

Pursuant to due call and notice thereof, the annual meeting of the North Mankato Port Authority Commission was held in the Council Chambers of the Municipal Building on Tuesday, July 5, 2016.

President Arnold called the meeting to order at 6:46 p.m. The following were present: Commissioners Norland, Dehen, Freyberg, Steiner, Arnold and Olenius. Executive Vice President Harrenstein, City Planner Fischer and Secretary Van Genderen. Absent: Commissioner Spears.

Approval of Minutes

Commissioner Dehen moved, seconded by Commissioner Norland, to approve the minutes of the Port Authority meeting of February 16, 2016. Vote on the motion: Norland, Dehen, Freyberg, Steiner, Arnold and Olenius aye; no nays. Motion carried.

New Business

Res. No. 03-16 Authorizing the Partial Release of Mortgage between North Mankato Port Authority Commission and NMP Holdings, LLC.

City Planner Fischer reported the Port Authority gave a \$250,000 loan backed by the two buildings on the property to NMP Holdings. NMP Holdings is looking to sell one of the buildings and staff is recommending the partial release of mortgage placing the entirety of the remaining debt on the remaining building. President Arnold stated NMP Holdings needs to remove the lien so they can sell the building. Executive Vice President Harrenstein stated Thin Film has been paying down the existing loan and staff recommends the release. Commissioner Freyberg requested information on if the City had examined NMP's debt structure. Executive Vice President Harrenstein indicated the City is a second on the mortgage and the value of the building exceeds the value of the outstanding debt. President Arnold stated he received a letter from Attorney Kennedy that analyzed the Port Authority Commissions position.

Commissioner Freyberg requested a copy of the letter be included with the resolution. **Commissioner Norland moved, seconded by Commissioner Steiner to adopt Res. No. 03-16 Authorizing the Partial Release of Mortgage between North Mankato Port Authority Commission and NMP Holdings, LLC. Vote on the motion: Norland, Dehen, Freyberg, Steiner, Arnold and Olenius aye; no nays. Motion carried.**

Discuss Port Authority Revolving Loan Fund and the Community Development Block Grant Program (CDBG)

Executive Vice President Harrenstein stated that in 1998 the North Mankato Port Authority received a \$500,000 Community Development Block Grant award from the State of Minnesota which was subsequently loaned to Sween Corporation. The interest generated from this loan in addition to other similar loans has allowed the Port Authority to create a Revolving Loan Fund used for economic development. Currently the revolving loan fund is approximately \$537,000 combined with formula funds is approximately \$645,000. Many businesses have benefited from the Revolving Loan Fund; most recently D&K Powder Coating and the Mankato Brewery. In 2008, the Office of Management and Budget established the Mankato-North Mankato Metropolitan Statistical Area (MSA) due to a combined population exceeding 50,000. North Mankato became eligible to participate in the Community Development Block

Grant Entitlement Program. The Entitlement Program provides annual federal grants on a formula basis to entitled cities and counties to develop viable urban communities principally for low-and moderate persons. The fund restricts the balance of funds to 1.5 times the annual grant allocation, which would limit the fund balance to approximately \$100,000. During the first 5 years of involvement with the Entitlement Program, the City was allowed to keep the Revolving Loan Funds separate. Recently the City received written requirements for the City to pay down the Revolving Loan Fund balance to 1.5 times the annual Entitlement Program allocation. If the City would comply the City must expend approximately \$500,000 by May 2, 2017. The Revolving Loan Fund is an important part of the Port Authority's economic development efforts. Complying with the Federal requirement to draw down the funds would negatively affect the revolving loan's ability to promote economic growth. Staff recommends the Port Authority formally request a review of the decision, direct the Executive Vice-President and the Community Development Director to continue communicating with HUD, communicate with Congressman Walz, Senator Klobuchar, and Senator Franken's office regarding the issue to determine if they can assist in the dialogue with HUD and communicate with the North Mankato City Council informing them of the likelihood the 2017 CDBG allocation will likely not be received if funds from the Revolving Loan Fund are not spent down. President Arnold stated the Revolving Loan Fund has allowed the Port Authority to help establish good businesses. President Arnold requested clarification on if the funds could be used to establish senior housing. Community Development Director Fischer stated the funds need to benefit low to moderate income residents and in the past few years the City has had a difficult time locating those residents who would qualify for housing rehabilitation purposes. **Commissioner Norland moved, seconded by Commissioner Steiner to approve Staff Recommendations Concerning the Revolving Loan Fund and the CDBG. Vote on the motion: Norland, Dehen, Freyberg, Steiner, Arnold and Olenius aye; no nays. Motion carried.**

Election of Officers. Commissioner Steiner moved, seconded by Commissioner Norland to Elect Dave Arnold as President, Duane Olenius as Vice President and Mark Dehen as Treasurer. Vote on the motion: Norland, Dehen, Freyberg, Steiner, Arnold and Olenius aye; no nays. Motion carried.

