SPECIAL CITY COUNCIL MEETING
June 24, 2025
City Council Chamber
5:00 p.m.

CITY OF WINDOM, MN
444 Ninth Street, P. O. Box 38
Windom, MN 56101
Phone: 507-831-6129
Fax: 507-831-6127
www.windom-mn.com

AGENDA

Call to Order

Pledge of Allegiance

1. Network System & Services Agreement – AMI Metering - Tantalus
2. Engagement of Bankruptcy Attorney – HyLife Foods
3. Public Hearing – Business Subsidy – Premium Iowa Pork, LLC
4. Review of Business Subsidy Agreement and Loan Documents
5. Resolution Ratifying Calling a Public Hearing and Approving Business Subsidy and Agreement, Loan Agreement, Security Agreement, and Promissory Note with Premium Iowa Pork, LLC
6. MN DOT Preliminary Design Concept – Highway 60/71 Roundabout
7. Adjourn

ACTION ITEM

CITY OF WINDOM
444 9th Street
Windom, MN 56101
Phone: 507-831-6129
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www.windom-mn.com

TO: City Council
FROM: Jason Sykora, Electric Utility Manager
DATE: June 17, 2025
RE: Network System and Services Agreement AMI Metering Tantalus
DEPT: Electric
CONTACT: Jason Sykora: Jason.Sykora@windommn.com

Recommendations/Options/Action Requested

Staff recommends that the City Council take the following action:

City Council Approve the Network System and Service Agreement between Tantalus and the City of Windom.

Issue Summary/Background

The agreement is between the City of Windom and Tantalus for the use of their AMI metering software. It also covers customer support and pricing. We have opted for the standard technical support. The pricing was in the Bid from Tantalus that the Council accepted on May 6. 2025.

The City Attorney has reviewed and approved the contract.

Fiscal Impact

The Electric Utility has budgeted $650,000 for the 2025 Capital Improvement. The total of the bid and necessary software\support has a total cost of $767,172.24. The project was envisioned to be a three-year, phased implementation of the new meters and system. The Utility Commission is recommending the total replacement of the system in Year 1 to take advantage of a discount in the pricing and avoid future price increases. The additional funds needed for the project will be covered within the Electric Department's operational budget or, if needed, taken from Electric Dept reserves.

Attachments

1. Network Systems and Services agreement.

NETWORK SYSTEM & SERVICES AGREEMENT

THIS NETWORK SYSTEM & SERVICES AGREEMENT (“**Agreement**”) is made and entered into on June 25, 2025 (**“Effective Date**”), by and between Tantalus Systems Inc., a Delaware corporation (“**Tantalus**”) having its principal place of business at 1130 Situs Court, Suite 230, Raleigh, NC 27606 and City of Windom MN a Minnesota municipal utility (“**Customer**”) having its principal place of business at 444 9th Street Windom, MN 56101 (each a “**Party**” and collectively referred to as the “**Parties**”).

This Agreement includes the following Exhibit(s):

Exhibit A	End User License Agreement / Licensed Software Maintenance Services Addendum
Exhibit B	Technical Support Agreement
Exhibit C	Deployment Partnership
Exhibit D	Pricing
Exhibit E	Third-Party Products (If Applicable)
Exhibit F	Mutual Non-Disclosure and Confidentiality Agreement
Exhibit G	[Form of] Statement of Work; System Acceptance Test Plan

Each Exhibit is incorporated by reference into, forms part of and is governed by the terms of this Agreement. In the event of any inconsistency or conflict between the terms of any of the above Exhibit(s) and the terms of this Agreement, which is not otherwise addressed by a statement regarding precedence, the terms of this Agreement shall govern.

The Parties agree as follows:

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions. When used in this Agreement, the following terms shall have the respective meanings indicated, such meanings to be applicable to both the singular and plural forms of the terms defined:

(a) “**Acceptance” or “System Acceptance**” means that the system acceptance tests set forth in the System Acceptance Test Plan as set forth in Exhibit G hereto have been completed and all requirements of Acceptance as set forth in Exhibit G hereto were met.

(b) **“Affiliate”** means, with respect to any Party, any legal entity that such Party owns, is owned by, or is under common control with such Party. For purposes of the foregoing definition of “Affiliate”, the terms “control” and “own” mean possessing a 50% or greater interest in an entity or the right to direct the management of the entity.

(c) “**Business Day**” means any day that is not a Saturday, Sunday or a Tantalus authorized “holiday”.

(d) “**Confidential Information**” has the meaning set forth in the MNDCA.

(e) **“Destination”** means Customer’s designated destination point for the delivery of Network Equipment.

(f) “**Dispute**” means any dispute, controversy, difference or claim, arising under or in connection with this Agreement, including its formation, validity, binding effect, interpretation, performance, breach or termination, as well as non-contractual claims.

(g) “**EULA**” means Tantalus’ then current end-user software license agreement setting forth the terms and conditions of Customer’s permitted use of the Licensed Software. A copy of the EULA, current as of the Effective Date, is attached hereto as Exhibit A, which EULA may be amended from time to time in Tantalus’ sole discretion.

(h) “**Excusing Event**” means any (i) Force Majeure; (ii) failure, act or omission of Customer or its agents, employees, suppliers, subcontractors or consultants, including without limitation improper performance of Customer’s responsibilities under the Agreement, or unreasonable delay or failure of Customer to approve changes that are relevant to an applicable failure; (iii) failure, act or omission of any third party (including any third-party supplier) or its agents, employees, suppliers, subcontractors or consultants; or (iv) failure of any components (hardware, software, network, maintenance) provided and/or maintained by Customer.

(i) “**Force Majeure**” means any failure or delay in fulfilling or performing any term of this Agreement (except for any obligations to make payments to the other party hereunder), when and to the extent such failure or delay is caused by or results from the following force majeure events ("**Force Majeure Event(s)**"): (i) acts of God; (ii) flood, fire, earthquake, epidemics, pandemics or explosion; (iii) war, invasion, hostilities (whether war is declared or not), sabotage, terrorist threats or acts, riot or other civil unrest; (iv) government order or law; (v) actions, embargoes or blockades in effect on or after the date of this Agreement; (vi) judicial restraint or other action by any governmental authority (including, without limitation, an inability to procure permits, licenses or authorizations from any local, state, or federal agency for any of the supplies, materials, accesses or services required to be provided by either Customer or Tantalus under this Agreement); (vii) national or regional emergency; (viii) strikes, labor stoppages or slowdowns or other industrial disturbances; (ix) shortage of adequate power or transportation facilities; and (x) other similar events beyond the reasonable control of the party impacted by the Force Majeure Event (the "**Impacted Party**").

(j) "**Initial Deployment Services**" means (i) Tantalus' standard services for initial deployment, installation and configuration of Network Equipment purchased by Customer under this Agreement as described in a Statement of Work, executed in a form substantially similar to Exhibit G; (ii) Tantalus' standard initial training services for the Customer; and (iii) related project management for such initial deployment and training. For clarity, and notwithstanding anything to the contrary, the Initial Deployment Services do not include integration or installation of field equipment (i.e. meters, collectors, repeaters, etc.), Third-Party Products, or Maintenance and Support Services. Integration to existing vendor supported interfaces are included in the Initial Deployment Services. For the avoidance of doubt, custom services, including custom integration(s) between the Network Equipment and Third-Party Products that are not existing vendor supported interfaces, are not included in the Initial Deployment Services and are subject to additional fees and written agreement between Tantalus, Customer and any applicable third party in the form of a written Change Order.

(k) "**Law**" means any statute, law, ordinance, regulation, rule, code, constitution, treaty, common law, governmental order, or other requirement or rule of law of any governmental authority.

(l) "**Licensed Software**" means all Tantalus software and firmware residing on, or provided in connection with, each unit of Network Equipment, together with all software documentation related thereto and any and all updates thereto.

(m) "**Licensed Software Maintenance Services**" shall have the meaning ascribed to them in Exhibit A.

(n) "**Maintenance and Support Services**" means the recurring Licensed Software Maintenance Services and Technical Support provided by Tantalus to Customer pursuant to this Agreement.

(o) "**MNDCA**" means a Mutual Non- Disclosure and Confidentiality Agreement in the form attached hereto as Exhibit F.

(p) "**Network Equipment**" means the equipment manufactured by or for Tantalus for use as part of the Tantalus Grid Modernization Platform™ ("**TGMP**") as it relates to TRUConnect™ AMI ("**TRUConnect**") (where applicable) and its associated Licensed Software that are or will be purchased from Tantalus hereunder as set forth on a Purchase Order (from time to time). For clarity, Network Equipment does not include the system backhaul, network operations center, meters, SIM cards or any other Third-Party Products.

(q) "**Proprietary Rights**" means all patent rights, copyrights, trademarks, tradenames, know-how, trade secrets and other intellectual property and proprietary rights, including all rights, interests, and protections that are associated with, equivalent or similar to, or required for the exercise of, any of the foregoing, however arising, in each case whether registered or unregistered and including all registrations and applications for, and renewals or extension of, these rights or forms of protection under the Laws of any jurisdiction throughout in any part of the world.

(r) "**Purchase Orders**" means purchase orders issued, from time to time, by Customer to Tantalus pursuant to which Customer will purchase and Tantalus will provide Network Equipment, Initial Deployment Services and Maintenance and Support Services in accordance with the terms of this Agreement. Each Purchase Order will be deemed to include the terms and conditions of this Agreement, even if not specifically stated on the Purchase Order.

(s) **"Representative"** means such Party's directors, officers, employees, agents, consultants, legal counsel, accountants and financial advisors of a Party to this Agreement.

(t) "**Shipping Point**" means the designated depot or depots in North America selected by Tantalus as its shipping point for Network Equipment.

(u) "**Specifications**" means the design, performance and regulatory requirements for each Network Equipment, as such may be amended from time to time by Tantalus, which Specifications will assume and require the installation, maintenance and operation of such Network Equipment in accordance with the Standards.

(v) "**Standards**" means the applicable industry standards necessary for the proper installation, maintenance and operation of Network Equipment, as may be amended from time to time by Tantalus, including, without limitation, the maintenance of a distribution system meeting industry standards with respect to grounding and power quality and the use of water pits for the installation of Network Equipment that properly drain and are not otherwise defective.

(w) **"Statement of Work (SOW)"** means a document that defines the scope of work to be completed, the timelines for the overall project, provides visibility into the interdependencies required, and will assist all parties in understanding and executing their respective roles, responsibilities and tasks to successfully deploy the Network Equipment and perform the services. Upon commencement of the Initial Deployment Services, Tantalus and Customer will work cooperatively to develop and finalize a Statement of Work consistent with the attached Exhibit G.

(x) **"System Acceptance Test Plan" or "SAT"** generally means a test designed to verify the functionality, accuracy and reliability of the Network Equipment. Exhibit G, Statement of Work includes the System Acceptance Test Plan which outlines the features and functional areas of the Network Equipment to be tested, provides a brief overview of the tests to be performed, and sets forth the success criteria associated with each test.

(y) **"Technical Support"** means the technical support services described in Exhibit B.

(z) **"Third-Party Product"** means any products, software, materials, information or services that is manufactured, provided and/or licensed by, or otherwise proprietary to a person or entity other than Tantalus. Use of Third-Party Products may be subject to additional terms and conditions.

1.2 Interpretation Not Affected by Headings, etc. The division of this Agreement into sections and other portions and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation hereof.

1.3 Number, etc. Unless the context otherwise requires, words importing the singular shall include the plural and vice versa and words importing any gender shall include all genders.

1.4 Date for Any Action. In the event that any date on which any action is required to be taken hereunder by any of the Parties hereto is not a Business Day, such action shall be required to be taken on the next succeeding day which is a Business Day.

1.5 Construction. In this Agreement, unless otherwise indicated:

(a) the terms "this Agreement", "hereof", "herein", "hereunder" and "hereby" and similar expressions refer to this Agreement (including the schedules hereto), as amended or supplemented from time to time pursuant to the applicable provisions hereof, and not to any particular section or other portion hereof;

(b) the words "include", "including" or "in particular", when following any general term or statement, shall not be construed as limiting the general term or statement to the specific items or matters set forth or to similar items or matters, but rather as permitting the general term or statement to refer to all other items or matters that could reasonably fall within the broadest possible scope of the general term or statement;

(c) time is of the essence; and

(d) references to a "party" or "parties" are references to a Party or Parties to this Agreement.

1.6 Authorship. Authorship of this Agreement will have no bearing on the construction of any terms hereof or ambiguities thereof.

2. TERMS OF PURCHASE AND SALE

2.1 Purpose/Goal. This Agreement records the terms and conditions under which Customer will purchase from Tantalus, and Tantalus will provide to Customer, Network Equipment, Initial Deployment Services and Maintenance and Support Services, as the case may be, and includes, without limitation, the terms, conditions and responsibilities of each Party relating to the license and use of the Licensed Software, the provision of Technical Support and the non-disclosure obligations of the Parties. Notwithstanding anything to the contrary herein, Tantalus shall not be responsible for nor have any liability to Customer for any delay or failure to perform its obligations under this Agreement to the extent such delay or failure is caused by or results from an Excusing Event.

2.2 Purchase Orders. Customer may purchase Network Equipment by issuing properly authorized Purchase Orders to Tantalus at the prices set forth in Exhibit D Each type of Network Equipment may have an economic order quantity or minimum order quantity, meaning that no Purchase Order may be placed for a quantity of those units of Network Equipment which is less than the minimum number of units specified on the then current Tantalus price list and designated as the "economic order quantity" or "minimum order quantity". Each Purchase Order issued by Customer shall have a lead-time of at least 90 days. Lead-time means the time extending from the date the Purchase Order is received by Tantalus to the specified delivery date. Each Purchase Order shall reference this Agreement and shall state product description, quantity of Network Equipment ordered, part number, desired delivery date and Destination, method of shipment, unit price for each unit ordered and total purchase price. In the event of any inconsistency or conflict between any terms of a Purchase

Order, order confirmation, invoice or any other commercial form used by the Parties and this Agreement, the terms of this Agreement shall govern. No oral, electronic, or written additional or different provisions proposed by either Party in any acceptance, confirmation, or acknowledgment shall apply. Purchase Orders, once accepted, may not be cancelled, except as outlined in Section 2.3 below.

2.3 Acceptance, Rejection or Changes to Purchase Orders. Tantalus will notify Customer of its acceptance or rejection of each Purchase Order as soon as practicable and notice of acceptance shall include confirmation of requested quantities and prices consistent with the terms of this Agreement. Once a Purchase Order is accepted by Tantalus, the quantities and prices within that acceptance, unless otherwise noted on such acceptance, are committed to and cannot be changed without the consent of both Tantalus and Customer. If the Parties agree to changes to a Purchase Order, those changes will be incorporated in a replacement Purchase Order, which will follow the same process outlined above referencing the Purchase Order to be replaced.

2.4 Pricing.

(a) The prices set forth in Exhibit D for Network Equipment and Initial Deployment Services provided to Customer under this Agreement may contain promotional or one-time pricing. Future prices shall be as set forth on Tantalus' then current price list and do not include taxes.

(b) The price of Maintenance and Support Services shall be as set forth in Addendum B-2.

2.5 Customer will be responsible for and pay all applicable federal, state, municipal or other governmental sales use, excise, value-added taxes, occupational or other taxes, tariffs, duties and surcharges (including those imposed on Tantalus) now in force or enacted in the future which are associated with the provision of Network Equipment, Initial Deployment Services and Maintenance and Support Services by Tantalus, excluding taxes on Tantalus' income generally.

2.6 Price Changes. Tantalus reserves the right, in its sole discretion, to revise the prices applicable to Network Equipment, Initial Deployment Services, and annual Maintenance and Support Services sold to Customer, upon thirty (30) days prior written notice to Customer, by whichever of the following is greater: (i) the immediately preceding year's percentage increase in the Consumer Price Index For All Urban Customers, All Cities Average, All Items ("**CPI-U**"), as published by the Bureau of Labor Statistics, U.S. Department of Labor in the "Summary Data from the Consumer Price Index New Release" for the 12-month period ending at December 31st of the calendar year immediately preceding the adjustment date; or (ii) 3.5% per year. Notwithstanding the foregoing, the original price of any Network Equipment, Initial Deployment Services and Maintenance and Support Services covered by Purchase Orders issued by the Customer, and which Purchase Orders are confirmed and accepted by Tantalus prior to the Effective Date of such price revision, will not be changed for such Purchase Orders issued and accepted as of the Effective Date.

2.7 Payment.

(a) Tantalus shall invoice Customer for Network Equipment purchased upon delivery of such Network Equipment to Customer at the Shipping Point.

(b) Tantalus shall issue periodic invoices to Customer for all Maintenance and Support Services and Third-Party Products, as applicable, in accordance with the terms set forth on Addendum B-2 as fees for such goods and services are incurred.

(c) Payment terms are net thirty (30) days from date of Tantalus' invoice. All payments shall be in U.S. dollars, unless otherwise agreed to between Tantalus and Customer.

(d) In addition to any other remedies Tantalus may have for late payments, Customer will be charged interest at 1½% per month (equivalent to an annual rate of interest of 18%), payable monthly on all overdue amounts. Customer shall also be responsible for collection costs associated with the late payment, if any, including reasonable attorney's fees. Payments will be applied first to interest payable and then principal owing. Tantalus may modify the preceding payment terms if, in its reasonable opinion, the payment record or financial condition of Customer so justifies.

(e) Tantalus shall invoice Customer and Customer shall pay for Maintenance and Support Services and Initial Deployment Services as described in Exhibit A, Exhibit B and Exhibit D.

2.8 Delivery/Title/Risk of Loss. Tantalus shall deliver the Network Equipment to Customer at the Shipping Point (cleared for export, if applicable) and title (other than title to Licensed Software which shall remain with Tantalus) and risk of loss of Network Equipment shall pass from Tantalus to Customer at the Shipping Point. If any loss of or damage to the Network Equipment occurs prior to delivery to Customer, regardless of passage of title prior to such delivery, Tantalus shall without cost to the Customer, promptly make all repairs or replacements necessary to place the Network Equipment in the condition required by this Agreement. Customer will notify Tantalus within five (5) days of delivery of any damage to Network Equipment and/or within 10 days of shipping should an order not be received. If the Shipping Point and Destination are not the same, Customer shall be responsible for and shall pay all transportation and insurance costs for Network Equipment from the Shipping Point to the Destination, provided however that upon request by Customer, Tantalus shall make the arrangements for such transportation and insurance and will invoice Customer for reimbursement at cost. The payment terms described in Section 2.6 shall apply to such invoices, mutatis mutandis. Delivery dates are approximate only. Tantalus shall notify Customer in writing, if Tantalus has knowledge of any event that is reasonably likely to materially delay any specified delivery date or change any specified delivery date.

2.9 Third-Party Products. Customer may elect to use the Third-Party Products as set forth in Exhibit E. Except as expressly set forth on Exhibit E and unless otherwise specifically set forth in writing (and subject to applicable pass-through terms and conditions) upon mutual agreement of all involved Parties, Tantalus does not warrant Third-Party Products and disclaims all responsibility and liability for these items, their access to the Network Equipment, including their modification, deletion, disclosure or collection of Customer information.

2.10 Insurance. During all times in which Customer has possession of Network Equipment for which Tantalus has not received payment in full, Customer shall ensure that comprehensive general liability insurance with limits at least equal to the total value of all such Network Equipment is obtained and, upon request, provide Tantalus with a certificate evidencing such coverage.

2.11 Changes to Network Equipment. Tantalus reserves the right from time to time in its sole discretion to modify, change, discontinue or to limit its production of any Network Equipment at any time to allocate, terminate or limit deliveries of any Network Equipment in time of shortage and to alter the design or construction of any Network Equipment.

2.12 No Resell. Customer acknowledges and agrees that it has no rights to market and resell the Network Equipment, Initial Deployment Services or Maintenance and Support Services. The purchase and sale of Network Equipment, Initial Deployment Services and Maintenance and Support Services hereunder is solely for Customer and its Affiliates' requirements.

3. CONFIDENTIAL INFORMATION

3.1 Mutual Non-Disclosure and Confidentiality Agreement. The Parties have entered into the MNDCA in the form attached hereto as Exhibit F. Tantalus and Customer agree that the MNDCA governs the obligations of each Party with respect to Confidential Information of the other Party, which obligations shall survive termination of this Agreement.

3.2 Notwithstanding anything to the contrary herein, Customer shall have the right to disclose Confidential Information, and/or any information contained in this Agreement, and/or any information related to this Agreement if and only to the extent required (i) by the Minnesota Government Data Practices Act, or any other law, rule or regulation, or (ii) if required by a court order, provided that: (a) Customer promptly notifies Tantalus of such demand and provides to Tantalus a copy of such demand and Customer's response thereto (or expected response); and (b) Customer only discloses that Confidential Information which must be disclosed in order to comply with the demand, and no more.

4. WARRANTIES

4.1 Warranties.

(a) With respect to new Network Equipment, for a period of one (1) year from the date of shipment of each unit of Network Equipment to Customer from Shipping Point, Tantalus warrants that: (i) each unit of Network Equipment will be free from defects in material, workmanship and manufacture under normal use and service, (ii) title to each unit of Network Equipment shall be free and clear of all liens, financial encumbrances and security interests, (iii) all materials, parts, components and other items initially incorporated in the Network Equipment will be new; and (iv) each unit of Network Equipment shall be compliant with, and perform in accordance with its Specifications. The warranty for replaced or repaired Network Equipment originally warranted under this Section shall be thirty (30) days from date of return to Customer or the balance of the original warranty period, whichever is greater.

(b) With respect to refurbished Network Equipment, for a period of thirty (30) days from the date of shipment of refurbished Network Equipment to Customer from Shipping Point or the balance of the original warranty period, whichever is greater, Tantalus warrants that: (i) each unit of refurbished Network Equipment will be free from defects in material, workmanship and manufacture under normal use and service, (ii) title to each unit of refurbished Network Equipment shall be free and clear of all liens, financial encumbrances and security interests; and (iii) each unit of refurbished Network Equipment shall be compliant with, and perform in accordance with its Specifications.

(c) The aforementioned warranties in Sections 4.1(a) and 4.1(b) apply only when all three of the following conditions prevail: (i) the unit of Network Equipment is owned by the original Customer and not by an assignee; (ii) the Customer is not the subject of bankruptcy or comparable proceedings; and (iii) while there is not an Excusing Event in effect or Tantalus has not invoked a subsisting remedy in respect of Force Majeure.

(d) The aforementioned warranties in Sections 4.1(a) and 4.1(b) will not apply to Licensed Software which is sold "as is" with no warranty, in accordance with Exhibit A.

(e) The aforementioned warranties in Sections 4.1 (a) and 4.1(b) will not cover any Third-Party Products provided by Tantalus or Third-Party Products provided to Customer by third-party suppliers. Any warranty for such products will be between Customer and the third-party manufacturer or supplier. To the fullest extent allowed, Tantalus will assign all third-party warranties to Customer.

4.2 Warranty Returns.

(a) Subject to Section 4.2(b) below, for any breach of warranty under Sections 4.1(a) or (b), Tantalus' sole obligation shall be to, at its sole option and expense, repair or replace defective Network Equipment or refund the purchase price thereof, within 60 days of receipt of such defective Network Equipment at its designated depot, provided that the Customer has returned the defective Network Equipment to Tantalus no later than four weeks after the expiry of the applicable warranty period set out in Section 4.1. Customer will be responsible for removing defective Network Equipment from the installation point and returning the defective Network Equipment, transportation charges prepaid by Customer, to Tantalus at its designated depot, together with Tantalus' return material authorization number ("**RMA**") and completed problem sheet. Tantalus will be responsible for paying all shipping and other costs incidental to the return of repaired or replacement Network Equipment to Customer. Customer will be responsible for re-installing such repaired or replacement Network Equipment.

(b) To the extent Tantalus determines that the Network Equipment returned under warranty is not defective (that is, no fault found), Customer will pay for the return of the Network Equipment and will pay Tantalus the fee of US $150 per no fault found Network Equipment.

(c) Tantalus will make available out-of- warranty repairs in accordance with its programs in effect at the relevant time. Services for out-of-warranty repairs will be provided at Tantalus' then current time and materials fees and rates.

4.3 No Warranty. The warranties described in Section 4.1 will not cover Network Equipment:

(a) units whose original bar code, copyright notices and proprietary legends, if any, have been altered;

(b) units that were not installed or de- installed in accordance with the Specifications and Standards or serviced by Tantalus or a person authorized by Tantalus to do so;

(c) units damaged or defective because of reasonable wear and tear;

(d) units that were not maintained and operated in accordance with the Specifications and Standards, including, without limitation, units damaged or defective because of problems with electrical power;

(e) units that in Tantalus' reasonable opinion have been misused, altered, abused or subject to abnormal conditions of operation or handling; and

(f) units damaged or defective due to an Excusing Event.

4.4 DISCLAIMER. TANTALUS DISCLAIMS ALL OTHER REPRESENTATIONS, WARRANTIES AND CONDITIONS, EXPRESS OR IMPLIED OR STATUTORY, INCLUDING ANY IMPLIED WARRANTY OR CONDITION OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT OF OTHER'S INTELLECTUAL PROPERTY RIGHTS, AS FURTHER QUALIFIED IN ARTICLE 5 BELOW.

5. LIABILITY AND INDEMNITY

5.1 Relief for patent and copyright matters. Tantalus, at its expense, shall defend any court suit brought against Customer by a third party alleging that units of Network Equipment purchased by Customer infringe US or Canadian patent or copyright ("**IP Right**"). Tantalus' obligation to defend is effective only if Customer is not in breach of any of the terms and conditions of this Agreement and of any other agreement between the Parties, and if Tantalus is notified promptly and given complete information, assistance and authority by Customer to conduct the defense. If any unit of Network Equipment: (a) is adjudicated by a court of competent jurisdiction after appeals therefrom are exhausted, as infringing any IP Right or (b) has its use enjoined by such court, Tantalus will, at its election: (i) procure for the Customer the right to continue using said unit; (ii) replace it with non-infringing and functional equivalent unit; (iii) modify it to become non-infringing; or (iv) if none of the aforementioned options are reasonably available, refund to Customer all amounts paid for the infringing Network Equipment, depreciated on a straight line basis over a ten (10) year period. Tantalus' obligation to defend includes the sole right to settle. Tantalus' obligation to defend does not apply to the following: (A) Network Equipment based on a design, specification or instructions supplied or requested by Customer; (B) use of Network Equipment in combination with any other hardware or software not provided by Tantalus, if infringement would not have occurred but for such combination; (C) use of any release of Licensed Software or any firmware other than the most current release made available to Customer; (D) use of Network Equipment other than as permitted under this Agreement, or as intended by Tantalus, if the infringement would not have occurred but for such use; or (E) modifications made to Network Equipment not made by Tantalus or approved by Tantalus. The foregoing states Tantalus' entire liability with respect to intellectual property infringement by any unit of Network Equipment. For the avoidance of doubt, Tantalus shall not have any liability hereunder relating to or arising from Third-Party Products.

5.2 General Indemnity. Tantalus shall defend, indemnify and hold Customer harmless from all loss, expense or damages (including without limitation, reasonable attorney's fees) which may be incurred by Customer as a result of any claims or actions resulting from: (a) damage to tangible personal property owned by Customer and caused by the negligence of Tantalus; and (b) death of or bodily injury to a Customer employee or third party to the extent caused by Tantalus' negligence. Customer will provide Tantalus with prompt, written notice of any claim covered by this indemnification. Unless Tantalus fails to defend Customer, Customer shall not undertake the defense of any such claim. Tantalus, at its sole expense, shall defend all such claims and actions against Customer, whether brought informally or through court or administrative procedures. For the avoidance of doubt, Tantalus shall not have any liability hereunder relating to or arising from Third-Party Products.

5.3 Customer Indemnity. The relationship of Tantalus and Customer established by this Agreement is that of independent contractors and neither Party is an employee, agent or joint venture of the other. All financial obligations associated with Customer's business are the sole responsibility of Customer. Customer shall indemnify, defend and hold harmless Tantalus from and against any and all claims, liabilities, damages, debts, settlements, costs, attorneys' fees, expenses and liabilities of any type whatsoever that may arise on account of Customer's activities, or those of its Representatives, including, without limitation, (i) all sales and use taxes and similar charges arising in connection with the purchase of Network Equipment, Initial Deployment Services and Maintenance and Support Services hereunder and all other federal, state and municipal taxes, interest, fines and penalties arising in connection with Customer's business activities and (ii) those relating to Customer's use of the Network Equipment or Customer's breach of any term, representation or warranty of this Agreement.

