MINNEHAHA CREEK
WATERSHED DISTRICT
QUALITY OF WATER, QUALITY OF LIFE

Meeting: Board Meeting
Meeting date: 9/10/2026
Agenda Item #: 15.1
Item Type: Closed Session Discussion

Title 325 Blake Road, Pending Litigation and City of Hopkins Proposal
Prepared by: Jay Lindgren, Dorsey Whitney LLP

Purpose:
This memorandum provides background for the Board's closed-session discussion concerning the 325 Blake Road property, the pending litigation brought by Alatus Development LLC, and a purchase proposal submitted by the City of Hopkins.

Background:
MCWD acquired 325 Blake Road in 2011 to support construction of a regional stormwater facility, restoration of Minnehaha Creek, and expansion of the Minnehaha Creek Greenway. In 2021, MCWD and Hopkins selected Alatus to develop the portions of the property outside MCWD's planned water resource improvements. MCWD and Alatus entered into a purchase and sale agreement effective May 9, 2022.

The agreement was amended three times to accommodate changes in Alatus' proposed development sequence, financing, and closing schedule. Alatus did not complete the required closing by November 1, 2024. It also did not provide proof of construction financing and other required deliverables necessary to coordinate construction of the private development, public infrastructure, stormwater offset improvements, and MCWD's fully designed and funded regional stormwater and greenway expansion project.

On November 1, 2024, Alatus defaulted on its 120-day extension, which was followed by a letter from MCWD detailing the performance issues and previously agreed upon terms necessary to secure an amendment to the purchase and sale agreement, and meetings among MCWD, Alatus and the City of Hopkins to discuss the necessary steps to remedy. After failure to address these issues, on March 27, 2025, the Board adopted Resolution 25-019 authorizing issuance of a notice terminating the purchase and sale agreement with Alatus. The Board acted after Alatus had received multiple extensions, notice of its outstanding obligations, and an opportunity to cure.

Pending Litigation:
Alatus subsequently sued MCWD and Hopkins. Alatus contends, among other things, that MCWD could not terminate its purchase and sale agreement with Alatus without Hopkins' concurrence. MCWD denies that allegation. Hopkins is not a party to the MCWD-Alatus purchase and sale agreement, and MCWD maintains that the agreement did not condition MCWD's termination rights on approval by Hopkins.

Alatus sought a temporary restraining order preventing the termination from taking effect. On June 6, 2025, the district court denied that request, finding that Alatus is unlikely to succeed on the merits of its case (27-CV-25-8066). Alatus' claims remain pending, MCWD filed a motion to dismiss/for summary judgment, and the court is expected to issue a decision in September 2026.

City of Hopkins Proposal:
Without prior communication or coordination with MCWD, the Hopkins City Council authorized the attached proposal on August 18. The City delivered the proposal to MCWD on August 24, 2026, and has communicated that this proposal will be null and void if it is not executed by September 14, 2026.

The proposal consists of a purchase agreement between Hopkins and MCWD, a partially executed settlement agreement, a purchase agreement between Hopkins and Alatus, an Alatus petition and waiver for public improvements, and an email from the NHP foundation.

Effect of the Hopkins Proposal:
The proposal does not obligate Hopkins to acquire the property independently of Alatus and NHP. Hopkins would acquire the property only if Alatus and NHP satisfy their respective requirements and are prepared to complete simultaneous closings by December 31, 2026. NHP has not executed a purchase agreement, and any such agreement remains subject to approval by its Board of Directors.

The proposal also does not establish committed construction financing for the Alatus development or the related public infrastructure improvements. Financing and enforceable construction commitments have been central requirements under the prior agreements and extensions.

Until Alatus and NHP are prepared to close:

- Hopkins is not required to purchase the property.
- Alatus is not required to dismiss its litigation.
- The mechanic's lien Loucks filed for work Alatus failed to pay for remains against MCWD's property.
- The original MCWD-Alatus purchase agreement is not cancelled by agreement of the parties.
- The $1 million in escrowed earnest money is not released to MCWD under the proposed settlement.
- Construction commitments and financial security remain unresolved and subject to further negotiation.

The proposal therefore preserves the existing ownership and litigation posture while providing Alatus and NHP through December 31, 2026, to assemble the approvals, construction financing, and agreements required to close.

Importantly, Alatus currently asserts in court that its purchase agreement with MCWD remains valid and enforceable. The Hopkins proposal requires MCWD to execute a second purchase agreement for the same property before the Alatus agreement is cancelled and the litigation is dismissed. Those actions would occur only at closing. The proposal therefore does not resolve the competing contractual claim that exists when MCWD would be required to execute the Hopkins agreement.

September 10, 2026, Board Meeting:
At the September 10, 2026, Board Meeting, MCWD legal counsel and staff will provide a briefing to support a closed session discussion by the MCWD Board of Managers on the August 24, 2026, Hopkins Proposal.

Attachment:
City of Hopkins Purchase Agreement Proposal

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August 24, 2026

VIA EMAIL

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RE: *Alatus Development LLC v. Minnehaha Creek Watershed District and City of Hopkins*
Court File No. 62-CV-23-5526
Our File No. BE295-409

Dear Counsel:

The City of Hopkins ("City") continues to pursue options for the settlement of the above referenced litigation as well as the development of properties located at 325 Blake Road, which are currently owned by your client, the Minnehaha Creek Watershed District ("the District"). In furtherance thereof as well as meeting the District's goal to have a water feature as part of the development, the City Council has approved the following documents at a regular meeting of the City Council on August 18, 2026:

1. Resolution No. 2026-028 RESOLUTION AUTHORIZING THE PURCHASE AND SALE OF PROPERTY IN THE CITY OF HOPKINS AND APPROVING PURCHASE AGREEMENTS FOR SUCH TRANSACTIONS

2. Executed Purchase Agreement by the City of Hopkins to purchase the 325 Blake Road properties from the Minnehaha Creek Watershed District with following exhibits:

   Exhibity A – Legal Description

   Exhibit B -- Settlement Agreement and Stipulation for Dismissal (Court File No. 27-CV-25-8066).

Exhibit C – NHP Purchase Representation to Acquire Lot 3, Block 1, Mile 14 on Minnehaha Creek from the City.

Exhibit D -- Executed Purchase Agreement for Alatus to Acquire Lots 1, 2 and 4, Block 1, Mile 14 on Minnehaha Creek from the City.

Exhibit E -- Executed Petition and Waiver between the City of Hopkins and Alatus LLC.

The foregoing documents contemplate the sale of the District's property to the City with a simultaneous closing transferring portions of the property to Alatus and NHP for development. Paragraph 35 of the Purchase Agreement between the City and the District also addresses many of the concerns previously identified by the District during settlement negotiations, including but not limited to, a stipulation by Alatus for settlement and dismissal of the litigation, elimination of Loucks Mechanic's Lien, cancellation of the MCWD/Alatus Purchase Agreement, extending tax increment legislation associated with the development of the property, resolution of the Chorus parking issues (if any) and construction of the road, infrastructure and the Stormwater Offset Improvements as requested by the District.

Please present these documents and this offer of settlement to the District Board as soon as possible. **The Purchase Agreement between the City and the District will become null and void if not executed by September 14, 2026.** The City is confident that this offer minimizes the risks associated with both the litigation and eventual completion of the development of the property to the District. More importantly, it also meets the goals of the parties for the completion of the long-awaited development within the City and provides significant improvement to the water quality for waterways and lakes in the Minnehaha Creek Watershed District.

Please contact our office if you have any questions concerning the City's offer of settlement for the resolution of the litigation and the eventual completion of the development at 325 Blake Road.

