

The Free Press MEDIA

THE LAND

P.O. Box 3287, Mankato, MN 56002

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Affidavit of Publication

STATE OF MINNESOTA, COUNTY OF BLUE EARTH, SS.

Steve Jameson, being duly sworn, on oath states as follows:

1. I am the publisher of The Free Press, or the publisher's designated agent. I have personal knowledge of the facts stated in this Affidavit, which is made pursuant to Minnesota Statutes §331A.07.

2. The newspaper has complied with all of the requirements to constitute a qualified newspaper under Minnesota law, including those requirements found in Minnesota Statutes §331A.02.

3. The dates of the month and the year and day of the week upon which the public notice attached/copied below was published in the newspaper are as follows:

The printed notice which is attached was cut from the columns of said newspaper, and was printed and published the following dates: 09/10/21, and printed below is a copy of the lower case alphabet from A to Z, both inclusive, which is hereby acknowledged as being the size and kind of type used in the composition and publication of the notice:

abcdefghijklmnopqrstuvwxyz

4. The Publisher's lowest classified rate paid by commercial users for comparable space, as determined pursuant to §331A.06, is as follows: 28.50.

5. Pursuant to Minnesota Statutes §580.033 relating to the publication of mortgage foreclosure notice: The newspaper's known office is located in Blue Earth County. The newspaper complies with the conditions described in §580.033, subd. 1, clause (1) or (2). If the newspaper's known office of issue is located in a county adjoining the county where the mortgaged premises or some part of the mortgaged premises described in the notice are located, a substantial portion of the newspaper's circulation is in the latter county.

FURTHER YOUR AFFIANT SAITH NOT.

By: _____

Steve Jameson, Publisher

Sworn to and subscribed before me; this day
09/10/2021

Notary Public

Public Notice

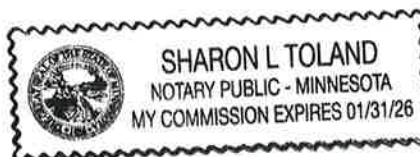
September 10, 2021

NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN that the North Mankato Port Authority Commission will meet at the Municipal Building, 1001 Belgrade Avenue, North Mankato, Minnesota at 6:15 p.m. on Monday, September 20, 2021, to consider the sale of real estate described as Lot 2, Block 1, Northport No. 21 (3.79 acres). Such persons as desire to be heard with reference to the proposed sale of real estate will be heard at this meeting. Contact North Mankato City Hall 507-625-4141 or visit www.northmankato.com for additional information.

Dated this 10th day of September 2021.

BY ORDER OF THE
NORTH MANKATO
PORT AUTHORITY
By: April Van Genderen
Secretary



Pursuant to due call and notice thereof, a meeting of the North Mankato Port Authority Commission was held in the Council Chambers of the Municipal Building on Monday, September 7, 2021.

President Arnold called the meeting to order at 6:15 p.m. The following were present: Commissioners Olenius, Dehen, Oachs, Steiner, Whitlock, Norland and Arnold, Executive Vice President Harrenstein, Assistant Treasurer McCann, Community Development Director Fischer, and Secretary Van Genderen.

Approval of the Minutes

Commissioner Dehen moved, seconded by Commissioner Steiner, to approve the minutes of the Port Authority meeting of August 16, 2021. Vote on the motion: Olenius, Dehen, Oachs, Steiner, Whitlock, Norland and Arnold aye, no nays. Motion carried.

Public Hearing, Proposed Establishment of Webster Avenue Industrial Development District, and Adoption of Industrial Development Plan.

Bond Counsel from Northland Securities, Tammy Omdal, appeared before the Port Authority and reported that establishing the Industrial Development District (IDD) is not the same as establishing a Tax Increment Financing District (TIF). The establishment of the IDD would allow the Port to acquire and improve the property. The IDD establishes the geographic area necessary for the Port to take action. The IDD is related to the Ordinance allowing the issuance of Port General Obligation bonds that will be discussed at the City Council Meeting later in the evening. The Ordinance will enable the Port Authority to issue a General Obligation Bond necessary to finance property acquisition within the IDD.

With no one appearing before the Port Authority, President Arnold closed the Public Hearing.

Resolution No. 5-21 Approving Establishment of an Industrial Development District and Approving a Development Plan.

Bond Counsel Tammy Omdal from Northland Securities reported that the resolution would adopt the plan and establish the geographic boundaries of the IDD.

Commissioner Dehen moved, seconded by Commissioner Steiner, to Adopt Resolution No. 5-21 Approving Establishment of an Industrial Development District and Approving a Development Plan. Vote on the motion: Olenius, Dehen, Oachs, Steiner, Whitlock, Norland and Arnold aye, no nays. Motion carried.

Resolution No. 6-21 Setting a Public Hearing to Consider the Sale of Real Estate.

Community Development Planner Fischer reported the resolution would set a public hearing to consider the sale of 3.79 acres in the North Port. The property is located along Howard Drive West. The Woodworth Family, LLC who owns Fastenal, is planning to build a new facility in North Mankato in the spring of 2022. The building would be approximately 20,000 square feet.

Executive Vice President Harrenstein stated the purchase agreement set the sale of the property at \$75,000 per acre for a total purchase price of \$284,250. He stated the purchase agreement laid out specifics for the design of the building, stormwater and landscaping requirements, and a commitment to construction. The Right of First refusal guarantees that the Port Authority could repurchase and resell the land if development does not proceed or fails to begin. It was noted that the company would be moving from Mankato to North Mankato. Commissioner Norland moved, seconded by Commissioner Steiner, to Adopt Resolution No. 6-21 Setting a Public Hearing to Consider the Sale of Real Estate. Vote on the motion: Olenius, Dehen, Oachs, Steiner, Whitlock, Norland and Arnold aye, no nays. Motion carried.

Other Business

Executive Vice President Harrenstein reported the establishment of the IDD fulfills the obligation in the settlement agreement with HyLife and aligns well with established land use and planning efforts. The district's creation along Webster Avenue moves forward the City's planning efforts and affirms the serious efforts being made to create a corridor with a bright future. President Arnold noted that if the City of Mankato moves forward with its redevelopment along the 169 corridor, it could significantly improve and create a welcoming corridor for both cities. Executive Vice President Harrenstein stated there is a collaboration between the two cities to improve the corridor. Executive Vice President Harrenstein reported Webster Avenue has a significant history in and is currently home to valuable businesses and industries with owners who are committed to the region.

Open Meeting to the Public

None

There being no further business, Commissioner Dehen moved, seconded by Commissioner Norland, to adjourn. Vote on the motion: all ayes. Motion carried. The meeting was adjourned at 6:38 p.m.

President

Secretary

EXTRACT OF MINUTES OF A MEETING
OF THE BOARD OF COMMISSIONERS OF THE NORTH MANKATO PORT AUTHORITY
COMMISSION, MINNESOTA

HELD: SEPTEMBER 20, 2021

Pursuant to due call thereof, a special meeting of the Board of Commissioners of the North Mankato Port Authority Commission, Nicollet and Blue Earth Counties, Minnesota, was duly held at the City Hall in the City of North Mankato, Minnesota (the "City") on September 20, 2021, at 6:00 P.M. for the purpose in part of authorizing the competitive negotiated sale of \$4,500,000 Taxable General Obligation Bonds, Series 2021B.

The following members were present:

and the following were absent:

Member _____ introduced the following resolution and moved its adoption:

RESOLUTION NO. 7-21

RESOLUTION PROVIDING FOR THE COMPETITIVE NEGOTIATED SALE OF
\$4,500,000 TAXABLE GENERAL OBLIGATION BONDS, SERIES 2021B

A. WHEREAS, the Board of Commissioners (the "Commission") of the North Mankato Port Authority Commission (the "Authority"), has heretofore determined that it is necessary and expedient to issue its \$4,500,000 Taxable General Obligation Bonds, Series 2021B (the "Bonds"), pursuant to Minnesota Statutes, Chapters 475 to create and establish the Webster Avenue Industrial Development District within the City of North Mankato, Minnesota; and

B. WHEREAS, the Authority has retained Northland Securities, Inc., in Minneapolis, Minnesota ("Northland"), as its independent municipal advisor and is therefore authorized to sell these obligations by a competitive negotiated sale in accordance with Minnesota Statutes, Section 475.60, Subdivision 2(9); and

C. WHEREAS, the Authority has retained Taft Stettinius & Hollister LLP, in Minneapolis, Minnesota, as its bond counsel for purposes of this financing; and

NOW, THEREFORE, BE IT RESOLVED by the Commission of the North Mankato Port Authority Commission, Minnesota, as follows:

1. Authorization. The Commission hereby authorizes Northland to solicit proposals for the competitive negotiated sale of the Bonds.
2. Meeting; Proposal Opening. The Commission shall meet at the time and place specified in the Notice of Sale attached hereto as Exhibit A for the purpose of considering sealed

proposals and awarding the sale of the Bonds. The Executive Vice President or designee, shall open proposals at the time and place specified in the Notice of Sale.

3. Notice of Sale. The terms and conditions of the Bonds and the negotiation thereof, are fully set forth in the Notice of Sale attached hereto as Exhibit A and hereby approved and made a part hereof.

4. Official Statement. In connection with the sale, the Executive Vice President and other officers or employees of the Authority are hereby authorized to cooperate with Northland and participate in the preparation of an official statement for the Bonds, and to execute and deliver it on behalf of the Authority upon its completion.

The motion for the adoption of the foregoing resolution was duly seconded by member _____ and, after full discussion thereof and upon a vote being taken thereon, the following voted in favor thereof:

and the following voted against the same:

Whereupon the resolution was declared duly passed and adopted.

STATE OF MINNESOTA
COUNTIES OF NICOLLET AND BLUE EARTH
NORTH MANKATO PORT AUTHORITY COMMISSION

I, the undersigned, being the duly qualified and acting Secretary of the Board of Commissioners of the North Mankato Port Authority Commission, Minnesota, DO HEREBY CERTIFY that I have compared the attached and foregoing extract of minutes with the original thereof on file in my office, and that the same is a full, true and complete transcript of the minutes of a meeting of the Board of Commissioners, duly called and held on the date therein indicated, insofar as such minutes relate to the \$4,500,000 Taxable General Obligation Bonds, Series 2021B.

WITNESS my hand on this 20th day of September, 2021.

