

Business Item

Metropolitan Parks and Open Space Commission



Community Development Committee Meeting: January 16, 2024 For the Metropolitan Council: January 24, 2024

Business Item: 2024-7

Rush Creek Regional Trail, Park Acquisition Opportunity Fund Award (Segal), Three Rivers Park District

District(s), Member(s):	District A, Monica Dillenburg District 1, Judy Johnson
Policy/Legal Reference:	Minn. Const. art. XI, sec. 15; Minn. Stat. § 473.315; 2040 <i>Regional Parks Policy Plan</i> , Chapter 4, Siting and Acquisition Policy- Strategy 1; Chapter 5, Planning Policy- Strategy 1; Chapter 8, Finance Policy- Strategy 7. FM 15-2 Grant/Loan Approval Policy, FM 14-2 Expenditures for the Procurement of Goods and Services Policy.
Staff Prepared/Presented:	Jessica Lee, Senior Planner, 651-602-1621
Division/Department:	Community Development / Regional Planning

Proposed Action

That the Metropolitan Council:

1. Approve a grant of up to \$801,150 from the Park Acquisition Opportunity Fund to Three Rivers Park District to acquire an 11.4-acre parcel located at 15406 Territorial Road in Maple Grove, MN, for the Rush Creek Regional Trail.
2. Authorize the Executive Director of Community Development to execute the grant agreement and restrictive covenant on behalf of the Council.

Background

Regional Park Implementing Agency and Project Request

Three Rivers Park District requested a Park Acquisition Opportunity Fund (PAOF) grant on November 20, 2023, to fund the acquisition of an 11.4-acre parcel for the Rush Creek Regional Trail. A copy of the Agency's request is attached to this item as Exhibit 2 with application details in Exhibit 3.

The Rush Creek Regional Trail when completed will span 18 miles beginning at the Mississippi River and running west to Crow Hassan Park Reserve (see Exhibit 1, Figure 1). Currently the trail is open for seven miles from Mississippi Gateway Regional Park to Elm Creek Park Reserve. An additional 11 miles are planned to connect Elm Creek Park Reserve to Crow Hassan Park Reserve (see Exhibit 1, Figure 2). The subject property is located just west of Elm Creek Park Reserve, where Three Rivers Park District is actively working on acquiring property rights to continue construction of the trail (see Exhibit 1, Figure 3).

Subject Property

The subject 11.4-acre property is within the Council-approved boundary of the Rush Creek Regional Trail. The property includes about 1.3 acres of developed land containing a home that will be removed, and about 10.1 acres of undeveloped wooded land along Rush Creek. The undeveloped portion of the property is eligible for the Environment and Natural Resources Trust Fund as it has high natural resources value and will help protect the creek.

Park Acquisition Opportunity Fund (PAOF)

The Council's Park Acquisition Opportunity Fund (PAOF) Program provides funding to purchase property and easements via two state sources: the Parks and Trails Legacy Fund (PTLF) and the Environment and Natural Resources Trust Fund (ENRTF). The Council contributes by matching every \$3 in state funds with \$2 in Council funds. The \$3 to \$2 match is required at the program level, not the individual project level.

State and Council funds contribute up to 75% of the purchase price and eligible costs; the Regional Park Implementing Agency (Agency) contributes the remaining 25% as local match.

Project Budget

The appraised value of the subject property is \$955,000, and the Seller has agreed to that amount. See Exhibit 4 for more information on the appraisal. The total project cost including legal fees, environmental assessments, stewardship, taxes, and appraisal is \$1,068,200, as shown in Table 1 below.

Table 1. Project Budget

Budget item	Requested amount
Purchase price	\$955,000
Appraisal, legal fees, taxes, closing costs	\$21,200
Environmental assessments, phases I and II	\$5,000
Site remediation and land stewardship	\$87,000
Total Costs	\$1,068,200
Grant structure	
Grant amount	\$801,150
Local match	\$267,050

Acquisition Details

This is a straightforward fee title acquisition.

Rationale

Council staff conduct the review of each PAOF request on a first-come-first-served basis under the following standards:

- the proposed acquisition complies with state statute and Council policy
- all necessary documentation for the acquisition is in place
- the appraisal is reasonable and appropriate

This acquisition is consistent with:

- The Parks and Trails Legacy Fund
- The Environment and Natural Resources Trust Fund
- The *2040 Regional Parks Policy Plan*
 - Planning Policy Strategy 1 requires that before an Agency can receive a grant for acquisition, the proposed project must be consistent with a Council-approved long-range plan. The Council approved the Rush Creek Regional Trail long-range plan in 2008. The



proposed acquisition is within the boundaries of the approved long-range plan.

- Siting and Acquisition Strategy 1 prioritizes the acquisition of lands with natural resource features, access to water, and/or restoration potential for the Regional Parks System. The subject property is necessary to complete the Rush Creek Regional Trail and will help protect Rush Creek.
- Finance Strategy 7 authorizes the use of PAOF as the funding mechanism for the acquisition of Regional Park and Trail lands and matching every \$3 in state funds with \$2 in Council bonds.

Thrive Lens Analysis

This request is consistent with *Thrive MSP 2040's* Livability and Stewardship outcomes. The Council's investment in the Rush Creek Regional Trail will provide additional access to nature and the outdoors and enhance quality of life.

Funding

The Council will fund the 75% share with Parks and Trails Legacy Fund, Environment and Natural Resources Trust Fund, and Council funds. The PAOF program has available funds in the Council's Authorized Capital Program.

Three Rivers Park District will provide a local match of \$267,050.

Exhibit List

- Exhibit 1: Images
- Exhibit 2: Grant request letter
- Exhibit 3: Grant application
- Exhibit 4: Appraisal excerpt
- Exhibit 5: Board approval to purchase property
- Exhibit 6: Purchase agreement



Exhibit 1 – Images

Figure 1. Map of the Regional Parks System and the Rush Creek Regional Trail (circled in red)

