



The City Council of the City of St. Charles welcomes you to its Regular Meeting of Tuesday, November 13, 2018 at 6:00 p.m. at 830 Whitewater Avenue, City Council Chambers, St. Charles, Minnesota.

ITEM	ACTION REQUESTED
1. Call to Order	
2. Pledge of Allegiance	
3. November 13, 2018 Agenda	APPROVE
4. Meeting Minutes	APPROVE
-October 9, 2018	
-October 23, 2018	
5. November Payables	APPROVE
6. Notices and Communications (if applicable)	INFORMATION
7. Reports of Boards and Committees:	INFORMATION
7a. Administrator's Report, Nick Koverman	
7b. Public Works Superintendent Report, Kyle Karger	
7c. Chief of Police Report, Ken Frank (TBD)	
7d. Library Board Report, David Kramer	
7e. EDA Report, Wayne Getz	
7f. School Board, Craig Hilmer	
8. Resolution #32-2018 Canvassing of Municipal Election	APPROVE
9. 2019 Enterprise Budgets-Mike Bubany	INFORMATION
10. Ordinance #605 Emergency Sale of Real Property to Love's Travel Stops & Country Stores, Inc.	APPROVE
11. Resolution #33-2018 Approving Sale of Property to Love's Travel Stops & Country Stores, Inc.	APPROVE
12. 2019 CEDA Contract	APPROVE
13. Pay Request #2—Dunn Blacktop Co.	APPROVE
14. Certificate of Incumbency-Authorized Signatures for Wells Fargo	APPROVE
15. DESCASD Board Term Appointment	APPROVE
16. City Hall Closings & Meeting Dates	APPROVE

UNSCHEDULED PUBLIC APPEARANCES: Members of the audience may address any item not on the agenda. State Statute prohibits the City Council from discussing an item that is not on the agenda, but the City Council does listen to your concerns and has staff follow up on any questions you raise.

ADJOURNMENT



**MEMORANDUM for the CITY COUNCIL of St. Charles for
Tuesday, November 13, 2018**

- 8. Resolution #32-2018 Canvassing of Municipal Election.** Please see the enclosed resolution for consideration.
- 9. 2019 Enterprise Budgets-Mike Bubany.** Mike Bubany of David Drown & Associates will be present to discuss the 2019 Enterprise Budgets and present information at that time.
- 10. Ordinance #605 Emergency Sale of Real Property to Love's Travel Stops & Country Stores, Inc.** Please see the enclosed ordinance for consideration. EDA Director Cris Gastner will present the Love's Travel Center purchase agreement for consideration by the Council.
- 11. Resolution #33-2018 Approving Sale of Property to Love's Travel Stops & Country Stores, Inc.** Please see the enclosed resolution for consideration.
- 12. 2019 CEDA Contract.** Enclosed is the 2019 Community and Economic Development Contract for consideration. The proposed amount is an increase of \$1,005.00 or 2.8 percent over 2018. The EDA recommended approval as part of their regular meeting.
- 13. Pay Request #2—Dunn Blacktop Co.** A pay request has been submitted by Dunn Blacktop and reviewed by WHKS Engineers for payment.
- 14. Certificate of Incumbency-Authorized Signatures for Wells Fargo.** Recommended approval to add Mayor John Schaber as a signer for the Wells Fargo Investment is recommended.
- 15. DESCASD Board Term Appointment.** Enclosed is a requested board term appointment to the DESCASD for the expiring 2-year board term of Clm. David Kramer.
- 16. City Hall Closings & Meeting Dates.** Looking ahead to end of the year, it is requested to close City Hall Monday, December 24th for a full day and January 31st at 3 p.m. for year-end close. If necessary, Council will be held Wednesday, December 26th. The first meeting of the year would also be Wednesday, January 2 at 5 p.m.

MINUTES of the ST. CHARLES CITY COUNCIL
for Tuesday, October 9, 2018 held at 6:00 p.m. at
830 Whitewater Avenue,
St. Charles, Minnesota

MEMBERS PRESENT:

Councilmen:
Mayor John Schaber
Dave Braun
Craig Hilmer
Wayne Getz
David Kramer

STAFF PRESENT: Nick Koverman (City Administrator).

OTHERS IN ATTENDANCE: Dan White and Jill Veerkamp (St. Charles Press).

1. ESTABLISH QUORUM/CALL TO ORDER

Quorum was established with Mayor Schaber calling the meeting to order at 6:00 p.m.

2. PLEDGE of ALLEGIANCE

3. APPROVAL of the AGENDA:

Motion to approve: **Dave Braun**
No discussion.
Motion carried.

4. Meeting Minutes

September 11, 2018

Motion to approve: **Craig Hilmer**
No further discussion.
Motion declared carried.

September 25, 2018

Motion to approve: **David Kramer**
No further discussion.
Motion declared carried.

5. September Payables.

Motion to approve: **Wayne Getz**
No discussion.
Motion declared carried.

6. Notices and communications: None

7. Reports of Boards and Committee:

Various reports were given by Council.

8. Welcoming America Event Recap. Mayor Schaber recapped the Welcoming Week event held in St. Charles where almost 50 residents turned out. He highlighted the thank you card from Project Fine.

9. City Space Accessories. Admin. Koverman highlighted the discussion at the Park Board that talked about looking at the style of the benches and trash cans that could be donated or used around city spaces. The intent was to continue with a coordinated look that lent itself to the image. It was relayed that the Rendezvous style had been previously used in the park. Council agreed with the recommendation of Park Board and motioned to approve the recommendation.

Motion to approve: **Dave Braun**
No further discussion.
Motion carried.

11. Winter Park & Rec Brochure. Clm. Braun briefly highlighted the brochure information for the council. No questions were asked and a motion to approve the brochure as presented was made.
Motion to approve: **Wayne Getz**
No further discussion.
Motion carried.

UNSCHEDULED PUBLIC APPEARANCES

Dan White of 730 Whitewater Avenue commended the city for the various activities that were held in August and gave a brief update on community work.

Motion to adjourn at 6:14 p.m.
Motion to approve: **Wayne Getz**
Motion declared carried.

John Schaber, Mayor

ATTEST

Nick Koverman, City Administrator

MINUTES of the ST. CHARLES CITY COUNCIL
For Tuesday, October 23, 2018 held at 6:00 p.m. at
830 Whitewater Avenue
St. Charles, Minnesota

MEMBERS PRESENT:

Councilmen:
David Kramer
Dave Braun
Craig Hilmer
Wayne Getz
Mayor John Schaber

STAFF PRESENT:

Nick Koverman (City Administrator).

OTHERS IN ATTENDANCE: Dan White and Jill Veerkamp (St. Charles Press).

1. ESTABLISH QUORUM/CALL TO ORDER

Quorum was established with Mayor Schaber calling the meeting to order at 6:00 p.m.

2. PLEDGE OF ALLEGIANCE

3. APPROVAL of the AGENDA:

Motion to approve the agenda: **Dave Braun**
No discussion.
Motion carried.

4. Notices and Communications. Mayor Schaber shared the card and information sent by the Farm To Table committee that a donation to the Green Initiative Deck fund had been made in the amount of \$5,000.

5. Review of Financials.

No questions.

