



CITY COUNCIL
SPECIAL MEETING

Wednesday, February 4th, 2026 – 6:00 PM
City Hall – Council Chambers
250 S Main St – Pine Island

I. CALL TO ORDER

II. PLEDGE OF ALLEGIANCE

III. ADMINISTRATION

- A. Request for Business Subsidy for Pine Island Industrial/Project Skyway
- B. Public Hearing for Business Subsidy and Tax Abatement Request

IV. ADJOURN

All Council Meetings are audio tape-recorded and video is streamed to the internet.

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**CITY OF PINE ISLAND
GOODHUE AND OLMSTED COUNTIES
STATE OF MINNESOTA**

RESOLUTION 26-

**RESOLUTION GRANTING REAL PROPERTY TAX ABATEMENTS
IN THE CITY OF PINE ISLAND, MINNESOTA**

BE IT RESOLVED by the City Council (the “**Council**”) of the City of Pine Island, Minnesota (the “**City**”) as follows:

Section 1. Recitals.

1.01 JPW South Owner, LLC, a Delaware limited liability company (the “**Developer**”) and JPW North Owner, a Delaware limited liability company (the “**Operator**”), have acquired or intend to acquire in fee the real property located between Highway 52 and 195th Avenue, and south of 490th Street, including the following parcels (each a “**Parcel**”, and together the “**Parcels**”) (i) the parcels identified as, 390290500, 390290600, 681200040, and 687000100, and which may be replatted (the “**Southern Property**”); and (ii) the parcels identified as 390200700, 390200400, 390200401, 390200500, 390201100, 390201000, 390201001, and 390201101, and which may be replatted (the “**Northern Property**”) (the Northern Property and Southern Property are each, a “**Property**”, and together the “**Development Property**”).

1.02 The Developer and Operator propose to develop the Development Property in two phases (each a “**Project**” and, together the “**Development**”) consisting of the acquisition and construction of a technology campus located on the Development Property, with development of each Project occurring in multiple stages (each, a “**Stage**”), of which there are collectively up to nine (9), where each Stage will be located on one or more Parcels. The first Project will be developed on the Southern Property (up to four (4) Stages) and the second Project will be developed on the Northern Property (up to five (5) Stages).

1.03 The Operator intends to purchase equipment for use in the Development and will operate the Development. The Operator may also be responsible for developing future Stages and retains the right to assume the role of the Developer for future Stages.

1.04 The Development Property is currently undeveloped. For the first Stage of the Development, it is expected that the Operator will create at least thirty-eight (38) new employment positions with an average annual compensation of at least one hundred and twenty percent (120%) of the annualized Goodhue County average wage, after which each additional Stage would result in additional headcount growth.

1.05 Pursuant to Minnesota Statutes, sections 469.1812 through 469.1815, as amended (the “**Tax Abatement Act**”), and a Tax Abatement Agreement, the form of which has been submitted to the City Council for its consideration and approval (the “**Tax Abatement Agreement**”), the City has determined a need to grant real property tax abatements (the

“**Abatements,**” and each, an “**Abatement**”) in order to assist in financing a portion of the costs of the Development.

1.06 The term of the Abatement for the Southern Property will be for twenty (20) tax years, commencing with the taxes payable year associated with the first tax assessment year after the initial Stage of the Project associated with the Southern Property has received its Certificate of Occupancy. The term of the Abatement for the Northern Property will be for twenty (20) tax years, commencing upon the first to occur of either (1) with the taxes payable year associated with the first tax assessment year after the initial Stage of the Project associated with that Northern Property has received its Certificate of Occupancy or (2) eight (8) years after the initial Stage of the Project associated with the Southern Property has received its Certificate of Occupancy.

1.07 Each Abatement will apply to the City’s increased real estate tax revenue resulting from construction of one or more Stages on a Property, effectively rebating a portion of the increased taxes. Under no circumstances will the City advance funds for the Development.

1.08 The Tax Abatement Agreement sets forth in greater detail the terms of the Abatements provided by the City.

1.09 On February 4, 2026, the City Council conducted a duly noticed public hearing on the Abatements proposed to be granted by the City. The views of all interested persons were heard and considered at the public hearing.

1.10 The City submitted a written request for Independent School District No. 255 (the “Pine Island School District”) to participate in tax abatements related to the Development. The Pine Island School District declined in writing to participate.

Section 2. Findings.

2.01 The recitals set forth above are incorporated into this Resolution.

2.02 The Abatements are in the public interest, because such actions will increase the City’s tax base, facilitate construction of needed public and private infrastructure, and provide additional employment opportunities in the City, all without any financial risk to the City.

2.03 The benefits to the City from each Abatement will exceed the costs to the City of that Abatement, and the overall benefits to the City from the Abatements will exceed the costs to the City of the Abatements.

(a) The City will gain tax revenue from the Development.

(b) The Development, including each Stage thereof, is anticipated to encourage additional development and employment opportunities within the City and surrounding area due to the commercial activity of the Development’s employees and vendors;

(c) The utility infrastructure to be built for the Development, including stormwater ponds and sediment basins, extension of sanitary sewer and water and the paving of a portion of 195th Avenue will open additional areas for future development; and

(d) Annual payments will be made to the City and the Pine Island School District over a period of 28 years.

2.04 It is found and determined that the Abatements are expected to result in the following public benefits:

(a) Capital investment of approximately seven hundred million dollars (\$700,000,000) for the first Stage of the Development, and additional capital investment in subsequent Stages;

(b) Creation by the Operator of at least thirty-eight (38) new employment positions having average annual compensation of at least one hundred and twenty percent (120%) of the annualized Goodhue County average wage for the first Stage of the Development, and creation of additional employment positions as the Development grows having average annual compensation of at least one hundred twenty percent (120%) of the then-current Goodhue County average wage; and

(c) Provision by the Developer and Operator of needed public infrastructure improvements in connection with construction of the Development.

2.05 The Abatements are a business subsidy within the meaning of Minnesota Statutes, sections 116J.993 to 116J.995, as amended (the “**Business Subsidy Act**”) and they meet the requirements of the City’s Business Subsidy Policy.

2.06 Goodhue County may enter into a tax abatement agreement for the Development.

Section 3. Actions Ratified; Abatements and Tax Abatement Agreement Approved

3.01 The City Council ratifies all actions of the City’s staff and consultants in arranging for approval of this Resolution and the Tax Abatement Agreement in accordance with the Tax Abatement Act.

3.02 Subject to the provisions of the Tax Abatement Act and the Tax Abatement Agreement, the Abatements are approved and adopted subject to the following terms and conditions:

(a) The City will pay the Abatements from taxes received from the Development in the amounts, at the times, and in accordance with the terms and conditions set forth in the Tax Abatement Agreement, which provides for payment of Abatements only after the relevant tax payments have been received. No further approval of the Abatements is required.

(b) Each Abatement will have a maximum term of 20 years, unless terminated or amended under the terms of the Tax Abatement Agreement.

(c) In accordance with Section 469.1813, subdivision 8 of the Abatement Act, in no tax year shall the Abatements, together with all other abatements approved by the City under the Tax Abatement Act, exceed 10% of the net tax capacity of the City for that

year (the “**Abatement Cap**”). The City may grant other abatements permitted under the Tax Abatement Act after the date of this Resolution, provided that to the extent the total abatements in any year exceed the Abatement Cap, the allocation of Abatement Cap to such other abatements approved after the date of this Resolution is subordinate to the Abatements granted pursuant to this Resolution.

(d) The Tax Abatement Agreement provides that the total of the Abatements for the Development in any tax year will not exceed eighty-five percent (85%) of the Abatement Cap, which will allow the City to use the remaining fifteen percent (15%) of the Abatement Cap for other projects.