5.4 Limitation of Liability. NOTWITHSTANDING ANY OTHER PROVISION TO THE CONTRARY, OTHER THAN FOR GROSS NEGLIGENCE, WILLFUL MISCONDUCT OR FRAUD, NEITHER PARTY WILL BE LIABLE TO THE OTHER FOR ANY (I) SPECIAL, INDIRECT, CONSEQUENTIAL OR INCIDENTAL DAMAGES OR LOSSES INCLUDING, WITHOUT LIMITATION, LOSS OR CORRUPTION OF DATA, LOSS OF REVENUE, SAVINGS OR PROFITS, CLAIMS BY USERS AND THIRD PARTIES, LOSS OF GOODWILL, BUSINESS INTERRUPTION OR OTHER PECUNIARY LOSS WHETHER ARISING FROM BREACH OF WARRANTY OR CONDITION, BASED ON CONTRACT, TORT, RELIANCE, FUNDAMENTAL BREACH, STATUTE, OR ANY OTHER THEORY, AND EVEN IF SUCH PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES; OR (II) COST OF PROCUREMENT OF SUBSTITUTE GOODS, TECHNOLOGY OR SERVICES. NOTWITHSTANDING ANYTHING ELSE IN THIS AGREEMENT AND WITHOUT LIMITING THE FOREGOING, TANTALUS WILL NOT BE LIABLE WITH RESPECT TO ANY SUBJECT MATTER OF THIS AGREEMENT UNDER ANY CONTRACT, NEGLIGENCE, CIVIL LIABILITY, TORT, STRICT LIABILITY OR OTHER LEGAL OR EQUITABLE THEORY FOR: (A) ANY AMOUNTS IN EXCESS OF THE AGGREGATE AMOUNTS PAID TO TANTALUS FOR NETWORK EQUIPMENT, INITIAL DEPLOYMENT SERVICES AND MAINTENANCE AND SUPPORT SERVICES GIVING RISE TO SUCH LIABILITY IN THE TWELVE (12) MONTH PERIOD IMMEDIATELY PRECEDING THE CLAIM ; (B) ANY FAILURE OR DELAY DUE TO AN EXCUSING EVENT; OR (C) ANY ALLOCATION OF NETWORK EQUIPMENT, INITIAL DEPLOYMENT SERVICES AND MAINTENANCE AND SUPPORT SERVICES AMONG ITS CUSTOMERS IN THE EVENT OF A SHORTAGE. LIMITATIONS OF LIABILITY WILL NOT BE ASSERTED TO THE EXTENT PROHIBITED BY RELEVANT LAWS AND POLICIES. TANTALUS' PRICING REFLECTS THIS ALLOCATION OF RISKS AND THE LIMITATION OF LIABILITY.

CUSTOMER ACKNOWLEDGES THAT TANTALUS DOES NOT CONTROL THE TRANSFER OF DATA OVER OR BY ANY COMMUNICATIONS NETWORK OR ANY PORTION THEREOF, INCLUDING THE INTERNET, AND THAT THE SOFTWARE MAY BE SUBJECT TO LIMITATIONS, DELAYS, AND OTHER PROBLEMS INHERENT IN THE USE OF SUCH COMMUNICATIONS NETWORKS. TANTALUS IS NOT RESPONSIBLE FOR ANY DELAYS, DELIVERY FAILURES, OR OTHER DAMAGE RESULTING FROM

SUCH PROBLEMS.

NEITHER TANTALUS NOR ITS NETWORK EQUIPMENT GUARANTEE THE PERFORMANCE OF THE CUSTOMER'S TRANSMISSION OR DISTRIBUTION OF ELECTRICITY. CUSTOMER UNDERSTANDS AND AGREES THAT TANTALUS SHALL NOT BE RESPONSIBLE FOR ANY PERSONAL INJURY (INCLUDING DEATH) OR PROPERTY DAMAGE TO CUSTOMER OR ANY PERSON OR PROPERTY USING CUSTOMER'S SERVICES.

6. OWNERSHIP OF INTELLECTUAL PROPERTY

6.1 Ownership of Intellectual Property. Except for licenses otherwise expressly granted under this Agreement, nothing hereunder conveys to Customer any Proprietary Rights in the Network Equipment, and Customer acknowledges Tantalus' exclusive rights thereto. This Agreement will not be construed to grant to Customer, either expressly, by implication or by way of estoppel, any license under any other Proprietary Rights of Tantalus covering or relating to any product or invention of Tantalus, or any combination of the Network Equipment with any other product of Tantalus.

7. TERM AND TERMINATION

7.1 Term. Unless terminated earlier as provided herein, this Agreement shall have an initial term of one (1) year commencing on the execution date of this Agreement ("**Initial Term**"). Thereafter, the Agreement will automatically renew for successive one (1) year periods thereafter, unless terminated in accordance with the terms of this Agreement (each, together with the Initial Term, the "**Term**").

7.2 Termination.

(a) Either Party may terminate this Agreement effective upon the delivery of written notice of such termination to the other Party, if the other Party:

(i) becomes insolvent, is generally not paying its debts as such debts become due, makes an assignment for the benefit of creditors, is the subject of any voluntary or involuntary case commenced under the federal bankruptcy laws, as now constituted or hereafter amended (which, in the case of involuntary bankruptcy, is not dismissed within 30 days), or of any other proceeding under other applicable laws of any jurisdiction regarding bankruptcy, insolvency, reorganization, adjustment of debt or other forms of relief for debtors, has a receiver, trustee, liquidator, assignee, custodian or similar official appointed for it or for any substantial part of its property, or is the subject of any dissolution or liquidation proceeding; breaches its obligations related to confidentiality; or

(ii) is in default in any material respect in the performance of any its obligations under of this Agreement, provided that the Party not at fault has given the other Party forty five (45) days prior written notice of such default and such other Party has not remedied the default during such 45-day cure period; provided however if the defaulting Party is Customer and such default is attributable to or includes Customer's failure to pay any amount when due, then the aforementioned 45-day cure period will be reduced to five (5) days.

(b) Either Party may terminate this Agreement, at any time and for any reason, on ninety (90) days' prior written notice to the other Party, provided however that if terminated by Customer, Tantalus shall take commercially reasonable efforts to cancel any deliveries to Customer which are scheduled to be made after the termination date. Customer shall be responsible for all amounts due to Tantalus arising prior to the termination date, including the cost of Network Equipment received by Customer prior to such termination date or that has been shipped within 45 days following the date of the notice of termination and any fees for Maintenance and Support Services for the period prior to the effective date of such termination.

(c) Prior to the effective termination of this Agreement, all of the terms and conditions of, and the respective rights and obligations of the Parties to, this Agreement will remain completely valid and enforceable; provided however that, in the event Tantalus terminates the Agreement under Section 7.2(a), then any deliveries of Network Equipment, Initial Deployment Services and Maintenance and Support Services to Customer which are scheduled to be made subsequent to the effective date of termination shall be cancelled and any product warranties or guarantees hereunder shall be terminated and of no further force and effect.

7.3 Other Remedies. Termination is not the sole remedy available under Section 7.2(a) of this Agreement and, whether or not termination is effected; all other legal remedies will remain available.

7.4 Survival. Notwithstanding anything to the contrary in this Agreement, no expiration or termination of this Agreement by either Party shall affect any rights or obligations of either Party: (i) which are vested pursuant to this Agreement as of the effective date of such expiration or termination, (ii) any other provisions intended by the Parties to survive such expiration or termination including, but not limited to, the non-disclosure obligations set forth in the MNDCA.

8. DISPUTE RESOLUTION

8.1 Dispute Resolution. Except for Disputes related to nonpayment or as otherwise provided in this Section, neither Party shall resort to formal litigation proceedings until the Parties have attempted to resolve the Dispute through non-binding mediation. The Party raising a Dispute shall submit to the other Party a written notice and supporting material describing all issues and circumstances related to the Dispute (a "**Dispute Notice**"). A designated senior management representative of each Party shall attempt to resolve the Dispute. If the Parties' Representatives fail to resolve the Dispute within thirty (30) days from receipt of a Dispute Notice, the Dispute shall be referred to a mediator in the jurisdiction provided for in Section 9.5 of this Agreement as mutually agreed between the Parties. The Parties covenant that they will use commercially reasonable efforts in participating in the mediation. The Parties agree that the mediator's fees and expenses and the costs incidental to the mediation will be shared equally between the parties. The Parties further agree that all offers, promises, conduct, and statements, whether oral or written, made in the course of the mediation by any of the Parties, their agents, employees, experts, and attorneys, and by the mediator and any employees of the mediation service, are confidential, privileged, and inadmissible for any purpose, including impeachment, in any litigation, arbitration or other proceeding involving the parties, provided that evidence that is otherwise admissible or discoverable shall not be rendered inadmissible or non- discoverable as a result of its use in the mediation. If the Parties cannot resolve any Dispute for any reason, including, but not limited to, the failure of either party to agree to enter into mediation or agree to any settlement proposed by the mediator, within thirty (30) days after the later of the referral to a mediator or the mediation proceeding, either Party may file suit in a court of competent jurisdiction in accordance with the provisions of Section 9.5 of this Agreement. This Agreement shall not be construed to prevent a Party from instituting litigation proceedings earlier than as indicated in this Agreement to:

(a) avoid the expiration of any applicable limitations period,

(b) preserve a superior creditor position or (c) seek injunctive relief to prevent irreparable harm, including without limitation, harm caused by a breach of confidentiality obligations.

9. GENERAL PROVISIONS

9.1 Notices. All notices under this Agreement shall be made in writing and shall be deemed properly delivered when: (a) delivered personally, (b) sent by e-mail to the address below, delivery confirmation required, (c) mailed by certified mail, postage prepaid or overnight delivery service to the address of the other Party set forth below, or (d) sent by facsimile (provided confirmation of delivery is obtained at the time of transmission). Notices shall be effective upon receipt.

Communications must be addressed to the Parties as follows:

If to Tantalus:
Peter A. Londa, President & CEO Tantalus Systems Inc.
1130 Situs Court, Suite 230
Raleigh, NC 27606
Facsimile: (919) 900-8978
E-mail: legal_dept@tantalus.com

With copy to:
Michael Grandis, Chief Legal & Administrative Officer
Tantalus Systems Inc.
140 Rowayton Avenue, 2nd Floor
Norwalk, Connecticut 06853
E-mail: mgrandis@tantalus.com

If to Customer:
Windom City Administrator
City of Windom MN
PO Box 38
Windom, MN 56101
Facsimile: (507) 831-6127
E-mail: steve.nasby@windommn.com

Unless expressly set out to the contrary herein, consent or approval that is explicitly required herein of a Party hereto will not be unreasonably delayed, withheld or withdrawn by it.

Either Party may change the address for service by giving 15 days' advance written notice to the other Party.

9.2 Severability. If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by any rule or Law, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any Party. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the Parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible in an acceptable manner to the end that transactions contemplated hereby are fulfilled to the extent possible.

9.3 Entire Agreement. This Agreement together with the Exhibits attached hereto constitute the sole and entire agreement between the Parties on the subject matter hereof, and supersedes and invalidates all other commitments, representations, warranties, conditions and understanding relating to the subject matter hereof.

9.4 Amendment and Waiver. No amendment or waiver of any provision of this Agreement shall be effective unless it is in writing and signed by the Party against which it is sought to be enforced. No waiver by any Party or any breach or series of breaches in performance by the other Party, and no failure, refusal or neglect to exercise any right, power or option given to either Party to insist upon strict compliance with or performance of the obligations hereunder, will constitute a waiver of the provisions hereof with respect to any subsequent breach thereof or a waiver by such Party of its right at any time thereafter to require strict compliance with the provisions hereof.

9.5 Governing Law. This Agreement shall be governed by, and construed under, the laws of the State of Minnesota without regard to conflicts of law provisions thereof and without regard to the United Nations Convention on Contracts for the International Sale of Goods. Tantalus and Customer:

(a) agree that any suit, action or other legal proceeding arising out of or relating to this Agreement must be brought in the United States District Court for the District of Minnesota, Second Division, which Court will have exclusive jurisdiction over any controversy arising out of this Agreement;

(b) consent to the jurisdiction of such Court in any such suit, action or proceeding;

(c) unconditionally waive any objection which it may have to the laying of venue of any such suit, action or proceeding in such Court and claim that any such suit, action or proceeding has been brought in an inconvenient forum; and

(d) unconditionally waive a trial by jury in any such suit, action or proceeding.

9.6 Force Majeure. No default, delay or failure to perform on the part of either Party shall be considered a breach of this Agreement where such default, delay or failure is due to a Force Majeure. Lack of funds or credit will not constitute a Force Majeure. In the event of a Force Majeure, the Impacted Party shall promptly give notice of the Force Majeure Event to the other party, stating the period of time the occurrence is expected to continue. The Impacted Party shall use diligent efforts to end the failure or delay and ensure the effects of such Force Majeure Event are minimized. The Impacted Party shall resume the performance of its obligations as soon as reasonably practicable after the removal of the cause.

9.7 Compliance with Laws. Each Party shall, at its own cost and expense, comply with all applicable Laws relating to the subject matter of this Agreement.

9.8 Successors and Assigns. This Agreement binds, and inures to the benefit of, the Parties and their respective successors. This Agreement shall not be assigned by either Party without the prior written consent of the other Party, except that Customer agrees that Tantalus may assign, without notice to Customer, any account receivable arising under this Agreement in connection with a factoring arrangement.

9.9 Further Assurance. Each Party undertakes with the other Party that it will execute such documents and do such acts and things as that other Party may reasonably require for the purpose of giving to that other Party the full benefit of the provisions of this Agreement.

9.10 Execution in Counterparts and by Facsimile. This Agreement may be executed in one or more counterparts, all of which shall be considered one and the same agreement and shall become effective when one or more counterparts have been signed by each of the Parties and delivered to the other Parties. This Agreement may be executed and delivered electronically or by facsimile and the Parties agree that such facsimile or electronic execution and delivery shall have the same force and effect as delivery of an original document with original signatures, and that each Party may use such facsimile or electronic signatures as evidence of the execution and delivery of this Agreement by all Parties to the same extent that an original signature could be used.

[SIGNATURES ON NEXT PAGE]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed by their duly authorized Representatives as of the date and year set out in page 1.

Tantalus Systems Inc.	**City of Windom MN**
By: ______________________________	By: ______________________________
Name: Param Pawar	Name: ______________________________
Title: VP, Finance	Title: ______________________________

EXHIBIT A
END USER LICENSE AGREEMENT

This End User License Agreement (the "**EULA**") is dated as of June 25, 2025 and effective as of the date of first use of Licensed Software by Customer between **Tantalus Systems Corp.**, a Canadian corporation, with a primary business address of 3555 Gilmore Way, Suite 200, Burnaby, BC V5G 0B3 Canada ("**Tantalus**") on behalf of itself and its Affiliates, and City of Windom MN, a Minnesota municipal utility with a primary business address of 444 9th Street Windom, MN 56101 ("**Customer**"). Reference is hereby made to that certain Network System & Services Agreement, dated June 25, 2025, by and between Tantalus Systems Inc. (an Affiliate of Tantalus) and Customer (the "**NSA"**). All capitalized terms herein not otherwise defined shall have the meaning set forth in the Network System and Services Agreement.

ARTICLE I

Licensed Software, which excludes third-party software products that have their own end user license terms, is subject to the terms and conditions of this EULA. THIS EULA IS A LEGALLY BINDING CONTRACT BETWEEN CUSTOMER AND TANTALUS AND SETS FORTH THE TERMS AND CONDITIONS THAT GOVERN CUSTOMER'S USE OF THE LICENSED SOFTWARE. BY INSTALLING OR USING ALL OR ANY PORTION OF THE LICENSED SOFTWARE, CUSTOMER ACCEPTS ALL THE TERMS AND CONDITIONS STATED OR REFERENCED IN THIS EULA. IF CUSTOMER IS UNABLE OR UNWILLING TO ENTER INTO AND COMPLY WITH THE TERMS AND CONDITIONS OF THIS EULA, OR IF THIS EULA TERMINATES FOR ANY REASON, CUSTOMER MUST NOT INSTALL OR USE THE LICENSED SOFTWARE AND SHALL IMMEDIATELY RETURN TO TANTALUS THE TANTALUS PRODUCT ON WHICH THE LICENSED SOFTWARE RESIDES AND/OR IS USED.

GRANT OF LICENSE. The Licensed Software is licensed, and not sold, for use by the legal entity entering into this EULA and only in accordance with the terms of this EULA. Subject to the terms and conditions of this EULA and any limitations imposed as part of a special beta test, trial, or promotional program, Tantalus hereby grants to Customer a limited, non- exclusive, non-transferable license to use the Licensed Software solely for its internal business operations in conjunction with the application package purchased from Tantalus by Customer, for operation in Tantalus -approved application environments, and in strict accordance with third- party license conditions, if any, or as otherwise set forth by Tantalus in writing if not set forth under the terms of this EULA, and Tantalus reserves all other rights.

RESTRICTIONS ON USE. Unless expressly permitted by Article I of this EULA, or otherwise by applicable law or by Tantalus in writing, Customer shall not: (i) reproduce, modify, adapt, translate, update or transmit the Licensed Software, in whole or in part; provided, however that Customer may temporarily transfer the Licensed Software from one physical device to another in the event of a computer malfunction; (ii) rent, lease, license, assign, give, transfer, or otherwise provide access or distribute the program or rights to the Licensed Software to another entity; (iii) use, alter, remove, or cover trademarks or proprietary notices of Tantalus or any third party on the Licensed Software; (iv) directly or indirectly export, import or transmit the Licensed Software, or any direct product thereof, to any country in contravention of the laws of that country or the laws of the United States or Canada; (v) use the Licensed Software except in Tantalus -approved application environment(s); (vi) decompile, disassemble, decrypt, unbundle, extract or otherwise attempt or assist others to reverse engineer the Licensed Software, except as necessary, when permitted by applicable law, to correct defects or achieve interoperability with complimentary programs, for Customer's purposes only, but only if Customer has subscribed for, and paid all applicable fees relating to, the Licensed Software Maintenance Services and Tantalus has refused to provide such Licensed Software Maintenance Services; (vi) use the Licensed Software for rental, timesharing, subscription service, hosting or outsourcing; (vii) make the Licensed Software available in any manner to any third party for use in the third party's business operations (except that Customer may permit its customers to use the Licensed Software only in furtherance of interactions between the Customer and its customers as expressly permitted by Tantalus); (viii) use the Licensed Software to provide third-party training; (ix) disclose results of any Licensed Software benchmark tests without Tantalus or its third-party supplier's prior written consent; (x) duplicate the Licensed Software, except for a sufficient number of copies as permitted by Article I of this EULA, or any documentation; or (xi) publish any results of any benchmarks or similar tests performed on the Licensed Software. Use of the Licensed Software is limited to Customer, along with its approved agents or contractors (including, without limitation, outsourcers, if applicable) on Customer's behalf for Customer's internal business operations, subject to the terms of Article I of this EULA. Customer shall be responsible for its agents', contractors', outsourcers', customers' and members' use of the Licensed Software and compliance with this EULA.

Except as set forth herein, pursuant to the Maintenance and

Support Agreement or as otherwise agreed by Customer and Tantalus in writing, Tantalus has no obligation to provide maintenance, updates, fixes, support, or training for the Licensed Software.

THIRD-PARTY TECHNOLOGY. Customer acknowledges and agrees that certain third-party technology, as indicated in the documentation or otherwise communicated by Tantalus, may be provided for use with the Licensed Software. Customer shall have the right to use third-party technology only with the Licensed Software and in accordance with the terms of any such third-party license agreement specified in the documentation or otherwise provided by Tantalus to Customer.

EXPORT RESTRICTIONS. Export laws and regulations of Canada and the United States and any other relevant local export laws and regulations apply to the Licensed Software. Customer agrees that such export control laws govern Customers use of the Licensed Software (including technical data) and Customer agrees to comply with all such export laws and regulations (including “deemed export” and “deemed re-export” regulations). Customer agrees that no data, information and/or Licensed Software will be exported, directly or indirectly, in violation of these laws, or will be used for any purpose prohibited by these laws including, without limitation, nuclear, chemical, or biological weapons proliferation, or development of missile technology. Customer represents and warrants that: (i) Customer is not located in a country that is subject to a U.S. Government embargo, or that has been designated by the U.S. Government as a "terrorist supporting" country; and (ii) Customer is not listed on any U.S. Government list of prohibited or restricted parties.

OWNERSHIP. The Licensed Software is protected by Canadian, United States, and international copyright and intellectual property laws. All rights to the Licensed Software are owned by Tantalus, its Affiliates or third-party suppliers, and Tantalus, its Affiliates, or third-party suppliers retain all rights, title, and interest in and to the Licensed Software including, without limitation, the source code, object code and any related information and documentation that may be provided as part of standard shipment(s) of Licensed Software. By acquiring a license to use the Licensed Software, Customer does not become the owner of the Licensed Software or receive any interest in the Licensed Software, and Customer has only limited license rights to use the Licensed Software, source code, object code and related information and documentation in accordance with the terms of this EULA. Furthermore, Customer may not assign, give, or transfer any interest in the Licensed Software to any third party. This section shall survive the termination or expiry of this EULA.

AUDITS. Tantalus shall have the right, upon reasonable request, to audit the systems and records of Customer necessary to verify Customer’s compliance with this EULA. Customer shall provide reasonable assistance and access to information necessary to complete the audit. Customer acknowledges and agrees that Tantalus may report the audit results to its third-party suppliers, as applicable, and such third-party suppliers may audit Customer directly. Customer acknowledges and agrees that Tantalus or its third-party suppliers, as applicable, shall not be responsible for any costs incurred by Customer in cooperating with audits under this section.

UNIFORM COMPUTER INFORMATION TRANSACTIONS ACT (UCITA). For clarity, Tantalus and Customer acknowledge and agree that the provisions of the Uniform Computer Information Transactions Act (UCITA) do not apply to this EULA.

LIMITED WARRANTY. For a period of one (1) year from the date of shipment of Network Equipment from the designated depot or depots in North America selected by Tantalus as its shipping point for Network Equipment. (“**Shipping Point**”), the physical media on which the Licensed Software is recorded by Tantalus will be free from defects in materials and workmanship under normal use. If failure of such physical media has resulted from accident, abuse or misapplication, Tantalus will have no responsibility to replace the physical media or refund any portions of the amount paid by Customer for the Licensed Software thereon. This limited warranty on the physical media from Tantalus on which the Licensed Software is recorded applies only when all three of the following conditions prevail: (a) such physical media is used in accordance with Article I of this EULA by the original customer and not by an assignee; (b) Customer is not the subject of bankruptcy or comparable proceedings; and (c) while Tantalus has not invoked a subsisting remedy in respect of Force Majeure or there is not an Excusing Event (as such term is defined in that certain Network System and Services Agreement, dated as of June 25, 2025, by and between Tantalus and Customer) in effect at such time.

CUSTOMER’S SOLE REMEDY. Tantalus and its Affiliates’, suppliers’, agents’, officers’ and directors’ entire liability and Customer’s sole remedy under this EULA for defects or failure of the Licensed Software shall be, at Tantalus’ option from time to time exercised subject to applicable law, repair or replacement of the physical media that does not meet this limited warranty. This limited warranty is void if failure of the physical media has resulted from accident, abuse, misapplication, abnormal or improper use, a virus or use in contravention of this EULA. Any replacement physical media will be warranted for the remainder of the original limited warranty period or thirty days (30) days, whichever is longer.

LIMITATION OF REMEDIES. TO THE EXTENT NOT PROHIBITED BY LAW, TANTALUS HEREBY DISCLAIMS ALL EXPRESS OR IMPLIED REPRESENTATIONS, WARRANTIES, GUARANTEES, AND CONDITIONS OF ANY KIND, ARISING BY LAW OR OTHERWISE, WITH REGARD TO THE LICENSED SOFTWARE, INCLUDING BUT NOT LIMITED TO REPRESENTATIONS, WARRANTIES, GUARANTEES, AND CONDITIONS OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, TITLE, NONINFRINGEMENT, AND QUALITY OF SERVICE. TANTALUS MAKES NO REPRESENTATIONS OR WARRANTIES REGARDING THE CONTENT, EFFECTIVENESS, USEFULNESS, RELIABILITY, AVAILABILITY, TIMELINESS, QUALITY, SUITABILITY, ACCURACY OR COMPLETENESS OF THE LICENSED SOFTWARE OR THE RESULTS CUSTOMER MAY OBTAIN BY USING THE PROGRAM OR THAT THE LICENSED SOFTWARE WILL BE UNINTERRUPTED OR ERROR- FREE OR THAT IT IS COMPLETELY SECURE. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, TANTALUS DOES NOT REPRESENT OR WARRANT THAT (A) THE OPERATION OR USE OF THE LICENSED SOFTWARE WILL BE TIMELY, SECURE, UNINTERRUPTED OR ERROR-FREE; OR (B) THE QUALITY OF ANY PRODUCTS, SERVICES, INFORMATION OR OTHER MATERIAL CUSTOMER PURCHASES OR OBTAINS THROUGH THE LICENSED SOFTWARE WILL MEET CUSTOMER'S REQUIREMENTS. CUSTOMER ACKNOWLEDGES THAT TANTALUS DOES NOT CONTROL THE TRANSFER OF DATA OVER COMMUNICATIONS FACILITIES, INCLUDING THE INTERNET, AND THAT THE PROGRAM MAY BE SUBJECT TO LIMITATIONS, DELAYS, AND OTHER PROBLEMS INHERENT IN THE USE OF SUCH COMMUNICATIONS FACILITIES. TANTALUS IS NOT RESPONSIBLE FOR ANY DELAYS, DELIVERY FAILURES, OR OTHER DAMAGE RESULTING FROM SUCH PROBLEMS. EXCEPT WHERE EXPRESSLY PROVIDED OTHERWISE BY TANTALUS, THE LICENSED SOFTWARE IS PROVIDED TO CUSTOMER ON AN "AS IS" BASIS.

IN NO EVENT SHALL TANTALUS OR ITS THIRD PARTY SUPPLIER(S) BE LIABLE TO CUSTOMER OR ANY THIRD PARTY FOR ANY DIRECT, INDIRECT, INCIDENTAL, SPECIAL, PUNITIVE OR CONSEQUENTIAL DAMAGES, OR DAMAGES FOR LOSS OF PROFITS, GOODWILL, BUSINESS OPPORTUNITY, REVENUE, DATA OR DATA USE, INCURRED BY CUSTOMER OR ANY THIRD PARTY, WHETHER IN AN ACTION IN CONTRACT OR TORT OR OTHERWISE, ARISING FROM OR RELATED TO THE USE OF THE LICENSED SOFTWARE OR ANY DATA DERIVED THEREFROM, EVEN IF TANTALUS HAD BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

THIRD PARTY BENEFICIARY. Oracle Canada ULC, along with any other third party that Tantalus may indicate in writing to Customer, shall be a third-party beneficiary of this EULA.

ARTICLE II

TERM, TERMINATION AND SURVIVAL. This EULA shall remain in effect until terminated by either Party upon thirty (30) days written notice to the other Party ("**Term**"), provided however, the obligations of either Party under this EULA with respect to any given information shall survive any termination of this EULA until the information no longer qualifies as Confidential Information. Further, the sections entitled 'RESTRICTIONS ON USE', 'EXPORT RESTRICTIONS', 'OWNERSHIP', 'LIMITED WARRANTY', 'LIMITATION OF REMEDIES', 'CUSTOMER'S SOLE REMEDY', and this Article II shall survive any termination or expiration of this EULA. Without prejudice to any other rights, Tantalus may terminate the license granted pursuant to Article I of this EULA (a) upon termination of the Network System and Services Agreement or if Customer is no longer receiving Maintenance and Support Services from Tantalus or its Affiliates, (b) if Customer fails to cure any material breach of this EULA within thirty (30) days after written notice of such breach including without limitation Customer's failure to pay any amounts required pursuant to this Article II, provided that Tantalus may terminate this EULA and the license granted pursuant to Article I of this EULA immediately upon any breach of Article I of this EULA; (c) if Customer ceases operation without a successor; (d) in order to comply with applicable laws, regulations, or requests of governmental entities, including U.S. and Canadian economic sanctions laws, regulations, and requirements, and applicable foreign import and export controls; or (e) if Customer seeks protection under any bankruptcy, receivership, trust deed, creditors arrangement, composition or comparable proceeding, or if any such proceeding is instituted against such party (and not dismissed within sixty (60) days). Upon termination of the license granted pursuant to Article I of this EULA for any reason, Customer must discontinue use and destroy or return to Tantalus, at Tantalus' discretion, the Licensed Software and all of its documentation, and all copies thereof.

