AGENDA
ECONOMIC DEVELOPMENT AUTHORITY
REGULAR MEETING
CITY OF WYOMING, MINNESOTA
AUGUST 2, 2021
5:30 PM

CALL TO ORDER:

CALL OF ROLL:

DETERMINATION OF A QUORUM:

PLEDGE OF ALLEGIANCE:

OPEN FORUM:
"An opportunity for members of the public to address the City Council on items on/or not on the current agenda. Items requiring Council action maybe deferred to staff or Boards and Commissions for research and future Council Agendas if appropriate. You will be limited to three (3) minutes and we ask that you conduct yourself in a professional, courteous manner, and refrain from the use of profanity. Failure to abide by this policy may result in the loss of your privilege to speak".

SCHEDULED PUBLIC HEARINGS:

1. To consider a Purchase Agreement between the City of Wyoming EDA/Chisago County HRA/EDA and Hallberg, Inc. for a land parcel located at Forest Blvd. and I-35 in Wyoming, MN Property PID #21.00006.00

COUNCIL REPORTS:

ADJOURN

REAL ESTATE PURCHASE AGREEMENT

THIS REAL ESTATE PURCHASE AGREEMENT ("Agreement") is effective July __, 2021, (the "Effective Date"), by and between Chisago County Housing and Redevelopment Authority/Economic Development Authority, a political subdivision under the laws and constitution of the State of Minnesota (the "County Authority"), and the City of Wyoming, a political subdivision under the laws and constitution of the State of Minnesota (the "City Authority"), (collectively the "Seller"), and Hallberg, Inc., a Minnesota corporation ("Buyer"), collectively the "Parties."

RECITALS

WHEREAS, Seller owns approximately 14.81 acres of real property located in the City of Wyoming, Chisago County, Minnesota located at Forest Boulevard and I-35 as more specifically defined in Section 1; and

WHEREAS, Buyer desires to purchase and Seller desires to sell all of said property in accordance with the terms and conditions set forth in this Agreement.

NOW, THEREFORE, FOR AND IN CONSIDERATION OF THE MUTUAL PROMISES SET FORTH HEREIN AND OTHER GOOD AND VALUABLE CONSIDERATION, THE RECEIPT AND SUFFICIENCY OF WHICH ARE HEREBY ACKNOWLEDGED, THE PARTIES HERETO AGREE AS FOLLOWS:

1. PROPERTY

Seller hereby agrees to sell and convey to Buyer, and Buyer hereby agrees to purchase from Seller, upon the terms and conditions set forth in this Agreement, (i) that certain parcel of real estate legally described on **Exhibit A** attached hereto and made a part hereof (the "Land"); (ii) all buildings, structures, improvements and fixtures now located on thereon, if any (the "Improvements" and, together with the Land, the "Real Property"); (iii) all rights, privileges, servitudes, easements and appurtenances thereto (the "Rights");and (and, together with the Real Property and the Rights, the "Property"). The Property shall be deemed to include the interests of Seller in strips or gores between the Property and abutting lands, any land lying in or under the bed of any street, alley, road or right-of-way open or proposed, abutting or adjacent to the Property, and any and all easements, rights-of-way or other appurtenances of any kind or nature which in any manner serve the Property. In the event a newly obtained survey results in a different legal description, the legal description on the survey shall govern the legal description of the Property, provided the Title Company agrees to insure same.

2.
PURCHASE PRICE

2.1 Buyer shall pay to Seller, as consideration for the purchase of the Property, the sum of Five Hundred Thousand and No/100 US Dollars ($500,000.00) (the "Purchase Price"), as the same may be adjusted as provided below:

(a) Earnest Money. Within Three (3) business days after the execution and delivery of this Agreement, Buyer shall deposit with Land Title, Inc. 2200 W. County Road C, Suite 2205, Roseville, MN 55113, or such other title company as mutually agreed upon by the parties ("Title Insurer") and ("Escrow Agent"), the sum of Twenty Thousand and No/100 Dollars ($20,000.00) in a non-interest bearing account ("Initial Earnest Money"). The Escrow Agent shall hold the Earnest Money in escrow in accordance with the terms and conditions set forth in this Agreement. The Earnest Money shall be released to Seller and credited against the Purchase Price paid at Closing unless otherwise distributed in accordance with the Agreement.

(b) Purchase Price. On the Closing Date, Buyer shall pay to Seller the balance of the Purchase Price, after crediting the Earnest Money, in certified funds or via wire transfer of immediately available funds to an account designated by Seller.

3.
CONTINGENCIES

3.1 Buyer's Contingencies. Buyer's obligations under this Agreement are expressly contingent upon the Buyer's satisfaction of each of the following contingencies prior to the Closing Date:

(a) Title. Buyer's review and approval of title to the Property in accordance with **Section 6**.

