

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, August 16, 2021.

President Arnold called the meeting to order at 6:00 p.m. The following were present: Commissioners Norland, Arnold, Olenius, Dehen, Oachs, Steiner and Whitlock, Executive Vice President Harrenstein, Assistant Treasurer McCann, Community Development Director Fischer, and Secretary Van Genderen.

Approval of the Minutes

Commissioner Olenius moved, seconded by Commissioner Dehen, to approve the minutes of the Port Authority meeting of February 12, 2021. Vote on the motion: Norland, Arnold, Olenius, Dehen, Oachs, Steiner, and Whitlock aye, no nays. Motion carried.

Approval of Bills

Commissioner Steiner moved, seconded by Commissioner Dehen, to approve the North Mankato Port Authority bills. Vote on the motion: Norland, Arnold, Olenius, Dehen, Oachs, Whitlock and Steiner aye, no nays. Motion carried.

Financial Report

Assistant Treasurer McCann stated the purpose of the presentation is an overview of the Port Authority Funds and recent activity. Assistant Treasurer McCann reviewed the Port Authority Expenditures, including TIF District payments, General Fund Expenditures, and the Joint Economic Development Fund. Expenditures in 2020 were \$652,115, and the 2021 expenditures are estimated at \$654,230. Assistant Treasurer McCann reported the main funding for the Port Authority General Fund is the \$75,000 Tax Levy and TIF Admin Fees. The Port Authority General Fund expenditures include \$31,000 to Greater Mankato Growth, \$5,000 to the City Center Partnership Art Walk, and to date, in 2021, \$30,000 in professional services.

Assistant Treasurer McCann reported the Joint Economic Development Fund was established as a partnership with BENCO Electric Co-op in 1990 to develop the North Port Industrial Park to acquire and develop the property and create a Revolving Loan fund for development. Since the development of the fund, 305 acres of the 382 acres have been sold, 1,100 jobs have been created, and the 2021 Taxable Market Value is \$76,132,900.

Assistant Treasurer McCann reviewed the TIF Districts. There are currently seven active TIF Districts, and three districts ended this year, and the Belgrade Avenue Redevelopment (IDD 26) beginning in 2022. The original tax capacity for the eleven TIF Districts was \$82,332, and the current tax capacity is \$550,518.

The City has two Revolving Loan Funds, the Federal Revolving Loan Fund, and the

Local Revolving Loan Funds. The Federal Revolving Loan Fund must meet Federal

requirements, and the Local Revolving Loan Fund has less stringent requirements. At the end of 2020, the Port Authority Federal Revolving Loans had a total balance of \$793,076.45, and the Local Revolving Loan Funds had a total balance of \$225,129.76 for a total outstanding balance of \$1,018,206.21. Assistant Treasurer McCann reported the Port Authority Debt balance as of the end of 2020 was \$3,245,000.

Recent activity included a land sale to D&K Powder Coating in 2019, \$134,400 in COVID 19 Assistance Loans, and the Belgrade Avenue Redevelopment TIF District in 2019.

Commissioner Dehen moved, seconded by Commissioner Norland, to approve the Financial Report. Vote on the motion: Norland, Arnold, Olenius, Dehen, Oachs, Steiner, and Whitlock aye, no nays. Motion carried.

Election of Officers

Commissioner Steiner moved, seconded by Commissioner Dehen, to elect Dave Arnold as President, Duane Olenius as Vice President, Mark Dehen as Treasurer, Appoint Kevin McCann as Assistant Treasurer, Appoint John Harrenstein as Executive Vice President and Appoint April Van Genderen as Secretary. Vote on the motion: Norland, Arnold, Olenius, Dehen, Oachs, Steiner, and Whitlock aye, no nays. Motion carried.

Resolution No. 2-21 Authorizing Execution of a Pledge Agreement.

Executive Vice President Harrenstein reported the City Council issued its annual debt and a portion of those bonds are the Port TIF Revenue bonds for the Belgrade Avenue Redevelopment project. Mary Ippel Counsel from Taft Law Offices reported a portion of the bonds are financing the Belgrade Avenue Redevelopment TIF and will be repaid through the TIF District. Under State Statute, the Port Authority must adopt a Resolution and execute a Pledge Agreement pledging TIF Funds to pay the bonds. Commissioner Dehen moved, seconded by Commissioner Steiner, to Adopt Resolution No. 2-21 Authorizing Execution of a Pledge Agreement. Vote on the motion: Norland, Arnold, Olenius, Dehen, Oachs, Steiner, and Whitlock aye, no nays. Motion carried.

Resolution No. 3-21 Calling Public Hearing on the Proposed Establishment of the Webster Avenue Industrial Development District within the City of North Mankato and the Proposed Adoption of an Industrial Development Plan Relating Thereto.

Mary Ippel, Counsel from Taft Law Offices, reported the proposed resolution calls for a public hearing on the establishment of the Webster Avenue Industrial Development District and the proposed redevelopment plan. President Arnold requested clarification on the difference between an Industrial Development District (IDD) and a Tax Increment Financing District (TIF). Ms. Ippel reported the IDD identifies an area for redevelopment, and when or if a TIF is established, additional actions will be made to redevelop the area. Executive Vice President Harrenstein reported the IDD would designate an area for redevelopment and be used as a planning tool for the district. So

the IDD is two-fold establishing an area for redevelopment and managing the settlement

