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June 1, 2017

**VIA ELECTRONIC FILING**

Mr. Daniel P. Wolf, Executive Secretary  
MN Public Utilities Commission  
121 7<sup>th</sup> Place East, Suite 350  
St. Paul, MN 55101-2147

**RE: Minnesota Power's Petition for Approval of a Purchase Agreement Between  
Minnesota Power and Lakehead Constructors, Inc.  
Docket No: E015/M-17-\_\_\_\_\_**

Dear Mr. Wolf:

Please find attached for filing with the Minnesota Public Utilities Commission ("Commission") Minnesota Power's Petition in the above Docket.

Yours truly,

Christopher D. Anderson

jmn  
Attachments

STATE OF MINNESOTA  
BEFORE THE  
MINNESOTA PUBLIC UTILITIES COMMISSION

In the Matter of the Petition  
of Minnesota Power for  
Approval of a Purchase  
Agreement with Lakehead  
Constructors, Inc.

Docket No. E015/M-17-\_\_\_

**SUMMARY OF FILING**

PLEASE TAKE NOTICE that on June 1, 2017 Minnesota Power ("MP") filed a Petition with the Minnesota Public Utilities Commission ("MPUC" or "Commission") seeking approval of a Purchase Agreement between MP and Lakehead Constructors, Inc. ("Lakehead"). Under the Purchase Agreement, MP intends to sell its Aurora Service Center in Aurora, Minnesota for \$375,000. The Purchase Agreement requires prior Commission approval pursuant to Minn. Stat. §216B.50.

STATE OF MINNESOTA  
BEFORE THE  
MINNESOTA PUBLIC UTILITIES COMMISSION

In the Matter of the Petition of Minnesota  
Power for Approval of a Purchase  
Agreement with Lakehead Constructors,  
Inc.

E015/M-17-\_\_\_

**PETITION FOR APPROVAL**

**INTRODUCTION**

Minnesota Power ("MP") hereby petitions the Minnesota Public Utilities Commission ("MPUC" or "Commission") for approval of a Purchase Agreement between MP and Lakehead Constructors, Inc. ("Lakehead"). Under the Purchase Agreement (which is attached as Exhibit A to this Petition), MP intends to sell its Aurora Service Center for \$375,000. This Petition is filed pursuant to Minn. Stat. §216B.50 and Minn. Rules Part 7825.1600-1800. MP believes that the Purchase Agreement is in the public interest and satisfies all of the criteria under the statute and Rules and should be approved by the Commission.

**I. GENERAL FILING INFORMATION**

Pursuant to Minn. Rules Part 7825.1300, Subpart 3, MP provides the following general information:

**A. NAME, ADDRESS AND TELEPHONE NUMBER OF UTILITY**

Minnesota Power  
30 West Superior Street  
Duluth, MN 55802  
218-722-2641

**B. NAME, ADDRESS AND TELEPHONE NUMBER OF UTILITY ATTORNEY**

Christopher D. Anderson  
Minnesota Power  
30 West Superior Street  
Duluth, MN 55802  
218-723-3961

**C. DATE OF FILING AND DATE PROPOSED AGREEMENT WILL TAKE EFFECT**

This Petition is being filed on June 1, 2017. MP requests approval of the Purchase Agreement as of its effective date.

**D. STATUTE CONTROLLING SCHEDULE FOR PROCESSING THE FILING**

The applicable statute is Minn. Stat. §216B.50 and Minn. Rules Part 7825.1600-1800. These provisions do not establish an explicit time deadline for Commission action.

**E. TITLE OF UTILITY EMPLOYEE RESPONSIBLE FOR FILING**

Christopher D. Anderson  
Minnesota Power  
30 West Superior Street  
Duluth, MN 55802  
218-723-3961

**II. DESCRIPTION OF FILING**

**A. THE PURCHASE AGREEMENT**

MP has operated the Aurora Service Center in Aurora, Minnesota, until a few years ago when field operations were consolidated, eliminating the need to house vehicles and equipment through a general centralization and consolidation effort of Minnesota Power's field operations. The Aurora Service Center is currently being leased to Embarrass Vermilion Credit Union at an

annual lease fee of \$24,000 per year, which helps defray the operating and maintenance costs of the building. However, a sale of the building would be the best option long-term, and a willing buyer (Lakehead) has stepped forward. The transaction is contingent on the purchase of some adjacent lots by Lakehead, as well as the required Commission approval sought herein.

**B. THE PURCHASE AGREEMENT IS IN THE PUBLIC INTEREST**

Minn. Stat. §216B.50 requires that transfers "of any plant as an operating unit or system" involving an utility in which the value of the property exceeds \$100,000 must be approved by the Commission. Minn. Rules Part 7825.166, Subpart 8, likewise incorporates the concept of an "operating unit or system" in requiring approval. In any event, the Purchase Agreement is clearly in the public interest and approval should be granted.

The sale of the Aurora Service Center will reduce MP's real estate costs while providing necessary space for a key local employer, creating a significant public benefit. The book value of the buildings and real state is \$482,146.79. MP will not collect from ratepayers the difference between the sale price and the book value of the service center. The accounting entries reflecting the sale are attached as Exhibit B.

Minn. Stat. §216B.50 governs the Commission's review of this Petition. This statute provides, in relevant part:

Upon the filing of an application for the approval and consent of the commission thereto the commission shall investigate, with or without public hearing, and in case of a public hearing, upon such notice as the commission may require, and if it shall find that the proposed action is consistent with the public interest it shall give its consent and approval by order in writing.

Id. (emphasis added). Thus, if the Commission finds that the transaction is "consistent with the public interest," it must approve the Petition.

In prior cases, the MPUC established that this standard "does not require an affirmative finding of public benefit, just a finding that the transaction is compatible with the public interest." *In the Matter of the Proposed Merger of Minnegasco, Inc. With and Into ARKLA, Inc.*, Order Approving Merger, Docket No. G-008/PA-90-604 (1990). As recently as February 24, 1997, the Commission reconfirmed this standard in its approval of the merger *In the Matter of the Proposed Merger of Minnegasco, Inc. With and Into Houston Industries, Inc. and Houston Lighting and Power Co.*, Docket No. G-008/PA-96-950. In that matter, the MPUC approved a merger that had no rate reductions or freezes. The statute does not require that proposed transactions affirmatively benefit ratepayers or the public or that they otherwise promote the public interest. They cannot, however, contravene the public interest and must be shown to be compatible with it. *Id* , p.4.

The sale of the land and buildings at Aurora easily meets the Commission's standard under Section 50.

### **C. FILING COMPLIANCE AND VARIANCE REQUEST**

The effectiveness of the Purchase Agreement is contingent upon MPUC approval. Moreover, the information provided with this Petition meets the requirements of the relevant Rules. Under Section 50, the Commission must consider the "reasonable value" of the property transferred. The information provided, including the information on how MP will treat the difference between the purchase price and the book value of the property, gives the Commission ample basis for making that determination.

