

2G. Consideration of Resolution 2026-19 authorizing a Greater Monticello Enterprise Fund (GMEF) Loan to Sperr Properties, LLC and L&L Homestyle Cafe, LLC in the amount of \$65,000 and a Business Subsidy Agreement for interior improvements and the purchase of restaurant equipment at 154 West Broadway

<p>Prepared by: Economic Development Manager</p>	<p>Meeting Date: 3/23/2026</p>	<p><input checked="" type="checkbox"/> Consent Agenda Item <input type="checkbox"/> Regular Agenda Item</p>
<p>Reviewed by: Community Development Director, Finance Director, Community & Economic Development Coordinator</p>	<p>Approved by: City Administrator</p>	

ACTION REQUESTED

Motion to approve Resolution 2026-19 authorizing a GMEF Loan to Sperr Properties, LLC and L&L Homestyle Café, LLC in the amount of \$65,000 and a Business Subsidy Agreement for interior improvements and the purchase of restaurant equipment at 154 West Broadway.

REFERENCE AND BACKGROUND

The City Council is asked to approve a GMEF Loan Agreement and a Business Subsidy Agreement with Sperr Properties, LLC and L&L Homestyle Café, LLC to help finance equipment purchases and interior property improvements at 154 West Broadway (formerly Cornerstone Cafe).

At its March 11, 2026 regular meeting, the EDA approved the \$65,000 GMEF Loan to serve as gap financing for the project. North Star Bank, the primary lender, and the property and café ownership group, Larry, Mark and Logan Sperr, have contributed substantial equity toward the overall project cost.

The GMEF Loan gap funding will be used to complete interior renovations and acquire the equipment necessary to operate the café. The total project investment, including façade improvements, is estimated to be \$833,712.

Larry Sperr, representing the property ownership group and the café, presented the initial funding request to the EDA at its December 12, 2025 workshop meeting. The ownership group closed on the property in mid-November and began clean-up and renovation activities in early December. To avoid delays in reopening the café, they utilized bridge financing to initiate renovations. The café reopened in late January 2026 as L&L Homestyle Café, with a goal to employ 11 staff at an average wage of \$24 an hour.

The funding sources and uses below outline the entire project financing structure. As noted, North Star Bank provided a first mortgage loan of \$416,000 for the property purchase, representing 49.90% of total project costs. The ownership group contributed \$252,712 in cash equity, or 30.31% of total funding. In December 2025, Sperr Properties also received a \$100,000 forgivable façade improvement from the EDA to support exterior upgrades, including stucco repair and painting, new windows, signage and entrance improvements, accounting for 12% of the total project costs.

A loan underwriting report completed by North Star Bank and shared with City staff indicates that the borrowers have sufficient financial capacity and a strong repayment history to meet their obligations. In addition, cash flow generated from the upper-level residential rental units is projected to adequately support repayment of the EDA’s second mortgage loan.

Funding Sources

<u>Entity</u>	<u>Amount</u>	<u>Percent</u>
Bank	\$416,000	49.90%
Owner Cash Equity	\$252,712	30.31%
Façade Forgivable Loan	\$100,000	12.00%
GMEF Loan	\$ 65,000	7.79%
Total	\$833,712	100.00

Funding Uses

<u>Item</u>	<u>Amount</u>	<u>Percent</u>
Property Purchase	\$535,000	64.17%
Exterior Façade	\$170,000	20.39%
Interior Property Improvements	\$ 97,000	11.64%
Equipment & Contingency Costs	\$ 31,712	3.80%
Total	\$833,712	100.00

The project qualifies as an eligible use of GMEF funds. The current available balance in the GMEF Loan Program is approximately \$825,000, and the requested loan represents about 7.5% of that balance. In accordance with GMEF Loan Polices, no more than 50% of the available fund balance may be allocated to a single borrower, and GMEF financing may not exceed 30% of total project costs. At this time, the policies do not establish a minimum fund balance requirement or a target ratio between commercial and industrial lending.

If approved by the City Council, the loan would be secured by a second-position real estate mortgage, along with security agreements and Universal Commercial Code (UCC) filings against the restaurant equipment. Personal guarantees from each of the three partner owners would also be required. The loan is structured as a fully amortizing 10-year term with an interest rate of 4.75%.

It should also be noted that the Business Subsidy section of the Loan Agreement outlines the wage requirements for the 11 new full-time equivalent (FTE) positions. L&L Homestyle Café, LLC will be required to submit annual reports documenting job creation, including detailed wage information for these new employees.

The EDA conducted the required Business Subsidy Public Hearing at its February 11, 2026, meeting; therefore, no additional public hearing by the City Council is necessary for the loan. However, because the total amount of public funds borrows by Sperr Properties, LLC and L&L Homestyle Café, LLC exceeds \$150,000 (\$100,000 for façade repairs and \$65,000 for interior improvements and new equipment), City Council approval of the proposed loan and Business Subsidy Agreement is required.

- I. **Budget Impact:** The proposed loan would reduce the GMEF cash balance to approximately \$765,000.

Legal fees associated with preparation of the loan documents by the EDA attorney totaled \$1,699.50. These costs, along with the 1.5% (\$975), will be collected from the borrower at the time of closing.

- II. **Staff Workload Impact:** The Community Development Director, Finance Director, Economic Development Manager and Community & Economic Development Coordinator have dedicated time to reviewing the proposed loan request. Additional staff effort includes report preparation and meeting presentation. No other staff resources are required to complete this work.

- III. **Comprehensive Plan Impact:** The Economic Development section of the Comprehensive Plan encourages formation of an effective economic development effort which creates a supportive business environment and builds a vibrant, thriving local economy. The Monticello 2040 Vision + Plan illustrates Economic Development goals 1 – 4 related to this project through business attraction, tax base expansion, downtown vitality, and redevelopment and reinvestment efforts.

STAFF RECOMMENDATION

Staff recommend that the City Council approve the \$65,000 GMEF loan and the associated Business Subsidy Agreement for Sperr Properties' interior improvements and equipment purchase. The request is consistent with the intent of the current GMEF Loan Policies and, if approved, will support the establishment of a new business in the core downtown area and completion of key property improvements to an existing building.

An initial review of the Development Assistance Worksheet indicates a score of 31, based on the information provided in the application. The EDA Scoring Evaluation Worksheet is included as an exhibit to this report. For comparison, the recent Fairfield By Marriott Hotel proposal

received a score of 35, while the Wiha Tools' project scored 34.5.

SUPPORTING DATA

- A. City Council Resolution 2026-19
- B. Loan Agreement-Business Subsidy Agreement
- C. Mortgage
- D. Promissory Note
- E. Personal Guarantee (3 docs)
- F. Security Agreements (2 docs)
- G. Sperr Properties GMEF Loan Application (2 docs))
- H. Aerial Photo and Beacon Rpt. – 154 West Broadway
- I. Economic Development Assistance Worksheet Scoring Metrics
- J. GMEF Loan Policies

**CITY OF MONTICELLO
COUNTY OF WRIGHT
STATE OF MINNESOTA**

RESOLUTION NO. 2026-19

**RESOLUTION APPROVING A GREATER MONTICELLO ENTERPRISE FUND LOAN BY THE CITY OF
MONTICELLO ECONOMIC DEVELOPMENT AUTHORITY TO SPERR PROPERTIES, LLC AND L&L
HOMESTYLE CAFÉ, LLC**

WHEREAS, the Board of Commissioners of the City of Monticello Economic Development Authority has received a proposal from Sperr Properties, LLC, a Minnesota limited liability company and L & L Homestyle Cafe, LLC, a Minnesota limited liability company (collectively, the “Borrower”), that the City of Monticello Economic Development Authority (the “EDA”) enter into a Loan Agreement (the “Loan Agreement” and together with related documents, the “Loan Documents”) in connection with a loan to the Borrower in the amount of \$65,000 (the “Loan”), pursuant to the EDA’s Greater Monticello Enterprise Fund (the “Program”), created to assist businesses in the City with financing certain economic development activities to meet the goals set forth in the guidelines approved by the EDA for the Program (the “Guidelines”); and

WHEREAS, pursuant to the Program, the Guidelines and the Loan Documents, the Borrower intends to use the Loan in connection with the costs of interior building renovations and the purchase of restaurant equipment for operations located at 154 Walnut Street in the City (the “Property”); and

WHEREAS, after a duly noticed public hearing held on February 11, 2026, the EDA approved the Loan and the Loan Documents, copies of which are on file with the City Clerk.

NOW THEREFORE, BE IT RESOLVED by the City Council of the City of Monticello as follows:

Section 1. Business Subsidy.

1.01. The Loan constitutes a business subsidy within the meaning of Minnesota Statutes, Section 116J.993 to 116J.995, as amended (the “Business Subsidy Act”), and the Loan Agreement includes a “business subsidy agreement” as required under the Business Subsidy Act.

1.02. The City has adopted a Business Subsidy Policy (the “Subsidy Policy”), which sets the general criteria for all types of subsidies granted by the EDA, all as required under the Business Subsidy Act.

1.03. On February 11, 2026, the EDA held a public hearing on the Loan in accordance with the Business Subsidy Act.

Section 2. Consent.

2.01 In accordance with Section 116J.994, Subd. 3(d) of the Business Subsidy Act, the City hereby approves the Loan Agreement including the business subsidy agreement provided therein and consents to the EDA entering into the Loan Documents with the Borrower.

2.02 The City hereby approves the Loan in accordance with the Loan Documents in substantially the forms on file with the City's Economic Development Director together such modifications thereof, deletions therefrom and additions thereto as may be necessary and appropriate and approved by legal counsel to the EDA and by the President and Executive Director of the EDA prior to executing said documents and the City further; and said officers are hereby authorized to approve said changes on behalf of the EDA. The execution of any instrument by the President and Executive Director shall be conclusive evidence of the approval of such document in accordance with the terms hereof.

Approved by the City Council of the City of Monticello this 23rd day of March, 2026.

Mayor

ATTEST:

City Clerk

2G (3)

I HEREBY CERTIFY that the above is a true and correct copy of a resolution presented to and adopted by the Municipality of Monticello, County of Wright, State of Minnesota, at a duly authorized Municipal Council Meeting held in the Municipality of Monticello, Minnesota on the 23rd day of March, 2026, as disclosed by the records of said Municipality on file and of record in the office.

Municipality of Monticello

Jennifer Schreiber, City Clerk

LOAN AGREEMENT

This Loan Agreement (“Agreement”) is made this 11th day of March, 2026, between SPERR PROPERTIES, LLC and L&L HOMESTYLE CAFÉ, LLC, each a Minnesota limited liability company (collectively, the "Borrower"), and the CITY OF MONTICELLO ECONOMIC DEVELOPMENT AUTHORITY (the “Lender”), a public body corporate and politic and political subdivision of the State of Minnesota.

RECITALS

A. The Lender has created the Greater Monticello Enterprise Fund (the “Program”), a revolving loan fund program to assist businesses in the City of Monticello, Minnesota (the “City”) with financing certain economic development activities to meet the goals set forth in the guidelines approved by the Lender for the Program (the “Guidelines”).

B. The Borrower has submitted a loan application (the “Application”) and the Lender has approved a loan to the Borrower in the maximum principal amount of \$65,000 (the “Loan”) to pay a portion of the costs related to the interior building renovations and the purchase of restaurant equipment (the “Project”) located at 154 W Broadway Street in the City (the “Property”) legally described in Exhibit A attached to the Mortgage (as hereinafter defined). The Loan will be evidenced by a Promissory Note, dated as of the date hereof (the “Note”), issued by Borrower in favor of the Lender, and secured by (i) a Mortgage on the Property, dated as of the date hereof (the “Mortgage”), from Borrower to the Lender, (ii) a Personal Guaranty of each of Larry Sperr, Mark Sperr and Logan Sperr (collectively, the “Personal Guaranty”); and (iii) a Security Agreement from Sperr Properties, LLC and a Security Agreement from L&L Homestyle Café, LLC (collectively, the “Security Agreement” and, together with this Agreement, the Note, and the Mortgage, the “Loan Documents”).

C. The Loan constitutes a business subsidy within the meaning of Minnesota Statutes, Sections 116J.993 to 116J.995, as amended (the “Business Subsidy Act”), and the Lender has adopted criteria for awarding business subsidies that comply with the Business Subsidy Act after a public hearing for which notice was published in accordance with the Business Subsidy Act.

D. The Lender has held a duly noticed public hearing on the business subsidy provided as represented by the Loan and this Agreement constitutes a subsidy agreement under the Business Subsidy Act.

E. The Lender now makes the Loan to the Borrower subject to all of the terms and conditions of this Agreement.

ACCORDINGLY, to induce the Lender to make the Loan to the Borrower and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. The Loan Amount. Subject to and upon the terms and conditions of this Agreement, the Guidelines, the Application and the other Loan Documents, the Lender agrees to loan to the Borrower the sum of Sixty-Five Thousand and No/100 Dollars (\$65,000.00), or so much thereof as is disbursed to the Borrower in accordance with this Agreement. Proceeds of the Loan (the “Proceeds”) shall be disbursed in accordance with Section 3 hereof.

2. Repayment of Loan. The Loan shall be evidenced by the Note payable by the Borrower to the Lender. The interest rate on the principal amount outstanding on the Note shall be fixed at 4.75% per annum. The Note shall be repaid in accordance with the terms thereof. The Borrower may prepay the principal of the Note plus accrued interest thereon, in whole or in part, on any date, as set forth in the Note.

3. Disbursement of Loan Proceeds.

(a) The Proceeds shall be disbursed in a single lump sum on a reimbursement basis. Prior to disbursement, the Borrower shall have delivered the following to the Lender:

(i) Loan Documents. The Borrower having delivered to the Lender, without expense to the Lender, executed copies of the Loan Documents, together with evidence that the Mortgage has been or will be duly filed for record;

(ii) Cost Certificate. A sworn certificate detailing costs and sources of funds to be utilized for the Project (“Cost Certificate”) in a form acceptable to the Lender, showing an itemized breakdown of: (i) the source and amount of all Project funds; and (ii) of the total cost of the Project. At least 70% of the Project funds must come from a source other than the Loan;

(iii) Evidence of Payment and Lien Waivers. Evidence in the form of paid invoices, statements, or similar and accompanying lien waivers, if applicable, that are acceptable to the Lender, that the Borrower has paid costs of the Project in an amount at least equal to the amount of the Loan;

(iv) Financing. The Borrower having provided to the Lender copies of the Borrower’s primary lender documents;

(v) Borrower Documents. The Borrower having provided copies of the Borrower’s organizational documents, including, if applicable, articles of incorporation or articles of organization, a certificate of good standing issued by the Minnesota Secretary of State, an Employer Identification Number (EIN) certificate and evidence that the Borrower has a city, state, or federal license to do business or relevant professional license;

(vi) Insurance. The Borrower having delivered to the Lender a certificate or policy for all insurance required, under the terms hereof, to be maintained by the Borrower;

(vii) Fees. The Borrower having paid to the Lender a Loan origination fee of 1.50% of the Loan and all charges associated with the Loan, including, but not limited to: (i) Lender’s attorneys’ fees; and (ii) filing fees of any instruments required under this Agreement within 30 days of the Lender providing written notice to the Borrower of Lender’s costs;

(viii) Compliance with Laws, Etc. The Borrower shall have delivered to the Lender such evidence as the Lender may require as to the compliance of the Property with: (i) all applicable laws, codes, rules, regulations and ordinances, including, without limitation, those relative to environmental protection, protection of wetlands, building and zoning matters and the Americans with Disabilities Act; and (ii) the requirements of any restrictive covenants, conditions and restrictions; conditional use permit or planned unit development applicable to the Property; and

(ix) Resolutions. The Borrower shall have delivered to the Lender a copy of the resolutions of its board, duly certified by its company secretary, authorizing the execution, delivery,

and performance of, and the transactions contemplated by this Agreement and the Loan Documents;
and

(x) Title Insurance. The Borrower, at its sole expense, will cause a title insurance company qualified to do business in the State of Minnesota and acceptable to the Lender to deliver to the Lender the title insurer's commitment to issue a title insurance policy, ALTA Loan Policy, in the amount of \$65,000 effective as of the date of closing, ensuring to the Lender that:

1. The Borrower is the owner of the Property;
2. The Property is free and clear of all other liens, charges, and encumbrances except those disclosed in the Title Commitment and Attachments;
3. A Comprehensive Endorsement, a usury endorsement, a zoning endorsement, and an access endorsement are provided; and
4. The policy will be issued free and clear of the standard printed title exceptions and exceptions to coverage as shown in the Title Commitment, including (i) encroachments, boundary line disputes, and other matters which would be disclosed by an accurate survey; (ii) any state of facts that exists after the date of the Title Commitment; (iii) easements or claims of easements not disclosed by public records; (iv) rights or claims of parties in possession not shown by the public records; (v) any lien or right to a lien for services, labor, or material furnished prior to or after this Agreement, whether shown by the public records or otherwise; (vi) taxes and special assessments not shown as existing liens by public records; and (vii) free and clear of any other objections, encumbrances, or exceptions to title. The Lender will have ten (10) business days from the receipt of the Title Commitment to notify the Borrower of any defect in title or any other title related matter deemed unacceptable to the Lender. The Borrower will have twenty (20) business days from receipt of said notice from the Lender to cure the defect(s). If the Borrower is not able to cure said defects in that period, the Lender may, in its sole discretion, cancel this Agreement, and have no further obligation to the Borrower under this Agreement.

(b) Upon receipt by the Lender of the items required pursuant to this section hereof in the form and condition required therein, the Lender agrees to disburse the Proceeds to the Borrower in an amount not to exceed the lesser of (a) 30% of the total Project cost as evidenced by the Cost Certificate, or (b) the Loan amount.

4. Representations and Warranties. The Borrower warrants and represents to the Lender that:

(a) The Borrowers are each a limited liability company under the laws of Minnesota and are duly authorized and empowered to execute, deliver, and perform this Agreement and to borrow money from the Lender.

(b) The execution and delivery of this Agreement, and the performance by the Borrower of its obligations hereunder, do not and will not violate or conflict with any provision of law and do not and will not violate or conflict with, or cause any default or event of default to occur under, any agreement binding upon the Borrower.

(c) The execution and delivery of this Agreement has been duly executed and delivered by the

Borrower and constitutes its lawful and binding obligation, legally enforceable against it.

(d) The Borrower warrants that it shall keep and maintain books, records, and other documents relating directly to the receipt and disbursements of the Proceeds and that any duly authorized representative of the Lender 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 pertaining to the Loan for 6 years after the date hereof. Upon request, the Borrower shall provide the Lender with their current balance sheets, statements of income and annual audited financial statements.

(e) The Borrower warrants that it has fully complied with all applicable local, state and federal laws and ordinances pertaining to its business, the Project and the Property, and will continue to comply throughout the terms of this Agreement. If at any time the Borrower receives notice of noncompliance from any governmental entity, the Borrower agrees to notify the Lender of such noncompliance and take any necessary action to comply with the local, state or federal requirement in question.

(f) The Borrower warrants that it will use the Proceeds solely for the costs of the Project.

(g) The Borrower warrants that it will not create, permit to be created, or allow to exist any liens, charges, or encumbrances prior to the obligation created by this Agreement, except as otherwise authorized in writing by the Lender. Anything above to the contrary notwithstanding, Borrower at its expense may contest, by appropriate legal proceedings conducted in good faith and with due diligence, the amount or validity or application, in whole or in part, of any such lien or encumbrance provided that (a) the collection thereof from the Borrower, the Lender and the Property shall be suspended during the period of such contest, (b) neither the Property nor any part thereof or interest therein would be in any danger, deemed substantial by the Lender, of being sold, forfeited or lost, and (c) the Lender shall be furnished such security, if any, as may be required in the contest or reasonably requested by the Lender. The Borrower shall give prompt written notice to the Lender of the commencement of any contest referred to in the preceding sentence.

(h) The Borrower will comply with all state and local laws pertaining to licensing, building codes, zoning, and environmental requirements. The Borrower represents that it does not have delinquent taxes, bills, fines or other charges due to the City. The Borrower represents and certifies that the Project is a conforming or legally nonconforming use under the current zoning regulations of the City.