Secretary

EXHIBIT A

NOTICE OF SALE

\$4,500,000*

TAXABLE GENERAL OBLIGATION BONDS, SERIES 2021B

NORTH MANKATO PORT AUTHORITY COMMISSION, MINNESOTA
(Book-Entry Only)

NOTICE IS HEREBY GIVEN that these Bonds will be offered for sale according to the following terms:

TIME AND PLACE:

Proposals (also referred to herein as "bids") will be opened by the Commission's Executive Vice President, or designee, on Monday, November 15, 2021, at 11:00 A.M., CT, at the offices of Northland Securities, Inc. (the Commission's "Municipal Advisor"), 150 South 5th Street, Suite 3300, Minneapolis, Minnesota 55402. Consideration of the Proposals for award of the sale will be by the Port Authority Commission Board at its meeting at the City Offices beginning Monday, November 15, 2021 at 6:30 P.M., CT.

SUBMISSION OF PROPOSALS

Proposals may be:

- a) submitted to the office of Northland Securities, Inc.,
- b) faxed to Northland Securities, Inc. at 612-851-5918,
- c) emailed to PublicSale@northlandsecurities.com
- d) for proposals submitted prior to the sale, the final price and coupon rates may be submitted to Northland Securities, Inc. by telephone at 612-851-5900 or 612-851-5915, or
- e) submitted electronically.

Notice is hereby given that electronic proposals will be received via PARITY™, or its successor, in the manner described below, until 11:00 A.M., CT, on Monday, November 15, 2021. Proposals may be submitted electronically via PARITY™ or its successor, pursuant to this Notice until 11:00 A.M., CT, but no Proposal will be received after the time for receiving Proposals specified above. To the extent any instructions or directions set forth in PARITY™, or its successor, conflict with this Notice, the terms of this Notice shall control. For further information about PARITY™, or its successor, potential bidders may contact Northland Securities, Inc. or i-Deal® at 1359 Broadway, 2nd floor, New York, NY 10018, telephone 212-849-5021.

Neither the Commission nor Northland Securities, Inc. assumes any liability if there is a malfunction of PARITY™ or its successor. All bidders are advised that each Proposal shall be deemed to constitute a contract between the bidder and the Commission to purchase the Bonds regardless of the manner in which the Proposal is submitted.

* The Commission reserves the right to increase or decrease the principal amount of the Bonds. Any such increase or decrease will be made in multiples of \$5,000 and may be made in any maturity. If any maturity is adjusted, the purchase price will also be adjusted to maintain the same gross spread.

BOOK-ENTRY SYSTEM

The Bonds will be issued by means of a book-entry system with no physical distribution of bond certificates made to the public. The Bonds will be issued in fully registered form and one bond certificate, representing the aggregate principal amount of the Bonds maturing in each year, will be registered in the name of Cede & Co. as nominee of Depository Trust Company (“DTC”), New York, New York, which will act as securities depository of the Bonds.

Individual purchases of the Bonds may be made in the principal amount of \$5,000 or any multiple thereof of a single maturity through book entries made on the books and records of DTC and its participants. Principal and interest are payable by the Commission through U.S. Bank National Association, St. Paul, Minnesota (the “Paying Agent/Registrar”), to DTC, or its nominee as registered owner of the Bonds. Transfer of principal and interest payments to participants of DTC will be the responsibility of DTC; transfer of principal and interest payments to beneficial owners by participants will be the responsibility of such participants and other nominees of beneficial owners. The successful bidder, as a condition of delivery of the Bonds, will be required to deposit the bond certificates with DTC. The Commission will pay reasonable and customary charges for the services of the Paying Agent/Registrar.

DATE OF ORIGINAL ISSUE OF BONDS

Date of Delivery (Estimated to be December 9, 2021)

AUTHORITY/PURPOSE/SECURITY

The Bonds are being issued pursuant to Minnesota Statutes, Chapter 475 and Section 469.060. Proceeds will be used to finance the acquisition of property. The Bonds are payable from ad valorem taxes on all taxable property within the City of North Mankato (the “City”). The full faith and credit of the City is pledged to their payment and the City has validly obligated itself to levy ad valorem taxes in the event of any deficiency in the debt service account established for this issue.

INTEREST PAYMENTS

Interest is due semiannually on each February 1 and August 1, commencing August 1, 2022, to registered owners of the Bonds appearing of record in the Bond Register as of the close of business on the fifteenth day (whether or not a business day) of the calendar month preceding such interest payment date.

MATURITIES

Principal is due annually on February 1, inclusive, in each of the years and amounts as follows:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2024	\$195,000	2031	\$210,000	2038	\$240,000
2025	195,000	2032	215,000	2039	245,000
2026	200,000	2033	220,000	2040	255,000
2027	200,000	2034	220,000	2041	260,000
2028	200,000	2035	225,000	2042	265,000
2029	205,000	2036	230,000	2043	275,000
2030	210,000	2037	235,000		

Proposals for the Bonds may contain a maturity schedule providing for any combination of serial bonds and term bonds, subject to mandatory redemption, so long as the amount of principal maturing or subject to mandatory redemption in each year conforms to the maturity schedule set forth above.

INTEREST RATES

All rates must be in integral multiples of 1/20th or 1/8th of 1%. *The rate for any maturity may not be more than 2.00% less than the rate for any preceding maturity.* All Bonds of the same maturity must bear a single uniform rate from date of issue to maturity.

ADJUSTMENTS TO PRINCIPAL AMOUNT AFTER PROPOSALS

The Commission reserves the right to increase or decrease the principal amount of the Bonds. Any such increase or decrease will be made in multiples of \$5,000 and may be made in any maturity. If any maturity is adjusted, the purchase price will also be adjusted to maintain the same gross spread. Such adjustments shall be made promptly after the sale and prior to the award of Proposals by the Commission and shall be at the sole discretion of the Commission. The successful bidder may not withdraw or modify its Proposal once submitted to the Commission for any reason, including post-sale adjustment. Any adjustment shall be conclusive and shall be binding upon the successful bidder.

OPTIONAL REDEMPTION

Bonds maturing on February 1, 2031 through 2043 are subject to redemption and prepayment at the option of the Commission on February 1, 2030 and any date thereafter, at a price of par plus accrued interest. Redemption may be in whole or in part of the Bonds subject to prepayment. If redemption is in part, the maturities and principal amounts within each maturity to be redeemed shall be determined by the Commission and if only part of the Bonds having a common maturity date are called for prepayment, the specific Bonds to be prepaid shall be chosen by lot by the Bond Registrar.

CUSIP NUMBERS

If the Bonds qualify for assignment of CUSIP numbers such numbers will be printed on the Bonds, but neither the failure to print such numbers on any Bond nor any error with respect thereto shall constitute cause for a failure or refusal by the successful bidder thereof to accept delivery of and pay for the Bonds in accordance with terms of the purchase contract. The CUSIP Service Bureau charge for the assignment of CUSIP identification numbers shall be paid by the successful bidder.

DELIVERY

Delivery of the Bonds will be within forty days after award, subject to an approving legal opinion by Taft Stettinius & Hollister LLP, Bond Counsel. The legal opinion will be paid by the Commission and delivery will be anywhere in the continental United States without cost to the successful bidder at DTC.

TYPE OF PROPOSAL

Proposals of not less than \$4,439,250 (98.65%) and accrued interest on the principal sum of \$4,500,000 must be filed with the undersigned prior to the time of sale. Proposals must be unconditional except as to legality. Proposals for the Bonds should be delivered to Northland Securities, Inc. and addressed to:

John Harrenstein, Executive Vice President
1001 Belgrade Avenue
North Mankato, Minnesota 56002

A good faith deposit (the "Deposit") in the amount of \$90,000 in the form of a federal wire transfer (payable to the order of the Commission) is only required from the apparent winning bidder, and must be received within two hours after the time stated for the receipt of Proposals. The apparent winning bidder will receive notification of the wire instructions from the Municipal Advisor promptly after the sale. If the Deposit is not received from the apparent winning bidder in the time allotted, the Commission may choose to reject their Proposal and then proceed to offer the Bonds to the next lowest bidder based on the terms of their original proposal, so long as said bidder wires funds for the Deposit amount within two hours of said offer.

The Commission will retain the Deposit of the successful bidder, the amount of which will be deducted at settlement and no interest will accrue to the successful bidder. In the event the successful bidder fails to comply with the accepted Proposal, said amount will be retained by the Commission. No Proposal can be withdrawn after the time set for receiving Proposals unless the meeting of the Commission scheduled for award of the Bonds is adjourned, recessed, or continued to another date without award of the Bonds having been made.

AWARD

The Bonds will be awarded on the basis of the lowest interest rate to be determined on a true interest cost (TIC) basis. The Commission's computation of the interest rate of each Proposal, in accordance with customary practice, will be controlling. In the event of a tie, the sale of the Bonds will be awarded by lot. The Commission will reserve the right to: (i) waive non-substantive informalities of any Proposal or of matters relating to the receipt of Proposals and award of the Bonds, (ii) reject all Proposals without cause, and (iii) reject any Proposal which the Commission determines to have failed to comply with the terms herein.

INFORMATION FROM SUCCESSFUL BIDDER

The successful bidder will be required to provide, in a timely manner, certain information relating to the initial offering price of the Bonds necessary to compute the yield on the Bonds pursuant to the provisions of the Internal Revenue Code of 1986, as amended.

OFFICIAL STATEMENT

By awarding the Bonds to any underwriter or underwriting syndicate submitting a Proposal therefor, the Commission agrees that, no more than seven business days after the date of such award, it shall provide to the senior managing underwriter of the syndicate to which the Bonds are awarded, the Final Official Statement in an electronic format as prescribed by the Municipal Securities Rulemaking Board (MSRB).

FULL CONTINUING DISCLOSURE UNDERTAKING

The Commission will covenant in the resolution awarding the sale of the Bonds and in a Continuing Disclosure Undertaking to provide, or cause to be provided, annual financial information, including audited financial statements of the City, and notices of certain material events, as required by SEC Rule 15c2-12.