In addition, however, a Section 50 filing must contain information required by Minn. Rules Part 7825.1400 and 7825.1800. These Rules are primarily designed to collect information pertinent to capital structure filings and for the purpose of investigating the issuance of securities and MP requests a variance from the application of such Rules in this Petition. The Commission shall grant a variance to its rules when it determines that the following requirements are met:

- a. enforcement of the rule would impose an excessive burden upon the applicant or others affected by the rule;
- b. granting the variance would not adversely affect the public interest; and
- c. granting the variance would not conflict with standards imposed by law.

MP believes that these Rules have no direct relevance to ascertaining the reasonableness of small property transfers such as the sale of the Aurora Service Center; while the burden may not be excessive, the information that would result is not relevant to the Commission's analysis. Consequently, to the extent the informational requirement of Minn. Rules Part 7825.1400 and 1800 apply to this Docket, MP seeks a variance since those requirements are irrelevant. The public interest is not harmed by the absence of such information, and there is no conflict with any other law, Rule or regulation if the variance is granted. In any event, MP has provided the acquisition price and the book value referenced in these Rules. The public interest will not be adversely affected and no other applicable law or statute will be violated; a variance is justified.

### **III. MISCELLANEOUS INFORMATION**

#### **A. SERVICE LIST**

Pursuant to Minn. Rules 7829.0700, MP requests that the following persons be placed on the Commission's official service list for this proceeding:

Christopher D. Anderson  
Minnesota Power  
30 West Superior Street  
Duluth, MN 55802  
218-723-3961

#### **B. SERVICE ON OTHER PARTIES**

Pursuant to Minn. Rules Part 7829.1300, Subpart 2, MP has served a copy of the Summary prepared in accordance with Minn. Rules Part 7829.1300, Subpart 1, on all parties on

its general service list. A copy of the general service list for this filing was also served on each such party. Copies of the entire Petition have been served on the Commission, the Department and the Office of Attorney General.

**C. SUMMARY OF FILING**

A one-paragraph summary of the Petition is attached pursuant to Minn. Rules Part 7829.1300, Subpart 1.

Dated: June 1, 2017

Respectfully submitted,



Christopher D. Anderson  
Associate General Counsel  
Minnesota Power  
30 W. Superior Street  
Duluth, MN 55802



510 W. 3rd Avenue N.

EXHIBIT A  
Active



MLS #	<b>128033</b>	Asking Price	<b>\$425,000</b>
Price	<b>\$425,000</b>	Original Price	<b>\$475,000</b>
Area	<b>Aurora/Hoyt Lakes/Biwabik</b>	Sold Price	
City	<b>Aurora</b>	Days On Market	<b>509</b>
State	<b>MN</b>	Contract Date	
Zip	<b>55010</b>	Closing Date	
Business/Real Estate	<b>Real Estate &amp; Building</b>	How Sold	
		Type	<b>Commercial</b>

Schedule a Showing

Quick Links:



Listing History



Documents (if available)

Virtual Tour: *Virtual Tour*

General

Doing Business	<b>Service Center</b>	Year Built:	<b>1993</b>	Waterfront:	<b>0 - None</b>
Lot Size (LxW):	<b>460.00 X 300.00</b>	Section:	<b>4</b>	Waterfront Name:	
Irregular Lot Size (Y/N):	<b>No</b>	Township:	<b>58</b>	DNR Lake ID#:	
Leases Available:	<b>No</b>	Range:	<b>15</b>		

Approximate Square Footage

Lower:	<b>0</b>	Office:	<b>5,990</b>	% of Bsmnt Finished:	<b>0</b>
Main:	<b>9,320</b>	Basement:	<b>0</b>		
Upper:	<b>0</b>	Warehouse:	<b>3,330</b>		
Total Finished SQFT:	<b>9,320</b>				
Total SQFT:	<b>9,320</b>				

Inclusions:

Directions/Legal/Remarks

Directions: **In Town**

Legal: **Sly. 250' of Ely 742.36' of Wly 1,069.46' and Part of the NW 1/4 of NE 1/4 Beg. 328.6' E.....Partial Legal**

Remarks: **Main garage has infloor power lift to raise material in trucks. Overhead doors: One 14Hx24 and two 10Hx14. Replacement cost over \$2 million. Propane aux. power generator. 3-phase electrical. The sale is conginent upon approval of the Minnesota Public Utilities Commission and ALLETE Inc. Board of Directors. Property is being sold AS IS condition. Credit Union is a tennant and will require a 6 month notice to vacate.**

Financing

Real Estate Tax:	<b>19,836.00</b>	Year Due:	<b>2015</b>	Zoning:	<b>Ind.</b>
Special Assessments:	<b>No</b>	Assessment Remarks:			
Classified:	<b>Ind.</b>			PC #:	<b>100-0080-00332 &amp; 100-0080</b>

Features

EXTERIOR	<b>See Remarks</b>	ROAD FRONTAGE	<b>City Street, County Highway</b>	HEAT	<b>Gas, Forced Air, Unit Heaters</b>
CONSTRUCTION	<b>Concrete, Steel Frame</b>	UTILITIES	<b>City Sewer, City Water</b>	COOLING	<b>Central Air</b>
ROOF	<b>Rubber</b>	SHOW	<b>Appointment W/Office LB</b>	PARKING	<b>Parking Area, Garage, Off Site Parking, Paved</b>
BASEMENT	<b>Slab</b>	INSTRUCTIONS		LOCATION	<b>Corner Lot</b>
MISCELLANEOUS	<b>Handicap Accessible,</b>	POSSESSION	<b>Closing</b>		

Agent Only Information

Buyer Broker Comp.	<b>1.8</b>	List Ofc 1 - Ofc Name	<b>Perrella &amp; Associates</b>	Sell Ofc 1 - Ofc Name	
Facilitator Comp.	<b>1.8</b>	List Ofc 1 - Phone	<b>Main: 218-262-5582</b>	Sell Ofc 1 - Phone	
Owner(s)	<b>Minnesota Power</b>	Agent - Agt Name	<b>Greg Perrella</b>	Sell Agt 1 - Agt Name	
		Agent - Phone	<b>Home: 218-262-5582</b>	Sell Agt 1 - Phone	

Agent Remarks: Contact Greg for all showings

Seller Concessions (Y/N)

*This information is deemed reliable, but not quaranteed.*

03/06/2017 12:06 PM

EXHIBIT A



COMMERCIAL PURCHASE AGREEMENT

This form approved by the Minnesota Association of REALTORS® and the Minnesota Commercial Association of REALTORS®, which disclaims any liability arising out of use or misuse of this form. © 2016 Minnesota Association of REALTORS®, Edina, MN

1. Date 3-8-2017

2. Page 1 of pages

3. BUYER (S): LAKEHEAD CONSTRUCTORS INC.

4. Buyer's earnest money in the amount of Five thousand Dollars

7. (\$ 5000 ) shall be delivered no later than two (2) Business Days after Final Acceptance Date of this Purchase Agreement to be deposited in the trust account of: (Check one.)

9. [X] listing broker; or [ ] (Name of Title Company)

11. within three (3) Business Days of receipt of the earnest money or Final Acceptance Date of this Purchase Agreement, whichever is later.

