Laws), or 16 (Protection of Interests) of this Contract, at Seller's option, either elect to declare this Contract cancelled and terminated by notice to Purchaser in accordance with applicable law or elect any other remedy available at law or in equity; or

(b) with respect to any other such failure to timely perform any of its obligations contained in this this Contract (other than as specified in Section 17(a)(i)), as its sole and exclusive remedy, elect to declare this Contract cancelled and terminated by notice to Purchaser in accordance with applicable law;

provided, however, in any event, if any such failure cannot reasonably be cured within such sixty (60) day period, the deadline to complete such cure shall be extended so long as Purchaser is diligently prosecuting such cure to completion.

If Seller elects to terminate this Contract as provided above, all right, title, and interest acquired under this Contract by Purchaser shall then cease and terminate within the period required by Minnesota law, and all improvements made upon the Property and all payments made by Purchaser pursuant to this Contract (including escrow payments, if any) shall belong to Seller as liquidated damages for breach of this Contract. Neither the extension of the time for payment of any sum of money to be paid hereunder nor any waiver by Seller of Seller's rights to declare this Contract forfeited by reason of any breach shall in any manner affect Seller's right to cancel this Contract because of defaults subsequently occurring, and no extension of time shall be valid unless agreed to in writing. After service of notice of default and failure to cure such default within the period prescribed by this Contract, Purchaser shall, upon demand, surrender possession of the Property to Seller, but Purchaser shall be entitled to possession of the Property until the expiration of such period. Failure by Seller to exercise one or more remedies available pursuant to this Section 17 shall not constitute a waiver of the right to exercise such remedy or remedies thereafter, subject to the terms, conditions, and limitations of this Section 17. Purchaser's obligations under this Contract are nonrecourse to the extent set forth in this Section 17.

18. **Binding Effect; Severability.** The terms of this Contract shall run with the land and bind the parties hereto and their successors in interest. If any term of this Contract or any application thereof shall be invalid or unenforceable, the remainder of this Contract and any other application of such term shall not be affected thereby.

19. **Headings.** Headings of the sections and paragraphs of this Contract are for convenience only and do not define, limit, or construe the contents of such sections and paragraphs.

20. **Counterparts.** This Contract may be executed in any number of counterparts, each of which, when so executed and delivered, shall be deemed original, but all such counterparts together shall constitute but one and the same instrument.

21. **Notices.** All notices, demands and communications permitted or required to be given hereunder shall be in writing, and shall be delivered (a) personally, (b) by United States registered or certified mail, postage prepaid (with a courtesy copy sent pursuant the method in clause (d) below), (c) by FedEx or other reputable courier service regularly providing evidence of delivery (with charges paid by the party sending the notice) (with a courtesy copy sent pursuant the method in clause (d) below), or (d) by e-mail. Any such notice to a party shall be addressed at the address set forth below (subject to the right of a party to designate a different address for itself by notice similarly given):

If to Seller: Standal Properties, Inc.  
2001 Southeast Riverside Dr.  
Stuart, FL 34996  
Attn: Carol L. Standal

With a copy to: Hellmuth & Johnson  
8050 W 78th Street  
Edina, MN, 55439  
Attn: David Hellmuth  
dhellmuth@hjlawfirm.com

If to Purchaser: Riley-Purgatory-Bluff Creek Watershed District  
18681 Lake Drive East  
Chanhassen, MN 55317  
Attn: Terry Jeffery  
Email: tjeffery@rpbcd.org

With a copy to: Smith Partners PLLP  
Attn: Louis Smith  
250 Marquette Avenue South, Suite 250  
Minneapolis, Minnesota 55401  
Email: smith@smithpartners.com

And with a copy to: Ballard Spahr LLP  
2000 IDS Center, 80 South 8th Street  
Minneapolis, MN 55402-2119  
Attention: Alex Sellke  
Email: sellkea@ballardspahr.com

Delivery of any such notice or other communications so made shall be deemed effective on the day of actual delivery (whether accepted or refused), provided that if any notice or other communication to be delivered by e-mail as provided above cannot be transmitted because of a problem affecting the receiving party's computer, the deadline for receiving such notice or other communication shall be extended through the next business day; provided, however, that if such actual delivery occurs after 11:59 p.m. local time where received or on a non-business day, then such notice or communication so made shall be deemed effective on the first business day after the day of actual delivery. The attorneys for any party hereto shall be entitled to provide any notice that a party desires to provide or is required to provide hereunder.

