

November 2, 2019

Sean Sullivan  
Economic Development Director  
City of Ramsey  
7550 Sunwood Drive NW  
Ramsey, MN 55303

Dear Sean,

Knoll Properties, LLC and Anderson Dahlen, Inc. would like to request that the City of Ramsey give us until January 31<sup>st</sup> 2020 to complete an agreement with our customer that would allow us to proceed with the purchase of the land and begin construction of a new facility on the old Bury Carlson site. If we do not have a signed agreement from our primary customer by that date, we will terminate our efforts to purchase the site.

Unfortunately, our customer had a change in leadership back in August of 2019 and the new leadership put the completion of a three-year manufacturing agreement we were about to close with them on hold. Under the terms of the agreement Anderson Dahlen was to build a new facility to manufacture, assemble, and test our customers tools. The facility was to be able to double in size over the next three years to accommodate their projected growth. We were to double our current rate for producing the tools and double again over the next two years. On the 22<sup>nd</sup> of August, one day before the scheduled closing we received an e-mail from the customer stating that in light of the departure of their president they were reconsidering the agreement and the new management wanted to consider having another source for the tools instead of single sourcing them with Anderson Dahlen, Inc. Since that time, we have been waiting for them to work through their revised plan for the sourcing these tools. They have now come back to us and want to complete the agreement with modifications. The new agreement is smaller in scope and would not require as large a facility as they do intend to have a secondary source.

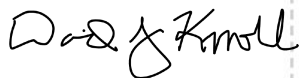
At this point Anderson Dahlen and Knoll Properties have over \$250,000.00 invested in this building project. The plans are complete, the survey work was done, the environment testing was finished, the legal work was completed and the many of the local government fees have been paid. We would like to try and salvage this work if we can. We have submitted to our customer our final changes to the agreement and it is in their hands to complete and sign. They have told us that it now must go to their Board of Directors for approval. This could take up to two months as they are a publicly traded company.

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6850 Sunwood Drive NW  
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Tom and I are very sorry that we have been unable to complete the purchase as planned. It is very frustrating for us as we were moving quickly to have our contractor and suppliers ready for a fall of 2019 start. That is now not going to happen. We understand that the council and EDA have worked hard to help us get this ready to close and I am sure it has been as frustrating for you and your staff as it is for us. Regrettably, without this agreement Anderson Dahlen does not anticipate needing additional manufacturing space until 2024 at the earliest. Therefore, we would not elect to construct the space without this deal being in place. We certainly understand that the council would like to get this land back on the tax roles producing revenue for the city. If you are not able to hold the property until January 31<sup>st</sup> please let us know. We very much appreciate your patience while we try to complete this contract.

Sincerely,



David J. Knoll  
CFO  
Anderson Dahlen, Inc.