KENNEDY & GRAVEN, CHARTERED

Sincerely,

Robert A. Alsop

Robert A. Alsop

RAA
Enclosures

cc: Michael Mornson
Scott Riggs
Mark Becker
John Kryzer, (LMCIT Claim # GL 432278)

RESOLUTION NO. 2026-28

CITY OF HOPKINS
COUNTY OF HENNEPIN
STATE OF MINNESOTA

RESOLUTION AUTHORIZING THE PURCHASE AND SALE OF PROPERTY IN THE CITY OF HOPKINS AND APPROVING PURCHASE AGREEMENTS FOR SUCH TRANSACTIONS

WHEREAS, the Minnehaha Creek Watershed District (the "District") is owner of a parcels of land legally described as set forth in Exhibit "A", in the City of Hopkins (the "Property"); and

WHEREAS, the City of Hopkins (the "City") desires to purchase the Property from the District to facilitate development and construction at the Property of mixed use residential and retail buildings and space; and

WHEREAS, the City Council has reviewed Purchase Agreement No. 1, attached as Exhibit "B" to this Resolution, and approves the Purchase Agreement No. 1 for the purchase of the Property, subject to the conditions contained within the Purchase Agreement No. 1 and any additional terms and conditions of the City Council; and

WHEREAS, once the City closes on Purchase Agreement No. 1 and acquires the Property, the City will own of parcels of land legally described as set forth in Exhibit "C", in the City of Hopkins (the "Property II"); and

WHEREAS, simultaneously upon the closing of the transaction contemplated by Purchase Agreement No. 1, Alatus, LLC, a Minnesota limited liability company (the "Purchaser") desires to purchase the Property II from the City to develop and construct mixed use residential and retail buildings and space on the Property II; and

WHEREAS, the City Council has reviewed Purchase Agreement No. 2, attached as Exhibit "D" to this Resolution, and approves the Purchase Agreement No. 2 for the sale of the Property II, subject to the conditions contained within the Purchase Agreement No. 2 and any additional terms and conditions of the City Council; and

WHEREAS, the City Council of the City of Hopkins desires to purchase the Property and to simultaneously sell a portion of the Property (Property II) as contemplated herein; and

WHEREAS, such purchase of the Property by the City is found and determined to be for a public purpose and in the best interest of the City; and

WHEREAS, such sale of the Property II by the City is found and determined to be for a public purpose and in the best interest of the City; and

WHEREAS, the City desires to dispense with the requirements of Minn. Stat. § 462.356, subd. 2 and finds in the City's judgment that the proposed purchase of the Property and sale of the Property II have no relation to the comprehensive municipal plan of the City of Hopkins.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF HOPKINS, MINNESOTA, AS FOLLOWS:

1. The recitals set forth in this Resolution are incorporated into and made a part of this Resolution.

2. The requirements of Minn. Stat. § 462.356, subd. 2 are hereby dispensed with based upon the findings of the Council.

3. The transaction herein referenced and contemplated in the Purchase Agreement No. 1 is approved.

4. The transaction herein referenced and contemplated in the Purchase Agreement No. 2 is approved.

5. The Mayor and City Manager of the City are hereby authorized and directed to execute all appropriate documents to facilitate the transactions referenced herein and contemplated in Purchase Agreement No. 1 and Purchase Agreement No. 2, with all such actions to be in accordance with the terms and conditions and further subject to the limitations of Purchase Agreement No. 1 and Purchase Agreement No. 2, but with such modifications as shall be deemed necessary, desirable or appropriate, to Purchase Agreement No. 1 and Purchase Agreement No. 2 and all accompanying documents therein, with execution thereof to constitute conclusive evidence of the approval of any and all modifications therein.

6. The Mayor and City Manager, staff and consultants are hereby authorized and directed to take any and all additional steps and actions necessary or convenient in order to accomplish the intent of this Resolution.

Adopted this 18th day of August, 2026.

Patrick Hanlon, Mayor

ATTEST:

Michael Morrison, City Manager

EXHIBIT A

Legal Description of Property

Real Property in the County of Hennepin, State of Minnesota, described as follows:

Lots 1, 2, 3 and 4, Block 1, and Lot 1, Block 2, and OUTLOT C, MILE 14 ON MINNEHAHA CREEK, according to the recorded plat thereof, Hennepin County, Minnesota

EXHIBIT B

PURCHASE AGREEMENT NO. 1

[Insert MCWD/City Purchase Agreement]

EXHIBIT C

Legal Description of Property II

Real Property in the County of Hennepin, State of Minnesota, described as follows:

Lots 1, 2 and 4, Block 1, MILE 14 ON MINNEHAHA CREEK, according to the recorded plat thereof, Hennepin County, Minnesota

EXHIBIT D

PURCHASE AGREEMENT NO. 2

[Insert City/Alatus Purchase Agreement]

PURCHASE AGREEMENT

Hopkins, Minnesota

August 24, 2026

IN CONSIDERATION OF THE MUTUAL COVENANTS, DUTIES AND OBLIGATIONS CONTAINED HEREIN, the City of Hopkins, a Minnesota municipal corporation, 1010 1st Street South, Hopkins, Minnesota 55343 ("Buyer") and Minnehaha Creek Watershed District, a watershed district with purposes and powers as set forth at Minnesota Statutes Chapters 103B and 103D ("Seller"), agree to the following Purchase Agreement ("Agreement").

THE CONDITIONS AND TERMS OF THIS PURCHASE AGREEMENT INCLUDE THE FOLLOWING:

1. SUBJECT PROPERTY: The Seller is the owner of certain real estate (the "Property") located in Hennepin County, Minnesota, which is legally described on the attached Exhibit A, and located at 325 Blake Road, Hopkins, Minnesota.

2. OFFER/ACCEPTANCE: In consideration of the mutual agreements herein contained, Buyer offers and agrees to purchase and Seller agrees to sell and convey the Property, pursuant to the terms of this Agreement.

3. ACCEPTANCE DEADLINE: This Agreement shall be null and void unless it has been executed by both Seller and Buyer by September 14, 2026.

4. PURCHASE PRICE AND TERMS:

A. PURCHASE PRICE. The purchase price (the "Purchase Price") for the Property shall be Nine Million Two Hundred Fifty Thousand and no/100 Dollars ($9,250,000.00) payable as follows: Nine Million Two Hundred Fifty Thousand and no/100 Dollars ($9,250,000.00) at Closing by certified check or other immediately available funds.

B. DOCUMENTS TO BE DELIVERED BY SELLER AT CLOSING. At Closing, Seller agrees to execute and shall deliver to Buyer:

1. Warranty Deed conveying title to the Property to the Buyer free and clear of all liens and encumbrances except the following items (allowable encumbrances):

    a) Building and zoning laws, ordinances, state and federal statutes or other governmental regulations;

    b) Easements and restrictions of record which do not interfere with Buyer's intended use of the Property;

    c) Reservation of any minerals or mineral rights in the State of Minnesota, if any.

2. Standard form affidavit of Seller prepared by Buyer showing no bankruptcies, judgments or mechanics' liens affecting the Property.

3. Certificate that Seller is not a foreign national.

4. Abstract or Registered Property Abstract and any duplicate Certificate of Title in Seller's possession to the Property.

5. Bill of Sale conveying title to the Buyer for the Personal Property and Fixtures as set forth in Exhibit B.

6. [Intentionally blank.]

7. Well disclosure certificate, if required, or, if there is no well on the Property, the Warranty Deed given pursuant to subparagraph a. above must include the following statement: "The Seller certifies that the seller does not know of any wells on the described real property."

8. Any other documents reasonably required by the Buyer's title insurance company or attorney to evidence that title to the Property is marketable and that Seller has complied with the terms of this Agreement.

9. Certificate of Real Estate Value (CRV).

10. Meth Disclosure Statement.

11. Seller shall provide, at Seller's expense, UCC and tax lien searches from the office of the Minnesota Secretary of State in the name of Seller showing no security interests in Seller's Personal Property and Fixtures. Seller shall pay for all costs of filing all financing statements.

12. Such other documents as may be reasonably required by Buyer's title examiner or title insurance company.

13. List of all tenants and leases, if any, and the date of termination of all such leases, if any.

C. **DOCUMENTS TO BE DELIVERED BY BUYER AT CLOSING.** At Closing, Buyer shall deliver the following to Seller:

1. Any documents as may be reasonably required by Buyer's title examiner or title insurance company.

5. DEED/MARKETABLE TITLE: Subject to performance by Buyer, Seller agrees to execute and deliver at the time of closing a Warranty Deed conveying marketable title to said Property, subject only to the following exceptions:

(a) Building and zoning laws, ordinances, state and federal regulations;
(b) Reservation of any mineral rights by the State of Minnesota;
(c) Utility and drainage easements which do not interfere with existing improvements.

6. **POSSESSION:** Seller agrees to deliver possession not later than the date of closing.

7. **COSTS AND PRORATIONS:** Seller and Buyer agree to the following prorations and allocations of costs regarding this Agreement:

A. Deed Tax. Seller shall pay all state deed tax regarding a Warranty Deed and any other documents necessary to place record title in the condition warranted and to be delivered by Seller under this Agreement.