(b) Document Inspection. Buyer's review and approval in of the Seller Documents provided to Buyer by Seller in accordance with **Section 4.1**.

(c) Physical Inspection. Buyer's review and approval of the physical and environmental condition of the Property in accordance with **Section 4.2**.

(d) Approval of Use. Buyer obtaining at its sole cost and expense on or before Closing all governmental approvals required for Buyer's purchase of the Property as described herein and for Buyer's intended use and necessary development of the Property to achieve such use.

3.2 Seller's Contingencies. Seller's obligation to perform the transaction contemplated by this Agreement are expressly made contingent upon each of the County Authority and the City

Authority duly approved the sale of the Property and the matters otherwise provided herein and that such notices and public hearings are required by applicable law and this Agreement and the matters contemplated by this Agreement are duly approved, as necessary by the City Council of the City and/or the Chisago County HRA-EDA Board of Directors.

3.3 Development Agreement. The parties acknowledge and agree that the Closing contemplated by this transaction is contingent upon Buyer entering into a written development agreement with the City of Wyoming relating to requirements and restricts regarding the use and development of the Property ("Development Agreement"), which Development Agreement shall be recorded against the Property at Closing. Buyer and the City of Wyoming shall agree to the terms of the Development Agreement prior to expiration of the Review Period as defined in Article IV.

3.4 Failure to Close. If the sale of the Property fails to close based upon the failure to satisfy any of the Contingencies as enumerated herein, the Earnest Money shall promptly be returned to Buyer upon demand provided that, upon Seller's written request, all due diligence obtained by Buyer with respect to this Agreement shall be provided to Seller. If the sale of the Property fails to close based upon a breach of this Agreement by Buyer beyond all applicable notice and cure periods, the Earnest Money shall be paid to the Seller in accordance with Section 14.1 of this Agreement.

4.
REVIEW PERIOD

4.1 Within seven (7) days following the execution the Agreement, Seller shall deliver to Buyer, for Buyer's review and analysis, complete copies of each of the following documents in Seller's actual possession (collectively "Seller's Documents"):

(a) Real estate tax and assessments statements for the Property for the current tax year.
(b) Any plans and drawings.
(c) Any certificates of occupancy.
(d) Any environmental reports (including any Phase I or Phase II reports, inspection reports, audits, compliance documentation, permits, closure letters, no-action letters, no-association letters, and other environmental documents and records) pertaining to the Property or any activities or operations of Seller on the Property.
(e) Any surveys, legal descriptions and title insurance policies relating to the Property.
(f) Any and all leases, contracts, agreements and associated communications.
(g) Evidence of zoning and other governmental approvals, and availability of utilities.

4.2 Buyer shall have forty-five (45) days following the Effective Date of this Agreement ("Review Period") to review the Seller Documents and to inspect the physical and environmental condition of the Property (the "Inspections"). The Inspections may include but need not be limited to, performing a Phase I Environmental Site Assessment and, if necessary and only upon written consent from Seller which may be withheld in Seller's sole discretion, a Phase II Environmental Site Assessment, and an engineering assessment of the condition of the Property. In this regard, Buyer and its designated agents may enter upon the Property for the purpose of the Inspections; provided, however, that: (a) the Inspections shall be arranged with Seller so as to minimize interruption or disturbance to Seller; (b) Buyer shall repair any damage to the Property occurring as a result of the Inspections; and (c) prior to the Inspections, Buyer shall furnish or shall cause each designated agent to furnish to Seller a certificate of commercial general liability and property damage insurance. Upon Seller's written request, Buyer will promptly provide a copy of the Phase I and any subsequent Phase II, to the Seller upon completion.

4.3 In the event that Buyer determines that the physical or environmental condition of the Property is unacceptable to Buyer for any reason, Buyer shall give Seller written notice of such fact as soon as possible and in any event on or before the expiration of the Review Period. If any such unacceptable physical or environmental condition can be corrected by the mutual agreement of Seller and Buyer (without any obligation on the part of either Seller or Buyer to so agree), then this Agreement shall be amended and extended as appropriate on or before the end of the Review Period. In the event Seller and Buyer are unable to so agree, Buyer may, at Buyer's sole option, terminate this Agreement by written notice to Seller, and the Earnest Money shall be refunded to Buyer.

4.4 Buyer shall have the unconditional right, for any reason or no reason, to terminate this Agreement by giving written notice thereof to Seller prior to the expiration of the Review Period, in which event this Agreement shall become null and void, Buyer shall receive a refund of the Earnest Money without any further action or approval from Seller, and all rights, liabilities and obligations of the parties under this Agreement shall expire, except as otherwise set forth herein. Buyer's preserving this Agreement at the end of the Review Period in effect shall be deemed an approval of the condition of the Property, subject to the terms and conditions set forth herein.