NO BANK QUALIFICATION

The Commission will not designate the Bonds as qualified tax-exempt obligations for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

BOND INSURANCE AT UNDERWRITER'S OPTION

If the Bonds qualify for issuance of any policy of municipal bond insurance or commitment therefor at the option of the successful bidder, the purchase of any such insurance policy or the issuance of any such commitment shall be at the sole option and expense of the successful bidder of the Bonds. Any increase in the costs of issuance of the Bonds resulting from such purchase of insurance shall be paid by the successful bidder, except that, if the Commission has requested and received a rating on the Bonds from a rating agency, the Commission will pay that rating fee. Any other rating agency fees shall be the responsibility of the successful bidder. Failure of the municipal bond insurer to issue the policy after the Bonds have been awarded to the successful bidder shall not constitute cause for failure or refusal by the successful bidder to accept delivery on the Bonds.

The Commission reserves the right to reject any and all Proposals, to waive informalities and to adjourn the sale.

Dated: September 20, 2021

BY ORDER OF THE BOARD OF THE NORTH
MANKATO PORT AUTHORITY COMMISSION

/s/ John Harrenstein
Executive Vice President

Additional information may be obtained from:
Northland Securities, Inc.
150 South 5th Street, Suite 3300
Minneapolis, Minnesota 55402
Telephone No.: 612-851-5900

Finance Plan

**North Mankato Port Authority Commission,
Minnesota**

\$4,500,000

**Taxable General Obligation Bonds,
Series 2021B**

September 20, 2021



150 South 5th Street, Suite 3300

Minneapolis, MN 55402

612-851-5900 800-851-2920

www.northlandsecurities.com

Member FINRA and SIPC | Registered with SEC and MSRB

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Executive Summary

The following is a summary of the recommended terms for the issuance of \$4,500,000 Taxable General Obligation Bonds, Series 2021B (the "Bonds" or "2021B Bonds") by the North Mankato Port Authority (the "Authority"). Additional information on the proposed finance plan and issuing process can be found after the Executive Summary, in the Issue Overview and Attachment 3 – Related Considerations.

Purpose	Proceeds of the Bonds will be used to finance the acquisition and betterment of property required for the Authority's program of economic development and redevelopment, within the Webster Avenue Industrial Development District.
Security	The Bonds will be a general obligation of the City of North Mankato (the "City"). The City will pledge ad valorem taxes for payment of the Authority's Bonds.
Repayment Term	The Bonds will mature annually each February 1 in the years 2024 - 2043. Interest on the Bonds will be payable on August 1, 2022 and semiannually thereafter on each August 1 and February 1.
Estimated Interest Rate	Average coupon: 2.17% True interest cost (TIC): 2.28%
Prepayment Option	Bonds maturing on and after February 1, 2031 will be subject to redemption on February 1, 2030 and any day thereafter at a price of par plus accrued interest.
Rating	A rating will be requested from Standard and Poor's (S&P). The City's general obligation debt is currently rated "AA" by S&P, and the Authority's debt is rated based on the City's general obligation rating.
Tax Status	The Bonds will be taxable obligations.
Risk Factors	There are certain risks associated with all debt. Risk factors related to the Bonds are discussed in Attachment 5.
Type of Bond Sale	Public Sale – Competitive Bids
Proposals Received	Monday, November 15, 2021 @ 11:00 A.M.
Authority Consideration	Monday, November 15, 2021 @ 6:30 P.M.
Council Consideration	Monday, November 15, 2021 @ 7:00 P.M.

Issue Overview

Purpose

Proceeds from the Bonds will be used to finance the acquisition and betterment of property required for the Authority's program of economic development and redevelopment, within the Webster Avenue Industrial Development District. The table below contains the sources and uses of funds for the bond issue.

Sources Of Funds

Par Amount of Bonds	\$4,500,000.00
Total Sources	\$4,500,000.00

Uses Of Funds

Total Underwriter's Discount (1.350%)	60,750.00
Costs of Issuance	78,050.00
Deposit to Capitalized Interest (CIF) Fund	97,409.39
Deposit to Construction Fund	4,263,790.61
Total Uses	\$4,500,000.00

Authority

The Bonds will be issued pursuant to the authority of Minnesota Statutes, Chapter 475 and Section 469.060. For the Authority to use the City's General Obligation security pledge on the Bonds, the City needs to first adopt an ordinance. The ordinance was adopted September 7, 2021 by the City following a public hearing.

Structure

The Bonds have been structured to result in relatively level annual debt service over the 20-year life of the Bonds.

The proposed structure for the bond issue and preliminary debt service projections are illustrated in Attachment 1.

Security and Source of Repayment

The Bonds will be general obligations of the City. The finance plan relies on the following assumptions for the revenues used to pay debt service:

- **Property Taxes.** The revenues pledged to pay debt service on the Bonds are property tax levies. The initial projections in Attachment 2 show an annual tax levy, averaging \$294,066 annually, is needed, which includes the statutory requirement of 105% of debt service. The tax levy may be adjusted annually and all or a portion of the levy cancelled if other revenues are deposited into the debt service fund to pay debt service. The Authority anticipates other revenues may be available but are not pledged to the Bonds.

Plan Rationale

The Finance Plan recommended in this report is based on a variety of factors and information provided by the Authority related to the bonds and Authority objectives, Northland's knowledge of the Authority and our experience in working with similar issuers and financings. The issuance of Taxable General Obligation Bonds provides the best means of achieving the Authority's objectives and cost effective financing. The Authority has successfully issued and managed this type of debt previously.

Issuing Process

Northland will receive bids to purchase the Bonds on Monday, November 15, 2021 at 11:00 AM. Market conditions and the marketability of the Bonds support issuance through a competitive sale. This process has been chosen as it is intended to produce the lowest combination of interest expense and underwriting expense on the date and time set to receive bids. The calendar of events for the issuing process can be found in Attachment 4.

Municipal Advisor: Northland Securities, Inc., Minneapolis, Minnesota

Bond Counsel: Taft Stettinius & Hollister LLP, Minneapolis, Minnesota

Paying Agent: U.S. Bank, N.A., St. Paul, Minnesota

Attachment 1 - Preliminary Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
12/09/2021	-	-	-	-	-
08/01/2022	-	-	54,851.89	54,851.89	-
02/01/2023	-	-	42,557.50	42,557.50	97,409.39
08/01/2023	-	-	42,557.50	42,557.50	-
02/01/2024	195,000.00	0.600%	42,557.50	237,557.50	280,115.00
08/01/2024	-	-	41,972.50	41,972.50	-
02/01/2025	195,000.00	0.800%	41,972.50	236,972.50	278,945.00
08/01/2025	-	-	41,192.50	41,192.50	-
02/01/2026	200,000.00	1.000%	41,192.50	241,192.50	282,385.00
08/01/2026	-	-	40,192.50	40,192.50	-
02/01/2027	200,000.00	1.150%	40,192.50	240,192.50	280,385.00
08/01/2027	-	-	39,042.50	39,042.50	-
02/01/2028	200,000.00	1.300%	39,042.50	239,042.50	278,085.00
08/01/2028	-	-	37,742.50	37,742.50	-
02/01/2029	205,000.00	1.450%	37,742.50	242,742.50	280,485.00
08/01/2029	-	-	36,256.25	36,256.25	-
02/01/2030	210,000.00	1.550%	36,256.25	246,256.25	282,512.50
08/01/2030	-	-	34,628.75	34,628.75	-
02/01/2031	210,000.00	1.650%	34,628.75	244,628.75	279,257.50
08/01/2031	-	-	32,896.25	32,896.25	-
02/01/2032	215,000.00	1.750%	32,896.25	247,896.25	280,792.50
08/01/2032	-	-	31,015.00	31,015.00	-
02/01/2033	220,000.00	1.850%	31,015.00	251,015.00	282,030.00
08/01/2033	-	-	28,980.00	28,980.00	-
02/01/2034	220,000.00	1.950%	28,980.00	248,980.00	277,960.00
08/01/2034	-	-	26,835.00	26,835.00	-
02/01/2035	225,000.00	2.050%	26,835.00	251,835.00	278,670.00
08/01/2035	-	-	24,528.75	24,528.75	-
02/01/2036	230,000.00	2.150%	24,528.75	254,528.75	279,057.50
08/01/2036	-	-	22,056.25	22,056.25	-
02/01/2037	235,000.00	2.250%	22,056.25	257,056.25	279,112.50
08/01/2037	-	-	19,412.50	19,412.50	-
02/01/2038	240,000.00	2.350%	19,412.50	259,412.50	278,825.00
08/01/2038	-	-	16,592.50	16,592.50	-
02/01/2039	245,000.00	2.450%	16,592.50	261,592.50	278,185.00
08/01/2039	-	-	13,591.25	13,591.25	-
02/01/2040	255,000.00	2.500%	13,591.25	268,591.25	282,182.50
08/01/2040	-	-	10,403.75	10,403.75	-
02/01/2041	260,000.00	2.550%	10,403.75	270,403.75	280,807.50
08/01/2041	-	-	7,088.75	7,088.75	-
02/01/2042	265,000.00	2.600%	7,088.75	272,088.75	279,177.50
08/01/2042	-	-	3,643.75	3,643.75	-
02/01/2043	275,000.00	2.650%	3,643.75	278,643.75	282,287.50
Total	\$4,500,000.00	-	\$1,198,666.89	\$5,698,666.89	-

Yield Statistics

Bond Year Dollars	\$55,120.00
Average Life	12.249 Years
Average Coupon	2.1746497%
Net Interest Cost (NIC)	2.2848637%
True Interest Cost (TIC)	2.2799675%
Bond Yield for Arbitrage Purposes	2.1508626%
All Inclusive Cost (AIC)	2.4493925%

IRS Form 8038

Net Interest Cost	2.1746497%
Weighted Average Maturity	12.249 Years

Optional Redemption

02/01/2030	@100.000%
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Attachment 2 – Preliminary Debt Service Levy Schedule

Date	Total P+I	CIF	105% Levy	Net Levy	Levy Year	Collection Year
02/01/2023	97,409.39	(97,409.39)	-	-	-	-
02/01/2024	280,115.00	-	294,120.75	294,120.75	2022	2023
02/01/2025	278,945.00	-	292,892.25	292,892.25	2023	2024
02/01/2026	282,385.00	-	296,504.25	296,504.25	2024	2025
02/01/2027	280,385.00	-	294,404.25	294,404.25	2025	2026
02/01/2028	278,085.00	-	291,989.25	291,989.25	2026	2027
02/01/2029	280,485.00	-	294,509.25	294,509.25	2027	2028
02/01/2030	282,512.50	-	296,638.13	296,638.13	2028	2029
02/01/2031	279,257.50	-	293,220.38	293,220.38	2029	2030
02/01/2032	280,792.50	-	294,832.13	294,832.13	2030	2031
02/01/2033	282,030.00	-	296,131.50	296,131.50	2031	2032
02/01/2034	277,960.00	-	291,858.00	291,858.00	2032	2033
02/01/2035	278,670.00	-	292,603.50	292,603.50	2033	2034
02/01/2036	279,057.50	-	293,010.38	293,010.38	2034	2035
02/01/2037	279,112.50	-	293,068.13	293,068.13	2035	2036
02/01/2038	278,825.00	-	292,766.25	292,766.25	2036	2037
02/01/2039	278,185.00	-	292,094.25	292,094.25	2037	2038
02/01/2040	282,182.50	-	296,291.63	296,291.63	2038	2039
02/01/2041	280,807.50	-	294,847.88	294,847.88	2039	2040
02/01/2042	279,177.50	-	293,136.38	293,136.38	2040	2041
02/01/2043	282,287.50	-	296,401.88	296,401.88	2041	2042
Total	\$5,698,666.89	(97,409.39)	\$5,881,320.38	\$5,881,320.38	-	-

Attachment 3 – Related Considerations

No Bank Qualification

As taxable obligations, the Bonds will be designated as “non-bank qualified” obligations pursuant to Federal Tax Law.