agreement results with HyLife Foods and the Norwood Inn. Commissioner Whitlock requested clarification on why the IDD goes around Rickway Carpet. Executive Vice President Harrenstein reported the area goes around FX Fusion and the Four Season's Truck wash because those were previously included in an IDD, and property cannot be in two IDD districts. Commissioner Norland requested clarification on if the ballfields that were included in the district would be removed. Executive Vice President Harrenstein reported that the Webster Avenue Area Plan explored redeveloping the Public Works building. Still, it was clear that there were no active proposals for redevelopment, but the area was included in the district as a matter of opportunity. He noted the area could be removed. Commissioner Olenius requested clarification on why the adjacent ballfield and wooded lot were not included in the IDD. Ms. Ippel commented that the plan can always be amended to include the area. Executive Vice President Harrenstein reported he believed a storm drain on the property would make it more challenging to redevelop. Still, it could be expanded to cover the area, and the Webster Avenue Plan called for the area to remain for recreational use. Commissioner Olenius moved, seconded by Commissioner Norland, to adopt Res. No. 3-21 Calling Public Hearing on the Proposed Establishment of the Webster Avenue Industrial Development District within the City of North Mankato and the Proposed Adoption of an Industrial Development Plan Relating Thereto. Vote on the motion: Norland, Arnold, Olenius, Dehen, Oachs, Steiner, and Whitlock aye, no nays. Motion carried.

Resolution No. 4-21 Requesting Adoption of Ordinance Authorizing Issuance of Taxable General Obligation Bonds.

Mary Ippel, Counsel from Taft Law Offices, reported the bond would finance the acquisition of two properties bonds of the Port Authority issued with the full faith and credit of the City. In order to issue the bonds, the City Council must adopt an Ordinance to acknowledge credit to the bonds. The issuance would be for \$4,500,000.00 to acquire the property with City's full faith. The action is procedural as the bonds will be sold by the Port Authority but marketed by the City. Executive Vice President Harrenstein reported the purchase price established in the settlement agreement was \$3,250,000 for the Norwood. The remaining \$1,000,000 less the fees is held in anticipation of improving the property, and whether to reestablish the hotel, sell to a private owner, or other redevelopment opportunities. He indicated it might be necessary to couple a few parcels prepare for redevelopment or sale. Commissioner Norland moved, seconded by Commissioner Steiner, to Adopt Resolution 4-21 Requesting Adoption of Ordinance Authorizing Issuance of Taxable General Obligation Bonds. Vote on the motion: Norland, Arnold, Olenius, Dehen, Oachs, Steiner, and Whitlock aye, no nays. Motion carried.

Other Business

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 6:40 p.m.

President

Secretary



City of North Mankato, MN

Port Authority Claims

By Fund

Payment Dates 8/17/2021 - 9/7/2021

Vendor Part Number	Vendor Name	Payment Date	Amount
Fund: 228 - PORT AUTHORITY	FREE PRESS	08/31/2021	177.38
Fund 228 - PORT AUTHORITY Total:			177.38
Grand Total:			177.38

Authorization Signatures

Port Authority

The above claims list for 9-7-21 approved by:

MARK DEHEN - COMMISSIONER

JAMES WHITLOCK - COMMISSIONER

DIANE NORLAND - COMMISSIONER

WILLIAM STEINER - COMMISSIONER

SANDRA OACHS - COMMISSIONER

DUANE OLENIUS - COMMISSIONER

DAVID ARNOLD - COMMISSIONER

AFFIDAVIT OF PUBLICATION

State of Minnesota, ss.
County of Blue Earth

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 once each week, for 1 successive weeks; it was first published on Friday, the 27 day of August, 2021, and was thereafter printed and published on every Friday to and including Friday, the 27 day of August, 2021; 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

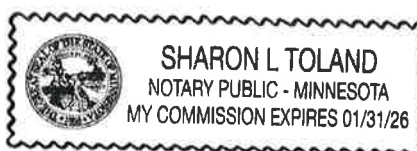
4. The Publisher's lowest classified rate paid by commercial users for comparable space, as determined pursuant to § 331A.06, is as follows: \$177.38.
5. Pursuant to Minnesota Statutes §580.033 relating to the publication of mortgage foreclosure notice: The newspaper's known office is located in Blue 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
Steve Jameson, Publisher

Subscribed and sworn to before me on this 27 day of August, 2021.

Sharon L Toland
Notary Public



Public Hearing

August 27, 2021

**CITY OF NORTH MANKATO PORT AUTHORITY COMMISSION
COUNTIES OF NICOLLET AND BLUE EARTH
STATE OF MINNESOTA
NOTICE OF PUBLIC HEARING**

NOTICE IS HEREBY GIVEN that the Board of Commissioners (the "Commission") of the North Mankato Port Authority Commission, Minnesota (the "Authority"), will hold a public hearing at a meeting of the Commission beginning at 6:15 p.m., on Tuesday, September 7, 2021, to be held at the City Hall of the City of North Mankato, Minnesota (the "City"), located at 1001 Belgrade Avenue in the City relating to the proposed establishment of Webster Avenue Industrial Development District within the City of North Mankato and the proposed adoption of an Industrial Development Plan therefor, pursuant to Minnesota Statutes, Sections 469.048 through 469.068, as amended. A copy of the Industrial Development Plan as proposed to be adopted is available upon request by contacting 507-625-4141 or visiting the City website at www.northmankato.com.

The property proposed to be included in Webster Avenue Industrial Development District is described in the Industrial Development Plan on file in the office of the Secretary of the Authority.

All interested persons may appear at the hearing and present their view orally or in writing.

A map of the Webster Avenue Industrial Development District is set forth below:



- Legend**
- Industrial Development District
 - City Limits
 - Parcels



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

HELD: SEPTEMBER 7, 2021

Pursuant to due call thereof, a regular or 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 7, 2021, at 6:15 P.M.