PAYMENT. Customer shall pay all fees and other amounts payable associated with the Licensed Software and any goods or services purchased by Customer from Tantalus or its Affiliates, including, without limitation, all fees for Maintenance and Support Services, in accordance with the terms and conditions pursuant to which such goods and services are purchased by Customer.

NOTICES. All notices under this EULA must be made in writing and shall be deemed properly delivered when: (a) delivered personally, (b) sent by e-mail to the address below, delivery confirmation required, or (c) mailed by certified mail, postage prepaid or overnight delivery service to the address of the other Party set forth below, or (d) sent by facsimile (provided confirmation of delivery is obtained at the time of transmission). Notices shall be effective upon receipt.

Communications must be addressed to the Parties as follows:

If to Tantalus:
Peter A. Londa, President & CEO
Tantalus Systems Corp.
1130 Situs Court, Suite 230
Raleigh, NC 27606
Facsimile: (919) 900-8978
E-mail: legal_dept@tantalus.com

With copy to:
Michael Grandis, Chief Legal & Administrative Officer
Tantalus Systems Corp.
140 Rowayton Avenue, 2nd Floor
Norwalk, Connecticut 06853
E-mail: mgrandis@tantalus.com

If to Customer:
Windom City Administrator
City of Windom MN
PO Box 38
Windom, MN 56101
Facsimile: N/A
E-mail:steve.nasby@windommn.com

Unless expressly set out to the contrary herein, consent or approval that is explicitly required herein of a Party hereto will not be unreasonably delayed, withheld or withdrawn by it.

Either Party may change the address for service by giving 15 days' advance written notice to the other Party.

ENTIRE AGREEMENT. This EULA constitutes the entire agreement between the Parties with respect to the subject matter hereof. Should any provision of this EULA be held invalid, illegal or unenforceable for any reason, such provision shall be deemed restricted in application to the extent required to render it valid, and the remainder of this EULA shall in no way be affected and shall remain valid and enforceable for all purposes. No modifications of this EULA will be effective unless set forth in writing signed by both Parties.

GOVERNING LAW AND VENUE. This EULA shall be governed and construed in accordance with the laws of the State of Delaware (without giving effect to its conflict of laws provisions which would lead to the application of the laws of another jurisdiction). Except to the extent necessary to obtain jurisdiction over a third party, any legal action, suit or proceeding arising out of this EULA shall be brought solely and exclusively in the United States District Court for the District of Minnesota, Second Division, and each Party irrevocably accepts and submits to the sole and exclusive jurisdiction of tribunals in the United States District Court for the District of Minnesota, Second Division.

SUCCESSORS AND ASSIGNS. Neither Party may assign this EULA or any rights or obligations hereunder without the prior written consent of the other Party, and any attempted assignment in contravention with the foregoing shall be void. The rights and obligations of the Parties will inure to the benefit of, will be binding upon, and will be enforceable by the Parties and their permitted successors.

NON-WAIVER. A waiver of any claim, demand or right based on the breach of any provision of this EULA shall not be construed as a waiver of any other claim, demand or right based on a subsequent breach of the same or any other provision.

FURTHER ASSURANCE. Each Party undertakes with the other Party that it will execute such documents and do such acts and things as that other Party may reasonably require for the purpose of giving to that other Party the full benefit of the provisions of this EULA.

COUNTERPARTS. This EULA may be executed and delivered by facsimile or electronic signature and the Parties agree that such facsimile execution or electronic signature and delivery shall have the same force and effect as delivery of an original document with original signatures, and that each party may use such facsimile or electronic signatures as evidence of the execution and delivery of this EULA by all Parties to the same extent that an original signature could be used.

[Signatures on next page]

IN WITNESS WHEREOF, this EULA has been executed and delivered as of the date first written above.

TANTALUS SYSTEMS CORP.

By: ________________________________
Name: Param Pawar
Title: VP, Finance
Address: 200-3555 Gilmore Way
Burnaby, BC V5G 0B3
E-Mail: ppawar@tantalus.com

CITY OF WINDOM MN

By: ________________________________
Name: ________________________________
Title: ________________________________
Address: PO Box 38
Windom, MN 56101
E-Mail: ________________________________

LICENSED SOFTWARE MAINTENANCE SERVICES
ADDENDUM A-1

This is Addendum A-1 to the End User License and Confidentiality Agreement.

Under the terms of this Addendum, Customer shall purchase, and Tantalus shall provide, software maintenance services, subject to the terms and conditions set out in this Addendum.

SERVICES. Subject to payment of the annual subscription fee for such services as set out below and the other terms and conditions of this Addendum, Tantalus shall provide to Customer such updates that are necessary and/or intended to maintain or improve the performance and efficiency of the Customer's existing system (the "**Updates**"), as Tantalus makes generally available to its customers, for the Licensed Software that is the subject of, and as defined in, the EULA (the "**Licensed Software Maintenance Services**"). Such Updates shall form part of the Licensed Software licensed in accordance with and subject to the terms of the EULA. Updates are performed by Tantalus technical support personnel pursuant to Exhibit B - Technical Support Agreement at no additional cost to Customer and Customer agrees to cooperate, if required, in the scheduling of such Updates.

For the avoidance of doubt, new and/or optional features, upgrades and enhanced functionalities that are not made generally available at no additional cost to all existing Tantalus customers (collectively, "**Upgrades**") may require Customer to incur additional fee(s), including without limitation, additional deployment service and project management fees, third-party licensing and related fees, licensing and recurring annual fees for Licensed Software Maintenance Services fees (collectively, "**Additional Services**"). Additional Services will be priced pursuant to Tantalus' then current price list and quoted by Tantalus, as applicable, upon receipt of a written request from Customer.

SUBSCRIPTION AND ANNUAL SUBSCRIPTION FEES. Licensed Software Maintenance Services, as described in this Addendum, shall be provided to Customer, without payment of an associated annual subscription fee, during the first 12 months following shipment of the relevant Network Equipment to Customer from Shipping Point. Thereafter, Tantalus shall invoice Customer in advance on an annual basis for such Licensed Software Maintenance Services. The first invoice will be pro-rated for the period from the Start Date to January 1st of the following year and then it will be based on a January 1 to December 31 time frame. Such fees shall be adjusted from time to time in accordance with the Maintenance Agreement. Customer shall pay to Tantalus the then current applicable annual subscription fee for such Licensed Software Maintenance Services within thirty (30) days of Customer's receipt of an invoice for such annual subscription fee from Tantalus. Any payments outstanding for more than ninety (90) days from date of invoice will be considered a default under the Agreement. In the event of a default, Tantalus shall have no obligation to provide the Licensed Software Maintenance Services to Customer during such period and any guarantees set forth in this Agreement shall be deemed null, void and of no effect until Customer cures all default amounts. In order to cure such default, Customer may request that Tantalus re-commence provision of Licensed Software Maintenance Services by (a) issuing an appropriate purchase order to Tantalus, and (b) paying to Tantalus, within thirty (30) days of Customer's receipt of an invoice for such annual subscription fees from Tantalus, the then current applicable annual subscription fee for such Licensed Software Maintenance Services, and all applicable annual subscription fees for the period of time during which the Customer was in default (the "**Back-Dated Subscription Fees**"), plus 50% of the Back-Dated Subscription Fees.

CUSTOMER RESPONSIBILITIES. Customer shall maintain up- to-date and valid backup copies of its systems and data for recovery purposes. Customer acknowledges and agrees that Tantalus' ability to restore systems is limited to the extent that such systems have up-to- date and valid backup copies, including, without limitation, in accordance with procedures provided by Tantalus. Customer is responsible for protecting from loss, damage or destruction all hardware and software (including materials, data, specifications, tapes and programs) provided by Tantalus. The replacement of any such products lost, damaged or destroyed shall be at Customer's sole expense. Customer shall provide to Tantalus all necessary information, support and cooperation as is necessary for the performance of the Licensed Software Maintenance Services under this Addendum. Without limiting the generality of the foregoing, Customer acknowledges and agrees that Tantalus requires, and Customer shall provide to Tantalus, secure and encrypted remote access to Customer's systems and servers as required and instructed by Tantalus, in Tantalus' discretion, to enable Tantalus to perform the Licensed Software Maintenance Services under this Addendum. Such instructions provided by Tantalus may include, without limitation, the use of a secure shell (ssh) or equivalent in accordance with Tantalus' security framework. If Customer requires Tantalus to utilize an alternative secure and encrypted access mechanism other than that provided or instructed by Tantalus, Customer shall pay Tantalus such additional service and support fees that may apply. Customer shall comply with the EULA, including, without limitation, the "Restrictions on Use" set out therein, failing which Tantalus shall have no obligation to provide the services described in this Addendum.

TERMINATION. Without prejudice to any other rights, Tantalus may cancel the Licensed Software Maintenance Services if Customer does not abide by the terms and conditions of this Addendum.

EXHIBIT B
TECHNICAL SUPPORT

Unless otherwise defined in this Exhibit, each defined term will have the respective meaning set out in the Agreement.

1. Technical Support. Customer shall purchase from Tantalus, and Tantalus shall provide to Customer, the Standard email and telephone technical support set forth in Addendum B-1 ("**Technical Support**"). On-site technical support is defined later in this Exhibit. For greater certainty, Technical Support does not include in or out of warranty repairs or hardware or software upgrades for Network Equipment. Technical Support shall commence 12 months from the earlier of the date of shipment of the server, start of hosting or spin-up of virtual server, as applicable ("**Start Date**").

Optional: ☐ Premium Level Technical Support
[Check here if elected by Customer]

2. Pricing. The price for Technical Support is outlined in Addendum B-2 and is based on the Technical Support Plan outlined in Addendum B-1 chosen by the Customer. The price is comprised of a base charge and an additional charge based on the number of endpoints ("**Endpoints**") shipped to the Customer. All prices are based on a 12-month period and are exclusive of all federal, state, municipal or other governmental sales use, excise, value-added taxes, occupational or other taxes, tariffs, duties and surcharges now in force or enacted in the future which are associated with the provision of Technical Support by Tantalus, excluding taxes on Tantalus' income generally.

3. Payment. Tantalus shall invoice Customer in advance for Technical Support, on an annual basis, commencing on the Start Date. The first invoice will be pro-rated for the period from the Start Date to January 1st of the following year and then it will be based on a January 1 to December 31 time frame. Payment terms will be net thirty (30) days from date of Tantalus' invoice. In addition to any other remedies Tantalus may have for late payments, Customer will be charged interest at 1½% per month (equivalent to an annual rate of interest of 18%), payable monthly. Payments will be applied first to interest payable and then principal owing. Tantalus may modify the preceding payment terms if, in its reasonable opinion, the payment record or financial condition of Customer so justifies. Any payments outstanding for more than 90 days from date of invoice will be considered a default under the Agreement. In the event of a default, Tantalus shall have no obligation to provide the Technical Support to Customer during such period and any guarantees set forth in this Agreement shall be deemed null, void and of no effect until Customer cures all default amounts. In order to cure such default, Customer may request that Tantalus re-commence provision of Technical Support by paying to Tantalus, within thirty (30) days of Customer's receipt of an invoice for such Technical Support from Tantalus, the then current applicable Technical Support Fee for such Technical Support, and all applicable annual Technical support for the period of time during which the Customer was in default (the "**Back-Dated Technical Support Fees).**

4. Price or Plan Changes. Tantalus reserves the right, in its sole discretion, to modify the: (1) *Technical Support Plan* as outlined in Addendum B-1 and (2) *Plan Pricing* as outlined in Addendum B-2 on written notice to Customer provided at least thirty (30) days prior to the expiry of the then current Term. In the event that Customer elects to change its Technical Support from standard to premium or vice versa at any time, Customer shall execute and deliver to Tantalus an acknowledgement of such election and the corresponding pricing associated therewith in a form acceptable to Tantalus. The level of Technical Support (and the corresponding fees associated with such Technical Support) shall not be adjusted by Tantalus until it has received such acknowledgement from Customer ("**Support Change Acknowledgement**").

5. On-Site Support. Within this Agreement, Tantalus Technical Support is email and telephone based. On-site technical support, and other support services, may be provided, and will be billed outside the scope of this Agreement, including reasonable travel and living expenses for on-site Tantalus personnel.

6. Customer Obligations. Customer agrees:

(a) that prior to requesting Technical Support, Customer will perform all diagnostics and follow the information provided by Tantalus to try and resolve any Network Equipment problems prior to contacting Technical Support;

(b) that in order to have continuity in Technical Support, Customer will (i) designate, in writing, a minimum of two (2) personnel who have received full training from Tantalus in the operation of the Network Equipment (**the "Network Equipment Operators**") and (ii) ensure that those the Network Equipment Operators are the only individuals that request Technical Support;

(c) to install and maintain network servers and other infrastructure, including any software upgrades as may be recommended by Tantalus from time to time, consistent with the Standards;

(d) to safeguard all data during any maintenance; and

(e) to install and maintain a robust and secure virtual private network (VPN) and/or secure shell connection (SSH) to the network servers to allow network server maintenance, performance monitoring and upgrades as may be required.

TECHNICAL SUPPORT PLAN
ADDENDUM B-1

This document is Addendum B-1 to Exhibit B - Technical Support of Tantalus' Network System and Services Agreement. Unless otherwise defined in this Addendum or elsewhere in Exhibit B, defined terms will have the respective meaning set out in the Agreement.

The Technical Support Plans available are as follows:

STANDARD[1]	PREMIUM [2]
Service Includes: Technical Support 7:00 AM – 7:00 PM, 5 days per week excluding U.S.A. and Canadian holidays (as applicable)	Service Includes: Technical Support 7:00 AM – 9:00 PM, 7 days per week excluding U.S.A. and Canadian holidays (as applicable) Response to queries within 4 hours of initial contact. 7 x 24 Extended Customer Support based on exception-based monitoring* *Exception Based Monitoring is defined as alarms related to Insight and/or NC issues
Consolidated Invoices (TSA/Annual Support) - Licensed Software Annual Maintenance - Endpoint Annual Maintenance	Consolidated Invoices (TSA/Annual Support) - Licensed Software Annual Maintenance - Endpoint Annual Maintenance
Quarterly Training Sessions - Remote [non-certification]	Quarterly Training Sessions - Remote [non-certification]
Customer Community access	Customer Community access
	Annual Users Conference - Admission for 2
	Priority email premiumsupport@tantalus.com - Response in 4 hours
	Priority Support Line
	Online Technical Support Chat Annual Certification Training - Tantalus University - Admission for 2
	Custom Billing Exports - Includes annual support
	48-hour Part Replacement - M-F (excluding U.S.A. and Canadian holidays), cutoff by 3:00 PM
	Advance RMA replacements - Shipment within 48 hours after reported issue
	Remote System Health Check - Annual investigation with reported customer action plan - WAN Assessment - LAN Assessment - Dashboard Health Check
	Assigned Project Manager (PM)

Individual features of each plan are as described below:

[1] Standard level technical support is required for all Customers.
[2] Premium level technical support is available for an additional fee.

CUSTOMER SUPPORT

Standard Level – Technical support 7:00 AM – 7:00 PM, 5 days per week excluding U.S.A. and Canadian holidays (as applicable). Response to queries within 4 hours of initial contact.

Premium Level - Technical Support 7:00 AM – 9:00 PM, 7 days per week excluding U.S.A. and Canadian holidays (as applicable). Response to queries within 4 hours of initial contact. 7 x 24 Extended Customer Support based on exception-based monitoring*
*Exception Based Monitoring is defined as alarms related to Insight issues.

CONSOLIDATED INVOICES

Consolidated invoices for annual licensed software maintenance and technical support, including VC/IPC/NS/NC Software Annual Maintenance and Endpoint Annual Maintenance are included as part of Tantalus' Standard and Premium Technical Support packages.

QUARTERLY TRAINING SESSIONS

Remote Training

The training sessions are flexible and can be broken up into multiple sessions, depending on the required participants. These web-based training sessions are designed as 60 - 90-minute web-based discussion groups, held once per quarter based upon the subject matter generated at Tantalus' Annual Users Conference. Recorded sessions are made available in Customer Community, via e-mail, etc.

COMMUNITY ACCESS

Community Access includes the following:

- Tools to track the status of current and previous equipment orders and enter and track Return Material Authorization (RMA) orders for Tantalus equipment through the Customer Community portal are made available as part of Phase 2 implementation.
- A Library provides technical product documentation and installation guides.
- A Project Information section including tracking of project related meetings and action items.
- A knowledge-based forum for open discussion of current issues in the deployment and concerns of the project team.
- An Issue Creator allows the Customer to create feature requests and other issues for the Tantalus project team in the event that the issue is not already covered in the standard system documentation. Once created, issues are evaluated, resourced, and reported based on resource availability.

Time sensitive and urgent issues should be raised by Customer via Tantalus' Technical Support Line at +1- 877-886-3848.

Routine Documentation Updates

Routine updates to operational material will be provided to all Customers. Examples of these Documents include Network Server operations manuals, endpoint product manuals, and other equipment upgraded as a part of system improvements. Updated versions of all Customer documentation will be available in Customer Community.

NOTE: THE REMAINING TECHNICAL SUPPORT FEATURES BELOW ARE ONLY AVAILABLE WITH THE PURCHASE OF PREMIUM SUPPORT PACKAGE.

ANNUAL TANTALUS USERS CONFERENCE – ADMISSION FOR TWO (2) *

With the purchase of a Premium package, the Customer receives admission for two (2) representatives to the Annual Tantalus Users Conference ("TUC").

The annual TUC provides an excellent opportunity for the community to gather for education, sharing, networking, and social events. The TUC is a knowledge-driven event with heavy focus on the customer experience, technical training, and collaboration with Tantalus, utility peers, and our extensive network of partners.

*Admission includes the cost of registration for two (2) representatives only. Travel and living expenses are not included and are the responsibility of Customer. Customers with Standard packages will be responsible for costs associated with attendance, separate and apart from this Agreement.

DESIGNATED PRIORITY SUPPORT EMAIL

With purchase of a Premium package, Customer will receive a priority email address which directs email messages to the Field Operations team during non-core business hours, thereby allowing the issue being reported to receive attention prior to the start of the next business day. During normal business hours, response is provided within 4 hours.

Priority Support Email Address:
premiumsupport@tantalus.com

PRIORITY SUPPORT LINE

With purchase of a Premium package, once available, Customer will have direct access to Tantalus' Field

Operations team for placing high priority calls during non-core business hours. Upon receipt of such calls, Tantalus staff will take action, either by solving the problem directly, or by contacting other expert individuals to assist depending on the nature of the call.

Tantalus will apply commercially reasonable efforts to promptly deliver the described services in a professional and workman-like manner and in accordance with generally recognized commercial practices and standards. The promptness and utility of our response may vary from time-to-time, depending upon the accuracy and completeness of the information provided, our ability to reproduce the problem, the scope of work required to address an issue, and the volume of support service traffic at the time.

ONLINE TECHNICAL SUPPORT CHAT

Customers will be able to access Tantalus' Online Technical Support Chat ("Live Chat") to have a personalized one-on-one, real time, text-based interactive conversation with a Tantalus Field Service representative.

- Live Chat is available through Customer Community and will be queued on a on a first come- first-serve basis.
- Hours of operation - 8:00 am to 5:00 pm, Monday – Friday, excluding U.S.A. and Canadian holidays.

ANNUAL CERTIFICATION TRAINING – TANTALUS UNIVERSITY

Tantalus University™ – Admission for two (2) *

With purchase of a Premium package, Tantalus University™, a comprehensive training and certification series designed to provide a full range of advanced training opportunities for users. Please see https://tantalus.com/training/ for more detail.

*Admission includes the cost of registration for two (2) representatives only. Travel and living expenses are not included and are the responsibility of Customer. Customers with Standard packages will be responsible for costs associated with attendance, separate and apart from this Agreement.

CUSTOM BILLING EXPORTS

With purchase of a Premium package, Customer has access to a billing function that summarizes meter data and presents it directly to Customer's billing or CIS system.

Insight can be used to bill utility customers based on end of day readings, interval readings, for both single- phase and poly-phase meters.

Includes customized extraction scripts of Customer data from the database and maintenance.

48 HOUR PART REPLACEMENT

Applicable to non-warranty parts, excluding Network Server / Insight Head End, during the times listed below. Only includes the cost associated with outgoing expedited shipping of component. Does not include the cost of material or shipping charges incurred by Customer.

Monday – Friday (excluding U.S.A. and Canadian holidays), cutoff by 3:00 pm. Shipment within 48 hours after reported issue.

ADVANCE RMA REPLACEMENTS

Most endpoint devices have a unique Network ID (NID) in a bar code on each unit. You can use the Customer Community to request an RMA for any of these devices (TCs, RTs, LMs, XRs, etc.). The Customer Community will tell you whether the device is under warranty and help you through the process of submitting your request.

Inquiries about equipment that does not have a NID should be directed to your Project Manager.

With the purchase of a Premium package, equipment repairs conducted under the applicable equipment warranty will include advance replacement of the failed components, if such components are available in Tantalus inventory, to afford greater responsiveness to the Customer. Otherwise, Tantalus will require the failed component be received prior to shipping a replacement under warranty. Where advance replacement is provided for failed components under warranty, Customer must return the failed component, within 30 days of shipment of advance replacement, freight prepaid by Customer to Tantalus at its designated depot, together with Tantalus' return material authorization number ("**RMA**") and completed on-line problem sheet. Where advance replaced failed components are not returned by Customer within 30 days, Tantalus will invoice Customer for the price of the advance replaced component supplied and Customer hereby agrees to make payment to Tantalus within 30 days of the invoice date.

REMOTE SYSTEM HEALTH CHECK

With purchase of a Premium package, Customer receives:

- Annual investigation with reported customer action plan
- WAN Assessment
- LAN Assessment
- Dashboard Health Check

A remote system health check provides a summarized report identifying Customer actions that need to be performed in order to improve system performance.

ASSIGNED PROJECT MANAGER

With purchase of a Premium package, Tantalus will assign a specific Project Manager to the Customer’s project.

TANTALUS TECHNICAL SUPPORT CONTACT INFORMATION

If you have an URGENT issue, call: +1-877-886-3848

For non-urgent issues, please email:
Standard TSA - tantalustechsupport@tantalus.com
Premium TSA - premiumsupport@tantalus.com

ADDENDUM B-2
PLAN PRICING

TRUConnect System Annual Fees - Starting Year 2 of Deployment	Quantity	Unit Price	Ext. Price
TRUConnect Annual AMI Hosting	1	$ 4,800.00	$ 4,800.00
TRUConnect Annual Maintenance	1	$ 10,908.65	$ 10,908.65
SL-2001 TRUConnect Technical Support - Standard	1	$ 6,250.00	$ 6,250.00
GRAND TOTAL - TRUConnect System Annual Fees - Year 2 and Beyond			$ 21,958.65

Pricing Notes & Assumptions:

- All fees are in US dollars.
- All prices/service fees exclude applicable taxes.
- This pricing may contain allowances, discounts and / or promotional pricing.
- Annual System Support is available in both Premium and Standard Level. Changes to the Technical Support level elected by Customer are subject to the notice requirements described in Exhibit B – Technical Support.
- Pricing assumes there are no changes or additions to other system factors, including without limitation, deployed meter quantities, software licenses, features and functionalities, server hardware/platforms. Additional Services (as defined in Addendum A-1 to the EULA) will be priced pursuant to Tantalus' then-current price list and quoted by Tantalus, as applicable, upon receipt of a written request from Customer. In the event of such changes, the price for annual Maintenance and Support Services is subject to increase.
- Except as expressly set forth on Exhibit D and unless otherwise specifically set forth in writing upon mutual agreement of all Parties, the pricing above does not include any costs associated with Third-Party Products.

EXHIBIT C

DEPLOYMENT PARTNERSHIP

This is Exhibit C to the Network Services Agreement. Unless otherwise defined in this Exhibit, each defined term will have the respective meaning set out in the Agreement.

1. OBJECTIVE/TERM

1.1 Objective. This Exhibit contains and describes the respective partnership responsibilities between Tantalus and Customer necessary to ensure a successful system deployment. The Network Equipment works to form a communications system with unique characteristics for each deployment. This Exhibit defines Tantalus' system deployment requirements and obligations.

1.2 Term. This Exhibit will terminate upon the termination of the Agreement.

2. SYSTEM PERFORMANCE PARTNERSHIP RESPONSIBILITIES

2.1 Overview. Tantalus will be responsible for the specified performance of the Network Equipment during the applicable warranty period as described in Section 4.1 of the Agreement, which enables the operation of as described at:

http://www.tantalus.com/tech_overview.php

Additionally, Tantalus is responsible for the proper design, delivery, installation training, testing and network operation training of the Network Equipment purchased by Customer that combine to create the network. Optimizing network performance requires that Tantalus specify and manage overall system configuration, customer training, and compliance to deployment plan and deployment guidelines with Customer from the outset. Further, Customer compliance with standard operating practices as outlined in the Customer System Performance Partnership Requirements in Section 2.3 of this Exhibit ("Customer Requirements") is mandatory in order for the Customer to optimize network performance.

3. TANTALUS SYSTEM PERFORMANCE PARTNERSHIP REQUIREMENTS.

Tantalus requirements are as follows:

3.1 Bid Stage to:

(a) provide the Network Equipment list associated with the initial deployment design,

(b) define a rough project schedule,

(c) outline the network/Customer system interface requirements and provide an initial system design assessment including assisting Customer in tower site selection and procuring RF spectrum if applicable.

3.2 Project Setup Stage to:

(a) provide project engineering support for the deployment of Network Equipment at the Customer site,

(b) provide a project manager to be a single point of contact for Customer,

(c) work with Customer to assess and deliver a final system design,

(d) work with third parties involved in the deployment and with Customer at the start of the deployment to develop a detailed deployment project plan.

(e) provide support to Customer in developing a detailed overall project plan,

(f) provide system design support for the deployment process to meet the specific needs of Customer,

(g) highlight areas of concern in the deployment including identification of remote or hard to reach sites and options for overcoming communications challenges,

(h) define the initial deployment to include the number and approximate geographic location of Network Equipment, the timeline for deployment as further outlined below ("Initial Deployment"),

(i) implement a customer training program,

(j) review the IT integration plan including meter data management ("**MDM**") and back- end integration systems to the Tantalus network server as applicable, and

(k) provide support in identification of project milestones, Customer responsibilities, and responsibilities of any third parties to the project.

3.3 Project Deployment Stage to:

(a) help ensure successful Initial Deployment; the initial setup is a critical step in ensuring a well-functioning network. In all cases, Tantalus requires the commitment of Customer to the agreed upon project deployment plan. The project deployment plan will include the following areas:

(b) System Integration. Tantalus will provide system integration, management, and support to Customer for integration activities between the network server and third-party systems utilizing data,

(c) Network Setup. Tantalus will provide Customer guidance on the initial network setup, network server, wide area network ("WAN"), and local area network ("LAN") components, and

(d) Training. Tantalus will provide comprehensive Customer training with respect to deployment, maintenance, and operation of the system.

3.4 Deployment and System Management Stage

(a) To help ensure the performance of the system, Tantalus will provide ongoing technical and software maintenance support to Customers as outlined in the Technical Support Exhibit and EULA. The Technical Support Exhibit outlines the type and cost of technical support provided to the Customer to ensure functionality and for the Customer to optimize performance.

4. CUSTOMER SYSTEM PERFORMANCE PARTNERSHIP REQUIREMENTS.

Customer requirements are as follows:

4.1 Project Set-Up Stage to:

(a) review and agree to the Project purchase and maintain a minimum level of Standard technical support from Tantalus as outlined in the Technical Support Exhibit,

(b) install and maintain a robust and secure VPN and/or SSH to allow for server maintenance, performance monitoring, and upgrades.

4.2 Project Deployment Stage to:

(a) place Purchase Orders, purchase and pay for; deploy, or arrange for deployment of; the Network Equipment, Initial Deployment Services and Maintenance and Support Services described herein as are required for the Project,

(b) participate in system performance audits at key milestones along the deployment path to validate system effectiveness.

4.3 Generally, to:

(a) install, maintain and operate the Network Equipment and system in accordance with the Specifications and Standards.