(i) The Borrower shall promptly keep, perform and comply with all of the terms, covenants and conditions to be kept and performed by the Borrower, as required by the City and any other governmental body having jurisdiction over the Property; keep unimpaired the rights of the Borrower under any permit or agreement issued or made by the City or other governmental body having jurisdiction over the Property; and to enforce the prompt performance of all of the terms, covenants and conditions to be kept and performed by the City or other governmental body having jurisdiction over the Property, respectively, under any permits or agreements issued or made by the City or such other governmental bodies, and any contractors under all contracts obtained or held by the Borrower in connection with the operation of the Borrower's business.

(j) During the term of this Agreement, the Borrower shall procure and maintain or cause to be procured and maintained at its sole expense, casualty insurance, public liability insurance and such other types of insurance as are reasonably required by the Lender from time to time, with coverages and in amounts normally held by owners of property similar to the Property and with companies satisfactory to the Lender. The policy or policies or duly executed certificate or certificates for such insurance and renewals or replacements thereof shall be deposited with the Lender.

(k) No litigation, tax claims or governmental proceedings are pending or threatened against the

Borrower or the Property, and no judgment or order of any court or administrative agency is outstanding against the Borrower or the Property which would have a material adverse effect on the Borrower or the Property.

(l) Unless otherwise previously disclosed to the Lender in writing, the Borrower has not entered into or granted any security agreements or permitted the filing or attachment of any mortgage on the Property that would be prior or that may in any way be superior to the Lender's Mortgage. The Lender is aware that there is a first and second lien mortgage on the Property ahead of the Lender's Mortgage. To allow the Lender protect its interests and monitor its collateral, the Borrower shall allow the Lender to inquire about the status of the primary loan(s) throughout the term of this Agreement.

(m) The Borrower understands and agrees that the Lender is relying upon the above representations and warranties in extending the Loan to the Borrower. The Borrower further agrees that the foregoing representations and warranties shall be continuing in nature and shall remain in full force and effect until such time as the Loan and Note shall be paid in full, or until this Agreement shall be terminated in the manner provided above, whichever is the last to occur.

(n) The Borrower shall at all times comply with the Guidelines.

(o) The Borrower shall not (a) engage in any business activities substantially different than those in which the Borrower is presently engaged; (b) cease operations, liquidate, merge or consolidate with any other entity; (c) sell, assign or transfer any of the assets of the Borrower which are related to the Borrower's business, except in the ordinary course of business; or (d) purchase or retire any of Borrower's outstanding shares or alter or amend Borrower's capital structure.

(p) The Borrower shall cause to be filed a UCC financing statement for the Security Agreement.

5. Business Subsidy.

(a) Public Purpose. In order to satisfy the provisions of the Business Subsidy Act, the Borrower acknowledges and agrees that the amount of the "Business Subsidy" granted to the Borrower under this Agreement is the Loan, and that the Business Subsidy is needed because the Project is not sufficiently feasible for the Borrower to undertake without the Business Subsidy due to the extraordinary costs of rehabbing the building and acquiring new equipment. The public purpose of the Business Subsidy is to increase the tax base of the City and the State, and increase jobs in the City and State (including construction jobs).

(b) Operation of Site. The Borrower shall operate the Project as a restaurant (the "Qualified Facility") for at least 5 years after the Benefit Date (defined hereinafter). The improvements will be a Qualified Facility as long as the Project is operated by the Borrower for the aforementioned qualified uses. During any period when the Project is vacant and not operated for the aforementioned qualified uses, the Project will not constitute a Qualified Facility.

(c) Job and Wage Goals. The "Benefit Date" of the assistance provided in this Agreement is the earlier of the date of issuance of the Certificate of Completion or the date the Project is occupied by Borrower. By or before the "Compliance Date", defined as the date two years after the Benefit Date, the Borrower shall (i) create at least 5 full-time jobs, new to Minnesota, permanent to the Property, and (ii) cause the hourly wage of all the jobs to be at least \$24.00 per hour, exclusive of benefits. Notwithstanding anything to the contrary herein, if the wage and job goals described in this paragraph are met by the Compliance Date, those goals are deemed satisfied despite the Borrower's continuing obligations under Section 5(b). The Lender may, after a public hearing, extend the Compliance Date by

up to one year, provided that nothing in this section will be construed to limit the Authority's legislative discretion regarding this matter.

(d) Remedies. If the Borrower fails to meet the goals described in Section 5(b) and 5(c), the Borrower shall repay to the Lender upon written demand from the Lender a "pro rata share" of the outstanding principal amount of the Loan together with interest on that amount at the implicit price deflator as provided in Section 116J.994, subd. 6 of the Business Subsidy Act, accrued from the date of substantial completion of the Project to the date of payment. The term "pro rata share" means percentages calculated as follows:

(i) if the failure relates to the number of jobs, the jobs required less the jobs created, divided by the jobs required;

(ii) if the failure relates to wages, the number of jobs required less the number of jobs that meet the required wages, divided by the number of jobs required;

(iii) if the failure relates to maintenance of the facility as a Qualified Facility in accordance with Section 5(b), 60 less the number of months of operation as a Qualified Facility (where any month in which the Qualified Facility is in operation for at least 15 days constitutes a month of operation), commencing on the Benefit Date and ending with the date the Qualified Facility ceases operation as determined by the Lender, divided by 60; and

(iv) if more than one of clauses (i) through (iii) apply, the sum of the applicable percentages, not to exceed 100%.

Nothing in this Section shall be construed to limit the Lender's remedies under Section 7 hereof. In addition to the remedy described in this Section and any other remedy available to the Lender for failure to meet the goals stated in Section 5, the Borrower agrees and understands that it may not receive a business subsidy from the Lender or any grantor (as defined in the Business Subsidy Act) for a period of 5 years from the date of the failure or until the Borrower satisfies its repayment obligation under this Section, whichever occurs first.

(e) Reports. The Borrower must submit to the Lender a written report regarding business subsidy goals and results by no later than February 1 of each year, commencing February 1, 2026 and continuing until the later of (i) the date the goals stated in Section 5(b) and (c) are met; (ii) 30 days after expiration of the period described in Section 5(b); or (iii) if the goals are not met, the date the subsidy is repaid in accordance with Section 5(d). The report must comply with Section 116J.994, subdivision 7 of the Business Subsidy Act. The Lender will provide information to the Borrower regarding the required forms. If the Borrower fails to timely file any report required under this Section, the Lender will mail the Borrower a warning within one week after 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 day until the report is filed. The maximum aggregate penalty payable under this Section is \$1,000.

(f) Other assistance. Other than the loan provided pursuant to this Agreement, there are no other state or local government agencies providing financial assistance for the Project.

(g) Parent Corporation. The Borrower does not have a parent corporation.

6. Event of Default by Borrower. The following shall be Events of Default under this Agreement:

- (a) failure to pay any principal or interest on the Loan when due;
- (b) any representation or warranty made by the Borrower herein or in any document, instrument, or certificate given in connection with the Loan Documents that is false when made;
- (c) Failure by the Borrower to pay its debts as they become due, or if the Borrower 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 thirty (30) days after its commencement or convert the case from one chapter of the Federal Bankruptcy Code to another chapter, or be the subject of an order for relief in such bankruptcy case, or be adjudged a bankrupt or insolvent, or has a custodian, trustee, or receiver appointed for, 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 thirty (30) days of the appointment;
- (d) a garnishment summons or writ of attachment is issued against or served upon the Lender for the attachment of any property of the Borrower in the Lender's possession or any indebtedness owing to the Borrower, unless appropriate papers are filed by the Borrower contesting the same within thirty (30) days after the date of such service or such shorter period of time as may be reasonable in the circumstances;
- (e) any breach or failure of the Borrower to perform any other term or condition of this Agreement or the Loan Documents not specifically described as an Event of Default in this Agreement or the Loan Documents, and such breach or failure continues for a period of fifteen (15) days after the Lender has given written notice to the Borrower specifying such default or breach, unless the Lender agrees in writing to an extension of such time prior to its expiration; provided, however, if the failure stated in the notice cannot be corrected within the applicable period, the Lender will not unreasonably withhold its consent to an extension of such time if corrective action is instituted by the Borrower within the applicable period and is being diligently pursued until the Default is corrected, but no such extension shall be given for an Event of Default that can be cured by the payment of money (i.e., payment of taxes, insurance premiums, or other amounts required to be paid hereunder);
- (f) the Borrower takes any of the actions set forth in Section 9 hereof; and
- (g) any breach by Borrower of any other agreement between Borrower and Lender, or Borrower and the City.

7. Lender's Remedies upon Borrower's Default. Upon an Event of Default by the Borrower and after provision by the Lender of written notice, if the Borrower has failed to remedy such default within the period specified above, the Lender shall have the right to exercise any or all of the following remedies (and any other rights and remedies available to it):

- (a) declare the principal amount of the Loan and any accrued interest thereon to be immediately due and payable upon providing written notice to the Borrower;
- (b) suspend its performance under this Agreement;
- (c) take any action provided for at law to enforce compliance by the Borrower with the terms of

this Agreement and the Note;

- (d) foreclose on the Mortgage;
- (e) exercise its remedies under the Mortgage; and
- (f) exercise its remedies under the Personal Guaranty.

In addition to any other amounts due on the Loan, and without waiving any other right of the Lender under any this Agreement or any other instrument securing the Loan applicable documents, the Borrower shall pay to the Lender a late fee of \$250 for any payment not received in full by the Lender within 16 calendar days of the date on which it is due. Furthermore, interest will continue to accrue on any amount due until the date on which it is paid to the Lender, and all such interest will be due and payable at the same time as the amount on which it has accrued.

8. Lender's Costs of Enforcement of Agreement. If an Event of Default has occurred as provided herein, then upon demand by the Lender, the Borrower shall pay or reimburse the Lender for all expenses, including all attorneys' fees and expenses incurred by the Lender in connection with the enforcement of this Agreement, the Loan Documents and the Note, or in connection with the protection or enforcement of the interests and collateral security of the Lender in any litigation or bankruptcy or insolvency proceeding or in any action or proceeding relating in any way to the transactions contemplated by this Agreement.

9. Early Repayment. The Loan will be immediately due and payable if:

- (a) the Borrower or its owners sells or otherwise transfers any or part of his/her interest in the Property;
- (b) the Borrower fails to comply with the Guidelines; or
- (c) the Borrower ceases operations, reduces services or significantly alters the Project.

10. Indemnification.

(a) The Borrower shall and does hereby agree to protect, defend, indemnify, and hold the Lender and the City, and their respective officers, agents, and employees, harmless of and from any and all liability, loss, or damage that it may incur under or by reason of this Agreement, and of and from any and all claims and demands whatsoever that may be asserted against the Lender by reason of any alleged obligations or undertakings on its part to perform or discharge any of the terms, covenants, or agreements contained herein.

(b) Should the Lender or the City, or their respective officers, agents, or employees, incur any such liability or be required to defend against any claims or demands pursuant to Section 10, or should a judgment be entered against the Lender, the amount thereof, including costs, expenses, and reasonable attorneys' fees, shall bear interest thereon at the rate then in effect on the Note, shall be secured hereby, shall be added to the Loan, and the Borrower shall reimburse the Lender for the same immediately upon demand, and upon the failure of the Borrower to do so, the Lender may declare the Loan immediately due and payable.

(c) This indemnification and hold harmless provision shall survive the execution, delivery, and performance of this Agreement and the creation and payment of any indebtedness to the Lender. The

Borrower waives notice of the acceptance of this Agreement by the Lender.

(d) Nothing in this Agreement shall constitute a waiver of or limitation on any immunity from or limitation on liability to which the Lender is entitled under law.

11. Miscellaneous.

(a) Waiver. The performance or observance of any promise or condition set forth in this Agreement may be waived, amended, or modified only by a writing signed by the Borrower and the Lender. No delay in the exercise of any power, right, or remedy operates as a waiver thereof, nor shall any single or partial exercise of any other power, right, or remedy.

(b) Assignment. This Agreement shall be binding upon the Borrower and its successors and assigns and shall inure to the benefit of the Lender and its successors and assigns. All rights and powers specifically conferred upon the Lender may be transferred or delegated by the Lender to any of its successors and assigns. The Borrower's rights and obligations under this Agreement may be assigned only when such assignment is approved in writing by the Lender.

(c) Governing Law. This Agreement is made and shall be governed in all respects by the laws of the State of Minnesota. Any disputes, controversies, or claims arising out of this Agreement shall be heard in the state or federal courts of Minnesota, and all parties to this Agreement waive any objection to the jurisdiction of these courts, whether based on convenience or otherwise.

(d) Severability. If any provision or application of this Agreement is held unlawful or unenforceable in any respect, such illegality or unenforceability shall not affect other provisions or applications that can be given effect, and this Agreement shall be construed as if the unlawful or unenforceable provision or application had never been contained herein or prescribed hereby.

(e) Notice. All notices required hereunder shall be given by depositing in the U.S. mail, postage prepaid, first-class mail, return receipt requested, to the following addresses (or such other addresses as either party may notify the other):

To Lender: City of Monticello Economic Development Authority
505 Walnut Street, Suite 1
Monticello, MN 55362
Attn: Executive Director

To Borrower: Sperr Properties, LLC
9277 Edmonson Ave NE #232
Monticello, MN 55362

(f) Termination. If the Loan is not disbursed pursuant to this Agreement within 180 days of approval of the Loan by the Board of the Commissioners of the Lender (the "Board"), this Agreement shall terminate and neither party shall have any further obligation to the other, except that if the Loan is not disbursed because the Borrower has failed to use its best efforts to comply with the conditions set forth in Section 3 of this Agreement then the Borrower shall pay to the Lender all reasonable attorneys' fees, costs, and expenses incurred by the Lender in connection with this Agreement, the Loan Documents, and the Note. The 180 days may be extended up to an additional 120 days if an extension request is (i) received at least 30 days prior to the expiration of the 180 days and (ii) approved by the Board.

Provided the Loan is disbursed within the required timeframe, this Agreement shall terminate on

the later of the Maturity Date (as defined in the Note) or the date that the Loan has been paid in full (the “Termination Date”). Notwithstanding anything herein to the contrary, the indemnification provisions provided in Section 10 hereof shall not terminate on the Termination Date.

(g) Entire Agreement. This Agreement, together with any exhibits attached hereto, which are incorporated by reference, constitutes the complete and exclusive statement of all mutual understandings between the parties with respect to this Agreement, superseding all prior or contemporaneous proposals, communications, and understandings, whether oral or written, concerning the Loan.

(h) Headings. The headings appearing at the beginning of the several sections contained in this Agreement have been inserted for identification and reference purposes only and shall not be used in the construction and interpretation of this Agreement.

(i) Recording of Documents. The Mortgage shall be recorded with the county on which the Property is located and all costs of such recording shall be paid by the Borrower.

(j) Electronic Signatures; Execution in Counterparts. The electronic signature of the parties to this Agreement shall be as valid as an original signature of such party and shall be effective to bind the parties hereto. For purposes hereof, (i) “electronic signature” means a manually signed original signature that is then transmitted by electronic means; and (ii) “transmitted by electronic means” means sent in the form of a facsimile or sent via the internet as a portable document format (“pdf”) or other replicating image attached to an electronic mail or internet message. This Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

(k) Data Practices. All data collected, created, received, maintained or disseminated for any purpose in the course of the Borrower’s performance of this Agreement is governed by the Minnesota Government Data Practices Act, Minn. Stat. Ch. 13, and any other applicable state statutes, any state rules adopted to implement the Act and statutes, as well as federal statutes and regulations on data privacy.

(l) Accounting and Records. The Borrower agrees to establish and maintain complete, accurate and detailed accounts and records relating to the receipt and expenditure of all funds received under this Agreement. Such accounts and records shall be kept and maintained by the Borrower for a period of six (6) years following the Termination Date. Accounting methods shall be in accordance with generally accepted accounting principles.

(m) Audits. The accounts and records of the Borrower described in paragraph (l) above shall be audited in the same manner as all other accounts and records of the Borrower and may, for a period of six (6) years following the Termination Date, be inspected on the Borrower’s premises by the Authority or individuals or organizations designated by the Authority, upon reasonable notice thereof to the Borrower. The books, records, documents and accounting procedures relevant to this Agreement are subject to examination by the State Auditor in accordance with Minnesota law.

IN WITNESS WHEREOF, this Agreement has been duly executed and delivered by the proper officers thereunto duly authorized on the day and year first written above.

LENDER:

**CITY OF MONTICELLO ECONOMIC
DEVELOPMENT AUTHORITY**

By: _____

President

By: _____

Executive Director

**[SIGNATURE PAGE TO LOAN AGREEMENT – CITY OF MONTICELLO ECONOMIC
DEVELOPMENT AUTHORITY]**

BORROWER:

SPERR PROPERTIES, LLC, a Minnesota limited liability company

By _____
Its _____

L&L HOMESTYLE CAFE, LLC, a Minnesota limited liability company

By _____
Its _____

MORTGAGE

THE MAXIMUM PRINCIPAL INDEBTEDNESS SECURED BY THIS MORTGAGE IS \$65,000.

THIS MORTGAGE (the “Mortgage”) made as of the 11th day of March, 2026 by SPERR PROPERTIES, LLC, a Minnesota limited liability company (collectively, the “Borrower”), in favor of the CITY OF MONTICELLO ECONOMIC DEVELOPMENT AUTHORITY, a public body corporate and politic and a political subdivision of the State of Minnesota (the “Lender”).

WITNESSETH:

The Borrower owes the Lender the principal sum of SIXTY-FIVE THOUSAND DOLLARS AND NO/100 (\$65,000), which debt is evidenced by a Promissory Note of even date herewith (the "Note"), with a maturity date of March 1, 2036, the terms and conditions of which are incorporated herein. This Mortgage secures to the Lender: (a) the repayment of the debt evidenced by the Note, and all renewals, extensions, and modifications of the Note; (b) the payment of all other sums, with interest thereon, advanced to protect the security of this Mortgage; (c) the performance of the Borrower’s covenants and agreements under this Mortgage and the Note; and (d) is subject to the terms and conditions of that certain Loan Agreement of even date herewith (the “Loan Agreement”), between the Borrower and the Lender. For this purpose, the Borrower does hereby mortgage, grant and convey to Lender, with power of sale, the real property located in Wright County, Minnesota and legally described in the **Exhibit A** attached hereto, together with all the improvements now or hereafter erected on the property, and all easements, appurtenances, and fixtures now or hereafter a part of the property. All replacements and additions shall also be covered by this Mortgage. All of the foregoing is referred to in this Mortgage as the “Property”.

THE BORROWER COVENANTS that the Borrower is lawfully seized of the estate hereby conveyed and has the right to mortgage, grant, and convey the Property and that the Property is unencumbered, except for those encumbrances of record previously disclosed in writing to the Lender, including those in Section 2 hereof. The Borrower warrants and will defend generally the title to the Property against all claims and demands, subject to any encumbrances of record.

The Borrower and the Lender agree as follows:

1. PAYMENT OF PRINCIPAL AND INTEREST; LATE CHARGES. The Borrower shall promptly pay when due the principal of and accrued interest on the debt evidenced by the Note and any late charges due under the Note or the Loan Agreement.

2. SUBORDINATION. This Mortgage is subordinate to the Mortgage given by the Borrower to North Star Bank, dated November 14, 2025 and recorded with the County Recorder as document number A-1589850 on November 17, 2025.

3. CHARGES; LIENS. The Borrower shall pay all taxes, assessments, charges, fines, and impositions attributable to the Property which may attain priority over this Mortgage, and leasehold payments or ground rents, if any. The Borrower shall pay these obligations on time directly to the person owed payment.