The following members were present:

and the following were absent:

Member _____ introduced the following resolution and moved its adoption:

RESOLUTION NO. 5-21 APPROVING THE ESTABLISHMENT OF AN INDUSTRIAL
DEVELOPMENT DISTRICT AND APPROVING A
DEVELOPMENT PLAN

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 and pursuant to Minnesota Statutes, Section 469.058 to create and establish the Webster Avenue Industrial Development District within the City of North Mankato, Minnesota (the "Industrial Development District"); and

B. WHEREAS, the Authority has prepared a development plan for the Industrial Development District (the "Plan").

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

1. The Commission hereby approves the establishment of the Industrial Development District and the initial boundaries of which are fixed and determined as described in the Plan, of which a copy is on file in the office of the Secretary of the Authority.
2. The Commission hereby approves the Plan for the Industrial Development District, of which a copy is on file in the office of the Secretary of the Authority.

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

and the following voted against same:

Adopted this 20th day of September, 2021.

President

Attest: _____
Secretary

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 carefully compared the attached and foregoing extract of minutes with the original minutes of a meeting of the Board of Commissioners duly called and held on the date therein indicated, which are on file and of record in my office, and the same is a full, true and complete transcript therefrom insofar as the same relates to a resolution approving the establishment of an industrial development district and the adoption of an industrial development plan.

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

Secretary

DRAFT

NORTH MANKATO PORT AUTHORITY

NORTH MANKATO, MINNESOTA

DEVELOPMENT PLAN FOR

WEBSTER AVENUE INDUSTRIAL DEVELOPMENT DISTRICT

PLANNED PUBLIC HEARING DATE: SEPTEMBER 7, 2021

DEVELOPMENT PLAN APPROVAL DATE: _____, 2021

NORTH MANKATO PORT AUTHORITY RESOLUTION NO. 5-21



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(800) 851-2920
Member NASD and SIPC
Registered with SEC and MSRB

TABLE OF CONTENTS

ARTICLE I – INTRODUCTION AND DEFINITIONS	1
Section 1.01 Introduction	1
Section 1.02 Definitions	1
Section 1.03 Plan Preparation	2
ARTICLE II - STATEMENT OF AUTHORITY AND PUBLIC PURPOSE.....	2
Section 2.01 Enabling Act; Statutory Authority	2
Section 2.02 Statement and Finding of Public Purpose	2
ARTICLE III – DEVELOPMENT PLAN	3
Section 3.01 Statement of Objectives	3
Section 3.02 Boundaries of Project Area and Eligibility	4
Section 3.03 Development Activities	4
Section 3.04 Anticipated Development Costs and Payment.....	5
Section 3.05 Environmental Controls; Land Use Regulations	5
Section 3.06 Proposed Reuse of Property	5
Section 3.07 Administration and Maintenance of Development District	6
Section 3.08 Findings and Declaration.....	6
EXHIBITS	7
Exhibit A Illustration of condition of certain buildings	7
Exhibit B Map of Geographic Area of Development District	9

ARTICLE I – INTRODUCTION AND DEFINITIONS

SECTION 1.01 INTRODUCTION

The North Mankato Port Authority Commission (the “Authority”) proposes to create and define the boundaries of the Webster Avenue Industrial Development District within the City of North Mankato, Minnesota after holding a public hearing on the matter.

In proposing the creation of Webster Avenue Industrial Development District (the “Development District”), the Authority finds that it is proper and desirable to establish and develop a system for industrial development and redevelopment within a defined area in the City.

There are certain properties within the Development District which the Authority finds to be occupied by dilapidated or rundown buildings that will require the Authority to exercise its powers to advance and spend public money, and to provide the means to redevelop the property. The establishment of the Development District is the proper mechanism for the Authority to aid the development of blighted areas. Exhibit A includes documentation of condition of certain buildings in the Development District to illustrate the substandard conditions of certain buildings that will need to be corrected.

The Authority plans to finance certain costs related to development and redevelopment in the Development District through issuance of general obligation bonds supported by revenues of the Authority and pledge of the full faith and credit of the City, among other types of financing that may be implemented. Pursuant to Minnesota Statutes 469.060, the Authority may pledge the full faith, credit, and resources of the City only if the City specifically authorizes the Authority to do so.

The Authority and City may consider the financing of other development costs related to development in the Development District through the use of tax increment financing, assessments, or other financing sources.

Following establishment of the Development District, the Authority plans to proceed promptly with plans to acquire blighted property, including but not limited to a marginal hotel and event center and a commercial liquor store, to remedy injurious conditions of the marginal property, public nuisance and other conditions, through redevelopment.

SECTION 1.02 DEFINITIONS

For the purposes of this document, the terms below have the meanings given in this section, unless the context in which they are used indicates a different meaning:

1. “Authority” means the North Mankato Port Authority Commission, established pursuant to Minnesota Statutes, 469.079.
2. “City” means the City of North Mankato, Minnesota.
3. “City Council” means the City Council of the City.
4. “Development” means for the purposes of the Development Plan the construction of buildings, facilities, infrastructure, and public improvements to include redevelopment, and developing means to include redeveloping.
5. “Development Costs” means the cost of the development activities as provided for in the Development Plan that will or are expected to occur within the Project Area, including the cost of financing the development activities.
6. “Development District” means Webster Avenue Industrial Development District, a specific geographic area within the Port District established pursuant to Minnesota Statutes 469.058.

7. "Development Plan" means the Development Plan for the Development District, as amended and supplemented from time to time.
8. "Enabling Act" means the Port Authorities Act codified as Minnesota Statutes, Sections 469.048 through 469.068, including all powers provided or referenced therein, and as the same may be amended or supplemented.
9. "Port District" means the total area of the operations of the North Mankato Port Authority Commission, which boundaries are coterminous with the boundaries of the City of North Mankato, as defined in Minnesota Statutes, Section 469.048.
10. "Project Area" means the geographic area of the Webster Avenue Industrial Development District.
11. "State" means the State of Minnesota.