Arbitrage Compliance

Since the Bonds are taxable, rather than tax-exempt, they also will not be subject to arbitrage rebate.

Continuing Disclosure

Type: Full

Dissemination Agent: Northland Securities

The requirements for continuing disclosure are governed by SEC Rule 15c2-12. The primary requirements of Rule 15c2-12 actually fall on underwriters. The Rule sets forth due diligence needed prior to the underwriter’s purchase of municipal securities. Part of this requirement is obtaining commitment from the issuer to provide continuing disclosure. The document describing the continuing disclosure commitments (the “Undertaking”) is contained in the Official Statement that will be prepared to offer the Bonds to investors.

The City, as the “obligor” responsible for payments on the issue, has more than \$10,000,000 of outstanding debt and is required to undertake “full” continuing disclosure. Full disclosure requires annual posting of the audit and a separate continuing disclosure report, as well as the reporting of certain “material events.” Material events set forth in the Rule, including, but not limited to, bond rating changes, call notices, and issuance of “financial obligations” (such as SRF Loans, TIF Rebate Agreements, PFA loans, leases, or bank placements) must be reported within ten business days of occurrence. The report contains annual financial information and operating data that “mirrors” material information presented in the Official Statement. The specific contents of the annual report will be described in the Undertaking that appears in the appendix of the Official Statement. Northland currently serves as dissemination agent for the City, assisting with the annual reporting. The information for the Bonds will be incorporated into our reporting.

Rating

A rating will be requested from Standard and Poor’s (S&P). The City’s general obligation debt is currently rated “AA” by S&P. Because the Authority’s Bonds will carry the City’s general obligation pledge, they are expected to receive the same “AA” rating. The rating process will include a conference call with the rating analyst. Northland will assist City and Authority staff in preparing for and conducting the rating call.

Attachment 4 – Calendar of Events

Item	Date	Action	Action Taken By
1	August 16	<p>Port Authority Adopts Resolution Calling Public Hearing on the Proposed Establishment of an Industrial Development District (the “IDD”), Public Hearing to be held on September 7</p> <p>Port Authority Adopts Resolution Requesting Adoption of Ordinance Authorizing Issuance of Port Authority Bonds (supported by G.O. of the City)</p>	Port Authority
2	August 31	Port Authority closes on the purchase of property	Port Authority
3	September 7	<p>Port Authority – Public hearing held and Resolution Authorizing Establishment of an Industrial Development District (“IDD”) and Adoption of an IDD Plan</p> <p>City Public Hearing held and Adoption of Ordinance Authorizing the issuance of bonds by the North Mankato Port Authority Adopted</p>	<p>Port Authority</p> <p>City Council</p>
4	September 20	Port Authority approves set sale resolution for 2021B Bonds	Port Authority
5	November 15	<p>Bond Sale – 11:00 a.m.</p> <p>Awarding Resolution Adopted by Port Authority at 6:30 p.m.</p> <p>Concurring Resolution Adopted by City Council at 7:00 p.m.</p>	<p>Port Authority</p> <p>City Council</p>

Attachment 5 - Risk Factors

Property Taxes: Property tax levies shown in this Finance Plan are based on projected debt service. Final levies will be set based on the results of sale. Levies should be reviewed annually and adjusted as needed. The debt service levy must be included in the preliminary levy for annual Truth in Taxation hearings. Future Legislative changes in the property tax system, including the imposition of levy limits and changes in calculation of property values, would affect plans for payment of debt service. Delinquent payment of property taxes would reduce revenues available to pay debt service.

General: In addition to the risks described above, there are certain general risks associated with the issuance of bonds. These risks include, but are not limited to:

- Failure to comply with covenants in bond resolution.
- Failure to comply with Undertaking for continuing disclosure.
- Failure to comply with IRS regulations, including regulations related to use of the proceeds and arbitrage/rebate. The IRS regulations govern the ability of the Authority to issue its bonds as tax-exempt securities and failure to comply with the IRS regulations may lead to loss of tax-exemption.

NORTH MANKATO PORT AUTHORITY COMMISSION

RESOLUTION NO. 8-21

RESOLUTION CONVEYING CERTAIN PROPERTY LOCATED IN THE
CITY OF NORTH MANKATO TO WOODWORTH FAMILY, LLC

WHEREAS, the North Mankato Port Authority Commission (the "Authority") was created pursuant to Minnesota Statutes, Sections 469.048 through 469.068, as amended, and Section 469.079 (the "Act") and was authorized to transact business and exercise its powers by a resolution of the City Council of the City of North Mankato, Minnesota (the "City"); and

WHEREAS, the Authority is the owner of certain real property located in the City and legally described as Lot 2, Block 1, North Port No. 21 (3.79 acres) (the "Development Property"); and

WHEREAS, the Developer intends to acquire the 3.79 acres for \$75,000 per acre or \$284,250 with the purpose of constructing an approximately 20,000 square foot building; and

WHEREAS, a public hearing was held at 6:15 p.m. on September 20, 2021 to consider the sale of the aforementioned real estate; and

WHEREAS, Woodworth Family, LLC has signed a purchase agreement, which is hereby incorporated by reference;

NOW THEREFORE BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE NORTH MANKATO PORT AUTHORITY COMMISSION that, the Executive Vice President is authorized to execute the necessary documents to complete the sale of said property.

Approved by the Board of Commissioners of the North Mankato Port Authority Commission this 20th day of September 2021.

President

ATTEST:

Secretary

LAND PURCHASE AGREEMENT

This Land Purchase Agreement ("Agreement") is made and entered into this ____ day of August, 2021 (the "Effective Date"), by and between the North Mankato Port Authority Commission, a Minnesota Municipal Corporation ("Seller") and Woodworth Family, LLC, a Minnesota limited liability company, ("Buyer"). Seller and Buyer are at times individually referred to herein as "Party" and collectively as "Parties".

In consideration of the mutual covenants and undertakings contained herein, Seller and Buyer agree as follows:

1. Purchase of Land. Seller hereby agrees to sell to Buyer and Buyer agrees to buy from Seller the following real property located in Nicollet County, Minnesota and described on Exhibit A attached hereto and depicted on Exhibit B attached hereto (collectively, the "Property"), consisting of 3.79 acres. A copy of Northport No. 21 is attached hereto as Exhibit C.

2. Purchase Price and Manner of Payment. The total purchase price (the "Purchase Price") to be paid by Buyer to Seller for the Property is an amount obtained by multiplying Seventy Five Thousand and no/100 Dollars (\$75,000.00) per acre based upon 3.79 acres, for a total of Two Hundred Eighty Four Thousand Two Hundred Fifty and no/100 Dollars (\$284,250.00). The Purchase Price shall be payable by wire transfer to be paid on the Closing Date.

3. Closing. The closing of the purchase and sale contemplated by this Agreement (the "Closing") shall occur on a date mutually acceptable to Seller and Buyer, but no later than March 1, 2022 (the "Closing Date" or "Date of Closing"). The Closing shall take place at FB Title Services, LLC, 111 South 2nd Street, Suite 400, Mankato, MN 56001, or at such other place as may be agreed to mutually by the Parties. Seller agrees to deliver possession of the Property to Buyer on the Closing Date.

a. Seller's Closing Documents. On the Closing Date, Seller shall execute and/or deliver to Buyer the following (collectively, "Seller's Closing Documents"):

(1) Deed. A general "Warranty Deed" (with statement regarding no wells), in form reasonably satisfactory to Buyer, conveying the Property to Buyer, free and clear of all encumbrances, except the Permitted Encumbrances determined pursuant to Section 8 hereof.

(2) General Assignment of Contracts. A general Assignment of any permits and records, in form reasonably satisfactory to Buyer.

(3) Seller's Affidavit. An Affidavit of Seller indicating that on the Closing Date there are no outstanding, unsatisfied judgments, tax liens or bankruptcies against or involving Seller or the Property; that there has been no labor or material furnished to the Property for which payment has not been made or for which mechanics' liens could be filed; that there are no other unrecorded interests in the Property; and that there are no encroachment or survey issues of which Seller is aware.

(4) Bring Down Certificate. A certificate certified to by an officer of Seller reaffirming, as of the Closing Date, the truth and accuracy of Seller's representations and warranties contained in Section 10.

(5) Right of First Refusal Agreement. A right of first refusal agreement, attached as Exhibit D.

(6) Other Affidavits. Any other affidavits or certificates that may be required under Minn. Stat. § 116.48, Subd. 6, or § 115B.16 or other provisions of law.

(7) Other Documents. All other documents reasonably determined by Title Company and Buyer to be necessary to properly transfer the Property, or other documents as may be reasonably required in order to record the Warranty Deed.

b. Buyer's Closing Documents. On the Closing Date, Buyer will execute and/or deliver to Seller the following (collectively, "Buyer's Closing Documents"):

(1) Purchase Price. The Purchase Price by wire transfer.

(2) Right of First Refusal Agreement. A right of first refusal agreement.

(3) Other Documents. All other documents reasonably determined by Title Company and Seller to be necessary to properly transfer the Property to Buyer, or other documents as may be reasonably required in order to record the Warranty Deed.