13. Said earnest money is part payment for the purchase of property at 510 W. 3rd Ave. located in the City/Township of AURORA, County of ST. LOUIS, State of Minnesota, PID # (s)

18. and legally described as follows LENGTHY SEE ATTACHED P/C 100-0080-00332 and 100-0080-00363 (collectively the "Property")

21. together with the personal property as described in the attached Addendum to Commercial Purchase Agreement: Personal Property, if any, all of which property the undersigned has this day sold to Buyer for the sum of: Three hundred seventy five thousand.

25. (\$ 375,000 ) Dollars, which Buyer agrees to pay in the following manner:

26. 1. CASH of 100 percent (%) of the sale price, or more in Buyer's sole discretion, which includes the earnest money; PLUS 28. 2. FINANCING of percent (%) of the sale price. Buyer shall, at Buyer's sole expense, apply for any financing as required by this Purchase Agreement. Such financing shall be: (Check one.) [ ] a first mortgage; [ ] a contract for deed; or [ ] a first mortgage with subordinate financing, as described in the attached Addendum to Commercial Purchase Agreement: [ ] Conventional/SBA/Other [ ] Contract for Deed. (Check one.)

33. DUE DILIGENCE: This Purchase Agreement [ ] IS [ ] IS NOT subject to a due diligence contingency. (If answer is IS, see attached see attached Addendum to Commercial Purchase Agreement: Due Diligence.)

35. CLOSING: The date of closing shall be 008 JUNE 8, 20 17.

36. DEED/MARKETABLE TITLE: Subject to performance by Buyer, Seller agrees to execute and deliver a: (Check one.) 37. [X] Warranty Deed, [ ] Limited Warranty Deed, [ ] Contract for Deed, or 38. [ ] Other: Deed conveying marketable title, subject to: 39. (a) building and zoning laws, ordinances, and state and federal regulations; 40. (b) restrictions relating to use or improvement of the Property without effective forfeiture provisions; 41. (c) reservation of any mineral rights by the State of Minnesota or other government entity; 42. (d) utility and drainage easements which do not interfere with existing improvements; and 43. (e) others (must be specified in writing):





COMMERCIAL PURCHASE AGREEMENT

45. Page 2 Date \_\_\_\_\_

46. Property located at 510 W. 3rd Ave. N., AURORA

47. TENANTS/LEASES: Property  IS  IS NOT subject to rights of tenants (if answer is IS, see attached Addendum  
----- (Check one.) -----

48. to Commercial Purchase Agreement: Due Diligence).

49. Seller shall not execute leases from the date of this Purchase Agreement to the date of closing, the term of which lease  
50. extends beyond the date of closing, without the prior written consent of Buyer. Buyer's consent or denial shall be

51. provided to Seller within \_\_\_\_\_ days of Seller's written request. Said consent  
52. shall not be unreasonably withheld.

53. REAL ESTATE TAXES: Real estate taxes due and payable in the year of closing shall be prorated between Seller and  
54. Buyer on a calendar year basis to the actual date of closing unless otherwise provided in this Purchase Agreement.  
55. Real estate taxes, including penalties, interest, and any associated fees, payable in the years prior to closing shall be  
56. paid by Seller. Real estate taxes payable in the years subsequent to closing shall be paid by Buyer.

57. SPECIAL ASSESSMENTS:

58.  BUYER AND SELLER SHALL PRORATE AS OF THE DATE OF CLOSING  SELLER SHALL PAY  
----- (Check one.) -----

59. on the date of closing all installments of special assessments certified for payment with the real estate taxes due and  
60. payable in the year of closing.

61.  BUYER SHALL ASSUME  SELLER SHALL PAY ON DATE OF CLOSING all other special assessments  
----- (Check one.) -----

62. levied as of the date of this Purchase Agreement.

63.  BUYER SHALL ASSUME  SELLER SHALL PROVIDE FOR PAYMENT OF special assessments pending as  
----- (Check one.) -----

64. of the date of this Purchase Agreement for improvements that have been ordered by any assessing authorities. (Seller's  
65. provision for payment shall be by payment into escrow of up to two (2) times the estimated amount of the assessments  
66. or less, as allowed by Buyer's lender.)

67. Buyer shall pay any unpaid special assessments payable in the year following closing and thereafter, the payment of  
68. which is not otherwise here provided.

69. As of the date of this Purchase Agreement, Seller represents that Seller  HAS  HAS NOT received a notice  
----- (Check one.) -----

70. regarding any new improvement project from any assessing authorities, the costs of which project may be assessed  
71. against the Property. Any such notice received by Seller after the date of this Purchase Agreement and before  
72. closing shall be provided to Buyer immediately. If such notice is issued after the date of this Purchase Agreement  
73. and on or before the date of closing, then the parties may agree in writing, on or before the date of closing, to pay,  
74. provide for the payment of, or assume the special assessments. In the absence of such agreement, either party may  
75. declare this Purchase Agreement canceled by written notice to the other party, or licensee representing or assisting the  
76. other party, in which case this Purchase Agreement is canceled. If either party declares this Purchase Agreement  
77. canceled, Buyer and Seller shall immediately sign a Cancellation of Purchase Agreement confirming said cancellation  
78. and directing all earnest money paid here to be refunded to Buyer.

79. POSSESSION: Seller shall deliver possession of the Property: (Check one.)

80.  IMMEDIATELY AFTER CLOSING; or

81.  OTHER: \_\_\_\_\_

82. Seller agrees to remove ALL DEBRIS AND ALL PERSONAL PROPERTY NOT INCLUDED HERE from the Property  
83. by possession date.

84. PRORATIONS: All items customarily prorated and adjusted in connection with the closing of the sale of the Property  
85. here including but not limited to rents, operating expenses, interest on any debt assumed by Buyer, shall be prorated  
86. as of the date of closing. It shall be assumed that Buyer will own the Property for the entire date of the closing.

87. RISK OF LOSS: If there is any loss or damage to the Property between the Final Acceptance Date and the date of  
88. closing, for any reason, the risk of loss shall be on Seller. If the Property is destroyed or substantially damaged before  
89. the closing, this Purchase Agreement shall be canceled, at Buyer's option, if Buyer gives written notice to Seller, or licensee  
90. representing or assisting Seller, of such cancellation within thirty (30) days of the damage. Upon said cancellation,  
91. Buyer and Seller shall immediately sign a Cancellation of Purchase Agreement confirming said cancellation and  
92. directing all earnest money paid here to be refunded to Buyer.