5.
SURVEY

Within seven (7) days following the Effective Date, Buyer, at its sole cost and expense, may order and obtain a current ALTA survey of the Property ("Survey").

6.
TITLE INSURANCE COMMITMENT

Within seven (7) days following the Effective Date, Seller shall deliver to Buyer a current commitment for an owner's policy of title insurance and copies of documents affecting title ("Title Commitment") issued by a title company, as mutually agreed upon by the parties (the

“Title Company”) showing title to the Property in the Seller, subject to the conditions and stipulations and general exceptions contained therein. If Schedule B of the Title Commitment, or the Survey, if any, disclose matters other than Permitted Exceptions (as hereinafter defined) that are unacceptable to Buyer, Buyer shall promptly, but in no event later than fifteen (15) days following receipt of the Title Commitment and Survey, notify Seller of such unacceptable matters (the “Unpermitted Exceptions”). If Buyer does not so notify Seller within such time period, all matters disclosed by the Survey, if any, and the title exceptions appearing in Schedule B of the Title Commitment, shall be deemed "Permitted Exceptions," Seller shall have thirty (30) days following receipt of Buyer's notice to have the Unpermitted Exceptions removed or to have the Title Company commit to insure against loss or damage that may be occasioned by the Unpermitted Exceptions. If Seller does not remove or secure a bond satisfactory to the Title Company for removal of the Unpermitted Exceptions, or in the alternative, obtain the commitment for title insurance specified above as to the Unpermitted Exceptions, within the specified time, Buyer may elect, upon notice to Seller given no later than at the Closing, to take title as it then is, in which event all title exceptions appearing in Schedule B of the Title Commitment and not removed by Seller shall be deemed Permitted Exceptions. However, any Monetary Encumbrances shall be paid from the Purchase Price at Closing. If Buyer does not so elect, this Agreement shall terminate and the Earnest Money shall be refunded to Buyer. If Buyer requires any additional title endorsements, Seller agrees to reasonably cooperate with Buyer to obtain the same, provided such endorsements shall be at Buyer’s sole cost and expense, Buyer’s obligations hereunder to proceed with Closing shall not be conditioned upon the availability of any such endorsements and Seller shall not be obligated to furnish any indemnifications, undertakings or guaranties in connection with any such endorsements.

7.
TITLE

7.1 At the Closing, Seller shall convey good and indefeasible fee simple title to the Property to Buyer or Buyer's nominee by the Warranty Deed, free and clear of any and all deeds of trust, mortgages or other liens or indebtedness, encumbrances, conditions, easements, rights-of-way, assessments and restrictions, except for the following (collectively, "Permitted Exceptions"):

(a) General real estate taxes for the year in which Closing occurs and subsequent years;

(b) All easements, restrictions, rights-of-way, covenants, reservations, contracts, leases, tenancies, licenses, conditions and other matters affecting all or any portion of the Property which do not interfere with Buyer's intended use of the Property including but not limited to those encumbrances provided in Exhibit B attached hereto (the Allowable Encumbrances”);

(c) All building restrictions and zoning regulations now or hereafter in effect, to the extent adopted by any municipal or other public authority and relating to all or any portion of the Property;

(d) All other Permitted Exceptions as that term is defined in **Section 6** of this Agreement.

At the Closing, Buyer shall procure an owner's policy of title insurance (the "Owner's Policy") from the Title Company pursuant to the Title Commitment.

8.
OTHER COVENANTS AND AGREEMENTS

8.1 No Liens or Encumbrances. Seller agrees that it will not create, suffer or permit to be created, and that it will promptly remove or discharge, any liens or encumbrances against the Property arising subsequent to the date of this Agreement.

8.2 Legal Requirements. Seller will, prior to the closing of title, promptly (a) comply with, and cure any violations of, all legal requirements relating to the Property; (b) comply with all instruments of record affecting the Property in accordance with the provisions thereof and within the time period permitted thereby; and (c) comply with all requirements of any insurance company insuring the Property.

8.3 Maintenance of Property. Seller will cause the Property to be maintained in substantially the same condition as now maintained and will operate the Property in substantially the same manner as it has heretofore operated the same; will not enter into any construction, management, maintenance or service contracts which might become the obligation of Buyer; and will promptly inform Buyer in writing of any material event adversely affecting the ownership, use, occupancy, operation or maintenance of the Property, whether or not insured against.