(b) provide a project manager to be a single point of contact for Tantalus,

(c) ensure that all appropriate Customer personnel receive initial and periodic training by Tantalus personnel,

(d) assist in providing functioning back-haul communications infrastructure for connection to the 220 MHz wide-area-network, and/or if applicable, other wide-area network systems (Fiber, WIMAX, etc.) whether provided by the Customer or a third party, as required per the system design,

(e) install, set up, maintain and upgrade network servers consistent with industry and Tantalus recommended standards, including any software upgrades that may be provided by Tantalus from time to time as per the EULA.

For the avoidance of doubt, any failure to perform the requirements set forth in this Exhibit C shall constitute a breach of the Agreement.

EXHIBIT D

PRICING

TRUConnect™ AMI Equipment and Services			
TRUConnect WAN/LAN Equipment	**Quantity**	**Unit Price**	**Ext. Price**
RT-4220 TRUSense Fiber Gateway	20	$ 622.00	$ 12,440.00
DT-116 Centron Reset Key	1	$ 39.68	$ 39.68
DT-410-BUN Programming Kit	1	$ 2,600.00	$ 2,600.00
		TRUConnect Infrastructure Subtotal	**$ 15,079.68**
TRUConnect Edge - Modules[1]	**Quantity**	**Unit Price**	**Ext. Price**
TC-1216 Tantalus Single Phase Module - Itron	271	$ 85.00	$ 23,035.00
TC-1220RD Tantalus Single Phase Remote Disconnect Module - Itron	2100	$ 91.00	$ 191,100.00
PP-1320 Tantalus Poly Phase Module - Itron CP3	249	$ 242.00	$ 60,258.00
		Endpoint Subtotal	**$ 274,393.00**
TRUConnect Server & Software	**Quantity**	**Unit Price**	**Ext. Price**
SV-4001 TRUConnect AMI Hosting - **Year 1 Only**	1	$ 4,800.00	$ 4,800.00
TCC-2001 TRUConnect Insight Head End Software	1	$ 42,550.00	$ 42,550.00
NSE-201 TRUConnect Software License - per Endpoint	2,620	$ 3.75	$ 9,825.00
PPA-100 Polyphase Software - per Endpoint (100 endpoint license)	3	$ 1,300.00	$ 3,900.00
NSE-420 TRUScan - Itron Water ERT Reading - One Time	2,300	$ 2.00	$ 4,600.00
TAL-601-1 TRUConnect Application License - Consumption Alarms	1	$ 3,750.00	$ 3,750.00
		Server and Software Total	**$ 69,425.00**
TRUConnect System Services	**Quantity**	**Unit Price**	**Ext. Price**
SV-1000 Deployment Services -Project engineering, training, project mgt, system design, deployment prep -Database configuration, set up, and commissioning. -Billing integration. -Travel and Travel Expenses included.	1	$ 67,070.00	$ 67,070.00
		TRUConnect System Services Subtotal	**$ 67,070.00**
		TRUConnect Equipment and Services - Grand Total	**$ 425,967.68**

Electric Meters				
Itron Electric Meters[2] *To be ordered separately by Customer through Border States		Quantity	Unit Price	Ext. Price
	Itron C2SXD 1S CL200 240V w/ Disconnect w/ Tantalus Installed	50	$ 174.04	$ 8,702.00
	Itron C2SXD 2S CL200 240V w/ Disconnect w/ Tantalus Installed	1950	$ 105.73	$ 206,173.50
	Itron C2SXD 12S CL200 240V w/ Disconnect w/ Tantalus Installed	100	$ 191.25	$ 19,125.00
	Itron C1SX 2S CL320 240V w/ Tantalus Installed	251	$ 120.86	$ 30,335.86
	Itron C1SX 3S w/ Tantalus Installed	5	$ 120.86	$ 604.30
	Itron C1SX 4S w/ Tantalus Installed	15	$ 120.86	$ 1,812.90
	Itron Centron Poly 3 - 16S w/ Tantalus Installed	148	$ 299.00	$ 44,252.00
	Itron Centron Poly 3 - 8/9S w/ Tantalus Installed	101	$ 299.00	$ 30,199.00
			Itron Electric Meter - Grand Total[2]	$341,204.56

TRUConnect Equipment and Services + Itron Meters - Grand Total	$ 767,172.24

Pricing Notes & Assumptions:

- [1] 5% Discount on TRUConnect™ Edge modules if Purchase Order is received by Tantalus on or before 6/27/2025.
- [2] Tantalus does not guarantee pricing of Third-Party Products, which are quoted pursuant to and subject to the respective third-party manufacturer's terms and conditions (including warranty). Pricing assumes Itron meters are ordered directly through Border States by Customer.
- All fees are in US dollars.
- All prices/service fees exclude applicable taxes.
- Price does not include shipping.
- Initial Deployment Services are billed on milestones. In the event that additional days are necessary for the Initial Deployment Services due to Customer electing Additional Services or an Excusing Event, Customer will be billed at the rate of $1,800 per day.
- Pricing assumes there are no changes or additions to other system factors, including without limitation, deployed meter quantities, software licenses, features and functionalities, server hardware/platforms. Additional Services (as defined in Addendum A-1 to the EULA) will be priced pursuant to Tantalus' then-current price list and quoted by Tantalus, as applicable, upon receipt of a written request from Customer. In the event of such changes, the price for annual Maintenance and Support Services is subject to increase.
- Except as expressly set forth on Exhibit D and unless otherwise specifically set forth in writing upon mutual agreement of all Parties, the pricing above does not include any costs associated with Third-Party Products.

Exhibit as Purchase Order. Signature below shall constitute submission by the Customer and acceptance by Tantalus of this Exhibit D as an authorized Purchase Order for the equipment and services listed hereon, subject to the terms and conditions of this Agreement. The Purchase Order may not be modified, added to or rescinded except through mutual agreement and acceptance in writing by both Parties.

Tantalus Systems Inc.		**City of Windom MN**	
By:	______________________	By:	______________________
Name:	Param Pawar	Name:	______________________
Title:	VP, Finance	Title:	______________________

EXHIBIT E

THIRD-PARTY PRODUCTS

If applicable, Tantalus may host the Licensed Software using its own infrastructure or it may engage a third- party hosted services provider to host the Licensed Software on its behalf. In the event hosting is provided through a third-party provider, Tantalus may choose to migrate to another third-party provider at any time as long as equivalent services are provided.

Services relating to the installation, deployment and configuration of any Network Equipment, other than Initial Deployment Services purchased pursuant to the Agreement, shall be the responsibility of Customer unless otherwise mutually agreed in writing by the Parties.

For the avoidance of doubt, electric, water or gas meters are Third-Party Products. Customer's purchase of any such meters shall be subject to the terms and conditions of the third-party manufacturer (including, without limitation, any terms relating to pricing, quantity and warranty). Tantalus does not guarantee the pricing or any other terms and conditions relating to such meters and any agreement pursuant to which Tantalus passes through terms and conditions relating to Third-Party Products shall be as mutually agreed in writing by the Parties.

EXHIBIT F

MUTUAL NON-DISCLOSURE AND CONFIDENTIALITY AGREEMENT

This Mutual Non-Disclosure and Confidentiality Agreement (this "**Agreement**") is made and entered into as of June 25, 2025 (the "**Effective Date**") between Tantalus Systems Inc., a Delaware corporation with a primary business address of 1130 Situs Court, Suite 230, Raleigh, NC 27606 ("**Tantalus**") on behalf of itself and its Affiliates, and the City of Windom MN, a Minnesota municipal utility, with a primary business address of 444 9th Street Windom, MN 56101 (**"Company"**). Tantalus and Company shall be collectively referred to herein as the "**Parties**" and each individually as a "**Party**". The Parties acknowledge that Tantalus and Company have entered into, or wish to enter into, a business relationship (the "**Business Relationship**") and that in the course of past, present and/or future dealings between the Parties relating to the Business Relationship or otherwise, the Parties have disclosed and/or may disclose their respective Confidential Information (as defined below) to the other Party. This Agreement is intended to allow the Parties to have open communications during the course of the business dealings contemplated by the Business Relationship, while protecting their respective Confidential Information (including Confidential Information previously disclosed by either Party to the other Party) against unauthorized use or disclosure.

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

1. **Confidential Information.** As used in this Agreement, the term "**Confidential Information**" means all information, whether or not reduced to writing, related to the Business Relationship or to the business of either Party or its Affiliates (as defined below) that (a) is provided or made available by one Party or its Affiliates or Representatives (as defined below) (the "**Disclosing Party**") to the other Party (the "**Recipient**") or observed by the Recipient in connection with the Business Relationship, in any form and at any time (whether prior or subsequent to the Effective Date), and (b) is either identified as "confidential" (or with other similar designation(s)) by the Disclosing Party, or would or should reasonably be understood by the Recipient to be confidential given the nature of the information and/or the circumstances under which such information was disclosed. Confidential Information includes but is not limited to data (technical and non-technical), formulas, patterns, compilations (including compilations of customer information), programs (including models), devices, methods (including design methods), techniques, drawings (including equipment drawings), processes, financial information (including sales forecasts), pricing, lists of actual or potential customers or suppliers (including identifying information about those customers), operational information, planning or strategy information, research and development information, information about existing and future products, and information about personnel matters of the Disclosing Party. The Parties further acknowledge and agree that the scope of the Business Relationship, performance thereof, and all discussions between the Parties and information relating thereto, constitute Confidential Information. "**Representatives**" means the directors, officers, employees, agents, consultants, legal counsel, accountants and financial advisors of a Party to this Agreement. An "**Affiliate**" of a Party means any legal entity that such Party owns, is owned by, or is under common control with such Party. For purposes of the foregoing definition of "Affiliate", the terms "control" and "own" mean possessing a 50% or greater interest in an entity or the right to direct the management of the entity.

2. **Exclusions.** For purposes of this Agreement, other than with respect to personal data or other legally protected information, "Confidential Information" does not include any data or information which: (a) is or becomes generally available to the public other than by the fault of the Recipient, or by a third party that has a duty of confidentiality to the Disclosing Party with respect to the disclosed information or is otherwise prohibited from transmitting that information by a contractual, legal or other obligation; (b) is or becomes available to the Recipient on a non-confidential basis from a source other than Disclosing Party, provided that the source does not at the time of disclosure have a duty of confidentiality to the Disclosing Party with respect to the disclosed information or is not otherwise prohibited from disclosing that information by a contractual, legal or other obligation; (c) the Recipient can demonstrate by written records was, prior to its receipt from Disclosing Party, known to it at the time of disclosure; (d) is independently developed by the Recipient without use of or reliance on, directly or indirectly, Confidential Information of the Disclosing Party, as demonstrated from the written records of the Recipient; or (e) is required to be disclosed to a governmental entity or agency in connection with seeking any governmental or regulatory approval, or pursuant to the lawful requirement or request of a governmental entity or agency, or otherwise required to be disclosed by law; provided however that any information required to be disclosed under this Section 2(e) shall be subject to Section 4 below.

3. **Protection of Confidential Information.** Each of the Parties hereto, its Affiliates and its Representatives (a) must use the same care and discretion as it employs with its own confidential and proprietary information of a similar nature (but in no event less than reasonable care and discretion) to maintain in confidence, and prevent

disclosures of, the Confidential Information of the Disclosing Party, and (b) must not use the Confidential Information of the Disclosing Party except to further the Business Relationship or as otherwise specifically authorized in writing by the Disclosing Party. Under no circumstances, except as expressly set forth below, shall the Recipient reproduce, distribute, transfer, disclose or otherwise provide or make available, directly or indirectly, any Confidential Information of Disclosing Party to any third party other than as permitted under Section 4 below, without the prior written consent of the Disclosing Party. Each Party understands that in addition to its obligations to the other Party under this Agreement, it may not use any Confidential Information of the Disclosing Party or permit the Disclosing Party's Confidential Information to be used by any person or entity, for its or their own benefit or to the detriment of the Disclosing Party, or in violation of any federal or state laws, including securities laws governing insider trading. Each Party understands and will inform its Representatives that such laws prohibit any person, directly or indirectly, from buying or selling securities of any company while in possession of material non-public information regarding that company (including without limitation, the other Party). Neither party shall reverse engineer, disassemble or decompile any prototypes, software or other tangible objects which embody the other party's Confidential Information, and which are provided to the party hereunder. This Section 3 survives termination.

4. **Permitted and Compelled Disclosures.** Recipient may disclose the Confidential Information of the Disclosing Party only to its Affiliates or Representatives who are directly involved in performing or evaluating the Business Relationship, who have a specific need to know such information, and who are obligated to hold the information in confidence and otherwise to comply with the terms of this Agreement. The Recipient agrees to instruct each of its Affiliates and Representatives to maintain the confidentiality of all of the Confidential Information and shall be liable for any unauthorized disclosures of Confidential Information or other breach of this Agreement by Recipients' Representatives authorized by Recipient to receive the information. If the Recipient is required to produce or disclose the Disclosing Party's Confidential Information by law, court order or governmental authority, the Recipient must promptly notify the Disclosing Party of that obligation. The Recipient shall not produce or disclose any such Confidential Information until the Disclosing Party has (a) requested protection from the court or other legal or governmental authority issuing the process (with the reasonable assistance of the Recipient at the Disclosing Party's expense) and the request has been denied, (b) consented in writing to the production or disclosure of such Confidential Information, or (c) taken no action to protect its interest in the Confidential Information within ten (10) business days (or such shorter period required by order of a court or other legal or governmental authority) after receipt of notice from the Recipient of the obligation to produce or disclose. Notwithstanding the foregoing, the Recipient shall only disclose such portion of the Disclosing Party's Confidential Information which the Recipient is advised by counsel is required to be disclosed in order for the Recipient to comply with legal obligation. Notwithstanding anything to the contrary herein, Customer shall have the right to disclose Confidential Information, and/or any information contained in this Agreement, and/or any information related to this Agreement if and only to the extent required (i) by the Minnesota Government Data Practices Act, or any other law, rule or regulation, or (ii) if required by a court order, provided that: (a) Customer promptly notifies Tantalus of such demand and provides to Tantalus a copy of such demand and Customer's response thereto (or expected response); and (b) Customer only discloses that Confidential Information which must be disclosed in order to comply with the demand, and no more.

5. **Return of Confidential Information.** Within ten (10) business days following the Recipient's receipt of a written request from the Disclosing Party, the Recipient must (a) return to the Disclosing Party, or at the Disclosing Party's election destroy, all tangible materials containing or embodying the Confidential Information in its possession, custody or control; and (b) securely erase all electronic materials containing or embodying the Confidential Information but shall not be otherwise required to erase, expunge or destroy any electronic copies of Confidential Information created as a result of the Recipient's standard back-up policies and procedures for the retention of information in an electronic format, and certify the same to the Disclosing Party in writing. Notwithstanding the foregoing delivery requirement, the Recipient may destroy any notes, analyses or reports generated by the Recipient to the extent any such notes, analyses or reports contain Confidential Information, and the Recipient shall certify such destruction within such ten (10) business day period.

6. **Rights and Ownership of Confidential Information.** Recipient acknowledges and agrees that as between the Parties, any Confidential Information is the sole and exclusive property of the Disclosing Party. Except as expressly herein provided, this Agreement shall not be construed as granting or conferring to either Party, either expressly or impliedly, any rights, licenses or interests in or with respect to any Confidential Information of the other Party, including any intellectual property or ownership rights. This Agreement shall also not create any exclusive business relationship or other rights or obligations between the Parties, nor require the Parties to enter into any other definitive business agreement. This Section 6 survives termination.

7. Competitive Information. Each of the Parties acknowledges and understands that the other Party may currently or in the future market or have under development products or services which are competitive with products or services now offered or which may be offered by the other Party, and, except as expressly set forth in this Agreement, the Parties' communications hereunder will not serve to impair the right of either Party to develop, make, use, procure or market products or services now or in the future which may be competitive with those offered by the other Party, nor require either Party to disclose any planning or other information to the other Party, provided that in no event may either Party use the Confidential Information of the other Party in pursuit thereof.

8. Term and Survival. This Agreement shall remain in effect until terminated by either Party upon ten (10) business days' written notice to the other Party ("**Term**"), provided however, the obligations of either Party under this Agreement with respect to any given information shall survive any termination of this Agreement until the information no longer qualifies as Confidential Information.

9. Warranties. The Disclosing Party represents that if the Confidential Information disclosed hereunder contains confidential or proprietary information of any third party, such third party has authorized the disclosure of such information pursuant to the terms hereof. No other warranties of any kind are made with respect to any information disclosed under this Agreement.

10. Notices. All notices under this Agreement must be made in writing and shall be deemed properly delivered when: (a) delivered personally, (b) sent by e-mail to the address below, delivery confirmation required, or (c) mailed by certified mail, postage prepaid or overnight delivery service to the address of the other Party set forth below, or (d) sent by facsimile (provided confirmation of delivery is obtained at the time of transmission). Notices shall be effective upon receipt.

Communications must be addressed to the Parties as follows:

If to Tantalus:
Peter A. Londa, President & CEO
Tantalus Systems Inc.
1130 Situs Court, Suite 230
Raleigh, NC 27606
Facsimile: (919) 900-8978
E-mail: legal_dept@tantalus.com

With copy to: Michael Grandis, Chief Legal & Administrative Officer
Tantalus Systems Inc.
140 Rowayton Avenue, 2nd Floor
Norwalk, Connecticut 06853
E-mail: mgrandis@tantalus.com

If to Company:
Windom City Administrator
PO Box 38
Windom, MN 56101
Facsimile: N/A
E-mail: steve.nasby@windommn.com

Unless expressly set out to the contrary herein, consent or approval that is explicitly required herein of a Party hereto will not be unreasonably delayed, withheld or withdrawn by it. Either Party may change the address for service by giving 15 days' advance written notice to the other Party.

11. Entire Agreement. This Agreement constitutes the sole and entire agreement between the Parties on the subject matter hereof, and supersedes and invalidates all other commitments, representations, warranties, conditions and understanding relating to the subject matter hereof.

12. Severability. Should any provision of this Agreement be held invalid, illegal or unenforceable for any reason, such provision shall be deemed restricted in application to the extent required to render it valid, and the remainder of this Agreement shall in no way be affected and shall remain valid and enforceable for all purposes. No modifications of this Agreement will be effective unless set forth in writing signed by both Parties.

13. Governing Law and Venue. This Agreement shall be governed and construed in accordance with the laws of the State of Minnesota (without giving effect to its conflict of law's provisions which would lead to the application of the laws of another jurisdiction). Except to the extent necessary to obtain jurisdiction over a third party, any legal action, suit or proceeding arising out of this Agreement shall be brought solely and exclusively in the United States District Court for the District of Minnesota, Second Division, and each Party irrevocably accepts and submits to the sole and exclusive jurisdiction of the tribunals in the United States District Court for the District of Minnesota, Second Division.

14. Successors and Assigns. Neither Party may assign this Agreement or any rights or obligations hereunder without the prior written consent of the other Party, and any attempted assignment in contravention with the foregoing shall be void. The rights and obligations of the Parties will inure to the benefit of, will be binding upon, and will be enforceable by the Parties and their permitted successors.

15. Non-Waiver. A waiver of any claim, demand or right based on the breach of any provision of this Agreement shall not be construed as a waiver of any other claim, demand or right based on a subsequent breach of the same or any other provision.

16. Injunctive Relief. The Recipient acknowledges and agrees that should it or any one of its Representatives threaten to breach or breach any provision of this Agreement, the Disclosing Party will suffer irreparable damages, and its remedy at law will be inadequate. Therefore, the Disclosing Party shall be entitled, in addition to all other remedies available to it at law or in equity, to seek equitable relief, including specific performance and injunctive relief, to enforce any provision hereof and to restrain the Recipient or its Representatives from using or disclosing, in whole or in part, directly or indirectly, any Confidential Information, without payment of a bond or other security.

17. Execution in Counterparts and by Facsimile. This Agreement may be executed in one or more counterparts, all of which shall be considered one and the same agreement and shall become effective when one or more counterparts have been signed by each of the Parties and delivered to the other Party. This Agreement may be executed and delivered electronically or by facsimile and the Parties agree that such facsimile or electronic execution and delivery shall have the same force and effect as delivery of an original document with original signatures, and that each Party may use such facsimile or electronic signatures as evidence of the execution and delivery of this Agreement by all Parties to the same extent that an original signature could be used.

IN WITNESS WHEREOF, this Agreement has been executed and delivered as of the Effective Date.

Tantalus Systems Inc.

By: ___________________________________
Name: Param Pawar
Title: VP, Finance
E-Mail: ppawar@tantalus.com

City of Windom MN

By: ___________________________________
Name: ________________________________
Title: ________________________________
E-Mail: ________________________________

SAMPLE SOW
TO BE MODIFIED AND MUTUALLY AGREED TO DURING CONTRACTING

Exhibit G
[FORM OF] STATEMENT OF WORK

This Statement of Work ("**SOW**") is an attachment to that certain Network System and Services Agreement ("**NSA**") dated as of «Contract_Start_Date» by and between Tantalus Systems Inc. ("**Tantalus**") and City of Windom MN ("**Customer**"). Tantalus shall provide the services and deliverables set forth in, and pursuant to the terms of the Agreement and this SOW, including subsequent modifications thereto. Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Agreement. In the event of a conflict between this SOW and the Agreement, the terms and conditions of this SOW shall prevail unless expressly stated to the contrary herein. This SOW is effective as of the latest signature date below.

1. Description of Deliverables

Click or tap here to enter text.

1.1 **Tantalus** will:

Click or tap here to enter text

1.2 **Customer** will:

Click or tap here to enter text

1.3 **Installation Partner** will:

Click or tap here to enter text.

2. Milestones.

The following represents sample milestones commonly seen in AMI deployments. Upon execution of the Agreement, a kickoff meeting will be scheduled, and Tantalus and the Customer will work collaboratively to develop a Final Network Design and Plan, including detailed milestones, specific to the Customer's deployment.

#	Milestones	Percentage of SV-1000 Payment Due
1	Project Setup/kickoff	Click or tap here to enter text.
2	Insight (HES) Installed	Click or tap here to enter text.
3	System Design Complete	Click or tap here to enter text.
4	Initial Training Session	Click or tap here to enter text.
5	System Integration	Click or tap here to enter text.
6	Equipment Deployment	Click or tap here to enter text.
7	Second Training	Click or tap here to enter text.
8	SAT	Click or tap here to enter text.
9	Project Complete	Click or tap here to enter text.

3. Validation and Acceptance Process for Project Deliverables (as required)

Validation will consist of running the incremental test cases and comparing them to the defined success criteria described in Attachment A – System Acceptance Test Plan.

Once a test has been successfully performed and signed off on the Attachment A-1 in the System Acceptance Test Record, it is considered complete.

Acceptance shall be deemed to have occurred at such time that the Customer and Tantalus have signed off on the Tantalus System Acceptance Test Certificate (Attachment A-2) indicating that the system acceptance tests have been completed and that all requirements of Acceptance were met. With respect to each applicable milestone, the parties agree to execute the applicable Tantalus System Acceptance Test Certificate promptly upon the relevant success criteria being met with respect to the applicable system acceptance tests performed as described herein and any failure of a party to execute such certificate shall constitute a breach of the Agreement.

4. Change Control.

It may become necessary to amend this SOW for reasons including, but not limited to, the following:

- Discretionary changes to the project schedule
- Discretionary changes to the project scope
- Non-availability of products, resources or services which are beyond the control of Tantalus or Customer.
- Environmental or architectural impediments not previously identified.
- Lack of access to personnel or facilities necessary to progress the project.

All requested contractual changes including requests for Additional Services shall be in writing pursuant to a Change Order when the change results in adjustments to affected provisions, including price, schedule, and guarantees prior to implementation of the change.

No Change Order shall be effective unless executed in writing by both Tantalus and the Customer. In the event that the Parties cannot agree on the cost of a Change Order or scope of schedule change within 15 business days the matter shall be submitted to mediation in accordance with the dispute resolution process set forth in this Agreement. During the pendency of any such Dispute, all parties shall remain obligated to perform under this Agreement during the pendency of the mediation.

Tantalus Systems Inc.		**City of Windom MN**	
By:	______________________	By:	______________________
Name:	______________________	Name:	______________________
Title:	______________________	Title:	______________________

This is a sample SAT which will be modified to meet the requirements of the proposed solution.

Attachment A

System Acceptance Test ("SAT")

This document outlines the following:

- The equipment needed to conduct a successful SAT;
- Pre-test requirements; and
- System specific SAT tests used to verify the functionality, accuracy and reliability of Tantalus' AMI System.

Network Equipment Requirements

At a minimum, the following Tantalus system components need to be installed for a successful SAT to take place:

- At least [# of meters] installed Tantalus electric endpoints will be required for this test. Of these [# of meters], at least [# of meters] will be new single-phase [METER MANUFACTURER NAME]. meters requiring the Tantalus [MODULE PRODUCT CODE].
- Tantalus shall use Customer's preexisting fiber, or a cellular modem added to Click or tap here to enter text to connect to the collector.
- Insight
- [# of Repeaters] LAN Repeater (TR-1901 or TR-1905)

Pre-Test Requirements

The following requirements must be met before this SAT can take place:

- All Tantalus equipment is to be setup according to design specifications as per Tantalus personnel.
- The location of at least one (1) Tantalus VersaComms Gateway (VC) IP-Based Network Collector needs to be finalized by City of Windom MN and approved by Tantalus. All equipment and ancillary items (antenna, cabling, grounding, etc.) needs to be in place and installed.
- An appropriate backhaul communication network must be established by City of Windom MN to the Network Controller that is reachable by Insight.
- The area containing the electric endpoints needs to be identified and the quantity of each meter type and all other necessary items need to be specified to Tantalus and the meter distributor.
- Purchase orders to Tantalus and the meter distributor need to be issued for all required items.

System Acceptance Tests

The following tests will be performed to verify the functionality of the Tantalus AMI system:

1. Network Operations, LAN, TC-1216, TC-1220-RD, PP-1316, and all Tantalus-equipped meters. Installation and Association

Objective:	Verify that Tantalus-equipped meters complete a normal network acquisition and provide the expected LED status indication from power up through to association with the NS.
Setup:	At the discretion of the customer, this test may either be done at selected consumer service locations or using a test meter socket in the customer's shop. Meters will be selected to test any meter form and at least one (1) IP-Based Collector.
Method:	This test will entail installing Tantalus-equipped LAN meters that are not connected to a Transceiver. 24 hours after installation, an operator will use the Network Administrator web interface of the Network Server to verify the association status of the Tantalus-equipped meter. By using the Network Admin → LAN Device Update Device screen, the operator can view the association status, including date and time of association and the reported hardware and firmware versions.
Success Criteria:	The Tantalus-equipped meter will associate with the network within 24 hours from the installation time.

2. Advanced Metering, Meter Activation

Objective:	Verify that newly installed meters begin delivering properly time stamped consumption data and power quality data at their set intervals within 24 hours after the installation.
Setup:	At the discretion of the customer, this test may either be done at selected consumer service locations or using a test meter socket in the customer's shop.
Method:	Delivery of periodic consumption readings may take up to 24 hours to be reported following initial meter installation/association. A new meter will be installed, and the meter serial number and time of installation noted. Up to 24 hours following installation, an operator, using Insight, will search for the meter serial number and verify that the meter is delivering consumption data by viewing the latest reading reported by the meter and the related consumption graph.
Success Criteria:	The meters must send the first consumption data and power quality data within 24 hours of the meter installation. The data must be time stamped with the correct system time.

3. On-Request Meter/ Consumption/Voltage Reading

Objective:	Verify that an operator can select any meter connected to Tantalus and request an immediate update of the meter reading, voltage and view the current reading.
Setup:	At the discretion of the customer, this test may either be done at selected consumer service locations or using a test meter socket in the customer's shop.
Method:	Using Insight, an operator will select one or more meters of each meter form from the test meter socket or, if field tested, field installed base of meters for each Transceiver type and request an updated reading from the selected meter(s) and then view the updated reading noting the updated timestamp on the consumption reading. The response time will be measured and recorded. If the customer chooses to test meter(s) in the field, A field worker will reside at the physical location of each meter tested and verify the readings viewed by the Insight operator.
Success Criteria:	The operator will view all the readings update from all the meters selected via Insight in less than 120 seconds from the time the request was submitted. Accuracy of the remote reading will be checked at the meter site during this test. If field tested, the operator would verify the reading with the field worker at the meters physical location and this test is satisfied for all transceivers installed.