B. Taxes and Assessments. The real estate taxes due and payable in 2026 will be tax exempt classification. Seller shall pay all special assessments due and payable and levied as of the date of closing. Buyer shall pay all special assessments levied on said Property after the date of closing. Seller makes no representation or warranty whatsoever concerning the amount of real estate taxes or assessments which shall be assessed or levied against the Property subsequent to the date of this Agreement.

C. Recording Costs. Seller shall pay the costs of recording all documents necessary to place record title in the condition warranted, and the Buyer shall pay the cost of recording all other documents.

D. Closing Costs. Seller and Buyer shall prorate the cost for utilizing the services of a closer or title company to close this transaction.

8. **LEGAL DESCRIPTION TO PROPERTY:** Seller warrants that the legal description of the real property to be conveyed has been or will be approved for recording as of the date of closing.

9. **TITLE EXAMINATION/CURING TITLE DEFECTS:** As soon as reasonably possible after execution of this Agreement by both parties,

A. Seller shall surrender any abstract or registered property abstract of title and a copy of any owner's title insurance policy for the property, if in Seller's possession or control, to Buyer or to Buyer's designated title service provider; and

B. Buyer shall obtain the title evidence determined necessary or desirable by Buyer.

The Buyer shall have 20 days from the date it receives such title evidence to raise any objections to title it may have. Objections not made within such time will be deemed waived. The Seller shall have 30 days from the date of such objection to affect a cure;

provided, however, that Seller shall have no obligation to cure any objections, and may inform Buyer of such. The Buyer may then elect to close notwithstanding the uncured objections or declare this Agreement null and void, and the parties will thereby be released from any further obligation hereunder.

10. **DEFAULT:** If the title to the Premises be found marketable or be so made within said time, and Buyer shall default in any of the covenants contained in this Agreement and continue into default for a period of ten (10) days, then and in that case, Seller may terminate this Agreement and on such termination all the payments made under this Agreement shall be retained by Seller as liquidated damages, time being of the essence hereof. This provision shall not deprive either party of the right of enforcing the specific performance of this Agreement provided this Agreement shall not be terminated as aforesaid, and provided action to enforce such specific performance shall be commenced within six months after such right of action shall arise.

11. **CONTINGENCIES:** This Agreement is subject to the following contingencies:

A. Inspection of Property. This Agreement is contingent upon an inspection and approval of the Property by the Buyer at the Buyer's expense. Such inspection must be conducted within twenty (20) days of the signing and acceptance of this Agreement by all parties. Seller hereby grants to Buyer, its agents and designated representatives the right to enter upon the Property at reasonable times and from time to time after the date of this Agreement for the purposes of inspecting the Property.

B. General Inspection. This Agreement is contingent upon Buyer's inspection of the property disclosing, in the Buyer's sole discretion, no unsatisfactory conditions, not later than twenty (20) days of the signing and acceptance of the Agreement by all parties. Buyer and Buyer's agents shall have a reasonable right of access to the Property at reasonable times prior to closing, solely for the purpose of inspecting the Property.

C. Marketable and Clear Title. This Agreement is contingent upon marketable and clear title as refenced in Paragraph Nos. 5 and 9 of this Agreement.

D. Development Partner Purchase Agreements. This Agreement is contingent upon Buyer entering into purchase agreements with Alatus, LLC, a Minnesota limited liability company ("Alatus"), for Lots 1, 2 and 4, Block 1, MILE 14 ON MINNEHAHA CREEK, according to the recorded plat thereof, Hennepin County, Minnesota, and The NHP Foundation ("NHP"), for Lot 3, Block 1, MILE 14 ON MINNEHAHA CREEK, according to the recorded plat thereof, Hennepin County, Minnesota, and simultaneously closing on such transactions at the time of Closing of this Agreement for the Property.

12. **WELL AND SEPTIC SYSTEM DISCLOSURE:** The Seller certifies that Seller does not know of any wells on the described real Property. Provided however, if the Property does contain wells, the cost of sealing any wells required to be capped or sealed under Minnesota law will be borne by the Seller. If the well is not sealed by the date of closing, Seller shall escrow a sum equal to two times the bid price from a licensed well sealing contractor to complete the sealing process. Seller shall prepare, execute and file any required well certificate at or before closing. If the Property has a septic system, Seller agrees to provide water quality test results and/or septic system certification as required by state law or local ordinance.

13. OTHER GENERAL AND SPECIAL WARRANTIES:

A. Right of Access. Seller warrants that there is a right of access to the Property from a public right of way.

B. Mechanic's Liens. Subject to satisfaction of Paragraph No. 35.P. of this Agreement, Seller warrants that, prior to the closing date, Seller has made any and all payments in full for all labor, materials, machinery, fixtures or tools furnished within the 120 days immediately preceding the closing date in connection with construction, alteration or repair of any structure on or improvement (including, but not limited to grading and landscaping, etc.) to the Property, if any.

C. Removal of Debris. Seller agrees to remove all debris and all personal property from the Property by the date Buyer takes possession of the Property.

D. Buildings. Seller warrants that there are no buildings within the boundary lines of the Property.

E. Notices. Seller warrants that Seller has not received any notice from any governmental authority as to violation of any law, ordinance, or regulation. If the Property is subject to restrictive covenants, Seller warrants that Seller has not received any notice from any person or authority as to a breach of the covenants. Any notices received by Seller shall be provided to Buyer immediately.

F. Sewer and Water. Seller warrants that the Property is NOT connected to city of Hopkins sewer and water.

G. Seller Authority. Seller warrants that Seller is the owner of the Property, that Seller has full authority to enter into this Agreement for the sale of the Property, and that there are no other parties who hold any unrecorded interests in the Property.

H. Authority of Seller Signatories. The signatories to this Agreement represent and warrant that each is a signatory of the Seller and that each has the authority to enter into this Agreement on Seller's behalf.

I. Specifications and Surveys. Within ten (10) days after the date of execution of this Agreement, Seller shall deliver to Buyer copies of all specifications and surveys relative to the Property which Seller has in its possession or subject to its control.

14. ENVIRONMENTAL REPRESENTATION:

A. Seller hereby warrants to Buyer that during the time the Seller has owned the Property there have been no acts or occurrences upon the Property that have caused or could cause impurities in the subsoil or ground water of the Property or other adjacent properties. This warranty shall survive the closing of this transaction.

15. SURVIVAL OF REPRESENTATIONS AND WARRANTIES/NO MERGER: All of the representations, warranties, covenants and agreements of the parties hereto contained in this Agreement shall survive the closing of the transaction contemplated herein and the delivery of any documents provided for herein and shall not be merged into any other agreement or any instruments of conveyance, including but not limited to the Warranty Deed, delivered at closing, but instead shall survive closing, and the parties shall be bound accordingly.

16. MAINTENANCE OF PROPERTY PRIOR TO CLOSING: Until the closing, Seller shall have the full responsibility for the continued maintenance of the Property. Prior to the closing:

A. Seller shall not cause any new liens, leases, contracts or encumbrances to be created by Seller against the Property;

B. Seller shall (i) maintain the Property in good repair, (ii) not make, terminate or materially change, amend, modify materially any agreements relating to the Property or other rights, obligations or agreements relating to use, ownership or operation of the Property where such changes, amendments or modifications would increase the Seller's obligations, liability or expenses thereunder, not enter into any commitments for the rental or use of the Premises or any portion thereof, and (iii) not make any substantial alterations or changes to the Property other than ordinary and necessary maintenance repairs without Buyer's prior written approval, which shall not be unreasonably withheld or delayed.

17. RISK OF LOSS: If there is any loss or damage to the Property between the date hereof and the date of closing, for any reason including fire, vandalism, flood, earthquake or act of God, the risk of loss shall be on Seller. If the Property is destroyed or substantially damaged before the closing date, this Agreement shall become null and void, at the Buyer's option, and earnest money shall be returned to Buyer. If such an event occurs, Buyer and Seller agree to sign a Cancellation of Purchase Agreement within a reasonable time after such event takes place.

18. TIME OF ESSENCE: Time is of the essence in this Agreement.

19. CLOSING DATE AND LOCATION: This Agreement for the sale of the above-described Property shall be closed on or before December 31, 2026, or upon such other date agreed upon by the parties. The delivery of all papers and monies shall be made at the offices of the City of Hopkins/Hopkins City Hall and/or at the offices of a closer at the choosing of the City of Hopkins. If the closing date is changed, any and all costs, if prorated, shall be adjusted to the new closing date.