SECTION 1.03 PLAN PREPARATION

The document was prepared for the North Mankato Port Authority by Northland Securities, Inc.

ARTICLE II - STATEMENT OF AUTHORITY AND PUBLIC PURPOSE

SECTION 2.01 ENABLING ACT; STATUTORY AUTHORITY

Pursuant to the Enabling Act, the City established the Authority with the same powers as a port authority established under Section 469.049 of the Enabling Act, or other law, as well as the powers of municipal housing and redevelopment authorities established under Minnesota Statutes, Sections 469.001 to 469.047, or other law. In addition, the Enabling Act authorized the City, upon the establishment of the Authority, to exercise all the powers relating to port authorities granted by Minnesota Statutes, Sections 469.048 to 469.068, or other law.

The City established the Authority as authorized by the Enabling Act and appointed the initial members of the Commission of the Authority, pursuant to City Resolution Numbers: 58-85; 82-85; 44-86; and 46-86, as adopted by the City Council on August 19, 1985, November 4, 1985, and June 2, 1986, respectively.

It is the intention of the Authority, notwithstanding the enumeration of specific goals and objectives in the Development Plan for the Development District, that the Authority shall have and enjoy with respect to the Project Area the full range of powers and duties conferred upon the Authority pursuant to the Enabling Act and such other legal authority as the Authority may have or enjoy from time to time.

SECTION 2.02 STATEMENT AND FINDING OF PUBLIC PURPOSE

There is a need for development within the City and the Project Area to provide employment opportunities, to improve the local tax base, and to improve the general economy of the City and the State.

The Authority finds the public purpose for establishment of the Development District to be as follows:

- Sound development of marginal property within the Development District will help to promote the economic security of the people of the City and general welfare of its residents and requires remedies for the injurious conditions of marginal property by appropriate means;
- Marginal property within the Development District cannot be developed without public participation and assistance in: (1) acquiring land, (2) planning, (3) financing of

land assembly in the work of clearance and development, and (4) making necessary improvements for developing;

- Development of marginal property within the Development District cannot be done by private enterprise alone, it is in the public interest to exercise the powers of the Authority and City to advance and spend public money, and to provide the means to develop marginal property;
- Decline of marginal land within the Development District cannot be reversed except by developing all or most of those lands. Private development may be uneconomic and practically impossible because of costs and lack of legal power;
- In certain cases, property within the Development District would or may not be available for development without the specific financial aid to be sought, that the Development Plan will afford maximum opportunity, consistent with the needs of the City as a whole, for the development of the Project Area by private enterprise, and that the Development Plan conforms to the general plan for the development of the City as a whole; and
- The welfare of the City and the State requires the active promotion, attraction, encouragement, and development of economically sound industry and commerce through governmental action for the purpose of preventing the emergence of blighted and marginal lands and areas of chronic unemployment. It shall also be the policy of the Authority to facilitate and encourage such action as may be necessary to prevent the economic deterioration of such areas to the point where the process can be reversed only by total redevelopment. Through the use of the powers conferred on the Authority pursuant to the Enabling Act, promoting economic development may prevent the occurrence of conditions requiring redevelopment and prevent the emergence of blight, marginal land, and substantial and persistent unemployment.

ARTICLE III - DEVELOPMENT PLAN

SECTION 3.01 STATEMENT OF OBJECTIVES

The establishment of the Project Area in the City pursuant to the Enabling Act is proper and desirable to establish and develop a system of industrial developments in the Port District.

The establishment of the Project Area is in the best interests of the City and its residents and is necessary to give the City and the Authority the ability to meet certain public purpose objectives that would not be obtainable in the foreseeable future without intervention by the Authority in the normal development process.

The Authority intends, to the extent permitted by law, to accomplish the following objectives through the implementation of the Development Plan:

- (a) Provide for the acquisition of marginal property and land and construction and financing of building(s), site improvements, and/or public utilities in the Project Area which are necessary for the orderly and beneficial development of the Project Area and adjacent areas of the City.
- (b) Promote and secure the prompt and unified development of certain property in the Project Area, which property is not now in productive use or in its highest and best use, with a minimum adverse impact on the environment, and thereby promote and secure the desirable development of other land in the City.
- (c) Promote and secure additional employment opportunities within the Project Area and the City for residents of the City and the surrounding area, thereby improving living standards and reducing unemployment and the loss of skilled and unskilled labor and other human resources in the City.

- (d) Secure the increase of assessed values of property subject to taxation by the City, Mankato Area Public Schools (ISD 77), Nicollet County, and other taxing jurisdictions in order to better enable such entities to pay for governmental services and programs that they are required to provide.
- (e) Promote the concentration of new unified development consisting of desirable manufacturing, industrial, and other appropriate development in the Project Area so as to maintain the area in a manner compatible with its accessibility and prominence in the City
- (f) Encourage the expansion and improvement of local business, economic activity and development, whenever possible.
- (g) Create a desirable and unique character within the Project Area through quality land use alternatives and design quality in new buildings.

SECTION 3.02 BOUNDARIES OF PROJECT AREA AND ELIGIBILITY

The area within the Project Area is described in Exhibit B. The Project Area shall include all adjacent roadways, rights-of-way and other areas wherein will be installed or upgraded the various public improvements necessary for and part of the overall project.

The Authority finds that the Project Area, together with the objectives which the Authority seeks to accomplish or encourage with respect to such property, constitutes a "Industrial Development District" within the meaning of Section 469.058 of the Enabling Act.