(e) Consistent with Section 469.1815 of the Tax Abatement Act, the City will add to its levy in each year during the term of any Abatement the total estimated annual Abatement amounts for that tax year.

(f) The provision of the Abatements is conditioned on and subject to the Tax Abatement Agreement, which addresses, among other things, the terms under which the Developer and Operator will construct and operate the Development, and the terms and conditions under which the City will provide the Abatements. In the event of a conflict between this Resolution and the Tax Abatement Agreement, the terms of the Tax Abatement Agreement shall prevail.

(g) The Abatements shall be provided to the Operator pursuant to the terms and conditions of the Tax Abatement Agreement.

(h) The Abatements may not be modified or changed by the City, except with the consent of Operator and Developer by amending the Tax Abatement Agreement.

(i) The City makes no representations or warranties regarding the amount of Abatement in any given year or during the Abatement Period.

(j) Payment of the Abatement and satisfaction of the terms and conditions of the Abatement Agreement are conditioned on the annexation of all the Abatement Property by the City and it being subject to real estate taxation by the City.

3.03 The City Council hereby approves the Tax Abatement Agreement in substantially the form attached as **Exhibit A**, and the Mayor and City Administrator are authorized and directed to execute the Tax Abatement Agreement on behalf of the City. The execution of the Tax Abatement Agreement by the appropriate officers of the City shall be conclusive evidence of the approval of the Tax Abatement Agreement in accordance with the terms of this Resolution.

3.04 Terms used in this Resolution but not defined herein shall have the meanings given to them in the Tax Abatement Agreement, or if no meaning is specific in the Tax Abatement Agreement, then the meaning given in the Tax Abatement Act.

Section 4. Effective Date.

This resolution is effective upon execution in full of the Tax Abatement Agreement.

ADOPTED on _____
by the City Council of the City of Pine Island, Minnesota.

_____, Mayor

ATTEST:

_____, City Administrator

DRAFT

EXHIBIT A
FORM OF TAX ABATEMENT AGREEMENT

DRAFT

TAX ABATEMENT AGREEMENT
BY AND BETWEEN
CITY OF PINE ISLAND, MINNESOTA
AND
JPW SOUTH OWNER, LLC AND JPW NORTH OWNER, LLC

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TAX ABATEMENT AGREEMENT

This Tax Abatement Agreement (the “**Agreement**”) is made as of the ___ day of _____, 2026 (“**Effective Date**”), by and among the City of Pine Island, a municipal corporation under the laws of Minnesota (the “**City**”), JPW South Owner, LLC, a Delaware limited liability company (the “**Developer**”), and JPW North Owner, LLC, a Delaware limited liability company (the “**Operator**”).

WITNESSETH:

WHEREAS, the Developer and the Operator have acquired or intend to acquire the real property legally described on Exhibit A attached hereto (the “**Abatement Property**”); and

WHEREAS, the Developer and the Operator have requested tax abatement assistance from the City in connection with the construction and operation of a technology campus and other Projects on the Abatement Property; and

WHEREAS, pursuant to Minnesota Statutes, sections 469.1812 through 469.1815, as amended, the City has established the Abatement Program to offer such assistance; and

WHEREAS, the assistance provided pursuant to this Agreement constitutes a subsidy under the Business Subsidy Act, Minnesota Statutes, sections 116J.993 through 116J.995, as amended.

WHEREAS, the City believes that provision of the assistance requested by the Developer and the Operator and fulfillment of this Agreement are vital and in the best interests of the City, will enhance the City’s tax base, will provide employment opportunities in the City, and are in accord with the public purpose and provisions of the applicable State and local laws and requirements under which the Projects will be undertaken.

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

ARTICLE I DEFINITIONS

Section 1.1 Definitions. All capitalized terms used in this Agreement shall have the following meanings, unless a different meaning clearly appears from the context:

“**Abatement**” means the receipt of Available Tax by the City with regard to Abatement Property and payment of a portion thereof to the Operator pursuant to the Abatement Program with respect to a Parcel of the Abatement Property, as further detailed in Article III.

“**Abatement Cap**” means, with regard to a given tax year, 10% of the net tax capacity of the City for that year or \$200,000, whichever is greater.

“**Abatement Period**” means the term, for each Property, over which an Abatement may be paid to the Operator, beginning with the tax year following the Initial Year (the taxes payable year two years after the Initial Year) and extending for a total of twenty (20) tax years with respect to that Property.

“**Abatement Program**” means the actions by the City pursuant to the Tax Abatement Act undertaken in support of the Development, including this Agreement and the Abatement Resolution.

“**Abatement Property**” means one or more Parcels that are associated with a Project.

“**Abatement Resolution**” means the resolution adopted by the City on _____, 2026 authorizing the Abatement Program and payment of Abatements thereunder.

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

“**Available Tax**” means all of the City’s share of real estate taxes generated by a Parcel for a tax year during the relevant Abatement Period and paid by the County to the City.

“**Baseline Tax**” means all of the City’s share of real estate taxes generated by the Abatement Property for the Baseline Year and paid by the County to the City.

“**Baseline Year**” means, with regard to a Project, the tax assessment year preceding the year in which construction for the first Stage in that Project commences on one or more Parcels.

“**Business Subsidy Act**” means Minnesota Statutes, sections 116J.993 through 116J.995, as amended.

“**City**” means the City of Pine Island, Minnesota.

“**City Event of Default**” means any of the events described in Section 7.1 hereof.

“**Commercial Operation Date**” with respect to a Project, means the date upon which that Project has received a certificate of occupancy for such Project’s Initial Stage.

“**County**” means Goodhue County, Minnesota.

“**Developer**” means JPW South Owner, LLC, a Delaware limited liability company, which is the entity responsible for development of one or more Stages of the Development; provided, however, that Operator may assume the role of Developer for one or more Stages pursuant to Section 3.3.

“**Developer Event of Default**” means any of the events described in Section 5.1 hereof.

“**Development**” means the construction on the Development Property of a technology campus and all additional structures and improvements the City subsequently approves, consisting generally of principal and auxiliary buildings, and which may occur in two Projects collectively consisting of up to nine (9) Stages, each of which Stages may include one or more Parcels.

“**Development Agreement**” means the Development Agreement for Project Skyway Development by and among the City, the Developer and the Operator required as a term of City Resolution 25-60.

“**Development Property**” means the Southern Property and Northern Property, collectively. The Parcels in the Development Property may be platted or replatted by Developer or Operator.

“**Employment Position(s)**” means positions of employment maintained by Operator, Operator’s affiliates, or Operator’s contractors that are related to the Development and have average annual compensation of at least one hundred twenty percent (120%) of the County average weekly wage for the first quarter of the year in which they are created, as published by the United States Bureau of Labor Statistics, or the nearest available equivalent to such data, and annualized based on a fifty-two (52) week year.

“**First Project**” means the Project occurring on the Southern Property.

“**Initial Stage**” with respect to a Project, means the first Stage to be completed on the Property on which such Project is to be developed.

“**Initial Year,**” with regard to the Abatement for a Parcel, means the year in which the Commercial Operation Date occurs for the Initial Stage of the First Project, or, for the Second Project only, the year occurring eight (8) years after the Initial Year for the First Project, if the Commercial Operation Date of the Initial Stage for the Second Project has not yet occurred.

“**Land Use Entitlements**” means the planned unit development, rezoning and other land use approvals granted or to be granted by the City involving the Development.

“**Maximum Abatements Limitation**” means, with regard to a tax year, eighty-five percent (85%) of the Abatement Cap.

“**Minimum Employment Goal**” means the Employment Positions target as specified in Section 4.3 and Exhibit C as a Project goal for purposes of the Business Subsidy Act.

“**Net Additional Tax**” means, with regard to a tax year in the Abatement Period, the Available Tax from the Abatement Property less the Baseline Tax for the Abatement Property.