4. Consumption and Voltage Profiles

Objective:	Verify that both the kWh readings and the voltage readings can be displayed in graphical form for any residential meter on any selected date and that kWh, kVARh (as applicable), and voltage readings can be displayed in graphical form for any commercial or industrial meter.
Setup:	At the discretion of the customer, this test may either be done using selected consumer service locations or using a test meter socket in the customer's shop. The meters used in this test must be in operation for at least 2 complete days before this test is conducted.
Method:	Using Insight, an operator will select one or more meters of each meter form from the installed base of test meters and view the graphed consumption, voltage readings, and kVARh (as applicable) readings. The graphs will be viewed for a minimum of two selected dates. If field meters are tested, meters will be chosen to test any Transceiver type installed.
Success Criteria:	The graphs display consumption and voltage for all 24 hours for residential meters. The graphs display kWh, kVARh (as applicable), and voltage for all 15-minute intervals (grouped hourly) in 24 hours for all commercial and Industrial meters of the selected days. All the graphed data accurately represents the consumption and voltage. During this process, the operator must be trained on how to change the meter interval and hence the graphed meter interval for all data above to 5 minutes for a commercial or industrial meter and 15 minutes for a residential meter.

5. Outage and Restoration Detection

Objective:	Verify that a Tantalus-equipped meter, not directly connected to a WAN transceiver, reports a power outage immediately on occurrence and reports power restoration immediately on occurrence.
Setup:	This test will entail simulating a power outage by turning off power to a Tantalus-equipped meter fitted to a test meter socket in the customer's shop and/or, if the customer so chooses, after the test this feature will be successfully demonstrated using a sample of installed meters of all forms at customer homes or businesses.
Method:	A clock or watch that will be used to track the times of outage and restoration must be synchronized to Tantalus. Using Insight, an operator will monitor the Event monitor window for power outage events. Power to the meters will be shut off and the time will be recorded. The operator will look for the respective outage event to appear in the Event monitor and record the time the event appeared and note the time stamp associated with the outage. The power to the meters shall be left off for at least 5 minutes to ensure the meter module's capacitors have fully discharged, then power will be restored, and the time of restoration will be recorded. The operator will look for the respective outage event to clear (i.e. power restoration) and record the time the event cleared and note the time stamp associated with the restoration. Multiple meters may be tested at the same time whether tested in the shop or in the field.
Success Criteria:	The outage event for all meters will appear within 2 minutes of occurrence and the restoration event (outage clearing) will occur within 10 minutes after the power has been restored to the meters. The time stamps of both events for a particular meter should match the recorded times of the respective power outage and restoration actions, within ± 1 second.

6. Reading of ERT Electric Meters

Objective:	Verify that a Tantalus system will report billing information for ERT Electric Meters.
Setup:	Authorize and Install Electric ERT devices on the network as per established Tantalus Guidelines. Verify discovery and reading of authorized electric ERT devices.
Method:	Manually export appropriate billing file and manually import into the MVRS and process to CIS.
Success Criteria:	Billing Read is successfully delivered for billing

7. Remote Disconnect and Reconnect of TC-1220-RD Enabled Meters

Objective:	Verify that a Tantalus enabled Itron remote disconnect meter will disconnect and reconnect the service on command.
Setup:	Use an Itron Centron II Remote Disconnect meter with the TC-1220-RD Tantalus Module to conduct this test. Meter should be setup in a controlled environment with power. Meter must be fully associated on the Tantalus system.
Method:	Through Tantalus Insight, look-up the test meter details and under the Remote Disconnect widget, send a “Get Status” command to the meter verify that it is currently in a power connected state and communicating. Proceed to select the “Disconnect” function on the remote disconnect meter. Through a live update, Tantalus will show the command being sent to the meter and a successful validation of the power being disconnected. A utility employee will be monitoring the meter, verifying that the relay did actuate, and that load side power is zero volts. After validation and 60 seconds or more from actuating the relay (allowing the relay circuit to recharge), through Tantalus Insight, the “Connect” or “Arm for Connect” functions can be selected. Through a live update, Tantalus will show the command being sent to the meter and a successful validation of the power being reconnected or that the armed state is active, allowing for the re-connect button on the meter to be enabled for the relay actuation. Utility can choose which function to test, connect or armed for connect, and take the appropriate action to connect back the server accordingly. Once connected, the utility employee will verify that the relay did actuate, and that power is once again supplied to the load side.
Success Criteria:	Remote Disconnect Meter will successfully disconnect and reconnect the load side power via Insight.

8. Events and Alarms

Objective:	Verify that (to the extent practical) meter events and alarms provided by the meters supported by TRUConnect can be retrieved and reported.
Setup:	At the discretion of the customer, this test may either be done at selected consumer service locations using live meters or a test meter socket in the customer’s shop or some combination of both.
Method:	Using Tantalus Insight, an operator will create conditions on the test bench at the meter shop to simulate events and alarms (to the extent practical) the meter is capable of generating.
Success Criteria:	Events and alarms can be generated and observed in Insight.

At the discretion of the customer, any of the above tests may be repeated. Once a test has been successfully performed and every required test (not just one particular test) has been signed off in the Tantalus SAT record (Appendix A), it will be considered complete. The term test should not be misconstrued to be a one-time occurrence. The system should perform to the test level 90% of the time. Therefore, Tantalus cannot continue to try to pass a test until it does and construe this performance as passing any of the tests performed unless there is a technically reason the test could not be successfully performed (e.g. device under test not connected).

Upon signing off all tests in the Tantalus SAT record, Customer and Tantalus will sign the Tantalus System Acceptance Test Certificate (Appendix B) indicating that the system acceptance tests have been completed and that all requirements for a successful deployment were met and all tests passed.

Note: Production acquisition and full deployment of meters and supporting equipment are dependent upon successful SAT completion and acceptance by the Customer.

Tantalus Test #	Description	Date Tested	Pass / Fail	Notes	Initials
1	Network Operations, Installation, & Association				
2	Advanced Metering, Meter Activation				
3	On-Request Meter Consumption & Voltage Reading				
4	Consumption and Voltage Profiles				
5	Outage and Restoration Detection				
6	Reading of ERT Electric Meters				
7	Remote Disconnect and Reconnect of TC-1220-RD Enabled Meters				
8	Events and Alarms				

System Acceptance Test Certificate
between Tantalus Systems Inc.
and
City of Windom MN

Pursuant to the Tantalus System Acceptance Test Plan, as mutually agreed to between Tantalus Systems Inc. and City of Windom MN**, t**his certificate recognizes that on [ACCEPTANCE DATE], the complete set of system acceptance tests have passed and that the commissioned system has been accepted.

[ACCEPTANCE DATE]

Tantalus Systems Inc.	**City of Windom MN** Customer
Signature	Signature
Name	Name
Title	Title
Date	Date

ACTION ITEM

CITY OF WINDOM
444 9th Street
Windom, MN 56101
Phone: 507-831-6129
Fax: 507-831-6127
www.windom-mn.com

TO: City Council SGS
FROM: City Administrator and City Attorney
DATE: June 18, 2025
RE: Engagement of Bankruptcy Attorney – Hylife Foods
DEPT: Legal
CONTACT: Ron Schramel: Schramellaw@windomnet.com or Steve Nasby: Steve.Nasby@windommn.com

Recommendations/Options/Action Requested

City Attorney and City Administrator recommends that the City Council take the following action:

1. The City Council engage Benesch Frielander Coplan & Aronoff LLP as attorneys of record to represent the City of Windom vs Hylife Foods Inc Secured Creditors.

Issue Summary/Background

In April 2023 Hylife Foods Incorporated filed for bankruptcy protection. Part of the court order required the City of Windom to continue to provide utilities to the company while the case was pending. The City complied and continued the provision of utilities and was partially paid for those utilities during the bankruptcy. Due to the City continuing to provide the utility service, it placed the City's claims for utility payments into a "preferred" status with the Bankruptcy Court, and as such, the City got some past utility bills paid through the Bankruptcy Court.

The secured creditors have filed an action in a Delaware court, where the bankruptcy was filed, to recover monies from all the "preferred" vendors which included the City of Windom. Under the applicable laws the secured creditors can sue for up to 90 days of payments made by Hylife Foods. For the City this amounts to approximately $750,000. The City Attorney has reviewed the legal filings, but is not licensed to practice law in Delaware and is recommending that the City hire a expert in Bankruptcy law. The City Administrator and City Attorney contacted the League of Minnesota Cities for advice\recommendations and also contacted a company in Windom that is also being sued within this same action. Our recommendation is to engage Benesch Frielander Coplan & Aronoff LLP to represent the City. This firm will require a $5,000 retainer and compensation is shown within the engagement letter.

Fiscal Impact

If the City does not answer the law suit by the secured creditors it risks $750,000 in utility payments made by Hylife Foods and\or Bankruptcy Court. The cost of defending the City will be substantially less and likely to be in the $10,000 to $40,000 range.

Attachments

1. Engagement letter Benesch Frielander Coplan & Aronoff LLP.

Benesch

Kevin M. Capuzzi
1313 North Market Street, Suite 1201
Wilmington, Delaware 19801-6101
Direct Dial: 302.442.7063
Fax: 302.442.7012
kcapuzzi@beneschlaw.com

June 13, 2025

VIA EMAIL
City of Windom Utilities Commission
c/o Ronald J. Schramel
P. O. Box 505
910 4th Avenue, MN 56101

Re: Engagement of Benesch, Friedlander, Coplan & Aronoff LLP

Dear Mr. Schramel:

Benesch, Friedlander, Coplan & Aronoff LLP is pleased to represent the City of Windom Utilities Commission as legal counsel in connection with the action in the Tritek International, Inc. bankruptcy, which action is captioned 25-50565-TMH (the "Case"), currently pending in the United States Bankruptcy Court for the District of Delaware. Please note that our engagement does not include any tax advice or tax analysis, which we understand will be handled by other professionals.

Our current billing rates for those attorneys we presently expect to work on your matter range from $450.00 an hour for the most junior associate to $940.00 an hour for the most senior partner. In an effort to reduce overall legal costs, we utilize paralegal personnel whenever appropriate. Time devoted by such paralegal personnel to client matters is currently charged at a billing rate of $410.00 per hour. The primary timekeepers on the Case are expected to be Kevin Capuzzi (Partner, $785 per hour), Jared Hoffman (Associate, $450 per hour), and LouAnne Molinaro (Paralegal, $410 per hour).

Additionally, we request a retainer in the amount of $5,000.00 to secure retention of our services. The retainer can be paid by check made payable to Benesch Friedlander Coplan & Aronoff LLP or by wire transfer. The retainer amount will remain in our account to be paid against our final invoice for our fees and expenses for the above matter, at which time any excess amount will be returned to you promptly. We reserve the right, however, to apply the retainer or any part of the retainer to our fees and expenses at any time or times. In such case, you will replenish the retainer to its original amount.

You have engaged the Firm to represent you in the Case. Please be advised that the Firm may undertake in the future to represent other similarly situated creditors in the same bankruptcy proceeding. Since your interests are similarly situated, our representation of you is not adverse to such other creditors and does not create a material limitation on our ability to represent any of you effectively. To that extent, you agree that we may undertake in the future to represent other similarly situated creditors in this bankruptcy proceeding.

This letter contains the terms and conditions under which you are engaging the Firm to provide legal services. As set forth within the accompanying Terms and Conditions, this Engagement Letters applies to the matter described herein and to all other matters for which you engage our services unless a new Engagement Letter is entered into between us. Please confirm your acceptance of its terms within ten days after the date of this letter by signing this letter and returning the copy by U.S. mail, facsimile, or email.

Your use of our Firm's services for any of your legal needs at any point in time shall constitute full acceptance by you of the terms of this Engagement Letter and accompanying Terms and Conditions.

If you have any questions about, or if you do not agree with one or more of the Terms and Conditions, please communicate with your principal contact at the Firm so that we can try to address your concerns. Thank you.

We look forward to a mutually beneficial relationship.

Sincerely,

BENESCH, FRIEDLANDER,
COPLAN & ARONOFF LLP

Kevin M. Capuzzi, Partner

The engagement agreement, including the Terms and Conditions, is hereby accepted.

City of Windom Utilities Commission

By:______________________________ Date: _______________________, 2025
NAME:
TITLE:

BENESCH, FRIEDLANDER, COPLAN & ARONOFF LLP
TERMS AND CONDITIONS OF ENGAGEMENT

This document contains the terms and conditions (the "Terms and Conditions") under which you are engaging Benesch, Friedlander, Coplan & Aronoff LLP to provide legal services. The Terms and Conditions apply to all matters for which you might now or in the future request our assistance and as to which we agree, unless, of course, you and we agree to revised Terms and Conditions regarding this or any other matter for which you engage us.

Communications and Confidentiality

The Firm will keep you informed of the status of the matter or matters for which you are engaging us and we will consult with you when we believe it necessary or appropriate. You understand and agree that, in order for us to represent you effectively, it is necessary for you to assist and cooperate with us during this engagement. You agree to be available to discuss issues as they arise, to attend in person or by conference call and participate in meetings and other activities in connection with our representation, and to provide complete and accurate information and documents to us on a timely basis. Your non-cooperation will be grounds for the Firm's withdrawal from representing you, and thus, it is essential that we maintain open communications.

We will use high-tech communication devices such as cellular telephones, the Internet, unencrypted e-mail and fax machines, unless you instruct us not to use one or more of these devices, generally or in specific instances.

The Firm's privacy policy may be furnished to you upon your written request.

Whom Do We Represent?

Unless expressly stated in our letter, or unless otherwise required by law, our representation does not extend to any of your affiliates and we do not assume any duties with respect to your affiliates. The word "affiliates" includes parent, entities, subsidiaries, sister corporations, partnerships in which you are a partner, your partners, any entities in which you own an interest, or your owners, employees, officers, directors, members, trustees, shareholders, or, if you are an individual, your spouse, children or other relatives. If you are a governmental entity, our representation does not extend to other governmental entities or agencies, departments, bureaus or boards. No one except you is entitled to rely on any advice or other communication we give to you, unless we otherwise mutually agree, in writing.

Conflicts of Interest

We represent and have represented many clients over the years on a variety of legal matters. As a result, you possibly may find yourself in a position adverse to another of our clients in litigation, business negotiations, or some other legal matter in which we do not represent you and which is unrelated to this engagement. Accordingly, we include the following:

You agree that we may continue to represent or may undertake in the future to represent existing or new clients in any matter that is not substantially related to our work for you, even if the interests of such clients in those other matters are directly adverse to your interests. We agree, however, that your prospective consent to conflicting representation contained in the preceding sentence shall not apply in any instance where, as a result of our representation of you, we have obtained proprietary or other confidential information of a non-public nature, that, if known to such other client, could be used in any such other matter by such client to your material disadvantage. In similar engagement agreements with a number of our other clients, we have asked for similar agreements to preserve our ability to represent you.

Our Fees

Statements generally are rendered on a monthly basis for legal services rendered during the previous month. We assign hourly rates for each member of our legal staff based on years of experience, areas of expertise and level of professional attainment.

We will use our discretion in staffing in order to provide proper legal representation. Billing rates for both attorneys and paralegal personnel are, from time to time, reviewed and adjusted on a firm-wide basis and may change during the course of our engagement. Our time charges are based on one-tenth (.10) hour increments.

Payment to the Firm is expected upon receipt of our statement. A 1.5% monthly fee will be assessed for any delinquent bills over 60 days old. If at any time during our relationship you find that you are unable to meet the payment arrangement, we urge you to contact us immediately.

Charges for Expenses

In addition to fees, our statements will include charges for expenses, including but not limited to travel (transportation, lodging and meals), computerized legal research, messenger and courier services, and filing fees. In general, such expenses are billed to you to reflect our direct out-of-pocket expense. Certain of these expenses may include a surcharge reflecting overhead, as well as other factors. Often, however, certain client charges of particular magnitude, such as court reporter fees, costs incurred in compliance with electronic discovery, expert witnesses, consultants, major travel expenses, and title examinations, necessitate direct payment by the client. In these situations, you will be billed directly on our instructions to the providers or we will send the provider's statement to you for direct payment. Please be further advised that the Firm utilizes Everlaw for our eDiscovery needs. Everlaw is a cloud-based document review and production platform with monthly fees scaled to the volume of documents hosted. If Everlaw is used on your behalf, your statement will include corresponding fees.

Payment Obligations

You acknowledge that the law provides us with an attorneys' lien on any judgment, decree, or award that we may obtain for you, but only to the extent of any proceeds therefrom and only in an amount sufficient to pay our fees and other charges related to our obtaining the judgment, decree, or award. However, you also acknowledge that, whether or not there are any proceeds resulting from such judgment, decree, or award, you nevertheless are obligated to pay our fees and other charges for our services in the matter, unless we have agreed otherwise in writing.

Generative Artificial Intelligence

It is the Firm's policy that lawyers and staff are prohibited from using general and public-facing generative AI programs—which are those not built specifically for attorneys or legal service providers and include, for example, ChatGPT, Google Bard, Meta LLaMA, Microsoft Bing, Jasper, AI-Writer and Lex—to create work product for you. Firm attorneys and staff, may, however, use legal-specific AI tools to create work product for you where access to those tools is provided or enabled by the Firm, such as Westlaw Precision, Lexis+, Casetext Co-Counsel, Generative AI Federal and State Court Rules Tracker, and Artificial Intelligence Legislation Tracker. To that extent, Firm attorneys and staff will utilize legal-specific AI tools as they see fit during the course of your engagement.

Termination of Representation

Our relationship may be terminated by either of us by giving written notice to the other party. If you terminate this representation at any time, you will have the obligation to pay any outstanding and final billing from us. We may withdraw from this representation at any time consistent with applicable rules of ethical conduct, on reasonable notice, without your consent. Our withdrawal may be based upon, but is not limited to: (a) your failure to cooperate with us as provided above; (b) your failure to pay any of our bills when due; (c) any fact or circumstance that would render our continuing representation unlawful or unethical; (d) your failure to follow our advice; or (e) when we have reached an irreconcilable difference of views on the handling of your matter(s). Any termination by us of our representation will be subject to such approval as may be required from any court or other body before which we may be appearing on your behalf.

In the event of termination of our relationship, you agree that you will take all necessary steps to free us of any obligation to perform further, including the execution of any documents necessary or reasonably requested to complete our withdrawal.

Unless previously terminated by the completion of our services or otherwise, our representation will terminate no later than the date of our final statement for services and expenses for the particular matter. If you later retain us to perform further or additional services, our attorney-client relationship will commence again, subject to our original engagement agreement, unless we change its terms, in writing, at that time.

After termination of our attorney-client relationship regarding any particular matter, changes may occur in applicable laws that could impact your future rights and liabilities. Unless you actually engage us, in writing, to provide additional advice on issues arising from that matter after its completion, we will have no continuing obligation to advise you with respect to future legal developments.

Client Files

When we no longer represent you in a matter, or at your request at any time during the course of our representation, we will take steps, to the extent reasonably practicable, to promptly deliver to you or to whomever you designate, in writing, copies of all external correspondence, pleadings, deposition transcripts, exhibits, physical evidence, expert reports, and other items reasonably necessary to your representation. If you choose not to have your files sent to you, under our Firm's current Records Retention Policy and Records Retention Schedule, we destroy client files at the end of the seven year retention period outlined on our Retention Schedule.

Entire Agreement

The engagement agreement represented by the Terms and Conditions and the accompanying letter supersedes all prior or other contemporaneous written or oral agreements and understandings between us and constitutes the entire agreement between us. The engagement agreement may be modified only in a writing signed by you and by us. You acknowledge that no promises have been made to you other than those contained in the engagement agreement.

Governing Law

Unless otherwise specified in the accompanying letter, all questions arising under this engagement agreement or concerning rights and duties between us will be governed by the law of the jurisdiction in which the Benesch attorney sending you this engagement agreement principally practices, excluding choice of law provisions that might select the law of a different jurisdiction. If any provision of the engagement agreement is held by any court or tribunal to be unenforceable, the remainder of the engagement agreement shall not be affected thereby and shall be enforced.

Arbitration

Any controversy or claim arising out of or relating to this contract, or the breach thereof, shall be settled by arbitration administered by the American Arbitration Association in accordance with its Commercial [or other] Arbitration Rules, and judgment on the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof.

You acknowledge that you have sought advice from other legal counsel prior to agreeing to arbitration.

Miscellaneous

You understand, of course, that we cannot guarantee the outcome of any aspect of this or any other matter as to which we may represent you. Our services and advice will be based on the law at the time of such services and advice and on the extent of our actual knowledge of the applicable facts.

ACTION ITEM

CITY OF WINDOM
444 9th Street
Windom, MN 56101
Phone: 507-831-6129
Fax: 507-831-6127
www.windom-mn.com

TO: City Council
FROM: City Administrator
DATE: June 20, 2025
RE: Premium Iowa Pork – Business Assistance Grant\Loan
DEPT: Economic Development Authority
CONTACT: Steve Nasby, City Administrator: Steve.Nasby@windommn.com

Recommendations/Options/Action Requested

The Economic Development Authority Board recommends that the City Council take the following action:

1. Approval of the Business Subsidy Agreement and Grant\Loan documents for $1,000,000 of assistance to Premium Iowa Pork for the creation of jobs.

Issue Summary/Background

The City of Windom received a $13 million grant from the State of Minnesota (via DEED) to help the community recover from the Hylife Foods bankruptcy and loss of jobs. Part of the State Special Appropriation was $1 million to secure a new business for the former Hylife Foods plant.

Premium Iowa Pork purchased the plant and equipment through the Bankruptcy court and has spent nearly a year on renovations for the facility and installing new equipment. The renovations and new equipment was needed to convert the facility from a slaughtering facility to a food processing facility. The State grant funds will be used to secure full-time jobs at Premium Iowa Pork through a $500,000 forgivable grant and $500,000 low interest loan that will be repaid to the City over five years.

Additionally, there was an existing Tax Increment Financing (TIF) agreement on this property dating back to 2004/05 which has been in effect for the various owners of the facility. This TIF will end in 2027/28. Due to the State funds and the TIF a Business Subsidy Agreement is

The Economic Development Authority Board reviewed the Grant\Loan and Business Subsidy Agreement at their June 9, 2025 meeting and are recommending approval. Premium Iowa Pork is also reviewing the documents and there maybe some minor revisions to the documents but the terms of the TIF and grant\loan will remain the same.

Fiscal Impact

Funds provided to Premium Iowa Pork will be drawn from the State, so there is no impact to the City's budget. Starting in 2026 there will be a repayment to the City of Windom of the loan funds.

Attachments

1. Business Subsidy Agreement, Grant\Loan Agreement, Promissory Note and Security Agreement.

CITY OF WINDOM, MINNESOTA
PUBLIC HEARING NOTICE

Notice is hereby given that the City Council of the City of Windom (the "City Council") will hold a public hearing, pursuant to Minnesota law, to consider awarding a business subsidy to Premium Iowa Pork, LLC ("PIP LLC") in the form of tax increment from Tax Increment Financing District No. 1-12 (TIF 1-12) and also in the form of a grant and loan from 2023 Special Appropriation Funds received by the City ("State Appropriation"), pursuant to Minnesota Statutes Sections 116J.993 through 116J.995.

TIF 1-12 was established on May 2, 2000, and includes property which is located at 2850 Highway 60 East. Pursuant to the redevelopment agreement, tax increment would be paid to PIP LLC from property taxes it pays on this property.

The City of Windom was awarded a State Appropriation following closure of the HyLife pork plant. A portion of this appropriation was allocated for expenses related to recruitment efforts to locate a purchaser (job creation) for the property. This recruitment allocation would be used to reimburse PIP LLC for purchase of equipment needed for job creation on the property. Half of these funds would be forgivable and half would be repayable to the City.

The granting of a business subsidy to PIP LLC in the form of TIF assistance and the recruitment allocation are in an amount greater than $150,000 and are subject to business subsidy laws and require a public hearing.

The public hearing will be held in the City Council Chambers at City Hall, 444 Ninth Street, Windom, Minnesota, on Tuesday, June 24, 2025, during the special City Council Meeting which begins at 5:00 p.m.

Members of the public may review a copy of the proposed business subsidy agreement and supporting documentation, prior to the public hearing, at the EDA Office in the Windom City Hall at 444 9th Street.

At the public hearing, all interested parties may appear and express their comments, either orally or in writing, for consideration by the City Council. Following the public hearing, the City Council will take action concerning the adoption or rejection of the proposed business subsidy.

<u>Notice of Right to File Complaint</u>. Pursuant to Minnesota Statutes Section 116J.994, Subd. 5(f), a person with residence in or the owner of taxable property in the granting jurisdiction may file a written complaint with the grantor of a business subsidy if the grantor fails to comply with Sections 116J.993 to 116J.995 of Minnesota Statutes, and that no action may be filed against the grantor of a business subsidy for the failure to comply unless a written complaint is filed.

BY ORDER OF THE WINDOM CITY COUNCIL
Steven Nasby, City Administrator
444 9th Street, P. O. Box 38
Windom, MN 56101
Phone: 507-831-6129

Published: June 11, 2025 (COTTONWOOD COUNTY CITIZEN)

<u>BUSINESS SUBSIDY AGREEMENT</u>

THIS AGREEMENT, is made on or as of the ______ day of <u>June</u>, 2025, by and between the CITY OF WINDOM, MINNESOTA, a home rule charter city under the laws of the State of Minnesota, (hereinafter referred to as the "CITY"), and having its principal office at City Hall, 444 Ninth Street, P. O. Box 38, Windom, Minnesota 56101, and PREMIUM IOWA PORK, LLC, an Iowa limited liability company, (hereinafter referred to as "PREMIUM IOWA PORK") whose home office address is 108 First Avenue South, P. O. Box 188, Hospers, Iowa 51238. The local plant site address is 2850 Highway 60, Windom, Minnesota 56101.

WITNESSETH:

WHEREAS, in May of 2000, the City Council established Tax Increment Financing (TIF) District 1-12 covering real property and improvements ("property") owned by PM Beef Holdings, L.L.C. ("PM Beef") located at 2850 Highway 60 East; and

WHEREAS, on September 6, 2002, the Economic Development Authority of Windom ("EDA") (on behalf of the EDA and the CITY) entered into a Contract for Private Redevelopment ("Contract") with PM Beef. This Contract and the attached Tax Increment Note ("Contract") provided for annual tax increment payments to PM Beef with an anticipated final payment not later than February 1, 2028; and

WHEREAS, said property was subsequently sold to Prime Pork LLC;

WHEREAS, HyLife Foods Windom, LLC ("HyLife") became the primary stockholder of Prime Pork LLC, paid the property taxes, and received the annual tax increment payments under the Contract; and

WHEREAS, in 2023 HyLife filed bankruptcy and the property was subsequently sold to Premium Iowa Pork, LLC, an Iowa limited liability company; and

WHEREAS, in the Spring of 2023, the Minnesota Legislature and Minnesota Governor approved a special appropriation to the CITY which was later documented in Grant Contract Agreement SPAP-23-0019-P-FY24 between the State of Minnesota, acting through the Minnesota

Department of Employment and Economic Development ("DEED"), and the CITY. This special appropriation included an allocation of One Million Dollars ("$1M") for expenses related to recruitment efforts to locate or secure a purchaser of the property ("recruitment allocation"); and

WHEREAS, PREMIUM IOWA PORK has purchased equipment needed for job creation on the property and use of the recruitment allocation for these expenses has been approved by DEED Representatives; and

WHEREAS, the CITY proposes to provide a business subsidy to PREMIUM IOWA PORK in the form of tax increment from TIF 1-12 for the remaining term of this TIF district and also a grant/loan of the recruitment allocation in the amount of $1M as reimbursement for the purchase of eligible equipment which loan shall be one-half forgivable and one-half repayable if PREMIUM IOWA PORK complies with the requirements of said loan as set forth in the Loan Documents as defined herein; and

WHEREAS, Minnesota Statutes, Sections 116J.993 to 116J.995, provides that a government agency that provides financial assistance for certain purposes must enter into a business subsidy agreement setting forth goals to be met and the financial obligations of the recipient of the assistance if the goals are not met.

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

ARTICLE I

Definitions

Section 1.1. Definitions. In this Agreement, unless a different meaning clearly appears from the context:

"Act" means Minnesota Statutes, Sections 116J.993-.995.

"Agreement" means this Agreement as the same may be from time to time modified, amended, or supplemented.

"Benefit" means one or more of the following non-mandated compensation items paid by PREMIUM IOWA PORK on behalf of employees: health, dental, life and disability insurance, retirement program or profit-sharing.

"Benefit Date" means July 1, 2025, as this is the date the equipment financed by the recruitment allocation is fully operational.

"CITY" means the City of Windom, Minnesota.