## COMMERCIAL PURCHASE AGREEMENT

93. Page 3 Date \_\_\_\_\_

94. Property located at 510 W. 3<sup>RD</sup> AVE. N., AURORA.
95. **EXAMINATION OF TITLE:** Seller shall, at its expense, within \_\_\_\_\_ days after Final
96. Acceptance of this Purchase Agreement, furnish to Buyer, or licensee representing or assisting Buyer, a commitment
97. for an owner's policy of title insurance from \_\_\_\_\_, including levied  
(Name of Title Company)
98. and pending special assessments. Buyer shall be allowed ten (10) days ("Objection Period") after receipt of the
99. commitment for title insurance to provide Seller, or licensee representing or assisting Seller, with written objections.
100. Buyer shall be deemed to have waived any title objections not made within the Objection Period provided for immediately
101. above and any matters with respect to which title objection is so waived may be excepted from the warranties in the
102. Deed as specified here to be delivered pursuant to this Agreement.
103. **TITLE CORRECTIONS AND REMEDIES:** Seller shall have 30 days ("Cure Period") from receipt of Buyer's written title
104. objections to cure any title objections but shall not be obligated to do so. Upon receipt of Buyer's title objections,
105. Seller shall, within ten (10) days, notify Buyer, or licensee representing or assisting Buyer, in writing whether or not
106. Seller will endeavor to cure such objections within the Cure Period. Liens or encumbrances for liquidated amounts
107. created by instruments executed by Seller and which can be released by payment proceeds of closing shall not delay
108. the closing.
109. If Seller's notice states that Seller will not endeavor to cure one or more specified objections within the Cure Period,
110. Buyer may, as its sole remedy, within ten (10) days of the sending of such notice by Seller, declare this Purchase
111. Agreement canceled by written notice to Seller, or licensee representing or assisting Seller, in which case this Purchase
112. Agreement is canceled. If Buyer declares this Purchase Agreement canceled, Buyer and Seller shall immediately sign a
113. *Cancellation of Purchase Agreement* confirming said cancellation and directing all earnest money paid here to be
114. refunded to Buyer. If Buyer does not declare this Purchase Agreement canceled as provided immediately above, Buyer
115. shall be bound to proceed with the closing and to purchase the Property subject to the objections Seller has declined
116. to cure without reduction in the Purchase Price.
117. If Seller's notice states that Seller will endeavor to cure all of the specified objections, or if Seller's notice states that
118. Seller will endeavor to cure some, but not all, of the specified objections and Buyer does not declare this Purchase
119. Agreement canceled as provided above, Seller shall use commercially reasonable efforts to cure the specified objections
120. or those Seller has agreed to endeavor to cure and, pending correction of title, all payment required here and the
121. closing shall be postponed.
122. If Seller, within the Cure Period provided above, corrects the specified objections Seller's notice indicated Seller would
123. endeavor to cure, then upon presentation to Buyer, or licensee representing or assisting Buyer, of documentation
124. establishing that such objections have been cured, the closing shall take place within ten (10) days or on the scheduled
125. closing date, whichever is later.
126. If Seller, within the Cure Period provided above, does not cure the specified objections which Seller's notice indicated
127. Seller would endeavor to cure, Buyer may, as its sole remedy, declare this Purchase Agreement canceled by written
128. notice to Seller, or licensee representing or assisting Seller, given within five (5) days after the end of the Cure Period,
129. in which case this Purchase Agreement is canceled. Buyer and Seller shall immediately sign a *Cancellation of Purchase*
130. *Agreement* confirming said cancellation and directing all earnest money paid here to be refunded to Buyer. Neither
131. party shall be liable for damages here to the other. In the alternative, Buyer may elect to waive such objections by
132. providing written notice to Seller, or licensee representing or assisting Seller, within such five (5)-day period and accept
133. title subject to such uncured objections, in which event, Buyer shall be bound to proceed with the closing and to purchase
134. the Property subject to the objections Seller has not cured without reduction in the purchase price. If neither notice is
135. given by Buyer within such five (5)-day period, Buyer shall be deemed to have elected to waive the objections and to
136. proceed to closing as provided in the immediately preceding sentence.
137. If title is marketable, or is made marketable as provided here, and Buyer defaults in any of the agreements here,
138. Seller, in addition to any other right or remedy available to Seller here, at law or in equity may cancel this Purchase
139. Agreement as provided by either MN Statute 559.21 or MN Statute 559.217, whichever is applicable, and retain all
140. earnest money paid here as liquidated damages.
141. If title is marketable, or is made marketable as provided here, and Seller defaults in any of the agreements here,
142. Buyer may, in addition to any other right or remedy available to Buyer here, seek specific performance within six
143. (6) months after such right of action arises.





## COMMERCIAL PURCHASE AGREEMENT

144. Page 4 Date \_\_\_\_\_

145. Property located at 510 W. 3rd Ave. N., AURORA.
146. **REPRESENTATIONS AND WARRANTIES OF SELLER:** The following representations made are to the best  
 147. of Seller's knowledge.
148. There is no action, litigation, investigation, condemnation, or other proceeding of any kind pending or threatened against  
 149. Seller or any portion of the Property. In the event Seller becomes aware of any such proceeding prior to closing, Seller  
 150. will promptly notify Buyer of such proceeding.
151. The Property is in compliance with all applicable provisions of all planning, zoning, and subdivision rules; regulations;  
 152. and statutes. Seller has obtained all necessary licenses, permits, and approvals necessary for the ownership and  
 153. operation of the Property.
154. Prior to the closing, payment in full will have been made for all labor, materials, machinery, fixtures, or tools furnished  
 155. within the 120 days immediately preceding the closing in connection with construction, alteration, or repair of any  
 156. structure on, or improvement to, the Property.
157. Seller has not received any notice from any governmental authority as to condemnation proceedings, or violation of  
 158. any law, ordinance, regulation, code, or order affecting the Property. If the Property is subject to restrictive covenants,  
 159. Seller has not received any notice from any person or authority as to a breach of the covenants. Any such notices  
 160. received by Seller shall be provided to Buyer immediately.
161. Seller has not executed any options to purchase, rights of first refusal, or any other agreements giving any person or  
 162. other entity the right to purchase or otherwise acquire any interest in the Property, and Seller is unaware of any options  
 163. to purchase, rights of first refusal, or other similar rights affecting the Property.
164. The legal description of the real property to be conveyed has been or shall be approved for recording as of the date  
 165. of closing.
166. If Seller is an organized entity, Seller represents and warrants to Buyer that Seller is duly organized and is in good  
 167. standing under the laws of the state of Minnesota; that Seller is duly qualified to transact business in the State of  
 168. Minnesota; that Seller has the requisite organizational power and authority to enter into this Purchase Agreement and  
 169. the Seller's Closing Documents signed by it; such documents have been duly authorized by all necessary action on  
 170. the part of Seller and have been duly executed and delivered; that the execution, delivery, and performance by Seller of  
 171. such documents do not conflict with or result in a violation of Seller's organizational documents or Bylaws or any judgment,  
 172. order, or decree of any court or arbiter to which Seller is a party; and that such documents are valid and binding obligations  
 173. of Seller, and are enforceable in accordance with their terms.
174. Seller will indemnify Buyer, its successors and assigns, against and will hold Buyer, its successors and assigns,  
 175. harmless from, any expenses or damages, including reasonable attorneys' fees, that Buyer incurs because of the  
 176. breach of any of the above representations and warranties, whether such breach is discovered before or after the date  
 177. of closing.
178. See attached *Addendum to Commercial Purchase Agreement: Due Diligence*, if any, for additional representations  
 179. and warranties.
180. **REPRESENTATIONS AND WARRANTIES OF BUYER:** If Buyer is an organized entity, Buyer represents and warrants  
 181. to Seller that Buyer is duly organized and is in good standing under the laws of the state of Minnesota; that Buyer is  
 182. duly qualified to transact business in the State of Minnesota; that Buyer has the requisite organizational power and  
 183. authority to enter into this Purchase Agreement and the Buyer's Closing Documents signed by it; such documents  
 184. have been duly authorized by all necessary action on the part of Buyer and have been duly executed and delivered;  
 185. that the execution, delivery, and performance by Buyer of such documents do not conflict with or result in a violation  
 186. of Buyer's organizational documents or Bylaws or any judgment, order, or decree of any court or arbiter to which Buyer  
 187. is a party; and that such documents are valid and binding obligations of Buyer, and are enforceable in accordance with  
 188. their terms. Buyer will indemnify Seller, its successors and assigns, against and will hold Seller, its successors and  
 189. assigns, harmless from, any expenses or damages, including reasonable attorneys' fees, that Seller incurs because  
 190. of the breach of any of the above representations and warranties, whether such breach is discovered before or after  
 191. the date of closing.