“**Northern Property**” means the real property legally defined and identified as the Northern Property in Exhibit A.

“**Operator**” means JPW North Owner, LLC, a Delaware limited liability company, which is the company responsible for installation and operation of the equipment to be installed in the Development, and which may be responsible for developing certain Stages.

“**Operator Event of Default**” means any of the events described in Section 6.1 hereof.

“**Parcel**” means a parcel of real estate within the Development Property that has been designated for Abatement.

“**Parties**” means City, Developer, and Operator, and “**Party**” shall mean any one of them, as the context shall require.

“**Payment Date**” means, for each tax year in an Abatement Period, the December 31 in the taxes payable year.

“**Project**” means a component part of the Development occurring on either the Southern Property or the Northern Property on one or more Parcels and involving the completion of one or more Stages.

“**Property**” means either the Southern Property or the Northern Property.

“**Second Project**” means the Project occurring on the Northern Property.

“**Southern Property**” means the real property legally defined and identified as the Southern Property in Exhibit A.

“**Stage**” means a component part of a Project on one or more Parcels, and involving the construction of one or more buildings, including a technology building.

“**Tax Abatement Act**” means Minnesota Statutes, sections 469.1812 through 469.1815, as amended.

“**Tax Appeal**” means any petition or other action to seek a reduction in market value or property taxes on any portion of the Development Property under any State or other applicable law or procedure.

ARTICLE II REPRESENTATIONS AND WARRANTIES

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

(a) The City is a municipal corporation and statutory city under the laws of Minnesota and has the power to enter into this Agreement and carry out its obligations hereunder.

(b) The Abatement Program was created, adopted and approved in accordance with the Tax Abatement Act.

(c) The City has made the findings required by the Tax Abatement Act regarding the Abatement Program and has adopted the Abatement Resolution following a public hearing.

(d) The amount of the City's other abatements under the Tax Abatement Act that are currently in effect, if any, do not exceed one and a half percent (1.5%) of the City's available tax capacity for the 2026 taxes payable year (2025 tax assessment year).

(e) The City has made the findings required by the Business Subsidy Act and its Business Subsidy Criteria regarding the Abatement Program and this Agreement.

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

(a) The Developer is a limited liability company, duly organized, existing, and in good standing under the laws of Delaware, and it has the power to enter into this Agreement, perform its obligations hereunder, and carry out the covenants contained herein.

(b) If constructed, the Developer will cause the Development to be undertaken in accordance with the terms of this Agreement, the Land Use Entitlements, and all applicable City, State, and federal laws and regulations.

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

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

(e) The Developer will reasonably cooperate with the City with respect to any litigation brought by a third party against the City and the Abatement Program.

(f) The Developer is not in default under any business subsidy agreement pursuant to Section 116J.994 of the Business Subsidy Act, nor has it been in such default within the preceding five (5) years.

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

(a) The Operator is a limited liability company, duly organized, existing and in good standing under the laws of Delaware, has the power to enter into this Agreement and to perform its obligations hereunder and carry out the covenants contained herein.

(b) If constructed, the Operator will cause the Development to be undertaken in accordance with the terms of this Agreement, the Land Use Entitlements, and all applicable City, State and federal laws and regulations.

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

(d) Construction of the Development would not be undertaken by or on behalf of the Operator, and in the opinion of the Operator, would not be economically feasible within the reasonably foreseeable future, without the assistance and benefit to the Operator provided for in this Agreement.

(e) The Operator will reasonably cooperate with the City with respect to any litigation brought by a third party against the City and involving the Abatement Program.

(f) The Operator is not in default under any business subsidy agreement pursuant to Section 116J.994 of the Business Subsidy Act, nor has it been in such default within the preceding five (5) years.

ARTICLE III UNDERTAKINGS BY DEVELOPER, OPERATOR, AND CITY

Section 3.1 The Development.

(a) The City has adopted an ordinance rezoning the Development Property from Agricultural (Ag) to Light Industrial District (I-2) subject to a conditional use permit (CUP). Additional Land Use Entitlements required before commencement of the Development are envisioned to include final site and building plan approvals and a plat of the Development Property.

(b) The Development will consist of two Projects, which will collectively include up to nine (9) Stages. Each Stage will constitute a major investment by both the

Developer and the Operator, or by the Operator alone if it chooses to develop a Stage without the Developer, on the Abatement Property for that Stage, and which is within the overall Development Property. Upon commencement of construction of a new Project or a Stage therein, the Operator shall notify the City, including identification of the relevant Parcels.

(c) The first Stage of the Development will include capital expenditures of at least seven hundred million dollars (\$700,000,000) in the relevant Abatement Property on the Southern Property. As more particularly set forth in Section 3.5, the first Stage of the Development is anticipated to include the creation of at least thirty-eight (38) new Employment Positions, after which the target per-Stage job creation will decrease by two (2) jobs per Stage until reaching a floor of thirty (30) jobs per Stage.

Section 3.2 Transfer of the Project and Assignment of Agreement.

(a) The Operator represents and agrees that, prior to the termination of this Agreement, the Operator shall not assign this Agreement in conjunction with a transfer of its interest in the Abatement Property or any part thereof or any interest therein without the prior written consent of the City, except as otherwise allowed by this Agreement. The City's consent shall not be unreasonably withheld, conditioned, or delayed.

(b) Any transfer or assignment by the Operator to an affiliate of the Operator shall not require the prior written consent of the City, however, the Operator shall notify the City within fifteen (15) days of any such transfer.

(c) Any transfer or assignment by the Operator to a third party solely for financial structuring purposes shall not require the prior written consent of the City, however, the Operator shall notify the City within fifteen (15) days of any such transfer.

(d) The Developer represents and agrees that, prior to the termination of this Agreement, the Developer shall not assign this Agreement in conjunction with a transfer of its interest in the Abatement Property or any part thereof or any interest therein without the prior written consent of the City and the Operator, except as otherwise allowed by this section. The City's consent and the Operator's consent shall not be unreasonably withheld, conditioned, or delayed.

(e) Any transfer or assignment by the Developer to an affiliate of the Developer shall not require the prior written consent of the City and the Operator, however, the Developer shall notify the City and the Operator within fifteen (15) days of any such transfer.

(f) Any transfer or assignment by the Developer to a third party solely for financial structuring purposes shall not require the prior written consent of the City, however, the Developer shall notify the City within fifteen (15) days of any such transfer.

Section 3.3 Operator Development of Stages. The Operator may, for any Stage, elect to develop that Stage directly instead of with the Developer. In addition, the Developer may transfer its interest in the Parcels for one or more Stages, or the entire Development, to the Operator, under

terms as may be agreed between the Operator and the Developer. For any Stage where the Operator has assumed the role of the Developer, all rights and obligations of the Developer under this Agreement shall instead apply to the Operator.

Section 3.4 Real Property Taxes.

(a) The City agrees that during any Abatement Period it will not take any action, including the levy of special assessments, to unreasonably increase assessment of the Development Property or other actions to impair the ability of either or both the Developer and the Operator to proceed with developing or operating the Development. Notwithstanding the above, the City shall have the right to specially assess any or all of the Development Property in accordance with Minnesota Statutes, Chapter 429 to the extent the Development Property is benefitted by such improvements.

(b) The Developer agrees that during any Abatement Period it will not cause a reduction in the real property taxes paid on the Abatement Property through willful destruction of any part of the Development that is subject to any Abatement. The Developer also agrees that it will not, during any Abatement Period, transfer or permit transfer of the Abatement Property to any entity whose ownership or operation of the property would result in the Abatement Property being exempt from real property taxes under State law.

(c) The Operator agrees that during any Abatement Period it will not cause a reduction in the real property taxes paid on the Abatement Property through willful destruction of any part of the Development that is subject to any Abatement. The Operator also agrees that it will not, during any Abatement Period, transfer or permit transfer of the Abatement Property to any entity whose ownership or operation of the property would result in the Abatement Property being exempt from real property taxes under State law.