6. Preliminary 2018 Enterprise Budget. Admin. Koverman discussed the 2019 preliminary Enterprise budgets as he highlighted a memo that broke down the departments into Garbage, Ambulance, Water, Sewer, Electric, and Storm Sewer. While no change was planned for ambulance, he noted that staff and ambulance personnel were looking into the replacement schedule of the rigs. Because of adding the second unit, which pays for itself through second runs and not having to send out for mutual aid calls, the original 5-year replacement schedule was pushed off. Five years was determined as the best timing because of trade-in value. The two units are currently at 2009 and 2006 each with approximately 95,000 miles. While the units are running well, the service is trying to contemplate how and when to replace them. Additionally, the fundraising dollars that were used to pay for units now makes the payment for the EMS building. Staff will continue to explore options. Advanced Disposal is raising their fees 3.8 percent. Clm. Kramer asked what was stated in the contract and Admin. Koverman relayed that the allowed percent per contract could be between 2 and 4 percent. He relayed that previous years, Advanced had raised the minimum of 2 percent and one year not raised it all. Sewer rates were being raised 2 percent by the Sanitary District and that the initial budget showed a need of over \$11,000 in revenues. He noted that the used sewer jetvac truck had already been in operation coming up on 10 years. Director of Public Works Kyle Karger does not feel that the cost of replacement was worth it and that a contract with a company would be better served versus the \$160,000 expense. The information would be sent to Mike Bubany of David Drown and Associates, the city's financial advisor, for review. Water rates would be held harmless as funds would continue to build reserves for future projects. He did also discuss looking at future growth and the possibility of an additional water tower that the city would need to plan for at some point. Storm water fund did forecast an increase as annual projects would be completed with pond restoration projects being done every other year. Koverman reported that the Electric Department did not plan an increase either. Rates had not been adjusted since 2018 and Koverman relayed that the City customers have benefited from the partnership with UMMEG (Upper Midwest Municipal Energy Group) and Dairyland Power as DPC has purchased much of the power over the open markets which has helped to sustain the city's rates. As for the Capital Improvement Plan, he relayed that Director Karger has once again pushed the replacement of the City's lone bucket truck to 2020. The replacement plan had the unit being replaced after 15 years of service in 2015, but the unit continues to serve the department well with minimal maintenance costs. A fllet truck will also be replaced and a skid loader is slated for acquisition. Clm. Braun questioned the need of the unit and Koverman relayed that based on the need of the department and staff request, combined with the cost of rental and availability, the unit would be well used. Clm. Getz echoed those points and said that he had also talked with crew members and felt the unit was more than justified for the types of project and work the electric department and all departments do. If any questions resulted from the discussion, Admin. Koverman asked for input.

7. Administrative Assistant Recommendation. Admin. Koverman highlighted the information in the packet that recommended the hiring of Dusty Liston, a 20-year veteran of the United States Marine Corps. He relayed that the applicant pool for the position was very highly qualified with 40 applicants. Of those forty, 16 were interviewed. He highlighted a few of her skills and relayed that Ms. Liston shared that she was looking for a career with purpose. Coupled with her enthusiasm for public service, personable demeanor, and work experience made her an ideal candidate. A motion was made to hire Dusty Liston as recommended to the third step of the Administrative Assistant scale.

Motion to approve: **David Kramer**

No further discussion.

Motion carried.

8. Winter Parking Exemptions. Four annual winter parking exemptions were presented for the Council to review and approve. No questions were asked and a motion to approve the exemptions was made.

Motion to approve: **Dave Braun**

No further discussion.

Motion carried.

UNSCHEDULED PUBLIC APPEARANCES

Dan White at 730 Whitewater Avenue provided a brief update regarding the work of the Community Action Team.

Motion to adjourn at 6:15 p.m.

Motion to approve: **Wayne Getz**

Motion declared carried.

John Schaber, Mayor

Attest: _____
Nick Koverman, City Administrator



City Administrator's Report—October 2018

Oct. 2—Attended the planning meeting of the Southeast Minnesota League of Municipalities to develop the upcoming 2019 legislative policies to present to the membership that was representative of the issues affecting Southeast Minnesota. Attended the St. Charles Area Community Foundation's Green Space Initiative meeting to continue to develop the task force and strategies for fundraising.

Oct. 5—Cris Gastner and I continued to follow up on one of the area's businesses to facilitate any need of the company.

Oct. 8—Took part in a conference call to share the successes and struggles of public transit within the Rolling Hills Transit System and how St. Charles sees the service growing. Attended the ribbon cutting for the Safe Routes To School project.

Oct. 9—Conducted Interviews for Admin. Assistant position.

Oct. 10—PW Director Kyle Karger and I attended the UMMEG annual meeting in LaFarge, Wisconsin.

Oct. 11—Conducted Interviews for Admin. Assistant position.

Oct. 15—Attended the League of Women Voters forum in St. Charles.

Oct. 16—Met with Daren Sikkink of WHKS to review current and upcoming projects within the City.

Oct. 22—Met with Ian Scheerer of Wells Fargo to review financial progress and review policy guidelines.

Oct. 24—Met with Joe Plummer of Franklin Energy to review 2019 CIP plan and goals. Modified and amended various rebate amounts and will be finalizing the 2019 plan for future approval. Attended St. Charles Area Community Foundation board meeting.

Oct. 30—Attended the Southeast Minnesota League of Municipalities meeting in Rochester. Presented the proposed 2019 legislative policies to the attending membership.

Public Works Report – October 2018

- Installed new street light poles and L.E.D. lights; installed new secondary electrical pedestal; pulled new street light wire; tore down old wood fence by Library; flushed water fire hydrants; worked with Zielger on portable generator, as well as set up street shop.
- Worked on squirrel proofing fence at substation; cleaned gutters at power plant; performed dirt work on curb replacements and street projects; picked up three new fleet pickups at Sugar Loaf Ford; cleaned shop; worked on snow plowing equipment and one ton sanding truck; hung new banners for High School on Highway 14; utility locates.
- Delivered late slips for City Hall; ordered electrical material; hooked up a temporary service at 314 Rimrock Road; electric meter disconnects and reconnects for City Hall; disconnect three phase power at Envirolastic; worked with Custom Alarm at Power Plant; started part counts for electrical inventory and met with electrician for new three phase service at future Oasis.
- Switched temporary service to permanent electric service at Sweetwater court; changed out secondary blocks in pedestal in Sweetwater court; pushed up dirt and gravel piles in storage bins at shop; disconnected electric service on Bluff Ave. for electrician; hung new service and reconnected when electrician finished service entrance; worked on maps for future High School proposed projects.
- Installed new ram cylinder on tandem plow truck; checked electrical meters and rereads for City Hall; dropped off maps and discussed with Dan Pearson primary feeding for the Old City Water tower site; repaired water main breaks on Oakview Drive; changed filters on front end loader; formed and poured concrete in City storage area for electrical equipment and water/sewer main pipe.
- Installed new marking signs on trail by Dollar General; swept streets for fall leaf pickup and cleaned city storm sewer basins; picked up all cones and signs from street projects; delivered a part for the chop saw as well as ordered parts for repairs; changed lights at

City Library; graded West 1st Street for potholes and added gravel; dragged all city gravel alleys; grinded new grates for shop drain replacements.

- Requested new information signs around town; took two new trucks to La Crosse for one new utility box and swap one old box; currently checking property pins for house addition and fencing and gravel parking space; submitted finals for City Hall; treated Highway 14 lift station for grease; changed oil in well #3.
- Mixed salt and sand at state shop; pulled outdoor water meters at High School; watered new trees on 11th street; blocked traffic for homecoming parade; filled pot holes; monthly water samples; McCarthy well inspections; read electric and water meters; worked on air bubblers in water towers; U.M.M.E.G. meeting in Wisconsin to discuss 2019 Solar farm.
- Daily/weekly/monthly - Utility locates; monthly rubber goods inventory and testing; MMUA safety meeting; ran power plant for monthly exercise; repaired street lights; located property pins; delivered disconnect notices and disconnected/reconnected electric meters for City Hall; daily Well checks; lift station and booster station checks; water samples; substation reporting; meter finals; checked and replaced water meters.