COMMERCIAL PURCHASE AGREEMENT

192. Page 5 Date \_\_\_\_\_

193. Property located at 510 W. 3RD AVE. N., AURORA

194. TIME IS OF THE ESSENCE FOR ALL PROVISIONS OF THIS CONTRACT.

195. CALCULATION OF DAYS: Any calculation of days begins on the first day (calendar or Business Days as specified)
196. following the occurrence of the event specified and includes subsequent days (calendar or Business Days as specified)
197. ending at 11:59 P.M. on the last day.

198. BUSINESS DAYS: "Business Days" are days which are not Saturdays, Sundays, or state or federal holidays unless
199. stated elsewhere by the parties in writing.

200. DEFAULT: If Buyer defaults in any of the agreements here, Seller may cancel this Purchase Agreement, and any
201. payments made here, including earnest money, shall be retained by Seller as liquidated damages and Buyer and Seller
202. shall affirm the same by a written cancellation. In the alternative, Seller may seek all other remedies allowed by law.

203. If Buyer defaults in any of the agreements here, Seller may terminate this Purchase Agreement under the
204. provisions of either MN Statute 559.21 or MN Statute 559.217, whichever is applicable.

205. If this Purchase Agreement is not canceled or terminated as provided here, Buyer or Seller may seek actual damages
206. for breach of this Purchase Agreement or specific performance of this Purchase Agreement; and, as to specific
207. performance, such action must be commenced within six (6) months after such right of action arises.

208. SUBJECT TO RIGHTS OF TENANTS, IF ANY, BUYER HAS THE RIGHT TO VIEW THE PROPERTY PRIOR TO
209. CLOSING TO ESTABLISH THAT THE PROPERTY IS IN SUBSTANTIALLY THE SAME CONDITION AS OF THE
210. DATE OF THIS PURCHASE AGREEMENT.

211. DISCLOSURE NOTICE: If this Purchase Agreement includes a structure used or intended to be used as residential
212. property as defined under MN Statute 513.52, Buyer acknowledges Buyer has received a Disclosure Statement: Seller's
213. Property Disclosure Statement or Disclosure Statement: Seller's Disclosure Alternatives form.

214. (Check appropriate boxes.)

215. SELLER WARRANTS THAT THE PROPERTY IS EITHER DIRECTLY OR INDIRECTLY CONNECTED TO:

216. CITY SEWER [X] YES [ ] NO / CITY WATER [X] YES [ ] NO

217. SUBSURFACE SEWAGE TREATMENT SYSTEM

218. SELLER [ ] DOES [X] DOES NOT KNOW OF A SUBSURFACE SEWAGE TREATMENT SYSTEM ON OR SERVING
(Choose one.)

219. THE PROPERTY. (If answer is DOES, and the system does not require a state permit, see Disclosure Statement:
220. Subsurface Sewage Treatment System.)

221. PRIVATE WELL

222. SELLER [ ] DOES [X] DOES NOT KNOW OF A WELL ON OR SERVING THE PROPERTY. (If answer is DOES and well
(Choose one.)

223. is located on the Property, see Disclosure Statement: Well.)

224. THIS PURCHASE AGREEMENT [ ] IS [X] IS NOT SUBJECT TO AN ADDENDUM TO PURCHASE AGREEMENT:
(Choose one.)

225. SUBSURFACE SEWAGE TREATMENT SYSTEM AND WELL INSPECTION CONTINGENCY.

226. (If answer is IS, see attached Addendum.)

227. IF A WELL OR SUBSURFACE SEWAGE TREATMENT SYSTEM EXISTS ON THE PROPERTY, BUYER HAS
228. RECEIVED A DISCLOSURE STATEMENT: WELL AND/OR A DISCLOSURE STATEMENT: SUBSURFACE SEWAGE
229. TREATMENT SYSTEM.



COMMERCIAL PURCHASE AGREEMENT

230. Page 6 Date \_\_\_\_\_

231. Property located at 510 W. 3rd Ave. N., Aurora

**NOTICE**

232. JERRY PEREMMER is  Seller's Agent  Buyer's Agent  Dual Agent  Facilitator.  
(Licensee) (Check one.)

234. PEREMMER REALTY  
(Real Estate Company Name)

235. Greg Perrella is  Seller's Agent  Buyer's Agent  Dual Agent  Facilitator.  
(Licensee) (Check one.)

236. Perrella and Associates  
(Real Estate Company Name)

237. **DUAL AGENCY DISCLOSURE:** Dual agency occurs when one broker or salesperson represents both parties to a  
 238. transaction, or when two salespersons licensed to the same broker each represent a party to the transaction. Dual  
 239. agency requires the informed consent of all parties, and means that the broker or salesperson owes the same fiduciary  
 240. duties to both parties to the transaction. This role limits the level of representation the broker and salespersons can  
 241. provide, and prohibits them from acting exclusively for either party. In dual agency, confidential information about price,  
 242. terms, and motivation for pursuing a transaction will be kept confidential unless one party instructs the broker or  
 243. salesperson in writing to disclose specific information about him or her. Other information will be shared. Dual agents  
 244. may not advocate for one party to the detriment of the other.

**CONSENT TO DUAL AGENCY**

245. Broker represents both parties involved in the transaction, which creates a dual agency. This means that Broker and  
 246. its salespersons owe fiduciary duties to both parties. Because the parties may have conflicting interests, Broker and its  
 247. salespersons are prohibited from advocating exclusively for either party. Broker cannot act as a dual agent in this  
 248. transaction without the consent of both parties. Both parties acknowledge that  
 249. (1) confidential information communicated to Broker which regards price, terms, or motivation to buy, sell, or lease will  
 250. remain confidential unless the parties instruct Broker in writing to disclose this information. Other information will  
 251. be shared;  
 252. (2) Broker and its salespersons will not represent the interest of either party to the detriment of the other; and  
 253. (3) within the limits of dual agency, Broker and its salesperson will work diligently to facilitate the mechanics of the  
 254. sale.  
 255. With the knowledge and understanding of the explanation above, the parties authorize and instruct Broker and its  
 256. salespersons to act as dual agents in this transaction.  
 257.