(d) The Developer or the Operator, as applicable, shall notify the City within thirty (30) days of filing any Tax Appeal. If as of any Payment Date, any Tax Appeal is then pending, the City will continue to pay any Abatement due but only to the extent that the Abatement relates to real estate taxes paid with respect to the market value of the Abatement Property not being challenged as part of the Tax Appeal, and the City will withhold any Abatement otherwise due related to real property taxes paid with respect to the market value of the Abatement Property being challenged as part of the Tax Appeal. The City will pay to the Operator or the Developer any withheld Abatement to the extent not reduced as a result of the Tax Appeal after the Tax Appeal is fully resolved and the amount of Abatement attributable to the disputed tax payments is finalized. Nothing in this Section 3.4(d) shall be deemed to limit the Developer's or the Operator's right to challenge or oppose, pursuant to any applicable law or procedure, the imposition of any other taxes, fees, or other governmental charges, including, without limitation, franchise fees, imposed by any governmental authority on the Developer, the Operator, the Development Property, or the Development.

(e) Payment of the Abatement and satisfaction of the terms of this Agreement are conditioned on annexation by the City of all the Abatement Property and it being subject to real estate taxation by the City.

Section 3.5 Amounts of Abatements.

(a) The City agrees to abate the amounts of Available Tax as set forth herein as to taxes paid by the Developer (and the Operator, if applicable).

(b) The Abatement Program shall consist of annual Abatement calculations based on percentages of Net Additional Tax for each Parcel that is within an Abatement Period and has been developed as part of a Stage, and taking into account the creation of sufficient Employment Positions, according to the following calculation for each tax year:

(i) Multiply (a) eighty-five percent (85%) by (b) the excess of (x) the sum of the Net Additional Tax for each Parcel subject to Abatement for such tax year over (y) \$500,000.00.

(ii) Beginning with the second tax year of a Parcel's Abatement, for any Stage where the Operator failed to meet the Operator's Employment Target (defined below) for such Stage, the Abatement for the Parcel relating to that Stage shall be reduced in proportion to the shortfall from the Employment Target for that Stage. For each Stage, the Operator shall create the number of new Employment Positions for such Stage specified for such Stage in **Exhibit C – Employment Targets** (each, an "**Employment Target**"). For purposes of determining whether the Operator has satisfied the Employment Targets, Employment Positions shall be measured on a cumulative rolling basis, and each Employment Position will be assigned to the earliest Stage until the Operator has satisfied the Employment Target for such Stage, with any surplus Employment Positions then assigned to the Employment Target for the subsequent Stage, regardless of the place of employment within the Development of such Employment Position.

(iii) Apply the Maximum Abatements Limitation to ensure that the total of the Abatements for the tax year do not exceed eighty-five percent (85%) of the Abatement Cap for that tax year. If the Maximum Abatements Limitation applies, reduce the Abatements, starting with the newest Abatement (i.e., the Parcel or Parcels associated with the most recently completed Stages), until the total amount of the Abatements for the tax year equals the Maximum Abatements Limitation for the tax year.

(c) In accordance with Section 469.1813, subdivision 8 of the Abatement Act, in no tax year shall the Abatements, together with all other abatements approved by the City under the Tax Abatement Act for that tax year, exceed the Abatement Cap. The City may grant other abatements permitted under the Tax Abatement Act after the date of this Agreement, provided that to the extent the total abatements in any year exceed the Abatement Cap, the allocation of Abatement Cap to such other abatements shall be subordinate to the Abatements granted pursuant to this Agreement.

(d) The City makes no representations or warranties regarding the amount of Abatement which will be available regarding the Development. Any estimates thereof made by the City or its consultants are for the benefit of the City and may not be relied upon by the Developer or the Operator.

Section 3.6 Abatement Periods.

(a) The Abatement Period for each Project is twenty (20) tax years.

(b) The parties acknowledge that the City may offer an Abatement Period of twenty (20) years only because the City requested in writing that Independent School District No. 255 (Pine Island School District) participate in the Abatement Program, and the school district has declined in writing to do so. If the school district subsequently decides to grant a tax abatement regarding the Development, the Abatement Program will be modified and the relevant Abatement Periods shortened in accordance with the Tax Abatement Act.

Section 3.7 Abatement Payments Rebating Taxes Paid.

(a) The City will take all actions necessary to ensure the payment of Abatements in accordance with this Agreement. For a given taxes payable year, the City shall pay the entirety of the annual Abatement amount by the Payment Date for that taxes payable year. Provided, however, that under all circumstances the City shall pay an Abatement only up to the extent it has received the associated Available Tax. If any part of an annual Abatement amount for a given taxes payable year is received by the City after the Payment Date for that year, then such Abatement shall be paid before the next Payment Date, up to and including the final Payment Date.

(b) The City will pay all Abatement payments due under this Agreement to the Operator regardless of whether the real estate taxes were paid by the Developer or the Operator.

(c) When payments for a given Payment Date for multiple Abatements are owed to the Operator, such payments shall be combined into a single payment.

Section 3.8 Cooperation in Calculation of Abatements.

(a) The Parties shall cooperate in good faith in the calculation of Abatements under this Agreement.

(b) Within ten (10) business days after a request from any Party: (i) the Developer shall provide an accounting of its real estate tax assessments and payments on the Development Property; (ii) the Operator shall provide an accounting of its real estate tax assessments and payments on Development Property; (iii) and the City shall provide an accounting of its calculation, receipt, and payment of the Abatements.

Section 3.9 Applies Solely to the Development. The Abatements offered under the Abatement Program and this Agreement apply solely to the Development Property.

Section 3.10 Community Enhancement Contributions. Each calendar year for twenty-eight (28) consecutive years beginning with the first year in which the first Certificate of Occupancy is issued with respect to the First Project (the “**Community Contribution Period**”), the Operator shall make a contribution to the City to fund community enhancements (each, a “**Community Contribution**”). The Community Contribution for the first calendar year of the Community Contribution Period shall equal \$50,000.00; thereafter, the Community Contribution shall increase at a rate of \$5,000.00 per calendar year during the Community Contribution Period. For example, the Community Contributions for each of the first three (3) calendar years of the Community Contribution Period shall be \$50,000.00, \$55,000.00, and \$60,000.00, respectively. The City may use such Community Contributions at the City’s sole discretion.

Section 3.11 School District Contributions.

(a) The Operator shall make a one-time contribution to Independent School District No. 255 (the “Pine Island School District”) in the amount of \$250,000.00 within ninety (90) days after the Developer’s receipt of all Land Use Entitlements required for the development of the First Project, and a one-time contribution to the Pine Island School District in the amount of \$500,000.00 within ninety (90) after Developer’s receipt of the first Certificate of Occupancy issued with respect to the First Project. In addition, Developer or Operator shall make a contribution to the Pine Island School District (each, a “**SD Contribution**”) in each calendar year for twenty-eight (28) consecutive years beginning with the first calendar year in which the first Certificate of Occupancy is issued with respect to the First Project (the “**SD Contribution Period**”). The SD Contribution for the first calendar year of the of the SD Contribution Period shall equal \$500,000.00; thereafter, the SD Contribution shall increase at a rate of \$25,000.00 per calendar year during the SD Contribution Period. For example, the SD Contribution for the first three (3) calendar years of the SD Contribution Period shall be \$500,000.00, \$525,000.00, and \$550,000.00, respectively. The Pine Island School District may use the contributions made pursuant to this Section 3.11. in its sole discretion.

(b) The SD Contributions are intended to offset lost sales and use tax revenue due to the state data center exemption program. If the state exemption is terminated or modified such that the Development no longer qualifies, SD Contributions will be paid at a reduced rate of five hundred thousand dollars (\$500,000) for the lesser of four (4) years or the remainder of the SD Contribution Period.