9.
CLOSING

9.1 The purchase and sale of the Property ("Closing") shall be held through an escrow closing with the Title Company serving as the closing agent, unless otherwise agreed by the Parties, on or before August 20, 2021, or at such other time and date as mutually agreed by the parties.

9.2 At the Closing, Seller shall execute and deliver the Buyer the following:

(a) Recordable Warranty Deed conveying to Buyer the Property to Buyer, free of all encumbrances or defects except those Permitted Exceptions.

(b) All documentation required by Section 1445 of the Internal Revenue Code.

(c) The Owner’s Policy, or a suitably marked up Title Commitment initialed by the Title Company obligating the Title Company to issue the Title Policy to Buyer, in the form required by this Agreement and as approved by Buyer.

(d) A bring-down Certificate, stating that the representations and warranties contained herein are true and correct as of the Closing Date.

(e) Evidence of Seller's power and authority to enter into and perform this Agreement, and due authorization of those Seller's Closing Documents signed by Seller.

(f) A Seller's Affidavit 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 mechanics' liens could be filed; and that there are no other unrecorded interests in the Property, together with any standard owner's affidavit and/or indemnity which may be reasonably required by Title Company to issue the Title Policy.

(g) All such further documents as may be reasonably determined by the Title Company Buyer to be necessary to transfer the Property to Buyer as provided herein.

(h) A Gap Endorsement providing title coverage between the issuance of the title commitment and the recording of the Warranty Deed.

9.3 At Closing, Buyer shall execute and deliver to Seller all such further documents as may be reasonably necessary in order to complete all conveyances, transfers, sales and assignments herein provided, including:

(a) The Purchase Price, subject to the prorations or adjustments set forth in this Agreement, evidenced by the Warranty Deed executed by Seller.

(b) The Development Agreement.

(c) Such evidence as Sellers's counsel or the Title Company may reasonably require as to the authority of the persons executing documents on behalf of Buyer. Organizational documents of Buyer together with a resolution approving transaction and designating signers;

(d) Such documents as may be reasonably necessary in order to complete all conveyances, transfers, sales and assignment herein provided.

9.4 Seller and Buyer shall jointly prepare and execute a closing statement containing agreed upon prorations and closing figures.

9.5 The acceptance of the deed by Buyer shall be deemed to be full performance and discharge of every agreement and obligation on the part of Seller hereunder, except those arising under separate agreement and those which are herein specifically stated to survive the delivery of the deed or which are specifically stated in any other closing document to survive the delivery thereof.

9.6 Possession of the Property shall be delivered by Seller to Buyer at the Closing, subject to the Permitted Exceptions.

10.
PRORATIONS

Real Estate Taxes and installments of special assessments for the current year, as well as all other items of income and expense, if any, shall be prorated as of the date of closing.

11
CLOSING COSTS

11.1 Seller Costs. Seller shall pay the cost of preparing the title insurance commitment, all pending assessments, and any cost necessary for releasing Seller's liens and encumbrances and recordation thereof.

11.2 Buyer Costs. Buyer shall pay all transfer and deed taxes, filing fees to record the deed to the Property in favor of Buyer, the cost of the Owner’s Policy of Title Insurance and any endorsements required by Buyer, Property inspection and application costs under the Review Period.

11.3 Escrow Fees. All escrow and other charges of the Title Company other than described hereinabove shall be shared equally between Seller and Buyer.

11.4 Additional Costs and Expenses. Buyer shall be responsible for payment of the Seller’s reasonable costs and expenses incurred in the drafting and negotiation of this Agreement.

12
CONDITIONS TO CLOSING

12.1 Buyer’s obligation to proceed to Closing under this Agreement is subject to the following conditions precedent:

a) Seller will have performed and satisfied each and all of Seller’s obligations under this Agreement;

b) Each and all of Seller’s representations and warranties set forth in this Agreement will be materially true and correct on the Closing Date;

c) There will be no material adverse change between the Effective Date and the Closing Date in the physical condition of the Property;

d) Seller will deliver title to Buyer in a condition that enables the Title Company to deliver the Owner’s Policy subject only to Permitted Exceptions.

12.2 In the event any of the foregoing conditions in Section 12.1 are not satisfied on the Closing Date, Buyer will have no obligation to proceed to Closing and, unless Buyer delivers written notice to Seller that Buyer has waived any unsatisfied condition and will proceed to Closing, this Agreement, upon notice from Buyer to Seller, will cease and terminate, and the Earnest Money will be returned and paid to Buyer. Notwithstanding the foregoing, nothing contained herein will waive or diminish any right or remedy Buyer may have for Seller's default or breach of this Agreement.