"Contract" means the Contract for Private Redevelopment between the EDA and PM Beef dated as of September 6, 2002, and the accompanying tax increment note between the parties. Said documents are incorporated herein and made a part hereof by reference.

"DEED" means the Minnesota Department of Employment and Economic Development.

"Improvements" means the construction activities that PM Beef undertook pursuant to the Contract.

"Loan Agreement" means the loan documents associated with the recruitment allocation and proposed loan by the CITY to PREMIUM IOWA PORK and includes the Loan Agreement, Promissory Note, and Security Agreement to be entered into between the CITY and PREMIUM IOWA PORK upon approval of the proposed business subsidy. Said documents are incorporated herein and made a part hereof by reference.

"Property" means the real property and improvements described as such in the Contract.

"State" means the State of Minnesota.

"Subsidy" means the sum of all payments made by the CITY under the Contract and under this Business Subsidy Agreement.

ARTICLE II

Job and Wage Goals; Required Provisions

Section 2.1 Employment and Wage Requirements. The CITY held a public hearing on the granting of the Subsidy. Following such hearing, the CITY has determined that PREMIUM IOWA PORK shall be required to create at least seventy (70) new permanent, non-contract, non-seasonal FTE jobs at the property by July 1, 2027, and further that the new jobs must pay a base cash wage of at least $17.00 per hour (including Benefits).

Section 2.2 Reports. PREMIUM IOWA PORK agrees that it will provide to the CITY and any other authorized agency all reports required by the Act. Such reports shall be submitted at the times required by the Act. Specifically, PREMIUM IOWA PORK must submit to the CITY a written report regarding business subsidy goals and results by no later than July 31st of each year, commencing on July 31, 2026, and continuing until the later of (i) the date the goals stated in Section 2.1 are met; (ii) 30 days after expiration of the five-year period described in Section 2.3; or (iii) if the goals are not met, the date the subsidy is repaid in accordance with Section 4.2. The report must comply with Section 116J.994, Subdivision 7, of the Business Subsidy Act. The CITY will provide information to PREMIUM IOWA PORK regarding the required forms. If PREMIUM IOWA PORK fails to timely file any report required under this Section, the City will mail PREMIUM IOWA PORK a notice within one week after the required filing date. If, after 14 days of the postmarked date of the notice, PREMIUM IOWA PORK fails to provide a report, PREMIUM IOWA PORK must pay to the CITY a penalty of $100 for each subsequent week until the report is filed. The maximum aggregate penalty payable under this Section is $1,000.

Section 2.3 Continuing Operation. PREMIUM IOWA PORK agrees that it will continuously operate or cause to be continuously operated the property as a pork processing facility for a period of at least five (5) years from the Benefit Date.

Section 2.4 Required Provisions. The following provisions are required by the Act:

(a) By providing the Subsidy to PREMIUM IOWA PORK, the CITY is seeking to accomplish the public purposes of encouraging the reuse of property that is currently underutilized, expanding the tax base of the CITY and State, facilitating a major employer's operations in the CITY, and to increase net jobs in the CITY.

(b) The CITY has determined that the Subsidy is necessary because the cost of equipment makes the project economically infeasible without the provision of the Subsidy.

(c) The following is a list of all financial assistance from all other state or local government agencies: None.

(d) The Subsidy is being provided using tax increment from the CITY's Tax Increment Financing District 1-12 (a redevelopment tax increment district) and a loan of recruitment allocation funds in the amount of $1M.

ARTICLE III

Loan of Recruitment Allocation

Section 3.1 Forgivable Portion of Recruitment Allocation. The forgivable portion shall be in the amount of Five Hundred Thousand Dollars and shall remain forgivable if PREMIUM IOWA PORK complies with the terms of the Grant/Loan Agreement and this Business Subsidy Agreement.

Section 3.2 Repayable Portion of Recruitment Allocation. The sum of Five Hundred Thousand Dollars ($500,000) shall be repayable over a five (5) year period in annual installments of One Hundred Thousand Dollars ($100,000). Said repayable portion shall accrue no interest and shall be paid on the 1st of July each year during the five (5) year period with the first payment commencing on July 1, 2026.

ARTICLE IV

Default

Section 4.1. Defaults Defined. It shall be a default under this Agreement if PREMIUM IOWA PORK fails to comply with any term or provision of this Agreement, and fails to cure such failure within thirty (30) days' written notice to PREMIUM IOWA PORK of the default, but only if the default has not been cured within said thirty (30) days.

Section 4.2. Remedies on Default. The parties agree that Five Hundred Thousand Dollars of the recruitment allocation is a forgivable loan, repayable only if PREMIUM IOWA PORK fails to fulfill its obligations under the terms set forth in the Loan Documents, all of which are incorporated herein and made a part hereof by reference. Upon the occurrence of a failure to continue operations under Section 2.3 of this Agreement, PREMIUM IOWA PORK shall repay to the CITY, upon written demand from the CITY, a "pro rata share" of the forgivable portion of the Recruitment Allocation, the unpaid balance of the repayable portion of the recruitment allocation, and interest on the said portions at the implicit price deflator for government consumption expenditures and gross investment for state and local governments, prepared by the Bureau of Economic Analysis of the United States Department of Commerce, for the 12-month period ending March 31st of the year prior to the year in which the payment from PREMIUM IOWA PORK is due accrued from the Benefit Date. The term "pro rata share" means percentages calculated as follows: Sixty (60) less the number of months of operation (where any month in which the facility is in operation for at least fifteen (15) days constitutes a month of operation), commencing on the Benefit Date and ending with the date PREMIUM IOWA PORK ceases operations as reasonably determined by the CITY, divided by 60.

Section 4.3 Costs of Enforcement. Whenever any default occurs under this Agreement and the CITY shall employ attorneys or incur other expenses for the collection of payments due or for the enforcement of performance or observance of any obligation or agreement on the part of PREMIUM IOWA PORK under this Agreement, PREMIUM IOWA PORK shall be liable to the CITY for the reasonable fees of such attorneys and such other expenses so incurred by the CITY.

ARTICLE V

Miscellaneous

Section 5.1. Provisions of Agreement Not Affected. This Agreement is not intended to modify or limit in any way the terms of the Contract concerning the TIF portion of the Subsidy or the Loan Documents concerning the recruitment allocation portion of the Subsidy.

Section 5.2. Titles of Articles and Sections. Any titles of the several parts, Articles, and Sections of the Agreement are inserted for convenience of reference only and shall be disregarded in construing or interpreting any of its provisions.

Section 5.3. Modifications. This Agreement may be modified solely through written amendments hereto executed by PREMIUM IOWA PORK and the CITY.

Section 5.4. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall constitute one and the same instrument.

Section 5.5. Judicial Interpretation. Should any provision of this Agreement require judicial interpretation, the Court interpreting or construing the same shall not apply a presumption that the terms hereof shall be more strictly construed against one party by reason of the rule of construction that a document is to be construed more strictly against the party who itself or through its agent or attorney prepared the same, it being agreed that the agents and attorneys of both parties have participated in the preparation hereof. The CITY and PREMIUM IOWA PORK agree that this Agreement is intended to satisfy the requirements of the Act, which is incorporated herein and made a part hereof by reference. In the event that any provision of this Agreement conflicts with the terms of the Act, the terms of the Act shall govern.

IN WITNESS WHEREOF, the CITY has caused this Agreement to be duly executed in its name and behalf and PREMIUM IOWA PORK has caused this Agreement to be duly executed in its name and behalf on or as of the date first above written.

CITY OF WINDOM, MINNESOTA

By______________________________________
Hilary Mathis, Mayor

By______________________________________
Steven Nasby, City Administrator

STATE OF MINNESOTA)
) SS.
COUNTY OF COTTONWOOD)

The foregoing instrument was acknowledged before me this ______ day of June, 2025, by Hilary Mathis, the Mayor of the City of Windom, Minnesota, a home rule charter city, on behalf of the City.

____
Notary Public

STATE OF MINNESOTA)
) SS.
COUNTY OF COTTONWOOD)

The foregoing instrument was acknowledged before me this ______ day of June, 2025, by Steven Nasby, the City Administrator of the City of Windom, Minnesota, a home rule charter city, on behalf of the City.

____
Notary Public

PREMIUM IOWA PORK, LLC

By____________________________________
Name:__________________________________
Title:___________________________________

By____________________________________
Name:__________________________________
Title:___________________________________

STATE OF __________________)
) SS.
COUNTY OF _________________)

The foregoing instrument was acknowledged before me this _____ day of _______, 2025, by ______________________, the _________________________ of Premium Iowa Pork, LLC, an Iowa limited liability company, on behalf of said Company.

____
Notary Public

STATE OF __________________)
) SS.
COUNTY OF _________________)

The foregoing instrument was acknowledged before me this _____ day of _______, 2025, by ______________________, the _________________________ of Premium Iowa Pork, LLC, an Iowa limited liability company, on behalf of said Company.

____
Notary Public

GRANT/LOAN AGREEMENT

THIS AGREEMENT (the "Loan Agreement") is made and entered into as of this ___ day of ____________, 2025, by and between the CITY OF WINDOM, MINNESOTA, a home rule charter city under the laws of the State of Minnesota, who address is 444 Ninth Street, P. O. Box 38, Windom, Minnesota 56101 ("CITY") (the "Lender") and PREMIUM IOWA PORK, LLC, an Iowa limited liability company, whose address is 108 First Avenue South, Hospers, Iowa 51238 (the "Borrower");

Recitals

1. The Lender has received funds from the Minnesota Department of Employment and Economic Development (DEED); and

2. Grant Contract Agreement Number SPAP-23-0019-P-FY24 (the "Grant Contract Agreement") between the Minnesota Department of Employment and Economic Development (the "State") and the Lender has been executed and requires that the Borrower provide sufficient funds to complete financing and agree to loan terms with the Lender regarding the Grant; and

3. The parties hereto agree to incorporate into this Loan Agreement by reference the Grant Application and Grant Contract Agreement; and

4. The work anticipated to be performed for the Borrower's Project is not geographically dependent. It therefore could have been located at any number of locations either within or outside of the State of Minnesota. The subsidy has been provided to enhance the financial attractiveness and financial feasibility of locating or retaining the Borrower's operations in the Jurisdiction, rather than at some other location.

5. Borrower and Lender wish to set forth the terms and conditions upon which Lender will make the Loan to Borrower and for the repayment thereof.

NOW THEREFORE, it is agreed by and between the parties hereto as follows:

ARTICLE 1
Definitions

Section 1.1. **Definitions**. In this Loan Agreement, unless a different meaning clearly appears from the context:

"Benefit Date" means July 1, 2025, the date equipment financed in this Agreement is expected to be fully operational.

"Benefit" is defined as one or more of the following non-mandated compensation items paid by the Borrower on behalf of employees: health, dental, life and disability insurance, retirement program or profit-sharing.

"City" means City of Windom, Minnesota.

"County" means Cottonwood County, Minnesota.

"Compliance Date" means the date that is two (2) years after the Benefit Date which is July 1, 2027.

"Development Property" means the real property described in Exhibit A attached.

"Effective Date" means June 1, 2025.

"Expiration Date" means three months after the Compliance Date as defined in the Grant Contract Agreement.

"Equipment" means the machinery & equipment purchased by the Borrower with the Loan Proceeds and described in Exhibit B attached.

"Full-Time Equivalent (FTE)" is one or more people working a sum of 2,080 hours in a calendar year, which includes paid time off.

"Grant Contract Agreement" means Minnesota Department of Employment and Economic Development Grant Contract Agreement # SPAP-23-0019-P-FY24.

"Initial Disbursement Date" means the date of the first disbursement of any Loan Proceeds by the Lender to the Borrower.

"Jurisdiction" means within the corporate boundaries of the Lender.

"Loan" means the funds loaned by the Lender to the Borrower pursuant to this Loan Agreement.

"Loan Documents" means this Loan Agreement, the Promissory Note and Security Agreement.

"Loan Proceeds" means the proceeds of the Loan disbursed to the Borrower pursuant to this Loan Agreement.

"Windom Grant" means the award of funds by the State to the Lender pursuant to the Grant Contract Agreement.

"New Jobs" means the new permanent, Full-Time Equivalent, non-contract, non-seasonal jobs to be created by the Borrower.

"Other Project Funds" means all funds required to complete the Project as defined in the Grant Application.

"Project" means the Borrower's Renovation of Windom Plant – funds used for blending equipment – 70 jobs.

"Promissory Note" means a legal document that represents the Borrower's promise to repay the Loan per a given payment schedule, in substantially the form set forth by the Lender.

"State" means the Minnesota Department of Employment and Economic Development.

"Security Agreement" means a legal document that represents the Borrower's granting to the Lender a security interest in the Collateral to secure repayment of the Loan, in substantially the form set forth by the Lender.

"**Termination Date**" means the date of the final payment made by the Borrower to the Lender under the terms of the Loan Agreement and Promissory Note or other events of termination of this Agreement as set forth herein.

ARTICLE 2
Loan, Use of Proceeds and Conditions of Repayment

Section 2.1. **Windom Loan/Funds**. The Lender agrees on the terms and subject to the conditions hereinafter set forth, to make a loan to the Borrower in an aggregate principal amount not to exceed $1,000,000.00 for the purchase of equipment needed for job creation. The obligation of the Borrower to repay the Loan shall be evidenced by the Promissory Note. The Borrower's obligations under this Loan Agreement are expressly contingent on the Lender's receipt of the Grant from the State in an amount adequate to make the Loan.

Section 2.2. **Non-State (Other) Project Funds.** The Borrower has secured a commitment for the private financing necessary to complete the Project, in a form and under conditions satisfactory to the State, Borrower and Lender.

(a) The Borrower shall commit not less than $600,000 of equity and not less than $1,400,000 of other private financing for the completion of the Project.

(b) Other Project Funds described in the Grant Application must be used at the same amount, for the same purposes and under the same terms, rates and conditions as specified unless written consent is received from the State prior to expenditure.

Section 2.3. **Loan Terms.**

(a) Up to $500,000.00 of the Loan principal will be forgiven by the Lender upon satisfaction by the Borrower of the terms of this Loan Agreement. In the event a portion of the Loan is not forgiven, the Loan shall be repayable as set forth in Section 8.2 of this Loan Agreement. Forgiveness will be available after the repayable portion has been disbursed.

(b) The repayable portion of the Loan, $500,000.00 shall bear interest at a rate of **Zero** percent (0%) per annum. Interest shall begin to accrue as of the Initial Disbursement Date.

(c) The term of the Loan shall be five years with annual payments of $100,000.00 to be made to the Lender on or before the 1st day of July each year commencing with the first payment on July 1, 2026.

(d) These loan terms may not be modified without prior written approval from the City .

Section 2.4. **Early Repayment.** The Promissory Note may be prepaid in whole or in part at any time without penalty. A prepayment shall first be applied against accrued interest (if any), and then against any outstanding and past due payments which are due and owing hereunder or under the Loan Agreement, and then the remaining portion of such prepayment shall be applied against the remaining outstanding and unpaid principal balance.

Section 2.5. **Maintenance and Operation of the Project.** As long as any portion of the Loan is still outstanding, Borrower shall maintain and operate the Project and use the Loan Proceeds in compliance with the terms of this Loan Agreement, and all applicable federal, state and local laws, regulations and ordinances, including but not limited to all environmental laws and regulations.

Article 3
Conditions of Lending

Section 3.1. **Condition Precedent to Any Advance.** The obligation of the Lender to close the Loan and disburse the Loan Proceeds thereof to Borrower shall, subject to waiver by the State, be subject to the condition precedent that the Lender shall have received on or before the date of such closing the Promissory Note duly executed by the Borrower. The Borrower shall provide identifying information for the equipment prior to disbursement of the Loan Proceeds in accordance with Section 9.3 hereof.

Section 3.2. **Further Conditions Precedent to Disbursement.** The obligation of the Lender to disburse the Loan Proceeds shall also be subject to the following conditions precedent:

(a) The Loan which is being made to the Borrower shall be consistent with the provisions as stated herein or within the Business Subsidy Agreement.

(b) No Event of Default hereunder or event which would constitute such an Event of Default but for the requirement that notice be given or that a period of grace or time elapse, shall have occurred and be continuing.

Section 3.3. **Disbursement and Deposit of Loan Proceeds.** Upon the execution of this Loan Agreement and the satisfaction of all of the conditions specified in Article 6, the Lender shall disburse the full Loan Proceeds to the Borrower.

Section 3.4. **Termination.** This Loan Agreement shall automatically terminate without any notice to Borrower:

(a) If no Loan Proceeds have been disbursed to the Borrower prior to the Expiration Date; or

(b) If the Borrower fails to pay its debts as they become due, makes an assignment for the benefit of its creditors, admits in writing its inability to pay its debts as they become due, files a petition under any chapter of the Federal Bankruptcy Code or any similar law, state or federal, now or hereafter existing, becomes "insolvent" as that term is generally defined under the Federal Bankruptcy Code, files an answer admitting insolvency or inability to pay its debts as they become due in any involuntary bankruptcy case commenced against it, or fails to obtain a dismissal of such case within sixty (60) days after its commencement or convert the case from one chapter of the Federal Bankruptcy Code to another chapter, or is the subject of an order for relief in such bankruptcy case, or is adjudged a bankrupt or insolvent, or has a custodian, trustee, or receiver appointed for it, or has any court take jurisdiction of its property, or any part thereof, in any proceeding for the purpose of reorganization, arrangement, dissolution, or liquidation, and such custodian, trustee, or receiver is not discharged, or such jurisdiction is not relinquished, vacated, or stayed within sixty (60) days of the appointment.

ARTICLE 4
Acknowledgments, Incorporation, Representations, and Warranties

Section 4.1. **Acknowledgments/Incorporation.**

(a) The Borrower acknowledges that the Lender, in order to obtain funds for part of the Borrower's activities in connection with the Project, has received State funds through the Department of Employment and Economic Development (DEED), and that the Lender has entered into the Grant Contract Agreement with the State attached as Exhibit C, setting forth the terms, conditions, and requirements of the Grant\Loan. The Borrower further acknowledges that it has made certain representations and statements in the Grant Application concerning its activities relating to the Project, and that the Borrower is designated and identified under the Grant Contract Agreement.

(b) Under the Grant Contract Agreement, the Lender has undertaken certain obligations with respect to, and among other things, repayment to the State of the Loan Proceeds in the event certain conditions are not met. A copy of the Grant Contract Agreement and this Loan Agreement shall be on file in the offices of the Lender. In the event any provision of this Loan Agreement relating to the Borrower's obligations hereunder is inconsistent with the provisions of the Grant Contract Agreement relating to the Borrower's activities thereunder, the provisions of the Grant Contract Agreement shall prevail.

(c) The Borrower acknowledges that nothing contained in the Grant Contract Agreement or this Loan Agreement, nor any act of the State or the Lender, shall be deemed or construed to create between the State and the Borrower (or, except as Borrower and Lender between the Lender and the Borrower) any relationship, including but not limited to that of third party beneficiary, principal and agent, limited or general partnership, or joint venture. As such, the Borrower agrees to hold the State harmless from any claim, demand, suit, action, or other proceeding whatsoever by any person or entity whatsoever arising or purportedly arising from this Loan Agreement, any events related to the Project or the Borrower's participation in this Loan, or Borrower's activities on the Development Property.

Section 4.2. **Representations and Warranties**. The Borrower warrants and represents, in connection with the Loan and for the benefit of the State and the Lender, that:

(a) It is an Iowa limited liability company, incorporated and in good standing under the laws of the State of Iowa, and is authorized to enter into this Loan Agreement and perform any of the acts required herein.

(b) It has the legal authority and is duly authorized to operate the Project, to incur the indebtedness of the Promissory Note and to perform its obligations under this Loan Agreement, to execute and deliver the Loan Documents to which it is a party and it has taken all actions necessary and incident to its execution and delivery of the Loan Documents.

(c) Its execution and delivery of the Loan Documents to which it is a party, and its incurrence of the Loan does not violate any provision of law or Borrower's corporate documents.

(d) The Promissory Note will be duly and validly authorized, executed and delivered prior to initial disbursement, and it constitutes the legal, valid and binding obligation of the Borrower enforceable in accordance with its terms. The Loan Documents to which it is a party, will be duly and validly authorized, executed and delivered, and are the legal, valid, and binding obligations of the Borrower enforceable against the Borrower in accordance with their respective terms, except to the extent the enforceability thereof may be limited by bankruptcy, insolvency or other law affecting creditor's rights, or the application of equitable principles generally.

(e) It is not in violation of any provisions of its organizational documents or of the laws of local governments, State of Minnesota or U.S. Government, and there are no actions, suits or proceedings pending, or to its knowledge threatened, before or by any judicial body or governmental authority, against or effecting it, and it is not in default with respect to any order, writ, injunction, decree, or demand of any court or any governmental authority which would impair its ability to enter into this Loan Agreement or to perform any of the acts required of it in the Loan Documents to which it is a party.

(f) Neither the execution and delivery of the Loan Documents to which it is a party, nor compliance with any of the terms, conditions, requirements or provisions contained herein or in such referenced documents, is prevented by, is a breach of, or will result in a breach of any term, condition or provision of any agreement or document to which it is now a party or by which it is bound.

(g) It will maintain adequate capital for the proper operation and administration of its duties under this Loan Agreement.

(h) It will comply with Minn. Stat. § 116J.8731 and Minn. Rules Chapter 4300 and all of the terms, conditions, provisions and requirements, contained in the Loan Documents to which it is a party.

(i) Representations, statements, and other matters provided by the Borrower relating to those activities of the Project to be completed by the Borrower, which were contained in the Grant Application, were true and complete in all material respects as of the date of submission to the Lender and such representations, statements, and other matters are true as of the date of this Loan Agreement and there are no adverse material changes in the financial condition of the Borrower's business.

(j) The Borrower acknowledges that the State, in selecting the Lender as recipient of the Grant, relied in material part upon the assured completion of the Project to be carried out by the Borrower, and the Borrower warrants that said Project will be carried out as promised.

(k) The Borrower warrants that to the best of its knowledge, it has obtained all federal, state, and local governmental approvals, reviews, and permits required by law to be obtained in connection with the Project and has undertaken and completed all actions necessary for it to lawfully execute this Loan Agreement as binding upon it.

(l) The Borrower warrants that it shall keep and maintain books, records, and other documents relating directly to the Other Project Funds, and that any duly authorized representative of the State shall, at all reasonable times, have access to and the right to inspect, copy, audit, and examine all such books, records, and other documents of the Borrower for six (6) years after the termination of the Loan Agreement or until such time that the Lender and the State have both determined that all issues, requirements, and close-out procedures relating to or arising out of the Loan have been settled and completed, whichever is later.

(m) The Borrower warrants that no transfer of any or all of the Loan Proceeds by the Lender to the Borrower shall be or be deemed an assignment of Loan Proceeds, and the

Borrower shall neither succeed to any rights, benefits, or advantages of the Lender under the Grant Contract Agreement, nor attain any right, privileges, authorities, or interest in or under the Grant Contract Agreement.

Section 4.3. **Affirmative Covenants**. Borrower further warrants and agrees that:

(a) It has sufficient funds to complete the purposes of the Project and sufficient capacity to administer the Project.

(b) The Project will be performed in full compliance with all applicable federal, state and local laws, regulations, rules and ordinances, which include but are not limited to all applicable environmental laws, regulations and rules.

(c) Borrower agrees to submit reports required in Article 7 and Article 8.

ARTICLE 5
Events of Default and Rights and Remedies

Section 5.1. **Events of Default.** Any one or more of the following events shall be deemed and shall constitute an "Event of Default":

(a) The interest or principal due under the Promissory Note, or any other payments due and payable under this Loan Agreement or any other document referred to herein, are not paid when due and such nonpayment is not remedied within ten (10) business days after written notice thereof to the Borrower by the Lender;

(b) The Borrower is in breach of any of the requirements, terms, conditions, covenants or other agreements in the Loan Documents and remains in breach in any material respect for thirty (30) business days after written notice thereof to the Borrower by the Lender; provided, however, that if such breach shall reasonably be incapable of being cured within such thirty (30) business days after notice, and if the Borrower commences and diligently prosecutes the appropriate steps to cure such breach, no default shall exist so long as the Borrower is proceeding to cure such breach in a reasonable period of time;

(c) Any representation or warranty made by the Borrower in the Loan Documents, any other document referred to in such documents, or any financial statement, certificate, or report furnished pursuant to this Loan Agreement, or any representation or warranty made order to induce the Lender to close the Loan or disburse the Loan Proceeds, which proves to have been untrue in any material respect or materially misleading as of the time such representation or warranty was made;

(d) Borrower shall make an assignment for the benefit of its creditors, or shall be dissolved, or shall commit an act of bankruptcy under the United States Bankruptcy Act (as now or hereafter amended), or shall admit in writing its inability to pay its debts as they become due, or shall file a petition in bankruptcy, or shall become or be adjudicated as bankrupt or insolvent, however defined, or shall file a petition seeking any reorganization, dissolution, liquidation, arrangement, composition, readjustment or similar relief under any present or future bankruptcy or insolvency statute, law or regulation, or shall file an answer admitting to or not contesting the material allegations of a petition filed against it in such proceedings, or shall not, within 60 days after the filing of such a petition against it, have the same dismissed or vacated, or shall seek or consent to or acquiesce in the appointment of any trustee, receiver or liquidator of a material part of its properties, or shall not, within 60 days after the appointment (without its consent or acquiescence) of a trustee, receiver or liquidator of any material part of its properties, have such appointment vacated;

(e) A court of competent jurisdiction shall enter an order, judgment or decree approving a petition filed against Borrower seeking any reorganization, dissolution or similar relief under any present or future federal, state or other statute, law or regulation relating to bankruptcy, insolvency or other relief for debtors, or any trustee, receiver or liquidator of such entity, shall be appointed without the consent or acquiescence of State;

(f) Borrower shall refuse to allow the State, at any reasonable time and upon prior written notice, to inspect, audit, copy or abstract, any and all of its books, records, papers or other documents relevant to the Borrower's use of the Loan Proceeds;

(g) Borrower shall refuse to allow the Minnesota Legislative Auditor or the State Auditor for the State of Minnesota, at any reasonable time and upon prior written notice, to inspect, audit, copy or abstract, any and all books referred to in Section 5.1(f);

(h) Borrower shall fail to provide annual reporting information as described herein.

(i) The Borrower sells, conveys, transfers, encumbers, or otherwise disposes of all or any part of the Development Property or the Equipment without the prior written approval of the State and Lender;

(j) The Borrower merges or consolidates with an entity that is not an affiliate of the Borrower wherein the Borrower or such affiliate are not the surviving entity after such merger or consolidation without the prior written consent of the Lender;

(k) There is a loss, theft, substantial damage, or destruction of all or any part of the Development Property or the Equipment that is not remedied to the Lender's satisfaction within sixty (60) business days after written notice thereof by the Lender to the Borrower; or

(l) The Borrower is in breach of the requirements of Article 7 and Article 8, the Business Subsidy Agreement and Progress Reporting.

(m) The occurrence of any other act or event that is noncompliant under the DEED Program rules and regulations.

Section 5.2. **Rights and Remedies.** Upon the occurrence of an Event of Default and at any time thereafter until such Event of Default is cured to the satisfaction of the Lender, the Lender may, at its option, exercise any and all of the following rights and remedies (as well as any other rights and remedies available to it):

(a) The Lender may, by notice in writing to the Borrower, refrain from disbursing any of the Loan Proceeds; provided, however, the Lender may make such disbursements after the occurrence of an Event of Default without thereby waiving its rights and remedies hereunder or waiving its right to make any additional disbursements.

(b) The Lender may, by written notice to the Borrower, declare immediately due and payable all principal and interest due under the Promissory Note, together with all other sums payable under the Loan Documents and the same shall thereupon be immediately due and payable without presentment or other demand, protest, notice of dishonor or any other notice of any kind, all of which are hereby expressly waived.

(c) The Lender shall have the right, in addition to any other rights provided by law or equity, to enforce its rights and remedies under the Loan Documents.

(d) The Lender shall have the right, in addition to any other rights provided by law or equity, to initiate litigation for the breach of any term, condition, covenant, requirement or provision contained in the Loan Documents, and to recover damages for such breach.

(e) The Lender shall have the right, in addition to any other rights provided by law or equity, to apply to any court, state or federal, for specific performance of any term, condition, covenant, requirement or provision contained in the Loan Documents; for an injunction against any violation of any such term, condition, covenant, requirement and/or provision; or for such other relief as may be appropriate, since the injury to the Lender arising from a default under any of the terms, conditions, covenants requirements and/or provisions of the Loan Documents, would be irreparable and the amount of damage would be difficult to ascertain.