20. **ADDITIONAL DOCUMENTS:** Buyer and Seller agree to cooperate with each other and their representatives regarding any reasonable requests made subsequent to the execution of this Agreement to correct any clerical errors in this Agreement and to provide any and all additional documentation deemed necessary by either party to effectuate the transaction contemplated by this Agreement.

21. **NOTICES:** Any notice required or permitted to be given by any party upon the other is given in accordance with the Agreement if it is directed to the Seller by delivering it personally to the Seller; or if it is directed to the Buyer, by delivering it personally to an officer of the Buyer; or to either party if mailed in a sealed wrapper by United States registered or certified mail, return receipt requested, postage prepaid; or if transmitted to either party by facsimile, copy followed by mailed notice as above required; or if deposited by either party, cost paid with a nationally recognized, reputable overnight courier, properly addressed as follows:

IF TO SELLER:
Minnehaha Creek Watershed District
15320 Minnetonka Blvd.
Minnetonka, MN 55345
Attn: Michael Hayman
Email: mhayman@minnehahacreek.org

With copy to:
Alex Sellke
Ballard Spahr
2000 IDS Center
80 South 8th Street
Minneapolis, MN 55402
Email: sellkea@ballardspahr.com

IF TO THE BUYER:
City of Hopkins
1010 1st Street South
Hopkins, Minnesota 55343
Attn: City Manager

With copy to:
Scott J. Riggs
KENNEDY & GRAVEN, CHARTERED
150 South Fifth Street, Suite 700
Minneapolis, Minnesota 55402
Email: sriggs@kennedy-graven.com

Notices shall be deemed effective on the earlier of the date of receipt or the date of deposit as aforesaid; provided, however, that if notice is given by deposit, that the time for the response to any notice by the other party shall commence to run one (1) business day after any such deposit. Any party may change its address for the service of notice by giving written notice of such change to the other party, or in any manner above specified, ten (10) days prior to the effective date of such change.

The delivery of all papers and monies pursuant to this Agreement are to be made at the offices of the City of Hopkins, 1010 1st Street South, Hopkins, MN 55343.

22. **EXECUTION IN COUNTERPARTS:** This Agreement may be executed in counterparts by the parties hereto, each of which when so executed shall be deemed an original, but all of which taken together shall constitute one and the same agreement.

23. **ENTIRE AGREEMENT/MODIFICATION:** This Agreement, any attached exhibits and any addenda or amendments signed by the parties shall constitute the entire agreement between Seller and Buyer, and supersedes any other written or oral agreements between Seller and Buyer. This Agreement can only be modified in writing signed by Seller and Buyer.

24. **NO BROKER INVOLVED.** The Seller and Buyer represent and warrant to each other that there is no broker involved in this transaction with whom either has negotiated or to whom either has agreed to pay a broker commission. Buyer agrees to indemnify Seller for any and all claims for brokerage commissions or finders' fees in connection with negotiations for purchase of the Property arising out of any alleged agreement or commitment or negotiation by Buyer, and Seller agrees to indemnify Buyer for any and all claims for brokerage commissions or finders' fees in connection with negotiations for purchase of the Property arising out of any alleged agreement or commitment or negotiation by Seller.

25. **RELEASE OF CLAIMS:** The Seller and the Seller's attorneys, agents, employees, former employees, insurers, heirs, administrators, representatives, successors and assigns, hereby releases and forever discharges the Buyer, and its attorneys, agents, representatives, employees, former employees, insurers, heirs, executors and assigns of and from any and all past, present or future claims, demands, obligations, actions or causes of action, at law or in equity, whether arising by statute, common law or otherwise, and for all claims for damages, of whatever kind or nature, and for all claims for attorneys' fees, and costs and expenses, including but not limited to all claims of any kind arising out of the negotiation, Buyer consideration, execution and performance of this Agreement between the parties.

26. **CHOICE OF LAW AND VENUE; INTERPRETATION:** This Agreement shall be governed by, enforced and construed in accordance with the laws of the State of Minnesota. Any disputes, controversies, or claims arising out of this Agreement shall be heard in the state or federal courts of Minnesota, and all parties to this Agreement waive any objection to the jurisdiction of these courts, whether based on convenience or otherwise.

27. **NO RELOCATION BENEFITS:** The Buyer has notified the Seller that (a) the Buyer only seeks to acquire the Property by voluntarily conveyance; (b) the parties mutually initiated negotiations; and (c) if negotiations fail, the Buyer will not acquire or undertake acquisition of the Property by eminent domain. Seller acknowledges that, absent this

Agreement, Buyer would not acquire the Property and specifically would not exercise its power of eminent domain to acquire the Property.

Seller represents and warrants that the Property subject to this Agreement is vacant and unoccupied and, to Seller's knowledge, contains no personal property belonging to Seller or any other party. Seller further represents and warrants that the transactions contemplated by this Agreement will not cause Seller or any other person to be displaced within the meaning of Minn. Stat. Section 117.50, 42 U.S.C. Section 4601, or 49 C.F.R. Part 24.2, or entitle any person to relocation assistance, services, payments, reimbursement, or benefits under state or federal law (collectively, "Relocation Assistance"). Seller agrees to defend and indemnify Buyer against any third-party claims for Relocation Assistance arising from the transactions contemplated by this Agreement.

28. **CUMULATIVE RIGHTS:** Except as may be otherwise provided elsewhere herein, no right or remedy herein conferred on or reserved to Buyer or Seller is intended to be exclusive of any other right or remedy provided herein or by law, but such rights and remedies shall be cumulative and in addition to every other right or remedy given herein or elsewhere or hereafter existing at law in equity, or by statute.

29. **ASSIGNMENT:** Buyer may not assign its rights and obligations under this Agreement to another entity.

30. **CAPTIONS, HEADINGS OR TITLES:** All captions, headings, or titles in the paragraphs or sections of this Agreement are inserted for convenience of reference only and shall not constitute a part of the Agreement or a limitation of the scope of the particular paragraphs or sections to which they apply.

31. **RIGHT OF ENTRY:** The Buyer shall be entitled to enter upon the Property for inspection, soil tests and borings, environmental testing and assessments, wetland delineation, general examination of the Property and for surveying Seller's parcel or parcels of land; provided that the Buyer will restore any disturbance to the Property and will hold Seller harmless from and against all damages and liability caused by the Buyer's actions.

32. **RUNS WITH THE LAND:** The terms, covenants, indemnities and conditions of this Agreement shall be binding upon and inure to the benefit of the successors and assigns of the respective parties hereto.

33. **SPECIFIC PERFORMANCE:** This Agreement may be specifically enforced by the parties, provided that any action for specific enforcement is brought within six months after the date of the alleged breach. This paragraph is not intended to create an exclusive remedy for breach of this Agreement; the parties reserve all other remedies available at law or in equity.

34. **MEMORANDUM OF PURCHASE AGREEMENT:** At the request of either party, the parties hereto shall execute a Memorandum of Purchase Agreement in recordable

form memorializing this Agreement.

35. **ADDITIONAL DEVELOPMENT PROVISIONS:** The following terms and conditions are considered part of this Agreement and constitute further representations of the Seller and Buyer.

A. **Dismissal of Litigation**. The Buyer shall cause the dismissal of 27-CV-25-8066, Alatus Development LLC vs Minnehaha Creek Watershed District, City of Hopkins, simultaneously with the Closing of this transaction. The partially executed copy of the Settlement Agreement and Stipulation for Dismissal is attached as Exhibit B and will be held in escrow and released at Closing.

B. **Loucks Mechanic's Lien**. At the time of and a condition to closing, Buyer shall provide or cause to be provided to Seller a standard form mechanic's lien waiver and release of mechanic's lien filed by Loucks against the Property in the amount of $52,290.95, such that Seller can comply with the representations and requirements set forth in Paragraph Nos. B.1., B.2. and 13.B. of this Agreement.

C. **Alatus Earnest Money**. Pursuant to a previously executed purchase agreement between Seller and Alatus, Seller received $1,000,000 in earnest money which it presently holds in escrow. Buyer has secured authorization to release such Alatus funds to Seller is set forth in Paragraph 1.c) in the Settlement Agreement and Stipulation for Dismissal as set forth in Exhibit B, which will be held in escrow and released at Closing.