4. Buyer's Contingencies. The obligation of the Buyer to perform under this Agreement shall be contingent upon the timely occurrence or satisfaction of each of the following (collectively the "Buyer's Contingencies"):

a. Title. Title to the Property shall be acceptable to Buyer in accordance with the provisions of Section 8.

b. Inspection Period. The Inspection Period described in Section 11 shall have expired without Buyer's terminating this Agreement.

c. Representations and Warranties. The representations and warranties of Seller shall be true and correct in all material respects up through and including the Closing Date.

5. Seller's Contingencies. Notwithstanding anything to the contrary contained in this Agreement, the consummation of the transaction contemplated by this Agreement and the Closing herein provided for shall be contingent upon the timely occurrence or satisfaction of each of the following to the satisfaction of Seller, in Seller's sole discretion (collectively the "Seller's Contingencies"):

- a. Approval. The North Mankato Port Authority Commission holding a public hearing to approve the purchase of the Property. The North Mankato Port Authority Commission holding a public hearing and approving the sale of the Property.

If Seller's contingencies are not satisfied on time, and are not waived, this Agreement shall thereupon be void at the written option of Seller, and the Buyer and Seller shall execute and deliver to each other a termination of this Agreement.

6. Additional Closing Conditions. Prior to the Closing Date, the Parties agree to the following ("Pre Closing Conditions"):

- a. Building Plans. Buyer shall submit a building permit application with all required attachments to the City of North Mankato ("North Mankato") for review and approval (the "Building Plans"). The Building Plans shall provide:
 - (1) The construction of a building (the "Building") to be a minimum of twenty thousand (20,000) sq. ft.;
 - (2) The Building will be constructed of masonry block with textured surfaces, or other approved masonry materials as depicted on the conceptual renderings submitted to North Mankato, attached hereto as Exhibit E;
 - (3) A scaled site plan from a licensed civil engineer and architectural drawings by a licensed architect;
 - (4) All parking lots, driving areas, and outside storage areas on the Property (the "Property Parking and Storage Areas"), will be constructed using either asphalt, or concrete material. The locations of the Property Parking and Storage Areas shall be as depicted on the Buyer conceptual renderings and approved by North Mankato;
 - (5) A storm water detention pond is required for the Property and must be designated in size by a licensed civil engineer to be located on the Property, or at Buyer's election, on land adjacent to the Property owned by Buyer;
 - (6) All landscaping shall meet city code requirements;
 - (7) All lighting and signage shall meet city code requirements; and
 - (8) Concrete "B" style curb is required throughout all parking areas on the Property.
- b. Building Permit. Buyer has been issued a building permit from North Mankato in accordance with the Building Plans (the "Building Permit").
- c. Construction Start Date. Buyer to provide documentation for construction to start Spring of 2022.

7. Prorations. Seller and Buyer agree to the following prorations and allocation of costs regarding this Agreement:

- a. Title Insurance and Closing Fee. Buyer will pay all costs of the Title Commitment and all premiums required for the issuance of the Title Policy. Seller and Buyer will each pay one-half of any reasonable and customary closing fee or charge imposed.
- b. Deed Tax. Seller shall pay the state deed tax on the Warranty Deed to be delivered by Seller under this Agreement.
- c. Real Estate Taxes and Special Assessments. General real estate taxes and installments of special assessments payable herewith payable in the year prior to the year of Closing and all prior years, and any deferred real estate taxes and assessments including Green Acres taxes under Minnesota Statutes section 273.111 payment of which is required as a result of this Agreement and the recording of the Warranty Deed, will be paid by Seller. Seller shall pay on or before the Closing Date all special assessments that were officially levied or pending as of the Closing Date. All special assessments which become pending after the Closing Date shall be the responsibility of Buyer. General real estate taxes payable therewith in the year of Closing shall be prorated on a daily basis by Seller and Buyer as of the Closing Date based upon a calendar year.
- d. Recording Costs. Buyer will pay the cost of recording the Warranty Deed. Seller shall pay the cost of recording any documents necessary to perfect its own title or which release encumbrances other than Permitted Encumbrances.
- e. Other Costs. All other operating costs of the Property will be allocated between Seller and Buyer as of the Closing Date, so that Seller pays that part of such other operating costs accruing before the Closing Date, and Buyer pays that part of such operating costs accruing from and after the Closing Date.
- f. Attorneys' Fees. Each of the Parties will pay its own attorneys', accountants' and consultants' fees.

8. Title Examination. Title examination will be conducted as follows:

- a. Seller's Title Evidence. Seller shall furnish to Buyer the Abstract or Certificate of Title to the Property certified, at Seller's expense, to a current date to include all state and federal judgments and liens, levied and pending special assessments, and taxes, and bankruptcy searches, together with any owner's or lender's title insurance policies in Seller's possession (collectively, the "Title Evidence"). If Seller is unable to deliver the Title Evidence for review, Seller shall furnish Buyer with a Commitment for Title Insurance obtained from Old Republic Title Insurance Company, or such other title insurer as the Parties mutually agree. Buyer shall arrange for a title opinion or title commitment, as may be desired.

- b. Buyer's Objections. By the earlier of thirty (30) days after receiving the Title Evidence or the Closing Date, Buyer will make any written objections it may have ("Objections"). Buyer's failure to make Objections within such time period will constitute a waiver of Objections. Any specific matter shown in Schedule B of the Title Commitment, if provided, and not objected to by Buyer shall also be a "Permitted Encumbrance" hereunder. Seller shall have until January 3, 2021, to cure the Objections (the "Cure Period"), during which period the Seller shall use all reasonable efforts to correct any Objections. If by the end of the Cure Period, Seller cannot deliver, and Buyer cannot obtain, a final title insurance policy (the "Title Policy") consistent with the foregoing terms and requirements, Buyer may, at its option:

(1) Terminate this Agreement and receive a refund of the earnest money and the interest accrued and unpaid on the earnest money, if any, or

(2) Cure those Objections which are liens or charges on the Property by paying the same at Closing and deducting all such payments from the Purchase Price; or

(3) Waive the Objections and proceed to close.

9. Condemnation. If, prior to the Closing Date, eminent domain proceedings are commenced against all or any part of the Property, Seller shall immediately give notice to Buyer of such fact and at Buyer's option (to be exercised within thirty days after Seller's notice), this Agreement shall terminate, in which event Buyer shall receive a refund of the earnest money and the interest accrued and unpaid on the earnest money, if any, and neither Party will have further obligations under this Agreement. If Buyer shall elect not to give such notice then there shall be no reduction in the Purchase Price, and Seller shall assign to Buyer at the Closing Date all of Seller's right, title and interest in and to any and all awards made or to be made in the condemnation proceedings, and all payments made in lieu of condemnation proceedings until such time as Buyer has elected not to terminate this Agreement by reason of the pending condemnation.

10. Seller's Warranties. As an inducement to Buyer to enter into this Agreement of sale and purchase, Seller hereby represents and warrants to Buyer and agrees as follows:

- a. Legal Entity. Seller is a municipal corporation duly formed, validly existing and in good standing under the laws of the State of Minnesota.
- b. Authority. Seller has the legal power, right and authority to enter into this Agreement and the instruments referenced herein and to consummate the transactions contemplated hereby.
- c. Title to Land. Seller owns, or will own as of the Closing Date, the Property, free and clear of all encumbrances.
- d. Flood Plain. No portion of the Property is in a flood plain.

- e. Wetlands. To Seller's Knowledge, no portion of the Property is designated as wetlands by any federal, state or local government agency.
- f. Hazardous Substance. Seller has disclosed and made available to Buyer all reports and investigations in Seller's possession relating to Hazardous Substance and the Property. The term "**Hazardous Substance**," in the singular and plural form, means any "hazardous substance" as defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended from time to time (42 U.S.C. §§ 9601 et. seq., any substances or materials which are classified or considered to be hazardous, contaminants, toxic or pollutants, or otherwise regulated under the laws of the State in which the property is located, and crude oil and any fraction thereof, asbestos in any form or condition, and polychlorinated biphenyls in any form or condition.
- g. Wells. To Seller's Knowledge, there are no wells, operating or abandoned, located in, on or under the Property.
- h. Storage Tanks. To Seller's Knowledge, there are no underground or above ground storage tanks on the Property, in use or abandoned.
- i. Liens. Seller has paid for, or will pay for on or before the Closing Date, all work, supplies and materials, performed upon and supplied to the Property.
- j. Assessments. Seller has not received a notice of hearing of a new public improvement project from a governmental assessing authority, the costs of which the authority may assess against the Property. There are no special or other assessments levied, pending, or certified for payment with respect to the Property.
- k. No Pre-Closing Contracts. There is in effect no contract, lease or agreement limiting Buyer's intended use or development of the Property that does not terminate on or prior to the Closing Date.
- l. Litigation. There exists no litigation affecting or calling into question the Property or any part or component thereof, or Seller's interest therein. There is no condemnation proceeding pending with respect to any part of the Property, and Seller has no knowledge of any threat or the imminence thereof.
- m. Improvements. There is located at Howard Drive West, city sewer and water.
- n. Accuracy. All such representations and warranties contain in this Article shall be true on the Closing Date as if made on and as of such date.

11. Inspection Period.

- a. Document Inspection. Seller hereby authorizes Buyer to review, at all reasonable times, all records and other documents that are in the possession of Seller pertaining to the Property, except those which are proprietary or normally viewed as

confidential. Buyer shall have a minimum of fifteen (15) days to review those documents.

Seller hereby agrees that Buyer shall have the unqualified right to terminate this Agreement and to have the earnest money promptly refunded at any time up through and including October 29, 2021 (said period referred to as the “Inspection Period”). If Buyer desires to exercise its option to terminate this Agreement, Buyer shall do so by serving written notice of such exercise on Seller, in person or by registered or certified mail on or before the expiration of the Inspection Period, whereupon all earnest money herein shall be returned forthwith to Buyer.