13
COMMISSIONS AND FEES

Buyer and Seller each hereby represent that, except for Dan Friedner with Newmark ("Buyer's Broker"), there are no other brokers involved or that have a right to proceeds in this transaction. Seller shall be responsible for payment of commissions to Buyer's Broker in the amount of 3.5% of the Purchase Price, which commissions shall be paid at the Closing. Seller and Buyer each hereby agree to indemnify and hold the other harmless from all loss, cost, damage or expense (including reasonable attorneys' fees at both trial and appellate levels) incurred by the other as a result of any claim arising out of the acts of the indemnifying party (or others on its behalf) for a commission, finder's fee or similar compensation made by any broker, finder or any party who claims to have dealt with such party (except that Buyer shall have no obligations hereunder with respect to any claim by Buyer's Broker or Seller's Broker). The representations, warranties and indemnity obligations contained in this section shall survive the Closing or the earlier termination of this Agreement.

14
REMEDIES

14.1 In the event Buyer fails to perform its obligations pursuant to this Agreement for any reason except failure by Seller to perform hereunder or the permitted termination hereof by Buyer or Seller in accordance with the express provisions of this Agreement, and such failure remains uncured for fifteen (15) days after written notice by Seller, Seller may either (i) waive the default by Buyer and proceed to Closing without adjustment to the Purchase Price, or (ii) have the right to terminate this Agreement and receive the Earnest Money and such payment shall constitute and be liquidated and agreed damages, whereupon the parties hereto shall be relieved of any further liability or obligation to each other, it being expressly understood that the receipt by Seller of such monies shall be the sole and exclusive right and remedy of Seller and constitutes a fair and reasonable amount for the damage sustained by Seller by reason of Buyer's breach of this Agreement. Seller hereby waives and releases any right to seek damages (direct or consequential) or specific performance against Buyer.

14.2 If Seller defaults under this Agreement or breaches any representation or warranty by Seller expressly set forth in this Agreement, Buyer will have the right to terminate this Agreement by giving fifteen (15) days' written notice of termination to Seller identifying the underlying default by Seller, after which, if such underlying default remains uncured, Buyer shall be entitled to (a) seek specific performance from Seller, or (b) terminate this Agreement by delivery of written notice to Seller, in which event Buyer shall be entitled to the return of the Earnest Money, (and thereafter neither party shall have any further rights or obligations regarding this Agreement other than the Surviving Obligations.

15
RISK OF LOSS

15.1 If improvements are located upon the Property, and in the event of "minor" loss or damage [being defined for the purpose of this Agreement as damage to the Property such that the Property could be repaired or restored, in the certified opinion of Seller's architect, to a condition (the "prior condition") substantially identical to that of the Property immediately prior to the event of damage at a cost equal to or less than $25,000.00, this Agreement shall remain in full force and effect provided Seller performs any necessary repairs prior to the Closing, or, at Seller's option, reduces the Purchase Price in an amount equal to the cost of such repairs in which event Seller shall retain all of Seller's right, title and interest to any claim and proceeds Seller may have with respect to any casualty insurance policies relating to the Property.

15.2 Upon the Closing, full risk of loss with respect to the Property shall pass to Buyer.

16
REPRESENTATIONS AND WARRANTIES

16.1 Seller's Representations and Warranties. Seller hereby acknowledges, warrants and represents that and as of the Closing Date:

a) To the best of Seller’s knowledge, as of the date hereof, no notice of violation has been issued and no proceedings commenced by any governmental authority or agency having jurisdiction thereover with regard to any applicable law, regulation, ordinance, requirement, covenant, condition or restriction affecting or relating to the present use or occupancy of the Property with which Seller has not substantially complied. Seller shall, at Seller's sole cost and expense, correct any such violations and bear all expenses, fines or related expenditures in connection therewith.

b) Each of the County Authority and the City Authority has the requisite power and authority to enter into and perform this Agreement. The person signing this Agreement and Seller’s closing documents on behalf of Seller is authorized to do so and this Agreement constitutes the legal, valid and binding obligation of Seller. Seller has been duly qualified to conduct business under the laws of the State of Minnesota.

c) To the best of Seller’s knowledge, there are no actions, suits, claims or proceedings pending or, threatened with respect to Seller’s use or occupancy of the Property.