22. **Time of Essence; Calculation of Time Periods.** Time is of the essence of this Contract. Except as specifically set forth in this Contract, in computing any period of time described in this Contract, the day of the act or event after which the designated period of time begins to run is not to be included and the last day of the period so computed is to be included, unless such last day is on a Saturday, Sunday or legal holiday, in which event the period shall run until the end of the next business day; provided, however, in all events the Closing Date shall be extended such that it is the second (2nd) business day after a non-business day. As used herein, the term "business day" means any day which is not a Saturday, Sunday or legal holiday. As used herein, the term "legal holiday" means any state or federal holiday for which financial institutions or post offices are generally closed in the state where the Property is located. Unless specifically stated otherwise, all references to durations stated in "days" shall mean calendar days.

23. **Existing Mortgage.** Seller shall promptly, before delinquency, make all payments due and payable under or in connection with all underlying mortgage(s) or contract(s) related to or secured by the Property, including, without limitation, the Existing Mortgage. Seller shall, upon written request by Purchaser, provide Purchaser from time to time with evidence that payments under all such underlying mortgage(s) or contract(s) have been made as required. If Seller fails to make the required payments thereunder, Purchaser shall have the right to make the payments and deduct all amounts paid from payments next due under the Contract for Deed. Seller and Purchaser acknowledge that the Existing Mortgage and underlying indebtedness is currently scheduled to mature and become payable on **January 1, 2037**. Seller shall not agree to amend, supplement, or otherwise modify the Existing Mortgage in any manner that may impair or jeopardize Purchaser's interest in, or use of, the Property. Without limiting the generality of the foregoing, Seller shall not agree to increase the indebtedness secured by the Existing Mortgage, delay or forbear any payments due under the Existing Mortgage, or accelerate the maturity date of the Existing Mortgage. Seller shall, upon giving or receiving of any demand for performance of, or notice of a default or event of default under, or interest rate adjustment under, the Existing Mortgage, promptly deliver a copy of the same to Purchaser. At any time during the term of this Contract, Purchaser may elect to prepay a portion of the outstanding balance of the Purchase Price in order for Seller to have funds to fully pay and satisfy the outstanding indebtedness secured by the Existing Mortgage. If Purchaser so elects, Seller will promptly apply any such prepayment of the Purchase Price to the outstanding indebtedness secured by the Existing Mortgage and obtain a recordable satisfaction of the Existing Mortgage from the holder thereof. In

furtherance of the foregoing, Seller shall, from time to time, promptly following Purchaser's request, obtain a current payoff statement from the holder of the Existing Mortgage.

[Remainder of page intentionally left blank.]

DRAFT

**SELLER:**

\_\_\_\_\_  
**Carol L. Standal**, a single person

State of Minnesota, County of \_\_\_\_\_

This instrument was acknowledged before me on March \_\_\_\_, 2024, by Carol L. Standal, a single person.

(Stamp)

\_\_\_\_\_  
(signature of notarial officer)

Title (and Rank): \_\_\_\_\_

My commission expires: \_\_\_\_\_

(month/day/year)

DRAFT

**PURCHASER:**

**Riley Purgatory Bluff Creek Watershed District,**  
a watershed district with purposes and powers as set forth in Minnesota Statutes  
Chapters 103B and 103D

By: \_\_\_\_\_

Name: \_\_\_\_\_

Its: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Its: \_\_\_\_\_

State of Minnesota, County of \_\_\_\_\_

This instrument was acknowledged before me on March \_\_\_\_, 2024, by \_\_\_\_\_ and \_\_\_\_\_, each as a \_\_\_\_\_ of Riley Purgatory Bluff Creek Watershed District, a watershed district with purposes and powers as set forth in Minnesota Statutes Chapters 103B and 103D, on behalf of the watershed district.