- b. Property Inspection. Buyer, its employees, agents and contractors, shall have the right to enter upon the Property at all reasonable times to perform such physical inspections as it deems advisable, provided that: (i) there shall be no unreasonable or continued interruption of any use of the Property; (ii) Buyer shall indemnify and hold Seller and the Property harmless from and against any damages, losses, liens (including mechanic's liens), fines, penalties, or claims arising out of or relating to the inspection activities of Buyer, its employees, agents and contractors; and (iii) Buyer will promptly repair at its cost any damages to the Property or improvements occasioned by any such inspection activities.
- c. Effect of No Notice. If the Inspection Period described in Section 11.a. should expire without notice of Buyer's election to terminate this Agreement, the inspection contingency described in this Section shall be deemed waived.
- d. “As Is” Purchase. Buyer acknowledges that, save for any express representations and warranties made in this Agreement and in the Seller's Closing Documents, Buyer is purchasing the Property on an “As Is, Where Is” basis only, without representations or warranties, express or implied, as to the merchantability, condition, fitness or habitability of the Property, or as to the Property's suitability for a particular use, or its compliance with governmental requirements, or as to the physical or environmental condition of the Property or any part or component thereof.

12. Assignment. Buyer may not assign this Agreement without the prior written consent of Seller, provided however, Buyer shall be permitted to make a single assignment of this Agreement to an affiliate or related entity to be formed with notice to Seller.

13. Survival. The respective covenants, agreements, indemnifications, warranties and other terms contained in Section 6 relating thereto will survive and be in full force and effect after the Closing Date forever, and shall not be deemed to have merged into any of the Buyer's Closing Documents or Seller's Closing Documents. All other covenants, agreements, indemnifications, warranties and other terms of this Agreement, including those specifically set forth in Sections 8 and 10, any indemnification relating thereto shall survive and be in full force and effect after the Closing Date for a period of two (2) years and shall not be deemed to have merged into any of the Buyer's Closing Documents or Seller's Closing Documents.

14. Notices. All documents to be delivered and all correspondence and notices to be given in connection with this Agreement shall be in writing and given by personal delivery or sent by Registered or Certified Mail, Return Receipt Requested, postage prepaid, or transmitted by electronic mail, followed by mailed notice as above required, addressed as follows:

If to Seller: North Mankato Port Authority Commission
1001 Belgrade Avenue
North Mankato, MN 56003
ATTN: Executive Vice President

Copy to: Randy J. Zellmer, Esq.
Fredrikson & Byron P.A.
3 Civic Center Plaza, Suite 400
Mankato, MN 56001
rzellmer@fredlaw.com

If to Buyer: Woodworth Family, LLC
902 East Second Street, Suite 100
Winona, MN 55987-4649
ATTN: Nathan P. Woodworth, Manager

Copy to: _____

15. Acceptance Deadline. This offer by Buyer to purchase the described Property, unless accepted sooner by Seller, shall, without additional documentation, terminate and be null and void at 11:00 AM (Central Time), on August __, 2021, and in such event all earnest money shall immediately be refunded to Buyer.

16. Further Documents. Each of the Parties agree to execute, acknowledge, and deliver to the other, any documents which such other Party reasonably deems necessary or desirable to evidence or effectuate the rights herein conferred, or to implement or consummate the purposes and intents thereof, including any commercially reasonable document required by Buyer or Buyer's lender.

17. IRC §1031 Exchange. Buyer may undertake a 1031 Tax Deferred Exchange pursuant to Section 1031 of the Internal Revenue Code and the regulations promulgated thereunder. Seller agrees to cooperate in such exchange at no cost or liability to Seller. Notwithstanding any other provision within this Agreement, and controlling over any conflicting provision within this Agreement, Buyer and Seller hereby agree that Buyer may transfer and assign its rights, title, interest and obligations in and to the Property (and so much of this Agreement as it relates to the transfer of ownership and title of the Property) to a third party or third parties in order to facilitate Buyer's like-kind exchange for the Property. The Parties agree to fully cooperate with each other

and any third party in accomplishing a Section 1031 exchange, including effectuating any documents reasonably necessary to complete the exchange.

18. Right of First Refusal. At the Closing, the Parties shall enter into a Right of First Refusal Agreement, a copy of which is attached hereto as Exhibit D (the “Right of First Refusal Agreement”) pursuant to which Buyer shall grant to Seller a right of first refusal to match any offer Buyer or Buyer’s successors and assigns accepts with regard to the Property.

19. General Terms.

- a. Captions. The paragraph headings or captions appearing in this Agreement are for convenience only, are not a part of this Agreement and are not to be considered in interpreting this Agreement.
- b. Entire Agreement; Modification. This written Agreement constitutes the complete agreement between the Parties and supersedes any prior oral or written agreements between the Parties regarding the Property. There are no verbal agreements that change this Agreement and no waiver of any of its terms will be effective unless in a writing executed by the Parties.
- c. Binding Effect. This Agreement binds and benefits the Parties and their successors and assigns.
- d. Controlling Law. This Agreement has been made under the laws of the State of Minnesota, and such laws will control its interpretation.
- e. Remedies. If Buyer defaults under this Agreement, Seller shall have the right to terminate this Agreement by giving written notice to Buyer. If Buyer fails to cure such default within ten (10) days of the date of such notice, this Agreement will terminate, and upon such termination and Seller will retain the earnest money as liquidated damages, time being of the essence of this Agreement. The termination of this Agreement and retention of the earnest money will be the sole remedy available to Seller for such default by Buyer, and Buyer will not be liable for damages. If Seller defaults under this Agreement, Buyer shall have the right to terminate the Agreement by giving written notice to Seller. If Seller fails to cure such default within ten (10) days of the date of such notice, this Agreement will terminate and upon such termination Buyer will be refunded the earnest money. The termination of this Agreement and return of the earnest money will be the sole remedy available to Buyer for such default by Seller and Seller will not be liable for damages.
- f. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, and which together shall constitute a single, integrated contract.
- g. Severability. Each provision, section, sentence, clause, phrase, and word of this Agreement is intended to be severable. If any provision, section, sentence, clause,

phrase, and word hereof is illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the validity of the remainder of this Agreement, provided that: (i) each Party receives the substantial benefit of its bargain with respect to the transaction contemplated hereby; and (ii) the ineffectiveness of such provision would not result in such a material change as to cause completion of the transactions contemplated hereby to be unreasonable.

- h. Risk of Loss. If there is any loss or damage to the Property between the date hereof and the Closing, the risk of loss shall be completely on Seller.
- i. Definition. For purposes of this Agreement, the phrase “**Seller’s Knowledge**” or such similar phrase shall mean the actual knowledge of the members of the North Mankato Port Authority, without any duty of inquiry or investigation.

(Signatures on following page)

IN WITNESS WHEREOF the Parties have executed this Agreement as of the day and year first written above.

SELLER:

BUYER:

NORTH MANKATO PORT AUTHORITY

WOODWORTH FAMILY, LLC

By: _____

Its: _____

By: Nathan Woodworth

Its: PRESIDENT

Exhibits:

- Exhibit "A" - Property General Description**
- Exhibit "B" - Depiction of Property**
- Exhibit "C" - Plat of Northport No. 21**
- Exhibit "D" - Right of First Refusal Agreement**
- Exhibit "E" - Building Renderings**

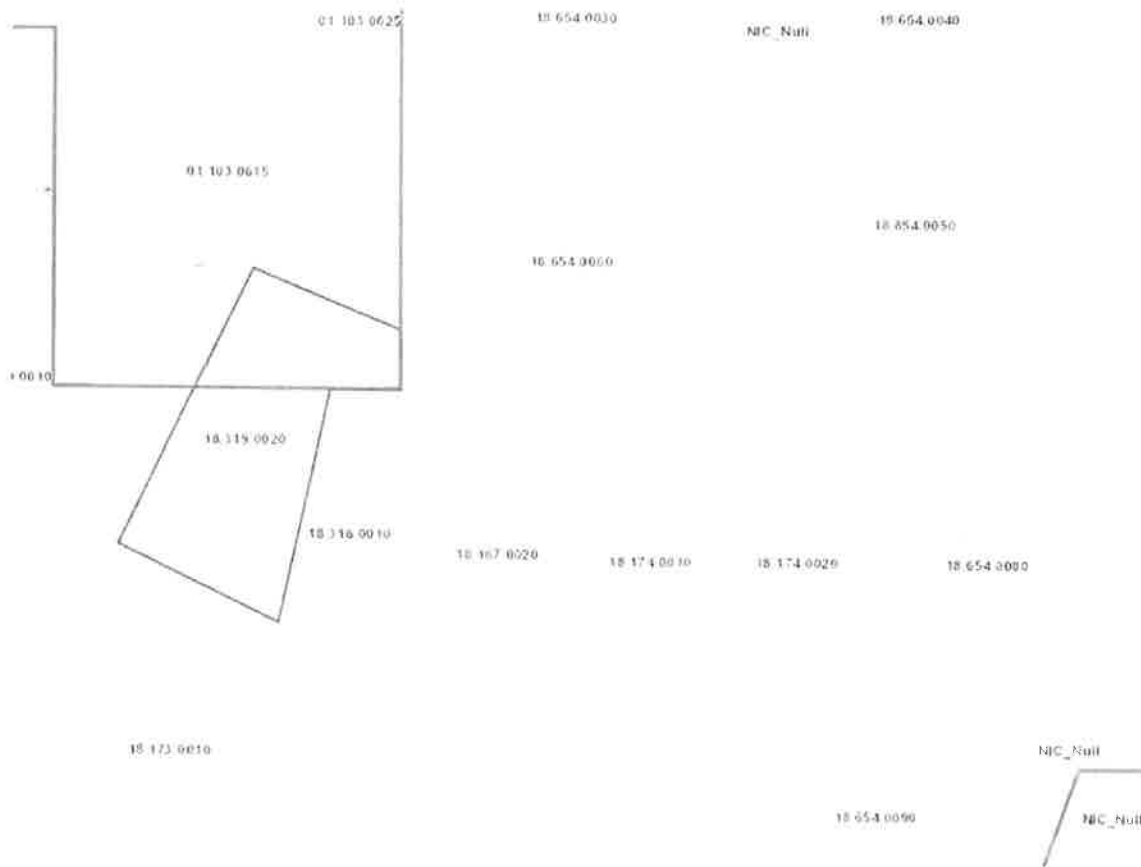
EXHIBIT "A"
to
LAND PURCHASE AGREEMENT

Property General Description

Land to be described as Lot 2, Block 1, Northport No. 21, North Mankato, Nicollet County, Minnesota.

Currently part of Tax Parcel No. 18.319.0020.