The Borrower shall promptly discharge any lien which has priority over this Mortgage, notwithstanding those named in Section 2 hereof, unless the Borrower: (a) agrees in writing to the payment of the obligation secured by the lien in a manner reasonably acceptable to the Lender; (b) contests in good faith the lien by, or defends against enforcement of the lien in, legal proceedings which in the Lender's opinion operate to prevent the enforcement of the lien; or (c) secures from the holder of the lien an agreement satisfactory to the Lender subordinating the lien to this Mortgage. If the Lender determines that any part of the Property is subject to a lien which may attain priority over this Mortgage, other than those named in Section 2 hereof, the Lender may give the Borrower a notice identifying the lien. The Borrower shall satisfy the lien or take one or more of the actions set forth above within 30 days of the giving of notice.

4. HAZARD OR PROPERTY INSURANCE. The Borrower shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire and any other hazards for which the Lender requires insurance for full replacement value of the improvements. This insurance shall be maintained in the amounts and for the periods that the Lender reasonably requires. The insurance carrier providing the insurance shall be chosen by the Borrower. If the Borrower fail to maintain coverage described above, the Lender may, at the Lender's option, obtain coverage to protect the Lender's rights in the Property in accordance with paragraph 5.

All insurance policies and renewals shall be reasonably acceptable to the Lender and shall include a standard mortgage clause. If the Lender requires, the Borrower shall promptly give to the Lender all receipts of paid premiums and renewal notices. In the event of loss, the Borrower shall give prompt notice to the insurance carrier and the Lender. The Lender may make proof of loss if not made promptly by the Borrower.

If under Section 16 the Property is acquired by the Lender, the Borrower's right to any insurance policies and proceeds resulting from damage to the Property prior to the acquisition shall pass to the Lender to the extent of the sums secured by this Mortgage immediately prior to the acquisition.

5. PROTECTION OF THE PROPERTY. The Borrower shall keep the property in good repair and shall not destroy or damage the Property or commit waste on or permit impairment or deterioration of the Property. The Borrower shall be in default if any forfeiture action or proceeding, whether civil or criminal, is begun that in the Lender's good faith judgment could result in forfeiture of the Property or otherwise materially impair the lien created by this Mortgage or the Lender's security interest. The Borrower may cure such a default and reinstate, as provided in Section 14, by causing the action or proceeding to be dismissed with a ruling that, in the Lender's good faith determination, precludes forfeiture of the Borrower's interest in the Property or other material impairment of the lien created by this Mortgage or the Lender's security interest. The Borrower shall also be in default if the Borrower gave materially false or inaccurate information or statements to the Lender in connection with the loan evidenced by the Note.

6. PROTECTION OF LENDER'S RIGHTS IN THE PROPERTY. If the Borrower fails to perform the covenants and agreements contained in this Mortgage, or there is a legal proceeding that may

significantly affect the Lender's rights in the Property (such as a proceeding in bankruptcy, condemnation, or forfeiture), the Lender may do and pay for whatever is necessary to protect the value of the Property and the Lender's rights in the Property. The Lender's actions may include paying any sums secured by a lien which has priority over this Mortgage, appearing in court, paying reasonable attorneys' fees, and entering on the Property to make repairs. Although the Lender may act under this Section 6, the Lender is not required to do so.

Any amounts disbursed by the Lender under this paragraph 5 shall become additional debt of the Borrower secured by this Mortgage. Unless the Borrower and the Lender agree to other terms of payment, these amounts shall bear interest from the date of disbursement at a rate equal to the interest rate on the Note and shall be payable, with interest, upon notice from the Lender to the Borrower requesting payment.

7. INSPECTION. The Lender or its agent may make reasonable entries upon and inspections of the Property upon reasonable notice to the Borrower.

8. CONDEMNATION. The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of any part of the Property, or for conveyance in lieu of condemnation, are hereby assigned and shall be paid to the Lender.

In the event of a total taking of the Property, the proceeds shall be applied to the sums secured by this Mortgage, whether or not then due, with any excess paid to the Borrower. In the event of a partial taking of the Property in which the fair market value of the Property immediately before the taking is equal to or greater than the amount of the sums secured by this Mortgage immediately before the taking, unless Borrower and Lender otherwise agree in writing, if any, the sums secured by this Mortgage shall be reduced by the amount of the proceeds multiplied by the following fraction: (a) the total amount of the sums secured immediately before the taking, divided by (b) the fair market value of the Property immediately before the taking. Any balance shall be paid to the Borrower. In the event of a partial taking of the Property in which the fair market value of the Property immediately before the taking is less than the amount of the sums secured immediately before the taking, unless the Borrower and the Lender otherwise agree in writing or unless applicable law otherwise provides, the proceeds shall be applied to the sums secured by this Mortgage whether or not the sums are then due.

9. FORBEARANCE BY LENDER NOT A WAIVER. Any forbearance by the Lender in exercising any right or remedy shall not be a waiver of or preclude the exercise of any right or remedy.

10. SUCCESSORS AND ASSIGNS BOUND. The covenants and agreements of this Mortgage shall bind and benefit the successors and assigns of the Lender and the Borrower.

11. LOAN CHARGES. If the loan secured by this Mortgage is or becomes subject to a law which sets maximum loan charges, and that law is finally interpreted so that the interest or other loan charges collected or to be collected in connection with the loan exceed the permitted limits, then: (a) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (b) any sums already collected from the Borrower which exceeded permitted limits will be refunded to the Borrower. The Lender may choose to make this refund by reducing the principal owed under the Note or by making a direct payment to the Borrower. If a refund reduces principal, the reduction will be treated as a partial prepayment under the Note.

12. NOTICES. Any notice to the Borrower provided for in this Mortgage shall be given by delivering it personally or by mailing it by first class United States mail, postage prepaid, return receipt requested. The notice shall be directed to the Borrower at 9277 Edmonson Avenue NE, #232, Monticello, MN 55362, or any other address the Borrower designates by notice to the Lender. Any notice to the Lender

shall be given or mailed to 505 Walnut Street, Suite 1, Monticello, Minnesota 55362, or any other address the Lender designates by notice to the Borrower. Any notice provided for in this Mortgage shall be deemed to have been given to the Borrower or the Lender when given as provided in this paragraph.

13. GOVERNING LAW; SEVERABILITY. This Mortgage shall be governed by the law of the state of Minnesota. In the event that any provision or clause of this Mortgage or the Note conflicts with applicable law, such conflict shall not affect other provisions of this Mortgage or the Note which can be given effect without the conflicting provision. To this end, the provisions of this Mortgage and the Note are declared to be severable.

14. BORROWER'S RIGHT TO REINSTATE. If the Borrower meets certain conditions, the Borrower shall have the right to have enforcement of this Mortgage discontinued at any time prior to the earlier of: (a) 5 days before sale of the Property pursuant to any power of sale contained in this Mortgage; or (b) entry of a judgment enforcing this Mortgage. Those conditions are that the Borrower: (a) pays Lender all sums which then would be due under this Mortgage and the Note as if no acceleration had occurred; (b) cures any default of any other covenants or agreements; (c) pays all expenses incurred in enforcing this Mortgage, including, but not limited to, reasonable attorneys' fees; and (d) takes such action as the Lender may reasonably require to assure that the lien of this Mortgage, Lender's rights in the Property and the Borrower's obligation to pay the sums secured by this Mortgage shall continue unchanged. Upon reinstatement by the Borrower, this Mortgage and the obligations secured hereby shall remain fully effective as if no acceleration had occurred.

15. HAZARDOUS SUBSTANCES. The Borrower shall not cause or permit the presence, use, disposal, storage, or release of any hazardous substances on or in the Property, except those solvents, oils, cleaning materials, and other substances as are used in the ordinary course of the Borrower's business. The Borrower shall not do, and will use its best efforts not to allow anyone else to do, anything affecting the Property that is in violation of any environmental law.

The Borrower shall promptly give Lender written notice of any investigation, claim, demand, lawsuit, or other action by any governmental or regulatory agency or private party involving the Property and any hazardous substance or environmental law of which the Borrower have actual knowledge. If the Borrower learns, or is notified by any governmental or regulatory authority, that any removal or other remediation of any hazardous substance affecting the Property is necessary, the Borrower shall promptly take all necessary remedial actions in accordance with that environmental law.

As used in this Section 15, "hazardous substances" are those substances defined as toxic or hazardous substances by environmental law and the following substances: gasoline, kerosene, other flammable or toxic petroleum products, volatile solvents, materials containing asbestos or formaldehyde, and radioactive materials. As used in this Section 15, "environmental law" means federal or state laws that relate to environmental protection.

16. ACCELERATION; REMEDIES. The Lender shall give notice to the Borrower prior to acceleration following the Borrower's breach of any covenant or agreement in this Mortgage. The notice shall specify: (a) the default; (b) the action required to cure the default; (c) a date, not less than 30 days from the date the notice is given to Borrower by which the default must be cured, provided, however, if the Borrower are diligently pursuing a cure, the Borrower shall have such additional time as is reasonably necessary to complete the cure; and (d) that failure to cure the default on or before the date specified in the notice may result in acceleration of the sums secured by this Mortgage and sale of the Property. The notice shall further inform the Borrower of the right to reinstate after acceleration and sale. If the default is not cured on or before the date specified in the notice, the Lender at its option may require immediate payment in full of any sums secured by this Mortgage without further demand and may invoke the power of sale and

any other remedies permitted by law. The Lender shall be entitled to collect all expenses incurred in pursuing the remedies provided in this Section 16, including, but not limited to, reasonable attorneys' fees.

If Lender invokes the power of sale, the Lender shall cause a copy of a notice of sale to be served upon any person in possession of the Property. The Lender shall publish a notice of sale, and the Property shall be sold at public auction in the manner prescribed by law. The Lender or its designee may purchase the Property at any sale. The proceeds of the sale shall be applied in the following order: (a) to all expenses of the sale, including, but not limited to, reasonable attorneys' fees; (b) to all sums secured by this Mortgage; and (c) any excess to the person or persons legally entitled to it.

17. RELEASE OF MORTGAGE. Upon payment of all sums secured by this Mortgage, Lender shall discharge this Mortgage without charge to the Borrower. The Borrower shall pay any recordation costs.

18. TRANSFER OF THE PROPERTY OR A BENEFICIAL INTEREST IN BORROWER. If the Borrower sells or conveys all or any part of the Property or any interest in the Property (or if a beneficial interest in any the Borrower is sold or transferred and the Borrower is not a national person) without the Lender's prior written consent, the Lender may, at its option, require immediate payment in full of all sums secured by this Mortgage; provided, however, that if the Lender requires the immediate payment in full of all sums secured by this Mortgage, then the Borrower may, in its sole discretion, elect to convey title to the Property to the Lender and, in that event, the Lender shall forgive the unpaid balance of all sums secured by this Mortgage and release the Borrower from this Mortgage, the Note, the Personal Guaranty and the Loan Agreement, without further liability. However, the Lender shall not exercise its option if such exercise is prohibited by federal or state law as of the date of this Mortgage.

If the Lender exercises such option, the Lender shall give the Borrower notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is delivered or mailed within which the Borrower must pay all sums secured by this Mortgage or elect to convey title to the Property to the Lender in lieu of such accelerated payment. If the Borrower fails to pay these sums or to elect to convey title to the Lender prior to the expiration of this period, the Lender may invoke any remedies permitted by this Mortgage without further notice or demand on the Borrower.

19. ADDITIONAL COVENANTS. The Borrower covenants: (a) to warrant title to the Property, (b) to pay all other mortgages, liens, charges or encumbrances against the Property as and when they become due, (c) to pay the indebtedness of the Note as herein provided, (d) to pay all real estate taxes on the Property (e) that the Property shall be kept in repair and no waste shall be committed as provided in Paragraph 5, (f) that the Borrower shall keep any buildings on the Property insured against loss by fire and other hazards for at least the sum of the full insurable value of the Property for the protection of the Lender as provided in Paragraph 4; and (g) that the whole of the principal sum shall become due after default in the payment of any installment of principal or interest, or of any tax, or in the performance of any other covenant, at the option of the Lender; provided, however, that if the Lender declares such a default and requires payment in full of all sums secured by this Mortgage, then Borrower may, in its sole discretion, elect to convey title to the Property to the Lender and, in that event, the Lender shall forgive the unpaid balance of all sums secured by this Mortgage and release the Borrower from its obligations under this Mortgage, the Note, the Personal Guaranty and the Loan Agreement, without further liability.

(The remainder of this page is intentionally blank.)

IN TESTIMONY WHEREOF, Borrower has hereunto set its hand the day and year first above written.

SPERR PROPERTIES, LLC, a Minnesota limited liability company

By _____
Its _____

STATE OF MINNESOTA)

COUNTY OF _____)

On this _____ day of _____, 2026, before me the undersigned, a Notary Public in and for said state, personally appeared _____, personally known to me, or proved to me on the basis of satisfactory evidence, to be _____, the _____ of Sperr Properties, LLC a Minnesota limited liability company, and executed the within instrument on behalf of such limited liability company.

Notary Public

EXHIBIT A

Legal Description of Property

That property located in the City of Monticello, Wright County, Minnesota and legally described as follows:

Lot 15 of Block 35 Monticello, except a strip of land on the East side of thereof 8 1/2 feet in width, front and rear, running 165 feet being the full depth of said lot, according to the plat thereof on file and of record in the office of the County Recorder, Wright County, Minnesota.

Abstract Property

PROMISSORY NOTE

\$65,000

March 11, 2026

FOR VALUE RECEIVED, the undersigned, SPERR PROPERTIES, LLC and L&L HOMESTYLE CAFÉ, LLC, each a Minnesota limited liability company (collectively, the "Borrower"), for value received, hereby, jointly and severally, promise to pay to the CITY OF MONTICELLO ECONOMIC DEVELOPMENT AUTHORITY, a public body corporate and politic under the laws of Minnesota (the "Lender") (Lender and any holder of this Note from time to time are each hereinafter sometimes referred to as "Holder"), at 505 Walnut Street, Suite 1, Monticello, Minnesota 55362, or such other place as may be designated from time to time in writing by the Holder hereof, the principal sum of SIXTY-FIVE THOUSAND and no/100ths Dollars (\$65,000) or so much thereof as may be advanced under this Note (the "Loan"), pursuant to the terms of a Loan Agreement between the Borrower and the Lender of even date herewith (the "Loan Agreement"), together with interest thereon at the rate of 4.75% per annum from the date of this Promissory Note (the "Note"), 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. All capitalized terms not otherwise defined herein shall have the meanings set forth in the Loan Agreement. The principal and interest of this Note is payable as follows:

1. Interest at the rate of 4.75% per annum shall accrue on the principal amount outstanding on the Note. The Borrower shall make level payments of principal and interest beginning on March 1, 2026 (the "Initial Payment Date"), and continue on the first day of each and every month thereafter until paid in full. Such payments shall fully amortize the principal and interest over ten (10) years; provided that the final payment of unpaid principal and interest shall be due and payable on March 1, 2036 (the "Maturity Date").

2. The Borrower may prepay the principal of the Note plus accrued interest thereon, in whole or in part, on any date without premium or penalty.

3. In addition to any other amounts due on the Loan Amount, and without waiving any other right of Lender under the Loan Documents, Borrower shall pay to Lender a late fee of \$250.00 for any payment not received in full by Lender within 16 calendar days of the date on which it is due. Furthermore, interest will continue to accrue on any amount due until the date on which it is paid to Lender, and all such interest will be due and payable at the same time as the amount on which it has accrued.

4. This Note evidences the Loan and is given pursuant to the Loan Agreement. The repayment of this Note is secured by the Mortgage, the Security Agreement, and the Personal Guaranty.

All of the agreements, conditions, covenants, provisions, and stipulations contained in the Loan Agreement, the Mortgage, the Security Agreement, the Personal Guaranty or any other 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 an Event of Default occurs hereunder, under the Loan Agreement or any other instrument securing this Note, then Lender may at its right and option, pursuant to a notice of default, declare immediately due and payable the principal balance of this Note and interest accrued thereon, together with any costs of collection including attorney fees incurred by Lender in collecting or enforcing payment hereof, whether suit be brought or not, and all other sums due hereunder or under the Loan Agreement.

5. The remedies of the Lender as provided herein, and in the Loan Agreement, the Security Agreement, the Mortgage, the Personal Guaranty, 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, may be exercised as often as occasion therefor 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 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 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. The obligations of the Borrower hereunder are unconditional irrespective of any defense or any rights of setoff, recoupment or counterclaim it might otherwise have against the Lender, the City, or any government body or other person.

7. If any of the terms of this Note, or the application thereof to any person or circumstances shall, to any extent, be invalid or unenforceable, the remainder of this Note, or the application of such terms to persons or circumstances other than those to which it is invalid or unenforceable, shall not be affected thereby, and each of the terms of this Note shall be valid and enforceable to the fullest extent permitted by law.

8. It is intended that this Note is made with reference to and shall be construed as a Minnesota contract and governed by the laws of the State of Minnesota.

9. The obligation of each Borrower hereunder is joint and several.

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.

[The remainder of this page is intentionally blank.]

IN WITNESS WHEREOF, the Borrower has caused this Note to be duly executed as of the _____ day of _____, 2026.

SPERR PROPERTIES, LLC, a Minnesota limited liability company

By _____
Its _____

L&L HOMESTYLE CAFE, LLC, a Minnesota limited liability company

By _____
Its _____

[SIGNATURE PAGE FOR PROMISSORY NOTE]

PERSONAL GUARANTY

LARRY SPERR

Monticello, Minnesota

March 11, 2026

FOR VALUABLE CONSIDERATION, the receipt and sufficiency of which is hereby acknowledged, and in consideration of and to induce financial accommodations of any kind, with or without security, given or to be given or continued at any time and from time to time by the CITY OF MONTICELLO ECONOMIC DEVELOPMENT AUTHORITY, a public body corporate and politic (the "Lender"), to or for the account of Sperr Properties, LLC and L&L Homestyle Café, LLC, each a limited liability company (collectively, the "Borrower"), the undersigned (the "Guarantor") absolutely and unconditionally guaranty to the Lender the full and prompt payment when due, whether at maturity or earlier by reason of acceleration or otherwise, of any and all indebtedness, obligations and liabilities of the Borrower (and any and all successors of the Borrower) to the Lender, now or hereafter existing including the that certain Promissory Note of even date herewith, in the original aggregate principal amount of \$65,000.00, executed and delivered by the Borrower to the Lender, in accordance with the terms of the Loan Agreement, of even date herewith, between the Borrower and the Lender, absolute or contingent, independent, joint, several or joint and several, secured or unsecured, due or to become due, contractual or tortious, liquidated or unliquidated, arising by assignment or otherwise, including without limitation all indebtedness, obligations and liabilities owed by the Borrower (and any and all successors of the Borrower) as a member of any partnership, syndicate, association or other group, and whether incurred by the Borrower (or any successor of the Borrower) as principal, surety, endorser, guarantor, accommodation party or otherwise (collectively, the "Indebtedness"); and the Guarantor agrees to pay on demand all of the Lender's fees, costs, expenses and reasonable attorneys' fees in connection with the Indebtedness, any security therefor, and this guaranty, plus interest on such amounts at the highest rate then applicable to any of the Indebtedness.

The Lender may at any time and from time to time, without consent of or notice to the Guarantor, without incurring responsibility to the Guarantor, without releasing, impairing or affecting the liability of the Guarantor hereunder, upon or without any terms or conditions, and in whole or in part: (1) sell, pledge, surrender, compromise, settle, release, renew, subordinate, extend, alter, substitute, exchange, change, modify or otherwise dispose of or deal with in any manner and in any order any Indebtedness, any evidence thereof, or any security or other guaranty therefor; (2) accept any security for, or other guarantors of, any Indebtedness; (3) fail, neglect or omit to obtain, realize upon or protect any Indebtedness or any security therefor, to exercise any lien upon or right to any money, credit or property toward the liquidation of the Indebtedness, or to exercise any other right against the Borrower, the Guarantor, any other guarantor or any other person; and (4) apply any payments and credits to the Indebtedness in any manner and in any order. No act, omission or thing, except full payment and discharge of the Indebtedness, which but for this provision could act as a release or impairment of the liability of the Guarantor hereunder, shall in any way release, impair or otherwise affect the liability of the Guarantor hereunder, and the Guarantor waives any and all defenses of the Borrower pertaining to the Indebtedness, any evidence thereof, and any security therefor, except the defense of discharge by payment. The failure of any person or persons to sign this or any other guaranty shall not release, impair or affect the liability of the Guarantor hereunder. This guaranty is a primary obligation of the Guarantor and the Lender shall not be required to first resort for payment of the Indebtedness to the Borrower or any other person, its properties or estates, or any security or other rights or remedies whatsoever. The

Guarantor shall be and remain liable for any deficiency remaining after foreclosure of any mortgage or security interest securing the Indebtedness, whether or not the liability of the Borrower or any other person for such deficiency is discharged pursuant to statute, judicial decision or otherwise.