The Enabling Act requires that the Project Area of the Development District must be found to be located in an area of the community that consist of "marginal property". The Development District qualifies because buildings or sites within the Project Area meet one or more of the following conditions:

- (1) faulty planning causing deterioration, disuse, or economic dislocation;
- (2) the subdividing and sale of lots too small and irregular for good use and development;
- (3) lots laid out without regard to their physical characteristics and surrounding conditions;
- (4) inadequate streets, open spaces, and utilities;
- (5) areas that may flood;
- (6) lower values, damaged investments, and social and economic maladjustment reducing taxpaying capacity to the extent that tax receipts are too low to pay for the public services rendered;
- (7) lack of use or improper use of areas, resulting in stagnant or unproductive land that could contribute to the public health, safety and welfare;
- (8) lower population and reduction of proper use of areas causing more decline, and requiring more public money for new public facilities and public services elsewhere;
- (9) property valuation too low to establish a local improvement district to construct and install streets, walks, sewers, water and other utilities;
- (10) lands within an industrial area not used for industry but needed for industrial development of the area; and
- (11) state-acquired tax-forfeited land

SECTION 3.03 DEVELOPMENT ACTIVITIES

The Authority plans to acquire areas of marginal properties within the Project Area at fair prices to remedy the conditions on the marginal property, and to develop the areas under proper

supervision, with appropriate planning and continuing land use. Marginal properties to be acquired include, but not limited to, a marginal hotel and event center and a commercial liquor store.

The development of land acquired under the Enabling Act is a public necessity and use and a governmental function. The sale or lease of the land after development is incidental to the real purpose: to remove the condition making the property marginal.

The development of marginal property and its continuing use are public uses, public purposes, and government functions that justify spending or advancing public money and acquiring private property. The Development is a City concern in the interest of health, safety, and welfare of the people of the City and of all residents and property owners in communities having marginal property. Marginal property causes problems beyond control of police power alone.

The Authority will perform or cause to be performed, to the extent permitted by law, all project activities pursuant to the Enabling Act and other applicable state laws, and in doing so anticipates that the following may, but are not required, to be undertaken by the Authority and/or the City:

- (a) The making of studies, planning, and other formal and informal activities relating to the Development Plan.
- (b) The implementation and administration of the Development Plan.
- (c) The rezoning of land within the Project Area.
- (d) The acquisition of property, or interests in property, by purchase or condemnation, which acquisition is consistent with the objectives of the Development Plan,
- (e) The preparation of property for use and development in accordance with applicable Land Use Regulations and agreements the Authority may enter into with private property owners or developers of property, including demolition of structures, clearance of sites, placement of fill and grading.
- (f) The resale of property to private parties.
- (g) The construction or reconstruction of property for development purposes.
- (h) The issuance of bonds or obligations to finance Development Costs, and the use of funds available to the Authority to pay or finance the Development Costs incurred by the Authority.

SECTION 3.04 ANTICIPATED DEVELOPMENT COSTS AND PAYMENT

The Authority plans to exercise its "Industrial Development District" powers, pursuant to Section 469.059 of the Enabling Act. The Authority anticipates it will incur Development Costs related to the acquisition and redevelopment of marginal properties to achieve the objectives for the Development Plan, among other costs.

The Authority anticipates that payment of Development Costs, including debt service on bonds or obligations issued to finance Development Costs, will be paid primarily from revenues of the Authority, including but not limited to lease revenues, and city levy, pursuant to Section 469.053 of the Enabling Act, and other revenues of the Authority.

SECTION 3.05 ENVIRONMENTAL CONTROLS; LAND USE REGULATIONS

All municipal actions, public improvements and private development shall be carried out in a manner consistent with existing environmental controls and all applicable Land Use Regulations.

SECTION 3.06 PROPOSED REUSE OF PROPERTY

The Authority intends to acquire such property, or appropriate interests therein, within the Project Area as the Authority may deem to be necessary or desirable to assist in the implementation of the Development Plan. The Authority may acquire property and reconvey the same to another entity.

Prior to formal consideration of the acquisition of any property, the Authority will require the execution of a binding development agreement with respect thereto and evidence that funds will be available to repay the Development Costs associated with the proposed acquisition. It is the intent of the Authority to negotiate the acquisition of property whenever possible. Appropriate restrictions regarding the reuse and development of property shall be incorporated into any development agreement to which the Authority is a party.

SECTION 3.07 ADMINISTRATION AND MAINTENANCE OF DEVELOPMENT DISTRICT

Maintenance and operation of the Development District will be the responsibility of the administrator of the City who shall serve as administrator of the Development District. Each year the administrator will submit to the Authority the maintenance and operation budget for the following year.

The administrator will administer the Development District pursuant to the Enabling Act; provided, however, that such powers may only be exercised at the direction of the Authority. No action taken by the administrator pursuant to the above-mentioned powers shall be effective without authorization by the Authority.

SECTION 3.08 FINDINGS AND DECLARATION

The Authority makes the following findings:

- (a) The land in the Development District would not be made available for development without the financial aid sought.
- (b) The Development Plan for the Development District will afford maximum opportunity consistent with the needs of the locality as a whole, for the development of the area by private enterprise.
- (c) The Development Plan conforms to the general plan for development of the City as a whole.