EXHIBIT "B"
to
LAND PURCHASE AGREEMENT
Depiction of Property



Plat of Northport No. 21

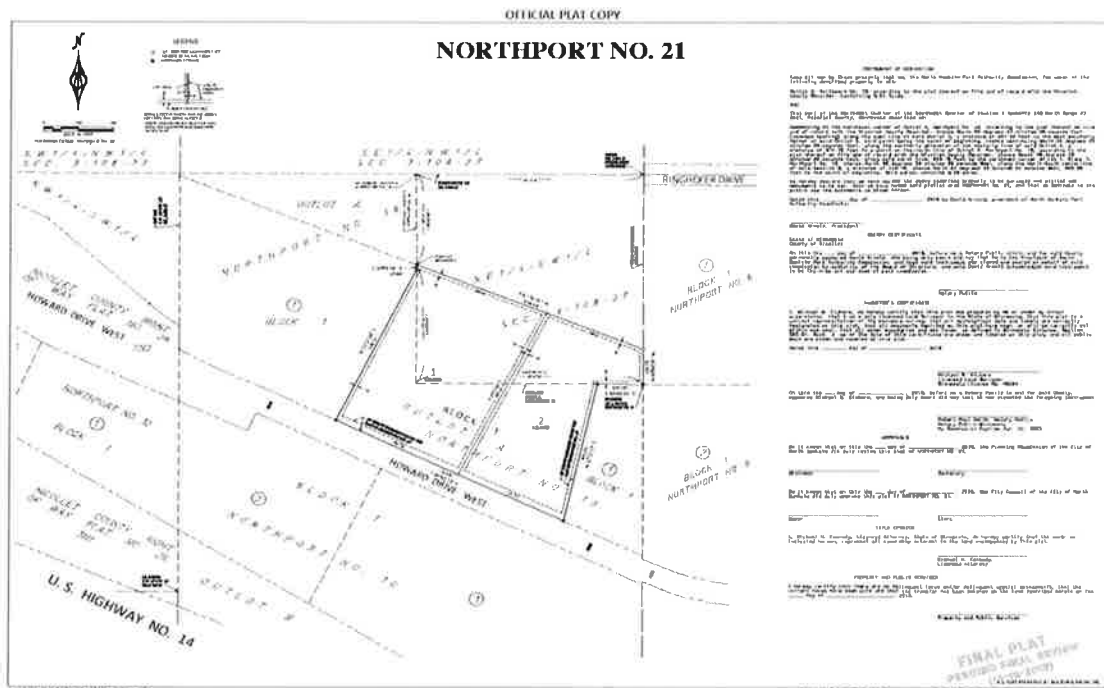


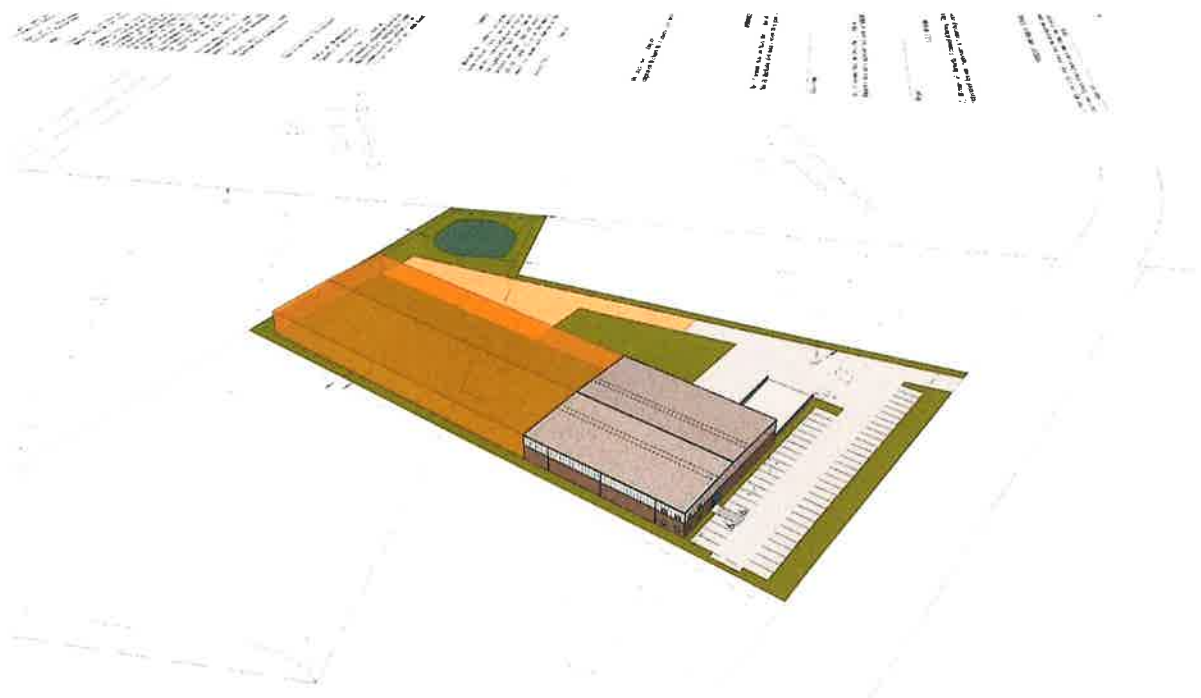
EXHIBIT "D"
to
LAND PURCHASE AGREEMENT
Right of First Refusal Agreement

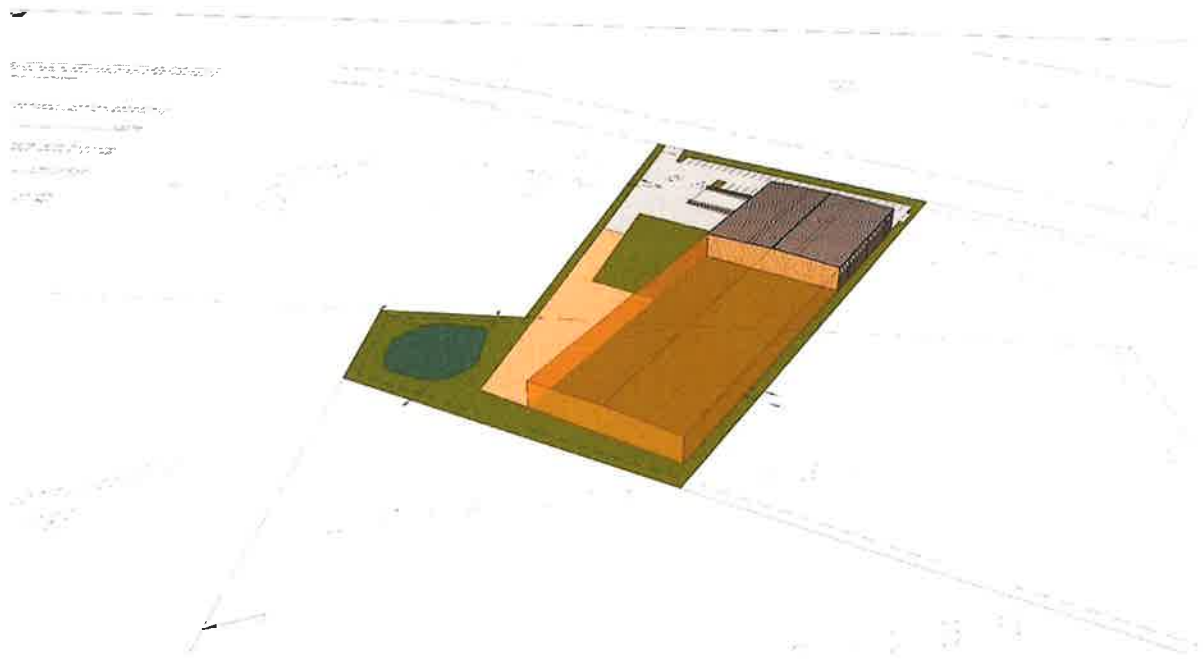
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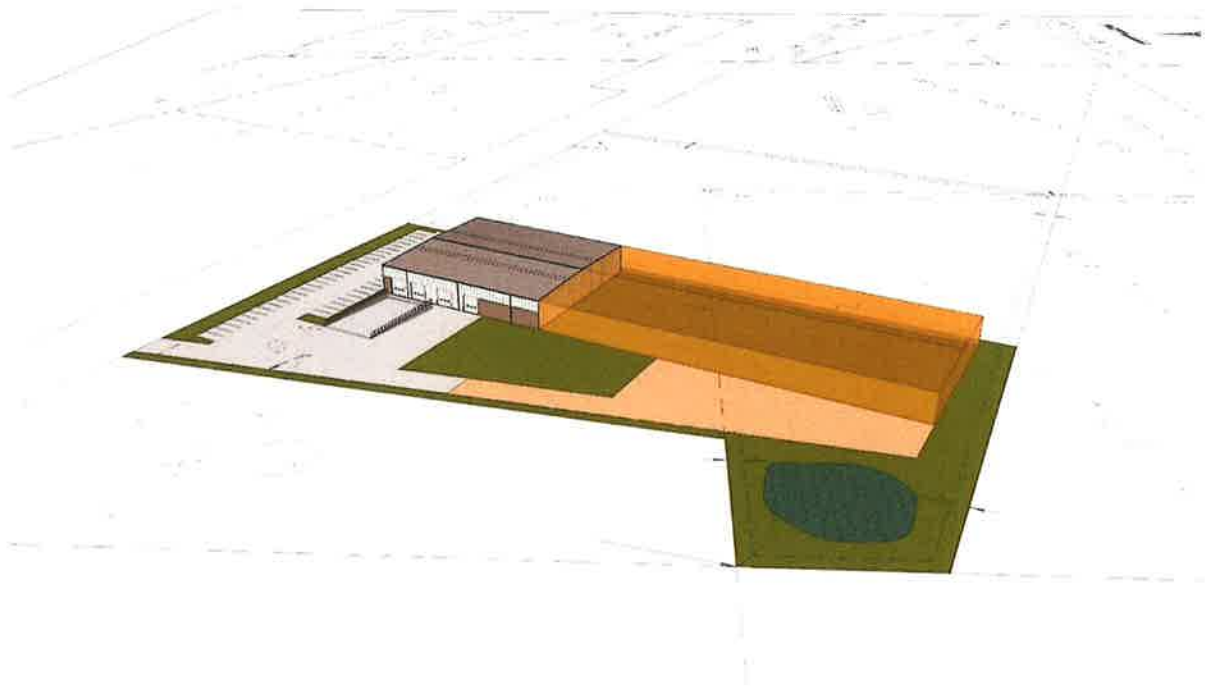
EXHIBIT "E"
to
LAND PURCHASE AGREEMENT
Building Renderings