Other Business

None

Open the Meeting to the Public

Barb Church, 102 Wheeler Avenue, appeared before the Commission and requested clarification on the balance of the entitlement funds at the end of the year. Community Development Director Fischer reported the money would be spent down. Ms. Church stated the program should be able to locate income eligible individuals.

Phil Henry, 1300 Noretta Drive, appeared before the Commission and stated he did not believe the money should be spent on the parking lot.

Bess Tsaouse, 136 Mary Circle, appeared before the Commission and stated the Commission should consider building a homeless shelter.

There being no further business, the meeting was adjourned at 6:36 p.m.

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 6:30 p.m. on Monday, October 17, 2016, to consider the sale of real estate described as Part of Outlot A, Northport No. 17 to Loren I. O'Brien. Such persons as desire to be heard with reference to the proposed sale of real estate will be heard at this meeting. Written or oral statements will be considered.

Dated this 3rd day of October 2016.

BY ORDER OF THE NORTH MANKATO
PORT AUTHORITY

By: /s/ April Van Genderen
Secretary

REAL ESTATE PURCHASE AGREEMENT

THIS AGREEMENT (“**Agreement**”) made this ____ day of _____, 2016 by and between the

North Mankato Port Authority Commission, a Minnesota Municipal Corporation (“**Seller**”) and **Loren I. O’Brien**, an adult resident of the State of Minnesota, his successors and/or assigns (“**Buyer**”).

RECITALS

WHEREAS, Seller is the owner of that certain unimproved lot currently described as:

Part of Outlot A, Northport No. 17 to be replatted as Lot 1, Block 1, Northport No. 19 in Nicollet County, State of Minnesota ; and

WHEREAS, Buyer desires to acquire **2.00 acres of the Lot** and the Seller desires to sell the same; and

WHEREAS, the parties hereto desire to define the terms and conditions of the sale;

NOW, THEREFORE, in consideration of the mutual promises, covenants, and conditions hereinafter stated, the parties hereto agree as follows:

- 1. **PROPERTY.** The real property that is the subject of this Agreement is an unimproved commercial lot and will be general described as Part of Outlot A, Northport No. 17 to be replatted as Lot 1, Block 1, Northport No. 19, Nicollet County, State of Minnesota as shown on the attached Exhibit A (the “**Property**”). However the parties acknowledge that Seller is in the process of completing a replat of the Lot (the “**Replat**”). The actual legal description of the Property will be conformed to the legal description of such property upon completion of the Replat by Seller, as more fully described in paragraph 4.1 below. The parties do not contemplate the conveyance of any personal property pursuant to this Agreement.
- 2. **PURCHASE PRICE.** The total purchase price for the Property shall be calculated at Sixty Thousand (\$60,000.00) Dollars per acre as finally determined after the Replat (approximately One Hundred Twenty Thousand (\$120,000.00) Dollars which shall be payable as follows:

- 2.1 **Earnest Money.** One Thousand (\$1,000) Dollars earnest money (the “**Earnest Money**”), due upon Buyer’s execution of this Agreement (“**Execution date**”) delivered to Buyer’s real estate agent (“**Earnest Money Agent**”). The Earnest Money Agent shall hold the Earnest Money in his trust account. The Earnest Money Agent shall disburse the Earnest Money pursuant to the terms of this Agreement. Earnest Money in the possession of the Earnest Money Agent shall remain the property of the Buyer unless disbursed to Seller pursuant to the terms of this Agreement. Upon Seller’s full performance of Seller’s obligations under this Agreement, the Earnest Money shall be delivered to Seller at closing and applied toward payment of the Purchase Price; and

2.2 Cash At Closing. The balance of the Purchase Price (approximately One Hundred Nineteen Thousand (\$119,000) Dollars) shall be payable in cash or by wire transfer, certified funds or cashier's check at closing.

3. CLOSING. This Agreement shall be closed on or before _____ (“**Closing Date**”) provided that there has been compliance with all of the terms and conditions hereof. The closing shall take place at the office of the Seller, 1001 Belgrade Avenue, North Mankato, MN 56003. The closing shall be conducted by : To Be Determined (the “**Title Company**”). The date, time or place of closing or all of them may be changed by mutual written agreement of the parties.