D. **Cancellation of MCWD/Alatus Purchase Agreement**. The Seller shall cause the cancellation of the previously executed Seller/Alatus Purchase Agreement simultaneously with the Closing of this transaction. The cancellation is set forth in Paragraph 1.b) in the Settlement Agreement and Stipulation for Dismissal as set forth in Exhibit B, which will be held in escrow and released at Closing.

E. **NHP Purchase Representation**. NHP represents that it shall acquire Lot 3, Block 1, MILE 14 ON MINNEHAHA CREEK of the Property from the Buyer simultaneously at the Closing with such representation as set forth in Exhibit C.

F. **Alatus Purchase Representation**. The Buyer and Alatus represent that Alatus shall purchase Lots 1, 2 and 4, Block 1, MILE 14 ON MINNEHAHA CREEK from the Buyer simultaneously at the Closing with the executed Purchase Agreement set forth in Exhibit D, which will be held in escrow and released at Closing.

G. **Road Design/ Infrastructure Improvements Design/Petition and Waiver**. Within ten (10) business days after the execution of this Agreement, Buyer or its assignee, shall engage or re-engage (and provide Seller with evidence of such engagement, e.g., a signed proposal or contract and written notice to proceed) with Loucks to complete engineered drawings and specifications for the construction of the Road Design and Infrastructure Improvements. The Buyer or its assignee will complete the design and engineering work for the Infrastructure Improvements, which include all municipal utility and street improvements necessary or otherwise required by the City to extend the system of City streets (i.e., 2nd Street NE as labeled on the Plat) and utility systems to provide adequate access, sewer main, water main, and storm sewer facilities, included, but are not limited to, sanitary sewer, watermain, storm sewer, utility services, aggregate base, concrete curb and gutter, bituminous paving, turf establishment, and related improvements. The Infrastructure Plans shall be completed as provided in this Section at Buyer's or its assignees sole cost and expense. The City has secured an executed Petition and Waiver agreement from Alatus to pay for such improvements as set forth in Exhibit E.

H. **Stormwater Offset Improvements Design.** In preparation for bidding and construction of the Stormwater Offset Improvements and the Watershed Project, (i) within ten (10) business days after the execution of this Agreement, Buyer or its assignee, shall engage or re-engage (and provide Seller with evidence of such engagement, e.g., a signed proposal or contract and written notice to proceed) with Loucks (the "Design Consultants") to complete engineered drawings and specifications for the construction of the Stormwater Offset Improvements and their connection to the Watershed Project, including, without limitation, the retaining wall(s) separating the Project from the Watershed Project and creating the elevations and basins necessary for the Watershed Project and any temporary stormwater ponds or other facilities necessary for the phased development of the Project ("Stormwater Offset Plans"); (ii) Buyer shall provide a timeline to Seller from the Design Consultants to complete the final Stormwater Offset Plans; and (iii) Buyer shall deliver or cause the Design Consultants to deliver a fully engineered, 100% construction set of the Stormwater Offset Plans. Once Seller has approved the Stormwater Offset Plans, Buyer or it's assignee may use such Stormwater Offset Plans, together with any requirements, clarifications and/or instructions it provides, to solicit bids for the work described therein. The Stormwater Offset Plans shall be completed as provided in this Section at Buyer's or its assignees sole cost and expense. Seller shall endeavor to provide any comments on the preliminary Stormwater Offset Plans within seven (7) business days' after receipt of the same and within five (5) business days after receipt of any revisions to the same. Seller will have the right to approve to the Stormwater Offset Plans, and Seller will not unreasonably withhold, condition or delay its approval of the Stormwater Offset Plans.

I. **REOA**. Buyer shall deliver to Seller, for Seller's review and comment, a draft REOA (or REOAs) in editable form, which, at a minimum, addresses any required easements, maintenance, repair, and replacement provisions. Seller shall endeavor to provide any comments on the initial REOAs within 10 business days' after receipt of the same and within three (3) business days after receipt of any revisions to the same. The Buyer and Seller shall negotiate in good faith to agree upon the REOA as soon as reasonably possible.

J. **Site Development Agreement.** Buyer shall deliver to Seller, for Seller's review and comment, a draft Site Development Agreement in editable form, which, at a minimum, (i) requires Buyer or its assignee to cause the Stormwater Offset Improvements and Infrastructure Improvements to be constructed, and (ii) requires Seller to sub-grant or otherwise reimburse Buyer or its assignee for certain costs of the

Stormwater Offset Improvements from PFA grant funds. Seller shall endeavor to provide any comments on the initial Site Development Agreement within 10 business days' after receipt of the same and within three (3) business days after receipt of any revisions to the same. The Buyer and Seller shall negotiate in good faith to agree upon the Site Development Agreement on or before the closing date. The Site Development Agreement may address sequencing of the work (and will provide for a commence date for the infrastructure work no later than May 31, 2027), staging, temporary stormwater ponds, relocation of temporary parking for Chorus Apartments, and later construction of the complete cascade.

K. Buyer Entity. Upon the closing of the transaction contemplated by this Agreement, Seller understands and accepts that the Buyer may transfer the Property to a development entity associated with the Buyer to permit further conveyance of the Property and development to be located at the Property.

L. City/HRA Funding Representation. The City/HRA represents that both have the funding necessary to purchase the property and close by the Closing date. The City may finance the acquisition through simultaneous closings with NHP and Alatus, cash on hand, general obligation debt, or any combination thereof, at its sole discretion. Although a simultaneous closing with NHP is not required for the City's financing plan, the City and NHP are working in good faith toward achieving such coordination.

M. TIF Special Legislation. The Buyer was granted special tax increment legislation in 2026 for TIF District 1-6 (325 Blake). Upon the closing of the transaction contemplated by this Agreement, the Buyer shall enact the tax increment special legislation associated with development to be located at the Property.

N. Chorus Parking. Upon execution of the Agreement the Buyer or it's assignee shall resolve any purported outstanding parking compliance requirements, if any, associated with the development located at Lot 2, Block 2, MILE 14 ON MINNEHAHA CREEK, according to the recorded plat thereof, Hennepin County, Minnesota.

O. PFA Status/Grant Applications. Seller was awarded a PFA grant in the amount of $3,762,831, and Seller and Buyer agree to allocate $1,794,992 of such grant proceeds to Seller to pay of grant-eligible work related to the Watershed Project, and to allocate $1,967,839 of such grant proceeds to Buyer or its assignee to pay of grant-eligible work related to the Stormwater Offset Improvements.

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NOTICE: THIS IS A LEGALLY BINDING CONTRACT BETWEEN BUYER AND SELLER. IF YOU DESIRE LEGAL OR TAX ADVICE, CONSULT AN APPROPRIATE PROFESSIONAL.

The undersigned, owner of the above Property, does hereby approve the above Agreement and the sale thereby made of the Property for the price and upon the terms above mentioned, and subject to all conditions herein expressed.

SELLER: Minnehaha Creek Watershed District,
a watershed district with purposes and powers as set forth at Minnesota Statutes Chapters 103B and 103D

By: ______________________________
Name: ______________________________

Its: ______________________________

Date: ________________, 2026

The undersigned does hereby approve the above Agreement and agrees to purchase the Property for the price and upon the terms above mentioned, and subject to all conditions herein expressed.

BUYER: CITY OF HOPKINS

By: ______________________________
Patrick Hanlon, Mayor

Dated: August 24,_ 2026.

By: ______________________________
Michael Mornson, City Manager

Dated: August 24, 2026.

This instrument was drafted by:
KENNEDY & GRAVEN, CHARTERED (SJR)
150 South Fifth Street, Suite 700
Minneapolis, MN 55402
(612) 337-9300

EXHIBIT A

LEGAL DESCRIPTION

Real Property in the County of Hennepin, State of Minnesota, described as follows:

Lots 1, 2, 3 and 4, Block 1, and Lot 1, Block 2, and OUTLOT C, MILE 14 ON MINNEHAHA CREEK, according to the recorded plat thereof, Hennepin County, Minnesota.

EXHIBIT B

SETTLEMENT AGREEMENT AND STIPULATION FOR DISMISSAL

This Settlement Agreement and Stipulation for Dismissal ("Agreement") is entered into as of this ____ day of ____, 2026 by and between Alatus Development, LLC ("Alatus"), Minnehaha Creek Watershed District (the "District"), and the City of Hopkins (the "City"). Each party may be referred herein to as a "Party" and collectively as the "Parties".