Section 5.3. **Rights and Remedies Cumulative.** The rights and remedies of the parties to this Loan Agreement, whether provided by operation of law or by this Loan Agreement, shall be cumulative, and the exercise by either party of any one or more of such remedies shall not be construed to preclude or waive its right to exercise, at the same or different times, any of the other such remedies for the same default or breach, or of any of its remedies for any other default or breach by the other party.

No waiver made by either such party with respect to the performance, manner or time thereof, of any obligation of the other party or any condition to its own obligation under this Loan Agreement or any document referred to herein, shall be considered a waiver of any rights of the party making the waiver with respect to the particular obligation of the other party or condition to its own obligation beyond those expressly waived in writing and to the extent thereof, or a waiver in any respect in regard to any other rights of the party making the waiver or any other obligations of the other party. No delay or failure by either party to exercise any right or remedy shall be a waiver of such right or remedy, and no single or partial exercise by either party of any right or remedy shall preclude other or further exercise thereof for the exercise of any other right or remedy at any other time.

Section 5.4. **Collection.** Upon the occurrence of an Event of Default and at any time thereafter until such Event of Default is cured to the satisfaction of the Lender and State, Borrower agrees to pay all costs and expenses of the Lender, including, but not limited to, reasonable attorney's fees, in the collection of any of the obligations or the enforcement of any of the Lender's rights. If any notice of sale, disposition or other intended action by the Lender is required by law to be given to Borrower, such notice shall be deemed reasonably and properly given if mailed to Borrower at the address specified in Section 9.15(b), or at such other address of Borrower as may be shown on the Lender's records, at least 15 days before such sale, disposition or other intended action.

The Lender shall have the right at its option and without demand or notice, to declare all or any part of the Loan immediately due and payable, and in addition to the rights and remedies granted hereby, the Lender shall have all of the rights and remedies available under the Uniform Commercial Code and any other applicable law.

Section 5.5. **Assignment.** If, prior to the Termination Date, the Borrower sells, conveys, transfers, further mortgages or encumbers, or disposes of the Development Property, or any part thereof or interest therein, or enters into an agreement to do any of the foregoing, the Borrower shall immediately repay all amounts then outstanding on the Loan. This shall be in addition to any other remedies at law or equity available to the Lender.

Section 5.6. **Appointment for Foreclosure.** Upon the occurrence of an Event of Default and at any time thereafter until such Event of Default is cured to the satisfaction of the Lender and State, Borrower agrees that the Lender may appoint an individual or entity to handle the default proceedings.

ARTICLE 6
Disbursement Provisions

Section 6.1. **Payment Requisition Documentation**. The Lender will disburse the loan funds upon receipt and approval by the Lender and the State of the following documentation:

(a) This Loan Agreement, fully executed;
(b) The Promissory Note;
(c) The Security Agreement or mortgage;
(d) Evidence of equity injection in the amount of $600,000.00;
(e) Invoices for items funded by the Loan and matching funds.

(f) The Borrower shall maintain insurance in adequate amounts covering loss or damage to the collateral. Provide evidence that the Lender has been listed as loss payee.

Upon receipt of such information, the Loan funds will be disbursed upon approval of the Lender and the State up to a total disbursement amount of $1,000,000.00.

Section 6.2. **Other Documentation.**

(a) Third party documentation of total project expenditures as outlined in the application sources and uses will be required prior to the Compliance Date.

(b) Evidence that equipment or other items purchased with the Loan are in the Jurisdiction must be provided on or prior to the Benefit Date.

Section 6.3. **Review of Documents.** The Borrower shall not be entitled to any disbursement of Loan Proceeds until the Lender's legal counsel and the State have reviewed and approved this Loan Agreement and the exhibits attached hereto.

Section 6.4. **Adverse Changes**. The Lender and the State will not authorize disbursement of funds if there has been any adverse change in the Borrower's financial condition, organization, operations or their ability to repay the project financing.

ARTICLE 7
Progress Reporting

Section 7.1. **Progress Information.** The Borrower shall provide to the Lender information as required for reporting to the State and as needed by the Lender to monitor the Project for compliance with State and Lender guidelines. This information must be provided until the goals set forth in Section 8.1 have been met or until the Compliance Date, whichever is later. At the discretion of the State or Lender additional reporting may be required. This information must be submitted to the Lender no later than:

(a) July 31, 2026, for the period ending June 30, 2026;

(b) Fifteen days after the Compliance Date.

Section 7.2 **Documentation to be provided to the Lender:**

(a) **Project status and the status of payments.**

(b) **Additional Leverage.** The Borrower must provide to the Lender invoices, sworn construction statements, and or any other information, with each progress report, to document Other Project Funds in addition to the originally included project costs.

(c) **Job Creation Documentation**. The Borrower shall provide to the Lender information on the hiring of each New Job on forms provided by the Lender. This information must include:

(1) Permanent jobs created;
(2) Job title of each New Job;
(3) Date of hire of each new employee;
(4) Hourly base wage paid;
(5) List of Benefits provided; and
(6) Hourly value of Benefits paid.

(d) **Payroll Report.** A formal payroll report verifying job information will be due as of the Compliance Date.

ARTICLE 8
Business Subsidy Agreement and Reporting

Section 8.1. **Business Subsidy Agreement.** The provisions of this Section constitute the "Business Subsidy Agreement" for purposes of the Minnesota Business Subsidy Act (Minn. Stat. § 116J.993 – § 116J.995 and its successor statute.)

(a) The Borrower acknowledges and agrees that the provisions of Minnesota's Business Subsidy Act apply to this Loan Agreement, as Borrower is receiving government assistance under the terms of this Loan Agreement.

(1) The subsidy provided to the Borrower includes the $1,000,000.00 loan made hereunder which will be used for purchase of equipment necessary for job creation.
(2) The public purposes and goals of the subsidy are to increase Borrower's net jobs in the city and encourage economic development.
(3) The goals for the subsidy are to create jobs that pay a livable wage, per Section 8.1(b) of this Loan Agreement.
(4) If the goals are not satisfied, the Borrower shall make payment to the Lender as required in Section 8.2 of this Loan Agreement.
(5) The subsidy is needed because the scale of the Project and related equipment cost is economically infeasible without the Loan.
(6) The Borrower must continue operations in the Jurisdiction for at least five years following the Benefit Date.
(7) The Borrower does not have a parent corporation.
Name of Parent:
Address of parent:

(8) In addition to the assistance provided under this Loan Agreement, the Borrower has received or expects to receive as part of this Project, the following financial assistance from other "grantors" as defined in the Business Subsidy Act:

Tax Increment Financing ("TIF") payments from the City of Windom pursuant to an existing Development Agreement executed by a predecessor in title of the Development Property.

(b) On the Compliance Date, the Borrower shall have:

(1) Created at least Seventy (70) New Jobs at the Development Property within the "wage bracket" as stated below:

a. New Jobs must pay a base cash wage of at least $16.50 per hour (exclusive of Benefits); The Borrower is entitled to forgivable Loan Proceeds in the amount of $500,000.00 for 70 jobs created in this wage bracket, and repayable Loan Proceeds in the amount of $500,000.00 for 0 jobs created in this wage bracket;

(2) Any job created between the Effective Date and the Compliance Date shall pay at least $17.00 per hour, <u>including</u> Benefits.

(3) New Jobs created on or after the Effective Date that meet the criteria outlined in 8.1(b)(2) will count toward the Borrower's job creation goal.

Section 8.2. **Default on Business Subsidy Act Requirements.**

(a) If the Borrower fails to meet the job creation goal and wage level commitment set forth in Section 8.1(b) above on the Compliance Date, the Lender may, after holding a public hearing, extend the Compliance Date for up to one year, after approval from the State. If no extension occurs, or if after the extension, the Borrower fails to meet the job creation goal and wage commitment, the Borrower will be required to repay to the Lender a pro rata share of the Loan principal plus interest as calculated in Section 8.2 (b) at an accelerated rate, based upon the difference between the wage bracket values defined in Section 8.1(b)(2) above and the wage bracket value of actual jobs created. Forgivable loan proceeds will be subject to collection first; once the forgivable funds are exhausted, repayable loan proceeds will be subject to accelerated repayment.

(b) In an Event of Default occurring as a result of a breach by the Borrower of any provision of Section 8.1 of this Loan Agreement, the Borrower agrees to repay the principal amount as calculated in Section 8.2(a) hereof plus interest set at the greater of five percent (5%) or the implicit price deflator for government consumption expenditures and gross investment for state and local governments prepared by the Bureau of Economic Analysis of the United States Department of Commerce for the 12-month period ending March 31st of the previous year.

(c) Interest required in Section 8.2 (b) shall commence to accrue as of the Initial Disbursement Date;

(d) Nothing in this Section 8.2 shall be construed to limit the Lender's rights or remedies under any other provision of this Loan Agreement, and the provisions of Section 8.2

are in addition to any other such right or remedy the Lender may have available.

(e) The Borrower shall provide to the Lender information regarding job and wage goals and results for two years after the Benefit Date or until the goals are met, whichever is later. This reporting requirement will expire if the goals are met on the Compliance Date. If the goals are not met, the Borrower must continue to provide information on the Loan until the Loan is repaid. The information must be filed on the Non-JOBZ Minnesota Business Assistance form as found on the MN Department of Employment and Economic Development website and shall include the following:

(1) the type, public purpose, and amount of subsidies and type of district, if the subsidy is tax increment financing;
(2) the hourly wage of each job created with separate bands of wages;
(3) the sum of the hourly wages and cost of health insurance provided by the employer with separate bands of wages;
(4) the date the job and wage goals will be reached;
(5) a statement of goals identified in the subsidy agreement and an update on achievement of those goals;
(6) the location of the recipient prior to receiving the business subsidy;
(7) the number of employees who ceased to be employed by the recipient when the recipient relocated to become eligible for the business subsidy;
(8) why the recipient did not complete the project outlined in the subsidy agreement at their previous location, if the recipient was previously located at another site in Minnesota;
(9) the name and address of the parent corporation of the recipient, if any;
(10) a list of all financial assistance by all grantors for the project; and
(11) other information the Commissioner of the MN Dept. of Employment and Economic Development may request.

(f) This information must be provided to the Lender no later than March 1 of each year for the previous year. If the Borrower does not submit the report, the Lender shall mail the Borrower a warning within one week of the required filing date. If, after 14 days of the postmarked date of the warning, the Borrower fails to provide a report, the Borrower must pay to the Lender a penalty of $100 for each subsequent week until the report is filed. The maximum penalty shall not exceed $1,000.

ARTICLE 9
Other Conditions

Section 9.1. **Project Time Frame.** The time frame outlined in the Grant Application and Grant Contract Agreement pertaining to the Project shall be met by the Borrower.

Section 9.2. **Promissory Note.** The Borrower shall execute a Promissory Note in substantially the form set forth by the State.

Section 9.3. **Collateral.** The Borrower shall furnish the Lender description of collateral.

Section 9.4. **Annual Financial Statements.** For the term of the Loan, upon request of the Lender, the Borrower shall submit the most recent annual financial statement prepared in accordance with generally accepted accounting principles. The annual financial statements shall include a profit and loss statement, balance sheet, and statement of cash flow, notes and an opinion from the accountants of such statements acceptable to the Lender.

Section 9.5. **Discrimination on Account of Race, Creed, or Color.** The provisions of Minn. Stat. § 181.59 and any successor statutes, which relate to civil rights and discrimination, shall be considered a part of this Loan Agreement as though wholly set forth herein and the Borrower shall comply with each such provision throughout the term of this Loan Agreement.

Section 9.6 **Affirmative Action.** The Borrower is encouraged to prepare and implement an affirmative action plan for the employment of minority persons, women, and the qualified disabled.

Section 9.7. **Job Listing Agreement**. Minn. Stat. § 116L.66, subd.1, requires a business or private enterprise to list any vacant or new positions with the state workforce center if it receives $200,000 or more a year in grants from the State. If applicable, the business or private enterprise shall list any job vacancy in its personnel complement with MinnesotaWorks.net at www.minnesotaworks.net as soon as it occurs

Section 9.8. **Prevailing Wage**. Prevailing wage rates are required to be paid on an economic development project site if that project receives or will be receiving state financial assistance in the form of a grant where a single business receives $200,000 or more of the grant proceeds, a loan or the guaranty or purchase of a loan if a single business receives $500,000 or more of the loan proceeds, or certain tax incentives, per Minn. Stat. § 116J.871. For economic development projects subject to the prevailing wage requirements in Minn. Stat. § 116J.871, Grantee must ensure that Grantee and all contractors and subcontractors comply with applicable prevailing wage requirements including submitting all required certified payroll records, as described in the attached "Prevailing Wage Certification – Minn. Stat. § 116J.871", to the following email address: wagedata.deed@state.mn.us

Section 9.9. **Surety Deposits Required for Construction Contracts**. If the Loan is used for construction, and the Borrower is hiring, contracting, or having a contract with a nonresidential person or foreign corporation to perform construction work, the Borrower must comply with Minnesota Statutes 290.9705, as amended, by deducting and withholding eight percent of cumulative calendar year payments to the contractor which exceeds $50,000.

This condition may be waived if (1) the contractor gives the commissioner a cash surety or a bond, secured by an insurance company licensed by Minnesota, conditioned that the contractor will comply with all applicable provisions of this chapter and chapter 297A, or (2) the contractor has done construction work in Minnesota at any time during the three calendar years prior to entering the contract and has fully complied with all provisions of this chapter and chapter 297A for the three prior years.

Section 9.10. **Publicity and Endorsement**

(a) **Publicity.** Any publicity regarding the subject matter of this Loan Agreement must identify the State and City as the sponsoring agencies.

(b) **Endorsement**. The Lender and the Borrower must not claim that the State nor City endorses its products or services.

Section 9.11. **Workers Compensation Insurance.** The Borrower has obtained workers compensation insurance as required by Minn. Stat. § Section 176.181, subd. 2. The Borrower's workers compensation insurance information is as follows:

(a) Company Name: SFM

(b) Policy Number: 187495.201

(c) Local Agent: Craig Borwick

Section 9.12. **Effect on Other Agreements.** Nothing in this Loan Agreement shall be construed to modify any term of any other agreement to which the Lender and the Borrower are parties.

Section 9.13. **Release and Indemnification Covenants**. Except for any breach of the representations and warranties of the Lender or the negligence or other wrongful act or omission of the following named parties, the Borrower agrees to protect and defend the Lender and the governing body members, officers, agents, servants, and employees thereof, now and forever, and further agrees to hold the aforesaid harmless from any claim, demand, suit, action, or other proceeding whatsoever by any person or entity whatsoever arising or purportedly arising from the acquisition, construction, installation, ownership, maintenance, and operation of the Project and the Borrower's activities on the Development Property.

Section 9.14. **Modifications**. This Loan Agreement may be modified solely through written amendments hereto executed by the Borrower and the lender and approved by the State.

Section 9.15. **Notices and Demands**. Any notice, demand, or other communication under this Loan Agreement by either party to the other shall be sufficiently given or delivered only if it is dispatched by registered or certified mail, postage prepaid, return receipt requested, or delivered personally:

(a) as to the Lender: City of Windom
ATTN: Economic Development Authority
444 9th Street, PO Box 38

Windom, MN 56101

(b) as to the Borrower: Brown Winick
ATTN: Doug Gross
666 Grand Ave, Suite 2000
Des Moines, IA 50309

or at such other address with respect to any party as that party may, from time to time, designate in writing and forward to the others as provided in this Section 9.15(b).

Section 9.16 **Conflict of Interests; Representatives Not Individually Liable.**

(a) No employee, officer or agent of the Lender shall participate in the administration of a contract supported by this loan if a conflict of interest, real or apparent, would be involved. No employee, officer or agent of the Lender may obtain a financial interest in any agreement with respect to the Loan. No employee, officer, or agent of the Lender shall be personally liable to the Borrower or any successor in interest in the event of any default or breach by the Lender or for any amount that may become due to the Borrower or on any obligation or term of this Loan Agreement.

(b) To the best of the Borrower's knowledge, no member, officer, or employee of the Lender, or its officers, employees, designees, or agents, no consultant, member of the governing body of the Lender, and no other public official of the Lender, who exercises or has exercised any functions or responsibilities with respect to the Project during his or her tenure shall have any interest, direct or indirect, in any contract or subcontract, or the proceeds thereof, for work to be performed in connection with the Project or in any activity, or benefit there from, which is part of the Project.

Section 9.17. **Binding Effect**. The covenants and agreements in this Loan Agreement shall bind and benefit the heirs, executors, administrators, successors, and assigns of the parties to this Loan Agreement.

Section 9.18. **Provisions Not Merged With DEED**. None of the provisions of this Loan Agreement are intended to or shall be merged by reason of any deed transferring any interest in the Development Property and any such deed shall not be deemed to affect or impair the provisions and covenants of this Loan Agreement.

Section 9.19. **Titles of Articles and Sections.** Any titles of the several parts, Articles, and Sections of this Loan Agreement are inserted only for convenience of reference and shall be disregarded in construing or interpreting any of its provisions.

Section 9.20. **Counterparts**. This Loan Agreement may be executed in any number of counterparts, each of which shall constitute one and the same instrument.

Section 9.21. **Choice of Law and Venue**. This Loan Agreement shall be governed by and construed in accordance with the laws of the State of Minnesota without regard to its conflict of laws provisions. Any disputes, controversies, or claims arising out of this Loan Agreement shall be heard in the state of Minnesota, and all parties to this Loan Agreement waive any objection to the jurisdiction of these courts, whether based on convenience or otherwise.

Section 9.22. **Waiver**. The failure or delay of any party to take any action or assert any right or remedy, or the partial exercise by any party of any right or remedy shall not be deemed to be a waiver of such action, right, or remedy if the circumstances creating such action, right, or remedy continue or repeat.

Section 9.23. **Entire Agreement**. This Loan Agreement, with the exhibits hereto, constitutes the entire agreement between the parties pertaining to its subject matter and it supersedes all prior contemporaneous agreements, representations, and understandings of the parties pertaining to the subject matter of this Loan Agreement.

Section 9.24. **Separability.** Wherever possible, each provision of this Loan Agreement and each related document shall be interpreted so that it is valid under applicable law. If any provision of this Loan Agreement or any related document is to any extent found invalid by a court or other governmental entity of competent jurisdiction, that provision shall be ineffective only to the extent of such invalidity, without invalidating the remainder of such provision or the remaining provisions of this Loan Agreement or any other related document.

Section 9.25. **Immunity.** Nothing in this Loan Agreement shall be construed as a waiver by the Lender of any immunities, defenses, or other limitations on liability to which the Lender is entitled by law, including but not limited to the maximum monetary limits on liability established by Minn. Stat. § Chapter 466.

IN WITNESS WHEREOF, the Lender has caused this Loan Agreement to be duly executed in its name and behalf and the Borrower has caused this Loan Agreement to be duly executed in its name and behalf as of the date first above written.

CITY OF WINDOM, MINNESOTA

By ___________________________
Hilary Mathis
Its Mayor_________________________

By ___________________________
Steven Nasby
Its City Administrator_______________

STATE OF MINNESOTA)
) SS.
COUNTY OF COTTONWOOD)

The foregoing instrument was acknowledged before me this ______ day of June, 2025, by Hilary Mathis, the Mayor of the City of Windom, Minnesota, a home rule charter city, on behalf of the City.

____
Notary Public

STATE OF MINNESOTA)
) SS.
COUNTY OF COTTONWOOD)

The foregoing instrument was acknowledged before me this ______ day of June, 2025, by Steven Nasby, the City Administrator of the City of Windom, Minnesota, a home rule charter city, on behalf of the City.

____
Notary Public

PREMIUM IOWA PORK, LLC

By ____________________________

Its ____________________________

By ____________________________

Its ____________________________

STATE OF)
) SS.
COUNTY OF ________________)

The foregoing instrument was acknowledged before me this _____ day of _______, 2025, by ______________________, the ________________________ of Premium Iowa Pork, LLC, an Iowa limited liability company, on behalf of said Company.

____
Notary Public

STATE OF)
) SS.
COUNTY OF ________________)

The foregoing instrument was acknowledged before me this _____ day of ______, 2025, by ______________________, the ________________________ of Premium Iowa Pork, LLC, an Iowa limited liability company, on behalf of said Company.

____
Notary Public

EXHIBIT A
Address and Legal Description of Development Property

Premium Iowa Pork, LLC

Property Address: 2850 Highway 60
Windom, MN 56101

Legal Description:

Lot 1, Block 1 of Caldwell Subdivision to the City of Windom, Cottonwood County, Minnesota.

EXHIBIT B
Equipment List

Windom Machine List- Grind Room				
Asset Number	Description	Location	Model Number	Serial Number
1002	Platform- Trim Dumpers	Grind Room	PLAT 145	90846
1004	Auger- West Trim Incline	Grind Room	SC126	12322
1005	Auger- East Trim Incline	Grind Room	SC126	12323
1006	Conveyor- MD#1 After Trim Augers-FPEC	Grind Room	327SL	12324
1009	Grinder-Course	Grind Room	1110	2A-002
1010	Platform- Frozen Block Grinder	Grind Room	PLAT 145	90849
1011	Grinder- Frozen Block	Grind Room	ACG89	90848
1014	Conveyor- Eagle X-Ray Infeed	Grind Room	327BC	12325
1015	X-Ray #1- Eagle	Grind Room	EAGLE FA3 M/C	C414605620810
1017	Conveyor- Eagle X-Ray Outfeed	Grind Room	327BC	12326
1018	Auger- Incline Infeed to Blenders	Grind Room	SC126	12327
1019	Platform- Eagle X-Ray	Grind Room	PLAT 145	N/A
1020	Conveyor- Reverse Blender Infeed	Grind Room	327BC	12330
1021	Blender- West Trim	Grind Room	814	12332
1022	Blender- East Trim	Grind Room	814	12331
1023	Platform- Blenders	Grind Room	PLAT 145	90853
1030	Auger- Incline Infeed to Fine Grind	Grind Room	SC126	12328
1031	Grinder- Fine	Grind Room	MC118	12336
1033	Auger- Incline Infeed to Stuffer Conveyors	Grind Room	SC126	12329
1034	Conveyor- Stuffer Infeed #1	Grind Room	327BC	12333
1035	Conveyor- Stuffer Infeed #2	Grind Room	327BC	12380
1036	Platform- Intermeshing Mixer	Grind Room	PLAT 145	90856
1037	Mixer- Intermeshing	Grind Room	814	12334
1038	Dumper- Cart Dumper #1-FPEC	Grind Room	VL8	12335

EXHIBIT C
Grant Contract Agreement

STATE OF MINNESOTA
GRANT CONTRACT AGREEMENT

SPAP-23-0019-P-FY24

This grant contract agreement is between the State of Minnesota, acting through the Department of Employment and Economic Development (DEED) ("State") and the City of Windom, 444 9th Street, P.O. Box 38, Windom, MN 56101-0038 ("Grantee").

Recitals

1. Under 2023 Minnesota Laws, Chapter 64, Article 15, Section 33 the State is empowered to enter into this grant contract agreement.
2. The State is required under Recital 1 to provide a grant to the City of Windom to facilitate the completion of the Windom HyLife Affordable Housing Development, to repay loans issued to the city from the Public Facilities Authority for wastewater improvements related to the HyLife Foods Windom processing plant, and for recruitment efforts including locating and securing a purchaser of the HyLife Foods Windom processing plant.
3. The Grantee represents that it is duly qualified and agrees to perform all services described in this grant contract agreement to the satisfaction of the State. Pursuant to Minn. Stat. §16B.98, Subd.1, the Grantee agrees to minimize administrative costs as a condition of this grant contract agreement.

Grant Contract Agreement

1 Term of Grant Contract Agreement

1.1 ***Effective date:***
The date the State obtains all required signatures under Minn. Stat.§16B.98, Subd. 5. The Department of Administration and Minnesota Management and Budget Policy 21.01 states: "A grant agreement with a specifically named, legislatively appropriated, noncompetitive grant recipient may incur eligible expense based upon an agreed-upon work plan and budget for up to 60 days prior to an encumbrance being established in the accounting system per M.S. 16B.98, Subd. 11." Per Minn.Stat.§16B.98 Subd. 7, no payments will be made to the Grantee until this grant contract agreement is fully executed.

1.2 Expiration date: June 30, 2025, ***or until all obligations have been satisfactorily fulfilled, whichever occurs first.***

1.3 The Grantee's application and supporting documentation is incorporated into this grant contract agreement by reference.

1.4 ***Survival of Terms.***
The following clauses survive the expiration or termination of this grant contract agreement: 10. Liability; 11. State Audits; 12. Government Data Practices and Intellectual Property Rights; 14. Publicity and Endorsement; 15. Governing Law, Jurisdiction, and Venue; and 17. Data Disclosure.

2 Grantee's Duties

2.1 The Grantee, who is not a state employee, will:

Comply with required grants management policies and procedures set forth through Minn. Stat. §16B.97, Subd. 4 (a) (1).

a. Provide documentation to the satisfaction of the State to verify $10,000,000.00 million of expenses related to facilitate completion of the Windom HyLife Affordable Housing Development and document that these costs were incurred on or after June 5, 2023.

The line-item breakdown on the $10 million of grant assistance is:

i. $2,491,731.67 million for debt repayment.

ii. $2,808,268.33 million for construction costs incurred.

iii. $4,700,000.00 million new loan from city to housing developer.

b. Provide documentation to the satisfaction of the State to verify $2,000,000.00 million of expenses related to repayment of loans issued to the city from the Public Facilities Authority for wastewater improvements related to the HyLife Foods Windom processing plant and documentation that these costs were incurred.

c. Provide documentation to the satisfaction of the State to verify $1,000,000.00 million of expenses related to recruitment efforts to locate and secure a purchaser of the HyLife Foods Windom processing plant and document that these costs were incurred on or after June 5, 2023.

2.2 Provisions for Contracts and Sub-grants.

(a) ***Contract Provisions.*** The Grantee must include in any contract loan agreement and sub-grant, in addition to provisions that define a sound and complete agreement, such provisions that require contractors and sub-grantees to comply with applicable state and federal laws. Along with such provisions, the Grantee must require that contractors performing work covered by this grant be in compliance with all applicable OSHA regulations, especially the federal Hazardous Waste Operations and Emergency Response Standards (29 CFR 1910.120 and 29 CFR 1926.65).

(b) ***Payment of Contractors and Subcontractors.*** The Grantee must ensure that all contractors and subcontractors performing work covered by this grant are paid for their work that is satisfactorily completed.

3 Time

The Grantee must comply with all the time requirements described in this grant contract agreement. In the performance of this grant contract agreement, time is of the essence.

4 Consideration and Payment

4.1 ***Consideration***

The State will disburse funds to Grantee under this grant contract agreement as follows:

(a) ***Compensation***

The Grantee will be paid after the State receives sufficient invoices and supporting documentation, as applicable and to the satisfaction of the State, that the funds will be used in accordance with clause 2 in this contract agreement.

(b) ***Total Obligation***

The total obligation of the State for all compensation and reimbursements to the Grantee under this grant contract agreement will not exceed $13,000,000.00 million.

4.2 *Payment*

(a) Invoices/Documentation

The State will promptly pay the Grantee after the Grantee presents an itemized invoice or documentation as described in clause 4.1(a) in this contract agreement for the Grantee's duties actually performed, and the State's Authorized Representative accepts the invoices for the grantee's duties performed. Invoices and supporting documentation must be submitted in a timely manner and upon completion of Grantee's duties, as determined by the State. Before final payment is processed, DEED will require (i) submission of a certificate of occupancy for the Windom HyLife Affordable Housing Development (ii) submission of a satisfactory final report and (iii) may reserve $250,000.00 as retainage.

(b) Unexpended Funds

The Grantee must promptly return to the State any unexpended funds that have not been accounted for annually in a financial report to the State due at grant closeout.

4.3 *Contracting and Bidding Requirements*

Per Minn. Stat. §471.345, grantees that are municipalities as defined in Subd. 1 must follow the law.

(a) For projects occurring on or after June 5, 2023 that include construction work of $25,000 or more, prevailing wage rules apply per Minn. Stat. §§177.41 through 177.44, consequently, the bid request must state the project is subject to prevailing wage. These rules require that the wages of laborers and workers should be comparable to wages paid for similar work in the community as a whole. A prevailing wage form provided by DEED must accompany these bid submittals.