4. CONTINGENCIES AND ORDER OF ACTION. The obligation of Buyer under this Agreement to Consummate this sale shall be subject to the satisfaction, or to the waiver by it, on or before the Closing Date, unless an earlier date is specifically provided herein, of the following conditions:

4.1 Replat. Promptly after the Execution Date, Seller shall, at Seller's sole cost and expense, take whatever action is required to complete the Replat. Seller shall have until the Closing Date to complete the Replat. If Seller fails to complete the Replat prior to the Closing Date, then Buyer may have the right to terminate this Agreement, in which event the Earnest Money shall be returned to Buyer and neither party shall thereafter have any further rights or obligations hereunder.

4.2 Marketable Title. Promptly after the Execution Date, Seller, at Seller's sole cost and expense, shall order the items specified in paragraph 4.2.1 and 4.2.2 below from the Title Company and a surveyor registered in the State of Minnesota, as appropriate (collectively, the “**Title Evidence**”).

4.2.1 ALTA Survey. An ALTA improvement survey plat of the Property made in accordance with the Minimum Standard Detail Requirements for ALTA/ACSM Land Title Surveys jointly established by ALTA and ACSM in 2005 (the “**Survey**”), which shall include a certification as to the actual acreage of the Property, the location of all access roads to the Property, any encroachments, and all easements affecting the Property and which the surveyor shall clearly mark the corners of the property.

4.2.2 Title Insurance Commitment and Abstract. Seller shall provide an Abstract of Title for the Lot to the Title Company or other evidence to allow the Title Company to issue a commitment for an ALTA Owner's policy of title insurance for the Property dated subsequent to the date of this Agreement (“the **Commitment**”) and all documents or instruments which are listed in the Commitment as affecting the Property (the “**Exception Documents**”). In addition, after the Closing Date, Seller shall furnish to Buyer an Abstract of Title for the Property certified to date, including proper searches covering bankruptcies and state and federal judgments and liens (“**Abstract**”). Seller shall pay all costs for the Abstract, all searches, including liens, pending and levied special assessments associated with and for shall pay for the Commitment itself. Buyer shall pay the premium of an Owner's Title Insurance Policy and any related endorsement fees as requested by Buyer.

4.2.3 Buyer's Review. Buyer shall have ten (10) days from Buyer's receipt of the Title Evidence to submit to Seller written objections to the condition of the title to the

Property as set forth therein (“**Buyer’s Notice**”). Any liens, encumbrances, easements, restrictions, conditions, covenants, rights, rights-of-way and other matters affecting title to the Property which are created and which may appear of record after the date of the Commitment but before the Closing Date (hereinafter (“**Intervening Liens**”), shall also be subject to Buyer’s approval, except such Intervening Liens which are created by or through Buyer. Buyer shall have five (5) days after receiving notice in writing of any Intervening Lien, together with a description thereof and a copy of the instrument creating or evidencing the Intervening Lien, to submit written objections thereto, or be deemed to have accepted that matter as a Permitted Exception in the manner set forth below:

4.3 Cure by Seller.

4.3.1 Seller’s Notice. If any objections are so made to the title of the Property, Seller shall be allowed sixty (60) days after the making of such objections (“**Cure Period**”) to cure said objections and make the title to the Property marketable. Seller agrees to use reasonable good faith efforts to correct title defects during the Cure Period. If, after reasonable good faith efforts, said title is not marketable and is not made so within the Cure Period as above provided, Buyer shall have the following options, to be exercised in writing delivered to Seller within ten (10) business days after the expiration of the Cure Period:

4.3.1.1 Buyer shall have the right to terminate this Agreement by written notice to Seller, in which event Buyer shall be entitled to a return of the Earnest Money and thereafter neither party shall have any further rights or obligations hereunder; or

4.3.1.2 Waive the Buyer’s objection(s) to the exception to title and proceed to close the transaction contemplated by this Agreement. The title exceptions which are approved or waived by Buyer hereunder shall be referred to as the “**Permitted Exceptions.**”

4.4 Geotechnical and Phase One Environmental Reports. Within five (5) days of the Execution Date, Seller shall deliver to Buyer a complete and legible copy of its most current geotechnical reports, environmental reports, maps and surveys involving the Property. Promptly after the Execution Date, Buyer, at Buyer’s sole cost and expense shall order a Phase One Environmental Report (“**Phase One**”) and certified to Seller, Buyer and Buyer’s lender. Buyer’s obligation to purchase the Property is contingent upon Buyer determining, in Buyer’s sole discretion, that the environmental and other physical condition of the Property is acceptable to Buyer. Buyer shall have fifteen (15) days from Buyer’s receipt of the Phase One to notify Seller in writing, that the Property is unacceptable and to terminate this Agreement, in which event Buyer shall be entitled to a return of the Earnest Money, including any interest earned thereon. Failure of Buyer to submit such notice within such period shall be deemed approval by Buyer of the environmental and other physical condition of the Property.