Sincerely,
Kyle Karger
Public Works Director

City of St. Charles
Economic Development Authority
Regular Meeting
Minutes
November 9th, 2018

1. Meeting was called to order at 7:11 am at City Hall. Present were: Mayor John Schaber, Dan Pearson, Mark Linderbaum, Wayne Getz, Jim Allen, EDA Coordinator Cris Gastner, and City Administrator Nick Koverman

2. **Business Items:**
 - a. **Salisbury Building**
Gastner informed the Board that Mr. Salisbury would be selling his building to a new business that will be moving to St. Charles. There is a TIF agreement in place with Mr. Salisbury. The consensus of the Board is to work with the new owner on a transfer of the of the agreement in place.

 - b. **CEDA Contract**
Koverman presented the Board with the new contract for 2019. Motion was made by Linderbaum, seconded by Getz to recommend Council approve the 2019 CEDA contract. All Ayes, motion carried

 - c. **Purchase Agreement**
Koverman and Gastner informed the Board of the details of the purchase they have worked out with Loves Travel Centers on the 6+ acre, front corner lot in Chattanooga Innovation Park. A motion was made by Getz and seconded by Linderbaum to recommend approval to City Council. All Ayes, Motion Carried

 - d. **Hotel project discussion**
Mayor Schaber, Gastner, and Koverman met with the potential contractors for the hotel project with HK Hospitality. Very positive feedback

 - e. **Updates**
Koverman and Gastner updated the Board on the progress of several ongoing projects.

Meeting was adjourned.

**City of St. Charles
Resolution #32-2018**

**A Resolution Canvassing
The Municipal Election of
November 6, 2018**

Whereas, the City of St. Charles held a Municipal Election in conjunction with the General Election on November 6, 2018; and,

Whereas, the vote tabulation for said municipal election is as follows:

Mayor

John Schaber 1371

City Council

Dave Braun 1095
David Kramer 1067
Write-Ins 248

**NOW THEREFORE, BASED ON THE TOTALS ABOVE, IT IS RESOLVED BY
THE CITY OF ST. CHARLES, MINNESOTA:**

1. John Schaber will be certified as Mayor.
2. Dave Braun and David Kramer will be certified as Council Members.

Adopted this 13th day of November 2018, by the Council of the City of St. Charles, Minnesota.

John Schaber, Mayor

Attest: _____
Nick Koverman, City Administrator

CITY OF ST. CHARLES

ORDINANCE # 605

**AN EMERGENCY ORDINANCE OF THE CITY OF ST. CHARLES, MINNESOTA,
AUTHORIZING THE SALE OR REAL PROPERTY TO LOVE'S TRAVEL STOPS &
COUNTRY STORES, INC.**

Preamble: City Charter, Section 3.09, requires two readings of ordinances plus 30 days following publication before an ordinance becomes effective, except for emergency ordinances.

Charter, Section 3.06, Emergency Ordinances, provides in part as follows:

“An emergency ordinance is an ordinance necessary for the immediate preservation of the public peace, health, morals, safety or welfare in which the emergency is defined and declared in a preamble thereto and is adopted by a vote of at least three of the voting members of the council.”

The buyer of the below described Property (“Property”), Love’s Travel Stops & Country Stores, Inc. (“Company”), has indicated that they need to close on the Property as soon as possible to meet their construction schedule set to 200 days from the date of signing, and that failure to meet said date could be detrimental to the sale of the Property and their ability to proceed with their commercial development project in the City’s business park.

Based on the above typical City ordinance adoption process in Charter and the additional unique requirement in the Charter that sale of City-owned property requires passage of such an ordinance, as opposed to the far more common passage of a resolution for the sale of property, the closing on the Property would be delayed as much as 60 days if the City follows the typical Charter procedures.

The City Council finds that it is in the public interest to sell the Property to Company and to facilitate the construction schedule of Company in order to allow the Project to move forward in the City’s business park and to forestall any negative consequences to the City and Company resulting from the delay caused by the general ordinance adoption procedure. The City has made considerable investment in the business park. The City finds that the ordinance delay resulting from following the typical ordinance adoption procedure could potentially jeopardize the Project and the City’s investment. As a result and to facilitate Company’s construction schedule, immediate consideration and action by the City Council is necessary pursuant to City Charter, Section 3.06, Emergency Ordinances, to preserve and protect the public welfare.

THE CITY OF ST. CHARLES DOES ORDAIN:

Section 1. The St. Charles City Council hereby authorizes the sale and conveyance of real property legally described as:

Lots 1, Block 3, Chattanooga Innovation Park, City of St. Charles, Winona County, Minnesota

to, Love's Travel Stops & Country Stores, Inc. by quitclaim deed pursuant to the terms and conditions of sale set forth in that certain Vacant Land Purchase Agreement between the City and Love's Travel Stops & Country Stores, Inc.

Section 2. This ordinance shall take effect immediately upon its adoption and shall be subsequently published.

Adopted this 13th day of November, 2018 by the City Council of the City of St. Charles, Minnesota.

John Schaber, Mayor

Attest:

Nick Koverman, City Administrator

Published:

Date: _____

**CITY OF ST. CHARLES, MINNESOTA
CITY COUNCIL RESOLUTION #33-2018**

**A RESOLUTION BY THE MAYOR AND CITY COUNCIL OF THE CITY OF ST.
CHARLES, MINNESOTA, APPROVING THE SALE OF REAL PROPERTY IN ST.
CHARLES, MINNESOTA, AND DISPENSING WITH REVIEW OF THE SALE BY THE
ST. CHARLES PLANNING COMMISSION**

WHEREAS, The City of St. Charles (“City”) desires to sell certain real property located in St. Charles, Minnesota, legally described as:

Lots 1, Block 3, Chattanooga Innovation Park, City of St. Charles, Winona County, Minnesota,

referred to herein as the “Property”; and

WHEREAS, the buyer of the Property, Love’s Travel Stops & Country Stores, Inc. (“Company”) is willing to purchase the Property from the City for \$683,000.00; and

WHEREAS, a draft purchase agreement has been prepared for the sale of the Property and is attached hereto as Exhibit A; and

WHEREAS, in accordance with the attached draft purchase agreement, the City and Company expressly understand and agree that the sale of the Property is contingent upon approval by the City Council of the City of St. Charles; and

WHEREAS, if any transaction approval as provided in the purchase agreement is not obtained by the closing date stated in the purchase agreement, the purchase agreement shall then be null and void, without further obligation by either party; and

WHEREAS, Section 12.05 of the City Charter of the City of St. Charles also provides that no real property of the City may be disposed of except by ordinance; and

WHEREAS, the City adopted such an emergency ordinance, Number #605, dated November 13, 2018, approving the sale of the Property by the City; and

WHEREAS, Minnesota Statutes, Section 462.356, subdivision 2 states that no publicly owned interest in real property within a city shall be acquired or disposed of until after the planning commission has reviewed the proposed acquisition or disposal and reported in writing to the city council its findings as to compliance of the proposed acquisition or disposal with the comprehensive plan; and

WHEREAS, the same statute further states, however, that the city council may, by resolution

adopted by two-thirds vote, dispense with the requirements of this subdivision when in its judgment it finds that the acquisition or disposal of real property has no relationship to the comprehensive plan.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND CITY COUNCIL THAT: The City Council hereby finds that the proposed sale of the Property by the City of St. Charles has no relationship to the City's Comprehensive Plan, and therefore review of the proposed sale by the St. Charles Planning Commission is not required under Minn. Stat. § 462.356, Subd. 2, and is hereby dispensed with as allowed by that statute.