The liability of the Guarantor under this guaranty is in addition to and shall be cumulative with all other liabilities of the Guarantor to the Lender, as guarantor or otherwise, without any limitation as to amount, unless the writing evidencing or creating such other liability specifically provides to the contrary. If any payment applied by the Lender to the Indebtedness is thereafter set aside, recovered, rescinded or required to be returned for any reason (including without limitation the bankruptcy, insolvency or reorganization of the Borrower or any other person), the Indebtedness to which such payment was applied shall for the purposes of this guaranty be deemed to have continued in existence, notwithstanding such application, and this guaranty shall be enforceable as to such Indebtedness as fully as if such application had never been made.

The Guarantor waives: (1) notice of acceptance of this guaranty and of the creation and existence of the Indebtedness; (2) presentment, demand for payment, notice of dishonor, notice of nonpayment, and protest of any instrument evidencing the Indebtedness; and (3) all other demands and notices to the Guarantor or any other person and all other actions to establish the liability of the Guarantor hereunder. The Guarantor consents to the personal jurisdiction of the state and federal courts located in the State of Minnesota in connection with any controversy related to this guaranty, waives any argument that venue in such forums is not convenient, and agrees that any litigation initiated by the Guarantor against the Lender in connection with this guaranty shall be venued in either the District Court of Benton County, Minnesota, or the United States District Court, District of Minnesota.

All property of the Guarantor, now or hereafter in the possession, control or custody of or in transit to the Lender for any purpose, including without limitation the balance of every account of the Guarantor with and each claim of the Guarantor against the Lender, shall be subject to a lien and security interest in favor of the Lender, as security for all liabilities of the Guarantor to the Lender, and shall be subject to be set off against any and all such liabilities, and the Lender may at any time and from time to time at its option and without notice appropriate and apply any such property toward the payment of any and all such liabilities. The Guarantor agrees to promptly provide the Lender from time to time with financial statements of the Guarantor, in form and substance acceptable to the Lender, at least once every 12 months and as otherwise requested by the Lender. The Guarantor agrees to promptly provide the Lender from time to time with such other information respecting the condition (financial and otherwise), business and property of the Guarantor as the Lender may request, in form and substance acceptable to the Lender.

The Guarantor waives all claims, rights and remedies which the Guarantor may now have or hereafter acquire against any person at any time now or hereafter liable to payment of any of the Indebtedness and as to any collateral security, including but not limited to all claims, rights and remedies of contribution, indemnification, exoneration, reimbursement, recourse and subrogation, whether or not such claim, right or remedy arises in equity, under contract, by statute, under common law or otherwise, whether or not the Indebtedness has been fully paid, and all payments and recoveries under this guaranty shall be considered equity investments by the Guarantor in the Borrower; provided, nothing contained in this guaranty shall deprive the Guarantor of any claim, right or remedy, after the Indebtedness has been fully paid, against any person other than the Borrower. No delay or failure by the Lender in exercising any right, and no partial or single exercise thereof shall constitute a waiver thereof. No waiver of any rights hereunder, and no modification or amendment of this guaranty shall be effective unless the same is in writing duly executed by the Lender, and each such waiver, if any, shall apply only with respect to the specific instance involved and shall not impair or affect the rights of the Lender or the provisions of this guaranty in any other respect at any other time. This guaranty shall continue until written notice of

revocation of this guaranty, executed by the Guarantor, has been received by the Lender; provided, no revocation of this guaranty shall affect in any manner any liability of the Guarantor under this guaranty with respect to Indebtedness arising before the Lender receives such written notice of revocation, and the sole effect of revocation of this guaranty shall be to exclude from this guaranty Indebtedness thereafter arising which is unconnected with Indebtedness theretofore arising or transactions theretofore entered into.

Any invalidity or unenforceability of any provision or application of this guaranty shall not affect other lawful provisions and applications hereof and to this end the provisions of this guaranty are declared to be severable. This guaranty shall bind the Guarantor and the heirs, representatives, successors and assigns of the Guarantor, and of each of them respectively, and shall benefit the Lender, its successors and assigns. This guaranty shall be governed by and construed in accordance with the laws of the State of Minnesota.

Agrees that the Lender shall not be required to first resort for payment to the Borrower or any other person, corporation or entity, or their properties or estate, or any other right or remedy whatsoever, prior to enforcing this Guaranty.

Agrees that this Guaranty shall be construed as a continuing, absolute, and unconditional guaranty without regard to (I) the validity, regularity or enforceability or the Obligations or the disaffirmance thereof in any insolvency or bankruptcy proceeding relating to the Borrower; or (2) any event or any conduct or action of the Borrower or the Lender or any other party which might otherwise constitute a legal or equitable discharge of a surety or guarantor but for this provision.

The Guarantor is an owner of the Borrower and the Guarantor acknowledges and agrees that the Indebtedness is being utilized by the Borrower to finance a portion of the costs related to the interior building renovations and the purchase of restaurant equipment located at 154 Walnut Street in the City (the "Property"), and such business improvements will materially financially benefit the Guarantor and, therefore, the Guarantor's obligations under this Guaranty are proper, valid and enforceable.

The Guarantor agrees to deliver to the Lender: (i) on or before the earlier of thirty (30) days after its completion or one hundred twenty (120) days following each calendar year, the signed personal financial statement of the Guarantor, in a form acceptable to Lender and dated as of December 31st of the immediately preceding year, which financial statement presents the financial condition (including all guaranty and other contingent obligations) of the Guarantor as of such date; and (ii) as soon as available, but in no event later than their required filing, the federal income tax return, including all schedules and forms, for the applicable year for the Guarantor. In addition, Guarantor agrees with reasonable promptness, to provide to Lender such further information regarding the business, operations, affairs and financial and other condition of the Guarantor as the Lender may reasonably request.

The Guarantor warrants and represents to the Lender as follows:

a. Enforceability. This Guaranty constitutes the legal, valid and binding obligation of the Guarantor, enforceable in accordance with its terms (subject, as to enforceability, to limitations resulting from bankruptcy, insolvency or other similar laws affecting creditors' rights generally).

b. Litigation. There is no action, suit or proceeding pending or, to the knowledge of the Guarantor, threatened against or affecting the Guarantor which, if adversely determined, would have a material adverse effect on the condition (financial or otherwise), property or

assets of the Guarantor, or which would question total validity of this Guaranty or any instrument, document or other agreement related hereto or required hereby, or impair the ability of the Guarantor to perform his or her obligations hereunder or thereunder.

c. Default. Guarantor is not in default of a material provision under any material agreement, instrument, decree or order to which he or she is a party or by which he or she or his or her property is bound or affected.

d. Consents. No consent, approval, order or authorization of, or registration, declaration or filing with, or notice to, any governmental authority or any third party is required in connection with the execution and delivery of this Guaranty or any of the agreements or instruments herein mentioned to which Guarantor is a party or the carrying out or performance of any of the transactions required or contemplated hereby or thereby or, if required, such consent, approval, order or authorization has been obtained or such registration, declaration or filing has been accomplished or such notice has been given prior to the date hereof.

e. Taxes. Guarantor has filed all tax returns required to be filed and has paid all taxes shown thereon to be due, including interest and penalties, which are not being contested in good faith and by appropriate proceedings and none of them has any information or knowledge of any objections to or claims for additional taxes in respect of federal income or excess profits tax returns for prior years.

THE GUARANTOR REPRESENTS, CERTIFIES, WARRANTS AND AGREES THAT THE GUARANTOR HAS READ ALL OF THIS GUARANTY AND UNDERSTAND ALL OF THE PROVISIONS OF THIS GUARANTY. THE GUARANTOR ALSO AGREES THAT COMPLIANCE BY THE LENDER WITH THE EXPRESS PROVISIONS OF THIS GUARANTY SHALL CONSTITUTE GOOD FAITH AND SHALL BE CONSIDERED REASONABLE FOR ALL PURPOSES.

Larry Sperr

PERSONAL GUARANTY

LOGAN SPERR

Monticello, Minnesota
March 11, 2026

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Guarantor shall be and remain liable for any deficiency remaining after foreclosure of any mortgage or security interest securing the Indebtedness, whether or not the liability of the Borrower or any other person for such deficiency is discharged pursuant to statute, judicial decision or otherwise.

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All property of the Guarantor, now or hereafter in the possession, control or custody of or in transit to the Lender for any purpose, including without limitation the balance of every account of the Guarantor with and each claim of the Guarantor against the Lender, shall be subject to a lien and security interest in favor of the Lender, as security for all liabilities of the Guarantor to the Lender, and shall be subject to be set off against any and all such liabilities, and the Lender may at any time and from time to time at its option and without notice appropriate and apply any such property toward the payment of any and all such liabilities. The Guarantor agrees to promptly provide the Lender from time to time with financial statements of the Guarantor, in form and substance acceptable to the Lender, at least once every 12 months and as otherwise requested by the Lender. The Guarantor agrees to promptly provide the Lender from time to time with such other information respecting the condition (financial and otherwise), business and property of the Guarantor as the Lender may request, in form and substance acceptable to the Lender.

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revocation of this guaranty, executed by the Guarantor, has been received by the Lender; provided, no revocation of this guaranty shall affect in any manner any liability of the Guarantor under this guaranty with respect to Indebtedness arising before the Lender receives such written notice of revocation, and the sole effect of revocation of this guaranty shall be to exclude from this guaranty Indebtedness thereafter arising which is unconnected with Indebtedness theretofore arising or transactions theretofore entered into.

Any invalidity or unenforceability of any provision or application of this guaranty shall not affect other lawful provisions and applications hereof and to this end the provisions of this guaranty are declared to be severable. This guaranty shall bind the Guarantor and the heirs, representatives, successors and assigns of the Guarantor, and of each of them respectively, and shall benefit the Lender, its successors and assigns. This guaranty shall be governed by and construed in accordance with the laws of the State of Minnesota.

Agrees that the Lender shall not be required to first resort for payment to the Borrower or any other person, corporation or entity, or their properties or estate, or any other right or remedy whatsoever, prior to enforcing this Guaranty.

Agrees that this Guaranty shall be construed as a continuing, absolute, and unconditional guaranty without regard to (I) the validity, regularity or enforceability or the Obligations or the disaffirmance thereof in any insolvency or bankruptcy proceeding relating to the Borrower; or (2) any event or any conduct or action of the Borrower or the Lender or any other party which might otherwise constitute a legal or equitable discharge of a surety or guarantor but for this provision.

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The Guarantor warrants and represents to the Lender as follows:

a. Enforceability. This Guaranty constitutes the legal, valid and binding obligation of the Guarantor, enforceable in accordance with its terms (subject, as to enforceability, to limitations resulting from bankruptcy, insolvency or other similar laws affecting creditors' rights generally).

b. Litigation. There is no action, suit or proceeding pending or, to the knowledge of the Guarantor, threatened against or affecting the Guarantor which, if adversely determined, would have a material adverse effect on the condition (financial or otherwise), property or

assets of the Guarantor, or which would question total validity of this Guaranty or any instrument, document or other agreement related hereto or required hereby, or impair the ability of the Guarantor to perform his or her obligations hereunder or thereunder.

c. Default. Guarantor is not in default of a material provision under any material agreement, instrument, decree or order to which he or she is a party or by which he or she or his or her property is bound or affected.

d. Consents. No consent, approval, order or authorization of, or registration, declaration or filing with, or notice to, any governmental authority or any third party is required in connection with the execution and delivery of this Guaranty or any of the agreements or instruments herein mentioned to which Guarantor is a party or the carrying out or performance of any of the transactions required or contemplated hereby or thereby or, if required, such consent, approval, order or authorization has been obtained or such registration, declaration or filing has been accomplished or such notice has been given prior to the date hereof.

e. Taxes. Guarantor has filed all tax returns required to be filed and has paid all taxes shown thereon to be due, including interest and penalties, which are not being contested in good faith and by appropriate proceedings and none of them has any information or knowledge of any objections to or claims for additional taxes in respect of federal income or excess profits tax returns for prior years.

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Logan Sperr

PERSONAL GUARANTY**MARK SPERR**

Monticello, Minnesota

March 11, 2026

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The Guarantor waives: (1) notice of acceptance of this guaranty and of the creation and existence of the Indebtedness; (2) presentment, demand for payment, notice of dishonor, notice of nonpayment, and protest of any instrument evidencing the Indebtedness; and (3) all other demands and notices to the Guarantor or any other person and all other actions to establish the liability of the Guarantor hereunder. The Guarantor consents to the personal jurisdiction of the state and federal courts located in the State of Minnesota in connection with any controversy related to this guaranty, waives any argument that venue in such forums is not convenient, and agrees that any litigation initiated by the Guarantor against the Lender in connection with this guaranty shall be venued in either the District Court of Benton County, Minnesota, or the United States District Court, District of Minnesota.

All property of the Guarantor, now or hereafter in the possession, control or custody of or in transit to the Lender for any purpose, including without limitation the balance of every account of the Guarantor with and each claim of the Guarantor against the Lender, shall be subject to a lien and security interest in favor of the Lender, as security for all liabilities of the Guarantor to the Lender, and shall be subject to be set off against any and all such liabilities, and the Lender may at any time and from time to time at its option and without notice appropriate and apply any such property toward the payment of any and all such liabilities. The Guarantor agrees to promptly provide the Lender from time to time with financial statements of the Guarantor, in form and substance acceptable to the Lender, at least once every 12 months and as otherwise requested by the Lender. The Guarantor agrees to promptly provide the Lender from time to time with such other information respecting the condition (financial and otherwise), business and property of the Guarantor as the Lender may request, in form and substance acceptable to the Lender.

The Guarantor waives all claims, rights and remedies which the Guarantor may now have or hereafter acquire against any person at any time now or hereafter liable to payment of any of the Indebtedness and as to any collateral security, including but not limited to all claims, rights and remedies of contribution, indemnification, exoneration, reimbursement, recourse and subrogation, whether or not such claim, right or remedy arises in equity, under contract, by statute, under common law or otherwise, whether or not the Indebtedness has been fully paid, and all payments and recoveries under this guaranty shall be considered equity investments by the Guarantor in the Borrower; provided, nothing contained in this guaranty shall deprive the Guarantor of any claim, right or remedy, after the Indebtedness has been fully paid, against any person other than the Borrower. No delay or failure by the Lender in exercising any right, and no partial or single exercise thereof shall constitute a waiver thereof. No waiver of any rights hereunder, and no modification or amendment of this guaranty shall be effective unless the same is in writing duly executed by the Lender, and each such waiver, if any, shall apply only with respect to the specific instance involved and shall not impair or affect the rights of the Lender or the provisions of this guaranty in any other respect at any other time. This guaranty shall continue until written notice of

revocation of this guaranty, executed by the Guarantor, has been received by the Lender; provided, no revocation of this guaranty shall affect in any manner any liability of the Guarantor under this guaranty with respect to Indebtedness arising before the Lender receives such written notice of revocation, and the sole effect of revocation of this guaranty shall be to exclude from this guaranty Indebtedness thereafter arising which is unconnected with Indebtedness theretofore arising or transactions theretofore entered into.

Any invalidity or unenforceability of any provision or application of this guaranty shall not affect other lawful provisions and applications hereof and to this end the provisions of this guaranty are declared to be severable. This guaranty shall bind the Guarantor and the heirs, representatives, successors and assigns of the Guarantor, and of each of them respectively, and shall benefit the Lender, its successors and assigns. This guaranty shall be governed by and construed in accordance with the laws of the State of Minnesota.

Agrees that the Lender shall not be required to first resort for payment to the Borrower or any other person, corporation or entity, or their properties or estate, or any other right or remedy whatsoever, prior to enforcing this Guaranty.

Agrees that this Guaranty shall be construed as a continuing, absolute, and unconditional guaranty without regard to (I) the validity, regularity or enforceability or the Obligations or the disaffirmance thereof in any insolvency or bankruptcy proceeding relating to the Borrower; or (2) any event or any conduct or action of the Borrower or the Lender or any other party which might otherwise constitute a legal or equitable discharge of a surety or guarantor but for this provision.

The Guarantor is an owner of the Borrower and the Guarantor acknowledges and agrees that the Indebtedness is being utilized by the Borrower to finance a portion of the costs related to the interior building renovations and the purchase of restaurant equipment located at 154 Walnut Street in the City (the "Property"), and such business improvements will materially financially benefit the Guarantor and, therefore, the Guarantor's obligations under this Guaranty are proper, valid and enforceable.

The Guarantor agrees to deliver to the Lender: (i) on or before the earlier of thirty (30) days after its completion or one hundred twenty (120) days following each calendar year, the signed personal financial statement of the Guarantor, in a form acceptable to Lender and dated as of December 31st of the immediately preceding year, which financial statement presents the financial condition (including all guaranty and other contingent obligations) of the Guarantor as of such date; and (ii) as soon as available, but in no event later than their required filing, the federal income tax return, including all schedules and forms, for the applicable year for the Guarantor. In addition, Guarantor agrees with reasonable promptness, to provide to Lender such further information regarding the business, operations, affairs and financial and other condition of the Guarantor as the Lender may reasonably request.

The Guarantor warrants and represents to the Lender as follows:

a. Enforceability. This Guaranty constitutes the legal, valid and binding obligation of the Guarantor, enforceable in accordance with its terms (subject, as to enforceability, to limitations resulting from bankruptcy, insolvency or other similar laws affecting creditors' rights generally).

b. Litigation. There is no action, suit or proceeding pending or, to the knowledge of the Guarantor, threatened against or affecting the Guarantor which, if adversely determined, would have a material adverse effect on the condition (financial or otherwise), property or

assets of the Guarantor, or which would question total validity of this Guaranty or any instrument, document or other agreement related hereto or required hereby, or impair the ability of the Guarantor to perform his or her obligations hereunder or thereunder.

c. Default. Guarantor is not in default of a material provision under any material agreement, instrument, decree or order to which he or she is a party or by which he or she or his or her property is bound or affected.

d. Consents. No consent, approval, order or authorization of, or registration, declaration or filing with, or notice to, any governmental authority or any third party is required in connection with the execution and delivery of this Guaranty or any of the agreements or instruments herein mentioned to which Guarantor is a party or the carrying out or performance of any of the transactions required or contemplated hereby or thereby or, if required, such consent, approval, order or authorization has been obtained or such registration, declaration or filing has been accomplished or such notice has been given prior to the date hereof.

e. Taxes. Guarantor has filed all tax returns required to be filed and has paid all taxes shown thereon to be due, including interest and penalties, which are not being contested in good faith and by appropriate proceedings and none of them has any information or knowledge of any objections to or claims for additional taxes in respect of federal income or excess profits tax returns for prior years.

THE GUARANTOR REPRESENTS, CERTIFIES, WARRANTS AND AGREES THAT THE GUARANTOR HAS READ ALL OF THIS GUARANTY AND UNDERSTAND ALL OF THE PROVISIONS OF THIS GUARANTY. THE GUARANTOR ALSO AGREES THAT COMPLIANCE BY THE LENDER WITH THE EXPRESS PROVISIONS OF THIS GUARANTY SHALL CONSTITUTE GOOD FAITH AND SHALL BE CONSIDERED REASONABLE FOR ALL PURPOSES.

Mark Sperr

SECURITY AGREEMENT

This SECURITY AGREEMENT (“Agreement”) is made to be effective as of February __, 2026, by SPERR PROPERTIES, LLC, a Minnesota limited liability company (“Grantor”) and the MONTICELLO ECONOMIC DEVELOPMENT AUTHORITY, a public body corporate and politic and political subdivision of the State of Minnesota (the “Secured Party”).