ARTICLE IV BUSINESS SUBSIDY

Section 4.1 Business Subsidy. In order to satisfy provisions of the Business Subsidy Act, the Parties acknowledge and agree that the amount of the business subsidy to be provided under this Agreement is the total value of the Abatements granted under this Agreement, although what is deemed a subsidy is only a partial rebate of the Net Additional Tax paid on the Development. Such amount varies by formula and is estimated to be approximately [\$XM to \$YM] total, which is approximately [X% to Y%] of estimated Net Additional Tax revenue from the Development depending on how many Stages are in operation. The Operator is the only recipient of the business subsidy. The public purposes of the subsidy are to create high-quality Employment Positions in

the City, to increase the tax base, and to enhance economic diversity. The Operator agrees that, as a condition of receiving the business subsidy, it will meet and fulfill or cause to be met and fulfilled the project goal set forth in this Article IV. The subsidy is needed to induce the Developer and the Operator to proceed with the Development. Goodhue County may also provide a tax abatement in support of the Development. The parent corporation of Operator is _____.

Section 4.2 Project Goal. Contingent upon the Development moving forward as evinced by the filing of a construction permit for the first Stage of the Development, which would be before any subsidy is received, the Operator agrees to satisfy the Minimum Employment Goal by the deadline specified in Section 4.3 and to maintain the Minimum Employment Goal for the remainder of the five (5) years following the Commercial Operation Date of the applicable Stage.

Section 4.3 Minimum Employment Goal. The “Minimum Employment Goal” for the Development is the creation of thirty-eight (38) full-time or full-time equivalent employment positions, as detailed in Exhibit D – Minimum Employment Goal Detail, within two (2) years of the Commercial Operation Date of the Initial Stage of the First Project. The City may, after holding a public hearing, extend this deadline for up to one (1) additional year. The created Employment Positions may be employed by the Operator or one or more of its affiliates or contractors.

Section 4.4 Failure to Reach or Maintain Minimum Employment Goal. If the Operator fails to meet and maintain the Minimum Employment Goal for the period specified by Section 4.2 of this Agreement, then it will not receive any further Abatement payments, provided that the Operator may retain previous Abatement payments as constituting prorated partial performance under this Agreement.

Section 4.5 Reporting on Project Goal. The Operator agrees that it will report to the City on its progress in achieving the Minimum Employment Goal for a given year no later than the March 1 following the end of the year, on forms developed by the Minnesota Department of Employment and Economic Development, and including in the report the information required in Section 116J.994, subdivision 7 of the Business Subsidy Act. The Developer will provide the Operator with any information needed for the Operator’s report. If the City does not receive the report as of March 1, the City will send notice to the Operator within one (1) week of the required filing date, and with a copy to the Developer. If, after fourteen (14) days of the postmarked date of the warning notice, the Operator fails to provide a report, the Operator will pay to the City a penalty of one hundred dollars (\$100) for each subsequent day until the report is filed. The maximum penalty shall not exceed one thousand dollars (\$1,000).

Section 4.6 Repayment. If, for any reason, the City has paid an annual Abatement amount greater than the Operator would have been entitled to pursuant to this Agreement, then the Operator shall repay that portion that it was not entitled to receive, plus interest, which shall be set at the implicit price deflator as defined in Minnesota Statutes Section 275.70, subd. 2.

**ARTICLE V
DEVELOPER EVENTS OF DEFAULT**

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

- (a) Except with regard to any amount subject to a Tax Appeal or the payment of which has been stayed by any other procedure under applicable law, failure by the Developer to timely pay any ad valorem real property taxes, special assessments, or other governmental impositions with respect to any Abatement Property.
- (b) If constructed, the failure by the Developer to cause the Development to be constructed pursuant to the terms, conditions and limitations of the Land Use Entitlements and this Agreement.
- (c) Failure by the Developer to observe or perform any other covenant, condition, obligation or agreement on its part to be observed or performed under this Agreement, but excluding any failure to meet a Business Subsidy Act Minimum Employment Goal under Article IV of this Agreement, which shall be governed by the remedies therein.
- (d) Failure by the Developer to observe or perform any covenant, condition, obligation or agreement on its part to be observed or performed under the Development Agreement.

Section 5.2 Remedies on Default. Whenever any Developer Event of Default referred to in Section 5.1 occurs and is continuing, the City, may take any one or more of the following actions after the giving of written notice to the Developer and the Operator citing with specificity the item or items of default and notifying the Developer that it has ninety (90) days within which to cure said Developer Event of Default or commence and diligently pursue such Developer Event of Default if the Developer is unable to cure within such ninety (90) day period and Developer is diligently pursuing and can demonstrate progress toward curing the default. If the Developer is unable to cure or commence a cure for the Developer Event of Default within said ninety (90) days as required above, the City may:

- (a) Suspend its performance under this Agreement until it receives assurances from the Developer, deemed reasonably adequate by the City, that the Developer will cure its default and continue its performance under this Agreement;
- (b) Request the Operator to assume the role of Developer, cure Developer’s default, and continue its performance under this Agreement; or
- (c) Collect any payments due under the Tax Abatement Act.

Section 5.3 No Remedy Exclusive. No remedy herein conferred upon or reserved to the City is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given solely under

this Agreement. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof but any such right and power may be exercised from time to time and as often as may be deemed expedient.

Section 5.4 No Implied Waiver. In the event any covenant contained in this Agreement should be breached by any party and thereafter waived, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other concurrent, previous, or subsequent breach hereunder.

ARTICLE VI OPERATOR EVENTS OF DEFAULT

Section 6.1 Operator Events of Default Defined. The following shall be “Operator Events of Default” under this Agreement and the term “Operator Event of Default” shall mean whenever it is used in this Agreement any one or more of the following events:

- (a) Except with regard to any amount subject to a Tax Appeal or the payment of which has been stayed by any other procedure under applicable law, failure by the Operator to timely pay any ad valorem real property taxes, special assessments, or other governmental impositions with respect to any Abatement Property.
- (b) If constructed, the failure by the Operator to cause the Development to be maintained pursuant to the terms, conditions and limitations of the Land Use Entitlements and this Agreement.
- (c) Failure by the Operator to observe or perform any other covenant, condition, obligation or agreement on its part to be observed or performed under this Agreement, including but not limited to the payment of fees under Section 8.9 of this Agreement, but excluding any failure to meet a Business Subsidy Act project goal under Article IV of this Agreement, which shall be governed by the remedies therein.
- (d) Failure by the Operator to observe or perform any covenant, condition, obligation or agreement on its part to be observed or performed under the Development Agreement.
- (e) Failure of the Operator to fulfill any obligation of the Developer that Operator has assumed under this Agreement.

Section 6.2 Remedies on Default. Whenever any Operator Event of Default referred to in Section 6.1 occurs and is continuing, the City, may take any one or more of the following actions after the giving of written notice to both the Operator and the Developer, citing with specificity the item or items of default and notifying the defaulting Party that it has ninety (90) days within which to cure said Operator Event of Default or commence and diligently pursue such Operator Event of Default if the Operator is unable to cure within such ninety (90) day period and Operator is diligently pursuing and can demonstrate progress toward curing the default. If the Operator is unable to cure or commence a cure for the Operator Event of Default within said ninety (90) days as required above, the City may:

- (a) Suspend its performance under this Agreement until it receives assurances from the Operator, deemed reasonably adequate by the City, that the Operator will cure its default and continue its performance under this Agreement; or
- (b) Collect any payments due under the Tax Abatement Act.

Section 6.3 No Remedy Exclusive. No remedy herein conferred upon or reserved to the City is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given solely under this Agreement. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof but any such right and power may be exercised from time to time and as often as may be deemed expedient.