(Stamp)

\_\_\_\_\_  
(signature of notarial officer)

Title (and Rank): \_\_\_\_\_

My commission expires: \_\_\_\_\_  
(month/day/year)

THIS INSTRUMENT WAS DRAFTED BY:

Ballard Spahr LLP (ACS)  
2000 IDS Center  
80 South Eighth Street  
Minneapolis, MN 55402  
(612) 371-3211

TAX STATEMENTS FOR THE REAL PROPERTY  
DESCRIBED IN THIS INSTRUMENT SHOULD BE SENT TO:

**Riley Purgatory Bluff Creek Watershed District**  
18681 Lake Drive East  
Chanhassen, MN 55317

**Note: Failure to record this contract for deed may give other parties priority over Purchaser's interest in the property**

Exhibit A

Legal Description of the Property

Real property in the City of Eden Prairie, County of Hennepin, State of Minnesota, described as follows:

PARCEL 1:

That part of the Northwest Quarter of the Southwest Quarter of Section 28, Township 116, Range 22, described as commencing at a point on the West line of said Section 28 distant 981.4 feet North from the Southwest corner thereof; thence South 89 degrees 35 minutes East 1000.5 feet; thence North 3 degrees 50 minutes East 909.3 feet to the actual point of beginning; thence North 1 degree 31 minutes 30 seconds East 560 feet; thence South 54 degrees 31 minutes 30 seconds West 343 feet; thence South 87 degrees 35 minutes 30 seconds West 311.6 feet; thence South 59 degrees 50 minutes East 672.6 feet to the actual point of beginning.

For the purposes of this description, the West line of the Southwest Quarter of said Section 28 is assumed to be a North and South line.

TORRENS (REGISTERED) PROPERTY: Certificate of Title No. 1378090.

PARCEL 2:

That part of the South Half of Section 28, Township 116, Range 22 described as follows: Commencing at the southwest corner of said Section 28; thence on an assumed bearing of North along the west line of said Southwest Quarter a distance of 981.40 feet to the point of beginning of the tract of land to be described; thence continuing on a bearing of North along said west line a distance of 627. 80 feet to the southeasterly right of way line of Hennepin County State Aid Highway No. 4, Plat 60 as recorded in Document No. 5060347; thence North 33 degrees 34 minutes 37 seconds East along said right of way line, a distance of 240.00 feet; thence South 56 degrees 25 minutes 23 seconds East, a distance of 616.21 feet; thence on a bearing of South a distance of 491.65 feet to an intersection with a line which bears South 89 degrees 35 minutes 00 second East from the point of beginning; thence North 89 degrees 35 minutes 00 seconds West a distance of 646.14 feet to the point of beginning.

ABSTRACT PROPERTY.

PARCEL 3:

All that part of the South Half of Section 28, Township 116 North, Range 22, West of the 5th Principal Meridian, described as follows: Commencing at a point in the west line of said Section 28, distant 1674.4 feet North of the southwest corner of said Section 28; thence South 693 feet along the west line of said section; thence South 89 degrees, 35 minutes East 1000.5 feet; thence North 3 degrees, 50 minutes East 909.3 feet to a point hereinafter referred to as "POINT A"; thence North 59 degrees, 50 minutes West 672.6 feet, more or less, to a point described as follows: Commencing at aforesaid "POINT A"; thence North 1 degree, 31 minutes, 30 seconds East 560 feet; thence South 54 degrees and 31 minutes, 30 seconds West 343 feet; thence South 87 degrees, 35 minutes, 30 seconds West 311.6 feet to said point to be described; thence South 55 degrees, 27 minutes, 30 seconds West 248 feet; thence South 34 degrees West 150 feet; thence South 34 degrees West 350 feet, more or less, to the point of beginning. For the purpose of this description the west line of the Southwest Quarter of said Section 28 is assumed to be a true North and South line.