258. <b>SELLER:</b> _____ 259. By: _____ 260. Its: _____ <small>(Title)</small> 261. _____ <small>(Date)</small>	258. <b>BUYER:</b> _____ 259. By: _____ 260. Its: _____ <small>(Title)</small> 261. _____ <small>(Date)</small>
262. <b>SELLER:</b> _____ 263. By: _____ 264. Its: _____ <small>(Title)</small> 265. _____ <small>(Date)</small>	262. <b>BUYER:</b> _____ 263. By: _____ 264. Its: _____ <small>(Title)</small> 265. _____ <small>(Date)</small>





## COMMERCIAL PURCHASE AGREEMENT

266. Page 7 Date \_\_\_\_\_

267. Property located at 510 W. 3rd Ave., Aurora.
268. **SUCCESSORS AND ASSIGNS:** All provisions of this Purchase Agreement shall be binding on successors and assigns.
269. **CLOSING COSTS:** Buyer or Seller may be required to pay certain closing costs, which may effectively increase the
270. cash outlay at closing or reduce the proceeds from the sale.
271. **FOREIGN INVESTMENT IN REAL PROPERTY TAX ACT ("FIRPTA"):** Section 1445 of the Internal Revenue Code
272. provides that a transferee ("Buyer") of a United States real property interest must be notified in writing and must withhold
273. tax if the transferor ("Seller") is a foreign person and no exceptions from FIRPTA withholding apply. Buyer and Seller
274. agree to comply with FIRPTA requirements under Section 1445 of the Internal Revenue Code.
275. Seller shall represent and warrant, under the penalties of perjury, whether Seller is a "foreign person" (as the same
276. is defined within FIRPTA), prior to closing. Any representations made by Seller with respect to this issue shall survive
277. the closing and delivery of the deed.
278. Buyer and Seller shall complete, execute, and deliver, on or before closing, any instrument, affidavit, or statement
279. reasonably necessary to comply with the FIRPTA requirements, including delivery of their respective federal taxpayer
280. identification numbers or Social Security numbers.
281. Due to the complexity and potential risks of failing to comply with FIRPTA, including the Buyer's responsibility for
282. withholding the applicable tax, Buyer and Seller should **seek appropriate legal and tax advice regarding FIRPTA**
283. **compliance, as the respective licensees representing or assisting either party will be unable to assure either**
284. **party whether the transaction is exempt from FIRPTA withholding requirements.**
285. **NOTE:** MN Statute 500.21 establishes certain restrictions on the acquisition of title to agricultural land by aliens and
286. non-American corporations. Please seek appropriate legal advice if this Purchase Agreement is for the sale
287. of agricultural land and Buyer is a foreign person.
288. **ACCEPTANCE DEADLINE.** This offer to purchase, unless accepted sooner, shall be withdrawn at 11:59 p.m.,
289. \_\_\_\_\_, 20 \_\_\_\_\_, and in such event all earnest money shall be returned to Buyer.
290. **CONDEMNATION:** If, prior to the closing date, condemnation proceedings are commenced against all or any part
291. of the Property, Seller or licensee representing or assisting Seller, shall immediately give written notice to Buyer, or
292. licensee representing or assisting Buyer, of such fact and Buyer may, at Buyer's option (to be exercised within 30
293. days after Seller's notice), declare this Purchase Agreement canceled by written notice to Seller or licensee representing
294. or assisting Seller, in which case this Purchase Agreement is canceled and neither party shall have further obligations
295. under this Purchase Agreement. In the event Buyer declares the Purchase Agreement canceled, Buyer and Seller
296. shall immediately sign a written cancellation confirming such cancellation and directing all earnest money paid
297. here to be refunded to Buyer. If Buyer fails to give such written notice, then Buyer shall be bound to proceed with
298. closing, subject to any other contingencies to this Purchase Agreement. In such event, there shall be no reduction in
299. the purchase price, and Seller shall assign to Buyer at the closing date all of Seller's rights, title and interest in and to
300. any award made or to be made in the condemnation proceedings. Prior to the closing date, Seller shall not designate
301. counsel, appear in, or otherwise act with respect to, the condemnation proceedings without Buyer's prior written consent.
302. **MUTUAL INDEMNIFICATION:** Seller and Buyer agree to indemnify each other against, and hold each other harmless
303. from, all liabilities (including reasonable attorneys' fees in defending against claims) arising out of the ownership,
304. operation, or maintenance of the Property for their respective periods of ownership. Such rights to indemnification will
305. not arise to the extent that (a) the party seeking indemnification actually receives insurance proceeds or other cash
306. payments directly attributable to the liability in question (net of the cost of collection, including reasonable attorneys'
307. fees); or (b) the claim for indemnification arises out of the act or neglect of the party seeking indemnification. If, and
308. to the extent that, the indemnified party has insurance coverage, or the right to make claim against any third party for
309. any amount to be indemnified against, as set forth above, the indemnified party will, upon full performance by the
310. indemnifying party of its indemnification obligations, assign such rights to the indemnifying party or, if such rights are
311. not assignable, the indemnified party will diligently pursue such rights by appropriate legal action or proceeding and
312. assign the recovery and/or right of recovery to the indemnifying party to the extent of the indemnification payable made
313. by such party.





COMMERCIAL PURCHASE AGREEMENT

314. Page 8 Date \_\_\_\_\_

315. Property located at 510 W. 3rd Ave. N., AURORA

316. **ENTIRE AGREEMENT:** This Purchase Agreement and any addenda or amendments signed by the parties shall  
317. constitute the entire agreement between Buyer and Seller. Any other written or oral communication between Buyer and  
318. Seller, including, but not limited to, e-mails, text messages, or other electronic communications are not part of this  
319. Purchase Agreement. This Purchase Agreement can be modified or canceled only in writing signed by Buyer and  
320. Seller or by operation of law. All monetary sums are deemed to be United States currency for purposes of this Purchase  
321. Agreement.

322. **ELECTRONIC SIGNATURES:** The parties agree the electronic signature of any party on any document related to this  
323. transaction constitute valid, binding signatures.

324. **FINAL ACCEPTANCE:** To be binding, this Purchase Agreement must be fully executed by both parties and a copy  
325. must be delivered.

326. **SURVIVAL:** All warranties and representations in this Purchase Agreement shall survive the delivery of the deed or  
327. contract for deed and be enforceable after the closing.

328. **OTHER:**

329. THIS OFFER IS CONTINGENT ON THE  
330. SUCCESSFUL PURCHASE AND CLOSING OF  
331. ADJACENT LOTS : P/C<sup>3</sup> 100-0080-00333, 334 and 365  
332. APPROVAL OF MINNESOTA PUBLIC UTILITIES COMMISSION and  
333. APPROVAL OF ALETE ENERGY INC BOARD OF DIRECTORS,  
334. SELLER AGREES TO VACATE PROPERTY WITHIN 6 MONTHS  
335. OF ANY ACCEPTED AGREEMENT.