d) Seller has forwarded to Buyer true and complete copies of all reports and investigations in its possession or under its control relating to the environmental condition of the Real Property and, except as set forth in such reports, to Seller's knowledge, (i) there have been and currently are no hazardous substances, as such term is defined in any federal, state or local statute, law, rule, regulation or order ("Hazardous Substances") on, in or beneath the Real Property, (ii) no landfill has ever been operated on the Real Property, (iii) no portion of the Real Property has been used to refine, produce, store, handle, transfer, process or transport any Hazardous Substances in violation of law, and (iv) there are no underground storage tanks on the Real Property and no underground storage tanks have been removed from the Real Property;

e) Seller has not received any notice of any pending condemnation of the Real Property or any portion thereof, or any change in any law, ordinance or regulation that would materially affect the Real Property or the use thereof;

f) To the best of Sellers' knowledge, Sellers are not aware of any wells, individual sewage treatment systems, or underground storage tanks, whether in use or abandoned, existing within or under the Property, that have been deemed to be sub-standard or failing, within the definition of any local or state permitting agency;

g) To the best of Sellers' knowledge (i) no hazardous substances are located on the Property, (ii) Sellers have received no notice from any governmental entity or private party that any hazardous substances are currently located on the Property in violation of any environmental law, and (iii) there has been no use, storage or release of any hazardous substances on the Property in violation of any environmental law.

h) To the best of Seller's knowledge, Seller has made available to Buyer copies of all documents required to be delivered hereunder which are in Seller's actual possession.

i) Seller is not a "foreign person," "foreign partnership," "foreign trust" or "foreign estate" as those terms are defined in Section 1445 of the Internal Revenue Code of 1986, as amended and the regulations promulgated thereto.

j) The information to be furnished by Seller on which the computation of prorations is based will be true, correct and complete in all material respects.

k) The Warranties made available to Buyer in this Agreement are complete and accurate and are in full force and effect in accordance with their respective terms.

Seller further represents and warrants that all representations and warranties recited in this Article 16 shall be true and correct on the date hereof and will be true as of the Closing Date.

16.2 Seller's Actual Knowledge. For purposes of this Article, the term "best of Seller's knowledge" or "Seller knows of" or words of similar import shall mean the actual (and not constructive) knowledge of Seller's signatory to this Agreement who is in a position to have knowledge of the matters and information covered by the representations and warranties herein contained, but without independent inquiry or investigation.

16.3 Binding Agreement. Seller is an individual and has the power and authority to enter into to this Agreement and bind Seller to its obligations under this Agreement.

17
INTENTIONALLY OMITTED

18
CONDEMNATION

If, at any time prior to the Closing, any action or proceeding is filed or threatened under which the Property, or any portion thereof, may be taken pursuant to any law, ordinance, or regulation, or by condemnation or the right of eminent domain, then at the option of Buyer (a) this Agreement shall terminate and be of no further force and effect and Buyer shall receive a return of the Earnest Money, or (b) this Agreement shall remain in full force and effect, and Seller, at the time of Closing, shall transfer and assign to Buyer all of Seller's right, title and interest in and to any proceeds received or which may be received by reason of such taking, or a sale in lieu thereof, said option to be exercised on or before the thirtieth (30th) day following the date on which Buyer receives written notice from Seller that such suit has been filed or is threatened. In the event that Buyer fails to exercise said option within said thirty (30) day period, then Buyer shall be deemed to have elected the alternative set forth in part (a) of this Article.

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TIME OF ESSENCE

Time is of the essence to both Seller and Buyer in the performance of this Agreement, including, but not limited to, the Closing Date set forth herein, and they have agreed that strict compliance by both of them is required as to any date set out herein.

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NOTICE

All notices, waivers, demands, requests or other communications required or permitted hereunder shall, unless otherwise expressly provided, be in writing and be deemed to have been properly given, served and received (a) if delivered by messenger, when delivered, (b) on the same day if sent by e-mail (with proof of transmission) (or, if such personal delivery or e-mail delivery are not on a business day, then on the next business day), or (c) if delivered by reputable overnight express courier, freight prepaid, the next business day after delivery to such courier, in every case addressed to the party to be notified as following:

If to Seller:	Chisago County HRA-EDA 38871 7th Ave P.O. Box 815 North Branch, MN 55056 Attn: Nancy Hoffman Email: nancy@chisagocounty.org
And	City of Wyoming EDA P.O. Box 188 Wyoming, MN 55092 Attn: Robb Linwood Email: rlinwood@wyomingmn.org
Copy to:	Eckberg Lammers, P.C. Attn: Thomas R. Loonan 430 Second Street Hudson, Wisconsin 54016 Email: tloonan@eckberglammers.com
If to Buyer:	Hallberg, Inc. P.O. Box 277 Wyoming, MN 55092 Attn: Austin Hallberg Email: austinhallberg@hallbergmarine.com

or to such other address(es) or addressee(s) as any party entitled to receive notice hereunder shall designate to the others in the manner provided herein for the service of notices. Rejection or refusal to accept or inability to deliver because of changed address or because no notice of changed address was given, shall be deemed receipt.