EXCEPT FOR THE FOLLOWING PROPERTY:

That part of the South Half of Section 28, Township 116, Range 22 described as follows: Commencing at the southwest corner of said Section 28; thence on an assumed bearing of North along the west line of said Southwest Quarter a distance of 981.40 feet to the point of beginning of the tract of land to be described; thence continuing on a bearing of North along said west line a distance of 627. 80 feet to the southeasterly right of way line of Hennepin County State Aid Highway No. 4, Plat 60 as recorded in Document No. 5060347; thence North 33 degrees 34 minutes 37 seconds East along said right of way line, a distance of 240.00 feet; thence South 56 degrees 25 minutes 23 seconds East, a distance of 616.21 feet; thence on a bearing of South a distance of 491.65 feet to an intersection with a line which bears South 89 degrees 35 minutes 00 second East from the point of beginning; thence North 89 degrees 35 minutes 00 seconds West a distance of 646.14 feet to the point of beginning.

ABSTRACT PROPERTY.

**PROMISSORY NOTE**

Dated: April 3, 2024

Eden Prairie, Minnesota

FOR VALUE RECEIVED, the undersigned, **Riley Purgatory Bluff Creek Watershed District**, a watershed district with purposes and powers as set forth in Minnesota Statutes Chapters 103B and 103D (“Borrower”), hereby promises to pay to the order of **TDI Holdings LLC**, a Minnesota limited liability company (“Lender”) or at such other place as the Lender may, from time to time, designate in writing, the principal sum of **\$275,000.00**, the same being the balance owed by Borrower to Lender under that certain Agreement for Assignment of Purchase Agreement dated October 11, 2023 by and between Lender, as assignor, and Borrower, as assignee, as amended by First Amendment to Agreement for Assignment of Purchase Agreement dated as of an even date herewith (collectively, the “Assignment Agreement”), pursuant to which Lender assigned to Borrower, and Borrower assumed from Lender, that certain Purchase and Sale Agreement dated November 10, 2021 (as amended from time to time, collectively, the “Purchase Agreement”), with **Carol L. Standal**, as the surviving joint owner (“Seller”), with the right to purchase from Seller approximately 27.52 acres of real property located in the Eden Prairie, Minnesota (as more particularly described in the Assignment Agreement and the Purchase Agreement, the “Property”).

This Note shall bear interest of **6.5%** per annum. Commencing on **January 5, 2025**, and continuing thereafter on the fifth (5th) day of January, April, July, and October of each calendar year through the, Borrower shall make quarterly interest-only payments of all accrued interest on the unpaid balance of this Note for so long as the Contract for Deed remains in effect.

As contemplated by the Assignment Agreement and the Purchase Agreement, on an even date herewith, Lender has assigned, and Borrower has assumed, the Purchase Agreement, and Borrower has acquired the Property from Seller pursuant to the terms of a contract for deed between Seller, as vendor, and Borrower, as vendee (as may be amended, supplemented, and/or otherwise modified from time to time, the “Contract for Deed”). The entire principal balance of this Note and interest accrued thereon is due and payable upon and concurrently with Borrower’s full performance of the Contract for Deed (the “Maturity Date”).

Borrower hereby waives presentment for payment, protest and notice of protest, consents to the extension or renewal of this Note without notice, and agrees to pay, in an Event of Default hereunder, the costs of collection, including reasonable attorney’s fees.

The remedies of Lender, as provided herein and in any document securing this Note shall be cumulative and concurrent and may be pursued singly, successively or together, at the sole discretion of Lender, and may be exercised as often as occasion therefor shall occur. Lender may, in its discretion, waive any default hereunder and its consequences and rescind any declaration of acceleration of principal; provided, however, that no action or inaction by Lender shall be deemed a waiver of any of Lender’s rights or remedies unless Lender specifically agrees in writing that such action or inaction shall constitute a waiver of its rights or remedies. Any waiver shall only apply to the particular instance for which it was agreed. No delay in exercising and no failure in exercising any right or remedy hereunder or afforded by law shall be a waiver of or preclude the exercise of any right or remedy hereunder or provided by law, whether on such occasion or any future occasion, nor shall such delay be construed as a waiver of any default or acquiescence therein. The exercise or the beginning of the exercise of one right or remedy shall not be deemed a waiver of the right to exercise at the same time or thereafter any other right or remedy.