(b) The grantee must not contract with vendors who are suspended or debarred in MN: https://mn.gov/admin/osp/government/suspended-debarred/.

5 Reporting Requirements

(a) Progress Reports, including financial reports, will be submitted annually and include reporting on outcomes. The State will provide forms to the Grantee to submit progress reports, including a final report.

(b) Information will be provided as may be deemed necessary to complete the Annual Report to the U.S. Department of Labor as described in the Workforce Innovation and Opportunity Act, Section 136(d) (1), (2).

(c) Special reports will be provided as requested.

(d) Grantee shall also make such reports to the Secretary of Labor, the Comptroller General of the United States, and others as applicable.

6 Conditions of Payment

The Grantee's duties under this grant contract agreement must be performed to the State's satisfaction, as determined at the sole discretion of the State's Authorized Representative and in accordance with all applicable federal, state, and local laws, ordinances, rules, and regulations. The Grantee will not receive payment for work found by the State to be unsatisfactory or performed in violation of federal, state, or local law or if required reports are unsatisfactory.

7 Monitoring and Corrective Action

Grantee agrees to permit onsite monitoring by the State to determine grant contract agreement performance and compliance with grant contract agreement provisions. Grantee further agrees to cooperate with the State in performing and completing such monitoring activities and Grantee agrees to implement and comply with such remedial action as is proposed by the State. Grantee must provide any financial records, timesheets or other supporting documentation, upon the request of the State. To comply with this provision, Grantee must secure all necessary agreements and approvals to allow the State to perform onsite monitoring.

8 Authorized Representative

The State's Authorized Representative is Patrick H. Armon, 332 Minnesota Street, First National Bank Building, Suite E200, St. Paul, MN 55101, 651-259-7245, or his/her successor, and has the responsibility to monitor the Grantee's performance and the authority to accept the services provided under this grant contract agreement. If the services are satisfactory, the State's Authorized Representative will certify acceptance on each invoice submitted for payment.

The Grantee's Authorized Representative is Steve Nasby, City Administrator, City of Windom, 444 9th Street, PO Box 38, Windom, MN 56101, or his/her successor. If the Grantee's Authorized Representative changes at any time during this grant contract agreement, the Grantee must immediately notify the State.

9 Assignment, Amendments, Waiver and Grant Contract Agreement Complete

9.1 ***Assignment***

The Grantee shall neither assign nor transfer any rights or obligations under this grant contract agreement without the prior written consent of the State, approved by the same parties who executed and approved this grant contract agreement, or their successors in office.

9.2 ***Amendments***

Any amendments to this grant contract agreement must be in writing and will not be effective until it has been executed and approved by the same parties who executed and approved the original grant contract agreement, or their successors in office.

9.3 ***Waiver***

If the State fails to enforce any provision of this grant contract agreement, that failure does not waive the provision or the State's right to enforce it.

9.4 ***Grant Contract Agreement Complete***

This grant contract agreement contains all negotiations and agreements between the State and the Grantee. No other understanding regarding this grant contract agreement, whether written or oral, may be used to bind either party.

10 Liability

The Grantee must indemnify, save, and hold the State, its agents, and employees harmless from any claims or causes of action, including attorney's fees incurred by the State, arising from the performance of this grant contract agreement by the Grantee or the Grantee's agents, employees or independent contractors. This clause will not be construed to bar any legal remedies the Grantee may have for the State's failure to fulfill its obligations under this grant contract agreement.

11 State Audits

Under Minn. Stat. § 16B.98, Subd.8, the Grantee's books, records, documents, and accounting procedures and practices of the Grantee or other party relevant to this grant contract agreement or transaction are subject to examination by the Commissioner of Administration, by the State granting agency and/or the State Auditor or Legislative Auditor, as appropriate, for a minimum of six years from the end of this grant contract agreement, receipt and approval of all final reports, or the required period of time to satisfy all state and program retention requirements, whichever is later.

12 Government Data Practices and Intellectual Property Rights

12.1 *Government Data Practices*

The Grantee and State must comply with the Minnesota Government Data Practices Act, Minn. Stat. Ch. 13, as it applies to all data provided by the State under this grant contract agreement, and as it applies to all data created, collected, received, stored, used, maintained, or disseminated by the Grantee under this grant contract agreement. The civil remedies of Minn. Stat. §13.08 apply to the release of the data referred to in this clause by either the Grantee or the State. If the Grantee receives a request to release the data referred to in this Clause, the Grantee must immediately notify the State. The State will give the Grantee instructions concerning the release of the data to the requesting party before the data is released. The Grantee's response to the request shall comply with applicable law.

12.2 *Intellectual Property Rights*

The Grantee represents and warrants that Grantee's intellectual property used in the performance of this grant contract agreement does not and will not infringe upon any intellectual property rights of other persons or entities. Notwithstanding Clause 10, the Grantee will indemnify; defend, to the extent permitted by the Attorney General; and hold harmless the State, at the Grantee's expense, from any action or claim brought against the State to the extent that it is based on a claim that all or part of Grantee's intellectual property used in the performance of this grant contract agreement infringe upon the intellectual property rights of others. The Grantee will be responsible for payment of any and all such claims, demands, obligations, liabilities, costs, and damages, including but not limited to, attorney fees. If such a claim or action arises, or in the Grantee's or the State's opinion is likely to arise, the Grantee must, at the State's discretion, either procure for the State the right or license to use the intellectual property rights at issue or replace or modify the allegedly infringing intellectual property as necessary and appropriate to obviate the infringement claim. This remedy of the State will be in addition to and not exclusive of other remedies provided by law.

13 Workers Compensation

The Grantee certifies that it is in compliance with Minn. Stat. §176.181, Subd. 2, pertaining to workers' compensation insurance coverage. The Grantee's employees and agents will not be considered State employees. Any claims that may arise under the Minnesota Workers' Compensation Act on behalf of these employees and any claims made by any third party as a consequence of any act or omission on the part of these employees are in no way the State's obligation or responsibility.

14 Publicity and Endorsement

14.1 *Publicity*

Any publicity regarding the subject matter of this grant contract agreement must identify the State as the sponsoring agency and must not be released without prior written approval from the State's Authorized Representative. For purposes of this provision, publicity includes notices, informational pamphlets, press releases, research, reports, signs and similar public notices prepared by or for the Grantee individually or jointly with others, or any subcontractors, with respect to the program, publications, or services provided resulting from this grant contract agreement. All projects primarily funded by state grant appropriations must publicly credit the State of Minnesota, including on the grantee's website when practicable.

14.2 *Endorsement*

The Grantee must not claim that the State endorses its products or services.

15 Governing Law, Jurisdiction and Venue

Minnesota law, without regard to its choice-of-law provisions, governs this grant contract agreement. Venue for all legal proceedings out of this grant contract agreement, or its breach, must be in the appropriate state or federal court with competent jurisdiction in Ramsey County, Minnesota.

16 Termination

16.1

(a) Termination by the State

The State may immediately terminate this grant contract agreement with or without cause, upon 30 days' written notice to the Grantee. Upon termination, the Grantee will be entitled to payment, determined on a pro rata basis, for services satisfactorily performed.

(b) Termination by The Commissioner of Administration

The Commissioner of Administration may unilaterally cancel this grant contract agreement if further performance under the agreement would not serve agency purposes or is not in the best interest of the State.

16.2 ***Termination for Cause***

The State may immediately terminate this grant contract agreement if the State finds that there has been a failure to comply with the provisions of this grant contract agreement, that reasonable progress has not been made or that the purposes for which the funds were granted have not been or will not be fulfilled. The State may take action to protect the interests of the State of Minnesota, including the refusal to disburse additional funds and requiring the return of all or part of the funds already disbursed.

16.3 ***Termination for Insufficient Funding***

The State may immediately terminate this grant contract agreement if:

(a) It does not obtain funding from the Minnesota Legislature.

(b) Or, if funding cannot be continued at a level sufficient to allow for the payment of the services covered here. Termination must be by written or fax notice to the Grantee. The State is not obligated to pay for any services that are provided after notice and effective date of termination. However, the Grantee will be entitled to payment, determined on a pro rata basis, for services satisfactorily performed to the extent that funds are available. The State will not be assessed any penalty if the contract is terminated because of the decision of the Minnesota Legislature or other funding source, not to appropriate funds. The State must provide the Grantee notice of the lack of funding within a reasonable time of the State's receiving that notice.

17 Data Disclosure

Under Minn. Stat. § 270C.65, Subd. 3, and other applicable law, the Grantee consents to disclosure of its social security number, federal employer tax identification number, and/or Minnesota tax identification number, already provided to the State, to federal and state tax agencies and state personnel involved in the payment of state obligations. These identification numbers may be used in the enforcement of federal and state tax laws which could result in action requiring the Grantee to file state tax returns and pay delinquent state tax liabilities, if any.

18 Conflicts of Interest

The State will take steps to prevent individual and organizational conflicts of interest in reference to Grantees per Minn.Stat.§16B.98 and Department of Administration, Office of Grants Management, Policy Number 08-01 Conflict of Interest Policy for State Grant-Making (Current Policies tab). When a conflict of interest concerning State grant-making is suspected, disclosed, or discovered, transparency shall be the guiding principle in addressing it.

In cases where a potential or actual individual or organizational conflict of interest is suspected, disclosed, or discovered by the Grantee throughout the life of the grant contract agreement, they must immediately notify the State for appropriate action steps to be taken, as defined above.

The Grantee must complete a Conflict-of-Interest Disclosure Form.

19 Other Provisions:

19.1 Grantee agrees to comply with all business subsidy laws, as applicable.

19.2 Grantee shall provide the State evidence, in form and substance acceptable to the State, that the Windom HyLife Affordable Housing Development has sufficient property insurance in an amount of at least $10,000,000.00 million.

1. STATE ENCUMBRANCE VERIFICATION

Individual certifies that funds have been encumbered as required by Minn. Stat. § 16A.15.

Signed: Robin Culbertson

Date: 09/20/23

SWIFT Contract/PO No(s): 236291 PR 80046 PO 3000521944

2. GRANTEE

The Grantee certifies that the appropriate person(s) has executed the grant contract agreement on behalf of the Grantee as required by applicable articles, bylaws, resolutions, or ordinances.

By: Dominic Jones

Title: Mayor

Date: October 4, 2023

By:

Title: City Administrator

Date: October 4, 2023

3. STATE OF MINNESTOA: DEPARTMENT OF EMPLOYMENT AND ECONOMIC DEVELOPMENT

By: Kevin McKinnon
(WITH DELEGATED AUTHORITY)

Title: Deputy Commissioner

Date: October 6, 2023

Distribution:
- Agency
- Grantee
- State's Authorized Representative

SECURITY AGREEMENT

This SECURITY AGREEMENT, is made on this ____day of _____________, between **Premium Iowa Pork, LLC,** an Iowa limited liability company, whose address is 108 First Avenue South, Hospers, Iowa 51238, ("DEBTOR") and the **City of Windom, Minnesota,** a municipal corporation organized under the laws of the State of Minnesota, whose address is 444 Ninth Street, P. O. Box 38, Windom, Minnesota 56101, ("SECURED PARTY").

1. Security Interest. Debtor grants to Secured Party a security interest in Grinding Room Equipment located at their plant at 2850 Highway 60, Windom, MN 56101. The description of the equipment is set forth on Exhibit "A" attached hereto. The security interest shall secure the payment and performance of DEBTOR'S Promissory Note dated _________________, in the principal amount of $1,000,000.00 and the payment and performance of all other liabilities and obligations of Debtor to Secured Party created by the Grant/Loan Agreement between the parties and the Promissory Note to the Secured Party executed by the Debtor.

2. Default. Debtor shall be in default under this agreement if:

   (A) All indebtedness secured by this agreement is not paid promptly when due;
   (B) Any other obligation created by this agreement or any note or agreement secured hereby is not complied with strictly according to the terms thereof;
   (C) Any warranty or representation made by Debtor to Secured Party in this agreement or in any note or other agreement secured hereby is false in any material respect when made or furnished;
   (D) The collateral hereinabove described is transferred to any location not specifically approved in advance by the Secured Party, lost, stolen, substantially damaged or seized by any third party pursuant to legal proceedings; or
   (E) Any insolvency or bankruptcy proceedings are commenced by or against Debtor.

3. Remedies Upon Default. Upon default, at the option of the Secured Party, all debts secured hereby shall become immediately due and payable without demand or notice and Secured Party shall have at any time thereafter all of the rights and remedies provided under the Uniform Commercial Code and/or by any note or agreement secured hereby, and may apply the proceeds from any sale of the collateral pursuant to such remedies to the following:

   (A) The expenses of taking, removing, holding for sale, and repairing for sale, specifically including Secured Party's reasonable attorney's fees;
   (B) The expense of liquidating any lien, security interest or other encumbrance superior to the security interest created hereby; and,
   (C) The unpaid balance with all accumulated interest due on any obligations of Debtor to Secured Party secured by this agreement. Any surplus after the satisfaction of the foregoing items shall be paid to the Debtor, and Debtor shall remain liable for any deficiency if the proceeds realized from the disposition of said collateral pursuant hereto shall fail to satisfy in full the obligations of Debtor to Secured Party.

4. Warranties. Debtor warrants, covenants and agrees as follows:
   (A) Debtor will keep the collateral in good order and repair and will not misuse, waste or destroy it, normal wear and tear excepted;
   (B) Debtor will insure the collateral against any such risks by policies of insurance in such form, with such amounts and with such companies satisfactory to Secured Party and will name Secured Party as loss payee under these policies for the amount of collateral to which Debtor is indebted to Secured Party;
   (C) Debtor will pay promptly, without offset, when due all prior liens and obligations secured by collateral and all taxes owed thereon;

(D) The collateral will not be sold, transferred, changed or otherwise disposed of unless Secured Party consents in advance in writing except sale of inventory to customers in the ordinary course of business;

(E) The security interest granted to Secured Party under this agreement, when properly perfected by filing, will constitute at all times a valid and perfected first security interest in the collateral, vested in Secured Party, and will not become junior to the security interest, liens or claims of any other creditor.

5. Secured Party's Right to Pay Prior Liens. Secured Party may, at the option of Secured Party, discharge taxes, liens or security interests or other encumbrances at any time levied or placed on the collateral, may pay for insurance on the collateral, and may pay for the maintenance and preservation of the collateral, and Debtor agrees to reimburse Secured Party on demand for any payment so made, or any expense so incurred by Secured Party pursuant hereto.

6. UCC Filing. Debtor hereby irrevocably authorizes Secured Party at any time to file in any Uniform Commercial Code jurisdiction any initial financing statements and amendments thereto that cover all of the items described in Paragraph No. 1 hereof, and any subsequent replacements of those items now or hereafter located on the premises known as 2850 Highway 60 in the City of Windom, Minnesota.

7. Miscellaneous Provisions.

(A) This agreement shall be binding upon the heirs, successors, administrators and assigns of the parties, except that Debtor may not assign this agreement without the prior written consent of the Secured Party.

(B) The obligations of all persons signing as Debtor under this agreement shall be joint and several.

(C) No waiver by Secured Party of default of any provision of this agreement shall operate as a subsequent waiver of any default under the same or any other provision of this agreement.

(D) Acknowledgement of acceptance of this agreement by the Secured Party is waived by the Debtor.

(E) The Debtor, upon default, will be responsible for all costs of collection, accrued interest and attorney fees.

(F) This entire Security Agreement shall be governed by and construed in accordance with the laws of the State of Minnesota. Debtor and Secured Party agree that the Cottonwood County, Minnesota, District Court shall have exclusive personal jurisdiction over the Debtor and the Secured Party for all actions and disputes which may arise out of this Security Agreement, and said Court shall be the sole venue for any such legal actions or disputes.

DEBTOR: PREMIUM IOWA PORK, LLC

By__________________________________ __________________________________

STATE OF MINNESOTA)
) ss.
COUNTY OF _______________)

This instrument was acknowledged before me on __________________ by _______________________ who is the __________________, of Premium Iowa Pork, LLC, an Iowa limited liability company, signed on behalf of the company.

____
Notary Public in and for the State of Minnesota

STATE OF MINNESOTA)
) ss.
COUNTY OF _______________)

This instrument was acknowledged before me on ____________________ by _________________________ who is the ____________________, of Premium Iowa Pork, LLC, an Iowa limited liability company, signed on behalf of the company.

____
Notary Public in and for the State of Minnesota

EXHIBIT A

Description of equipment financed with grant\loan funds:

Windom Machine List- Grind Room				
Asset Number	Description	Location	Model Number	Serial Number
1002	Platform- Trim Dumpers	Grind Room	PLAT 145	90846
1004	Auger- West Trim Incline	Grind Room	SC126	12322
1005	Auger- East Trim Incline	Grind Room	SC126	12323
1006	Conveyor- MD#1 After Trim Augers-FPEC	Grind Room	327SL	12324
1009	Grinder-Course	Grind Room	1110	2A-002
1010	Platform- Frozen Block Grinder	Grind Room	PLAT 145	90849
1011	Grinder- Frozen Block	Grind Room	ACG89	90848
1014	Conveyor- Eagle X-Ray Infeed	Grind Room	327BC	12325
1015	X-Ray #1- Eagle	Grind Room	EAGLE FA3 M/C	C414605620810
1017	Conveyor- Eagle X-Ray Outfeed	Grind Room	327BC	12326
1018	Auger- Incline Infeed to Blenders	Grind Room	SC126	12327
1019	Platform- Eagle X-Ray	Grind Room	PLAT 145	N/A
1020	Conveyor- Reverse Blender Infeed	Grind Room	327BC	12330
1021	Blender- West Trim	Grind Room	814	12332
1022	Blender- East Trim	Grind Room	814	12331
1023	Platform- Blenders	Grind Room	PLAT 145	90853
1030	Auger- Incline Infeed to Fine Grind	Grind Room	SC126	12328
1031	Grinder- Fine	Grind Room	MC118	12336
1033	Auger- Incline Infeed to Stuffer Conveyors	Grind Room	SC126	12329
1034	Conveyor- Stuffer Infeed #1	Grind Room	327BC	12333
1035	Conveyor- Stuffer Infeed #2	Grind Room	327BC	12380
1036	Platform- Intermeshing Mixer	Grind Room	PLAT 145	90856
1037	Mixer- Intermeshing	Grind Room	814	12334
1038	Dumper- Cart Dumper #1-FPEC	Grind Room	VL8	12335

GRANT/LOAN PROMISSORY NOTE

$1,000,000.00 June ___, 2025

Premium Iowa Pork, LLC, an Iowa limited liability company, whose address is 108 First Avenue South, Hospers, Iowa 51238, (the "Borrower"), for value received, hereby promises to pay to the **City of Windom**, **Minnesota,** a home rule charter city under the laws of the State of Minnesota, whose address is 444 Ninth Street, P. O. Box 38, Windom, Minnesota 56101, (the "Lender") or its assigns at its designated principal office or such other place as the Lender may designate in writing, the principal sum of One Million Dollars and No/100 ($1,000,000.00) (the "Grant/Loan") and so much thereof as may be advanced under this Promissory Note (this "Note"), with interest as hereinafter provided, in any coin or currency which at the time or times of payment is legal tender for the payment of private debts in the United States of America.

1. a. Except as provided in Section 1.c. of this Note, the Loan shall bear interest at zero percent (0.0%). Interest, if any in accordance with Section 1.c. of this Note, shall commence to accrue as to the amount of the Loan disbursed as of the date disbursed in accordance with the Loan Agreement between the Borrower and the Lender of even date herewith (the "Loan Agreement") evidencing the terms of the loan evidenced by this Note.

b. On the date of this Note, Borrower is signing and delivering this $1,000,000 Promissory Note to evidence the Grant/Loan described in the Loan Agreement. The grant consists of $500,000.00 and is forgiven at a rate of $100,000.00 per year starting on July 1, 2026, conditioned upon Borrower meeting the job creation goals in the Loan Agreement. Additionally, Borrower shall repay to the City of Windom $500,000.00, as a no-interest loan, at a rate of $100,000.00 per year starting on July 1, 2026.

c. If the job creation goals are not met by the Borrower (as those terms are defined in the Loan Agreement), the Borrower agrees to repay all or a part of the principal amount of this Note on a pro rata basis (as further described in Section 8.2 of the Loan Agreement, plus interest set at the greater of five percent (5.0%) or the implicit price deflator for government consumption expenditures and gross investment for state and local governments prepared by the Bureau of Economic Analysis of the United States Department of Commerce for the 12-month period ending March 31st of the previous year.

2. The Borrower shall have the right to prepay the principal of this Note, in whole or in part, without prepayment penalty.

3. This Note is given pursuant to the Loan Agreement and is secured by a Security Agreement of even date herewith (the "Security Agreement") covering certain ownership interests in Borrower. In the event any such security is found to be invalid for whatever reason, such invalidity shall constitute an event of default hereunder.

4. All of the agreements, conditions, covenants, provisions, and stipulations contained in the Loan Agreement, or any instrument securing this Note are hereby made a part of this Note to the same extent and with the same force and effect as if they were fully set forth herein. It is agreed that time is of the essence of this Note. If a default occurs under the Loan Agreement, or any instrument securing this Note, and continues beyond any applicable notice and cure periods, the Lender of this Note may at its right and option, without notice, declare immediately due and payable the principal balance of this Note, together with any costs of collection including attorney fees incurred by the Lender of this Note in collecting or enforcing payment hereof, whether suit be brought or not, and all other sums due hereunder, or under any instrument securing this Note. The Borrower agrees that the Lender of this Note may, without notice to the Borrower of this Note and without affecting the liability of the Borrower of this Note, accept additional or substitute security for this Note, or release any security or any party liable for this Note or extend or renew this Note.

5. The remedies of the Lender of this Note as provided herein, and in the Loan Agreement, or any other instrument securing this Note, shall be cumulative and concurrent and may be pursued singly, successively, or together, and, at the sole discretion of the Lender of this Note, may be exercised as often as occasion therefore shall occur; and the failure to exercise any such right or remedy shall in no event be construed as a waiver or release thereof.

The Lender of this Note shall not be deemed, by any act of omission or commission, to have waived any of its rights or remedies hereunder unless such waiver is in writing and signed by the Lender of this Note and then only to the extent specifically set forth in the writing. A waiver with reference to one event shall not be construed as continuing or as a bar to or waiver of any right or remedy as to a subsequent event. This Note may not be amended, modified, or changed except only by an instrument in writing signed by the party against whom enforcement of any such amendment, modifications, or change is sought.

6. This Note shall be governed by and construed in accordance with the laws of the State of Minnesota without regard to its conflict of laws provisions. Any disputes, controversies, or claims arising out of this Note shall be heard in the state or federal courts of Minnesota, and all parties to this Note waive any objection to the jurisdiction of these courts, whether based on convenience or otherwise.

7. The headings used in this Note are solely for convenience of reference, are no part of this Note, and are not to be considered in construing or interpreting this Note.

8. This Note, with the Loan Agreement, the Security Agreement, and any other documents that evidence or secure the Loan~~,~~ constitutes the entire agreement between the parties pertaining to its subject matter and it supercedes all prior contemporaneous agreement, representations, and understandings of the parties pertaining to the subject matter of this Note.

9. Separability. Wherever possible, each provision of this Note and each related document shall be interpreted so that it is valid under applicable law. If any provision of this Agreement or any related document is to any extent found invalid by a court or other governmental entity of competent jurisdiction, that provision shall be ineffective only to the extent of such invalidity, without invalidating the remainder of such provision or the remaining provisions of this Note or any other related document.

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

IN WITNESS WHEREOF, the Borrower has caused this Grant/Loan Promissory Note to be duly executed as of the _____day of ____________, 2025.

Premium Iowa Pork, LLC

By ___________________________________

______________________, its Manager

Premium Iowa Pork, LLC

By ___________________________________

______________________, its ____________________

RESOLUTION # 2025-29

INTRODUCED:

SECONDED:

VOTED: Aye:
Nay:
Absent:

CITY OF WINDOM

RESOLUTION RATIFYING CALLING OF PUBLIC HEARING AND APPROVING BUSINESS SUBSIDY AND AGREEMENT, LOAN AGREEMENT, SECURITY AGREEMENT, AND PROMISSORY NOTE WITH PREMIUM IOWA PORK, LLC

WHEREAS, in May of 2000, the City Council established Tax Increment Financing (TIF) District 1-12 covering real property and improvements ("Property") owned by PM Beef Holdings, L.L.C. ("PM Beef") located at 2850 Highway 60 East; and

WHEREAS, on September 6, 2002, the Economic Development Authority of Windom ("EDA") (on behalf of the EDA and the CITY) entered into a Contract for Private Redevelopment ("Contract") with PM Beef. This Contract and the attached Tax Increment Note ("Contract") provided for annual tax increment payments to reimburse PM Beef for certain redevelopment costs for the Property with an anticipated final payment not later than February 1, 2028; and

WHEREAS, the rights and obligations of said Contract have passed to subsequent titleholders of the Property; and

WHEREAS, Premium Iowa Pork, LLC ("PIP LLC") purchased the Property in 2023 and shall assume the rights and obligations of said Contract if the tax increment portion of the proposed business subsidy is approved by the City Council; and

WHEREAS, in the Spring of 2023, the Minnesota Legislature and the Governor approved a Special Appropriation for the City of Windom in the aftermath of HyLife's bankruptcy and closing of its Windom operations. These funds are being administered through the Minnesota Department of Employment and Economic Development ("DEED"). This special appropriation included an allocation of One Million Dollars ("$1M") for expenses related to recruitment efforts to locate or secure a purchaser of the property ("recruitment allocation"). PIP LLC has purchased equipment needed for job creation on the property and use of the recruitment allocation for these expenses has been approved by DEED Representatives. The proposal is to provide a grant of $500,000 to PIP LLC that would be forgivable if PIP LLC complies with the terms of the Business Subsidy Agreement and the loan documents. The remaining $500,000 would be a zero percent loan to PIP LLC that is repayable to the City in annual installments of $100,000 over a 5-year period; and

WHEREAS, PIP LLC has requested assistance from the City through tax increment generated by TIF 1-12 and also the recruitment allocation set forth above; and

WHEREAS, the granting of assistance through tax increment and the recruitment allocation is an amount greater than $150,000 and is subject to business subsidy laws as set forth in Minnesota Statutes Sections 116J.993 through 116J.995, inclusive as amended; and

WHEREAS, pursuant to said statutes, notice of the public hearing scheduled for Tuesday, June 24, 2025, was published on June 11, 2025; and the City Council held a public hearing on June 24, 2025, concerning the proposed awarding of a business subsidy to PIP LLC in the form of tax increment from TIF 1-12 and a grant of $500,000 and a loan of $500,000 of the recruitment allocation proceeds; and

WHEREAS, the City Council has considered all of the comments made at the public hearing and reviewed the proposed Business Subsidy Agreement and the proposed loan documents (specifically the Grant/Loan Agreement, the Security Agreement, and Promissory Note concerning the loan of the recruitment allocation funds) between the City of Windom and PIP LLC; and

WHEREAS, the City Council has determined that granting of the proposed business subsidy and approval of the proposed Business Subsidy Agreement and loan documents are in the best interests of the City of Windom and the citizens of Windom.

NOW, THEREFORE, BE IT RESOLVED by the City Council for the City of Windom, Minnesota, as follows:

1. The scheduling of the public hearing on this proposed business subsidy for Tuesday, June 24, 2025, during the Special City Council Meeting which begins at 5:00 p.m. and the publication of the public hearing notice on June 11, 2025, are hereby ratified.

2. The primary public purposes sought to be accomplished through the granting of the business subsidy are encouraging the reuse of property that is currently underutilized, expanding the tax base of the City and State, facilitating a major employer's operations in the CITY, and to increase net jobs in the City.

3. The granting of a business subsidy to Premium Iowa Pork, LLC in the form of tax increment from TIF 1-12 and a grant and loan of proceeds from the recruitment allocation in amount of $1,000,000 is hereby approved.

4. The Business Subsidy Agreement between the City and Premium Iowa Pork, LLC is hereby approved and the Mayor and City Administrator are hereby authorized to execute said document on behalf of the City of Windom.

5. The Grant/Loan Agreement, the Security Agreement, and Promissory Note for the grant and loan by the City of $1,000,000 in recruitment allocation proceeds to Premium Iowa Pork, LLC are hereby approved and the Mayor and City Administrator are hereby authorized to execute said documents on behalf of the City of Windom and any other documents required for the granting of said business subsidy.

Adopted this 24th day of June, 2025.

____
Hilary Mathis, Mayor

ATTEST:____________________________
Steven Nasby, City Administrator