Section 6.4 No Implied Waiver. In the event any covenant contained in this Agreement should be breached by any Party and thereafter waived by another Party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other concurrent, previous or subsequent breach hereunder.

ARTICLE VII CITY EVENTS OF DEFAULT

Section 7.1 City Events of Default Defined. The following shall be “City Events of Default” under this Agreement and the term “City Event of Default” shall mean whenever it is used in this Agreement any one or more of the following events:

- (a) Failure by the City to timely rebate taxes as provided in this Agreement by paying any Abatement payment due on any Payment Date.
- (b) Failure by the City to observe or perform any other covenant, condition, obligation, or agreement on its part to be observed or performed under this Agreement.
- (c) Except as provided in Section 3.4(a), City takes actions, including the levy of special assessments, to unreasonably increase assessment of the Development Property or other actions to impair the ability of either or both the Developer and the Operator to proceed with developing or operating the Development.

Section 7.2 Remedies on Default. Whenever any City Event of Default referred to in Section 7.1 occurs and is continuing, either or both the Developer and the Operator may take any one or more of the following actions after the giving of written notice to the City citing with specificity the item or items of default and notifying the City that it has ninety (90) days within which to cure said City Event of Default or commence and diligently pursue such City Event of Default if the City is unable to cure within such ninety (90) day period and the City is diligently pursuing and can demonstrate progress toward curing the default. If the City is unable to cure or commence a cure for the City Event of Default within said ninety (90) days as required above, the Developer and/or Operator may seek monetary damages or specific performance as remedies.

Section 7.3 No Remedy Exclusive. No remedy herein conferred upon or reserved to the Developer and/or the Operator is intended to be exclusive of any other available remedy or

remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given solely under this Agreement. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof but any such right and power may be exercised from time to time and as often as may be deemed expedient.

ARTICLE VIII ADDITIONAL PROVISIONS

Section 8.1 Conflicts of Interest. No member of the governing body or other official of the City shall participate in any decision relating to this Agreement which affects his or her personal interests or the interests of any corporation, partnership or association in which he or she is directly or indirectly interested. No member, official or employee of the City shall be personally liable to the City in the event of any default or breach by the Developer, the Operator, or successor of any obligations under the terms of this Agreement.

Section 8.2 Titles of Articles and Sections. Any titles of the several parts, articles and sections of this Agreement are inserted for convenience of reference only and shall be disregarded in construing or interpreting any of its provisions.

Section 8.3 Notice. Unless otherwise expressly provided in this Agreement, a notice, demand or other communication under this Agreement by any Party to another shall be sufficiently given or delivered if it is sent by both (1) email and (2) physical copy transmitted by reputable overnight courier, registered or certified mail, postage prepaid, return receipt requested, or personal delivery. Such notice shall be sent to the following:

- (a) In the case of the Developer:

c/o Ryan Companies US, Inc.
533 South Third Street, Suite 100
Minneapolis, MN 55415
Attn: Vice President of Real Estate Development
Email: peter.fitzgerald@ryancompanies.com

and with a copy to:

c/o Ryan Companies US, Inc.
533 South Third Street, Suite 100
Minneapolis, MN 55415
Attn: Chief Legal Officer

- (b) In the case of the Operator:

*[OPERATOR ENTITY]
ADDRESS LINE 1 OF OPERATOR ENTITY
ADDRESS LINE 2 OF OPERATOR ENTITY
EMAIL*

and with a copy to:

Kutak Rock LLP
125 West Capitol Avenue, Suite 2000
Little Rock, AR 72205
Attention: Matt Boch
matt.boch@kutakrock.com

(c) In the case of the City:

City of Pine Island
250 South Main Street
Pine Island, MN 55963
Attention: City Administrator

and with a copy to:

Ronald H. Batty
Kennedy & Graven
150 South Fifth Street
Suite 700
Minneapolis, MN 55402

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

Section 8.4 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall constitute one and the same instrument.

Section 8.5 Law Governing. This Agreement will be governed and construed in accordance with the laws of Minnesota.

Section 8.6 Term. This Agreement shall remain in effect commencing on the Effective Date and until the December 31 of the thirty-first (31st) year after the Effective Date, unless earlier terminated or rescinded in accordance with its terms or State law.

Section 8.7 Recording. A recordable Memorandum of Agreement, in substantially the form attached hereto as **Exhibit E – Memorandum of Agreement**, shall be completed and recorded in the land records of the County, subsequent to the replatting of the Development Property, and shall state that the terms and conditions of this Agreement run with the Development Property and bind and inure to the benefit of the Parties and their successors and assigns.

Section 8.8 Developer or Operator Option to Terminate; Terms Surviving Termination.

(a) The Developer shall have the option to terminate this Agreement for any reason that causes the Project to no longer be viable. The Developer shall then notify the Operator and the City of its decision within fifteen (15) days. The Operator shall then have sixty (60) days to exercise its right to assume the role of Developer pursuant to Section 3.3

of this Agreement. If the Operator does not assume the role of Developer, then the Agreement shall be terminated.

(b) The Operator shall have the option to terminate this Agreement for any reason that causes the Project to no longer be viable, determined by the Operator in its sole discretion. The Operator shall then notify the City and the Developer of its decision to terminate within fifteen (15) days.

(c) Notwithstanding anything herein to the contrary, the provisions of section 8.12 of this Agreement shall survive any termination, expiration or rescission of this Agreement.

Section 8.9 Reimbursement of City Costs. The Operator agrees to reimburse the City for its costs, fees and expenses incurred in connection with the establishment of the Abatement Program and the drafting and negotiating of the Abatement Resolution and this Agreement within thirty (30) days of receipt of an invoice from the City detailing its costs, fees and expenses.

Section 8.10 Compliance.

(a) In connection with the negotiation and performance of this Agreement, the Parties, represent, warrant and covenant that they will comply with all applicable anti-corruption laws, rules, and regulations.

(b) Each Party will cooperate in good faith to review any compliance matters that arise during the performance of the Agreement, subject to compliance with applicable laws, including data protection laws, and their own internal policies and procedures.

Section 8.11 Joint Authorship. This Agreement has been drafted through the joint efforts of the Parties, and no ambiguity or inconsistency shall be construed against any Party by virtue of authorship.

Section 8.12 No Personal Obligations; Indemnification.

(a) All covenants, stipulations, promises, agreements and obligations of a Party contained herein shall be deemed to be the covenants, stipulations, promises, agreements and obligations of that Party, and not of any governing body member, officer, agent, servant, or employee of that Party, as applicable, in the individual capacity thereof.

(b) The Developer and the Operator release from and covenant and agree that the City and its officials, agents and employees shall not be liable and agree to indemnify and hold harmless the City and its officials, agents and employees against any loss or damage to property or any injury to or death of any person occurring on or about or resulting from the Development.

Section 8.13 Force Majeure. A Party may assert force majeure in the event of an act, cause or occurrence which: (i) delays or prevents a Party from timely performing its obligations under this Agreement; (ii) arises outside the control of the Party hereto who has the affected obligation; (iii) cannot be prevented by such Party's exercise of due care, prudence and diligence; and (iv) is

not the result of the willful misconduct or negligent act or omission of such Party (or its subcontractors or agents). A Party asserting that the force majeure delays or prevents timely performance will have the duty to mitigate the effect of the force majeure. Such affected Party will provide prompt written notice of the occurrence of a force majeure event to the other Parties and will have its time for performance extended only to the extent that, and only for so long as, the force majeure either: (i) actually delays or prevents timely performance, if such Party properly exercises its duty to mitigate; or (ii) would have delayed or prevented timely performance if such Party properly had exercised its duty to mitigate but failed to do so.

Section 8.14 Severability. The unenforceability or invalidity of any provision hereof shall not render any other provision or provisions herein contained unenforceable or invalid.