This Note may be prepaid in whole or in part without notice, premium, or penalty. Any payment shall be applied first to accrued interest and then to principal.

This Note shall not be sold, transferred, assigned or pledged without the prior written consent of Borrower.

In addition to any notice required under applicable law to be given in another manner, any notices required hereunder must be in writing, and shall be sufficient if personally served or sent by prepaid, registered, or certified mail (return receipt requested), to the business address of the party to whom it is directed. Such business address shall be that address specified below, or such different address as may hereafter be specified, by either party by written notice to the other:

Address of Assignee: Riley-Purgatory-Bluff Creek Watershed District  
18681 Lake Drive East  
Chanhassen, MN 55317  
Attn: District Administrator

With a copy to: Smith Partners PLLP  
Attn: Louis Smith  
250 Marquette Avenue South, Suite 250  
Minneapolis, Minnesota 55401

And a copy to: Ballard Spahr LLP  
Attn: Alex Sellke  
2000 IDS Center, 80 South 8th Street  
Minneapolis, MN 55402-2119

Address of Assignor: TDI Holdings LLC  
Attn: Beth Hustad  
135 Crabapple Lane  
Excelsior, MN 55331

with a copy to: Matthew Simenstad  
Sanford, Pierson, Thone & Streat, PLC  
1905 East Wayzata Boulevard, Suite 220  
Wayzata, MN 55391

This Note is made with reference to and shall be governed by and construed in accordance with the laws of the State of Minnesota.

**IT IS HEREBY CERTIFIED AND RECITED** that all conditions, acts and things required to exist, to happen and to be performed precedent to or in the issuance of this Note do exist, have happened and have been performed in regular and due form as required by law.

[Signature Page Follows]

IN WITNESS WHEREOF, Borrower has caused this Note to be duly executed as of the date and year first above written.

**Riley Purgatory Bluff Creek Watershed District,**  
a watershed district with purposes and powers as set  
forth in Minnesota Statutes Chapters 103B and 103D

By: \_\_\_\_\_

Name: \_\_\_\_\_

Its: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Its: \_\_\_\_\_

DRAFT

**RESOLUTION NO. 24-026**  
**RILEY PURGATORY BLUFF CREEK WATERSHED DISTRICT**  
**BOARD OF MANAGERS**

**APPROVING AGREEMENT WITH THE CITY OF EDEN PRAIRIE REGARDING**  
**DEFERRED SPECIAL ASSESSMENTS FOR**  
**SPRING ROAD CONSERVATION PROJECT**

Manager \_\_\_\_\_ offered the following resolution and moved its adoption, seconded by  
Manager \_\_\_\_\_:

**WHEREAS** the owner of the Spring Road parcels, Carol L. Standal, through her legal representative, and TDI Holdings, LLC through its legal representative have offered to make the short-term financing of the Project available through a Contract for Deed, related Seventh Amendment to the Purchase and Sale Agreement, and a First Amendment to the Assignment Agreement with TDI Holdings, Inc.; the Board of Managers approved these agreements through Resolution 24-025;

**WHEREAS** in relation to the Contract for Deed and related Seventh Amendment to the Purchase and Sale Agreement with Carol L. Standal, the terms include the District's assumption of special assessments owing on the property to the City of Eden Prairie; the City of Eden Prairie has agreed to terminate these special assessments in exchange for an agreement with the District for deferred payment of the special assessments within two years;

**WHEREAS** the Board of Managers has carefully considered this agreement with the City of Eden Prairie in consultation with real estate legal counsel;

**NOW THEREFORE BE IT RESOLVED** that the Board of Managers hereby approves the proposed Agreement for Deferred Special Assessments with the City of Eden Prairie, and further authorizes the President to execute the agreement with non-substantive changes on advice of legal counsel.