336. \_\_\_\_\_  
337. \_\_\_\_\_  
338. \_\_\_\_\_  
339. \_\_\_\_\_  
340. \_\_\_\_\_  
341. \_\_\_\_\_  
342. \_\_\_\_\_  
343. \_\_\_\_\_  
344. \_\_\_\_\_  
345. \_\_\_\_\_  
346. \_\_\_\_\_



COMMERCIAL PURCHASE AGREEMENT

347. Page 9 Date \_\_\_\_\_

348. Property located at 510 W. 3rd Ave. N., AURORA

349. **ADDENDA AND PAGE NUMBERING:** Attached addenda are a part of this Purchase Agreement.

350.  If checked, this Purchase Agreement is subject to  
351. attached **Addendum to Commercial Purchase**  
352. **Agreement: Counteroffer.**

353. **FIRPTA:** Seller represents and warrants, under penalty  
354. of perjury, that Seller  IS  IS NOT a foreign person (i.e., a  
-----*(Check one.)*-----  
355. non-resident alien individual, foreign corporation, foreign  
356. partnership, foreign trust, or foreign estate for purposes  
357. of income taxation. *(See lines 271-287.)* This representation  
358. and warranty shall survive the closing of the transaction  
359. and the delivery of the deed.

360. **SELLER**  
361. \_\_\_\_\_  
362. By: \_\_\_\_\_  
363. Its: \_\_\_\_\_  
(Title)  
364. \_\_\_\_\_  
(Date)

**BUYER**  
LEKHEAD CONSTRUCTORS  
By: \_\_\_\_\_  
Its: \_\_\_\_\_  
(Title) PRESIDENT  
3-8-17  
(Date)

365. **SELLER**  
366. \_\_\_\_\_  
367. By: \_\_\_\_\_  
368. Its: \_\_\_\_\_  
(Title)  
369. \_\_\_\_\_  
(Date)

**BUYER**  
\_\_\_\_\_  
By: \_\_\_\_\_  
Its: \_\_\_\_\_  
(Title)  
\_\_\_\_\_  
(Date)

370. **FINAL ACCEPTANCE DATE:** \_\_\_\_\_ The Final Acceptance Date  
371. is the date on which the fully executed Purchase Agreement is delivered.

372. **THIS IS A LEGALLY BINDING CONTRACT BETWEEN BUYER(S) AND SELLER(S).**  
373. **IF YOU DESIRE LEGAL OR TAX ADVICE, CONSULT AN APPROPRIATE PROFESSIONAL.**

374. **THIS MINNESOTA ASSOCIATION OF REALTORS® COMMERCIAL PURCHASE AGREEMENT IS NOT**  
375. **DESIGNED TO BE AND IS NOT WARRANTED TO BE INCLUSIVE OF ALL ISSUES SELLER AND BUYER**  
376. **MAY WISH TO ADDRESS, AND EITHER PARTY MAY WISH TO MODIFY THIS PURCHASE AGREEMENT**  
377. **TO ADDRESS STATUTORY OR CONTRACTUAL MATTERS NOT CONTAINED IN THIS FORM.**  
378. **BOTH PARTIES ARE ADVISED TO SEEK THE ADVICE OF AN ATTORNEY TO ENSURE**  
379. **THIS CONTRACT ADEQUATELY ADDRESSES THAT PARTY'S RIGHTS.**



Parcel ID: 100-0080-00363  
 Title Holder: MINNESOTA POWER  
 Document Department: -  
 Document Number: 83764G  
 Document Date: -  
 Plat Name: AURORA

EXHIBIT A  
 BUILDING

**Legal Description Details**

Plat Name: AURORA

Section	Township	Range	Lot	Block
9	58	15	-	-

Description: PART OF NW1/4 OF NE1/4 BEG 328.6 FT E OF NW CORNER THENCE S 301.80 FT TO N LINE OF HWY NO 35 THENCE ELY ALONG SAID HWY R/W LINE 747.63 FT TO W LINE OF HILL ST THENCE NLY TO N LINE OF FORTY THENCE WLY 747.73 FT TO PT OF BEG EX HWY R/W & EX PART WLY OF A LINE BEG ON N LINE S 87 DEG 17' 59"E 328.6 FROM NW COR THENCE S 2 DEG 25' 49"E PARALLEL TO W LINE OF FORTY 260.76 FT TO NLY R/W OF CSAH #100 & EX THAT PART OF NW1/4 OF NE1/4 SECTION 9 AND THE SW1/4 OF SE1/4 SECTION 4 COMMENCING AT NW COR OF NW1/4 OF NE1/4 SECTION 9 THENCE S87DEG17' 59"E 328.6 FT ALONG N LINE OF NW1/4 OF NE1/4 TO PT OF BEG THENCE S2DEG25'49"E ALONG A LINE PARALLEL TO THE W LINE OF NW1/4 OF NE1/4 A DISTANCE OF 260.76 FT TO A PT ON NLY R.O.W. LINE OF CO STATE AID HWY 100 THENCE S87DEG21' 00"E ALONG SAID NLY R.O.W. 261.97 FT TO A LINE 460 FT WLY OF W LINE OF HILL ST THENCE N2DEG33'01"E ALONG A LINE PARALLEL TO W LINE OF HILL ST 305 FT TO N LINE OF S 45.54 FT OF THE SW1/4 OF SE1/4 OF SECTION 4 THENCE S87DEG 17'59"E ALONG SAID N LINE 455.76 FT TO E LINE OF WLY 1069.46 FT OF SW1/4 OF SE1/4 THENCE N2DEG46'13"W ALONG SAID E LINE 205.4 FT TO N LINE OF S 250 FT OF SW1/4 OF SE1/4 THENCE N87DEG17'59"W ALONG SAID N LINE 744.61 FT TO W LINE OF ELY 742.36 FT OF SAID WLY 1069.46 FT THENCE S2DEG46'13"E ALONG SAID W LINE 251.14 FT TO PT OF BEG

**General Details**

Parcel ID: 100-0080-00332  
 Title Holder: MINNESOTA POWER  
 Document Department: -  
 Document Number: 83764G  
 Document Date: -  
 Plat Name: AURORA

THIN STRIP TO N.  
 OF MPL Bldg. (4)