RECITALS

A. Alatus commenced action against the District and City, which action is pending in Hennepin County, Minnesota as Case No. 27-CV-25-8066 (the "Action.").

B. The City and the District have entered into a Purchase Agreement, a fully executed copy of which is attached hereto as Exhibit A and contemplates a closing on or before December 31, 2026.

C. The Parties desire to resolve all claims that were or could have been made in the Action amicably, and without the need for further litigation, on the terms set forth in this Agreement.

NOW THEREFORE, in consideration of the foregoing recitals, and the following terms and conditions, the sufficiency of such consideration is acknowledged, the Parties agree as follows.

1. Upon the transfer of title of the property at closing as contemplated by the attached Purchase Agreement between the District and the City, the Parties agree to the following:

a) The Parties hereby release each other from all claims that were made or could have been made in the Action.

b) The Parties agree that the previously executed purchase agreement between the District and Alatus and all amendments thereto ("Alatus/District Purchased Agreement") are hereby cancelled and Alatus waives all claims to enforcing the terms of the previously executed purchase agreement between Alatus and the District.

c) Alatus agrees that the $1,000,000 in earnest money paid under the Alatus/District Purchase Agreement can be released to the District.

d) If the transfer of title and closing contemplated by the Purchase Agreement attached hereto as Exhibit A is not completed by December 31, 2026, this Settlement Agreement shall be void.

2. Within two (2) business days of the transfer of title of the property at closing as contemplated by the attached Purchase Agreement, the Parties shall cause their counsel of record to execute and file the Stipulation for Dismissal attached as Exhibit B.

AGREED AND ACCEPTED

[Signature Page Follows]

Alatus Development, LLC

By: [signature]

Its: CEO

Date: August 24, 2026

Minnehaha Creek Watershed District

By:______________________

Its:______________________

Date: ______________________

City of Hopkins

By:______________________

Its:______________________

Date: ______________________

EXHIBIT A – Purchase Agreement

EXHIBIT B – Stipulation for Dismissal

STATE OF MINNESOTA

DISTRICT COURT

COUNTY OF HENNEPIN

FOURTH JUDICIAL DISTRICT

Case Type: Civil Other/Misc.

Alatus Development, LLC,

Plaintiff,

v.

Minnehaha Creek Watershed District, and the City of Hopkins,

Defendants.

Court File No. 27-CV-25-8066
Judge: Colette Routel

STIPULATION FOR DISMISSAL

The Parties hereby stipulate to dismiss this action with prejudice pursuant to Minn. R. Civ. P. 41.01(a)(2), each Party to bear their own costs, fees, expenses, and disbursements.

FABYANSKE, WESTRA, HART & THOMSON, P.A.

Dated: _______, 2026

By:________________________

Mark R. Becker (#0387338)
mbecker@fwhtlaw.com
Christian D. Poppe (#0403714)
cpoppe@fwhtlaw.com
80 South Eighth Street, Suite 1900
Minneapolis, MN 55402
(612) 359-7620 (P)
(612) 359-7605 (F)

ATTORNEYS FOR PLAINTIFF

Dated:____________, 2026

HOFF BARRY, P.A.

By:_________________________

Justin L. Templin (#0305807)
Niklaus M. Svendsen (#0504497)
100 Prairie Center Drive, Suite 200
Eden Prairie, MN 55344
(952) 746-2700
jtemplin@hoffbarry.com
nsvendsen@hoffbarrry.com

ATTORNEYS FOR MINNEHAHA CREEK WATERSHED DISTRICT

Dated: _______, 2026

KENNEDY & GRAVEN, Chartered

By:_________________________

Robert A. Alsop
ralsop@kennedy-graven.com
Fifth Street Towers
150 South Fifth Street, Suite 700
Minneapolis, MN 55402
(612) 337-9300

ATTORNEYS FOR CITY OF HOPKINS

EXHIBIT C

NHP PURCHASE REPRESENTATION TO ACQUIRE
Lot 3, Block 1, MILE 14 ON MINNEHAHA CREEK

From: Robert C. Lux
Sent: Saturday, August 22, 2026 6:28 PM
To: phanlon@hopkinsmn.com; mmornson@hopkinsmn.com
Cc: kelverum@hopkinsmn.com; nbishop@HOPKINSmn.com; Stacie Kvilvang ; Riggs, Scott J.
Subject: FW: Bob, please forward this to the mayor

Mayor Hanlon and City Manager Mornson,

Please see the message below from Neal Drobenare at the National Housing Partnership Foundation regarding 325 Blake Road.

Let me know if you have any questions. Have a great weekend!

Best regards,

Bob Lux

Robert Lux
Founder / CEO
—
rclux@alatusllc.com | v-card
(C): 612 991-0381
www.alatusllc.com

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411 Lexington Parkway N; Suite 615
St. Paul, MN 55104

From: Neal Drobenare <NDrobenare@nhpfoundation.org>

Sent: Friday, August 21, 2026 11:52 AM

To: Robert C. Lux <rclux@alatusllc.com>

Subject: Bob, please forward this to the mayor

Mayor Hanlon and City Manager Mornson,

Congratulations on the City's decision to move forward with a Purchase Agreement for the Minnehaha Creek Watershed District's land - this is a pivotal step for a project we believe will transform this corner of Hopkins.

NHPF remains fully committed to our partnership with the City and Alatus to bring Duet to 325 Blake Road. We've stayed closely engaged throughout this process, and our enthusiasm for the project hasn't wavered.

Once the City and the Watershed District have an accepted Purchase Agreement in place, we will move immediately to bring a Purchase Agreement for our portion of the site to our Board of Directors for approval. While that approval is ultimately the Board's to give, I'm confident in their continued support, and our team is prepared to move quickly and work in good faith toward a final agreement as soon as the City is in control of the site.

Please don't hesitate to reach out with any questions.

Best regards,

Neal Drobenare

SVP

Get Outlook for iOS

EXHIBIT D

ALATUS PURCHASE REPRESENTATION

PURCHASE AGREEMENT TO ACQUIRE Lots 1, 2 and 4, Block 1, MILE 14 ON MINNEHAHA CREEK

This Real Estate Purchase Agreement (this "Agreement") is made as of the Effective Date by and between the **CITY OF HOPKINS, MINNESOTA**, a Minnesota municipal corporation (the "City" or "Seller"), and **ALATUS, LLC**, a Minnesota limited liability company, and its permitted assigns ("Buyer").

Recitals

A. Seller is, or as of the Closing will be, the fee owner of the real property located in the City of Hopkins, Hennepin County, Minnesota, legally described on **Exhibit A**, together with all easements, hereditaments, air rights, rights of way, licenses, and other rights benefiting or appurtenant to that property (collectively, the "Property").

B. The Property consists of Block 1; Lots 1,2 and 4 and is part of the master development located at and around 325 Blake Road North, adjacent to the Blake Road Station, and Buyer intends to acquire and develop the Property as part of that master development (the "Project"). The Plat of the Property is attached and a depiction of the Property in the context of the master development is attached as **Exhibit C**.

C. Seller has determined that the conveyance of the Property to Buyer on the terms of this Agreement serves a public purpose.

D. The Seller and Buyer have entered into a First Amended and Restated Contract for Private Development (the "Development Agreement"), which governs the development of the Project, including phasing, public infrastructure, tax increment financing, issuance of bonds for City Public Improvements, grant funds, affordable housing, and the parties' construction obligations. The Buyer has executed a Petition and Waiver for the Public Improvements in accordance with the Development Agreement so the City can issue the bonds to finance the City Public Improvements.

NOW, THEREFORE, in consideration of the mutual covenants set forth below, the parties agree as follows:

1. Sale and Purchase. Seller agrees to sell the Property to Buyer, and Buyer agrees to purchase the Property from Seller, on the terms and conditions of this Agreement.

2. Purchase Price; Earnest Money.

    (a) Purchase Price. The purchase price for the Property is $2,250,000 (the "Purchase Price"), payable in cash by wire transfer of immediately available funds at Closing, subject to the prorations and credits described in Section 5(d).

(b) Earnest Money. Within five (5) business days after the Effective Date, Buyer shall deposit $10,000 (the "Earnest Money") with Land Title, Inc. (the "Title Company"), to be held in escrow and applied against the Purchase Price at Closing.