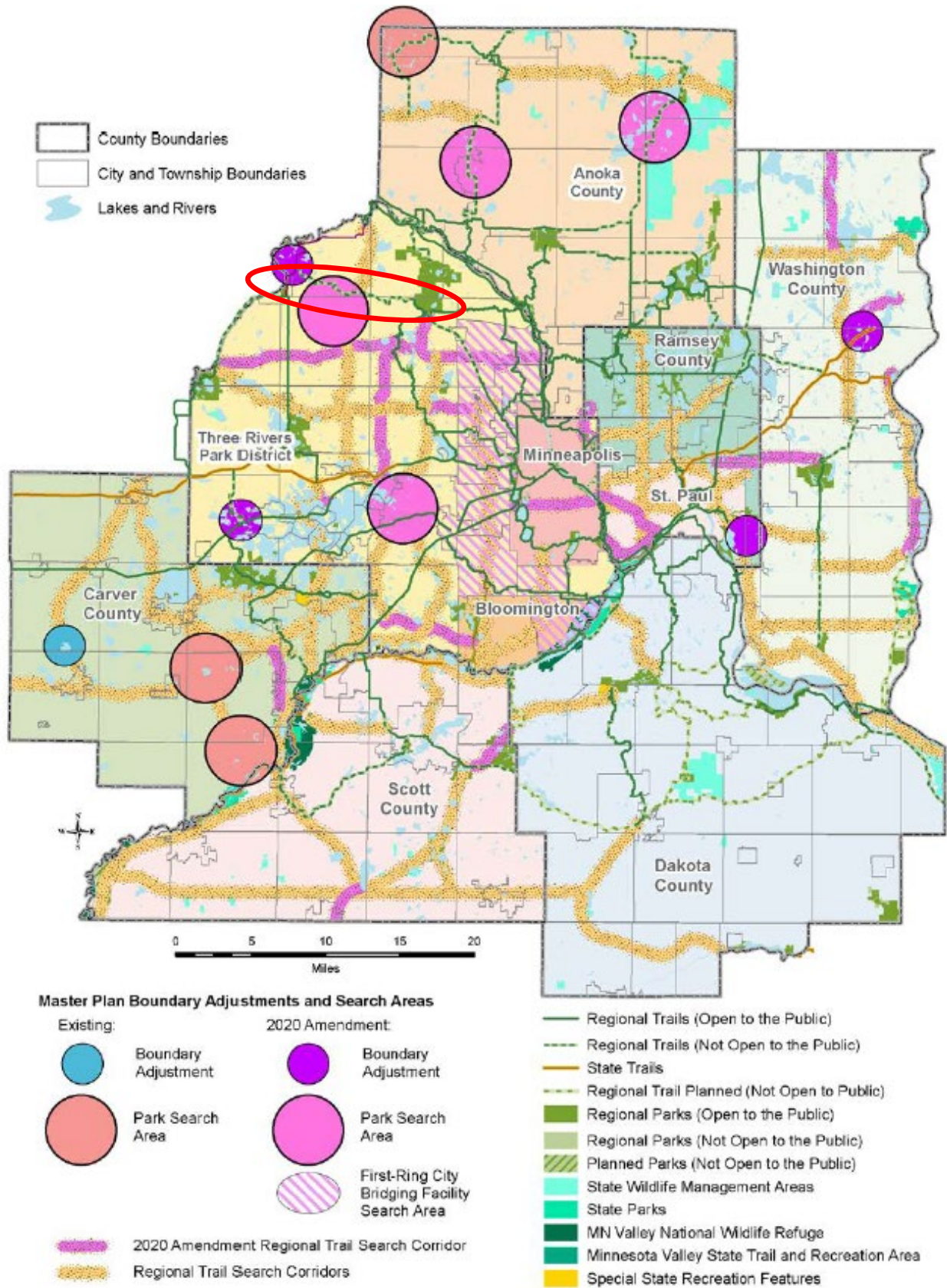


Figure 2. Excerpt from the Rush Creek Regional Trail long-range plan showing the built trail from Elm Creek Park Reserve east to the Mississippi River and the planned trail west of Elm Creek Park Reserve to Crow Hassan Park Reserve (please note that the Coon Rapids Dam Regional Park is now called the Mississippi Gateway Regional Park).



Figure 3. Close-up map of a portion of the Rush Creek Regional Trail, with the approximate location of the subject property circled in red.

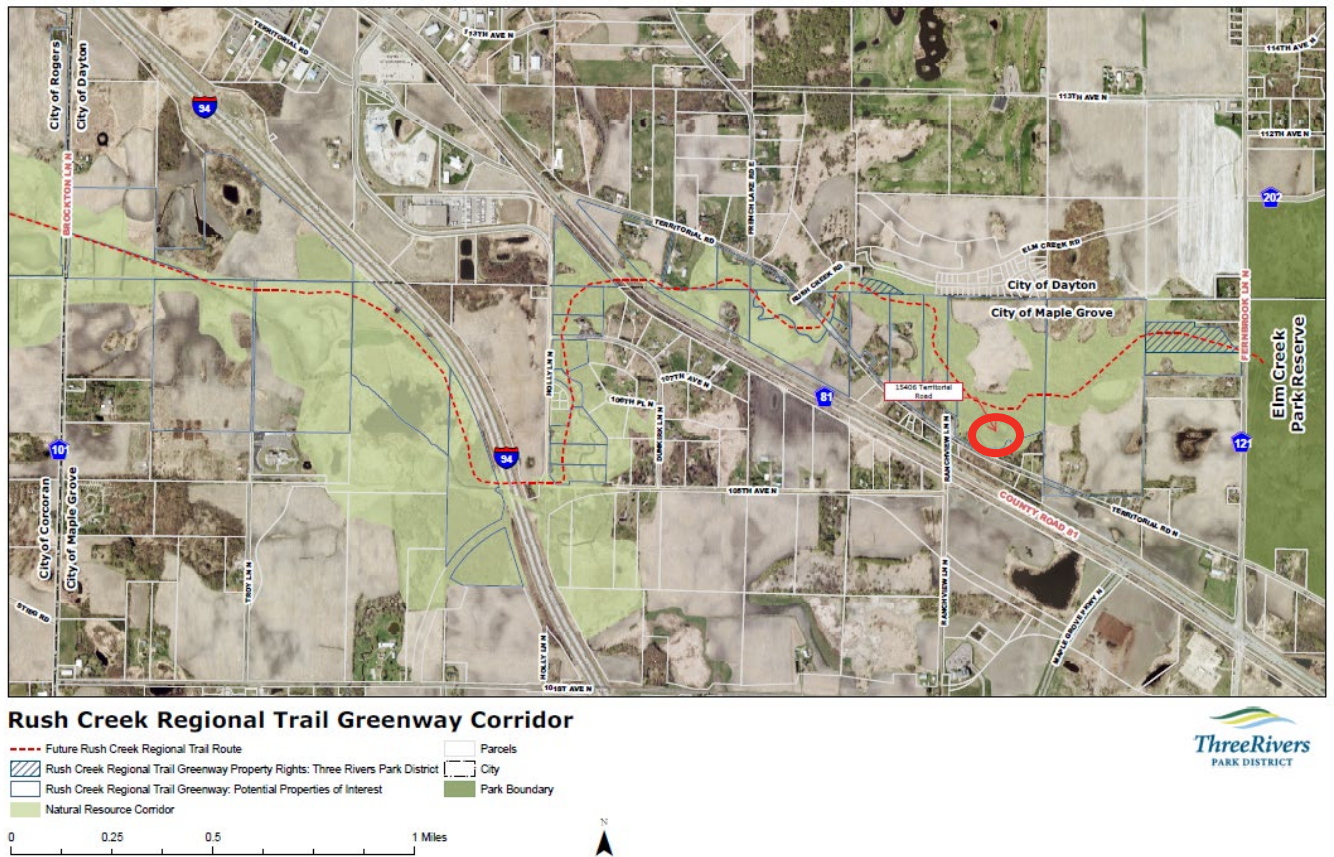


Figure 4. Image of the subject property.

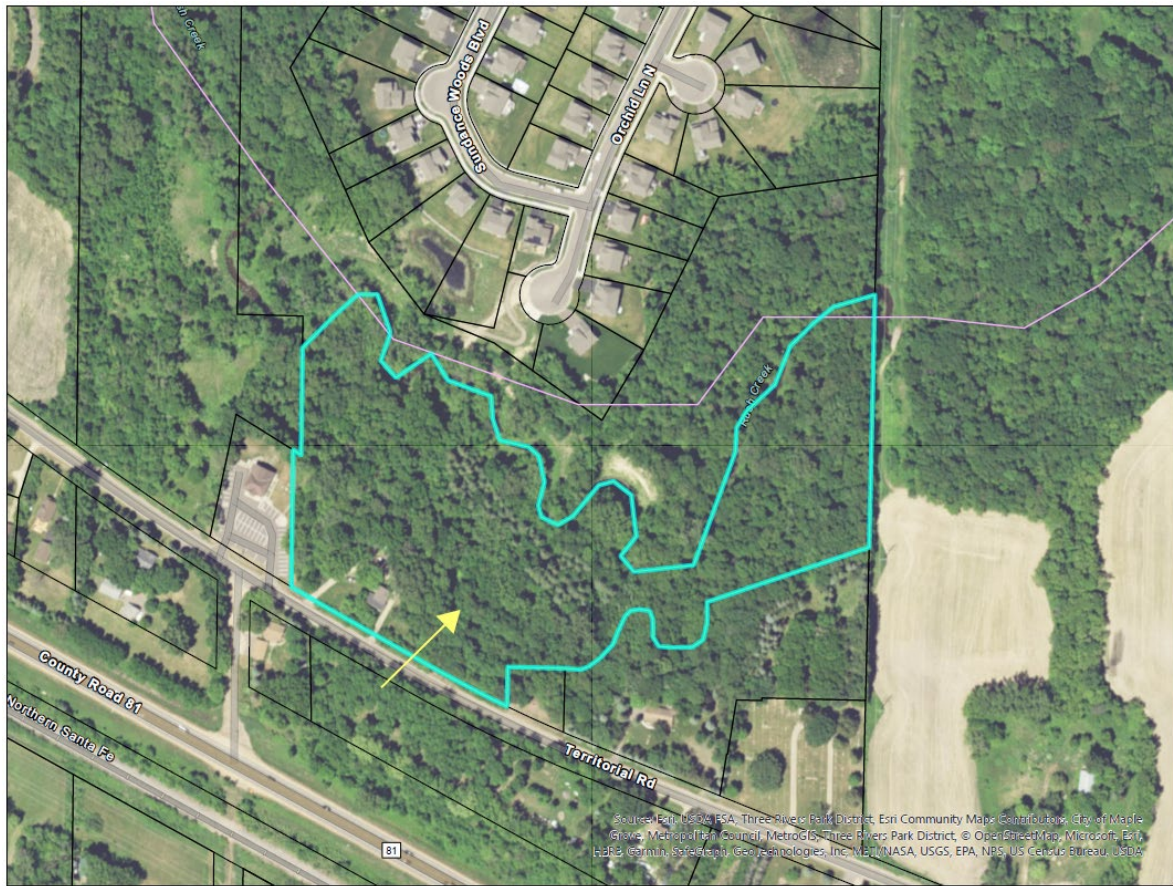


Exhibit 2: Grant request letter



Three Rivers
Park District
Board of
Commissioners

11/20/2023

Marge Beard
District 1

Mr. Emmett Mullin, Manager
Regional Parks and Natural Resources Unit
Metropolitan Council
390 North Robert Street
St. Paul, MN 55101

