

PRELIMINARY DEVELOPMENT AGREEMENT

THIS AGREEMENT, made and entered into this 11th day of August, 2025, between the HIBBING ECONOMIC DEVELOPMENT AUTHORITY, a public body corporate and politic under the laws of the State of Minnesota (“Authority”), and REBOUND REAL ESTATE, LLC, a Minnesota Limited Liability Corporation (“Developer”), and or assignee:

WHEREAS, the Authority owns or intends to acquire certain property within the City of Hibbing, Minnesota (the “City”), described in Exhibit A attached hereto (the “Property”); and

WHEREAS, the Developer has submitted a proposal to acquire the Property and construct four-story mixed-use workforce housing, described in Exhibit B attached hereto (the “Development”); and

WHEREAS, the Authority has determined that it is in its best interest that the Developer be designated sole developer of the Property during the term of this Agreement; and

WHEREAS, the Authority and the Developer are willing and desirous to undertake the Development if (i) a satisfactory agreement can be reached regarding the Authority’s commitment for any public assistance that may be necessary for the Development; (ii) satisfactory mortgage and equity financing, or adequate cash resources for the Development can be secured by the Developer; (iii) the economic feasibility and soundness of the Development can be demonstrated; (iv) a satisfactory agreement can be reached regarding the purchase price to be paid by the Developer for the Property; (v) satisfactory resolution of zoning, land use, site design, and engineering issues, and other necessary preconditions have been determined to the satisfaction of the parties; and (vi) the Authority is able to acquire all the Property; and

WHEREAS, the Authority is willing to evaluate the Development and work toward all necessary agreements with the Developer.

NOW, THEREFORE, in consideration of the foregoing and of the mutual covenants and obligations set forth herein, the parties agree as follows:

Section 1. Intention of Parties. It is the intention of the parties that this Agreement: (a) documents the present understanding and commitments of the parties; and (b) will lead to negotiation and execution of a mutually satisfactory Purchase Agreement and TIF Development Agreement (together, the “Contract”) prior to the termination date of this Agreement. The Contract (together with any other agreements entered into between the parties hereto contemporaneously therewith) when executed, will supersede all obligations of the parties hereunder. If the following conditions can be fulfilled to the satisfaction of the Authority and the Developer, the parties will proceed to formulate a Contract:

(a) a satisfactory agreement can be reached regarding the purchase price to be paid by the Developer for the Property;

- (b) a satisfactory agreement can be reached regarding the Authority's commitment of public financial assistance necessary for the Development;
- (c) satisfactory financing for the Development can be secured;
- (d) the Developer demonstrates the financial feasibility of the Development;
- (e) the Developer provides such documentation regarding the economic feasibility of the Development as the Authority requests during the term of this Agreement;
- (f) the completion of all undertakings required by this Agreement in a satisfactory and timely manner;
- (g) the satisfaction of such other conditions as are determined to be necessary by either party; and
- (h) the Authority or Developer is able to acquire all the Property at a purchase price it finds acceptable.

The Contract (together with any other agreements entered into between the parties hereto contemporaneously therewith) when executed will supersede all understandings and obligations of the parties hereunder.

Section 2. Preliminary Nature of Agreement. The Authority and Developer agree that this Agreement is intended to be preliminary in nature. Before the Authority and Developer can decide on whether to proceed with the Development, it will be necessary to assemble and consider information relative to the uses, design, economics and other aspects of the Development. The purpose of this Agreement is to allow the Developer and Authority an opportunity to assemble such necessary information, to refine the concept for the Development, and to negotiate the execution of the Contract which, if executed, will set forth the rights and responsibilities of the Authority and the Developer with respect to the Development.