3. Closing.

(a) Closing Date. The closing of the purchase and sale of the Property (the "Closing") shall occur on or before December 31, 2026 (the "Outside Date").

(b) Seller's Deliveries. At Closing, Seller shall deliver: (i) a limited warranty deed on a Minnesota Uniform Conveyancing Blank conveying marketable fee title to the Property to Buyer, subject only to the Permitted Exceptions; (ii) a customary seller's affidavit as to judgments, liens, mechanic's liens, and unrecorded interests; (iii) a well disclosure certificate or a statement that no wells exist on the Property, as required by Minnesota Statutes, Section 103I.235; (iv) a certificate confirming that Seller's representations remain true in all material respects; (v) evidence of the City Council's authorization of the conveyance; (vi) a settlement statement; and (vii) any other document reasonably required by the Title Company to close and insure the transaction, consistent with this Agreement.

(c) Buyer's Deliveries. At Closing, Buyer shall deliver: (i) the Purchase Price, less the Earnest Money and any credits; (ii) a settlement statement; and (iii) any other document reasonably required by the Title Company to close the transaction, consistent with this Agreement.

(d) Costs and Prorations. Seller shall pay the state deed tax, the cost of the Title Commitment, the cost of recording any instrument required to place title in the condition required by this Agreement, and one-half of the Title Company's closing fee. Buyer shall pay the premium for its owner's and lender's title policies and endorsements, the cost of the Survey, the cost of recording the deed, any mortgage registry tax, and one-half of the Title Company's closing fee. Real estate taxes payable in the year of Closing shall be prorated to the Closing Date, and Buyer shall pay taxes payable in later years. Seller shall pay or discharge at Closing all special assessments levied, pending, deferred, or constituting a lien against the Property as of the Closing Date, and Buyer shall pay assessments levied after the Closing Date, except as the Development Agreement provides otherwise. Each party shall pay its own attorneys' fees. This Section survives Closing and does not merge into the deed.

(e) Possession. Seller shall deliver exclusive possession of the Property to Buyer at Closing, subject only to the Permitted Exceptions.

4. Title.

(a) Permitted Exceptions. Buyer has obtained a commitment for a 2021 ALTA owner's policy of title insurance from the Title Company (the "Title Commitment"). The matters listed on **Exhibit B** are the "Permitted Exceptions."

(b) Seller's Title Obligations. Seller shall pay or discharge at or before Closing all mortgages, judgments, mechanic's liens, and other monetary liens against the Property, and shall not create, assume, or consent to any new lease, easement, lien, or other encumbrance on the Property after the Effective Date without Buyer's written consent. If a title matter that is not a Permitted Exception first appears of record after the effective date of the Title Commitment, Seller shall use commercially reasonable efforts to remove it. If it is not removed by the Outside Date, Buyer may either terminate this Agreement and receive the Earnest Money or close and take title subject to that matter.

5. Representations and Warranties.

(a) Seller's Representations. Seller represents to Buyer, as of the Effective Date and again as of the Closing Date, that: (i) Seller is a Minnesota municipal corporation, and Seller's execution, delivery, and performance of this Agreement have been duly authorized by resolution of the City Council and by all other action required by law, the City's charter, and its ordinances; (ii) this Agreement is a valid and binding obligation of Seller, enforceable in accordance with its terms; (iii) except as disclosed to Buyer in writing, there is no litigation, condemnation, or administrative proceeding pending or, to Seller's knowledge, threatened that affects the Property or Seller's ability to convey it; and (iv) there are no leases, options, rights of first refusal, service contracts, or other agreements affecting the Property that will bind Buyer after Closing, other than the Permitted Exceptions. "Seller's knowledge" means the actual knowledge of the City Manager, without any duty of investigation or inquiry.

(b) Buyer's Representations. Buyer represents to Seller, as of the Effective Date and again as of the Closing Date, that Buyer is a Minnesota limited liability company validly existing and in good standing under Minnesota law, that Buyer has the power and authority to enter into and perform this Agreement, and that this Agreement is a valid and binding obligation of Buyer, enforceable in accordance with its terms.

(c) As-Is Purchase. Except for the representations in Section 6(a) and the covenants in this Agreement and the Development Agreement, Buyer accepts the Property in its "as is, where is" condition, and Seller makes no representation or warranty as to the physical, environmental, title, or economic condition of the Property or its suitability for the Project. Nothing in this Agreement waives, releases, or limits any claim Buyer may have against any party other than Seller, or any right of contribution or cost recovery Buyer may have under the Minnesota Environmental Response and Liability Act, the federal Comprehensive Environmental Response, Compensation, and Liability Act, or any similar law.

(d) Environmental Deliveries. Seller shall deliver to Buyer copies of all environmental reports, assessments, permits, and agency correspondence relating to the Property that are in Seller's possession or control, and shall, at no cost to Seller, reasonably cooperate with Buyer's efforts to obtain or succeed to any Minnesota Pollution Control Agency approval, determination, or assurance relating to the Property.

(e) Survival. The representations in this Section survive the Closing for a period of twelve (12) months.

6. Assignment. Buyer may assign this Agreement without Seller's consent to: (a) an entity controlling, controlled by, or under common control with Buyer; (b) a joint venture, partnership, or limited liability company in which Buyer or an affiliate of Buyer holds a direct or indirect interest and serves as a managing member, general partner, or co-developer, including an entity formed with The NHP Foundation and any low-income housing tax credit partnership; or (c) a lender, as collateral for financing of the Project. Any other assignment requires Seller's written

consent, which shall not be unreasonably withheld, conditioned, or delayed. Buyer shall give Seller notice and a copy of any assignment. No assignment releases Buyer from obligations arising before the assignment unless Seller agrees in writing.

7. Notices. All notices under this Agreement shall be in writing and delivered personally, by nationally recognized overnight courier, by certified mail, or by email with a copy sent the same day by one of the other methods, to the addresses below. Notice is effective on receipt if delivered by hand or email before 5:00 p.m. Central time, one business day after deposit with an overnight courier, or three days after deposit in the U.S. mail. Either party may change its address by notice given as provided in this Section. Notice may be given by and to counsel for a party.

If to Seller:	City of Hopkins 1010 1st Street South Hopkins, MN 55343 Attn: Michael Mornson Email: mmornson@hopkinsmn.com
With copy to:	Kennedy & Graven Fifth Street Towers 150 South Fifth Street Minneapolis, MN 55402 Attn: Scott Riggs Email: sriggs@kennedy-graven.com
If to Buyer:	Alatus, LLC 411 Lexington Pkwy N. Suite 615 St. Paul, MN. 55104 Attn: Robert C. Lux Email: rclux@alatusllc.com
With copy to:	Fabyanske Westra Hart & Thomson IDS Center 80 South 8th Street Suite 1900 Attn: Mark Becker and Steve Cox Email: becker@fwhtlaw.com Email: scox@fwhtlaw.com
If to Title Company:	Land Title, Inc. 2200 County Rd C West, #2205 Roseville, MN 55113 Attn: ______________________________ Email: ______________________________

11. Miscellaneous.

(a) Entire Agreement; Amendment. This Agreement, together with its exhibits and the Development Agreement, is the entire agreement of the parties regarding the conveyance of the Property and supersedes all prior agreements and understandings on that subject. This Agreement may be amended only by a writing signed by both parties.

(b) Governing Law; Venue. This Agreement is governed by Minnesota law. Any action arising out of this Agreement must be brought in Hennepin County District Court.

(c) Successors; No Third-Party Beneficiaries. This Agreement binds and benefits the parties and their successors and permitted assigns. It confers no rights on any third party.

(d) Time. Time is of the essence. If a deadline falls on a Saturday, Sunday, or legal holiday, it is extended to the next business day.

(e) Brokers. Each party represents that it has not dealt with any broker or finder in connection with this transaction and shall indemnify the other against any claim for a commission arising from its own actions.

(f) Data Practices. Buyer acknowledges that Seller is subject to the Minnesota Government Data Practices Act, Minnesota Statutes Chapter 13, and the Minnesota Open Meeting Law, Minnesota Statutes Chapter 13D, that data relating to Seller's sale of real property are classified under Minnesota Statutes, Section 13.44, subdivision 3, and that Seller may disclose this Agreement and related data as required or permitted by law, including at a meeting of the City Council.