BE IT FURTHER RESOLVED THAT: The City Council hereby approves the attached purchase agreement and authorizes and directs the Mayor and City Administrator to execute the purchase agreement substantially in the form hereby approved and such other documents as are necessary to close on the sale of the Property by the City of St. Charles to Company and that Company record the same in the Office of the Winona County Recorder.

PASSED by the City Council of the City of St. Charles on this 13th day of November, 2018.

ATTEST

Nick Koverman, City Administrator

John Schaber, Mayor

VOTE: ___ SCHABER ___ BRAUN ___ GETZ ___ HILMER ___ KRAMER

VACANT LAND PURCHASE AGREEMENT

THIS AGREEMENT is made as of _____, 2018, between the City of St. Charles, a Minnesota municipal corporation, 830 Whitewater Avenue, St. Charles, Minnesota 55972 (herein the "Seller"), and Love's Travel Stops & Country Stores, Inc., an Oklahoma corporation, 10601 N. Pennsylvania Ave., Oklahoma City, OK 73120 (herein the "Buyer"); (collectively the "Parties").

In consideration of the covenants and agreements of the parties hereto, Seller and Buyer agree as follows:

1. **SALE OF PROPERTY.** Upon and subject to the terms and conditions of this Agreement, Seller agrees to sell to Buyer, and Buyer agrees to purchase from Seller, the following legally described property (the "Real Property"):
 - a. **Real Property.** The real property located in Winona County, Minnesota, depicted on Exhibit A, which is attached hereto and incorporated herein by reference, and legally described as follows:

Lot 1, Block 3, Chattanooga Innovation Park, City of St. Charles, Winona County, Minnesota

excepting any easements and rights benefiting or appurtenant to the Real Property and improvements including any right, title or interest in the bed of any street, road, highway or alley adjoining the Real Property (herein "Real Property").
 - b. **Personal Property:** none.
2. **PURCHASE PRICE AND MANNER OF PAYMENT.** The total purchase price ("Purchase Price") to be paid by Buyer to Seller for the Real Property is Six Hundred and Eighty-three Thousand and No/100ths (\$683,000.00) Dollars, which amount shall be paid as follows:
 - a. Upon Seller's execution of this Agreement and delivery thereof to Buyer (by mail, facsimile or email), Buyer shall deposit \$30,500.00 in current U.S. funds (the "Earnest Money") with the Title Company (defined below) to be applied against the Purchase Price at Closing (as defined below) or otherwise disposed of pursuant to the terms of this Agreement; and
 - b. \$653,000.00 cash, on the Closing date, in immediately payable current U.S. funds.
3. **ESCROW OF EARNEST MONEY.**
 - a. **Release of Funds.** The Title Company will deliver the Earnest Money under the following conditions:

- i. to Seller upon final Closing;
 - ii. to Buyer upon the Title Company's receipt of signed, written notice from Buyer on or before the expiration of the Inspection Period (as defined below) of Buyer's election to terminate this Agreement; or
 - iii. to Buyer or Seller, as applicable, upon the Title Company's receipt of written demand therefor based upon the other party's default (the "Defaulting Party") and failure to timely cure (a "Default EM Demand"), along with the facts underlying such default; provided that, the Title Company shall not honor the Default EM Demand unless and until five (5) business days after the Title Company provides a copy of the same to the Defaulting Party, as set forth in Section 3.b. below, and the Defaulting Party either (i) expressly consents in writing to delivery of Earnest Money in accordance with the Default EM Demand or (ii) fails to timely provide a Notice of Objection (as defined and addressed below).
 - b. **Objection to Release.** Within two (2) business days of the receipt by the Title Company of a Default EM Demand, the Title Company shall send a copy thereof to the Defaulting Party. The Defaulting Party may object to the Default EM Demand by sending written notice thereof (the "Notice of Objection") to the Title Company within five (5) business days of receipt of the Default EM Demand. Upon the timely receipt of a Notice of Objection, the Title Company shall promptly, within two business days, send a copy thereof to the demanding party and thereafter hold the Earnest Money until (a) the Title Company receives written instruction from Seller and Buyer directing the disbursement of the Earnest Money, or (b) in the event of litigation between Seller and Buyer, the Title Company shall deliver the Earnest Money to the clerk of the court in which said litigation is pending.
 - c. **Limitation of Liability of Title Company.** The Title Company may act upon any instrument or other writing it reasonably believes to be genuine and signed and presented under proper authority, and shall not be held liable in connection with any such action, except in the case of the Title Company's willful default or gross negligence. Buyer and Seller do jointly and severally agree to indemnify and hold the Title Company harmless from all loss, liabilities, cost and expenses arising from its compliance with this Section 3, including, without limitation, reasonable attorneys' fees and court costs.
4. **INSPECTION.** Seller agrees that Buyer, its representatives and agents, will be permitted a period of 180 days, commencing on the Effective Date (the "Inspection Period"), within which to enter upon and inspect the Property and to conduct, at Buyer's expense, any and all feasibility, environmental, or other studies, analyses or examinations of the Property as Buyer deems necessary or desirable, and to satisfy itself with regard to zoning and permitting issues, availability of utilities, and all other matters related to the Property and/or Buyer's development thereof. Buyer shall have the option to extend the

Inspection Period for 2 additional 45-day periods, with each such additional period being deemed a part of the "Inspection Period" (each an "Extension Option"). To exercise an Extension Option, Buyer shall provide written notice thereof to Seller and, in each such event, \$10,000 of the Earnest Money (to be applied against the Purchase Price in the event of Closing) will be deemed non-refundable (except in the event the Closing does not occur due to Seller's default or wrongful refusal to close) and immediately released to Seller by the Title Company. If during the Inspection Period (as extended, as the case may be) Buyer, in its sole and absolute discretion, determines that the Property is unsatisfactory in any respect, Buyer shall have the option to terminate this Agreement by written notice to Seller. In such event, Buyer shall repair any material damage to the Property caused by Buyer in the exercise of its rights under this Section 4 and return the property to its pre-Agreement condition, and the Earnest Money (excluding any portion previously released to Seller), along with any interest earned thereon, shall immediately be returned to Buyer and both parties will be relieved of all obligations hereunder (except as otherwise expressly provided herein). Buyer agrees to indemnify and hold Seller harmless from all claims or costs arising or resulting from Buyer's inspections pursuant to this Section 4. This obligation shall survive any termination of this Agreement.

5. **SELLER'S WARRANTIES.** Seller represents and warrants the following as of the Effective Date and the Closing:
- a. **No Violations/Conflicts.** The execution by Seller of this Agreement and the consummation by Seller of the transactions contemplated hereby do not and will not (a) conflict with or result in a breach of any of the terms or provisions of (i) any bond, debenture, note or other evidence of indebtedness, or (ii) any contract, indenture, mortgage, loan agreement, lease, joint venture or other agreement or instrument to which Seller is a party or by which Seller or the Property is bound; or (b) result in any violation of any governmental requirement, ordinance, regulation, law or statute.
 - b. **Litigation.** There are no legal actions, suits or other legal or administrative proceedings or investigations pending or threatened against Seller or the Property, and Seller is not aware of any facts that might result in any such action, suit, investigation or other proceeding.
 - c. **Taxes and Assessments.** Except in regard to ad valorem taxes which are not yet delinquent, no claim or liability is pending or has been assessed or asserted against Seller or the Property in connection with any ad valorem taxes, special assessments or other impositions, including without limitation personal property taxes.
 - d. **No Agreements or Commitments.** Except as disclosed in writing to Buyer prior to the Effective Date, Seller has not entered into (i) any agreement, lease, option, right of first refusal, commitment or arrangement granting to any person or entity, other than Buyer, the present or future right to purchase, occupy, lease or otherwise acquire an interest in the Property or any part thereof, (ii) any

agreement, commitment or arrangement regarding the development of the Property or any part thereof and from the Effective Date through Closing, Seller will not enter into any such agreement or arrangement or any service agreement affecting the Property or any part thereof, without Buyer's prior written approval.