AGREEMENT

In consideration of the above recitals, and the promises set forth in this Agreement, the parties agree as follows:

1. OBLIGATIONS. “Obligations” means collectively each debt, liability and obligation of every type and nature which the Grantor may now or at any time hereafter owe to Secured Party (including without limitation the obligations of the Grantor created under the loan agreement (the “Loan Agreement”) and the promissory note of the Grantor to Secured Party in the amount of \$65,000.00 of even date herewith and all amendments, replacements, restatements, and substitutions therefor), whether now existing or hereafter created or arising, and whether direct or indirect, due or to become due, absolute or contingent, and the repayment or performance of any of the foregoing if any such payment or performance is at any time avoided, rescinded, set aside, or recovered from or repaid by Secured Party, in whole or in part, in any bankruptcy, insolvency, or similar proceeding instituted by or against the Grantor or any other guarantor of any Obligation, or otherwise, including but not limited to all principal, interest, fees, expenses and other charges.
2. COLLATERAL. “Collateral” means collectively all of the personal property of the Grantor and personal property in which the Grantor has rights, now owned or hereafter acquired, and located at or arising out of that certain real property located at 154 W Broadway Street, Monticello, MN, including, but not limited to: All machinery, inventory, equipment, furniture, accounts (including but not limited to all health-care-insurance receivables), chattel paper, instruments (including but not limited to all promissory notes), letter-of-credit rights, letters of credit, documents, deposit accounts, investment property, money, other rights to payment and performance, and general intangibles (including but not limited to all software and all payment intangibles); all fixtures; all timber to be cut; all attachments, accessions, accessories, fittings, increases, tools, parts, repairs, supplies, and commingled goods relating to the foregoing property, and all additions, replacements of and substitutions for all or any part of the foregoing property; all insurance refunds relating to the foregoing property; all good will relating to the foregoing property; all records and data and embedded software relating to the foregoing property, and all equipment, inventory and software to utilize, create, maintain and process any such records and data on electronic media; and all supporting obligations relating to the foregoing property; all whether now existing or hereafter arising, whether now owned or hereafter acquired or whether now or hereafter subject to any rights in the foregoing property; and all products and proceeds (including but not limited to all insurance payments) of or relating to the

foregoing property (the “Collateral”). The term Collateral shall also include (a) accessions, additions and improvements to, replacements of, and substitutions for any of the foregoing; (b) all products and proceeds of any of the foregoing; and (c) books, records and data in any form relating to any of the foregoing.

3. **SECURITY INTEREST.** The Grantor grants to Secured Party a security interest (“Security Interest”) in the Collateral to secure the payment and performance of the Obligations. The Security Interest continues in effect until this Agreement is terminated in writing by Secured Party.

4. **REPRESENTATIONS, WARRANTIES AND COVENANTS.** The Grantor represents, warrants and agrees that:

4.1. Principal Office/Residence. The Grantor’s chief executive office/residence is located at 9277 Edmonson Ave NE #232, Monticello, MN 55362. The Grantor must give Secured Party written notice prior to any change in the location of the Grantor’s principal office/residence.

4.2. Organization; Authority. The Grantor is a limited liability company, duly organized, existing and in good standing under the laws of the state and of its organization and has full power and authority to enter into this Agreement. The Grantor’s state of organization/residence is Minnesota and its exact legal name is as set forth on the signature page to this Agreement. The Grantor will not change its state of organization, form of organization or name without Secured Party’s prior written consent.

4.3. Perfection of Security Interest. The Grantor will execute and deliver, and irrevocably appoints Secured Party (which appointment is coupled with an interest) the Grantor’s attorney-in-fact to execute and deliver in the Grantor’s name, all financing statements (including, but not limited to, amendments, terminations and terminations of other security interests in any of the Collateral), control agreements and other agreements which Secured Party may at any time reasonably request in order to secure, protect, perfect, collect or enforce the Security Interest, the Grantor shall, at any time and from time to time, take such steps as Secured Party may reasonably request for Secured Party: (i) to obtain an acknowledgement, in form and substance reasonably satisfactory to Secured Party, of any bailee having possession of any of the Collateral that such bailee holds such Collateral for Secured Party; and (ii) otherwise to ensure the continued perfection and priority of the Security Interest in any of the Collateral and the preservation of the rights of Secured Party therein.

4.4. Enforceability of Collateral. To the extent the Collateral consists of accounts, instruments, documents, chattel paper, letter-of-credit rights, letters of credit or general intangibles, the Collateral is enforceable in accordance with its terms, is genuine, complies with applicable laws concerning form, content and manner of

preparation and execution, and all persons appearing to be obligated on the Collateral have authority and capacity to contract and are in fact obligated as they appear to be on the Collateral.

- 4.5. Title to Collateral. The Grantor holds good and marketable title to the Collateral free of all security interests and encumbrances other than the permitted encumbrances identified on Exhibit A attached hereto. The Grantor will keep the Collateral free of all security interests and encumbrances except for the Mortgage given to [_____] in the amount of \$[_____]. The Grantor will defend Secured Party's rights in the Collateral against the claims and demands of all other persons.
- 4.6. Collateral Location. Other than inventory in transit equipment used in the performance of contracts, and motor vehicles in use, all tangible Collateral shall be located at the Grantor's address set forth at the beginning of this Agreement, and no such Collateral shall be located at any other address without the prior written consent of the Secured Party.
- 4.7. Collateral Use. The Grantor must use the Collateral only for business purposes. The Grantor must not use or keep any Collateral for any unlawful purpose or in violation of any federal, state or local law, statute or ordinance.
- 4.8. Maintenance of Collateral. The Grantor must maintain all tangible Collateral in good condition and repair. The Grantor must not commit or permit damage to or destruction of any of the Collateral. The Grantor must give Secured Party prompt written notice of any material loss of or damage to any tangible Collateral and of any other happening or event that materially affects the existence, value or amount of the Collateral.
- 4.9. Disposition of Collateral. The Grantor must not sell or otherwise dispose of any Collateral or any interest in any Collateral without the prior written consent of Secured Party, except that until the occurrence of an Event of Default (as defined in Section 5 below), the Grantor may sell any inventory constituting Collateral in the ordinary course of the Grantor's business at prices constituting the fair market value thereof. For purposes of this Agreement, a transfer in partial or total satisfaction of a debt, obligation or liability shall not constitute a sale or lease in the ordinary course of business. In addition, the Grantor may dispose of Collateral which is obsolete or inoperative equipment, provided such equipment is replaced by Grantor and the replacement equipment is subject to the Security Interest in favor of Secured Party in the same lien priority as the Security Interest in the equipment which was disposed of.
- 4.10. Taxes, Assessments and Liens. The Grantor must promptly pay all taxes and other governmental charges levied or assessed upon or against any Collateral.

- 4.11. Records; Access. The Grantor must keep accurate and complete records pertaining to the Collateral and to the Grantor's business and financial condition and will submit to Secured Party all reports regarding the Collateral and the Grantor's business and financial condition as and when Secured Party may reasonably request. During normal business hours, the Grantor must permit Secured Party and its representatives to examine or inspect any Collateral, wherever located, and to examine, inspect and copy the Grantor's books and records relating to the Collateral and the Grantor's business and financial condition.
- 4.12. Insurance. The Grantor must keep all tangible Collateral insured against risks of fire (including so-called extended coverage), theft and other risks and in such amounts as Secured Party may reasonably request, with any loss payable to Secured Party to the extent of its interest. The Grantor assigns to Secured Party all money due or to become due with respect to, and all other rights of the Grantor with respect to, all insurance concerning the Collateral and the Grantor directs the issuer of any such insurance to pay all such money directly to Secured Party.
- 4.13. Collection Costs. The Grantor must reimburse Secured Party on demand for all costs of collection of any of the Obligations and all other expenses incurred by Secured Party in connection with the perfection, protection, defense or enforcement of the Security Interest and this Agreement, including all reasonable attorneys' fees incurred by Secured Party whether or not any litigation or bankruptcy or insolvency proceeding is commenced.
- 4.14. Financing Statements. The Grantor authorizes Secured Party to file one or more financing or continuation statements, and amendments thereto, relative to all or any part of the Collateral without the Grantor's signature where permitted by law, in each case in such form and substance as Secured Party may determine. The Grantor shall pay all filing, registration and recording fees and any taxes, duties, imports, assessments and charges arising out of or in connection with the execution and delivery of this Agreement, any agreement supplemental hereto, any financing statements, and any instruments of further assurance.
5. **EVENTS OF DEFAULT.** Each of the following is an "Event of Default" under this Agreement: (a) any default in the payment or performance of any of the Obligations; or (b) any default under the terms of this Agreement or any other note, obligation, agreement, mortgage, or other writing heretofore, herewith or hereafter given to or acquired by the Secured Party to which the Grantor is a party; or (c) the insolvency, death, dissolution, liquidation, merger, or consolidation of the Grantor; or (d) any appointment of a receiver, trustee, or similar officer of any property of the Grantor; or (e) any assignment for the benefit of creditors of the Grantor; or (f) any commencement of any proceeding under any bankruptcy, insolvency, dissolution, liquidation, or similar law by or against the Grantor; or (g) the sale, lease or other disposition (whether in one transaction or in a series of transactions) to one or more persons other than in the ordinary course of business of all or a substantial part of the assets of the Grantor;

or (h) the death, dissolution, or liquidation of any partner of the Grantor; or (i) the entry of any judgment against the Grantor which is not discharged in a manner acceptable to the Secured Party within thirty (30) days after such entry; or (j) the issuance of levy of any writ, warrant, attachment, garnishment, execution, or other process against any property of the Grantor; or (k) the attachment of any tax lien to any property of the Grantor; or (l) any statement, representation, or warranty made by Grantor (or any representative of the Grantor) to the Secured Party at any time shall be incorrect or misleading in any material respect when made; or (m) there is a material adverse change in the condition (financial or otherwise), business, or property of the Grantor.

6. **REMEDIES UPON EVENT OF DEFAULT.** Upon the occurrence of an Event of Default and at any time thereafter, Secured Party may exercise one or more of the following rights and remedies: (a) declare all Obligations to be immediately due and payable, and the same shall thereupon be immediately due and payable, without presentment or other notice or demand, all of which are hereby waived by the Grantor; (b) require the Grantor to assemble all or any part of the Collateral and make it available to the Secured Party at a place to be designated by the Secured Party which is reasonably convenient to both parties; (c) exercise and enforce any and all rights and remedies available upon default under this Agreement, the Uniform Commercial Code, and any other applicable agreements and laws. If notice to the Grantor of any intended disposition of Collateral or other action is required, such notice shall be deemed reasonably and properly given if mailed by regular or certified mail, postage prepaid, to the Grantor at the address stated at the beginning of this Agreement or at the most recent address shown in the Secured Party's records, at least 10 days prior to the action described in such notice. The Grantor consents to the personal jurisdiction of the state and federal courts located in the State of Minnesota in connection with any controversy related to this Agreement, the Collateral, the Security Interest, or any of the Obligations, waives any argument that venue in such forums is not convenient, and agrees that any litigation initiated by the Grantor against the Secured Party in connection with this Agreement, the Collateral, the Security Interest, or any of the Obligations shall be venued in either the District Court of Wright, Minnesota, or the United States District Court, District of Minnesota.
7. **LIMITED POWER OF ATTORNEY.** If the Grantor at any time fails to perform or observe any agreement herein, the Secured Party, in the name and on behalf of the Grantor or, at its option, in its own name, may perform or observe such agreement and take any action which the Secured Party may deem necessary or desirable to cure or correct such failure. The Grantor irrevocably authorizes Secured Party and grants the Secured Party a limited power of attorney in the name and on behalf of the Grantor or, at its option, in its own name, to collect, receive, receipt for, create, prepare, complete, execute, endorse, deliver, and file any and all financing statements, insurance applications, remittances, instruments, documents, chattel paper, and other writings, to grant an extension to, compromise, settle, waive, notify, amend, adjust, change, and release any obligation of any account Grantor, obligor, insurer, or other person pertaining to any Collateral, and take any other action deemed by the Secured Party to be necessary or desirable to establish, perfect, protect, or enforce the Security Interest. All of the Secured Party's advances,

charges, costs, and expenses, including without limitation reasonable attorneys' fees, in connection with the Obligations and in the protection and exercise of any rights or remedies hereunder, together with interest thereon at the highest rate then applicable to any of the Obligations, shall be secured hereunder and shall be paid by the Grantor to the Secured Party on demand.

8. MISCELLANEOUS. The following miscellaneous provisions are a part of this Agreement:

8.1. Definitions. Terms not otherwise defined in this Agreement shall have the meanings ascribed to them, if any, under the UCC and such meanings shall automatically change at the time that any amendment to the UCC, which changes such meanings, shall become effective.

8.2. Notices. All notices under this Agreement must be in writing and will be deemed given when delivered or placed in the United States mail, registered or certified, postage prepaid, addressed to the respective party at the respective address set forth below its signature on the signature page to this Agreement. Any party may change its address for notices under this Agreement by giving written notice to the other parties.

8.3. Amendments/Waivers. This Agreement may be waived, amended, modified or terminated and the Security Interest may be released only in a writing signed by Secured Party. Any waiver signed by Secured Party will be effective only in the specific instance and for the specific purpose given.

8.4. Applicable Law. This Agreement is governed by the laws of the State of Minnesota without regard to the conflict of law principles. If any provision of this Agreement is held unlawful or unenforceable in any respect, such illegality or unenforceability will not affect other provisions or applications that can be given effect and this Agreement will be construed and enforced as if the unlawful or unenforceable provision or application had never been contained in or prescribed by this Agreement.

8.5. Caption Headings. Caption headings in this Agreement are for convenience purposes only and are not to be used to interpret or define the provisions of this Agreement.

8.6. Integration. This Agreement embodies the entire agreement and understanding among the parties relative to subject matter hereof and supersedes all prior agreements and understandings relating to such subject matter.

8.7. Successors and Assigns. This Agreement is binding upon and will inure to the benefit of the parties and their successors and assigns.

- 8.8. Counterparts. This Agreement may be executed in several counterparts, each of which will be an original, and all of which will constitute one and the same instrument.

THE GRANTOR REPRESENTS, CERTIFIES, WARRANTS, AND AGREES THAT THE GRANTOR HAS READ ALL OF THIS AGREEMENT AND UNDERSTANDS ALL OF THE PROVISIONS OF THIS AGREEMENT. THE GRANTOR ALSO AGREES THAT COMPLIANCE BY THE SECURED PARTY WITH THE EXPRESS PROVISIONS OF THIS AGREEMENT SHALL CONSTITUTE GOOD FAITH AND SHALL BE CONSIDERED REASONABLE FOR ALL PURPOSES.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

SPERR PROPERTIES, LLC,
a Minnesota limited liability company

By: _____

Its: _____

MONTICELLO ECONOMIC DEVELOPMENT
AUTHORITY

By: _____

Name: _____

Its: Executive Director

SECURITY AGREEMENT

This SECURITY AGREEMENT (“Agreement”) is made to be effective as of February __, 2026, by L&L HOMESTYLE CAFÉ, LLC, a Minnesota limited liability company (“Grantor”) and the MONTICELLO ECONOMIC DEVELOPMENT AUTHORITY, a public body corporate and politic and political subdivision of the State of Minnesota (the “Secured Party”).

AGREEMENT

In consideration of the above recitals, and the promises set forth in this Agreement, the parties agree as follows:

1. OBLIGATIONS. “Obligations” means collectively each debt, liability and obligation of every type and nature which the Grantor may now or at any time hereafter owe to Secured Party (including without limitation the obligations of the Grantor created under the loan agreement (the “Loan Agreement”) and the promissory note of the Grantor to Secured Party in the amount of \$65,000.00 of even date herewith and all amendments, replacements, restatements, and substitutions therefor), whether now existing or hereafter created or arising, and whether direct or indirect, due or to become due, absolute or contingent, and the repayment or performance of any of the foregoing if any such payment or performance is at any time avoided, rescinded, set aside, or recovered from or repaid by Secured Party, in whole or in part, in any bankruptcy, insolvency, or similar proceeding instituted by or against the Grantor or any other guarantor of any Obligation, or otherwise, including but not limited to all principal, interest, fees, expenses and other charges.
2. COLLATERAL. “Collateral” means collectively all of the personal property of the Grantor and personal property in which the Grantor has rights, now owned or hereafter acquired, and located at or arising out of that certain real property located at 154 W Broadway Street, Monticello, MN, including, but not limited to: All machinery, inventory, equipment, furniture, accounts (including but not limited to all health-care-insurance receivables), chattel paper, instruments (including but not limited to all promissory notes), letter-of-credit rights, letters of credit, documents, deposit accounts, investment property, money, other rights to payment and performance, and general intangibles (including but not limited to all software and all payment intangibles); all fixtures; all timber to be cut; all attachments, accessions, accessories, fittings, increases, tools, parts, repairs, supplies, and commingled goods relating to the foregoing property, and all additions, replacements of and substitutions for all or any part of the foregoing property; all insurance refunds relating to the foregoing property; all good will relating to the foregoing property; all records and data and embedded software relating to the foregoing property, and all equipment, inventory and software to utilize, create, maintain and process any such records and data on electronic media; and all supporting obligations relating to the foregoing property; all whether now existing or hereafter arising, whether now owned or hereafter acquired or whether now or hereafter subject to any rights in the foregoing property; and all products and proceeds (including but not limited to all insurance payments) of or relating to the

foregoing property (the “Collateral”). The term Collateral shall also include (a) accessions, additions and improvements to, replacements of, and substitutions for any of the foregoing; (b) all products and proceeds of any of the foregoing; and (c) books, records and data in any form relating to any of the foregoing.

3. **SECURITY INTEREST.** The Grantor grants to Secured Party a security interest (“Security Interest”) in the Collateral to secure the payment and performance of the Obligations. The Security Interest continues in effect until this Agreement is terminated in writing by Secured Party.

4. **REPRESENTATIONS, WARRANTIES AND COVENANTS.** The Grantor represents, warrants and agrees that:

4.1. Principal Office/Residence. The Grantor’s chief executive office/residence is located at 9277 Edmonson Ave NE #232, Monticello, MN 55362. The Grantor must give Secured Party written notice prior to any change in the location of the Grantor’s principal office/residence.

4.2. Organization; Authority. The Grantor is a limited liability company, duly organized, existing and in good standing under the laws of the state and of its organization and has full power and authority to enter into this Agreement. The Grantor’s state of organization/residence is Minnesota and its exact legal name is as set forth on the signature page to this Agreement. The Grantor will not change its state of organization, form of organization or name without Secured Party’s prior written consent.

4.3. Perfection of Security Interest. The Grantor will execute and deliver, and irrevocably appoints Secured Party (which appointment is coupled with an interest) the Grantor’s attorney-in-fact to execute and deliver in the Grantor’s name, all financing statements (including, but not limited to, amendments, terminations and terminations of other security interests in any of the Collateral), control agreements and other agreements which Secured Party may at any time reasonably request in order to secure, protect, perfect, collect or enforce the Security Interest, the Grantor shall, at any time and from time to time, take such steps as Secured Party may reasonably request for Secured Party: (i) to obtain an acknowledgement, in form and substance reasonably satisfactory to Secured Party, of any bailee having possession of any of the Collateral that such bailee holds such Collateral for Secured Party; and (ii) otherwise to ensure the continued perfection and priority of the Security Interest in any of the Collateral and the preservation of the rights of Secured Party therein.

4.4. Enforceability of Collateral. To the extent the Collateral consists of accounts, instruments, documents, chattel paper, letter-of-credit rights, letters of credit or general intangibles, the Collateral is enforceable in accordance with its terms, is genuine, complies with applicable laws concerning form, content and manner of

preparation and execution, and all persons appearing to be obligated on the Collateral have authority and capacity to contract and are in fact obligated as they appear to be on the Collateral.