Section 3. Developer's Obligations. During the term of this Agreement, the Developer shall:

- (a) Submit to the Authority a design proposal to be approved by the Authority showing the location, size, and nature of the proposed Development, including floor layouts, renderings, elevations, and other graphic or written explanations of the Development. The design proposal shall be accompanied by a proposed schedule for the commencement and completion of the Development.
- (b) Submit a cost estimate for the design and construction of the Development.
- (c) Submit to the Authority the Developer's financing plan showing that the proposed Development is financially feasible, and, to the extent Developer seeks public financial assistance in any form (including reduced land cost, waiver of fees, tax increment financing or abatement financing), evidence that such assistance is

reasonably necessary to make the Development financially feasible.

- (d) Furnish satisfactory financial data to the Authority evidencing the Developer's ability to undertake the Development.
- (e) Submit zoning, land use, platting and subdivision applications for the Development, as appropriate.
- (f) Undertake and obtain such other preliminary economic feasibility studies, income and expense projections, and such other economic information as the Developer may desire to further confirm the economic feasibility and soundness of the Development.
- (g) Submit to the Authority a proposed schedule for the undertaking of the Development, including phasing and timing of closing and construction.
- (h) Obtain environmental reports and studies and such other studies and testing deemed necessary, to determine the acceptability of the environmental condition of the Property.
- (i) Provide any other information that the Authority may request.

All of the information described above shall be prepared or collected at the sole expense of the Developer. The Developer agrees that it will provide the Authority with status reports on progress made with respect to its activities under this Agreement at least quarterly or as otherwise requested. Failure to provide said reports may result in termination of this Agreement.

Section 4. Authority's Obligations. During the term of this Agreement, the Authority agrees to:

- (a) Proceed to seek all necessary information with regard to the anticipated public costs associated with the Development.
- (b) Review zoning, planning and subdivision implications of the Development, as appropriate.
- (c) Identify the sources of public financial assistance that may be made available to the Developer in connection with the Development. If any such financial assistance is actually provided in connection with the Development, the amount, timing and terms of such assistance will be subject to approval in accordance with applicable law, including without limitation a public hearing as required by law and a final "but for" analysis, and will be set forth in the Contract. No commitment is being made in this Agreement at this time that any such assistance will be provided to the Developer.
- (d) Within five (5) days after the execution of this Agreement, deliver to the Developer the following to the extent such materials are within Authority's possession or

reasonable control: copies of all pertinent information, including but not limited to any surveys, environmental reports and studies, geotechnical testing reports, historical studies, reports and designations, architectural drawings and property/improvement inspection reports copies of all permits, and records of land use applications and proceedings affecting the Property (the "Due Diligence Documents").

Section 5. Contingencies. It is expressly understood that execution and implementation of the Contract shall be subject to:

- (a) A determination by the City and the Authority, in their sole discretion, that any public financial assistance for the Development is feasible based on the projected sources available, and that financial assistance is warranted based on the Developer's pro forma and any other information provided to the City and Authority.
- (b) A determination by the Developer that the Development is feasible and in the best interests of the Developer.
- (c) A determination City Council of the City and the Board of Commissioners of the Authority that the Development is in the best interests of the City and the Authority.
- (d) The acquisition of the Property by direct purchase, on such terms and conditions as are acceptable to the Authority in its sole and absolute discretion.
- (e) The Authority and the Developer having obtained all necessary approvals for the Development from any participating governmental authority.
- (f) The Developer having obtained such zoning modifications, rezoning, planned unit development approvals, conditional use permits, variances, vacations and other land use approvals as are necessary to allow the Development to move forward.
- (g) The Developer having conducted such soils, well, engineering, hazardous waste, environmental and other testing as it determines necessary.
- (f) The Developer having obtained financing for the Development acceptable to Developer and satisfactory to the Authority.
- (g) The Authority's ability to acquire all of the Property.

Section 6. Costs. Each party shall be solely responsible for their own costs in negotiating this agreement.

Section 7. Designation As Sole Developer of Property. The Authority hereby agrees that for the term of this Agreement it will not:

- (i) provide or enter into any agreement for the provision of financial assistance to any

third party in connection with any proposed development within the Property; and

- (ii) negotiate or contract with any other party concerning the sale or development of the Property.