4.5 Commission Board Approval. Seller’s obligation to sell and transfer the Property to Buyer is specifically contingent upon Seller obtaining approval of the North Mankato Port Authority Commission prior to the Closing Date.

4.6 No Governmental or Other Proceeding or Litigation. No order of any court or administrative agency shall be in effect which restrains or prohibits any transaction

contemplated hereby or which would limit or affect Buyer's ownership of the Property and no suit, action, investigation, inquiry or proceeding by any governmental body or other person or entity shall be pending or threatened against by Buyer of the Property, which challenges the validity or legality, or seeks to retrain the consummation of the transactions contemplated hereby.

4.7 Closing Documentation. Buyer shall have received such additional documentation at the Closing as Buyer, its counsel or its Lender, may reasonably require to evidence compliance by Seller with all of its obligations hereunder.

5. PRORATION OF EXPENSES.

5.1 Real Estate Taxes and Special Assessments. Seller warrants that real estate taxes due and payable in 2016, and in all prior years, have been paid in full. At Closing, Seller shall pay all taxes due and payable in the year 2017, including any special assessments, levied or pending. Buyer shall pay all real estate taxes due and payable in 2018 and thereafter. Seller makes no representation or warranty whatsoever concerning the amount of real estate taxes which shall be assessed against the Property subsequent to the date of purchase.

5.2 Recording Costs and Fees and closer's Fees. Seller shall pay the costs of recording all documents necessary to place record title to the Property in the condition warranted by Seller in this Agreement. Seller will pay the deed tax, if any and recording fees relating to the Warranty Deed described in paragraph 7.1 below. Buyer will pay the mortgage registration tax and the recording fees relating to the Mortgage. The parties agree to each pay one-half (1/2) of the closer's fees.

5.3 Broker Representation. Rosie Brunmeier, the agent, stipulates that she is representing Seller in this transaction. The delivery of all papers and monies shall be made at the office of: Coldwell Banker Commercial Fisher Group, 1961 Premier Drive, Suite 404, Mankato, MN 56001.

6. SELLER'S WARRANTIES AND REPRESENTATIONS. Seller makes the following representations and warranties to Buyer with the intention that Buyer may rely upon the same and Seller acknowledges that the same shall be true on the Execution Date and as of the Closing Date (as if made at the closing) and shall survive the closing of this transaction and shall not merge in any document signed and delivered at closing:

6.1 Title to Property. Seller represents and warrants that as of the Closing Date, the Property will be transferred to Buyer free and clear of all liens or encumbrances, except the following with respect to the Property:

6.1.1 Building, zoning and platting laws, ordinances and state and federal regulations;

6.1.2 Utility and road easements which do not restrict the intended use of the Property; and

6.1.3 The lien of current real estate taxes not yet due and payable.

6.2 Litigation Adverse Claims and Related Matters. There is no pending or threatened litigation, nor, to Seller's knowledge, any claim which may lead to a threat of litigation, proceeding, or investigation, including any environmental, building or safety investigation, relating to any material aspect of the Property, nor is Seller subject to any existing judgment, order or decree which would prevent, impede, or make illegal the consummation of the transactions contemplated in this Agreement.

6.2 Real Estate Covenants. Seller represents and covenants:

6.3.1 that there has been no labor or materials furnished to the Property for which payment has not been paid;

6.3.2 that there are no unrecorded mortgages, contracts, purchase agreements, options, leases, easements or other agreements or interest relating to the Property.