6. CLOSING.

- a. **Closing Date.** Except as otherwise permitted pursuant to Section 6.b. below, the consummation of the transaction contemplated by this Agreement (the "Closing") shall take place within 20 days of the end of the Inspection Period (as extended, as the case may be), with the exact time and date for Closing to be designated by Buyer upon not less than 2 business days prior notice (which may be provided in writing or by telephone), subject to the reasonable approval of Seller. The Closing will take place at the offices of the Title Company (whether in person or as a "paper closing", as each party elects) or at such other place as may be agreed to by Buyer and Seller.
- b. **Adjournment of Closing.** Buyer shall be entitled to adjourn the date of the Closing one time, by delivering written notice to Seller at least ten (10) days prior to the scheduled Closing date set forth in Section 6.a. above (or any Accelerated Closing Date or Seller Adjourned Closing Date), to a date no later than sixty (60) days following the initial scheduled Closing date (including, without limitation, to obtain consents, approvals, permits, and to allow time for the satisfaction of the conditions to or requirements of this Agreement).
- c. **Seller's Closing Documents.** On the Closing Date, Seller shall execute and/or deliver to Buyer the following (collectively, "Seller's Closing Documents"):
 - i. Quit Claim Deed. Attached hereto and made a part hereof as Exhibit B is the required Quit Claim Deed.
 - ii. Well Certificate. If there are wells on the Real Property, a Well Certificate in the form required by Minn. Stat. § 103I.235.
 - iii. Other Affidavits. Any other affidavits or certificates that may be required under Minn. Stat. § 116.48, Subd. 6, or Sect. 115B.16 or other provisions of law.
 - iv. Other. Any and all further instruments which Buyer or the Title Company shall reasonably request of Seller in order to meet requirements of the Commitment or to otherwise effect the conveyance of the Property as contemplated in this Agreement.
- d. **Buyer's Closing Documents.** On the Closing Date, Buyer will execute and/or deliver to Seller the following (collectively, "Buyer's Closing Documents"):

i. **Purchase Price.** The Purchase Price, by check or wire transfer.

ii. **Certificate of Real Estate Value.** A Certificate of Real Estate Value.

7. **CONTINGENCIES.** The obligations of the Parties to perform under this Purchase Agreement are contingent upon the timely occurrence or satisfaction of each of the following conditions prior to or on the Closing Date:

- a. On the Closing Date, title to the Real Property shall be acceptable to Buyer subject to and in accordance with the provisions of Section 11 regarding title examination.
- b. The representations and warranties of Seller shall be true and correct in all material respects up through and including the Date of Closing.
- c. The Parties understand and agree that the purchase of the Property is contingent upon approval by the City Council of the City of St. Charles.
- d. Prior to the transfer of title of the Real Property, the Buyer shall submit to the Seller plans and specifications for the development of the Real Property; no transfer shall be made unless and until such plans are approved in writing by the Seller. The detail of the plans and specifications shall be such as will enable the Seller to determine with reasonable certainty that the project on the Real Property is or will be in compliance with the law and will, if carried out, provide for the intended use.
- e. The Buyer shall have executed a development agreement with Seller on a form reasonably acceptable to Seller articulating Buyer's responsibilities, duties and obligations regarding those public improvements related to or needed to support Buyer's intended development of the Property.

The contingencies in this Section are solely for the benefit of, and may at any time be waived by, the Party so benefitted. If any approval as provided herein is not obtained by the Closing Date, this Agreement shall be null and void.

8. **PURCHASE, AS-IS.** The Real Property described in this Purchase Agreement is being sold in an "as is" and with "all faults" condition, Buyer hereby acknowledges that Buyer has had an opportunity to inspect the Real Property prior to the execution of this Agreement. Buyer's acceptance of title to the Real Property shall represent Buyer's acknowledgment and agreement that, except as expressly set forth in this Agreement, and in the documents executed at Closing: (i) Seller has not made any written or oral representation or warranty of any kind with respect to the Real Property (including without limitation express or implied warranties of title, merchantability, or fitness for a particular purpose or use), (ii) Buyer has not relied on any written or oral representation or warranty made by Seller, its agents or employees with respect to the condition or value of the Real Property, (iii) Buyer has had an adequate opportunity to inspect the condition

of the Real Property, including without limitation, any environmental testing, and to inspect documents applicable thereto, and Buyer is relying solely on such inspection and testing, and (iv) the condition of the Real Property is fit for Buyer's intended use. Buyer agrees to accept all risk of Claims (including without limitation all Claims under any Environmental Law and all Claims arising at common law, in equity or under a federal, state or local statute, rule or regulation) whether past, present or future, existing or contingent, known or unknown, arising out of, resulting from or relating to the condition of the property, known or unknown, contemplated or un contemplated, suspected or unsuspected, including without limitation, the presence of any Hazardous Substance on the Real Property, whether such Hazardous Substance is located on or under the Real Property, or has migrated or will migrate from or to the Real Property.

a. For purposes of this Section, the following terms have the following meanings:

- i. "Environmental Law" means the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA"), 42 U.S.C. §9601 et seq., the Resource Conservation and Recovery Act, 42 U.S.C. §9601 et seq. the Federal Water Pollution Control Act, 33 U.S.C. §1201 et seq., the Clean Water Act, 33 U.S.C. §1321 et seq., the Clean Air Act, 42 U.S.C. §7401 et seq., the Toxic Substances Control Act, 33 U.S.C. §1251 et seq., all as amended from time to time, and any other federal, state, local or other governmental statute, regulation, rule, law or ordinance dealing with the protection of human health, safety, natural resources or the environment now existing and hereafter enacted; and
- ii. "Hazardous Substance" means any pollutant, contaminant, hazardous substance or waste, solid waste, petroleum product, distillate, or fraction, radioactive material, chemical known to cause cancer or reproductive toxicity, polychlorinated biphenyl or any other chemical, substance or material listed or identified in or regulated by any Environmental Law.
- iii. "Claim" or "Claims" means any and all liabilities, suits, claims, counterclaims, causes of action, demands, penalties, debts, obligations, promises, acts, fines, judgment, damages, consequential damages, losses, costs, and expenses of every kind (including without limitation any attorney's fees, consultant's fees, costs, remedial action costs, cleanup costs and expenses which may be related to any claims).

9. **WELLS AND INDIVIDUAL SEWAGE TREATMENT SYSTEMS.** The Seller certifies that the Seller does not know of any wells or individual sewage treatment systems on or serving the Real Property described herein.

10. **PRORATIONS.** Seller and Buyer agree to the following prorations and allocation of costs regarding the Real Property and this Agreement.

- a. **Deed Tax.** Buyer shall pay all state deed tax regarding the deed to be delivered by Seller under this Agreement.
- b. **Real Estate Taxes and Special Assessments.** Real estate taxes and any special assessments payable in the year 2018 shall be prorated between Seller and Buyer to the Closing Date. The Buyer shall pay real estate taxes and any special assessments payable therewith in 2019 and thereafter.
- c. **Recording Costs.** Buyer will pay the cost of recording the Deed. Seller shall pay the cost of recording any documents necessary to perfect its own title.
- d. **Other Costs.** All other operating costs of the Real 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 on or before the Closing Date, and Buyer pays that part of such operating costs accruing after the Closing Date.
- e. **Attorneys' Fees.** Each of the parties will pay its own attorneys', accountants' and consultants' fees.