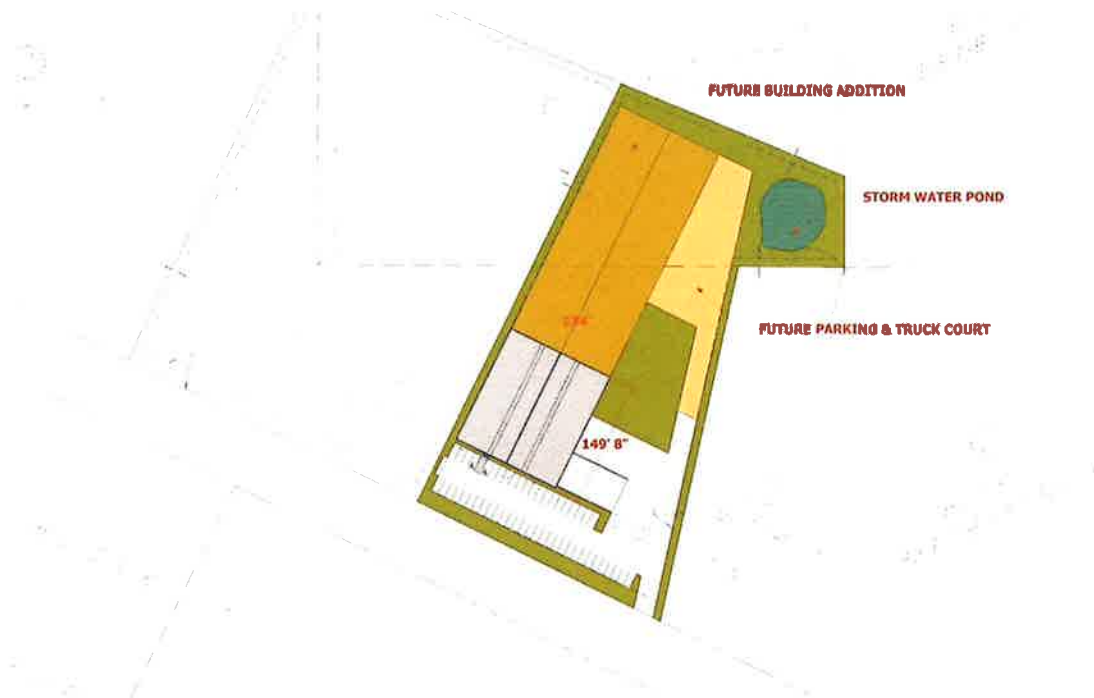
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RIGHT OF FIRST REFUSAL

THIS RIGHT OF FIRST REFUSAL (the "Agreement") is made and entered into this ____ day of _____, 2022, by and between Woodworth Family, LLC, a Minnesota limited liability company ("Woodworth") and North Mankato Port Authority Commission, a Minnesota Municipal Corporation, ("Port Authority").

RECITALS

1. Woodworth is the owner of the real property located in North Mankato, Nicollet County, Minnesota, and legally described on Exhibit A attached hereto (the "Property"), having purchased the Property from the Port Authority.
2. As a condition to purchasing the Property from the Port Authority, Woodworth agreed to grant the Port Authority a right of first refusal for the Property.
3. The parties have reached agreement on the terms and conditions of the right of first refusal and the parties now desire to reduce their agreement to writing.

NOW, THEREFORE, for and in consideration of the premises, and the mutual covenants, conditions and terms contained herein and other good and valuable consideration, which is hereby acknowledged by Woodworth and Port Authority, the parties hereby mutually agree as follows:

I. RIGHT OF FIRST REFUSAL.

In exchange for One Dollar (\$1.00), which has been paid by Port Authority to Woodworth, Woodworth grants to Port Authority a right of first refusal to purchase the Property (hereinafter referred to as the "Right" or "Rights") under the following terms and conditions:

- A. Notice of Right. At any time Woodworth, its, successors, or assigns decide to sell, transfer, or convey any interest in the Property, or any portion thereof, to any party other than Port Authority, Woodworth shall give written notice (the "Rights")

Notice”) to Port Authority by certified mail (return receipt requested) or by personal delivery that Port Authority has the Right of First Refusal to purchase the Property.

- B. Exercise of Right. Upon receiving the Rights Notice, Port Authority shall have until 5:00 p.m. (Minneapolis Time) on the fifteenth (15th) calendar day following receipt of the Rights Notice (not counting the day the Rights Notice is actually received by Port Authority) in which to give Woodworth written notice (the “Rights Exercise Notice”) that Port Authority is exercising its Right of First Refusal to purchase the Property, which purchase must match the exact same terms and conditions (including but not limited to price and closing date to occur following the Rights Exercise Notice) as the Purchase Agreement defined below. The Rights Exercise Notice shall be deemed timely given when personally delivered or postmarked no later than 5:00 p.m. on the fifteenth (15th) calendar day as stated above, to Woodworth.
- C. Rights Notice. The Rights Notice must include a copy of the purchase agreement or similar agreement (the “Purchase Agreement”) signed by the third party and Woodworth, setting forth the terms and conditions by which the Property is to be sold, conveyed or transferred. The Rights Notice will not be deemed to have been given unless and until the Purchase Agreement is provided to Port Authority along with the Rights Notice.
- D. Completion of Purchase. If Port Authority timely exercises the Right of First Refusal, Port Authority and Woodworth shall be bound by the terms and conditions of the Purchase Agreement to the same extent as though Port Authority and Woodworth were the original signatories thereto, and the sale of Property shall be conducted in accordance with the terms of the Purchase Agreement. If the third party has made an earnest money deposit, Port Authority shall make the same deposit with Woodworth or their agent as soon as possible, but in no event more than five calendar days after the Right Exercise Notice is given to Woodworth.
- E. Failure to Exercise. If Port Authority fails to timely exercise its Right of First Refusal, the Right shall automatically terminate as to the Property and Woodworth may evidence such termination by recording an affidavit with the Blue Earth County Registrar of Titles or Hennepin County Recorder, as applicable, setting forth such facts but only in the event that the sale is actually consummated. Upon recording of the affidavit and consummation of the sale, the Right as to Property shall be effectively terminated provided the Rights Notice was validly given as provided herein. If the sale is not consummated, this Right of First Refusal sale remains valid and effective in spite of the failure to exercise.
- F. Change of Terms. If after Port Authority fails to timely exercise the Right but before the sale is closed, Woodworth and the third party change the terms of the Purchase Agreement, Woodworth must give Port Authority another Rights Notice in accordance with this Agreement with the changed Purchase Agreement terms.

- G. Transfer and Assignment. The Right of First Refusal granted may be assigned or transferred by Port Authority with notice to the Woodworth.

II. MISCELLANEOUS.

- A. Covenant. The Right of First Refusal and Woodworth's duties and obligations hereunder shall constitute a covenant, running with the Property.
- B. Specific Performance. The parties agree that, because of the unique nature of the obligations set forth above, in the event of default by either party, the other party may apply to a court of competent jurisdiction for a decree of specific performance against the defaulting party. The parties acknowledge that, in the event of default, it may not be an adequate remedy to declare this Agreement null and void, or to seek any type of money damages or other relief. It is for this reason that either party shall have the option to seek a decree of specific performance against a party that is in default. The non-defaulting party, however, shall not be required to seek a decree of specific performance, but rather, the seeking and obtaining of such a decree shall be an option in addition to any and all other legal remedies that might be available because of the default. The prevailing party shall be entitled to recover their attorney fees, costs and expenses.
- C. Execution of Documents. All parties agree to execute any and all documents necessary to implement the terms and conditions of this Agreement. Should any party fail or refuse to sign such documents, the non-defaulting party or parties may, at his, her, their, or its option seek a decree of specific performance as set forth at paragraph III (B) above.
- D. Successors. This Agreement is binding and enforceable upon the parties' successors, heirs and assigns; except that, Port Authority shall not assign this Agreement without the prior written consent of Woodworth.
- E. Notice. The addressees for providing notice to either party, as may be required by the terms and conditions of this Agreement, are as follows:

Woodworth:

Woodworth Family, LLC
902 East Second Street, Suite 100
Winona, MN 55987-4649

With Copies to:

Port Authority:

North Mankato Port Authority Commission
1001 Belgrade Avenue
North Mankato, MN 56003
ATTN: Executive Vice President

With Copies To:

Randy J. Zellmer
Fredrikson & Byron P.A.
111 South 2nd Street, Suite 400
Mankato, MN 56001

The above addresses shall remain the proper addresses for providing notice until such time as a party receives written notice from the other that a new address is in effect and is advised of the new address, in which case the new address shall apply thereafter for purposes of providing notice.

- F. Entire Agreement. The foregoing constitutes the entire agreement between the parties. No modification of any of the terms or conditions contained herein may be made except by a subsequent written document signed by all parties.
- G. Governing Law. The laws of the State of Minnesota will govern this Agreement.
- H. Severability. If one provision of this Agreement is held invalid, that shall not affect any other provision of this Agreement.

[SIGNATURE PAGE FOLLOWS]

[SIGNATURE PAGE TO RIGHT OF FIRST REFUSAL]

IN WITNESS WHEREOF, this Agreement has been executed on or before the day and year first above written.

WOODWORTH:

By: _____

Its: _____

STATE OF MINNESOTA)
) ss
COUNTY OF BLUE EARTH)

The foregoing instrument was acknowledged before me this _____ day of _____, 2021, by _____, the _____ of Woodworth Family, LLC, a Minnesota limited liability company, on its behalf.

Notary Public

[SIGNATURE PAGE TO RIGHT OF FIRST REFUSAL]

PORT AUTHORITY:

North Mankato Port Authority Commission

By: _____
John Harrenstein, Its Executive Vice President

[illegible]

The foregoing instrument was acknowledged before me this ____ day of _____, 2021, by John Harrenstein, Executive Vice President of North Mankato Port Authority Commission, a Minnesota Municipal Corporation, on its behalf.

Notary Public

This Instrument Was Drafted By:
Fredrikson & Byron P.A. (RJZ)
111 South 2nd Street, Suite 400
Mankato, MN 56001

EXHIBIT A

LEGAL DESCRIPTION

Lot 2, Block 1, Northport No. 21, according to the plat thereof on file and of record with the Nicollet County Recorder, Minnesota.