6.3.3 that there are no encroachments or boundary line questions affecting this Property;

6.3.4 that Seller has not received notice of any new public improvement project (s), the cost of which a governmental entity may assess against the Property;

6.3.5 that city sewer and water are available to the Property;

6.3.6 that there are no wells on the Property within the meaning of Minn. Stat. § 103I.235. This warranty is given pursuant to Minn. Stat. § 103I.235;

6.3.7 that there are no underground tanks on the Property, nor are there any transformers or capacitors in use or stored upon the Property which contain PCBs and no condition exists, and no activity has ever been conducted at the Property and, to the best of Seller's knowledge, at any adjoining properties, which has given rise to, or may give rise to, any liability whatsoever, including but not limited to any obligation to provide cleanup or other remediation services, under any applicable federal, state or local environmental protection or similar law, whether statutory or common law, including but not limited to the Comprehensive Environmental Response, Compensation and Liability Act, the Superfund Amendment and Reauthorization Act, the Resource Conservation Recovery Act, the Federal Water Pollution Control Act, the Clean Water Act and any and all other applicable federal, state and local statutes, laws, regulations, ordinances, rules or other governmental restrictions regulating, relating to or imposing liability (including strict liability) or other standards of conduct in regard to the environment or to emissions, discharges, releases or the presence of pollutants, contaminants, oils, petroleum or petroleum products, asbestos, lead paint, chemicals or other industrial, toxic or hazardous substances or wastes into the environment, including, without limitation, ambient air, surface water, ground water or land, or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of pollutants, contaminants, oils, petroleum or petroleum products, asbestos, lead paint, chemicals or other industrial, toxic or hazardous substances or wastes or the cleanup or other remediation thereof (collectively referred to as an "**Environmental Condition**"). Seller hereby agrees to indemnify, protect, defend and hold Buyer (including its respective managers, governors, members, employees, agents, successors and assigns) harmless in respect of all damages, losses, costs and expenses (including reasonable attorneys' fees) which Buyer may suffer or incur in connection with any Environmental Condition at, or under or about the Property, which

Environmental Condition was created or arose at any time during or prior to the period of Seller's ownership or possession of the Property.

6.3 FIRPTA. Seller is not a "foreign person", or a "foreign Partnership", "foreign trust" or "foreign estate" as those terms are defined in Section 1445 of the Internal Revenue Code.

6.4 Binding Obligation. This Agreement constitutes the legal, valid and binding obligation of Seller in accordance with the terms hereof. Seller has all requisite power and authority, to execute, perform, carry out the provisions of and consummate the transactions contemplated in this Agreement.

6.5 Good Standing. Seller is a Municipal Corporation duly organized, validly existing and in good standing under the laws of the State of Minnesota, has all requisite power and authority, corporate and otherwise and to own its properties and assets.

7. SELLER'S CLOSING DOCUMENTS. On the Closing Date, Seller shall execute and/or deliver to Buyer the following:

7.1 Warranty Deed and Certificate of Real Estate Value. A Warranty Deed and Certificate of Real Estate Value in form reasonably satisfactory to Buyer conveying the Property to Buyer, free and clear of all encumbrances.

7.2 Seller's Affidavit. An Affidavit by 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 skill, labor or material furnished to the Property for which payment has not been made or for which mechanic's liens could be filed; and that there are no other unrecorded interests in Property.

7.3 FIRPTA Affidavit. A non-foreign affidavit, properly executed and in recordable form containing such information as is required by IRC Section 1445 (b) (2) and its regulations.

7.4 Well Disclosure Statement. Statement that there are no wells on the Property within the meaning of Minn. Stat. § 1031.235. This warranty is given pursuant to Minn. Stat. § 1031.235.

7.5 Additional Documents. Such other documents as Buyer may reasonably request to carry out the transactions contemplated under this Agreement.

8. DEVELOPMENT CRITERIA. The parties acknowledge and the Buyer agrees that the following criteria will be followed for any and all developments on the Property. The parties specifically agree and intend that the rights and obligations in this Section 8 of this Real Estate Purchase Agreement will survive closing, will not merge with the deed, and will remain valid and enforceable between the parties.

8.1 that the building shall not be less than 10,000 square feet in size.

8.2 that the building will be constructed of tip-up concrete panels or other masonry materials.

- 8.3** that Buyer will provide a scaled site plan from a licensed Civil Engineer and architectural drawings by a licensed Architect.
- 8.4** that all parking lot areas will be hard surfaced and included concrete B-design curb and gutter.
- 8.5** that a storm water retention pond is required for the project and must be designed and sized by a licensed Civil Engineer.
- 8.6** that Buyer will present a landscaping plan to the City of North Mankato for approval.
- 8.7** that Buyer will present a lighting and signage plan for City of North Mankato approval.
- 8.8** that the Buyer begin construction of the building by June 1, 2018.
- 8.9** that the buyer will be responsible for the maintenance of the property while undeveloped.