11. TITLE EXAMINATION.

- a. **Title Commitment.** As soon after the Effective Date as reasonably possible, Buyer shall obtain a commitment for the issuance by National Commercial Services Colorado (the "Title Company", Contact: Teresa Hott, T: 303.291.9984; Fax: 303.291.9997; Email: Teresa.Hott@fnf.com) of an ALTA owner's title insurance policy, with extended coverage, insuring title to the Property to be good and marketable fee simple (the "Commitment"), together with legible copies of all recorded documents constituting exceptions under the Commitment (collectively, the "Exception Documents"). Buyer shall provide Seller a copy thereof within three (3) days of receipt from the Title Company.

Buyer shall pay all costs associated with obtaining title insurance including, but not limited to, updating of the abstract or obtaining a new abstract of title for the Real Property, title insurance premiums, survey, and title examination fees.

- b. **The Making and Curing of Title Objections.** After Buyer's receipt of the last of the Commitment, Exception Documents and Survey, Buyer shall give written notice to Seller of (i) any matters contained therein to which Buyer objects, has comments or wants additional information on; and (ii) any pre-Closing requirements (the "Title Objection Letter"). Seller shall have until Closing to cure objections set forth in the Title Objection Letter and shall exercise reasonable efforts in doing so; provided that, in any event, Seller shall be obligated, at Closing, to (A) remove exceptions relating to monetary or other liens which may be removed upon the payment of money; (B) satisfy Seller's requirements under the Commitment; and (C) provide the deliverables set forth in Section 12 below. If an objection is not timely cured or requirement timely satisfied, in addition to

any other remedies available hereunder, Buyer shall have the option to either (I) waive the same; or (II) terminate this Agreement and receive a refund of the Earnest Money (along with any interest earned thereon), in which event both parties will be relieved of any further liability hereunder (except as otherwise expressly provided herein).

12. CONDITIONS PRECEDENT TO OBLIGATION OF BUYER TO CLOSE. Each of Buyer and Seller acknowledge and agree that (i) the nature of Buyer's intended development of the Property requires the satisfaction substantial due diligence including, without limitation, receipt of multiple permits and authorizations from governmental authorities; and (ii) the time periods allowed for Buyer's inspection of the Property and the conditions set forth in this Section 12 are intended to provide Buyer the time required to complete all such due diligence and confirm that Buyer may develop the Property as intended, each of which is a material consideration for Buyer to consummate the transaction contemplated by this Agreement. In addition to any other conditions precedent herein, the obligation of Buyer to close under this Agreement is subject to the following:

- a. **Title.** Prior to Closing, Buyer shall have received and approved of a pro forma title policy, indicating the Title Company's agreement to issue, in due course, an ALTA owner's policy of title insurance including extended coverage, in form materially consistent with Buyer's title objection letter and including any endorsements thereto reasonably requested by Buyer (the "Title Policy").
- b. **Performance of Obligations.** Seller shall have (i) executed and delivered to Buyer or the Title Company all of the documents required to be delivered by Seller at Closing; (ii) taken all other action required of Seller at the Closing; and (iii) performed or observed all of the obligations and covenants of and required by Seller pursuant to this Agreement prior to or as of the Closing.
- c. **Permits and Approvals.** Buyer shall have received all permits, consents, and approvals (collectively the "approvals") from all governmental authorities having jurisdiction over the Property necessary, in Buyer's good faith determination, for Buyer's intended development of the Property, provided however that such approvals can be made, issued or granted by such governmental authorities prior to Buyer being the record owner of the Property. Under no circumstances will a building permit be issued to Buyer by Seller for a project on the Property until Buyer is the record owner of the Property.
- d. **Removal of Items.** Seller shall have removed all personal items (except for those that constitute part of the Property), if any, from the real property constituting a part of the Property. In addition, (i) Buyer shall have no duty, liability or obligation to Seller or any third party with regard to any personal items not so removed by Seller; (ii) Buyer shall be entitled to store or dispose of any such property in any manner permitted by applicable law (and be reimbursed by Seller for expenses related thereto, upon demand, with interest accruing on amounts

owed at 12% per annum until paid in full); and (iii) Seller shall defend, indemnify and hold Buyer harmless from and against any claim, liability, damage or expense related thereto, which indemnity will survive the Closing. The foregoing rights and obligations of this Section 12.d. shall survive the Closing.

- e. **Closing on Sale of St. Charles Real Estate, LLC Property.** The Closing under this Agreement shall occur on the same day as, and is wholly conditioned upon, the closing of Buyer's purchase of approximately 3 acres of land owned by St. Charles Real Estate, LLC (the "St. Charles Real Estate, LLC Property").
- f. If any condition precedent is not timely satisfied, Buyer shall have the right, at its option, to (a) terminate this Agreement by written notice to Seller, in which event, the Earnest Money (along with any interest earned thereon) shall be immediately returned to Buyer and both parties shall be relieved of all obligations hereunder (except as otherwise expressly provided herein), or (b) extend the Closing as necessary to allow such condition to be satisfied.

13. **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 Real Property. There are no verbal agreements that change this Agreement and no waiver of any of its terms will be effective unless in writing executed by the Parties.

14. **BINDING EFFECT.** This Agreement binds and benefits the Parties and their successors and assigns.

15. **CONTROLLING LAW.** The Parties acknowledge and agree that each has been given the opportunity to independently review this Agreement with legal counsel, and/or has the requisite experience and sophistication to understand, interpret, and agree to the particular language of this Agreement. The Parties have equal bargaining power, and intend the plain meaning of the provisions of this Agreement. In the event of an ambiguity in or dispute regarding the interpretation of this Agreement, the ambiguity or dispute shall not be resolved by application of any rule that provides for interpretation against the drafter of the Agreement. This Agreement has been made under the laws of the State of Minnesota, and such laws will control its interpretation.

16. **DATES AND TIME PERIODS.** Should the date for the giving of any notice, the performance of any act, or the beginning or end of any period provided for herein fall on a Saturday, Sunday or legal holiday, such date shall be extended to the next succeeding business day which is not a Saturday, Sunday or legal holiday.

17. **NOTICES.** All notices or other communication hereunder must be in writing (except where expressly permitted otherwise) and given by personal delivery or sent by (i) registered or certified mail return receipt requested, postage prepaid, (ii) nationally recognized overnight courier service, or (iii) electronic transmission (e-mail or facsimile), addressed as follows (unless written notice of change thereof is provided):

If to Buyer: Stan Kelley, Its Sr. Real Estate Store Coordinator
Love's Travel Stops & Country Stores, Inc.
10601 N. Pennsylvania Ave.
Oklahoma City, OK 73120

If to Seller: Nick Koverman, City Administrator
City of St. Charles
830 Whitewater Avenue
St. Charles, MN 55972

Notice shall be deemed received on the earlier of (i) actual receipt; (ii) 3 business days after deposit in the U.S. Mail; (iii) the first business day after deposit with an overnight courier; or (iv) if by electronic transmittal, the day of transmission, provided that the transmission is completed no later than 4:00 p.m. CT on a business day and an original of the notice is simultaneously sent via overnight courier or U.S. Mail. Any notice or communication not received because of a change of address or facsimile number, without notice to the other party thereof, or refusal to accept delivery, will be deemed received, notwithstanding the same, as set forth above.

18. **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 thirty (30) days after receipt of such written 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 in its performance hereunder (except as excused by Buyer's default) and fails to cure such default within 30 days after receipt of written demand therefore from Buyer, Buyer shall have the option to (i) seek specific performance; (ii) waive such default; or (iii) terminate this Agreement by written notice to Seller and upon such termination the Earnest Money (along with any interest earned thereon) shall be returned to Buyer.