Section 8.15 Change of Law. If, due to any change in applicable law, regulation, or interpretation thereof by any court of law or other governing body having jurisdiction subsequent to the date of this Agreement, performance of any provision of this Agreement shall become impracticable or impossible, the Parties shall use their best efforts to find and employ an alternative means to achieve the same or substantially the same result as that contemplated by such provision.

Section 8.16 Confidentiality. Information and documents provided by the Operator or the Developer pursuant to this Agreement may be trade secret information that is classified as private or nonpublic data under the Minnesota Government Data Practices Act (Chapter 13, Minnesota Statutes) (the “MGDPA”). The Parties acknowledge that the City is relying on the representations of the Operator and the Developer in classifying trade secret information as nonpublic pursuant to the MGDPA. If any person requests to examine information or documents provided pursuant to this Agreement the City will notify the Operator and the Developer. Unless the Operator or the Developer notifies the City in writing within five (5) business days that the data should be considered trade secret data, the City shall consider the data public unless there is another appropriate classification. The Operator and Developer agree to indemnify and hold harmless the City and its employees, officers and officials for all expenses, costs, damages, and penalties of any kind whatsoever which may be incurred by the City and/or any of its employees, officers and officials, or assessed or awarded against the City and/or any of its employees, officers and officials and in favor of any requesting or complaining party, in regard to the City classifying the trade secret information as nonpublic data and denying any request to inspect or copy the un-redacted data. If litigation is filed in relation to such a request and the Operator and the Developer are not initially named as a party, the Operator and the Developer shall promptly seek to intervene as defendants in such litigation to defend their claim regarding the trade secret protection of such material. With respect to protection and disclosure of information provided pursuant to this Agreement that is claimed by the Developer or the Operator to be nonpublic trade secret information, this Section 8.16, and not the terms and conditions of any prior mutual nondisclosure agreement between the parties shall apply and control.

* * * * *

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

DEVELOPER:

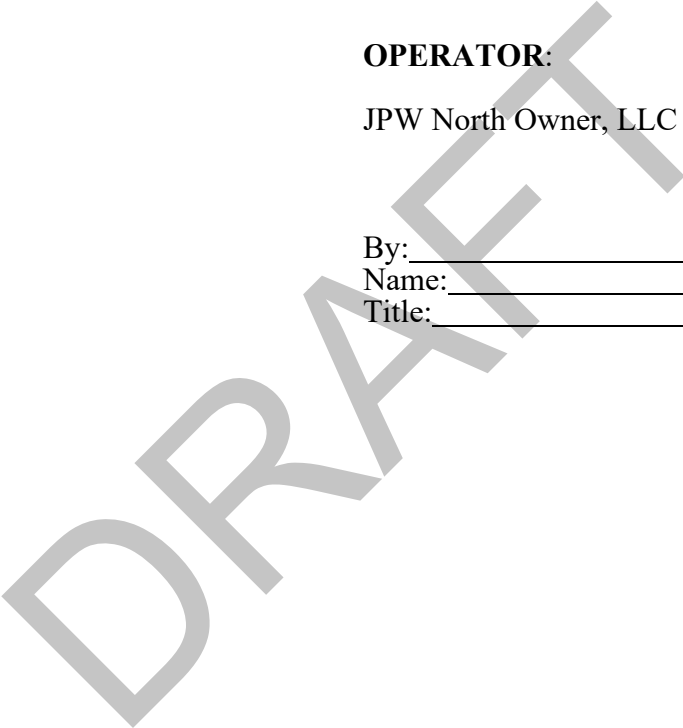
JPW South Owner, LLC

By: _____
Name: _____
Title: _____

OPERATOR:

JPW North Owner, LLC

By: _____
Name: _____
Title: _____



CITY OF PINE ISLAND

By: _____
Mayor

By: _____
City Administrator

DRAFT

EXHIBIT A
DESCRIPTION OF DEVELOPMENT PROPERTY

The Development Property consists of the real property located between Highway 52 and 195th Avenue, and south of 490th Street, including the following parcels, each located in Goodhue County, Minnesota:

The Southern Property

390290500, 390290600, 681200040, and 687000100

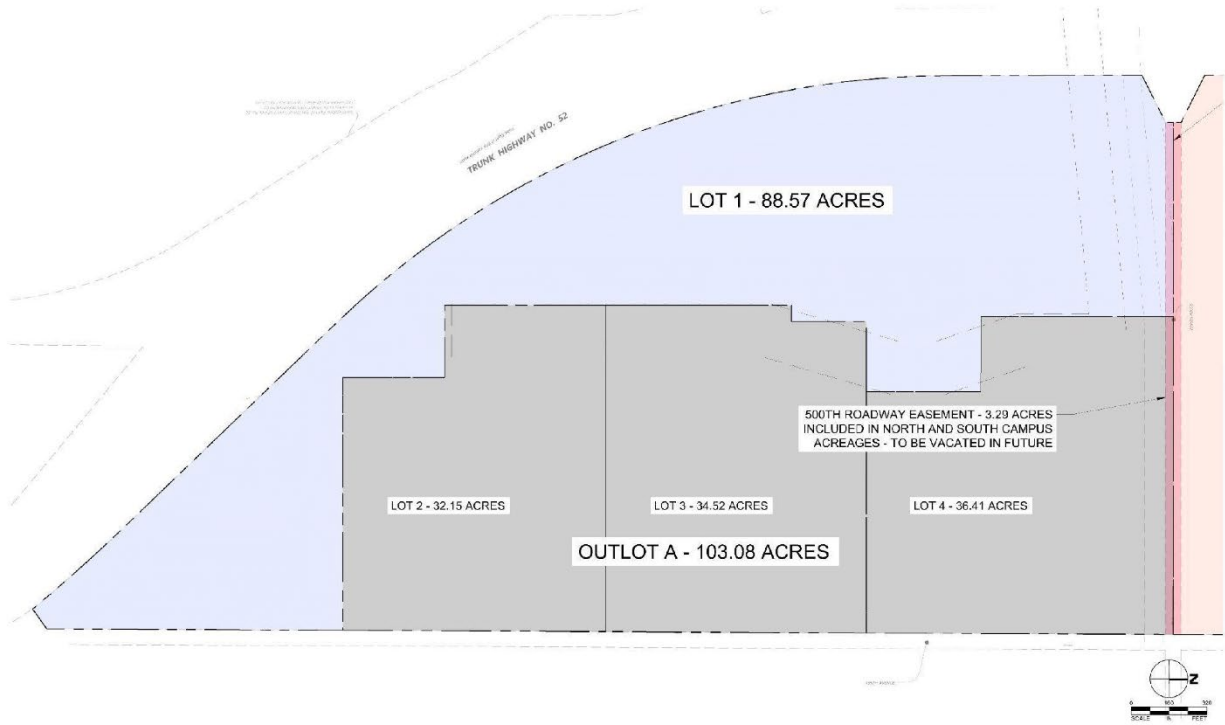
The Northern Property

390200700, 390200400, 390200401, 390200500, 390201100, 390201000, 390201001, and 390201101

The parties anticipate that the above land will be replatted. After recording the plat, the Development Property will be legally described as such.