9. MISCELLANEOUS PROVISIONS.

- 9.1 Entire Agreement, Modification and Waiver.** This Agreement constitutes the entire agreement between the parties pertaining to the subject matter hereof and supersedes all prior and contemporaneous agreements and understandings of the parties, and there are no warranties, representations or other agreements between the parties in connection with the subject matter hereof, except as to specifically set forth in this Agreement. No supplement, modification or waiver of this Agreement shall be binding unless it is executed in writing by the party to be bound thereby. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any provisions whether or not similar, nor shall such waiver constitute a continuing waiver.
- 9.2 Parties Bound.** This Agreement shall bind the parties hereto, their legal representatives, successors or assigns.
- 9.3 Assignment.** This Agreement binds and benefits the parties and their successors and assigns. Buyer may assign any or all of his rights under this Agreement with the written consent of Seller, which consent may not be withheld. In the event of any assignment, the assignee shall assume responsibility, jointly and severally with Buyer, for all obligations and liabilities of Buyer under this Agreement. Upon request of Seller, the assignee shall execute an agreement in form and substance satisfactory to Seller, pursuant to which such assignee shall confirm such assumption and shall affirm in writing all representations, covenants, warranties and indemnities of Buyer under this Agreement.
- 9.4 Minnesota Law to Govern.** This Agreement shall be construed and interpreted in accordance with the laws of the State of Minnesota.
- 9.5 Possession.** Possession of the Property shall be delivered by Seller to Buyer on the Closing Date.
- 9.6 Representations and Indemnification.** The obligation of Buyer to consummate this sale is also contingent upon the representations and warranties of Seller contained in this Agreement being true and accurate at and as of the Closing Date, as if made on the Closing Date. Seller shall indemnify and hold Buyer harmless at all times from and after the date of this Agreement against and in respect of all damages, losses, costs and expenses (including reasonable

SELLER:

North Mankato Port Authority Commission
A Minnesota Municipal Corporation

By: _____

It's: _____

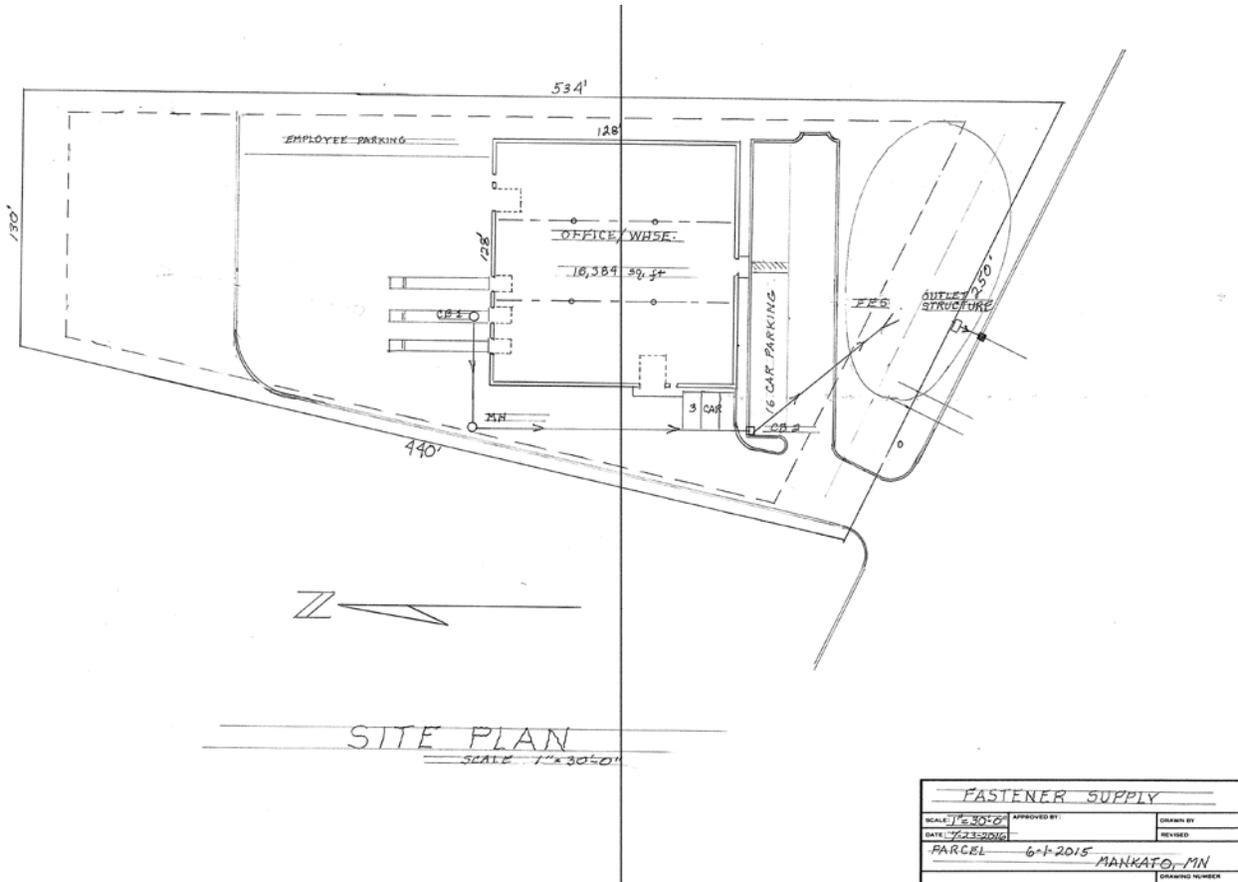
BUYER:

By: _____

Loren I. O'Brien

EXHIBIT A

(Note: The precise legal description of Property is to be confirmed by the Title Evidence after completion of the Replat. It is the intent of the parties that the Property equal approximately two (2) acres and consists of the real property owned by Seller generally described as Part of Outlot A, Northport No. 17 to be replatted as Lot 1, Block 1 Northport No. 19



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 6:30 p.m. on Monday, October 17, 2016, to consider the sale of real estate described as 514 Webster Avenue to Appel Holdings, LLC. Such persons as desire to be heard with reference to the proposed sale of real estate will be heard at this meeting. Written or oral statements will be considered.

Dated this 3rd day of October 2016.

BY ORDER OF THE NORTH MANKATO
PORT AUTHORITY

By: /s/ April Van Genderen
Secretary

LAND PURCHASE AGREEMENT

This agreement is made this ___ day of ____, 2016, by and between the North Mankato Port Authority Commission, a Minnesota Municipal Corporation (“Seller”) and Appel Holdings, LLC (“Purchaser”).

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

1. Purchase of Land. Seller hereby agrees to sell Purchaser and Purchaser hereby agrees to buy from Seller, on the terms and conditions set forth herein, certain real property as described in Exhibit A and Exhibit B (the “Land”) and shown in Exhibit C. The parcel contains 13,800 square feet more or less. The Land is vacant. No personal property is included in the sale.
2. Purchase Price. The purchase price (“Purchase Price”) for the Land is \$20,000, which is calculated as follows:
 - a. The purchase price is \$20,000 or approximately \$1.45 per square foot for the Land described in Exhibit A and Exhibit B. Said property contains 13,800 square feet more or less, subject to any and all easements of record.
3. Payment for Property. The Purchase Price will be payable as follows: \$1,000 by Purchaser’s check upon execution of this Purchase Agreement (the “Earnest Money”) and the balance in cash or immediately available funds at Closing.
4. Marketable Title. In exchange for the Purchase Price, the Seller agrees to execute and deliver Warranty Deeds conveying marketable title to the Land to Purchaser.
5. Documents to be Delivered by Seller. Within forty-five (45) days after the date hereof, Seller shall, as a condition precedent to Purchaser’s obligation to proceed with the Closing, deliver to the Purchaser the following:
 - a. The Abstracts of Title or Copy of Current Certificate of Titles.
 - b. Copies of all surveys and any maps of tile locations that may exist for the property.
6. Inspection. At Purchaser’s expense, its agent and designees, are hereby granted the right at any time or times after the date hereof to enter upon and to inspect, analyze, survey, and test the Land. Purchaser shall hold Seller harmless for any liability resulting solely from the entering upon the Land or performing of any of the tests or inspections referred to in this paragraph by Purchaser, its agents or designees; however, nothing herein shall impose liability on Purchaser for or require Purchaser to hold Seller harmless for any liability for, any environmental remediation which, based on Purchasers tests or inspections, may be required under applicable laws or regulations
7. Additional Covenants and Warranties of the Seller. Seller covenants and warrants to Purchaser as follows:
 - a. Seller has title to the Land described in Exhibit A and Exhibit B.
 - b. There are, and on the Closing Date there will be, no tenants, persons or entities occupying or having a right to occupy the Land or any part thereof.