Jennifer DeJournett
Vice Chair
District 2

RE: Park Acquisition Opportuning Grant Fund Request for Rush Creek Regional Trail
15406 Territorial Road, Maple Grove, MN 55369 ('Segal Property')

Erin Kolb
District 3

Dear Emmett,

Three Rivers Park District respectfully requests a Park Acquisition Opportunity Grant for Rush Creek Regional Trail in the amount of \$801,150 for acquisition of the Segal Property which includes about 11.4 acres located in the City of Maple Grove directly on the Rush Creek and future Rush Creek Regional Trail corridor. Please process this request and forward to the Metropolitan Parks Open Space Commission, Community Development Committee, and Metropolitan Council for consideration and approval.

Louise M. Segreto
District 4

Background Summary

The Segal Property includes about 1.29 acres of developed, rural residential property with a residential rental property and about 10.08 acres of undeveloped, wooded land along the Rush Creek. The developed portion of the property is a strong candidate for Legacy funding and the undeveloped portion of the property is a strong candidate for the ENRTF funding. Three Rivers respectfully requests that this acquisition request be divided between the two funding opportunities accordingly.

John Gibbs
Chair
District 5

Three Rivers is including an additional spreadsheet in its acquisition request submittal outlining a proposing funding breakdown between the various funding sources for Council consideration and legal descriptions for each portion of the property for use when preparing the associated Agreement and Restrictive Covenant and/or Funding Declaration.

Jan Guenther
Appointed
At Large

The Park District has an approved purchase agreement, has obtained municipal consent from the City of Maple Grove, and is formally seeking acquisition from the Metropolitan Council to offset the acquisition costs in accordance with the Regional Parks Policy Plan and associated Grant Administration Guide.

Jesse Winkler
Appointed
At Large

Warm regards,

A handwritten signature in blue ink that reads "Kelly Grissman".

Kelly Grissman
Director of Planning
kelly.grissman@threeriversparks.org

Boe Carlson
Superintendent

Exhibit 3: Grant application



Application

18956 - FY2024 Park Acquisition Opportunity Fund Program
20114 - Segal 2023 Acquisition
Parks Grants Acquisition

Status: Under Review
Original Submitted Date: 11/20/2023 12:18 PM
Last Submitted Date: 11/21/2023 9:35 AM

Primary Contact

Feel free to edit your profile any time your information changes. Create your own personal alerts using [My Alerts](#).

Name: Ms. Heather Kuikka
Pronouns First Name Middle Name Last Name

Title: Planning & Research Coordinator

Department:

Email: Heather.Kuikka@threeriversparks.org

Address: 3000 Xenium Lane N

Phone: Plymouth Minnesota 55441
City State/Province Postal Code/Zip

763-694-7649
Phone Ext.

Fax:

What Grant Programs are you most interested in? Parks Grants Acquisition

Organization Information

Name: THREE RIVERS PARK DISTRICT

Jurisdictional Agency (if different):

Organization Type:

Organization Website:

Address: RESERVATIONS
3000 XENIUM LN N

County: Hennepin

Phone: PLYMOUTH Minnesota 55441-2661
City State/Province Postal Code/Zip

763-559-6700
Ext.

Fax:

PeopleSoft Vendor Number 0000057347A1

Project description

PAOF grants are limited to a single park or trail. Do not mix properties from more than one park or trail on a single request.

Park or trail name Rush Creek RT-Three Rivers Park District

Master plan

An acquisition request will not be considered complete until the property is included in a Council-approved master plan.

Is the project consistent with a Council-approved master plan? Yes

If yes, name of master plan and date of Council approval

Rush Creek Regional Trail
Name of master plan

05/15/2008

Council approval date - Format: mmmddyyyy (Do not enter any punctuation.)

If no, has a master plan amendment been submitted to the Council for review and approval?

Acquisition method

Acquisition method

Fee title

If the acquisition method is anything other than routine, provide more detail.

This question seeks a general description of the acquisition method - is this a routine purchase, or does it involve a land donation, park dedication fees, condemnation, or some combination? Please use this space to describe the overall acquisition project.

ENRTF, PTLF, and Three Rivers LADB fund.

Does this acquisition involve eminent domain?

No

Eminent domain

If eminent domain is being used:

(1) you must upload a copy of the notice your Agency provided to the Council that the petition to the Court was filed.

(2) Include documentation of your governing body's authorization (on the Other Acquisition Attachments web page).

When was the Council notified of your intention to use eminent domain?

Date the petition was filed.

Settlement date

Public domain

Note that ENRTF funding cannot be used for acquisitions of property already in the public domain unless a minimum of 12 LCCMR commissioners approve the transaction. If this is a public domain acquisition and if you propose using ENRTF, be sure your closing schedule accommodates planning to be included on a future LCCMR agenda.

Is any portion of the property currently in the public domain?

No

If yes, describe/name the entity and the portion of the property it owns, as well as why this public-to-public transfer is necessary.

Closing date

The Council will process all acquisition requests expeditiously, but we do not guarantee that the approval process will be completed to meet your requested closing date. This date will be considered an estimate only. However, the acquisition must be completed during the standard one-year grant term unless prior approval is obtained from the Council or the grant term is amended.

Estimated closing date

01/16/2024

Format: mmmddyyyy (Do not enter any punctuation.)

Type of agreement

Purchase Agreement

i.e., purchase agreement, offer letter, etc.

Date agreement expires

Format: mmmddyyyy (Do not enter any punctuation.)

Relocation costs

Payment of relocation costs is required by both state and federal law, unless the seller waives those rights. Please consult with Agency attorneys to determine applicability for this acquisition. If the seller has waived relocation rights, you must upload an executed copy of the waiver.

Does the requested grant amount include relocation costs?

No

Appraisal

The appraisal must have an effective date within one year of the date the purchase agreement is signed. The appraisal **MUST** list the Metropolitan Council as an intended user, and the intended use must include "negotiation and grant reimbursement."

Appraisal effective date

07/10/2023

Appraised value

\$955,000.00

Amount being offered the seller (net of closing and other costs)

\$955,000.00

100.0%

% of appraised value

Who performed the appraisal?

Day Group

Who contracted for the appraisal (i.e., was it done at arms' length)?

Three Rivers Park District

Survey

Was a survey done?

No

Quality of natural resources - is the property...

...undeveloped?

Fully

Yes

Partially

...wooded?

Fully

Yes

Partially

...shoreline?

Fully

Yes

Partially

Describe the existing natural resources it contains

The back part of the property is all wetland and sits along Rush Creek. The property contains mature trees, which will be kept unless they are diseased.

Known opposition

Is the Agency aware of any opposition to this acquisition?

No

If yes, explain:

Encumbrances

To your knowledge, are there any current or anticipated assessments or liens on property? No

If yes, describe.

Are there easements or other encumbrances on any part of the property? No

If yes, describe

Clear title

To your knowledge, does the current owner have clear title to the property? Yes

If not, what must be done to clear the title, and when will that be completed?

Suggested funding source

For guidance, see the PAOF rules in the 2040 Regional Parks Policy Plan at <http://metrocouncil.org/Parks/Publications-And-Resources/POLICY-PLANS/2040-Regional-Parks-Policy-Plan.aspx>; for ENRTF fee title acquisition project requirements, see http://www.lccmr.leg.mn/pm_info/enrtf_fee-title-acquisition-project-requirements.pdf

The Council will review your project specifics and work with you to determine the optimal funding source(s).

Anticipated funding source PTLF Legacy / Council match, ENRTF / Council match

Select as many as apply

Funding source comments, if desired

Structures currently on the property

Does the property contain ANY structures? Yes

If yes, are there any habitable structures? Yes

Does the property currently contain any revenue-generating businesses? No

If yes, what is the plan for the structure(s)? Demolish the house.