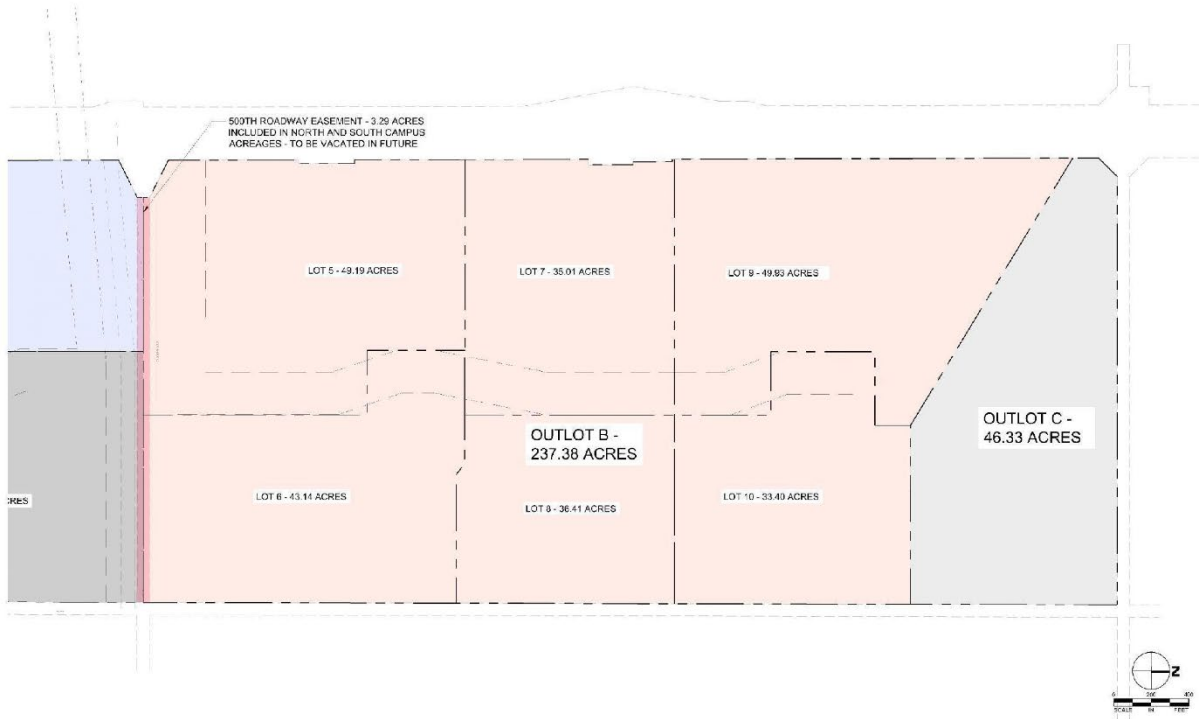
DRAFT

EXHIBIT B ANTICIPATED PHASE LOCATIONS



Project Skyway • Proposed Property Exhibit • 07.31.2025

DK



RYAN

Project Skyway • Proposed Property Exhibit • 07.31.2025

DRAFT

**EXHIBIT C
EMPLOYMENT TARGETS**

Stage	Employment Positions
Stage 1	38
Stage 2	36
Stage 3	34
Stage 4	32
Stage 5	30
Stage 6	30
Stage 7	30
Stage 8	30
Stage 9	30

DRAFT

**EXHIBIT D
MINIMUM EMPLOYMENT GOAL DETAIL**

Hourly Wage (excluding benefits)	A. (New) Full-Time Job Creation	B. (New) Part-Time Job Creation	C. Job Retention	Total Jobs (A+B+C)	Hourly Value of Health Insurance	Hourly Value of Non-Health Insurance Benefits
No hourly wage – level goal						
Less than \$7.00						
\$7.00 - \$8.99						
\$9.00 to \$10.99						
\$11.00 to \$12.99						
\$13.00 to \$14.99						
\$15.00 to \$16.99						
\$17.00 to \$18.99						
\$19.00 to \$20.99						
\$21.00 to \$22.99						
\$23.00 to \$24.99						
\$25.00 to \$26.99						
\$27.00 to \$28.99						
\$29.00 to \$30.99						
\$31.00 and higher	38	0	0	38	\$5.88	

DRAFT

EXHIBIT E

FORM OF RECORDABLE MEMORANDUM OF AGREEMENT

DRAFT

MEMORANDUM OF TAX ABATEMENT AGREEMENT

THIS MEMORANDUM OF TAX ABATEMENT AGREEMENT (this “**Memorandum**”), dated ___, 2026, is made by and between the City of Pine Island, a municipal corporation under the laws of Minnesota (the “**City**”), JPW South Owner, LLC, a Delaware limited liability company (the “**Developer**”), and JPW North Owner, LLC, a Delaware limited liability company (the “**Operator**”).

RECITALS

- A. The City, the Developer, and the Operator are parties to that certain Tax Abatement Agreement (the “**Agreement**”) dated _____, 2026 (“**Effective Date**”), which affects real property located in Goodhue County, Minnesota described on **Exhibit A** attached hereto (“**Abatement Property**”).
- B. The City, the Developer, and the Operator wish to memorialize and record the existence of the Agreement and certain specific terms of the same.

AGREEMENT:

NOW THEREFORE, in consideration of the Agreement and other good and valuable consideration, the City, the Developer, and the Operator agree as follows:

- 1. All capitalized terms not defined herein shall have the meaning given to them by the Agreement. The original executed Agreement shall be on file with the City.
- 2. The Development consists of the development of a technology campus on the Development Property in up to nine (9) Stages.
- 3. Pursuant and subject to the terms and conditions of the Agreement, the City shall provide the Abatement Program for the Development Property, consisting of real property tax Abatements for each Parcel comprising the Abatement Property for each Project, which Abatements shall be paid to the Operator.
- 4. The Abatement Period for a Parcel’s Abatement applies to the first tax assessment year following the Commercial Operation Date of Initial Year of the Project relating to the Parcel (the taxes payable year two (2) years following the Commercial Operation Date of the Initial Stage of the Project relating to the Parcel) and extends for twenty (20) years thereafter.
- 5. The Agreement is in effect, commencing on the Effective Date, and remaining in effect until the December 31 of the thirty-first (31st) year after the Effective Date, unless earlier terminated or rescinded in accordance with the terms of the Agreement or State law. The terms and conditions of the Agreement run with the Abatement Property, and shall be binding upon and inure to the benefit of the parties and their successors and assigns.
- 6. This Memorandum of Tax Abatement Agreement has been executed and delivered by the parties for the purpose of recording and giving notice that a contractual relationship for tax abatement involving the Development Property has been created among the City, the Developer,

and the Operator in accordance with the terms, covenants and conditions of the Agreement. Nothing herein shall be construed to amend, modify, change, alter, amplify, interpret or supersede any of the terms and provision of the Agreement, which shall in all things control.

7. The terms and conditions of the Agreement are incorporated by reference into this Memorandum of Tax Abatement Agreement as if set forth fully herein at length.

8. The parties hereto agree that this Memorandum satisfies Section 8.7 of the Agreement, which requires that a Memorandum of Agreement be completed and recorded in the land records of the County.

DRAFT

CITY OF PINE ISLAND

By: _____
Mayor

By: _____
City Administrator

STATE OF MINNESOTA)
) ss.
COUNTY OF GOODHUE)

The foregoing instrument was acknowledged before me this day of _____, 2026,
by _____, the Mayor of the City of Pine Island, a municipal corporation
under the laws of Minnesota, on behalf of the municipal corporation.

Notary Public

STATE OF MINNESOTA)
) ss.
COUNTY OF GOODHUE)

The foregoing instrument was acknowledged before me this day of _____, 2026,
by _____, the City Administrator of the City of Pine Island, a municipal
corporation under the laws of Minnesota, on behalf of the municipal corporation.

Notary Public

This document drafted by:
KUTAK ROCK LLP
60 South 6th Street, Suite 3400
Minneapolis, MN 55402

Exhibit A
Description of Development Property

The Development Property consists of the real property located between Highway 52 and 195th Avenue, and south of 490th Street, including the following parcels, each located in Goodhue County, Minnesota:

The Southern Property

390290500, 390290600, 681200040, and 687000100

The Northern Property

390200700, 390200400, 390200401, 390200500, 390201100, 390201000, 390201001, and 390201101

The Parties anticipate that the above land will be replatted. After recording the plat, the Development Property will be legally described as such.

DRAFT