The question was on the adoption of the resolution and there were \_\_\_\_\_ yeas and \_\_\_\_\_ nays as follows:

**Yea**                      **Nay**                      **Abstain**                      **Absent**

**CRAFTON**  
**DUEVEL**  
**KOCH**  
**PEDERSEN**  
**ZIEGLER**

Upon vote, the president declared the resolution \_\_\_\_\_.

Dated: March \_\_\_\_, 2024.

---

Thomas Duevel, Secretary

\* \* \* \* \*

I, Thomas Duevel, secretary of the Riley Purgatory Bluff Creek Watershed District, do hereby certify that I have compared the above resolution with the original thereof as the same appears of record and on file with the District and find the same to be a true and correct transcription thereof.

IN TESTIMONY WHEREOF, I set my hand this \_\_\_\_\_ day of \_\_\_\_\_, 2024.

\_\_\_\_\_  
Thomas Duevel, Secretary

**AGREEMENT REGARDING DEFERRED SPECIAL ASSESSMENTS**

This Agreement Regarding Deferred Special Assessments (“Agreement”) is made this 2nd day of April, 2024, by and between the City of Eden Prairie, a Minnesota municipal corporation (“City”) and the Riley Purgatory Bluff Creek Watershed District, a public body with purposes and powers set forth at Minnesota Statutes chapters 103B and 103D (“District”).

**RECITALS**

**WHEREAS**, the District has entered into a contract to purchase real property in the City of Eden Prairie identified as Hennepin County PID No. 28-116-22-32-0005 (the “Property”);

**WHEREAS**, in 2003, the City adopted Resolution No. 2003-143 levying special assessments for City project I.C. 99-5484, which include a special assessment against the Property in the amount of \$120,761.23, payable in equal installments beginning in 2004, over 20 years at 6.5% interest (the “Special Assessment”);

**WHEREAS**, as part of the District’s contract for the Property, the District has agreed to assume the obligation to pay any the Special Assessment and any interest accrued thereon;

**WHEREAS**, due to its status as a qualifying agricultural property under Minn. Stat. § 273.111, the Property’s Special Assessment was deferred for as long as the Property remained a qualifying agricultural property under Minn. Stat. § 273.111;

**WHEREAS**, upon the transfer of the Property to the District, the Property will lose its status as a qualifying agricultural property under Minn. Stat. § 273.111;

**WHEREAS**, under Minn. Stat. § 273.111, subd. 11, “when such property no longer qualifies under subdivision 3 or 3a., all deferred special assessments plus interest shall be payable in equal installments spread over the time remaining until the last maturity date of the bonds issued to finance the improvement for which the assessments were levied. If the bonds have matured, the deferred special assessments plus interest shall be payable within 90 days.”;

**WHEREAS**, the bonds issued to finance the improvement for which the Special Assessment was levied have matured, and as a result the Special Assessment, plus interest, is payable within 90 days after the Property transfers to the District;

**WHEREAS**, as of the date of this Agreement, the outstanding balance of the Special Assessment, including accrued interest, is \$274,128.64;

**WHEREAS**, the District has requested that the City allow additional time for payment of the Special Assessment beyond the 90 days provided by the statute, and the City has agreed to grant the request, subject to the terms and conditions of this Agreement.

**NOW, THEREFORE**, in consideration of the foregoing and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the City and the District agree as follows:

1. Termination of Special Assessment. Promptly after the date that the Property has transferred to the District such that the Property loses its status as qualifying agricultural property under Minn. Stat. § 273.111 (whether by fee title transfer or conveyance by contract for deed), the District shall notify the City in writing of such transfer (the “Transfer Notification Date”), and the City will within fifteen (15) days thereafter execute and provide to the Hennepin County Assessor’s Office the Resolution attached hereto as Exhibit A, terminating the Special Assessment.
2. Agreement to Pay Outstanding Balance. In consideration of the City’s termination of the Special Assessment, the District hereby agrees and promises to pay to the City the principal sum of Two Hundred Seventy-Four Thousand, One Hundred Sixty-Eight and 24/100 Dollars (\$274,128.64), plus interest at the rate of 6% per annum beginning on the Transfer Notification Date (the “Outstanding Balance”).
3. Term; Prepayment. Full payment of the Outstanding Balance evidenced by this Agreement, plus any interest incurred, must be made within two (2) years of the Transfer Notification Date (the “Term”). The Outstanding Balance may be prepaid in full or in part at any time during the Term. Partial prepayments shall be applied against the outstanding principal balance.
4. Confession of Judgment. The District hereby confesses judgment in the amount of \$307,024.08 (the “Confession Amount”), which represents the principal amount plus the total amount of interest payable through the end of the Term, as described in paragraph 2. A Confession of Judgment, attached hereto as Exhibit B and executed by the District contemporaneously with execution of this Agreement, serves as security for this Agreement. The Confession of Judgment may be filed in Hennepin County District Court in the event of the District’s failure to pay the Outstanding Balance in accordance with the terms of this Agreement.
5. Notice of Default. City agrees that, if it intends to file the Confession of Judgment, the City will give the District written notice of the default. The notice will provide the District with at least thirty (30) days to cure the default and will inform the District that failure to cure the default within such time period may result in the City’s filing of the Confession of Judgment.
6. Attorney’s Fees. In the event the District fails to pay the Outstanding Balance to the City as required by this Agreement and the City employs attorneys or incur other expenses for the collection of the amounts due hereunder, the District will on demand pay to the City the reasonable fee of such attorneys and such other expenses so incurred.
7. No Assignment. This Agreement may not be assigned or transferred by the District or the City, in each case, without the other party’s prior written consent. If the District does not

obtain title to the Property (whether by fee title transfer or conveyance by contract for deed), this Agreement shall have no effect.

8. Governing Law. This Agreement is deemed made within the State of Minnesota and shall be governed by and interpreted in accordance with Minnesota law. All disputes arising out of this Agreement shall be subject to the exclusive jurisdiction of the Minnesota State Courts, and exclusive venue for any such action shall be in Hennepin County, Minnesota.
9. Entire Agreement. This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and merges all prior discussions between them with respect to the subject matter hereof. This Agreement may not be modified except by a written agreement dated subsequent to the date of this Agreement and signed by both parties.

*[signatures on following pages]*

**CITY OF EDEN PRAIRIE**

---

Ronald A. Case  
Mayor

---

Rick Getschow  
City Manager

Dated: April 2, 2024

DRAFT

**RILEY PURGATORY BLUFF CREEK WATERSHED DISTRICT**

\_\_\_\_\_

By: \_\_\_\_\_

Its: \_\_\_\_\_

\_\_\_\_\_

By: \_\_\_\_\_

Its: \_\_\_\_\_

Dated: \_\_\_\_\_

DRAFT

**EXHIBIT A**

**Resolution**

DRAFT

**EXHIBIT B**

**Confession of Judgment**

DRAFT

STATE OF MINNESOTA

DISTRICT COURT

COUNTY OF HENNEPIN

FOURTH JUDICIAL DISTRICT  
CASE TYPE: 3B – OTHER CONTRACT

City of Eden Prairie,

Court File No. \_\_\_\_\_

Plaintiff,

vs.

**CONFESSION OF JUDGMENT**

Riley Purgatory Bluff Creek Watershed District,

Defendant.

The undersigned Riley Purgatory Bluff Creek Watershed District (“Defendant”), hereby confesses judgment in favor of Plaintiff City of Eden Prairie (“City”) for the sum of \$307,024.08, plus interest at the applicable judgment rate from the date hereof. The sum of \$307,024.08, is justly due, and the Defendant hereby authorizes the entry of judgment against it for said amount, less any amounts previously paid, with interest at the prevailing judgment rate from the date hereof until duly paid in full.