- 4.5. Title to Collateral. The Grantor holds good and marketable title to the Collateral free of all security interests and encumbrances other than the permitted encumbrances identified on Exhibit A attached hereto. The Grantor will keep the Collateral free of all security interests and encumbrances except for the Mortgage given to [_____] in the amount of \$[_____]. The Grantor will defend Secured Party's rights in the Collateral against the claims and demands of all other persons.
- 4.6. Collateral Location. Other than inventory in transit equipment used in the performance of contracts, and motor vehicles in use, all tangible Collateral shall be located at the Grantor's address set forth at the beginning of this Agreement, and no such Collateral shall be located at any other address without the prior written consent of the Secured Party.
- 4.7. Collateral Use. The Grantor must use the Collateral only for business purposes. The Grantor must not use or keep any Collateral for any unlawful purpose or in violation of any federal, state or local law, statute or ordinance.
- 4.8. Maintenance of Collateral. The Grantor must maintain all tangible Collateral in good condition and repair. The Grantor must not commit or permit damage to or destruction of any of the Collateral. The Grantor must give Secured Party prompt written notice of any material loss of or damage to any tangible Collateral and of any other happening or event that materially affects the existence, value or amount of the Collateral.
- 4.9. Disposition of Collateral. The Grantor must not sell or otherwise dispose of any Collateral or any interest in any Collateral without the prior written consent of Secured Party, except that until the occurrence of an Event of Default (as defined in Section 5 below), the Grantor may sell any inventory constituting Collateral in the ordinary course of the Grantor's business at prices constituting the fair market value thereof. For purposes of this Agreement, a transfer in partial or total satisfaction of a debt, obligation or liability shall not constitute a sale or lease in the ordinary course of business. In addition, the Grantor may dispose of Collateral which is obsolete or inoperative equipment, provided such equipment is replaced by Grantor and the replacement equipment is subject to the Security Interest in favor of Secured Party in the same lien priority as the Security Interest in the equipment which was disposed of.
- 4.10. Taxes, Assessments and Liens. The Grantor must promptly pay all taxes and other governmental charges levied or assessed upon or against any Collateral.

- 4.11. Records; Access. The Grantor must keep accurate and complete records pertaining to the Collateral and to the Grantor's business and financial condition and will submit to Secured Party all reports regarding the Collateral and the Grantor's business and financial condition as and when Secured Party may reasonably request. During normal business hours, the Grantor must permit Secured Party and its representatives to examine or inspect any Collateral, wherever located, and to examine, inspect and copy the Grantor's books and records relating to the Collateral and the Grantor's business and financial condition.
- 4.12. Insurance. The Grantor must keep all tangible Collateral insured against risks of fire (including so-called extended coverage), theft and other risks and in such amounts as Secured Party may reasonably request, with any loss payable to Secured Party to the extent of its interest. The Grantor assigns to Secured Party all money due or to become due with respect to, and all other rights of the Grantor with respect to, all insurance concerning the Collateral and the Grantor directs the issuer of any such insurance to pay all such money directly to Secured Party.
- 4.13. Collection Costs. The Grantor must reimburse Secured Party on demand for all costs of collection of any of the Obligations and all other expenses incurred by Secured Party in connection with the perfection, protection, defense or enforcement of the Security Interest and this Agreement, including all reasonable attorneys' fees incurred by Secured Party whether or not any litigation or bankruptcy or insolvency proceeding is commenced.
- 4.14. Financing Statements. The Grantor authorizes Secured Party to file one or more financing or continuation statements, and amendments thereto, relative to all or any part of the Collateral without the Grantor's signature where permitted by law, in each case in such form and substance as Secured Party may determine. The Grantor shall pay all filing, registration and recording fees and any taxes, duties, imports, assessments and charges arising out of or in connection with the execution and delivery of this Agreement, any agreement supplemental hereto, any financing statements, and any instruments of further assurance.
5. **EVENTS OF DEFAULT.** Each of the following is an "Event of Default" under this Agreement: (a) any default in the payment or performance of any of the Obligations; or (b) any default under the terms of this Agreement or any other note, obligation, agreement, mortgage, or other writing heretofore, herewith or hereafter given to or acquired by the Secured Party to which the Grantor is a party; or (c) the insolvency, death, dissolution, liquidation, merger, or consolidation of the Grantor; or (d) any appointment of a receiver, trustee, or similar officer of any property of the Grantor; or (e) any assignment for the benefit of creditors of the Grantor; or (f) any commencement of any proceeding under any bankruptcy, insolvency, dissolution, liquidation, or similar law by or against the Grantor; or (g) the sale, lease or other disposition (whether in one transaction or in a series of transactions) to one or more persons other than in the ordinary course of business of all or a substantial part of the assets of the Grantor;

or (h) the death, dissolution, or liquidation of any partner of the Grantor; or (i) the entry of any judgment against the Grantor which is not discharged in a manner acceptable to the Secured Party within thirty (30) days after such entry; or (j) the issuance of levy of any writ, warrant, attachment, garnishment, execution, or other process against any property of the Grantor; or (k) the attachment of any tax lien to any property of the Grantor; or (l) any statement, representation, or warranty made by Grantor (or any representative of the Grantor) to the Secured Party at any time shall be incorrect or misleading in any material respect when made; or (m) there is a material adverse change in the condition (financial or otherwise), business, or property of the Grantor.

6. **REMEDIES UPON EVENT OF DEFAULT.** Upon the occurrence of an Event of Default and at any time thereafter, Secured Party may exercise one or more of the following rights and remedies: (a) declare all Obligations to be immediately due and payable, and the same shall thereupon be immediately due and payable, without presentment or other notice or demand, all of which are hereby waived by the Grantor; (b) require the Grantor to assemble all or any part of the Collateral and make it available to the Secured Party at a place to be designated by the Secured Party which is reasonably convenient to both parties; (c) exercise and enforce any and all rights and remedies available upon default under this Agreement, the Uniform Commercial Code, and any other applicable agreements and laws. If notice to the Grantor of any intended disposition of Collateral or other action is required, such notice shall be deemed reasonably and properly given if mailed by regular or certified mail, postage prepaid, to the Grantor at the address stated at the beginning of this Agreement or at the most recent address shown in the Secured Party's records, at least 10 days prior to the action described in such notice. The Grantor consents to the personal jurisdiction of the state and federal courts located in the State of Minnesota in connection with any controversy related to this Agreement, the Collateral, the Security Interest, or any of the Obligations, waives any argument that venue in such forums is not convenient, and agrees that any litigation initiated by the Grantor against the Secured Party in connection with this Agreement, the Collateral, the Security Interest, or any of the Obligations shall be venued in either the District Court of Wright, Minnesota, or the United States District Court, District of Minnesota.
7. **LIMITED POWER OF ATTORNEY.** If the Grantor at any time fails to perform or observe any agreement herein, the Secured Party, in the name and on behalf of the Grantor or, at its option, in its own name, may perform or observe such agreement and take any action which the Secured Party may deem necessary or desirable to cure or correct such failure. The Grantor irrevocably authorizes Secured Party and grants the Secured Party a limited power of attorney in the name and on behalf of the Grantor or, at its option, in its own name, to collect, receive, receipt for, create, prepare, complete, execute, endorse, deliver, and file any and all financing statements, insurance applications, remittances, instruments, documents, chattel paper, and other writings, to grant an extension to, compromise, settle, waive, notify, amend, adjust, change, and release any obligation of any account Grantor, obligor, insurer, or other person pertaining to any Collateral, and take any other action deemed by the Secured Party to be necessary or desirable to establish, perfect, protect, or enforce the Security Interest. All of the Secured Party's advances,

charges, costs, and expenses, including without limitation reasonable attorneys' fees, in connection with the Obligations and in the protection and exercise of any rights or remedies hereunder, together with interest thereon at the highest rate then applicable to any of the Obligations, shall be secured hereunder and shall be paid by the Grantor to the Secured Party on demand.

8. MISCELLANEOUS. The following miscellaneous provisions are a part of this Agreement:

8.1. Definitions. Terms not otherwise defined in this Agreement shall have the meanings ascribed to them, if any, under the UCC and such meanings shall automatically change at the time that any amendment to the UCC, which changes such meanings, shall become effective.

8.2. Notices. All notices under this Agreement must be in writing and will be deemed given when delivered or placed in the United States mail, registered or certified, postage prepaid, addressed to the respective party at the respective address set forth below its signature on the signature page to this Agreement. Any party may change its address for notices under this Agreement by giving written notice to the other parties.

8.3. Amendments/Waivers. This Agreement may be waived, amended, modified or terminated and the Security Interest may be released only in a writing signed by Secured Party. Any waiver signed by Secured Party will be effective only in the specific instance and for the specific purpose given.

8.4. Applicable Law. This Agreement is governed by the laws of the State of Minnesota without regard to the conflict of law principles. If any provision of this Agreement is held unlawful or unenforceable in any respect, such illegality or unenforceability will not affect other provisions or applications that can be given effect and this Agreement will be construed and enforced as if the unlawful or unenforceable provision or application had never been contained in or prescribed by this Agreement.

8.5. Caption Headings. Caption headings in this Agreement are for convenience purposes only and are not to be used to interpret or define the provisions of this Agreement.

8.6. Integration. This Agreement embodies the entire agreement and understanding among the parties relative to subject matter hereof and supersedes all prior agreements and understandings relating to such subject matter.

8.7. Successors and Assigns. This Agreement is binding upon and will inure to the benefit of the parties and their successors and assigns.

- 8.8. Counterparts. This Agreement may be executed in several counterparts, each of which will be an original, and all of which will constitute one and the same instrument.

THE GRANTOR REPRESENTS, CERTIFIES, WARRANTS, AND AGREES THAT THE GRANTOR HAS READ ALL OF THIS AGREEMENT AND UNDERSTANDS ALL OF THE PROVISIONS OF THIS AGREEMENT. THE GRANTOR ALSO AGREES THAT COMPLIANCE BY THE SECURED PARTY WITH THE EXPRESS PROVISIONS OF THIS AGREEMENT SHALL CONSTITUTE GOOD FAITH AND SHALL BE CONSIDERED REASONABLE FOR ALL PURPOSES.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

L&L HOMESTYLE CAFÉ, LLC,
a Minnesota limited liability company

By: _____

Its: _____

MONTICELLO ECONOMIC DEVELOPMENT
AUTHORITY

By: _____

Name: _____

Its: Executive Director



CITY OF MONTICELLO ECONOMIC DEVELOPMENT AUTHORITY
BUSINESS SUBSIDY APPLICATION
BUSINESS ASSISTANCE FINANCING
763-295-2711 – info@ci.monticello.mn.us

Name of Contact Person: Larry Spert

Address: 9274 Edmonson Ave NE Monticello

Telephone number: 

Business Name: L & L Homestyle Cafe

Business Address: 154 West Broadway Monticello

REQUESTED INFORMATION

Addendum shall be attached hereto addressing in detail the following:

1. A map showing the exact boundaries of proposed development.
2. Give a general description of the project including size and location of building(s); business type or use; traffic information including parking, projected vehicle counts and traffic flow; timing of the project; estimated market value following completion.
3. The existing Comprehensive Guide Plan Land Use designation and zoning of the property. Include a statement as to how the proposed development will conform to the land use designation and how the property will be zoned.
4. A statement identifying how the increment assistance will be used and why it is necessary to undertake the project.
5. A statement identifying the public benefits of the proposal including estimated increase in property valuation, new jobs to be created, hourly wages and other community assets.

PLEASE INCLUDE:

1. Preliminary financial commitment from bank.
2. Plans and drawing of project.
3. Background material of company.
4. Pro Forma analysis.
5. Financial statements.
6. Statement of property ownership or control.
7. Payment of application fee of \$250.

6. A written description of the developer's business, principals, history and past projects

I understand that the application fee will be used for EDA staff and consultant costs and may be partially refundable if the request for assistance is withdrawn. Refunds will be made at the discretion of the EDA Board and be based on the costs incurred by the EDA prior to withdraw of the request for assistance. If the initial application fee is insufficient, I will be responsible for additional deposits. I further understand that by signing below, should the original escrow be exceeded, the applicant or responsible party will be billed for all additional services. In signing the acknowledgement below, the applicant is indicating that they have not relied on the estimate of fees in their decision to proceed with the application. If payment is not received as required by this agreement, the City will proceed to recover payment by action of assessment or a lien against the real property. Payment of the costs will be required whether the application is granted or denied.

SIGNATURE

Applicant's signature: Larry Tolpelt

Date: 10/16/2026

The unforeseen Repairs are adding up and I believe we will Run into a few more repairs/ additional expenses involved with ~~Interior~~ Exterior. This loan Funding will help offset those costs. Will want to make sure we have enough cash for start up costs. Making sure we have the funds to properly do the Improvements needed.

Both myself and Partners are excited For this new chapter in our lives. I am a resident of Monticello and I love the small town feel. I am Involved with the Monticello chambers and love how they are Involved with the community. I Plan on managing the cafe and not designated to a special department except for catering. This will allow me to be Involved with community functions.

EDA GMEF Funds are being Requested To Fill a gap in the entire project funding sources as the current gap is a temporary bridge funding source.

The Facade Grant will cover all the window replacement, the front entrance, and the repair of the stucco and painting of the exterior.
The EDA GMEF will cover the Awning and general conditions with owners contributing \$5,000.

L & L Homestyle Cafe owners:

Larry Spert, Mark Spert, Logan Spert
Larry & Logan will be full time staff where Mark is a silent Partner.

Opening Targeted Date of December 30th, 2025
Hours of operation Tuesday - Sunday 6am - 2pm
with catering as well for off site events along with evenings catering on site as well.

Associate Degree in Culinary Arts & Business Management, Graduated in 1989.

Prior owner of Russell's on the Lake for 4+ years before selling to Willy McCoy's Group in 2021.

Management with River Inn from 2009 - 2016 and from 2022 - 2025.

Logan: Northern Tap House in Plymouth for 4 1/2 yrs
Assistant Kitchen Manager for past 8 months

Both River Inn & Northern Tap House are \$6,000,000/yr sales.

Mark works as an underwriter. Degree in Finance

- (1) Parcel ID 155010035150 154 Broadway W
- (2) Business will be Leth Homestyle Cafe. No Additional Parking. Foot traffic for Cafe is estimated at 1150 per week. Closing on Property October 31. Hope to be open December 16. Value after completion \$630,000
- (3) N/A Existing building on Property. Looking at a Facelift to the building.
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- (6) Lemperes Building Becker MN
Josh Wiegert, Project Manager

FINANCIAL INFORMATION:

1. Estimated project related costs:

a. Land acquisition

\$ Property Purchase \$ 550,000

b. Site development

Exterior Facade \$ 170,000

c. Building cost

Contingency \$ 5,000

d. Equipment

Interior Improvement \$ 40,000 \$ 57,000

e. Architectural/engineering fee

Start up Cost \$ 53,712 \$ 36,712

f. Legal fees

g. Off-site development costs

2. Source of financing:

a. Private financing institution

\$ North Star Bank \$ 416,000

b. Tax increment funds

Investor Cash Equity \$ 240,712

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Facade loan \$ 100,000

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GMEF Loan \$ 62,000

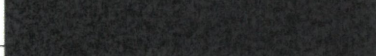
FINANCIAL BACKGROUND:

1. Have you ever filed for bankruptcy? No

2. Have you ever defaulted on any loan commitment? No

3. Have you applied for conventional financing for the project? No

4. List financial references:

a. Sarah KORTMANSKY 

b. _____

c. _____

5. Have you ever used Business Assistance Financing before? No

If yes, what, where and when? _____

PROJECT INFORMATION:

1. Location of Proposed Project: 154 West Broadway
Manticello MN 55362

2. Amount of Business Assistance requested? \$ 62,000

3. Need for Business Assistance: Assist with exterior upgrade

4. Present ownership of site: SPERR properties as of October 31, 2025

5. Number of permanent jobs created as a result of project? 8 Full time / 7 Part time

6. Estimated annual sales: Present: ~~33,600~~ 33,600 Future: \$ 1,080,600

7. Market value of project following completion: \$ Appraisal of \$630,000

8. Anticipated start date: December 1, 2025 Completion Date: April 30, 2026

UN Foreseen Repairs

Floor Repair	\$ 8,000
Stainless steel under Hood	\$ 3,000
Repair Apartment 1 tub & dry wall in cafe	\$ 9,500
Replace 2 toilets	\$ 1,800
lifting flooring (new header)	\$ 5,000
	<hr/>
	\$ 27,300

Dining Room Upgrade

Paint	\$ 4,600
Flooring	\$ 10,800
Booths	\$ 5,000
Tables	\$ 4,500
Chairs	\$ 4,800
	<hr/>
	\$ 29,700



CITY OF MONTICELLO ECONOMIC DEVELOPMENT AUTHORITY
BUSINESS SUBSIDY APPLICATION
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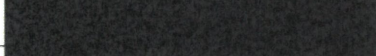
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Paint \$ 4,600

Flooring \$ 10,800

Booths \$ 5,000

Tables \$ 4,500

Chairs \$ 4,800

 \$ 29,700



Larry Sperr <larry.hanoverfire@gmail.com>

Invoice 1092 from GB Booths

1 message

GB Booths LLC, <quickbooks@notification.intuit.com>
Reply-To: sales@gbboothsmn.com
To: larry.hanoverfire@gmail.com

Tue, Nov 18, 2025 at 8:18 AM



Your invoice is ready!

BALANCE DUE

\$9,925.58

[View and pay](#)



We appreciate your business and look forward to working with you on another occasion.

Hi Larry,

We appreciate your business. Attached you will find your invoice details. Feel free to contact us if you have any questions or if anything needs editing. As a practice we take 50% down payment on receipt (\$4,959.02) and then the rest on delivery. Expect to receive a contract soon outlining the timeline of this project including the anticipated delivery date.

Have a great day!
GB Booths
sales@gbboothsmn.com

EN: 612.242.4957

ES: 612.272.5588

Bill toLarry Sperr
154 West Broadway, Monticello MN**Ship to**Larry Sperr
154 West Broadway, Monticello MN**Upholstery Booths 48" x48" double** \$1,867.96T

4 Double Booths Upholstered in V803 Navy Vinyl (48"x40")

4 X \$466.99

Upholstery Booths 31" x 48" Single \$3,203.91T

Single Booths upholstered in V803 Navy Vinyl 4x (48"x40") 3x (60"x40") 2x (52"x40")

9 X \$355.99

Square Table 42" \$2,963.88T

7 tables in (27 1/2"x 47 1/2") 1 table in (27 1/2" x 42") 1 table in (29 1/2"x42") 2 in (30"x51 1/2") 1 custom table

12 X \$246.99

Booth Wooden Frame (48") \$359.80T

2 X \$179.90

Standard Table For 2 \$539.97T

Standard Table (24" X 30". Resin)

2G (77)

1/5/26, 6:52 AM

Gmail - Invoice 1092 from GB Booths

3 X \$179.99

Table Base

\$170.97

Standard Cast Iron Table Base for 24" Table

3 X \$56.99

Subtotal	\$9,106.49
Tax	\$719.09
Shipping	\$100.00
Total	\$9,925.58
Balance due	\$9,925.58

[View and pay](#)

GB Booths LLC,

PO Box 120255 Mounds View, MN 55112 USA

(612) 242-4957 sales@gbboothsmn.com <https://www.gbboothsmn.com>

If you receive an email that seems fraudulent, please check with the business owner before paying.



Intuit, Inc. All rights reserved. [Privacy](#) | [Security](#) | [Terms of Service](#)

[Invoice_1092_from_GB_Booths_LLC.pdf](#)
59K



Lemperes Building

14175 Bank Street | Becker, Minnesota 55308
 763-670-0774 | Joe@LemperesBuilding.com | www.LemperesBuilding.com

RECIPIENT:

Larry Sperr
 Monticello, Minnesota

Quote #347

Sent on Nov 25, 2025

Total \$11,000.00

Product/Service	Description	Qty.	Unit Price	Total
				Optional
Stainless steel paneling behind grill	Prep wall and install new stainless steel paneling Repair bowed wall behind the grill TBD (not included in price) Excludes moving of equipment	1	\$3,000.00	\$3,000.00
				Optional
Repair flooring in the middle hallway	Demo sub floor repair joists and lay new subfloor. This is strictly an estimate. Could be less/more.	1	\$8,000.00	\$8,000.00
			Total	\$11,000.00

Payment Schedule

50%	Payment 1	\$5,500.00
50%	Payment 2	\$5,500.00

For your convenience, we offer payment options via check or Credit Card. Please note that a 4% service fee will be applied to Credit Card transactions.