- c. At Closing, no contracts or agreements shall be in effect with respect to the Land by which Purchaser shall be bound.
- d. Seller has received no notice, order, or other communication from any governmental body having jurisdiction over the Land requiring any improvement to or alteration of the Land. If it receives any such notice, order or other communications, Seller shall notify Purchaser promptly in writing and shall include with its notice to Purchaser a copy of the notice, order or communication received by Seller.
- e. There is no action, litigation, investigation, condemnation or proceedings of any kind pending or threatened against Seller or the Land which would affect the Land, any portions thereof or title thereto and Seller has not knowledge of any reasonable basis for the commencement of any such action, litigation, investigation, condemnation or proceeding. Seller shall give Purchaser prompt written notice if any such action, litigation, investigation, condemnation, or proceeding is commences or threatened on or prior to the Closing Date.
- f. Seller has not engaged in prior to the Closing Date and will not engage in the business of generating, transporting, storing, treating or disposing of asbestos, PCBs, petroleum products or other toxic or hazardous substances, hazardous waste, pollutants or contaminants, including, but not limited to, substances designated as hazardous substances, hazardous waste, pollutants or contaminants in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. Section 9601 et seq., in the so-called "Minnesota Superfund Bill", Minnesota Statutes Chapter 115B, or in other applicable laws, ordinances, rules or regulations (all of the foregoing are herein collectively referred to as "Hazardous Substances") on the Land; the Land has not been used for storing or disposal of Hazardous Substances during or prior to the period that Seller has been an owner of the Land; the Land nor any of its various components contains, is composed of, or emits any Hazardous Substance. There are no underground storage tanks, or septic systems, located on the Land and there are not wells (as the term "wells" is defined in Minnesota Statutes Chapter 10311) located on the Land, whether in use, not in use or sealed.

8. Closing: Closing Date. The date of closing will be on or before _____, 2016 (the "Closing Date"). The closing shall take place at the office of the Seller, 1001 Belgrade Avenue, North Mankato, MN 56003. The closing shall be conducted by : To be determined (the "Title Company"). The date, time or place of closing or all of them may be changed by mutual agreement of the parties. At the Closing, Seller shall deliver to Purchaser:

- a. Warranty Deeds to be properly executed on behalf of Seller in recordable form with all applicable transfer taxes paid conveying the Land to Purchaser and warranting title thereto subject to no exceptions except those which Purchaser has expressly agreed to and accepted.
- b. All certificates, instruments, and other document necessary to permit the recording of the Warranty Deeds.
- c. A Standard Seller's Affidavit with respect to judgments, bankruptcies, tax liens, mechanics' liens, parties in possession, unrecorded interest, encroachment or boundary line questions and related matters, properly executed on behalf of Seller.

North Mankato, MN 56003
ATTN: Executive Vice President

If to Purchaser: Randall J. and Patricia D. Appel
520 Webster Avenue
North Mankato, MN 56003

16. Default/Remedies. Should Purchaser default in the performance of its obligations to purchase hereunder, Seller may, at its sole remedy cancel and terminate this Agreement. Should Seller default in the performance of its obligations hereunder, Purchaser shall have and may pursue all rights and remedies available to Purchaser hereunder, at law or inequity, or otherwise, but limited to, damages and specific performance.

17. Complete Agreement. This is a final Agreement between the Parties and contains the entire Agreement between Seller and Purchase and superseded any other written or oral agreement between the parties related to the Land. This Agreement can be modified only in written form properly signed on behalf of the Seller and Purchaser.

18. Time of the Essence. Time is of the essence in the performance of this Agreement.

19. Governing Law. This Agreement is made and entered into under the laws of Minnesota, and Minnesota law shall govern its construction and enforcement.

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

_____, _____
By: _____
Its: _____

NORTH MANKATO PORT AUTHORITY

By: _____
Its: _____

EXHIBIT A

Commencing at the Southeast corner of Block 32, Wendel Hodapp's Addition to the City of North Mankato, Minnesota, thence North along the East line of said Block a distance of 172 feet; thence West parallel with the South line of said Block, 140 feet to the point of beginning, thence South parallel with the East line of said Block 85 feet; thence West parallel with the South line of said Block 50 feet, thence North parallel with the East line of said Block 70 feet; thence West parallel with the South line of said Block 10 feet; thence North parallel with the East line of said Block 15 feet; thence East parallel with the South line of said Block 60 feet; to the point of beginning, said tract being in the County of Nicollet and State of Minnesota.

EXHIBIT B

Commencing at a point on the South line of Block 32, Wendel Hodapp's Addition to the City of North Mankato, Minnesota, 100.00 feet West of the Southeast corner of said Block 32; thence West, along the South line of said Block 32, 100.00 feet; thence North, parallel to the East line of said Block 32, 87.00 feet; thence East, parallel to the South line of said Block 32, 100.00 feet; thence South parallel to the East line of said Block 32, 87.00 feet to the place of beginning.