During such period the Developer shall have the exclusive right to work with the Authority in negotiating a Contract for the Property. The Developer may not assign its rights or obligations under this Agreement to any person or entity without prior written approval by the Authority.

Section 8. Term of Agreement. This Agreement is effective for one hundred and eighty (180) days from the date hereof. After such date, neither party shall have any obligation hereunder except as expressly set forth to the contrary herein.

This Agreement may also be terminated upon ten (10) days written notice by the Authority to the Developer, provided Developer has fourteen (14) days to cure, if:

- (a) an essential precondition to the execution of a Contract cannot be met; or
- (b) if, in the sole discretion of the Authority, an impasse has been reached in the negotiation or implementation of any material term or condition of this Agreement or the Contract.

Section 9. Remedies. In the event that the Developer, its heirs, successors or assigns, fail to comply with any of the provisions of this Agreement, the Authority may proceed to enforce this Agreement by appropriate legal or equitable proceedings, or other similar proceedings, and the Developer, its heirs, successors or assigns, agree to pay all costs of such enforcement, including reasonable attorneys' fees.

Section 10. Severability. If any portion of this Agreement is held invalid by a court of competent jurisdiction, such decision shall not affect the validity of any remaining portion of the Agreement.

Section 11. Amendment and Waiver. In the event any covenant contained in this Agreement should be breached by one party and subsequently 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. This Agreement may not be amended nor any of its terms modified except by a writing authorized and executed by all parties hereto.

Section 12. Notice. Notice or demand or other communication between or among the parties shall be sufficiently given if sent by mail, postage prepaid, return receipt requested or delivered personally:

- (a) As to the Developer: Rebound Real Estate, LLC
527 Professional Drive, Suite 100
Northfield, MN 55057

With copies to:

Jeffrey Draxten
17301 80th Pl N
Maple Grove, MN 55311

(b) As to the Authority: Hibbing Economic Development Authority
401 E 21st Street
Hibbing, MN 55746

Section 13. Exclusive Development Rights. During the term of this Agreement, the Authority agrees that it will not negotiate or contract with any other party concerning the sale or development of the Property. The Developer shall not assign or transfer its rights under this Agreement in full or in part, or enter into any subcontracts to perform any of its obligations hereunder, without the prior written consent of the Authority.

Section 14. Counterparts. This Agreement may be executed simultaneously in any number of counterparts, all of which shall constitute one and the same instrument.

Section 15. Governing Law. This Agreement shall be governed by 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.

Section 16. Indemnification. The Developer hereby agrees to protect, defend and hold the Authority, the City and their officers, elected and appointed officials, employees, administrators, commissioners, agents, and representatives harmless from and indemnified against any and all loss, cost, fines, charges, damage and expenses, including, without limitation, reasonable attorney's fees, consultant and expert witness fees, and travel associated therewith, due to claims or demands of any kind whatsoever caused by Developer or arising out of actions of Developer with regard to (i) the development, marketing, sale or leasing of all or any part of the Property, including, without limitation, any claims for any lien imposed by law for services, labor or materials furnished to or for the benefit of the Property, or (ii) any claim by the state of Minnesota or the Minnesota Pollution Control Agency or any other person pertaining to the violation of any permits, orders, decrees or demands made by said persons or with regard to the presence of any pollutant, contaminant or hazardous waste on the Property deposited or released by Developer; and (iii) or by reason of the execution of this Agreement or the performance of this Agreement. The Developer, and the Developer's successors or assigns, agree to protect, defend and save the Authority, the City and their members, officers, agents, and employees, harmless from all such claims, demands, damages, and causes of action and the costs, disbursements, and expenses of defending the same, including but not limited to, attorneys fees, consulting engineering services, and other technical, administrative or professional assistance incurred by the Authority and the City as a result of the actions of Developer. This indemnity shall be continuing and shall survive the performance, termination or cancellation of this Agreement. Nothing in this Agreement shall be construed as a limitation of or waiver by the Authority or the City of any immunities, defenses, or other limitations on liability to which the Authority is entitled by law, including but not limited to the maximum monetary limits on liability established by Minnesota Statutes, Chapter 466.