If there are habitable structures, could they be relocated? If yes, how? If no, why not? No. The house has never been updated and more than likely has asbestos due to the age of the home.

If the property contains habitable structures or revenue-generating businesses, describe:

The house is 1.5 story single family residence that was build in 1948. There is a 2-car detached garage. The basement is unfinished and the upstairs seems to be original from 1948.

For ENRTF funding only

If this will use ENRTF funding, LCCMR rules require that you describe the selection process used to identify these proposed parcels.

NOTICE: ENRTF funding has specific requirements for disseminating information to the public when property is purchase through the Trust Fund. It is the agency/s responsibility to meet those requirements and to provide documentation to the Council BEFORE payment will be made.

The owner contacted Three Rivers to see if we were interested in purchasing the property. We had previously purchased part of the owner's property via lot split over 10 years ago.

Stewardship and minimal access

Describe the stewardship plan.

Three Rivers will demolish the house and garage, cap the well, and removing any and all debris around the property. It will then be backfilled and reseeded.

How will the stewardship implementation be funded?

With PTLF and Three Rivers funding.

Are you requesting funds to provide minimal access to the property (prior to it being open to the public) as part of this grant request? No

If yes, how will those funds be used?

Site Description

Land Use History

Current land uses Residential

Select as many as apply

Previous land uses Residential

Select as many as apply

Adjacent land uses Agricultural, Park, Residential, Wetland

Select as many as apply

Inspection

Does the property contain any of the following? Wells, Septic, Power and/or utility lines, Potential asbestos-containing materials

Select as many as apply

Sellers and parcels

Seller name	Parcel address	PID	Acres (SF for easements)	Date PA signed	Habitable structures?	MN House district	City	County	Met Council district	MPOSC	Latitude	Longitude
Dm & Rs Limited Partnership	15406 Territorial Road, Maple Grove, MN 55369	04-119-22-24-0013	11.36	10/20/2023	Yes	37B	Maple Grove	Hennepin	1	A	45.149360	-93.474640
			11									

Local match

Source of local match

Three Rivers Park District LADB fund.

Grant agreement signatories

Full name	Title	If this is an attorney, is the signature 'for form only'?
Boe Carlson	Superintendent and Secretary to the Board	
Eric Quiring	General Counsel	Yes

Acquisition Costs

Cost Items	Amount	State funds	Metro funds	Match funds
Purchase price				
Negotiated purchase price	\$955,000.00	\$429,750.00	\$286,500.00	\$238,750.00
Appraisal expenses				
Appraisal	\$5,200.00	\$2,340.00	\$1,560.00	\$1,300.00
Appraisal review	\$0.00	\$0.00	\$0.00	\$0.00
Environmental expenses				
Phase I environmental site assessment	\$2,500.00	\$1,125.00	\$750.00	\$625.00
Phase II environmental site assessment	\$2,500.00	\$1,125.00	\$750.00	\$625.00
Environmental contamination remediation	\$0.00	\$0.00	\$0.00	\$0.00
Holding expenses				
Interest	\$0.00	\$0.00	\$0.00	\$0.00
Land stewardship	\$87,000.00	\$39,150.00	\$26,100.00	\$21,750.00
Land development	\$0.00	\$0.00	\$0.00	\$0.00
Pro-rated share of all property taxes/assessments	\$450.00	\$202.50	\$135.00	\$112.50
Legal services and closing costs	\$4,000.00	\$1,800.00	\$1,200.00	\$1,000.00
Property tax equivalency payment-473.341	\$9,000.00	\$4,050.00	\$2,700.00	\$2,250.00
Relocation costs to seller	\$0.00	\$0.00	\$0.00	\$0.00
State deed tax/conservation fee	\$2,000.00	\$900.00	\$600.00	\$500.00
Title insurance	\$500.00	\$225.00	\$150.00	\$125.00
Well disclosure statement	\$50.00	\$22.50	\$15.00	\$12.50
Other holding	\$0.00	\$0.00	\$0.00	\$0.00
Other expenses				
Other expenses	\$0.00	\$0.00	\$0.00	\$0.00
Totals	\$1,068,200.00	\$480,690.00	\$320,460.00	\$267,050.00

Total Estimated Acquisition Costs

Totals	Total acquisition cost	Total paid with state funds	Total paid with metro funds	Total paid by agency	Total grant amount
Total Estimated Acquisition Cost (calculated after costs above are entered)	\$1,068,200.00	\$480,690.00	\$320,460.00	\$267,050.00	\$801,150.00

IDENTIFICATION OF CLIENT, OTHER INTENDED USERS, AND INTENDED USE OF APPRAISAL

Client and Appraisal Engagement

Three Rivers Park District
3000 Xenium Lane North
Plymouth, MN 55441

Kelly Grissman, Director of Planning engaged the appraiser

Previous Subject Appraisals

This report is a revision to a recently submitted appraisal (dated 9/15/2023). The appraiser has not completed a prior appraisal within the past 3 years, other than this recent work.

Intended Users

Three Rivers Park District, Metropolitan Council, Legislative Citizen Commission of Minnesota Resources, and City of Maple Grove. There are no other intended users.

Intended Use of Appraisal

The intended use is for potential full acquisition purposes. The client desires to use a portion of the subject for future regional trail, and would intend to sell off the unneeded portion to a 3rd party. Use or reliance of the appraisal is only for the stated use.

Restriction on Use of Appraisal

Differing intended users and appraisal problems/assignments involve different assignment conditions, scope of work, and reporting requirements. Hence, this appraisal as developed and reported is only for the intended user and stated use. Neither the appraisers nor Day Group LLC assume responsibility for any reliance by unintended users or uses of the appraisal.

Other than the client, the appraiser has not identified any purchaser, borrower or seller as an intended user of the appraisal and no such party should use or rely on the appraisal for any purpose. Such parties are advised to obtain an appraisal from an appraiser of their own choosing if they require an appraisal for their own use. The appraisal report should not serve as the basis for any property purchase decision or any appraisal contingency in a purchase agreement relating to the property.

Any unauthorized use or third party relying upon any portion of this report, does so at its own risk and liability.

Appraiser

Plymouth Court Office Center
12805 Highway 55, Suite 302
Plymouth, MN 55441
Phone 763-205-6966
www.daygroupmn.com



Jonathan D. Day, MAI, President
MN Certified General Real Property Appraiser
License #20480945
Email: jon@daygroupmn.com

SUBJECT IDENTIFICATION AND EXECUTIVE SUMMARY

Subject Property Name and Location

Rural Residential Redevelopment Lot with unbuildable acreage along Rush Creek
15406 Territorial Road
Maple Grove, MN 55369

Day Group File Number

2023525

Subject Property Owner

Dm & Rs Limited Partnership
2220 Cape Cod Place
Minnetonka, MN 55305

Contact is David Segal, owner

Hypothetical Conditions

No hypothetical conditions were used in the appraisal

Subject Occupancy

Dated and recently-vacated rental rural residence.

Legal Description and PID Number

Legal is:

Unplatted that part of the northeast quarter of the northwest quarter and the southeast quarter of the northwest quarter of section 4, township 119, range 22, Hennepin County, Minnesota, which lies southerly of the following described line: beginning at the northwest corner of the southeast quarter of the northwest quarter of said section 4 thence south 88 degrees 47 minutes 40 seconds east, assumed bearing along the north line of said southeast quarter of the northwest quarter, 132.00 feet thence south 00 degrees 28 minutes 40 seconds west, parallel with the west line of said southeast quarter of the northwest quarter, 63.78 feet thence north 44 degrees 24 minutes 11 seconds east 94.70 feet thence north 48 degrees 21 minutes 58 seconds east 60.29 feet thence north 89 degrees 20 minutes 53 seconds east 38.77 feet thence south 19 degrees 12 minutes 54 seconds east 77.89 feet thence south 03 degrees 58 minutes 26 seconds west 10.37 feet thence south 19 degrees 03 minutes 34 seconds west 52.37 feet thence south 42 degrees 03 minutes 09 seconds east 45.54 feet thence north 55 degrees 40 minutes 43 seconds east 85.64 feet thence south 32 degrees 25 minutes 03 seconds east 63.20 feet thence south 70 degrees 04 minutes 04 seconds east 92.67 feet; thence south 04 degrees 16 minutes 37 seconds east 45.53 feet thence south 18 degrees 45 minutes 17 seconds east 45.27 feet thence south 77 degrees 07 minutes 47 seconds east 59.55 feet thence south 48 degrees 41 minutes 46 seconds east 27.36 feet thence south 12 degrees 19 minutes 12 seconds east 54.07 feet; thence south 14 degrees 29 minutes 25 seconds west 48.52 feet thence south 15 degrees 47 minutes 54 seconds east 23.97 feet thence south 64 degrees 50 minutes 51 seconds east 36.27 feet thence north 59 degrees 53 minutes 10 seconds east 34.77 feet thence north 39 degrees 50 minutes 58 seconds east 81.41 feet thence north 74 degrees 51 minutes 38 seconds east 30.83 feet; thence south 52 degrees 46 minutes 50 seconds east 44.69 feet thence south 07 degrees 08 minutes 55 seconds east 84.15 feet thence south 38 degrees 35 minutes 08 seconds west 50.20 feet thence south 40 degrees 12 minutes 52 seconds east 41.54 feet thence north 83 degrees 33 minutes 29 seconds east 120.99 feet thence north 19 degrees 59 minutes 02 seconds east 242.13 feet thence north 02 degrees 51 minutes 29 seconds east 49.83 feet thence north 30 degrees 31 minutes 13 seconds east 37.08 feet; thence north 46 degrees 33 minutes 09 seconds east 79.52 feet; thence north 21 degrees 33 minutes 18 seconds east 83.52 feet thence north 45 degrees 20 minutes 17 seconds east 65.29 feet thence north 50 degrees 28 minutes 44 seconds east 52.00 feet thence north 73 degrees 28 minutes 05 seconds east 86.94 feet to the east line of said northeast quarter of the northwest quarter, and there said line terminating. excepting therefrom the following four tracts of land located in said southeast quarter of the northwest quarter described as follows: that part of the southeast quarter of the northwest quarter of section 4, township 119, range 22, Hennepin County,

SUBJECT IDENTIFICATION AND EXECUTIVE SUMMARY (CONTINUED)

Summary and Value Conclusions	
	Total
Value Before Acquisition:	
Rural Residential Lot on 1.29 Upland Acres	\$300,000
High-Amenity Parkland of 10.08 Gross Acres	\$655,000
Total Concluded Subject Market Value Before Acquisition	\$955,000
Value After Acquisition	
Rural Residential Lot on 2.76 Gross Acres (1.28 Upland Acres)	\$350,000
Resulting Allocated Value of Three Rivers Parkland Portion (8.61 Gross Acres)	\$605,000

DATE OF APPRAISAL AND PROPERTY RIGHTS

Appraisal Dates	
Date of Value	7/31/2023
Date of Inspection	7/31/2023
Date of Report	9/25/2023

Property Rights Appraised

Appraised is the fee simple interest subject to normal easements for drainage, public streets and utilities, if any.

The property is subject to the following known significant easements or encroachments: none

No personal property, special trade fixtures, or any intangible business assets are included in the real estate value.

Any deferred taxes, delinquent taxes, special assessments, deferred assessments, unpaid utility charges, or any other levies/liens on the subject are assumed to be paid.

The impact of any existing mortgage is not included in appraisal.

Exhibit 5: Board approval to purchase property

6. CURRENT BUSINESS

B. Rush Creek Regional Trail Acquisition Opportunity

MOTION by DeJournett, seconded by Segreto, TO APPROVE A PURCHASE AGREEMENT IN THE AMOUNT OF \$955,000 FOR THE ACQUISITION OF 15406 TERRITORIAL ROAD LOCATED IN THE CITY OF MAPLE GROVE ALONG THE RUSH CREEK REGIONAL TRAIL, ENTER INTO AN ACQUISITION REIMBURSEMENT GRANT WITH THE METROPOLITAN COUNCIL, AND TO ESTABLISH A PROJECT BUDGET IN THE AMOUNT OF \$1,365,000 WITH LOCAL FUNDING FROM THE LAND ACQUISITION DEVELOPMENT AND BETTERMENT FUND.

Beard Aye
DeJournett Aye

Guenther Aye
Kolb Aye
Segreto Aye

Winkler Aye
Gibbs, Chair Aye

MOTION ADOPTED

REQUEST FOR BOARD ACTION

Meeting Date: 10/19/23 Business Item: Current Item Number: **6B**

Division: Planning, Design & Technology Originating Source: Jonathan Vlaming, Assoc. Supt.

Agenda Item: Rush Creek Regional Trail Acquisition Opportunity

Superintendent's Recommendation:

MOTION TO APPROVE A PURCHASE AGREEMENT IN THE AMOUNT OF \$955,000 FOR THE ACQUISITION OF 15406 TERRITORIAL ROAD LOCATED IN THE CITY OF MAPLE GROVE ALONG THE RUSH CREEK REGIONAL TRAIL, ENTER INTO AN ACQUISITION REIMBURSEMENT GRANT WITH THE METROPOLITAN COUNCIL, AND TO ESTABLISH A PROJECT BUDGET IN THE AMOUNT OF \$1,365,000 WITH LOCAL FUNDING FROM THE LAND ACQUISITION DEVELOPMENT AND BETTERMENT FUND.

The following information was prepared by Kelly Grissman, Director of Planning.

Background:

The property owner of 15406 Territorial Road reached out to Three Rivers earlier this year expressing an interest in selling their property and inquiring if Three Rivers was a willing buyer. The property is directly located on the future Rush Creek Regional Trail (**Reference 6B-1**).

The subject property is about 11.3 acres, sits directly on Rush Creek, includes a residential structure with a detached garage, and is adjacent to other Three Rivers-owned property. About 1.1 acres of the property is considered buildable with the remaining property generally considered non-buildable due to steep slopes, wetlands, shoreland setbacks, and flood plains.

The property was appraised at \$1.25 million; however, the property owner is willing to sell the property to Three Rivers for \$955,000 with the difference between the appraised value and the purchase price (\$295,000) being a donation. The property owner has reviewed and signed a purchase agreement establishing the purchase price and donation amount for Board consideration (**Reference 6B-2**).

As is typical with acquisitions, staff reviewed the opportunity with City of Maple Grove staff, and also explored a joint purchase scenario in which Three Rivers would retain the non-buildable portions of the property and the City would acquire the buildable portion of the property for future use as a local park. City staff have not expressed any concerns with Three Rivers acquiring the land and, while they may be interested in acquiring the buildable portion of the property at a future date, they are not prepared to pursue acquisition at this time.

PURCHASE AGREEMENT

THIS PURCHASE AGREEMENT ("Agreement") is entered into by and between **Three Rivers Park District**, a public corporation and political subdivision of the State of Minnesota ("Buyer") and **DM and RS Limited Partnership, LLP**, a Minnesota limited liability limited partnership ("Seller").

RECITALS

WHEREAS, Buyer is a political subdivision of the State of Minnesota, whose primary duties are acquisition, development and maintenance of large parks, wildlife sanctuaries or other reservations, and means for public access to historic sites and to lakes, rivers and streams and to other natural phenomena, and to acquire, establish, operate and maintain trail systems; and

WHEREAS, Seller owns property located at 15406 Territorial Road, Maple Grove, Minnesota, legally described on Exhibit A hereto ("Subject Property"), containing approximately 11.37 acres; and

WHEREAS, Seller and Buyer wish to enter into an agreement for the conveyance of the Subject Property from Seller to Buyer.

NOW THEREFORE, for and in consideration of the above premises and the promises contained herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. Conveyance. Seller hereby agrees to convey to Buyer and Buyer agrees to accept from Seller the Subject Property together with all improvements and fixtures thereon.

2. Consideration. The cash purchase price ("Purchase Price") for the Subject Property is Nine Hundred Fifty-Five Thousand and No/100 Dollars (\$955,000.00) in United States currency. The Purchase Price is based on an appraised fair market value for the Property of \$1,250,000 that has been reduced as a result of an in kind charitable contribution (bargain sale) made by Seller to Buyer in the amount of \$295,000 as described below. The Purchase Price shall be paid in the following manner:

(a) Balance of Cash at Closing. At Closing, Buyer shall deliver to Title for further payment to Seller by wire transfer or other immediately available funds the cash balance of the Purchase Price.