The Defendant hereby executes this Confession of Judgment (the “Confession”) pursuant to Minnesota Statutes § 548.22, and as for such purpose, states and agree as follows:

1. This Confession is for a debt due and owing to the City based on the facts set forth herein.
2. On \_\_\_\_\_, 2024, the Defendant executed an Agreement Regarding Deferred Special Assessments (“Agreement”) whereby it agreed to pay to the City the amount of \$274,128.64, plus interest at 6% per annum (the “Outstanding Balance”) in exchange for the City’s termination of a special assessment previously levied by the City against Defendant’s property and deferred under the Green Acres law, Minn. Stat. § 273.111.
3. In consideration for the Agreement, the City terminated the special assessment.
4. The Agreement required Defendant to pay to the City the Outstanding Balance with two (2) years of the date of Defendant’s notice to the City that Defendant’s property no longer qualified for deferral under the Green Acres law.
5. Defendant notified the City that the property no longer qualified for deferral on \_\_\_\_\_, and the City terminated the special assessment. Payment of the Outstanding Balance was therefore due on or before \_\_\_\_\_.

6. Defendant failed to pay the Outstanding Balance to the City by \_\_\_\_\_.

7. The sum of \$307,024.08, less any amounts previously paid, plus interest at the prevailing judgment rate from the date of this Confession, is justly due and owing to the City, and the Defendant hereby confesses judgment for the same and authorize entry of judgment against it without further delay. Defendant agrees and understand that said judgment amount may be amended after entry based upon subsequent payments or future credits, which includes, but is not limited to, actual costs and disbursements.

8. The Court Administrator may enter judgment in favor of the City and against Defendant in the sum total of \$307,024.08, less any amounts previously paid, plus interest at the prevailing judgment rate from the date hereof, without further delay.

RILEY PURGATORY BLUFF CREEK WATERSHED  
DISTRICT

Dated: \_\_\_\_\_

By: \_\_\_\_\_

Its: \_\_\_\_\_

Dated: \_\_\_\_\_

By: \_\_\_\_\_

Its: \_\_\_\_\_



**CITY OF EDEN PRAIRIE  
HENNEPIN COUNTY, MINNESOTA**

**RESOLUTION NO. 2024-\_\_\_\_**

**A RESOLUTION TO TERMINATE A SPECIAL ASSESSMENT DEFERRED UNDER  
MINN. STAT. § 273.111**

**WHEREAS**, Green Acres is a tax deferral program for certain qualifying agricultural properties pursuant to Minn. Stat. § 273.111; and

**WHEREAS**, on October 7, 2003, the City of Eden Prairie adopted Resolution No. 2003-143 levying multiple special assessments, including for project I.C. 99-5484 (the “Special Assessment”); and

**WHEREAS**, the Special Assessment for Parcel Identification No. 32-116-22-32-0005 (the “Property”), was \$120,761.23, payable in equal installments beginning in 2004, over 20 years at 6% interest; and

**WHEREAS**, due to its status as a qualifying agricultural property under Minn. Stat. § 273.111, the Property’s Special Assessment was deferred for as long as the Property remained a qualifying agricultural property under Minn. Stat. § 273.111; and

**WHEREAS**, as of \_\_\_\_\_, the Property lost its status as a qualifying agricultural property under Minn. Stat. § 273.111; and

**WHEREAS**, the owner of the Property has made alternate arrangements with the City to payoff the outstanding balance of the Special Assessment and has requested that the City terminate the Special Assessment; and

**WHEREAS**, Hennepin County requires a formal resolution from the City Council regarding any changes to a levied special assessment.

**NOW, THEREFORE, BE IT HEREBY RESOLVED** by the City Council of the City of Eden Prairie, that the Special Assessment levied upon the Property by Resolution No. 2003-143 is hereby terminated and released from the Property.

**ADOPTED** by the City Council of the City of Eden Prairie this 3rd day of April, 2024.

**ATTEST:**

\_\_\_\_\_  
Ronald A. Case, Mayor

\_\_\_\_\_  
David Teigland, City Clerk