19. **MISCELLANEOUS PROVISIONS.**

- a. **Voluntary and Knowing Action.** The Parties, by executing this Agreement, state that they have carefully read this Agreement and understand fully the contents thereof; that in executing this Agreement they voluntarily accept all terms described in this Agreement without duress, coercion, undue influence, or otherwise, and that they intend to be legally bound thereby.
- b. **Authorized Signatories.** The Parties each represent and warrant to the other that (1) the persons signing this Agreement are authorized signatories for the entities represented, and (2) no further approvals, actions or ratifications are needed for the full enforceability of this Agreement; each party indemnifies and holds the other harmless against any breach of the foregoing representation and warranty.

- c. **Data Practices.** The parties acknowledge that this Agreement is subject to the requirements of Minnesota's Government Data Practices Act, Minnesota Statutes, Section 13.01 et seq.
 - d. **Assignment.** This Agreement may not be assigned by either Party without the written consent of the other Party, which consent shall not be unreasonably withheld, conditioned or delayed. The foregoing notwithstanding, Buyer shall have the right to assign its rights and obligations, without consent, to an entity under its common ownership and control, provided that the assignee assumes all obligations of Buyer under this Agreement.
 - e. **Headings and Captions.** Headings and captions contained in this Agreement are for convenience only and are not intended to alter any of the provisions of this Agreement and shall not be used for the interpretation of the validity of the Agreement or any provision hereof.
 - f. **Survival.** The respective covenants, agreements, indemnifications, warranties and other terms of this Agreement will survive and be in full force and effect after the Closing, and shall not be deemed to have merged into any of the Closing Documents.
 - g. **Other Documents.** Each Party to this Agreement agrees, both at the Closing and after the Closing, to execute such other documents as may be reasonably requested by the other Party in order to complete the transactions contemplated by this Agreement.
 - h. **Counterparts.** This Purchase Agreement may be executed in counterparts, each of which shall be deemed an original, and which together shall constitute a single, integrated contract.
20. **SELLER'S TRANSACTION APPROVAL.** Seller's obligation to perform hereunder is contingent upon Seller obtaining, before the execution of the Agreement, approval of the transaction contemplated by this Agreement by the City Council of the City of St. Charles, Minnesota.

Remainder of this page intentionally left blank.

IN WITNESS WHEREOF, Seller and Buyer have each executed this Agreement in their corporate names as of the date first written above.

BUYER:
LOVE'S TRAVEL STOPS & COUNTRY
STORES, INC.

Date: 11-5-2018

By: 
Shane Wharton, Its Vice President

SELLER:
CITY OF ST. CHARLES, MINNESOTA

Date: _____

By: _____
John Schaber, Its Mayor

Date: _____

By: _____
Nick Koverman, Its City Administrator

EXHIBIT A

DEPICTION AND MAP OF THE REAL PROPERTY

EXHIBIT B

(Top 3 inches reserved for recording data)

QUIT CLAIM DEED

eCRV number: _____

DEED TAX DUE: \$ _____

Date: _____

FOR VALUABLE CONSIDERATION, the City of St. Charles, a municipal corporation under the laws of the State of Minnesota ("Grantor"), hereby conveys and quitclaims to Love's Travel Stops & Country Stores, Inc., a corporation under the laws of the State of Oklahoma ("Grantee"), real property in Winona County, Minnesota, legally described as:

Lot 1, Block 3, Chattanooga Innovation Park, City of St. Charles, Winona County, Minnesota

together with all hereditaments and appurtenances belonging thereto.

The Seller certifies that the Seller does not know of any wells on the described real property.

Grantor

CITY OF ST. CHARLES

By: _____

John Schaber

Its: Mayor

By: _____

Nick Koverman

Its: City Administrator

Contract for Professional Services

This contract is made and entered into by Community and Economic Development Associates, a Minnesota nonprofit corporation exempt from income tax as an organization operated for charitable purposes within the meaning of Internal Revenue Code section 501(c)(3), hereafter "CEDA", and the Economic Development Authority of the City of St. Charles, an agency or affiliate of a political subdivision of the State of Minnesota, hereafter "the Authority", to define the terms by which CEDA shall provide technical and management expertise services to the Authority.

I. Agreement scope and purpose. The Authority hereby retains CEDA to perform to its benefit the services described in paragraph II, to the end of the Authority more effectively accomplishing:

- * Prevention and/or combat of community and neighborhood deterioration and revitalization of deteriorated neighborhoods;
- * Attraction and/or retention of businesses that would not, but for the assistance provided, choose to locate/remain in the area;
- * The securing of businesses who will be required to provide jobs for unemployed and underemployed residents of the community; and
- * The expansion of business opportunities for minority entrepreneurs and other entrepreneurs that are viable business opportunities to enhance the well being of the community and/or for businesses who are unable to obtain financing from conventional sources

II. Services to be provided by CEDA. CEDA agrees to provide technical and management expertise in the form of staff and materials to the Authority. Staff's services, and associated materials, will be provided in order to facilitate and support the accomplishment of the Authority's undertakings to the ends described in the preceding paragraph. CEDA's staff and materials shall be made available toward efforts in the following specific arenas of the Authority's needs and operations:

- * Accessing of grantor funding for the Authority's economic development programming
- * Providing loan packaging services for the Authority's business assistance programs
- * Administering local, regional and state revolving loan funds, if appropriate
- * Drafting the Authority's Economic Development Annual Work Plan(s)
- * Planning, facilitating, and/or directly conducting the Authority's community and business development projects, including as necessary, staffing those projects as directed by the Authority in consultation with CEDA. These efforts shall include (but are not limited to), the following:
 - * seeking city and county involvement
 - * developing relationships and partnerships to enhance the Authority's goals
 - * preparing economic development guidelines
 - * promoting the use of local assets to support and promote value-added processes and unique based businesses
- * Assisting with local surveys related to business and industry, community, and land and buildings
- * Assisting with the Authority's economic development marketing efforts and coordination through website development and maintenance
- * Coordinating and hosting forums in which the Authority's economic development programming are open for the public's review

III. Obligations of the Authority.

- A. The Authority shall reimburse CEDA for staff time provided at the rate of \$36,000 not to exceed annually. This is based on an average of forty eight hours per month.
- B. Materials, conferences, meetings and the like shall be paid for on a unit basis agreed to by the Authority in writing prior to the provision of the materials.

C. The Authority shall be responsible to provide payment to CEDA within 30 days of the submission of each invoice provided by CEDA.

IV. Obligations of CEDA.

A. CEDA is performing services as an independent contractor. Accordingly, the provision of staff by CEDA to provide technical and management expertise to the Authority under this Agreement neither creates a release of CEDA staff to employment at the Authority nor makes such staff subject to supervision by the Authority.

B. CEDA has no authority or right, express or implied, to assume or create any obligation or responsibility on behalf of the Authority or to bind the Authority in any manner. CEDA will not represent the contrary, either expressly or implicitly, to anyone.

C. CEDA is solely responsible for payroll tax responsibilities related to each of its staff persons whose time is provided under this Agreement and shall acquire and maintain necessary insurance related to their efforts under this Agreement, including carrying workers' compensation insurance coverage at all times. CEDA shall supply the Authority with certification of such coverage.

D. CEDA shall be responsible to invoice the Authority for staff time and materials provided under this Agreement on a periodic basis, no less frequently than quarterly.

V. Period/Termination. The term of this Agreement is one year, commencing January 1, 2019. The Agreement may be terminated earlier in its term upon 30 days' written notice by CEDA to the Authority or by the Authority to CEDA. Upon termination, the Authority shall be liable to pay CEDA for services performed at \$36,000 per year and materials provided under this Agreement prior to and through the effective date of termination, unless otherwise specifically agreed by the parties in writing.