(b) Bargain Sale. Seller and Buyer acknowledge that Seller intends to claim the sale of the Subject Property qualifies for a charitable contribution in the form of a bargain sale as defined in Internal Revenue Code Sections 170 and 1101(b) and the regulations promulgated thereunder because Seller believes that the Subject Property's fair market value is greater than the Purchase Price. Seller obtained a certified appraisal of the Subject Property dated July 10, 2023, which appraised the fair market value of the Subject Property to be \$1,250,000.00, a copy of which has been provided to Buyer. Buyer agrees to sign the property receipt

acknowledgement form on IRS Form 8283 to be attached to Seller's federal income tax return. Buyer makes no representations or warranties regarding the fair market value of the Subject Property or regarding the content of or the conclusions of the appraisal.

3. Deed/Marketable Title. Subject to performance by the Buyer, Seller agrees to execute and deliver a Limited Warranty Deed in recordable form conveying marketable title to Subject Property subject only to the following exceptions:

- (a) Building and zoning laws, ordinances, State and Federal regulations;
- (b) Reservation of any minerals or mineral rights to the State of Minnesota;
- (c) The lien of taxes and special assessments not yet due and payable; and
- (d) Any Permitted Encumbrances (defined below).

4. Real Estate Taxes. Real estate taxes due and payable in the year of Closing shall be prorated between Seller and Buyer on a calendar year basis to the actual date of Closing. Seller shall pay the prorated portion of the real estate taxes up to and including the date prior to the date of Closing. Buyer shall pay its prorated portion of the real estate taxes from and after the date of Closing. Real estate taxes payable in the years prior to Closing shall be paid by Seller on or before the date of Closing. Real estate taxes payable in the years subsequent to Closing shall be paid by Buyer.

5. Special Assessments. Seller shall pay on or before the date of Closing all special assessments levied or pending against the Subject Property as of the date of Closing.

6. Prorations. Except as otherwise provided herein, all items customarily prorated and adjusted in connection with the Closing of the sale of the Subject Property shall be prorated as of the date of Closing. It shall be assumed that the Buyer will own the property for the entire date of the Closing.

7. Damages To Real Property. Except for Buyer's inspection activities pursuant to Section 8(d), if there is any loss or damage to the Subject Property between the date hereof and the date of Closing, for any reason, the risk of loss shall be on the Seller. Seller shall notify Buyer of loss or damage to the Subject Property promptly upon such occurrence. If the Subject Property is materially destroyed or damaged, after application of any available insurance proceeds, and before the Closing, this Agreement shall become null and void, at Buyer's sole option. Buyer shall have the right to terminate this Agreement within 30 days after Seller notifies Buyer of such damage. If Buyer elects to not terminate this Agreement and closes, without reduction in the Purchase Price, the proceeds of all insurance covering the Subject Property conveyed by this Agreement payable by reason of such damage or destruction shall be paid to the Buyer.

8. Documents; Title and Inspection.

- (a) Documents and Information to be provided. Within 15 days after the acceptance of this Agreement by the parties hereto, Seller shall provide Buyer with the following:

- (i) Copies of any environmental audits or assessments of the Subject Property that are in Seller's possession. Seller makes no representations or warranties regarding the scope or content of such audits or assessments to the extent prepared by third parties.
- (ii) Copies of any certificates, authorizations, permits, licenses and approvals which have been issued covering the Subject Property.
- (iii) Copies of any surveys that are in Seller's possession.
- (iv) Copies of any written agreements affecting the ownership and use of the Subject Property known to Seller.
- (v) An abstract of the Subject Property if in Seller's possession.

(b) Title Commitment. Buyer agrees to obtain an owner's title commitment within 15 days after the full execution of this Agreement by the parties. Buyer shall pay the title commitment fee and shall pay the premium for any title insurance desired by Buyer.

(c) Review of Commitment. Buyer shall have 30 days after receipt of the title commitment within which to object to the contents. If said objections are not made in writing within such time period, Buyer shall be deemed to have waived such objections. If Buyer objects to the contents of the title documents, Seller may notify Buyer of its willingness to cure such objections and if it so elects shall have 90 days from the date of such objections to make title marketable. If Seller elects not to cure the objections or title is not made marketable within 90 days, this Agreement shall be null and void at the sole option of Buyer and neither party shall have any further obligation under this Agreement. Any matters disclosed on the title commitment that are not objected to by Buyer or for which such objections are waived shall be deemed "Permitted Encumbrances".

(d) Inspections; Document Review. With respect to all of the above items other than the title commitment, Buyer shall have 90 days after delivery of the foregoing to Buyer during which to inspect all such items. Further, Buyer may inspect the Subject Property and conduct such other and further inspections or other review as seems necessary by Buyer during such period. If such review and/or inspection by the Buyer shall be unsatisfactory to Buyer, Buyer shall notify Seller within such time period, and this Agreement shall be null and void at the sole discretion of the Buyer. If said period should expire without notice of Buyer's intention to terminate this Agreement, then this Agreement shall be considered in full force and effect and Buyer shall be deemed to have waived any objections based upon such review and inspection. Seller hereby grants Buyer and/or its agents the right to enter upon the Subject Property for the purpose of inspection and to prepare topographical studies, planning, surveys, soil tests and other engineering studies, and environmental inspection and testing that may be deemed necessary; provided however that Buyer shall pay all costs thereof and shall protect, defend, indemnify, save and hold Seller and Subject Property harmless from and against any and all costs, damages and liabilities arising from entry upon inspection or testing of

Subject Property, including but not limited to costs, damages and liabilities arising from mechanics, materialmens and other liens filed against Subject Property in connection with work performed or material furnished by or at the direction of Buyer and also any legal fees and court costs that may be expended or incurred in defending or releasing such liens. Notwithstanding anything to the contrary herein, this indemnification shall survive termination or cancellation of this Agreement.

9. Environmental. To Seller's knowledge, and except as disclosed in the reports and other documents provided to Buyer, Seller's operations are in compliance with all applicable federal, state and local statutes, laws, rules, regulations, ordinances, orders, judicial or administrative decisions of any governmental authority or court of competent jurisdiction in effect and in each case, if applicable, as amended as of the Closing relating to (a) pollution of the environment, (b) a Release, as defined below, or threatened Release of Hazardous Materials, as defined below, or (c) the handling, storage, transport or disposal of Hazardous Materials (collectively, "Environmental Laws").

During the period of Seller's ownership of the Subject Property, to the Seller's knowledge, and except as disclosed in the reports and other documents provided to the Buyer (a) there has been no Release, as defined below, of any Hazardous Materials, as defined below, on the Subject Property, and (b) there have not been, and Seller has not received any notices from any governmental authority of any underground storage tanks on the Subject Property. For purposes of this Agreement, "Release" shall mean, in violation of applicable Environmental Laws, depositing, discharging, injecting, spilling, leaking, leaching, dumping, emitting, escaping, emptying, seeping or placing and other similar actions into or upon any land, water or air, or otherwise entering into the environment, and "Hazardous Materials" shall mean (a) any chemicals, materials or substances defined as or included in the definition of "hazardous substances," "hazardous wastes," "hazardous materials," "extremely hazardous substances," "toxic substances," "pollutant or contaminant" or words of similar import, under applicable Environmental Laws; (b) any petroleum or petroleum products, natural or synthetic gas, radioactive materials, polychlorinate, biphenyls, asbestos in any form that is friable, urea formaldehyde foam insulation or radon, and (c) any other chemical, material or substance, the handling, storage, transport or disposal of which is prohibited, limited or regulated by any governmental authority under applicable Environmental Laws.

Seller has disclosed to the Buyer all reports and other documents in Seller's possession concerning environmental matters relating to the Subject Property. Seller has not received written notice of any existing claims or causes of action, and, to Seller's knowledge, there are no pending claims regarding the Subject Property against the Subject Property or Seller involving the violation of Environmental Laws, and Seller has no such claims against third parties. For purposes of this Section 9, "to Seller's knowledge" means the actual knowledge of David Segal, the general partner of Seller, without duty of further investigation or inquiry

10. Seller's Warranties AS IS SALE. As an inducement to Buyer to enter into this Agreement, and as part of the consideration therefore, Seller represents and warrants to and covenants with Buyer that to Seller's knowledge at the time of Closing there are no persons in possession of the Subject Property, including, but not limited to tenants, licensees, or permittees. EXCEPT AS SPECIFICALLY PROVIDED FOR IN WRITING IN THIS AGREEMENT, BUYER IS NOT RELYING ON ANY WRITTEN OR ORAL REPRESENTATIONS OR STATEMENTS OF SELLER OR SELLER'S AGENTS, IF ANY, BUYER IS PURCHASING THE SUBJECTL PROPERTY IN ITS "AS IS" CONDITION, WITH ALL FAULTS, AND SELLERS MAKE NO WARRANTIES WITH

RESPECT TO THE CONDITION OF THE SUBJECT PROPERTY, INCLUDING BUT NOT LIMITED TO EXPRESS OR IMPLIED, ENVIRONMENTAL MATTERS AFFECTING OR RELATING TO THE SUBJECT PROPERTY, THE PHYSICAL CONDITION OF THE SUBJECT PROPERTY, INCLUDING SOIL CONDITIONS OR THE FITNESS OF THE SUBJECT PROPERTY FOR ANY USE OR PURPOSE WHATSOEVER

11. Defaults/Right to Terminate. In addition to the other rights to terminate this Agreement granted to each of the parties pursuant to this Agreement, either party may cancel this Agreement upon 30 day's written notice to the other party at any such time as such other party is in default of its agreements hereunder and remains in such default for 30 days following the written notice of such default. Service by Seller of a notice in compliance with Minn. Stat. §559.21 shall constitute notice of such default.