Please send checks to:
 P.O. Box 333
 Becker, MN 55308

This quote is valid for the next 30 days, after which values may be subject to change.

Dec 01, 2025 
 Date Client Signature



Lemperes Building

14175 Bank Street | Becker, Minnesota 55308
763-670-0774 | Joe@LemperesBuilding.com | www.LemperesBuilding.com

RECIPIENT:
Larry Sperr

Monticello, Minnesota

Quote #349

Sent on

Dec 01, 2025

Total
\$9,500.00

Product/Service	Description	Qty.	Unit Price	Total
Demo existing tub and dispose	Demo tub/surround Demo Sheetrock below Patch in new surround and patch drywall ceiling in cafe Paint to match	1	\$5,500.00	\$5,500.00
New Tub and surround	Plumbing Services Proposed: L2 Apartment BT and Surround Replacement Quoted Price Reflects as follows: \$2,940 1hr walk -Labor -Material -Fixtures -Service Truck charge Demo: -Disconnect shower valve fixture, install 2- 1/2" isolation valves Behind Fridge. -Remove Toilet, Salvage for reinstall -Remove Vanity, Salvage for reinstall Install New Shower: -Install Sterling Ensemble Tub and surround (71121110-0 WHT ENSEMBLE 32 LH BATH) (71324100-0 WHT ENSEMBLE 32 MDLY WALL SET) -Install New Delta Model 17 Monitor Trim kit and Shower Valve, Tub Spout, shower head, valve trim and handle, shower arm, chrome. (T17430) -Install Watco Chrome Drain and overflow assembly -Install New 1-1/2" P-Trap for tub drain -Copper Pipe and fittings to be installed	1	\$4,000.00	\$4,000.00
Clarifications: -Permit Costs Not included				



Lemperes Building

14175 Bank Street | Becker, Minnesota 55308
 763-670-0774 | Joe@LemperesBuilding.com | www.LemperesBuilding.com

Product/Service	Description	Qty.	Unit Price	Total
				Not included
Snake drain	Subcontract Thunder Drains: Clear Tub Drain -Thunder Drains to run flex shaft through bathtub waste line to ensure clear, customer stated slow drain.	1	\$600.00	\$600.00
			Total	\$9,500.00

Payment Schedule

50%	Payment 1	\$4,750.00
50%	Payment 2	\$4,750.00

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 Becker, MN 55308

This quote is valid for the next 30 days, after which values may be subject to change.

Dec 01, 2025

Date

Client Signature



Lemperes Building

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 763-670-0774 | Joe@LemperesBuilding.com | www.LemperesBuilding.com

RECIPIENT:

Larry Sperr
 Monticello, Minnesota

Quote #350

Sent on Dec 01, 2025

Total \$1,800.00

Product/Service	Description	Qty.	Unit Price	Total
Plumbing Services Proposed: (2) Cafe RR Toilet Replacements	-Remove and Replace (2) Floor Set Toilets: ADA, Elongated, with Open face elongated toilet seat, white. (2) White Gerber Viper Bowls VP-31-528 (1) White Gerber Viper Tank, Right Hand Flush WS- 38-590-97 (1) White Gerber Viper Tank, Left Hand Flush VP-38- 590 -Install (2) New Wax Rings -Install (2) New Johnny bolts -Install (2) New Braided supply tubes -Install (2) New Angle Stops if needed -Caulk Toilets with 100 Percent silicone, white Excludes; Permit floor repairs electrical drywall painting	1	\$1,800.00	\$1,800.00

A deposit of \$1,800.00 will be required to begin.

Total \$1,800.00

For your convenience, we offer payment options via check or Credit Card. Please note that a 4% service fee will be applied to Credit Card transactions.

Please send checks to:
 P.O. Box 333
 Becker, MN 55308

This quote is valid for the next 30 days, after which values may be subject to change.

Dec 01, 2025

Date

Client Signature



Lemperes Building

14175 Bank Street | Becker, Minnesota 55308
 763-670-0774 | Joe@LemperesBuilding.com | www.LemperesBuilding.com

RECIPIENT:

Larry Sperr
 Monticello, Minnesota

Quote #352	
Sent on	Dec 04, 2025
Total	\$9,500.00

Product/Service	Description	Qty.	Unit Price	Total
Electrical upgrades	Kitchen Prep Area Install Flush mount kit Furnish and install 2'x4' LED flat panel 2'x4' Kitchen Grill & Prep Area Furnish and install 1'x4' LED flat panel Kitchen Prep Area/ Hallway Furnish and install Emergency light Kitchen Prep Area Furnish and install Exit sign with emergency lighting in MC Dining Room 5" Recessed LED recessed Fish/cut in MC Bathrooms Furnish and install Lutron MS-OPS2-WH MAESTRO Occupancy/Vacancy Sensing Switch Dining Area/ Hallway Furnish and install Exit sign with emergency lighting in MC By The Hour - Demo/refeed allowance demolition/re-feeding fixtures and power unrelated to work in estimate Includes switch rework Temporary lighting Electrical permit	1	\$9,500.00	\$9,500.00

A deposit of \$6,175.00 will be required to begin.

Total	\$9,500.00
--------------	-------------------



Lemperes Building

14175 Bank Street | Becker, Minnesota 55308
763-670-0774 | Joe@LemperesBuilding.com | www.LemperesBuilding.com

Payment Schedule

65%	Deposit to start - Required Quote Deposit	\$6,175.00
35%	Final	\$3,325.00

For your convenience, we offer payment options via check or Credit Card. Please note that a 4% service fee will be applied to Credit Card transactions.

Please send checks to:
P.O. Box 333
Becker, MN 55308

This quote is valid for the next 30 days, after which values may be subject to change.

Dec 04, 2025

Date

A handwritten signature in black ink, appearing to read "Joe", is written over a horizontal line.

Client Signature



Twin Cities Rapid Repair

12281 Armitage Avenue Northwest | Monticello, Minnesota 55362
763-333-7857 | contact@twincitiesrapidrepair.com | http://twincitiesrapidrepair.com

RECIPIENT:
Larry Sperr

154 West Broadway Street
Monticello, Minnesota 55362

Invoice #497

Issued	Dec 12, 2025
Due	Dec 12, 2025
Paid	Dec 15, 2025

Total	\$5,196.00
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Account Balance	\$0.00
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Sperr Painting

Product/Service	Description	Qty.	Unit Price	Total
Dec 12, 2025				
Ceiling Painting	Paint main area and hallway ceiling with CHB flat stock white paint(approximately 950 sq.ft.) as follows: : -Prep off all electrical, HVAC, and fixtures not getting painted with ceiling paint -prime any oil spot, water stains, or any areas that paint will not adhere - spray two coats of paint -remove prep and dispose	1	\$1,440.00	\$1,440.00
Wainscoting Enamel	Paint Wainscoting as follows: -prep all surfaces not getting painted with enamel - fill all holes, sand, caulk any open seams -spray two coats of enamel, sanding in between coats Enamel will be Sherwin Williams Gallery Series, in a satin sheen. Customer to choose color	1	\$1,650.00	\$1,650.00
Wall Painting	Paint all walls in main area, hallway, and bathroom as follows: -prep off wainscoting and any trim not getting painted -fill holes, caulk cracks in wall, sand -brush and roll two coats of paint throughout Wall paint will be Sherwin Williams Superpaint, in a flat sheen. Custom to choose color	1	\$1,240.00	\$1,240.00
Halfwall Top Refinishing(painting)	Sand half wall top smooth, fill imperfections, prime and paint with wainscoting enamel	1	\$310.00	\$310.00
ADD ON(serving area)	Paint serving area ceiling, walls, and column with matching paint as rest of maint area	1	\$625.00	\$625.00



Twin Cities Rapid Repair

12281 Armitage Avenue Northwest | Monticello, Minnesota 55362
763-333-7857 | contact@twincitiesrapidrepair.com | <http://twincitiesrapidrepair.com>

Thank you for your business! We would love a Google review and a shout-out on Facebook, especially on local Facebook groups! You can reach me at either 612-458-8192, or 763-333-7857.

Thanks,
Ethan

Thank you for your business. Please contact us with any questions regarding this invoice.

Subtotal	\$5,265.00
Discount	– \$69.00
Total	\$5,196.00
Deposit collected	– \$2,320.00
Paid	– \$2,876.00
Invoice balance	\$0.00
Account balance	\$0.00



Quote

12/22/2025

Project:
L&L Cafe u/c freezer

From:
Reinhart Food Service - TWC
Ryan Vroman
13400 Commerce Blvd.
Rogers, MN 55374-8917
(651) 302-5111

Please contact me at 651-302-5111 to review this quote. Terms are 1/3 down, 1/3 at delivery and remaining balance on regular terms.

Item	Qty	Description	Sell	Sell Total
1	1 ea	REACH-IN UNDERCOUNTER FREEZER Everest Refrigeration Model No. ETBF1 Undercounter/Worktop Freezer, one-section, 27-3/4"W, 7.5 cu. ft. capacity, self-contained bottom mounted refrigeration, 16 gauge stainless steel worktop, (1) solid hinged self-closing door (locking), (2) epoxy coated wire shelves, height adjustable clips, digital controls with LED display, defrost cycle with heater, front air breathing, pressure relief port, stainless steel interior, stainless steel front & sides, galvanized steel bottom & rear, (4) 5" swivel casters (2 locking), R290 Hydrocarbon refrigerant, 1/3 HP, 115v/60/1-ph, 4.7 amps, cord, NEMA 5-15P, NSF, cETLus, ETL-Sanitation	\$2,165.00	\$2,165.00
	1 ea	Parts and labor: 3 years from ship date		
	1 ea	Electrical components: 5 years from ship date		
	1 ea	Compressor: 10 years from ship date		
	1 ea	Door hinged on right, standard		
	1 ea	CASA5-01 5" Overall Height Casters Set of 4, (front 2 locking), standard		
			ITEM TOTAL:	\$2,165.00



12/22/2025

Merchandise	\$2,165.00
Tax 7%	\$151.55
Total	\$2,316.55

Freight and installation is **not** included in this quote unless noted as a line item on the quote. The tax rate listed on this quote is a general number and may not be accurate for your specific city. All products are backed by the manufacture warranty. This quote is valid for five days. A 25% restock fee may apply to any return. Any item that is out of the original container or has been used can not be returned. Check with your utility provider as they may offer energy rebates on your new equipment

Acceptance: _____ Date: _____

Printed Name: _____

Project Grand Total: \$2,316.55



Quote

01/02/2026

Project:
L&L Cafe freezer 2 door

From:
Reinhart Food Service - TWC
Ryan Vroman
13400 Commerce Blvd.
Rogers, MN 55374-8917
(651) 302-5111

Please contact me at 651-302-5111 to review this quote. Terms are 1/3 down, 1/3 at delivery and remaining balance on regular terms.

Item	Qty	Description	Sell	Sell Total
1	1 ea	REACH-IN FREEZER Everest Refrigeration Model No. ESF2 Reach-In Freezer, two-section, 49-5/8"W, 48.0 cu. ft. capacity, self-contained top mounted refrigeration, (2) solid hinged self-closing field reversible doors (locking), (6) epoxy coated wire shelves, height adjustable clips, digital controls with LED display, auto defrost, LED interior lighting, stainless steel interior, stainless steel front & sides, galvanized steel top, bottom & rear, (4) 5" swivel casters (2 locking), 1 HP, 115v/60/1-ph, 7.5 amps, cord, NEMA 5-20P, NSF, cETLus, ETL-Sanitation	\$5,429.00	\$5,429.00
	1 ea	Parts and labor: 3 years from ship date		
	1 ea	Electrical components: 5 years from ship date		
	1 ea	Compressor: 10 years from ship date		
	1 ea	Door hinged on right & left, standard		
	1 ea	CASA5-01 5" Overall Height Casters Set of 4, (front 2 locking), standard		
			ITEM TOTAL:	\$5,429.00

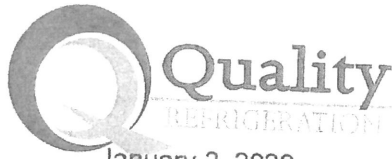
Merchandise	\$5,429.00
Tax 7%	\$380.03
Total	\$5,809.03

Freight and installation is **not** included in this quote unless noted as a line item on the quote. The tax rate listed on this quote is a general number and may not be accurate for your specific city. All products are backed by the manufacture warranty. This quote is valid for five days. A 25% restock fee may apply to any return. Any item that is out of the original container or has been used can not be returned. Check with your utility provider as they may offer energy rebates on your new equipment

Acceptance: _____ Date: _____

Printed Name: _____

Project Grand Total: \$5,809.03



Serving you Since 1975

January 2, 2026

L & L Homestyle Cafe
154 W Broadway St
Monticello, MN 55362



6237 Penn Avenue South
Suite 100
Richfield, MN 55423
www.qualityrefrig.com

phone 612•861•7350
fax 612•861•7366

Dear Logan,

We propose to provide and install (1) outdoor condenser and (1) evaporator for walk-in cooler
Budgetary Price: \$12,385.00

The price includes:

- (1) Heatcraft outdoor condenser
- (1) Heatcraft low profile evaporator coil
- Labor to install new condenser/evaporator
- Refrigerant (R454A)
- Piping materials and pipe covering
- Labor to pipe the refrigeration and drain lines
- Start and check for proper operation

The price does not include:

- Removal of product from cooler
- Repairs to existing cooler box
- Leak detection equipment
- Crane
- Electrical
- Roofing
- Core drilling
- Screening of equipment
- Condensate pump, if required
- Carpentry work (sheet rock work, ceiling tile work, concrete work if required)

Note we require a 75% down payment prior to placing equipment on order

Thank you for contacting Quality Refrigeration. If you have any questions, please feel free to give me a call at 612-861-7350 ext. 103.

Sincerely,

Scott Wiessinger
Sales

Accepted by: _____ Print name: _____ Date _____

Acceptance of Proposal- The above prices, specifications and conditions are satisfactory and are hereby accepted. You are authorized to do the work as specified. Payment will be made as outlined above. Quality Refrigeration retains ownership of material furnished until fully paid for. Interest on any past due amounts will accrue at the rate of 1.5 % per month. Should Quality Refrigeration find it necessary to obtain assistance in collecting past due accounts, signatred party will be responsible for attorney fees and/or court costs. Note: This proposal may be withdrawn by us if not accepted within 30 days



Larry Sperr <larrylandl.cafe@gmail.com>

Paint invoice

1 message

Larry Sperr <larry.hanoverfire@gmail.com>

Sun, Dec 14, 2025 at 12:05 PM

To: "larrylandl.cafe@gmail.com" <larrylandl.cafe@gmail.com>

Business name ✎

Business address and contacts ✎

Bill To

Sperr Properties llc ✎

154 West Broadway St ✎
Monticello MN 55362 ✎

Invoice # 001 ✎

Issued 12/14/2025 📅

Due 12/14/2025 📅

Description	QTY	Price, USD	Amount, USD
⊖ Paint Back of House	1	\$6500.00	\$6500.00
Subtotal			\$6500.00
Add New Item			
Discount ✎			(\$0.00)
Tax 0% ✎			\$0.00
Total			\$6500.00



Larry Sperr <larrylandl.cafe@gmail.com>

Fwd: Thank You for Your BizChair.com Order - soq-1365492

1 message

Logan <loganlandl.cafe@gmail.com>
To: Larry Sperr <LarryLandL.Cafe@gmail.com>

Mon, Jan 5, 2026 at 9:10 AM

----- Forwarded message -----

From: no_reply@bizchair.com <no_reply@bizchair.com>
Date: Mon, Dec 15, 2025 at 9:26 AM
Subject: Thank You for Your BizChair.com Order - soq-1365492
To: loganlandl.cafe@gmail.com <loganlandl.cafe@gmail.com>, freddieguinyard@belnick.com <freddieguinyard@belnick.com>



Thank you for your order!

Thank you for your order. We will send confirmation of your order once it's sent to fulfillment. Thanks for shopping with us.

ORDER NUMBER

soq-1365492

SALES ORDER NUMBER

SO-019108500

Product Details

Item: HERCULES Series Ladder Back Cherry Wood Restaurant Chair - Black Vinyl
Seat

Unit Price: USD 83.14

Qty Ordered: 24

Shipping From: Olive Branch, MS**

Status: Ordered

Subtotal: USD 1995.36

Shipping: USD 353.18

CC Fees: USD 0.00

Tax: USD 169.24

Total: USD 2318.24

Payment Method:

Check

Billing

Logan Sperr

154 W Broadway St

MONTICELLO, MN 55362

loganlandl.cafe@gmail.com

Shipping

L&L Cafe

Logan Sperr

154 W Broadway St

MONTICELLO, MN55362

loganlandl.cafe@gmail.com

INVOICE

Date: Dec 17-25 No. _____

Job No. JR 12 11913 Telephone _____

Address: 16571 70th Ave City: Orland State/Province _____ Zip/Postal Code _____

Floor Covering Retailer Telephone _____

Address: _____ City _____ State/Province _____ Zip/Postal Code _____

Customer: Lafay Telephone _____

Quantity	U/M*	Material	Description	Price	Total
		Carpot			
		Ceramic Tile	<u>Lup Rock Green</u>		<u>506.16</u>
		Hardwood			
		Laminate	<u>Instill</u>		<u>3936.40</u>
		Marble			
		Padding	<u>Tax up old</u>		<u>1836.72</u>
		Vinyl (sheet)	<u>Vinyl floor</u>		<u>1225.20</u>
		Vinyl (tile)	<u>24 sheets underlayment</u>		<u>2040.00</u>
Other		Description/Comments/Diagrams 1 Square = <input type="checkbox"/> ft.			
	Base ()				
	Base ()				
	Disposal				
	Furniture				
	Mouldings				
	Refrigerator				
	Repairs				
	Stairs				
	Stove				
	Subfloor Prep				
	Take-Up				
	Toilet				
	Trip Charge				
	Underlayment				
	Vinyl Cove				
	Washer/Dryer				
			Total \$ 14044.58		

Date _____ Total **\$ 14044.58**

Guarantee: _____

All Rights Reserved *Unit of Measure No. 424

111

New Flooring	14,044.58
New Booths/tables	9,925.58
Repair to Floor/kitchen wall	11,000.00
New toilets	1,800.00
New lights	9,500.00
Front of House Painting	5,265.00
Freezer	2,316.55
Freezer	5,809.03
Repair to walkin cooler	*12,385.00
Back of House Painting	6,500.00
chairs	2,318.24

total \$ 80,863.98

LAL Homestyle Cafe Interior Improvements

Larry T. Spive

1/5/2026

5 staff
 min wage + tips
 \$11

5 in front
 \$25-30/w/tip
 6 staff
 \$19/hr back
 or house

Wright County, MN

Summary

Parcel ID 155010035150
Property Address 154 BROADWAY W
 MONTICELLO MN 55362
Sec/Twp/Rng 11-121-025
Brief Tax Description SECT-11 TWP-121 RANGE-025 ORIGINAL PLAT MONTICELLO LOT-015 BLOCK-035 W24 1/2FT OF LT 15 BLK 35
(Note: Not to be used on legal documents)
Class 233 - 3A COMMERCIAL LAND AND BUILDING;209 - 4B1 RES 1-3 UNITS - PREV SSR
District (1101) CITY OF MONTICELLO-0882
School District 0882
(Note: Class refers to Assessor's Classification Used For Property Tax Purposes)
Abstract/Torrens ABSTRACT