EXHIBIT A
Illustration of Condition of Certain Buildings Located on Property in
Webster Avenue Industrial Development District





EXHIBIT B
North Mankato Port Authority Commission
Map of Boundaries of Webster Avenue Industrial Development District



RESOLUTION SETTING PUBLIC HEARING TO CONSIDER
THE SALE OF REAL ESTATE

WHEREAS, the North Mankato Port Authority Commission has purchased certain real estate for redevelopment purposes; and

WHEREAS, it is desirable to sell the hereinafter described real estate as follows:

Lot 2, Block 1, Northport No. 21 (3.79 acres)

Purchaser : Woodworth Family, LLC

Price Per Acre: \$75,000

Sale Price: \$284,250

NOW, THEREFORE BE IT RESOLVED BY THE NORTH MANKATO PORT AUTHORITY COMMISSION, that a public hearing will be held at 6:15 p.m. on Monday, September 20, 2021 to consider the sale of the aforementioned real estate.

President

Secretary

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: /s/ April Van Genderen
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 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.

Depiction of Property



Plat of Northport No. 21

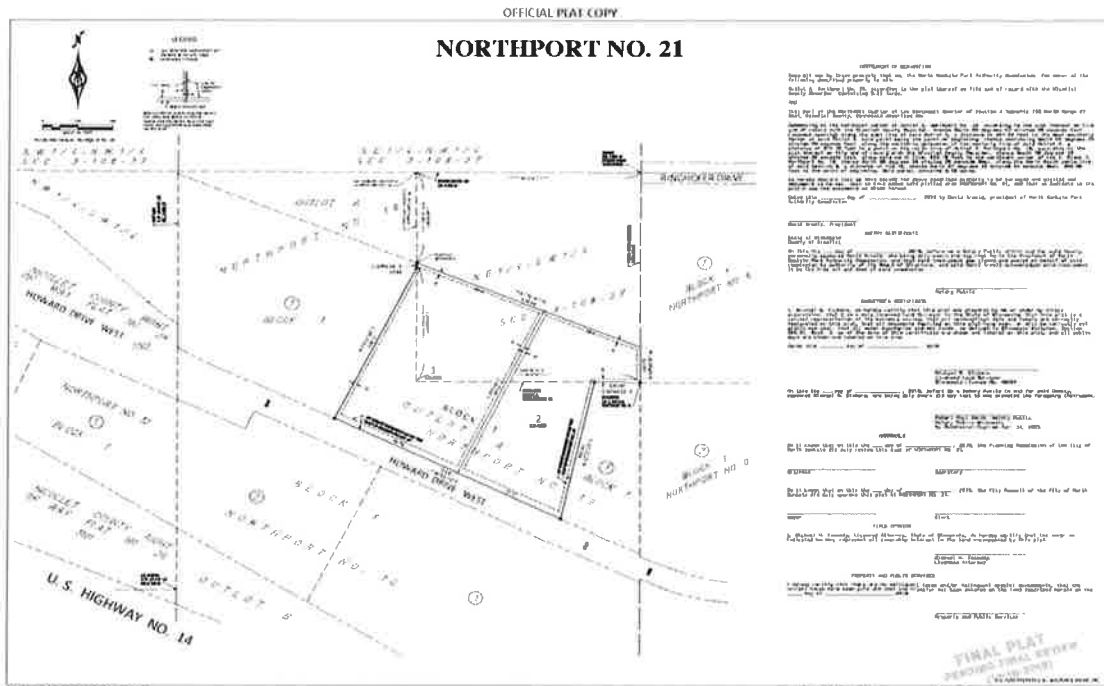


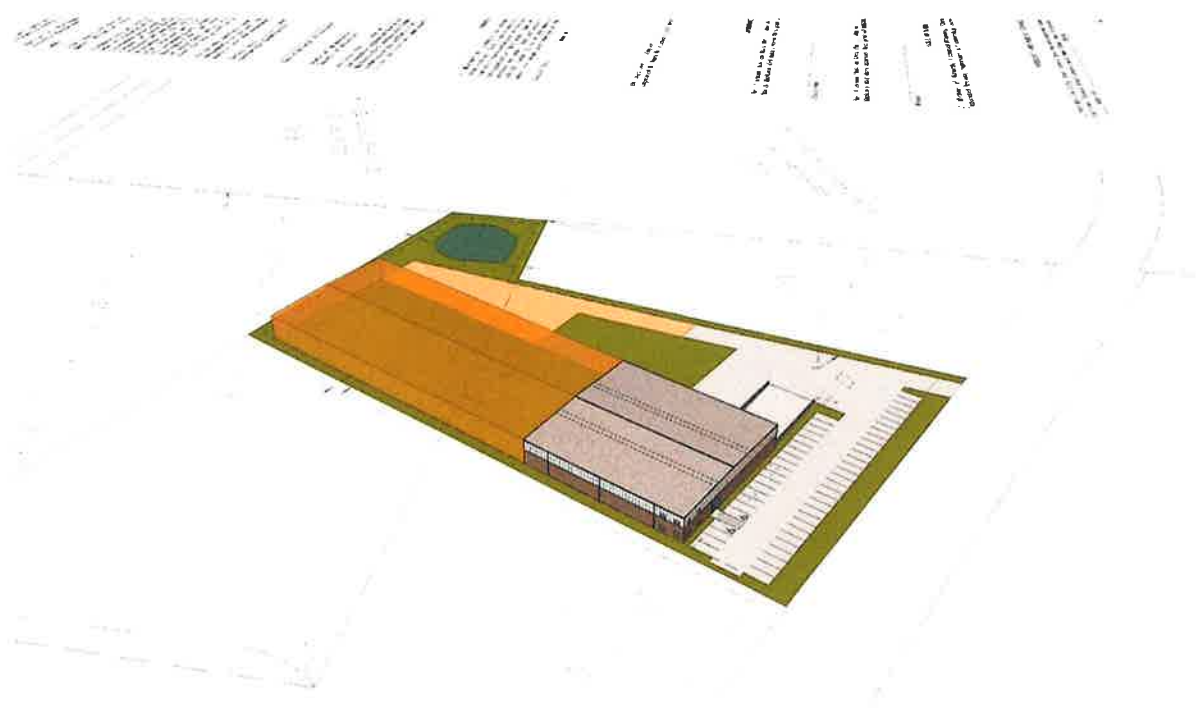
EXHIBIT "D"
to
LAND PURCHASE AGREEMENT
Right of First Refusal Agreement