(g) Recording. Neither party shall record this Agreement. The parties may record a memorandum of this Agreement in a form both approve.

(h) Counterparts; Electronic Signatures. This Agreement may be signed in counterparts, each of which is an original and all of which together are one instrument. Signatures delivered electronically, and signatures affixed by electronic means, are effective as originals.

(i) Effective Date. The "Effective Date" is the date on which the last party signs this Agreement, as shown in the signature blocks. If a party does not date its signature, the other party's date controls.

(j) Survival. Any provision that by its terms is to be performed after Closing or that expressly survives termination will survive Closing or termination, as applicable.

[Signature page follows.]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the dates written below.

SELLER:

CITY OF HOPKINS, MINNESOTA,

a Minnesota municipal corporation

By: ______________________

Name: Patrick Hanlon
Its: Mayor

By: ______________________

Name: Michael Mornson
Its: City Manager

Date: **August 24, 2026**

BUYER:

ALATUS, LLC,

a Minnesota limited liability company

By: ______________________

Name: Robert C. Lux
Its: CEO
Date: **August 24, 2026**

TITLE COMPANY:

(Signing solely to acknowledge its obligations as escrow agent under Section 2(b).)

LAND TITLE, INC.

By: ______________________

Name: ______________________

Its: ______________________

Exhibit A

Legal Description of Property

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

Lots 1, 2 and 4, Block 1, Mile 14 on Minnehaha Creek, according to the recorded plat thereof, Hennepin County, Minnesota.

Exhibit B

Permitted Exceptions

NTD: Attach the schedule of title exceptions from the Title Commitment that Buyer has approved, together with any easements or restrictions created under the Development Agreement.

Exhibit C

Depiction of the Property

[Attach site plan showing the

EXHIBIT E

PETITION AND WAIVER

This Agreement made this _____ day of August, 2026, by and between the City of Hopkins, a Minnesota municipal corporation ("City") and Alatus, LLC, a Minnesota limited liability company, ("Owner").

RECITALS

WHEREAS, the Owner is the fee owner of certain land in Hennepin County, Minnesota, located at 325 Blake Road, PID #1911721140014, and is legally described in Exhibit A attached hereto (the "Property"); and

WHEREAS, the Owner has requested that the City perform certain improvements to the Property, described in Exhibit B attached hereto (the "Improvements") and the City has agreed to perform said Improvements.

WHEREAS, the Owner has agreed to reimburse the City for 100 percent of the cost of the Improvements; and

WHEREAS, the Owner has requested that payment to the City of cost of the Improvements be financed by the City levying an assessment against the Property which will be payable to the City in installments over 20 years; and

WHEREAS, the Owner requests that the City construct or cause the construction of the Improvements without notice of hearing or hearing on the Improvements, and without notice of hearing or hearing on the assessment levied to finance the Improvements, and to levy 125 percent of the cost of the Improvements in a total amount of $9,190,922.00 against the Property as an assessment; and

WHEREAS, the City is willing to finance and construct the Improvements without such notices or hearings, provided the assurances and covenants hereinafter stated are made by the Owner to ensure that the City will have a valid and collectable assessment as it relates to the Property to receive payment for the Improvements; and

WHEREAS, were it not for the assurances and covenants hereinafter provided, the City would not construct the Improvements without such notices and hearings

NOW, THEREFORE, on the basis of the mutual covenants and agreements hereinafter provided, it is hereby agreed by and between the parties hereto as follows:

1. The Owner hereby petitions the City for construction of the Improvements. The Improvements to be constructed by the City are described in Exhibit B attached hereto.

2. The Owner represents and warrants that the Owner is the owner of 100 percent of the

Property, that the Owner has full legal power and authority to encumber the Property as herein provided, and that as of today, the Owner has fee simple absolute title in the Property.

3. The Owner represents and warrants that the Property is not classified for tax purposes as to result in deferral of the obligation to pay the assessment; and the Owner agrees that the Owner will take no action to secure such tax status for the Property during the term of this Agreement.

4. The amount of the assessment which is to be assessed by the City against the Property is $9,190,922.00. The Owner requests that this amount be assessed against the Property.

5. The Owner agrees that the assessment will be payable in installments over 20 years. The Owner understands and agrees that the interest rate to be applied to the assessment will be the True Interest Cost of the bonds issued per annum.

6. The Owner waives the right to appeal the levy of the assessment in accordance with this Agreement pursuant to Minnesota Statutes Section 429.081, or reapportionment thereof upon land division pursuant to Minnesota Statutes Section 429.071, subdivision 3, or otherwise, and further specifically agrees with respect to such assessments against the Property or reapportionment that:

   a. Any requirements of Minnesota Statutes Chapter 429 with which the City does not comply are hereby waived by the Owner;

   b. The increase in fair market value of the Property resulting from construction of the Improvements will be at least equal to $9,190,922.00.00, and that such increase in fair market value is a special benefit to the Property;

   c. Assessment of 125 percent of the cost of the Improvements against the Property is reasonable, fair and equitable and there are no other properties against which the cost should be assessed; and

   d. The Owner further specifically waives notice and the right to appeal reapportionment of such assessment upon land division pursuant to Minnesota Statutes Section 429.071, subdivision 3.

7. The Owner agrees that the assessment may be alternatively made against the Property pursuant to Minnesota Statutes Sections 366.011, 366.012 or 415.01, or pursuant to any other authority available to the City.

8. The Owner further agrees that payment of the assessment will continue to be the Owner's personal obligation until it is paid in full and the Owner will pay any part of the assessment which the City is unable to collect through the assessment process.

9. The covenants, waivers and agreements contained in this Agreement shall bind the successors and assigns of the Owner and shall run with the Property and bind all successors

in interest thereof. It is the intent of the parties hereto that this Agreement be in a form which is recordable among the land records of Hennepin County, Minnesota; and the parties hereto agree to make any changes in this Agreement which may be necessary to effect the recording and filing of this Agreement against the title of the Property.

10. This Agreement shall terminate upon the final payment of the assessment levied against the Property regarding the Improvements.

IN WITNESS WHEREOF, the parties have set their hands the day and year first written above.

OWNER
Alatus, LLC

By: Robert C L
Robert Lux
Printed Name: Robert Lux

By: ______________________________

Printed Name: ______________________

STATE OF MINNESOTA)
) ss.
COUNTY OF HENNEPIN)

The foregoing instrument was acknowledged before me this 24th day of August, 2026, by Robert Lux, the CEO of Alatus, LLC, a Minnesota limited liability company, on behalf of the company.

Amy Jo Domeier
Notary Public
Minnesota
My Commission Expires 01/31/2031

ADomeier
Notary Public

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CITY OF HOPKINS

By: ____________________________
Patrick Hanlon
Its: Mayor

By: ____________________________
Michael Mornson
Its: City Manager

STATE OF MINNESOTA)
) ss
COUNTY OF HENNEPIN)

The foregoing instrument was acknowledged before me this 24th day of August, 2026, by Patrick Hanlon and Michael Mornson, the Mayor and City Manager, respectively, of the City of Hopkins, a municipal corporation under the laws of Minnesota, on behalf of the municipal corporation.

Amy Jo Domeier
Notary Public
Minnesota
My Commission Expires 1/31/2031

____
Notary Public

This document was drafted by:

Kennedy & Graven, Chartered (SJR)
Suite 700 Fifth Street Towers
150 South Fifth Street
Minneapolis, MN 55402
(612) 337-9300

EXHIBIT A

Legal Description of the Property

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

Lots 1, 2 and 4, Block 1, MILE 14 ON MINNEHAHA CREEK

EXHIBIT B

DESCRIPTION OF IMPROVEMENTS

Public Improvements include extension of 2nd Street NE as labeled on the Plat, along with utility systems to provide adequate access, sewer main, water main, and storm sewer facilities, including, but are not limited to, sanitary sewer, watermain, storm sewer, utility services, aggregate base, concrete curb and gutter, bituminous paving, turf establishment, landscaping, street lighting, sidewalks and related improvements and any improvements required for the Cascade Improvements that are not part of the Stormwater Offset Improvements.

Stormwater Offset Improvements include connection to the Watershed Project, including, without limitation, the retaining wall(s) separating the Project from the Watershed Project and creating the elevations and basins necessary for the Watershed Project and any temporary stormwater ponds or other facilities necessary for the phased development of the Project.