21
INTERPRETATION

This Agreement shall be interpreted and enforced under the laws of the State of Minnesota. The article headings are inserted for convenience only and are in no way intended to interpret, define or limit the scope or content of this Agreement or any provision hereof. If any party is made up of more than one person or entity, then all such persons and entities shall be included jointly and severally, even though the defined term for such party is used in the singular in this Agreement. If any right of approval or consent by a party is provided for in this Agreement, the party shall exercise the right promptly, in good faith and reasonably, unless this Agreement expressly gives such party the right to use its sole discretion. The term "Business Day" shall mean Monday through Friday excluding holidays recognized by the state government of the State in which the Property is located. If any time period under this Agreement ends on a day other than a Business Day, then the time period shall be extended until the next Business Day. If a time period under this Agreement is five (5) days or less, it shall mean five (5) Business Days. The validity of this Agreement between Seller and Buyer shall not be affected by whether or not Escrow Agent has signed this Agreement or any amendments hereto, all of which must be in writing; provided, however, that the Escrow Agent's rights and duties may not be impaired by any amendment it has not signed. Signatures transmitted via facsimile or emailed via a document with a .pdf extension, shall be deemed original signatures.

22
SURVIVAL AND TERMINATION

The provisions of this Agreement shall not survive Closing unless and to the extent expressly provided otherwise. Any provisions of this Agreement expressly so indicated shall survive termination. "Terminate" or "Termination" shall mean the termination of this Agreement pursuant to a right to do so provided herein. Upon Termination, the parties shall have no further rights or duties under this Agreement except as expressly provided herein.

23
ASSIGNMENT

Buyer shall not assign Buyer's rights under this Agreement without the prior written consent of Seller, which consent may be withheld absolutely. Any permitted assignment shall be in writing, and the assignee shall assume and agree to observe and perform all of the obligations and duties of Buyer under this Agreement; provided, however, that Buyer shall remain fully and primarily liable hereunder. Seller shall deal in all respects with the assignee as "Buyer" under this Agreement.

24
INTENTIONALLY OMITTED

25
INTENTIONALLY OMITTED

26.
QUIET PERIOD

As of the Effective Date, Seller shall immediately cease all marketing and sale efforts with respect to the Property an all negotiations with prospective Buyers other than Buyer. Seller shall not market, negotiate with any other party or enter into any agreement for the sale of the Property so long as this Agreement is in force and effect.

27.
MISCELLANEOUS

27.1 Entire Agreement. 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.

27.2 Binding Effect. This Agreement is binding upon and inures to the benefit of the parties hereto and their respective heirs, executors, administrators, legal representatives, successors and assigns, subject to Article 23.

27.3 Severability. In the event any provision of this Agreement shall be held to be invalid, unenforceable or in conflict with the law of the jurisdiction, the remaining provisions of this Agreement shall continue to be valid, enforceable and not be affected by such holding.

27.4 Waiver. No term or condition of this Agreement will be deemed waived or amended unless expressed in writing. The waiver of any condition or the breach of any term will not be a waiver of any subsequent breach of the same or any other term or condition.

27.5 Time of Essence. Time is of the essence to both Seller and Buyer in the performance of this Agreement.

27.6 Construction. Seller and Buyer and their respective counsel, if any, have reviewed and revised this Agreement. Seller and Buyer acknowledge that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement.

27.7 No Partnership or Joint Venture. Nothing contained in the Agreement shall be interpreted as creating a partnership or joint venture between Buyer and Seller relative to the Property described herein.

27.8 Counterparts. This Agreement may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original and all of which when taken together shall constitute but one and the same agreement. Delivery of an executed counterpart of a signature page of this Agreement by fax or other electronic means shall be effective as delivery of a manually executed counterpart of this Agreement.

[*signature page follows*]

IN WITNESS WHEREOF, the parties hereto have signed this Agreement on the dates noted below.

SELLER:

CHISAGO COUNTY HOUSING AND REDEVELOPMENT AUTHORITY/ECONOMIC DEVELOPMENT AUTHORITY

____
By: Jim Stein
Its: Chair

CITY OF WYOMING ECONOMIC DEVELOPMENT AUTHORTY

____
By: Lisa Iverson
Its: President

BUYER:

HALLBERG, INC.
a Minnesota corporation

____
By: Austin Hallberg
Its: President

108994551

EXHIBIT A

Legal Description of the Property

That part of the Northeast Quarter of the Southeast Quarter of Section 18, Township 33, Range 21, Chisago County, Minnesota, that lies West of the Railroad right-of-way of Northern Pacific Railway.