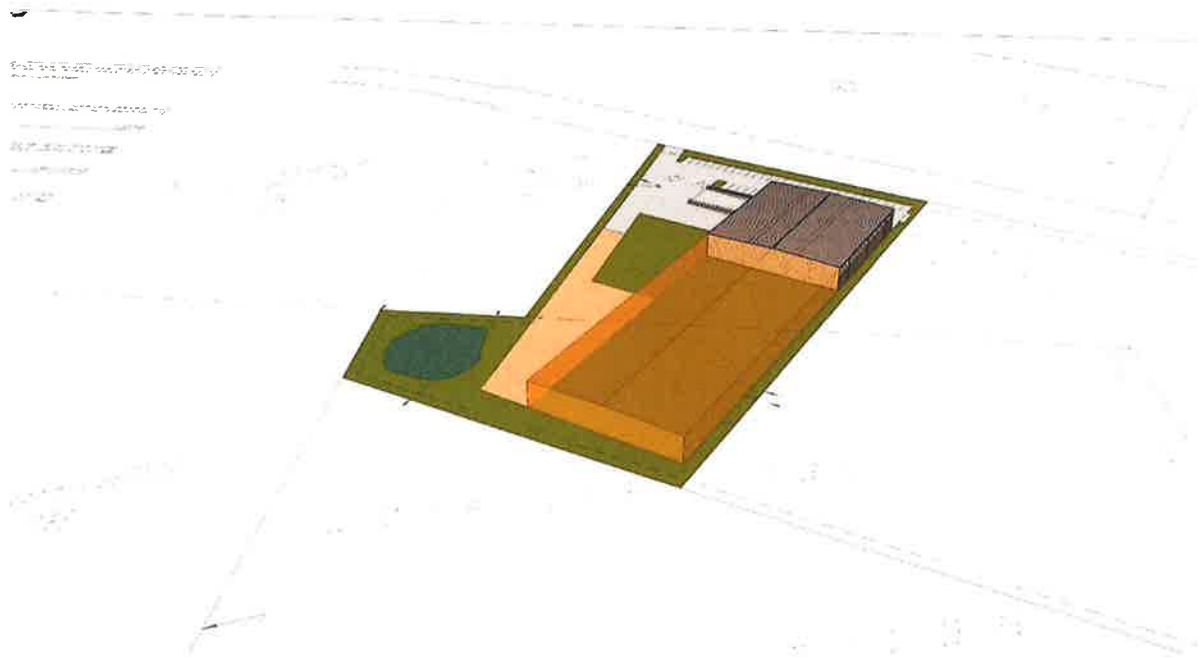
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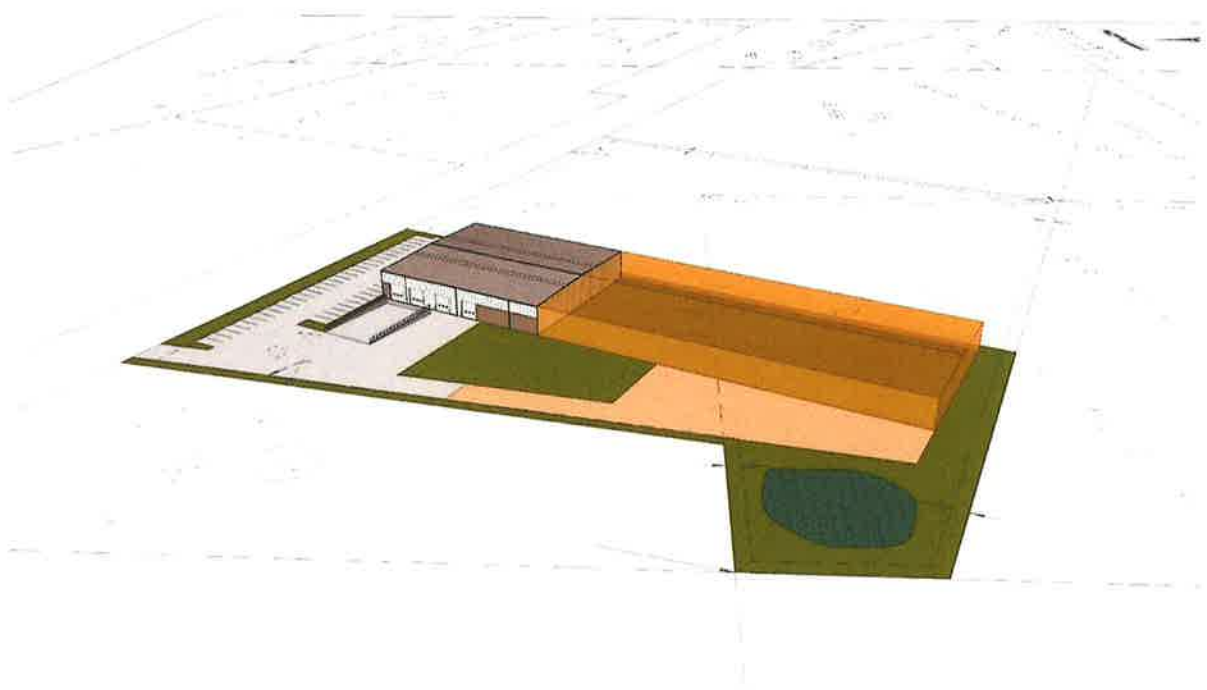
EXHIBIT "E"
to
LAND PURCHASE AGREEMENT
Building Renderings