Section 17. Assignment. The Developer shall not assign or transfer its rights or obligations under this Agreement in full or in part, or enter into any subcontract to perform any of its obligations hereunder, without the prior written consent of the Authority.

Section 18. Effect of Approvals. No approval given by the Authority hereunder or in connection herewith shall be deemed to constitute an approval of the Development for any purpose other than as stated herein and the process outlined in this Agreement shall not be deemed to supersede any concept review, conditional use permit, vacation, subdivision, or other zoning or planning approval process of the Authority or the City relative to the development of real estate.

Section 19. Conveyance Subject to Right of Re-entry. Subject to the Authority's acquisition of the Property, the Authority's conveyance of the Property to the Developer pursuant to the Contract will be subject to approval after a public hearing, will be on an "AS-IS" basis, and will be made in the form of a quit claim deed (the "Deed"). The Deed will include a right of re-entry for breach of a condition subsequent in favor of the Authority (the "Right of Re-entry") for the Development. The condition(s) subsequent will be determined by the Authority in accordance with Minnesota Statutes Section 469.105 and set forth in the Deed conveying the Property to the Developer in the form attached to the Contract. If the Developer breaches such condition(s) subsequent, the Developer shall re-convey the Property back to the Authority.

Section 20. Data Practices. This Agreement is subject to the Minnesota Government Data Practices Act, Minnesota Statutes Chapter 13.

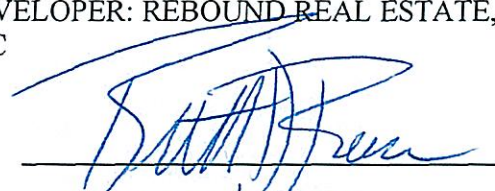
Section 21. Nonbinding. The Developer acknowledges that, except for Section 13, Section 8, Section 6 and the indemnification provisions of Section 16 above which shall all be binding upon the Developer, this Agreement shall not be deemed conclusive or legally binding upon either the Developer or the Authority, and neither the Developer nor the Authority shall have any obligations regarding the Property, the Development or any public assistance described herein, unless and until a Contract is approved by the Board and executed by both the Developer and the Authority.

IN WITNESS WHEREOF, the Authority has caused this Agreement to be duly executed in its name and behalf and its seal to be duly affixed hereto, and the Developer has caused this Agreement to be duly executed as of the day and year first above written.

DEVELOPER: REBOUND REAL ESTATE,
LLC

By

Its:


owner / CEO

HIBBING ECONOMIC DEVELOPMENT
AUTHORITY

By

Its

Shawn Maykich Block
President

By

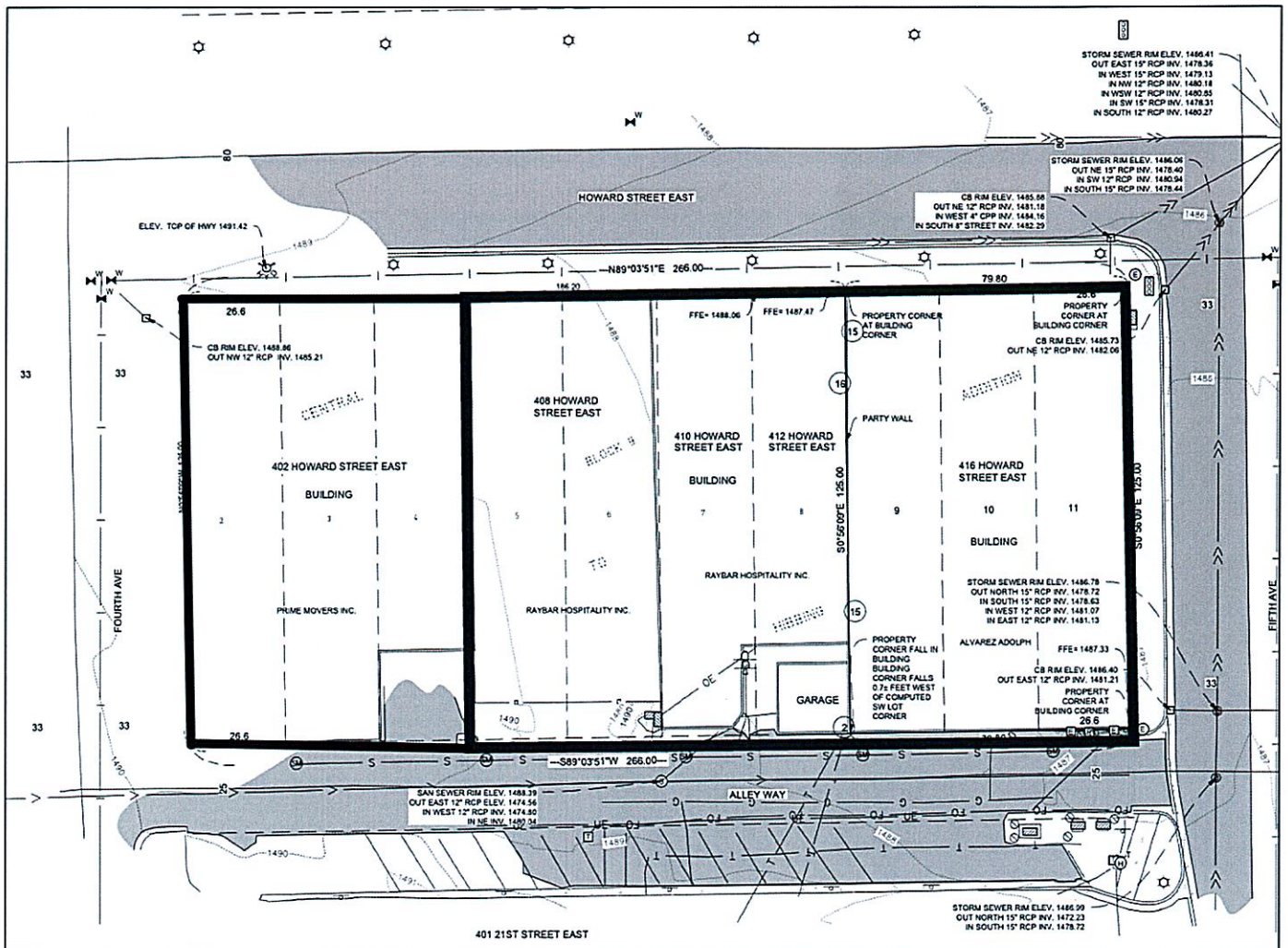
Its


Vice President

EXHIBIT A

Description of Property

Address	PIN	Lot & Block	Plat Name
402 East Howard Street	140-0070-01450	Lots 2, 3 and 4 Block 9	Central Addition to Hibbing
408 East Howard Street	140-0070-01480	Lots 5 and 6 Block 9	Central Addition to Hibbing
410 East Howard Street	140-0070-01500	Lot 7, Block 9	Central Addition to Hibbing
412 East Howard Street	140-0070-01510	Lot 8, Block 9	Central Addition to Hibbing
416 East Howard Street	140-0070-01520	Lots 9-11, Block 9	Central Addition to Hibbing



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EXHIBIT B

Description of Project

Iron Exchange at 400

Four (4) Story Mixed-Use Project

- Workforce Housing
- Ground Level Commercial Space
- Underground and Surface Parking

Residential Component

- Approximately 56 market-rate workforce housing units
- Fitness facility, community room for social gatherings space and outdoor patio area for leisure

Commercial Component

- Approximately 17,000 square feet of street level retail and service space for commercial tenants
- Designed to support restaurants, cafés, and retail services
- Tailored to meet everyday needs of both residents and the wider Hibbing community

Parking Component

- 70+ Stalls Subgrade Underground Parking (Workforce Housing - Reserved)
- 42 Stalls Surface Parking (Workforce Housing & Retail - Reserved)