Excepting therefrom the following described four parcels of land:

<u>Parcel 1.</u>

All that part of the following described tract:

That part of the northeast quarter of the southeast quarter (NE 1/4 of SE 1/4) of Section 18, Township 33 north, Range 21 west, lying west of the Railroad right-of-way:
Which lies within a distance of 100 feet southeasterly and 247 feet northwesterly of the following described line:

> From a point on the south line of said Section 18, distant 1526 feet west of the southeast corner thereof, run southerly at an angle of 88 degrees 47 minutes 30 seconds with said south section line (measured from west to south) for 746.75 feet to the point of beginning of the line to be described; thence run northerly along the last described course for 100 feet; thence deflect to the right on a 1 degree 30 minute curve (delta angle 20 degrees 52 minutes 45 seconds) for 1391.9 feet; thence on tangent to said curve for 2200 feet and there terminating.

<u>Parcel 2.</u>

That part of the Northeast Quarter of the Southeast Quarter of Section 18, Township 33 North, Range 21 West, Chisago County, Minnesota, described as follows:

> Beginning at the point of intersection of the east-west quarter line of Section 18 with the westerly right-of-way line of the Northern Pacific Railway Company; thence west along the east-west quarter line of Section 18, a distance of 305 feet, more or less, to the easterly right-of-way line of Interstate Highway No. 35; thence southwesterly, along said Highway right-of-way line, a distance of 265 feet, more or less, to the point of intersection with a line drawn parallel with and distant 250 feet south of the east-west quarter line of Section 18; thence east, along said parallel line, a distance of 400 feet, more or less, to the westerly right-of-way line of the Northern Pacific Railway Company; thence northerly, along said westerly railway right-of-way line, a distance of 250 feet, more or less, to the point of beginning.

<u>Parcel 3.</u>

That part of the Northeast Quarter of the Southeast Quarter, Section 18, Township 33 North, Range 21 West, Chisago County, Minnesota, lying west of the westerly right-of-way line of Interstate I 35 and lying southerly of the following described line:

> Commencing at the south quarter corner of said Section 18; thence 85 degrees 37 minutes 33 seconds, assumed azimuth from North, along the south line of Section 18, a distance of 475.26 feet; thence 17 degrees 42 minutes 19 seconds, 1928.23 feet to the point of beginning of the line to be described; thence 121 degrees 34 minutes 02 seconds, 300 feet, more or less, to said westerly right-of-way line and there terminating.

<u>Parcel 4.</u>

That part of the Northeast Quarter of the Southeast Quarter of Section 18, Township 33 North, Range 21 West, Chisago County, Minnesota, described as follows:

> Commencing at the south quarter corner of said Section 18; thence 85 degrees 37 minutes 33 seconds, assumed azimuth from North along the South line of said Section 18, a distance of 475.26 feet; thence 17 degrees 42 minutes 19 seconds, 1928.23 feet; thence 121 degrees 34 minutes 02 seconds, 173.40 feet to the west line of said Northeast Quarter of the Southeast Quarter and the point of the beginning of the parcel to be described; thence continuing 121 degrees 34 minutes 02 seconds, 126.60 feet to the westerly right-of-way line of Kettle River Boulevard; thence 17 degrees 42 minutes 19 seconds along said westerly right-of-way line, 1121.60 feet to the north line of said Northeast Quarter of the Southeast Quarter; thence 265 degrees 53 minutes 43 seconds, along the said North line, 501.40 feet to the west line of said Northeast Quarter of the Southeast Quarter; thence 176 degrees 58 minutes 09 seconds, along said west line, 967.61 feet to the point of beginning.

EXHIBIT B

Allowable Encumbrances

1. Reservation of any minerals or mineral rights to the State of Minnesota, if any.

2. Sign Easement dated May 30, 1996 and recorded August 14, 1996, as Document No. 287056 from Colter Development Company, L.L.P., to Hoey Outdoor Advertising, Inc.

3. Ingress and Egress Easement dated September 6, 1972, and recorded November 9, 1972, as Document No. 136259 from John B. Weiss and Blanche M. Weiss to Dean J. Weiss and Deborah L. Weiss.

4. AT&T Communications of the Midwest, Inc., utility easement dated May 25, 1990, and recorded as Document No. 224699.

5. The following Covenant required by Minnesota Statutes Section 469.105 Subdivision 6:

   "Pursuant to Minnesota Statutes Section 469.105 Grantee (Buyer) agrees to devote the Property to its intended Development within one (1) year of the date of this Deed and Grantee agrees that upon its failure to meet the obligations to devote the Property to its intended Development within such time period, Grantor may in addition to any other remedy, utilize the remedies provided in Minnesota Statutes Section 469.105. This Covenant shall terminate upon Buyer's applying for a building permit to construct the Development from the City within one (1) year of the Closing Date."