12. Due Authorization. Seller and Buyer hereby represent to the other that each has the requisite power and authority to execute this Agreement and the documents referred to herein and to perform its obligations hereunder and thereunder; and the individuals executing this Agreement and all such other documents that have a legal power, right and actual authority to bind each of the parties hereto to the terms and conditions of the Agreement and all other such documents. Further, each of the parties to this Agreement hereby represents to the other that its execution and performance of this Agreement and all other documents referred to herein shall not violate any applicable statute, ordinance, governmental restriction or regulation, or any prior restriction or agreement.

13. Closing; Contingencies.

(a) Performance at Closing. Subject to satisfaction of Paragraphs 8 and 13(b) hereof, the Closing of the transaction contemplated by this Agreement shall take place at 3000 Xenium Lane North, Plymouth, MN 55441 on or before February 15, 2024 or at such other time as may be agreed upon between the parties.

(i) At the Closing Seller shall:

- (a) sign an Affidavit of Seller confirming the absence of judgments, mechanics liens and unrecorded interests against the Subject Property not disclosed herein;
- (b) deliver any documents necessary to clear title in accordance with this Agreement, if any;
- (c) sign the well disclosure statement required by Minnesota Statutes §103I.235 disclosing the existence of one well located on the Subject Property,
- (d) sign the subsurface sewage treatment system required by Minnesota Statutes §115.55 disclosing the existence of a SSTS serving the Subject Property that does not discharge to a permitted facility,
- (e) sign the Limited Warranty Deed, and

- (f) pay the deed tax, provided that if the deed tax is based on an amount in excess of the cash Purchase Price, Buyer shall reimburse Seller for any excess deed tax paid by Seller.
- (ii) At the Closing, Buyer shall:
 - (a) pay the title commitment fee, if not paid pursuant to paragraph 8(b);
 - (b) pay the premium for title insurance, if desired by Buyer;
 - (c) pay any and all other Closing costs including all filing fees; and
 - (d) Pay to the Seller the cash Purchase Price for the conveyance, transfer and delivery of the Subject Property to the Buyer.
- (b) Contingencies. Notwithstanding the foregoing, the parties to this Agreement acknowledge that the Closing is expressly subject to the following contingencies:
 - (i) Buyer shall obtain consent of the City of Maple Grove to its acquisition of the Subject Property pursuant to Minn. Stat. §398.09(b)(1);
 - (ii) Buyer shall obtain all other consents required from governmental or other regulatory authorities;
 - (iii) Buyer shall have the right, at its sole discretion, to terminate this Agreement based on the environmental inspection findings which will occur within the 90-day inspection window or in the event any storage, dumping or release of hazardous materials, chemicals, pollution or similar occurs after the 90-day inspection window;
 - (iv) This Agreement and the obligations of Buyer hereunder are strictly contingent upon approval of this Agreement by Buyer's Board of Commissioners;
 - (v) Approval of reimbursement to Buyer by Metropolitan Council and the Legislative Citizen Commission on Minnesota Resources;
 - (vi) the representations and warranties of Seller contained in this Purchase Agreement which must be true as of the date of this Agreement and on the date of Closing; and
 - (vii) Confirmation that no one is living on the Subject Property and any and all leasehold interests in the Subject Property have expired prior to the date of Closing.

Any failure to satisfy any contingency contained herein shall render this Agreement null and void, in the Buyer's sole discretion, and the parties shall execute any instruments necessary to cancel this Agreement.

14. Condemnation. In the event of the initiation of proceedings for condemnation (or sale in lieu thereof) of any portion of the Subject Property prior to Closing, Buyer shall have the right to cancel this Agreement, in which case this Agreement shall be deemed null and void and neither of the parties shall have any further obligations. Conversely, Buyer may elect to purchase Subject Property and close the transaction notwithstanding such proceedings and, if Buyer shall so elect, all awards or payments made for such portion of Subject Property by the condemning authority to which Sellers are entitled shall be paid to Buyer and Buyer shall proceed to close the transactions herein and pay the full Purchase Price to Sellers.

15. Possession. Seller shall deliver possession of the Subject Property on the date of Closing. Seller may leave any of the contents of the home on the Subject Property in their as is condition and any such contents shall be deemed abandoned by Seller and may be retained or disposed of by Buyer.

16. No Intent to Acquire by Condemnation. Buyer and Seller agree that Buyer has not indicated an intent to acquire the Subject Property through eminent domain.

17. Time. Time is of the essence for performance of the terms of this Agreement.

18. Binding Effect. The provisions of this Agreement shall inure to the benefit and shall be binding on representatives, successors and assigns of the parties hereto, provided that neither party hereto shall have the right to assign its rights or obligations hereunder without the prior consent of the other party.

19. Waivers. No waiver of any of the provisions of this Agreement shall constitute a waiver of any other provision whether or not similar, nor shall any waiver be a continuing waiver. No waiver shall be binding unless executed in writing or otherwise provided in this Agreement. Any party may waive any provision of this Agreement intended for its benefit; provided, however, such waiver shall in no way excuse the other party from the performance of any of its other obligations under this Agreement. Buyer and Seller agree that the written disclosure required by Minnesota Statute §513.52 to §513.60, if any, is hereby waived.

20. Amendment. No amendment of this Agreement shall be effective unless set forth in writing expressing the intent to so amend and signed by both parties.

21. Notices. Any notices to be provided pursuant to the terms of this Agreement shall be in writing and shall be given by personal delivery or by express courier or by deposit in U.S. Certified Mail, Return Receipt Requested, postage prepaid, addressed to the Buyer or Seller at the addresses set forth below or at such other address as either party may designate in writing. The date notice is given shall be the date on which the notice is delivered, if notice is given by personal delivery, or the date notice is sent by express courier or U.S. Mail if otherwise.

If to Seller:
DM & RS Limited Partnership, LLP
c/o David Segal

2220 Cape Cod Place
Minnetonka, MN 55305

With copy to:

Brian E. Weisberg
Siegel Brill PA
100 Washington Ave. S., Suite 1300
Minneapolis, MN 55401

If to Buyer:

Three Rivers Park District
Office of the Superintendent
c/o General Counsel
3000 Xenium Lane North
Plymouth, MN 55441

22. Governing Law. This Agreement is made and executed under and in all respects is to be governed and construed under the laws of the State of Minnesota.

23. Survival of Covenants. All covenants, agreements, representations, and warranties contained herein shall survive delivery of the deed from Seller to Buyer and be enforceable by Seller or Buyer after delivery of the deed for a period of twelve (12) months after Closing.

24. Entire Agreement. This written Agreement constitutes the complete agreement between the parties and supersedes any and all other oral or written agreements, negotiations, understandings, and representations between the parties regarding the Subject Property.

25. Brokers. No brokers are involved in this real estate transaction, other than Seller's broker Synergy Land Company (Brent Hislop). Any commission payable to Seller's broker will be paid by Seller.

26. Disclosures. Seller makes the following disclosures to Buyer:

- (a) Seller is not a foreign person for purposes of income taxation, and Seller will provide Buyer with a FIRPTA Affidavit at Closing.
- (b) Seller is not aware of any methamphetamine production that has occurred on the Subject Property.
- (c) Seller is not aware of any human remains, burials or cemeteries located on the Subject Property.

[Signature Page Follows]

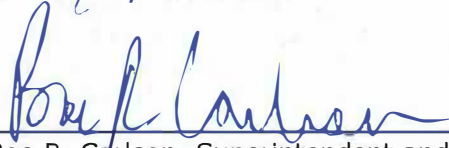
IN WITNESS WHEREOF, the parties hereto have executed this Agreement. The effective date of this Agreement shall be the latest date beside the signatory lines below.