VI. Construction of Agreement. This Agreement is to be performed and construed under Minnesota law, and supersedes any and all prior agreements and contains the entire agreement of the parties.

CITY OF ST. CHARLES

By _____

Its _____

Date _____

By _____

Its _____

Date _____

COMMUNITY AND ECONOMIC DEVELOPMENT ASSOCIATES

By _____

Its _____

Date _____

2905 South Broadway
Rochester, MN 55904-5515
Phone: 507.288.3923
Fax: 507.288.2675
Email: rochester@whks.com
Website: www.whks.com

whks

engineers + planners + land surveyors

November 7, 2018

Mr. Kyle Karger
Public Works Director
City of St. Charles
830 Whitewater Avenue
St. Charles, MN 55972

RE: St. Charles, MN
2018 Street Improvements
Pay Request No. 2

Dear Kyle:

Enclosed is the Pay Request No. 2 for work on the above referenced project. We recommend payment in the amount of \$343,154.31 to:

Dunn Blacktop Co.
24206 TH 43 Box 208
Winona, MN 55987

Please contact me if you have any questions.

Sincerely,

WHKS & CO.



Daren D. Sikkink, P.E.

DDS/rge

Enclosure

cc: Nick Koverman, City of St. Charles
Fred Bauer, Dunn Blacktop Co.

2905 South Broadway
 Rochester, MN 55904
 Phone 507-288-3923



engineers + planners + land surveyors

Partial Payment Request
 For Construction Work Completed

Project: 2018 Street Improvement Project
 Project No.: 8559.00
 Location: St. Charles, Minnesota
 Contractor: Dunn Blacktop

Bid Price: \$ 478,278.74
 Alternate #1 \$ 39,066.75
 Date: 11/6/2018
 Estimate #: 2
 % Complete: 95.7%

Item No.	Item	Contract Quantity	Unit	Unit Price	Quantity Completed Previous Estimates	Quantity Completed This Estimate	Quantity Completed to Date	Total
1	Remove Pavement	50	SY	\$ 20.46	50	60	110	\$ 2,250.60
2	Mill Pavement	15330	SY	\$ 2.49	14530	800	15330	\$ 38,171.70
3	Reclaim Pavement	3360	SY	\$ 7.17	3360	0	3360	\$ 24,091.20
4	Common Excavation (P)	125	CY	\$ 32.22	125	0	125	\$ 4,027.50
5	Aggregate Base, Class 5 (CV)	200	Ton	\$ 17.57	0	16.54	16.54	\$ 290.61
6	Bituminous Pavement SPWEB240B	5124	Ton	\$ 65.60	451	4295.7	4746.7	\$ 311,383.52
7	Bituminous Pavement for Leveling	100	Ton	\$ 80.00	0	128.73	128.73	\$ 10,298.40
8	Bituminous Pavement for Patching	40	Ton	\$ 80.00	0	64	64	\$ 5,120.00
9	Remove Curb & Gutter	295	LF	\$ 15.90	295	0	295	\$ 4,690.50
10	Construct Driveover Conc. Curb & Gutter	195	LF	\$ 43.68	195	0	195	\$ 8,517.60
11	Construct B624 Conc. Curb & Gutter	38	LF	\$ 41.68	38	0	38	\$ 1,583.84
12	Adjust Manhole	40	Each	\$ 910.00	0	31	31	\$ 28,210.00
13	Adjust Gate Valve Box	16	Each	\$ 325.00	0	9	9	\$ 2,925.00
14	Topsoil Borrow	60	CY	\$ 53.75	0	149	149	\$ 8,008.75
15	Material Testing	1	LS	\$ 500.00	0	0	0	\$ -
Alt. 1	Add - Reclaim Bituminous Pavement	1775	SY	\$ 6.87	1775	0	1775	\$ 12,194.25
Alt. 2	Add - Construct B612 Conc. Curb & Gutter	850	LF	\$ 14.25	850	0	850	\$ 12,112.50
Alt. 3	Add - Bituminous Pavement SP WEB240B	225	Ton	\$ 65.60	0	225	225	\$ 14,760.00
Extra	Valley Gutter at Soppa Drive		LF	\$ 63.93	0	103	103	\$ 6,584.79

Total Work Completed \$ 495,220.76
 Less 5% Retained \$ (24,761.04)
 Less Previous Payments \$ (127,305.41)

Net Payment this Estimate	\$ 343,154.31
----------------------------------	----------------------



Resolution of Board of Directors Certificate of Incumbency

Regarding Authorized Entity Representatives

1. Corporation Name (and capacity, if applicable; e.g., ABC, Inc. as General Partner of XYZ Partnership; ABC, Inc. as Trustee of XYZ Trust) ("Corporation"):

CITY OF ST. CHARLES

2. WHEREAS the Corporation is authorized to appoint **Wells Fargo Bank, N.A.** ("Wells Fargo") in Wells Fargo's capacity as (check all that apply):

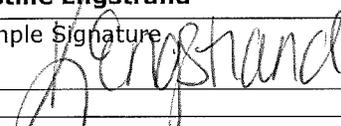
- Agent for Investment or Asset Management account(s) Agent for Nonprofit Service account(s)
 Trustee Custodian for Custody account(s)

and the Corporation's Board of Directors ("Board") has delegated certain functions to individuals ("Authorized Entity Representatives") to act on the Corporation's behalf;

3. RESOLVED that the following are Authorized Entity Representatives and a minimum of 2 [provide number; if left blank, any one Authorized Entity Representative may act] of them is/are required in order to take such actions and execute such documents on behalf of the Corporation with respect to its agreement with Wells Fargo:

Name John Schaber	
Sample Signature	Title Mayor

Name Nick Koverman	
Sample Signature	Title City Administrator

Name Kristine Engstrand	
Sample Signature 	Title City Accountant

Name	
Sample Signature	Title

Name	
Sample Signature	Title

Name	
Sample Signature	Title

4. RESOLVED that Wells Fargo shall be fully protected by relying upon this Resolution and shall be indemnified and held harmless from any and all claims, demands, expenses, losses or damages, including reasonable attorney fees related to Wells Fargo's reliance on this Resolution.
5. RESOLVED that this Resolution shall replace and supersede any prior Resolution on this subject in conflict herewith.
6. I certify that I am the duly elected and qualified Corporate Secretary authorized to certify the Resolutions of the Board; that the above is a true and correct copy of Resolutions adopted by the Board; and that said Resolutions are in full force and effect and have not been repealed, amended or canceled.
7. I further certify that the Board, by said Resolutions, has conferred on the Authorized Entity Representative(s) whose name(s) appear above full authority to exercise the powers granted; that the signature appearing opposite each Authorized Entity Representative's name is his or her authentic, official signature; and that the authority of such persons may be relied upon until Wells Fargo receives further notice from me (or my successor in office).

Signature X	Date
Name Nick Koverman	

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Dover, Eyota, St. Charles Area Sanitary District

P.O. Box 396
St. Charles, Minnesota 55972
Phone: (507) 932-4171
email: district@hbesc.net

November 1, 2018

City of St. Charles
Nick Koverman
830 Whitewater Ave.
St. Charles, MN 55972

Dear Mr. Koverman:

On January 1, 2019, the term of office which David Kramer is serving on the Board of Directors of the Dover Eyota St. Charles Area Sanitary District will expire.

The City of St. Charles will need to appoint a person for a two-year term.

Please sign, affix seal and return two copies of the Certification of Selection before our regular District meeting on January 15, 2019.

Sincerely,



Cathy Kennedy

enclosures