GIS Acres

Parcel: 155010035150
Acres: 0.09
Acres USAB: 0.09
Acres ROW:
Sq Ft: 4,033.04

Owner

Primary Owner
 SPERR PROPERTIES LLC
 9277 EDMONSON AVE NE APT 232
 MONTICELLO MN 55362

Land

Seq	Land Description	Land Code	Dim 1	Dim 2	Dim 3	Units	UT	Unit Price	Adj 1	Adj 2	Adj 3	Eff Rate	Div %	Value
1	DOWNTOWN I	155604	0	0	0	4,033.000	S	18.000	0.00	0.00	0.00	5.940	0.330	23,958
2	DOWNTOWN I	155604	0	0	0	4,033.000	S	18.000	0.00	0.00	0.00	12.061	0.670	48,642
3	BLACKTOP FAIR	008681	0	0	0	1,045.000	U	1.500	0.00	0.00	0.00	0.505	0.330	528
4	BLACKTOP FAIR	008681	0	0	0	1,045.000	U	1.500	0.00	0.00	0.00	1.026	0.670	1,072
Total						8,066.000								74,200

Buildings

Building 1
Year Built 1910
Architecture N/A
Above Grade Living Area 0
Finished Basement Sqft 0
Construction Quality 04
Foundation Type CONC BLOCK
Frame Type (C) Concrete Frame
Size/Shape
Exterior Walls STUCCO
Windows N/A
Roof Structure SHED
Roof Cover N/A
Interior Walls DRYWALL
Floor Cover N/A
Heat N/A
Air Conditioning N/A
Bedrooms 0
Bathrooms N/A
Gross Building Area 2468

2G (98)

Building 2	
Year Built	1910
Architecture	N/A
Above Grade Living Area	0
Finished Basement Sqft	0
Construction Quality	03
Foundation Type	N/A
Frame Type	(D) Wood Frame
Size/Shape	
Exterior Walls	STUCCO
Windows	N/A
Roof Structure	N/A
Roof Cover	N/A
Interior Walls	N/A
Floor Cover	N/A
Heat	N/A
Air Conditioning	N/A
Bedrooms	0
Bathrooms	N/A
Gross Building Area	2500

Sales

Multi Parcel	Instr Type	Qualified Sale	Sale Date	Book	Page	Sale Type	Buyer	Seller	Sale Price	Adjusted Sale Price	eCRV #	eCRV	Sale Type	S.S. Rcmd.	S.S. Rjt. Rsn.	Transact Num
N	WD	U	11/14/2025			I-Improved	SPERR PROPERTIES LLC	TRICAMBRA HOLDINGS LLC	\$534,700	\$534,700	1821338		I		00-QUALIFIED	
N	WD	U	9/29/2017			I-Improved	TRICAMBRA HOLDINGS LLC	CORNERSTONE CAFE AND CATERING, LLC	\$540,405	\$540,405		729659	I		17-EXCESS PP	
N	CD	U	12/28/2001			I-Improved	CORNERSTONE CAFE	KRUSE FLOYD	\$120,000	\$120,000	120936		I		14-CFD/INT PA	120936
N	CD	U	12/28/2001			I-Improved	SWIECICHOWSKI CRAIG	KRUSE JUDITH	\$120,000	\$120,000	76427		I		17-EXCESS PP	76427

Recent Sales In Area

Sale date range:

From: To:

Distance: Units:

Transfer History

Grantor	Grantee	Recorded Date	Doc Type	Doc No
TRICAMBRA HOLDINGS LLC	SPERR PROPERTIES LLC	11/17/2025	WAR	1589849
TRICAMBRA FOODS INC	TRICAMBRA HOLDINGS LLC	11/17/2025	QCD	1589848
CORNERSTONE CAFE AND CATERING LLC	TRICAMBRA HOLDINGS LLC	10/2/2017	WAR	1354697
KRUSE JUDITH A; KRUSE FLOYD A	CORNERSTONE CAFE AND CATERING LLC	4/18/2013	WAR	1234663
SWIECICHOWSKI CRAIG; SWIECICHOWSKI SUSAN	NEW MAIN STREET MERCHANTS LLC	3/9/2006	AQC	1001049

Note: Transfer History data is from LandLink beginning 01/01/2003.

Valuation

	2025 Assessment	2024 Assessment	2023 Assessment	2022 Assessment	2021 Assessment
+ Estimated Land Value	\$74,200	\$74,200	\$46,000	\$34,300	\$33,800
+ Estimated Building Value	\$257,200	\$251,100	\$233,000	\$194,800	\$188,300
+ Estimated Machinery Value	\$0	\$0	\$0	\$0	\$0
= Total Estimated Market Value	\$331,400	\$325,300	\$279,000	\$229,100	\$222,100
% Change	1.88%	16.59%	21.78%	3.15%	0.00%

2G (99)

Taxation (Internal Only)

[Click here to view Taxation Information for this parcel](#)

	2025 Payable	2024 Payable	2023 Payable	2022 Payable
Estimated Market Value	\$325,300	\$279,000	\$229,100	\$222,100
- Excluded Value	\$0	\$0	\$0	\$0
- Homestead Exclusion	\$0	\$0	\$0	\$0
= Taxable Market Value	\$325,300	\$279,000	\$229,100	\$222,100
Net Taxes Due	\$5,403.08	\$4,156.00	\$3,270.54	
+ Special Assessments	\$2,856.92	\$676.00	\$1,775.46	
= Total Taxes Due	\$8,260.00	\$4,832.00	\$5,046.00	
% Change	70.94%	-4.24%		0.00%

Taxation

[Click here to view Taxation Information for this parcel](#)

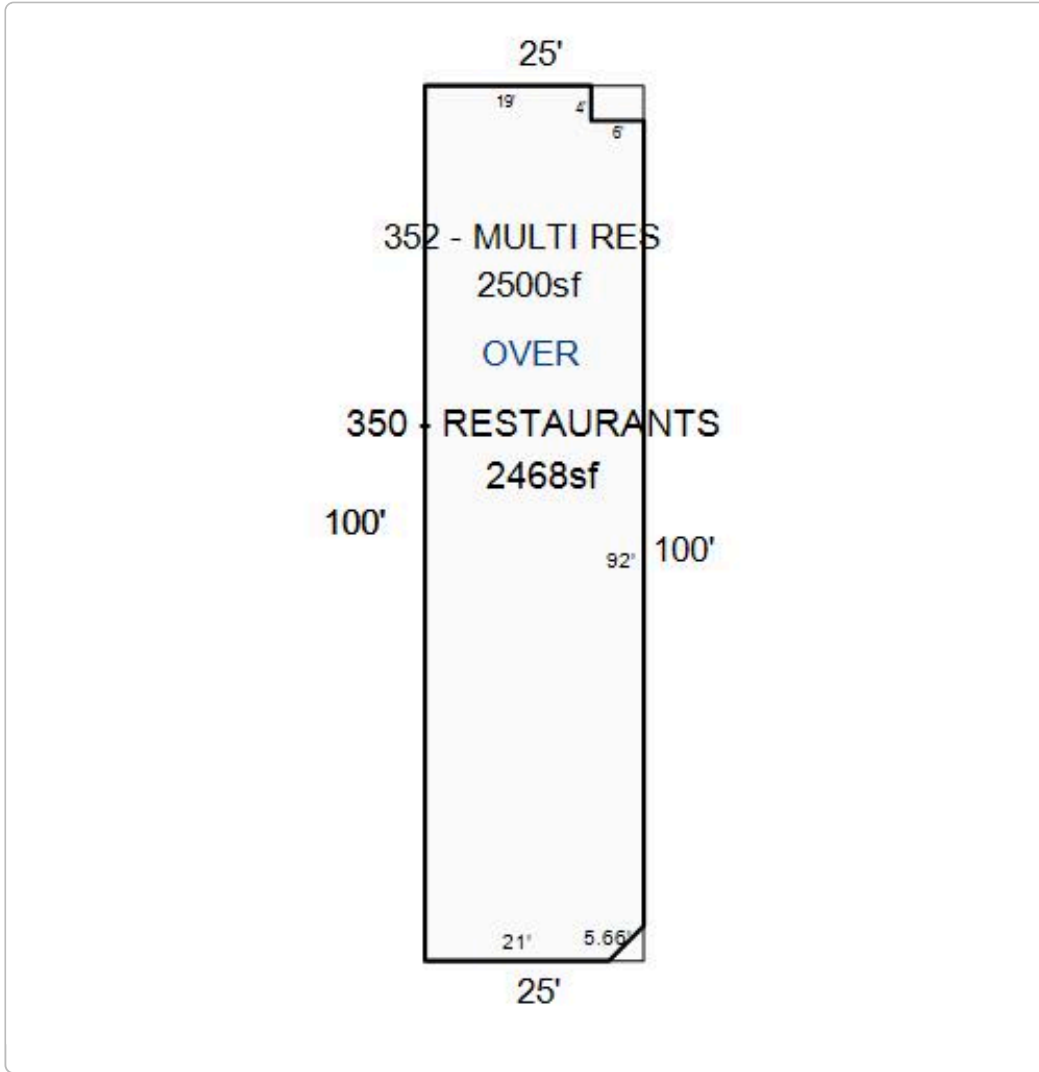
Taxes Paid

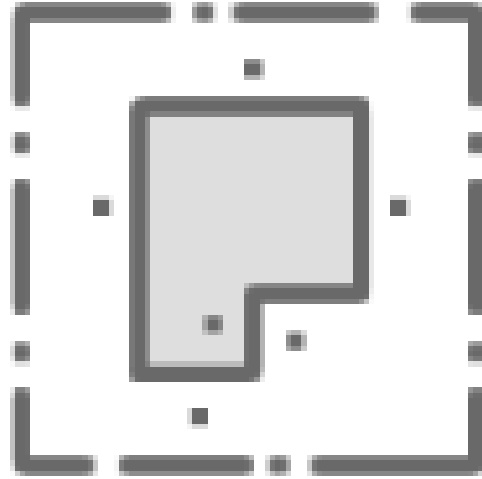
[Click here to view Taxes Paid for this parcel](#)

Photos



Sketches





Sorry, no sketch available
for this record

Map



No data available for the following modules: Land GA/RP, Extra Features, OBY, OBY (Working 2026 Assessment).

The information provided on this site is intended for reference purposes only. The information is not suitable for legal, engineering, or surveying purposes. Wright County does not guarantee the accuracy of the information contained herein.

[User Privacy Policy](#) | [GDPR Privacy Notice](#)
Last Data Upload: 2/2/2026, 12:27:56 AM

Contact Us

Developed by
 **SCHNEIDER**
GEOSPATIAL

City of Monticello Economic Development Authority

Industrial Development Project Ranking

October 10, 2017

The scoring worksheet is to be used as a Guideline for weighing the merits of the use of EDA development tools such as incentive financing such as TIF or Tax Abatement. It is intended to be Guideline and should be applied to prospects in this manner. There may be instances where factors of a proposed development may warrant deviation from the Guidelines. It is the EDA's discretion to adhere to the Guidelines or deviate from them in the interest of furthering Economic Development Goals and Objectives in the City of Monticello as identified in by the Monticello Comprehensive Plan.

There are several factors that are pertinent to proposed scoring. They are shown below with a Worksheet Summary at the conclusion.

Name of Project: Sperr Properties, 154 W. Broadway

1. Number of New Employees

<u>Point Value</u>	<u>Number</u>
+1	1 – 5
+2	6 - 15
+3	16 - 30
+4	31 - 50
+5	51 +

2. Number of Jobs Per Acre (11 Jobs, 0.09 Acres)

<u>Point Value</u>	<u>Number Per Acre</u>
+1	1 – 2 per acre
+2	3 – 4 per acre
+3	5 – 6 per acre
+4	6 – 7 per acre
+5	8 + per acre

3. Average Wages for New Jobs

<u>Point Value</u>	<u>Pay Range</u>	<u>Dollar Weighting</u>	<u>Total Empl.</u>	<u>Weighted \$ Amt.</u>
+1	\$15,000-24,999	\$20,000	_____	\$_____
+2	\$25,000-29,999	\$27,500	_____	\$_____
+3	\$30,000-44,999	\$37,500	6	\$_____
+4	\$45,000-59,999	\$52,500	_____	\$__\$49,920__
+5	\$60,000 +	\$60,000	5	\$_____

$(\$19\text{hr} * 6 \text{ jobs}) + (\$30\text{hr} * 5\text{jobs}) = \$264\text{hr} / 11 \text{ jobs} = \$24\text{hr} * 2080 \text{ hours}$

4. Public Assistance per New Jobs

\$162,000 Public Assistance
 ___11___ Number of new jobs created

\$ 14,700 +/- Public Assistance per new job

<u>Point Value</u>	<u>Public Dollars Invested Per New Job</u>
+1	Over \$50,000
+2	\$40,000 to \$49,999
+3	\$30,000 to \$39,999
+4	\$20,000 to \$29,999
+5	\$0 to \$19,999

5. Number of Years of TIF Assistance Needed **N/A**

+0	9 years
+1	8 years
+2	7 years or less

6. Developed Assessed Value Per Acre (\$331,400 (2025 valuation) / 0.09 acres)

<u>Point Value</u>	<u>Value Per Acre</u>
+1	\$150,000-199,999
+2	\$200,000-349,999
+3	\$350,000-499,999
+4	\$500,000-599,999
+5	\$600,000 +

7. Business Retention **N/A**

<u>Point Value</u>	<u>Number of Retained Jobs</u>
+0.5	1-5 jobs
+1	6-10 jobs
+1.5	11-30 jobs
+2	31-50 jobs
+2.5	50-100 jobs
+3	101+ jobs

8. Ratio of Private versus Public Investment in Project

\$818,712 Private Investment

\$162,000 (\$100,000 Façade + \$62,000 Tentative GMEF) EDA/Public Investment

\$980,000+/- Total Investment

5 : 1 Ratio of Private versus Public financing

<u>Point Value</u>	<u>Ratio</u>
+1	over 2:1
+2	over 3:1
+3	over 4:1
+4	over 5:1
+5	6:1 or greater

9. Significant Community Impact

Point Value Unsubsidized Spin-Off development potential

+1	Low potential for spin-off of unsubsidized development
+2	Moderate potential for spin-off unsubsidized development
+3	High potential for spin-off unsubsidized development

10. General Community Benefit

+2	Utilizes or fills vacant building(s) in the community
+3	Utilizes or fills vacant buildings in priority development areas in the community

11. Tenure in Business Operation

<u>Point Value</u>	<u>Number of Years in Business</u>
+1	Five years or less
+2	6 to 10 years
+3	11 years or more

12. Environmental Impacts**Point Value Types of Environmental Issues**

+1	Enhances the environmental aspects of a site via clean-up of contaminants or improved aesthetics via unique site or architectural features
-0-	No impacts
-1	Noise Issues
-2	Noise and negative visual aesthetics
-3	Noise, odors, dust, traffic and negative visual aesthetics

WORKSHEET SUMMARY

<u>Factors</u>	<u>Total Points</u>
#1. Number of New Employees	____ 2 ____ (1-5)
#2. Number of Jobs Per Acre	____ 5 ____ (1-5)
#3. Average Wages for New Jobs	____ 4 ____ (1-5)
#4. Public Assistance Per New Job	____ 5 ____ (1-5)
#5. Number of Years of TIF Assistance	__ n/a __ (1-2)
#6. Developed Assessed Value Per Acre	____ 5 ____ (1-5)
#7. Business Retention (# of Jobs)	__ n/a __ (5-3)
#8. Ratio of Private to Public Invest.	____ 4 ____ (1-5)
#9. Significant Impact/Comp Plan Goals	____ 1 ____ (1-3)
#10. General Community Benefit	____ 3 ____ (2-3)
#11. Number of Years of Business Oper.	____ 1 ____ (1-3)
#12. Environmental Impacts	__ 1 ____ (-3 to +1)
Total Points	<u>31</u>

Total Possible Points = 45

Total Worksheet Points Equated to Land Price**Total Overall Points Price for Otter Creek Land**

1-5	\$3.16 per sq. ft. (No TIF)
5-10	\$3.16 per sq. ft. with TIF as a land reimbursement to developer
11-15	20 percent discount from market price = \$2.53 per sq. ft.
16-20	40 percent discount from market price = \$1.90 per sq. ft.
21-25	60 percent discount from market price = \$1.26 per sq. ft.

2G (107)

26-30

80 percent discount from market price = \$.63 per sq. ft.

31-42

100 percent discount from market price = \$1.00 for the entire lot



City Policy and Procedure

SECTION: FINANCE

NO: FIN-

REFERENCE:

Date:

Next Review Date:

TITLE: BUSINESS SUBSIDY POLICY

1.0 Purpose

This policy includes the criteria to be considered by the City of Monticello (the “City”) and the City of Monticello Economic Development Authority (the “EDA”) to evaluate the granting of business subsidies (this “Policy”). It is the City and the EDA’s intent in adopting this Policy is to comply with Minnesota Statutes, Sections 116J.993-116J.995, as amended (the “Act”). The term “business subsidy” or “business subsidies” shall be as defined in the Act.

2.0 Policy

Goals and Objectives/Public Purpose

It is the City’s and EDA’s intent to support and comply with the goals and objectives stated in the City of Monticello’s Comprehensive Plan and with the public purpose requirements of the Act when granting business subsidies. At a minimum, to be granted a business subsidy by the City or the EDA, a project must meet one (or two, depending) of the following goals and objectives. The City or the EDA may grant a business subsidy for the purpose of:

- 1. Attracting New Businesses & Expanding the Tax Base**
 - a. Project increases the tax base (Cannot be the only goal).
 - b. Project promotes and enhances industrial and commercial diversity in the City.
- 2. Attracting and Retaining Jobs**
 - a. Project creates the maximum number of livable wage jobs possible. To meet this goal, on average, the jobs created by the Project (both part-time and full-time) shall have a minimum hourly wage equal to twice the current State of Minnesota minimum wage.
 - b. Job retention may be an allowable goal for the Project if job loss is imminent and demonstrable.
- 3. Enhancing Downtown:** Project promotes revitalization and redevelopment in the City’s downtown.
- 4. Facilitating Redevelopment:** Project promotes redevelopment objectives and removal of blight, including pollution cleanup.
- 5. Housing:** Project diversifies the housing stock available within the City.

Subsidy Agreement, Compliance and Reporting Requirements

Prior to granting a business subsidy, the City or the EDA and the grantee (the “Grantee”) will be

required to enter into a formal agreement (the “Agreement”) which shall, among other things:

- Identify the amount and nature of the business subsidy and articulate the goals and objectives thereof.
- Identify the number of full-time or part-time jobs and the wages for those jobs which are to be established (or retained) within two years of the Benefit Date (as defined in the Act).
- Require that the Grantee continue project operations at the site for at least five years.

The Grantee shall file a report annually for two years after the Benefit Date or until all goals as set forth in the Agreement have been met, whichever is later. Reports shall be completed using the format drafted by the State of Minnesota and shall be filed with the City or the EDA no later than March 1 of each year for the previous calendar year.

Grantees failing to comply with the above provisions will be subject to fines, repayment requirements, and be deemed ineligible by the State of Minnesota to receive any loans or grants from public entities for a period of five years.

3.0 Scope

The City has the authority to administer the City’s Tax Abatement Program and grant business subsidies thereunder.

The EDA has the authority to administer the following programs and grant business subsidies thereunder:

1. Tax Increment Financing (TIF)
2. Greater Monticello Enterprise Fund (GMEF)
3. Small Cities Economic Development Set Aside Fund (ED)
4. Façade Improvement Forgivable Loan Program

The City and the EDA have adopted separate policies for each of these programs (the “Policies”). To the extent that the Policies contain more specific guidelines for each type of business subsidy, those Policies control.

Notwithstanding anything to the contrary herein, the City (and EDA, subject to City approval) reserve the right to create and administer additional programs and grant any type of business subsidy authorized by law, without limitation.

4.0

HISTORY			
Public Hearing and Approval Date:	03/11/2009 03/23/2009	Approved by:	EDA City Council
Public Hearing and Amendment Date:	11/09/2023 10/23/2023	Approved by:	EDA Council
Amendment Date:		Approved by:	