THREE RIVERS PARK DISTRICT, a public corporation and political subdivision of the State of Minnesota

Dated: 10/19/23

By 
John Gibbs, Board Chair

Dated: 10/19/23

By 
Boe R. Carlson, Superintendent and Secretary to the Board

DM & RS Limited Partnership, LLP

Dated: 10/9/23

By 
David Segal, General Partner

EXHIBIT A

Legal Description of Subject Property

That part of the northeast quarter of the northwest quarter and the southeast quarter of the northwest quarter of section 4, township 119, range 22, Hennepin County, Minnesota, which lies southerly of the following described line: beginning at the northwest corner of the southeast quarter of the northwest quarter of said section 4 thence south 88 degrees 47 minutes 40 seconds east, assumed bearing along the north line of said southeast quarter of the northwest quarter, 132.00 feet thence south 00 degrees 28 minutes 40 seconds west, parallel with the west line of said southeast quarter of the northwest quarter, 63.78 feet thence north 44 degrees 24 minutes 11 seconds east 94.70 feet thence north 48 degrees 21 minutes 58 seconds east 60.29 feet thence north 89 degrees 20 minutes 53 seconds east 38.77 feet thence south 19 degrees 12 minutes 54 seconds east 77.89 feet thence south 03 degrees 58 minutes 26 seconds west 10.37 feet thence south 19 degrees 03 minutes 34 seconds west 52.37 feet thence south 42 degrees 03 minutes 09 seconds east 45.54 feet thence north 55 degrees 40 minutes 43 seconds east 85.64 feet thence south 32 degrees 25 minutes 03 seconds east 63.20 feet thence south 70 degrees 04 minutes 04 seconds east 92.67 feet; thence south 04 degrees 16 minutes 37 seconds east 45.53 feet thence south 18 degrees 45 minutes 17 seconds east 45.27 feet thence south 77 degrees 07 minutes 47 seconds east 59.55 feet thence south 48 degrees 41 minutes 46 seconds east 27.36 feet thence south 12 degrees 19 minutes 12 seconds east 54.07 feet; thence south 14 degrees 29 minutes 25 seconds west 48.52 feet thence south 15 degrees 47 minutes 54 seconds east 23.97 feet thence south 64 degrees 50 minutes 51 seconds east 36.27 feet thence north 59 degrees 53 minutes 10 seconds east 34.77 feet thence north 39 degrees 50 minutes 58 seconds east 81.41 feet thence north 74 degrees 51 minutes 38 seconds east 30.83 feet; thence south 52 degrees 46 minutes 50 seconds east 44.69 feet thence south 07 degrees 08 minutes 55 seconds east 84.15 feet thence south 38 degrees 35 minutes 08 seconds west 50.20 feet thence south 40 degrees 12 minutes 52 seconds east 41.54 feet thence north 83 degrees 33 minutes 29 seconds east 120.99 feet thence north 19 degrees 59 minutes 02 seconds east 242.13 feet thence north 02 degrees 51 minutes 29 seconds east 49.83 feet thence north 30 degrees 31 minutes 13 seconds east 37.08 feet; thence north 46 degrees 33 minutes 09 seconds east 79.52 feet; thence north 21 degrees 33 minutes 18 seconds east 83.52 feet thence north 45 degrees 20 minutes 17 seconds east 65.29 feet thence north 50 degrees 28 minutes 44 seconds east 52.00 feet thence north 73 degrees 28 minutes 05 seconds east 86.94 feet to the east line of said northeast quarter of the northwest quarter, and there said line terminating. excepting therefrom the following four tracts of land located in said southeast quarter of the northwest quarter described as follows: that part of the southeast quarter of the northwest quarter of section 4, township 119, range 22, Hennepin County, Minnesota, described as follows: beginning at the northwest corner of said southeast quarter of the northwest quarter; thence on an assumed bearing of south 1 degree 10 minutes 13 seconds east, along the west line of said southeast quarter of the northwest quarter, a distance of 200.48 feet; thence south 59 degrees 54 minutes 04 seconds east 154.42 feet thence north 1 degree 10 minutes 13 seconds west 278.96 feet, to the intersection of the north line of said southeast quarter of the northwest quarter thence westerly along said north line 132 feet to the point of beginning. and that part of the southeast quarter of the northwest quarter of section 4, township 119, range 22, Hennepin County, Minnesota, described as follows: commencing at the northwest corner of said southeast quarter of the northwest quarter; thence on an assumed bearing of south 1 degree 10 minutes 13 seconds east, along the west line of said southeast quarter of the northwest quarter, a distance of 200.48 feet to the point of beginning of tract to be described thence south 59 degrees 54 minutes 04 seconds east 135.52 feet; thence south 1 degree 10 minutes 13 seconds east, parallel with said west line, 312.47 feet to the

intersection of the centerline of territorial road as located and traveled thence northwesterly 134.67 feet, along said centerline, to the intersection of said west line of the southeast quarter of the northwest quarter thence north 1 degree 10 minutes 13 seconds west, along said west line, 314.14 feet to the point of beginning and that part of the northwest quarter of section 4, township 119, range 22, Hennepin County, Minnesota, described as follows commencing at the intersection of the east line of said northwest quarter and the centerline of territorial road, said point being 2370.81 feet south of the northeast corner of said northwest quarter; thence northwesterly, along said centerline, 648.00 feet to the actual point of beginning of the tract of land to be herein described thence continue northwesterly along said centerline 125.00 feet; thence north, parallel with said east line 115.50 feet thence east, perpendicular to said parallel line 115.25 feet, to its intersection with a line drawn parallel with said east line from the actual point of beginning thence south along said parallel line 163.89 feet to the actual point of beginning, according to the united states government survey. and that part of the southeast quarter of the northwest quarter of section 4, township 119, range 22, Hennepin County, Minnesota, which lies easterly and southerly of the following described line: commencing at the northeast corner of said southeast quarter of the northwest quarter; thence on an assumed bearing of south 0 degrees 35 minutes 16 seconds east, along the east line of said southeast quarter of the northwest quarter a distance of 435.39 feet to a point hereinafter referred to as "point a" thence continue south 0 degrees 35 minutes 16 seconds east along said east line to the intersection of said east line and the centerline of territorial road, said point being 2370.81 feet south of the northeast corner of said northwest quarter; thence north 69 degrees 58 minutes 25 seconds west, along said centerline, as located and traveled, 604.60 feet thence northwesterly 43.40 feet along said centerline and along a tangential curve, concave to the northeast, having a radius of 2806.84 feet and central angle of 0 degrees 53 minutes 09 seconds to the point of beginning of said line, said point being 648.00 feet northwesterly measured along said centerline from the east line of said southeast quarter of the northwest quarter thence north 0 degrees 35 minutes 16 seconds west parallel with the east line of said southeast quarter of the northwest quarter 163.89 feet; thence south 87 degrees 39 minutes 55 seconds east 31.77 feet thence north 66 degrees 52 minutes 15 seconds east 17.31 feet; thence north 51 degrees 47 minutes 08 seconds east 27.65 feet thence north 41 degrees 15 minutes 26 seconds east 38.15 feet thence north 19 degrees 49 minutes 19 seconds east 27.92 feet thence north 23 degrees 11 minutes 13 seconds east 34.08 feet thence north 41 degrees 40 minutes 03 seconds east 14.81 feet thence north 78 degrees 12 minutes 54 seconds east 19.33 feet thence south 82 degrees 37 minutes 19 seconds east 20.59 feet thence south 22 degrees 51 minutes 21 seconds east 17.82 feet thence south 02 degrees 24 minutes 30 seconds east 36.35 feet thence south 34 degrees 19 minutes 24 seconds east 21.92 feet thence south 88 degrees 20 minutes 55 seconds east 32.32 feet thence north 86 degrees 39 minutes 36 seconds east 35.24 feet thence north 53 degrees 26 minutes 17 seconds east 26.17 feet thence north 10 degrees 59 minutes 03 seconds east 34.67 feet thence north 01 degree 41 minutes 47 seconds west 42.22 feet to the intersection of a line bearing south 69 degrees 26 minutes 06 seconds west from the above described "point a"; thence north 69 degrees 26 minutes 06 seconds east, 344.35 feet to point a, and said line there terminating, Hennepin County, Minnesota.

Property Identification Number: 04-119-22-24-0013