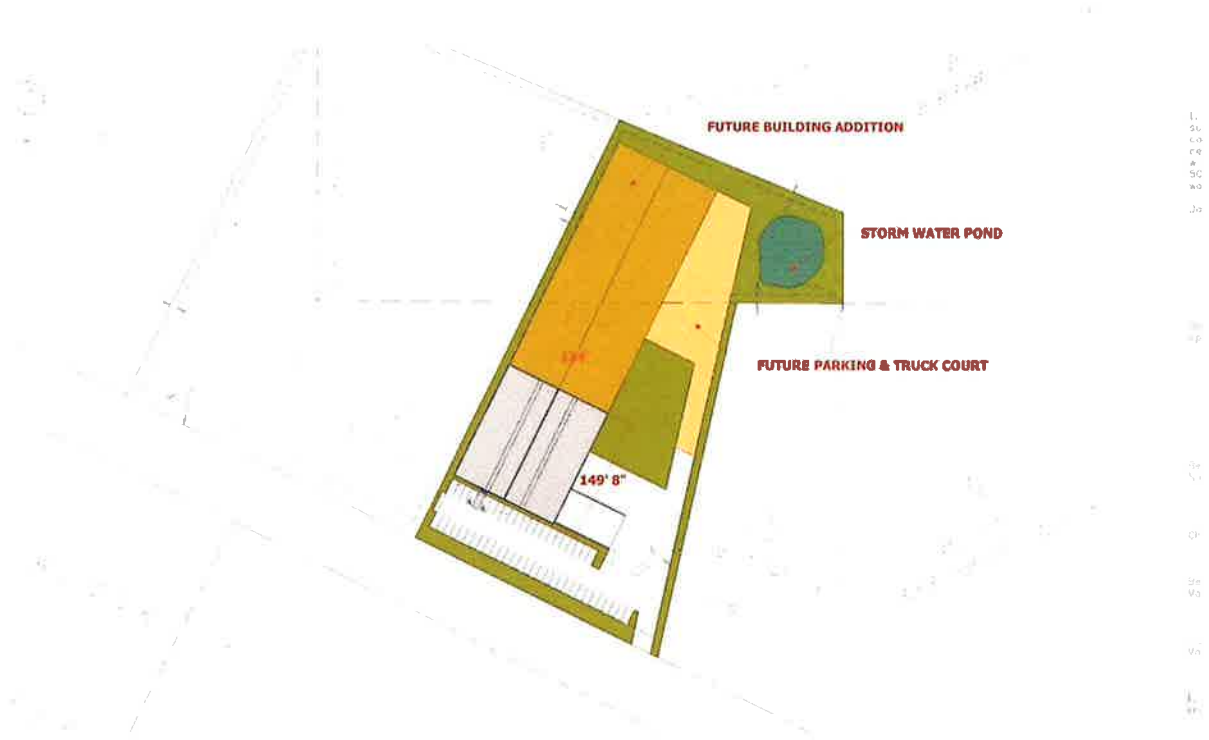
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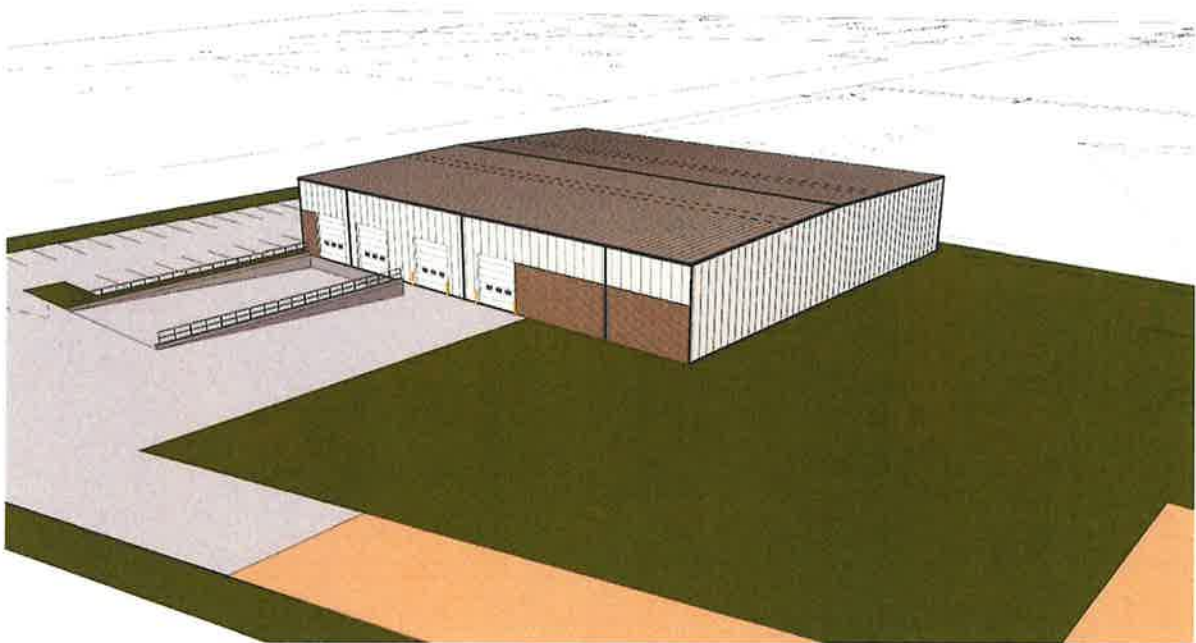














RIGHT OF FIRST REFUSAL

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

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.