**Legal Description Details**

Plat Name: AURORA

Section	Township	Range	Lot	Block
4	58	15	-	-

Description: SLY 250 FT OF ELY 742.36 FT OF WLY 1069.46 FT OF SW1/4 OF SE1/4 EX THAT PART OF THE NW1/4 OF NE1/4 SECTION 9 AND THE SW1/4 OF SE1/4 SECTION 4 COMMENCING AT NW COR OF NW1/4 OF NE1/4 SECTION 9 THENCE S87DEG17'59"E 328.6 FT ALONG N LINE OF NW1/4 OF NE1/4 TO PT OF BEG THENCE S2DEG25'49"E ALONG A LINE PARALLEL TO THE W LINE OF NW1/4 OF NE1/4 A DISTANCE OF 260.76 FT TO A PT ON NLY R.O.W. LINE OF CO STATE AID HWY 100 THENCE S87DEG21' 00"E ALONG SAID NLY R.O.W. 261.97 FT TO A LINE 460 FT WLY OF W LINE OF HILL ST THENCE N2DEG33'01"E ALONG A LINE PARALLEL TO W LINE OF HILL ST 305 FT TO N LINE OF S 45.54 FT OF THE SW1/4 OF SE1/4 OF SECTION 4 THENCE S87DEG 17'59"E ALONG SAID N LINE 455.76 FT TO E LINE OF WLY 1069.46 FT OF SW1/4 OF SE1/4 THENCE N2DEG46'13"W ALONG SAID E LINE 205.4 FT TO N LINE OF S 250 FT OF SW1/4 OF SE1/4 THENCE N87DEG17'59"W ALONG SAID N LINE 744.61 FT TO W LINE OF ELY 742.36 FT OF SAID WLY 1069.46 FT THENCE S2DEG46'13"E ALONG SAID W LINE 251.14 FT TO PT OF BEG

EXHIBIT A



EARNEST MONEY RECEIPT

This form approved by the Minnesota Association of REALTORS®, which disclaims any liability arising out of use or misuse of this form. © 2014 Minnesota Association of REALTORS®, Edina, MN

1. Date 3-7-2017  
2. Time \_\_\_\_\_

3. Buyer's licensee representing or assisting Buyer represents that he/she has in his/her possession earnest money in  
4. the amount of \$ 5,000., check number 92695,  
5. related to the Purchase Agreement dated 3-7, 20 17, for the property located at  
6. 510 W. 3RD AVE. N.  
(Street)  
7. AURORA  
(City)

8. Buyer's licensee representing or assisting Buyer will deliver the earnest money pursuant to the above-referenced  
9. Purchase Agreement, but to be returned to Buyer if Purchase Agreement is not accepted by Seller.

10. Buyer and Licensee Representing or Assisting Buyer Information:

11. Lakehead Constructors - Brian Kala  
(Buyer's Name(s))

12. [Signature]  
(Buyer's Licensee Representing or Assisting Buyer)

**Minnesota Power**  
**Sale of Aurora Service Center Land and Building to Lakehead Constructors, Inc.**  
**Summary of Estimated Entries as of September 30, 2017**

**Entry #1 - To record removal of the Original Installed Cost for Assets Sold by Minnesota Power to Lakehead Constructors, Inc.**

Debit Account 102 Electric Plant Purchased or Sold	1,100,324.91	
Credit Account 101 Electric Plant In-Service - Owned		Account 3890
Credit Account 101 Electric Plant In-Service - Owned		Account 3900
		1,223.28
		1,099,101.63

**Entry #2 - To record the removal of the Estimated Accumulated Depreciation through 9/30/17 for Assets Sold by Minnesota Power**

Debit Account 108 Electric Depreciation Reserve	Account 3900	632,029.51
Credit Account 102 Electric Plant Purchased or Sold		632,029.51

**Entry #3 - To record cash received for Assets Sold by Minnesota Power to Lakehead Constructors, Inc.**

Debit Account 131 Cash	375,000.00	
Credit Account 102 Electric Plant Purchased or Sold		375,000.00

**Entry #4 - To record Loss on Sale of Assets by Minnesota Power to Lakehead Constructors, Inc. - using Estimated Accumulated Depr**

STATE OF MINNESOTA     )  
  ) ss  
COUNTY OF ST. LOUIS     )

AFFIDAVIT OF SERVICE VIA  
ELECTRONIC FILING

-----

Jodi Nash, of the City of Duluth, County of St. Louis, State of Minnesota, says that on the 1<sup>st</sup> day of June, 2017, she served Minnesota Power's Petition on the Minnesota Public Utilities Commission and the Energy Resources Division of the Minnesota Department of Commerce via electronic filing. All other parties were served as designated on the attached service list.



---

Jodi Nash

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Julia	Anderson	Julia.Anderson@ag.state.mn.us	Office of the Attorney General-DOC	1800 BRM Tower 445 Minnesota St St. Paul, MN 551012134	Electronic Service	Yes	GEN_SL_Minnesota Power_Minnesota Power General Service List
Christopher	Anderson	canderson@allete.com	Minnesota Power	30 W Superior St  Duluth, MN 558022191	Electronic Service	Yes	GEN_SL_Minnesota Power_Minnesota Power General Service List
Ian	Dobson	Residential.Utilities@ag.state.mn.us	Office of the Attorney General-RUD	1400 BRM Tower 445 Minnesota St St. Paul, MN 551012130	Electronic Service	Yes	GEN_SL_Minnesota Power_Minnesota Power General Service List
Emma	Fazio	emma.fazio@stoel.com	Stoel Rives LLP	33 South Sixth Street Suite 4200 Minneapolis, MN 55402	Electronic Service	No	GEN_SL_Minnesota Power_Minnesota Power General Service List
Sharon	Ferguson	sharon.ferguson@state.mn.us	Department of Commerce	85 7th Place E Ste 280  Saint Paul, MN 551012198	Electronic Service	Yes	GEN_SL_Minnesota Power_Minnesota Power General Service List
Lori	Hoyum	lhoyum@mnpower.com	Minnesota Power	30 West Superior Street  Duluth, MN 55802	Electronic Service	No	GEN_SL_Minnesota Power_Minnesota Power General Service List
Michael	Krikava	mkrikava@briggs.com	Briggs And Morgan, P.A.	2200 IDS Center 80 S 8th St Minneapolis, MN 55402	Electronic Service	No	GEN_SL_Minnesota Power_Minnesota Power General Service List
Nathan N	LaCoursiere	nlacoursiere@duluthmn.gov	City of Duluth	411 W 1st St Rm 410  Duluth, MN 55802	Electronic Service	No	GEN_SL_Minnesota Power_Minnesota Power General Service List
James D.	Larson	james.larson@avantenergy.com	Avant Energy Services	220 S 6th St Ste 1300  Minneapolis, MN 55402	Electronic Service	No	GEN_SL_Minnesota Power_Minnesota Power General Service List
Douglas	Larson	dlarson@dakotaelectric.com	Dakota Electric Association	4300 220th St W  Farmington, MN 55024	Electronic Service	No	GEN_SL_Minnesota Power_Minnesota Power General Service List

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Susan	Ludwig	sludwig@mnpower.com	Minnesota Power	30 West Superior Street  Duluth, MN 55802	Electronic Service	No	GEN_SL_Minnesota Power_Minnesota Power General Service List
Pam	Marshall	pam@energycents.org	Energy CENTS Coalition	823 7th St E  St. Paul, MN 55106	Electronic Service	No	GEN_SL_Minnesota Power_Minnesota Power General Service List
Herbert	Minke	hminke@allete.com	Minnesota Power	30 W Superior St  Duluth, MN 55802	Electronic Service	No	GEN_SL_Minnesota Power_Minnesota Power General Service List
David	Moeller	dmoeller@allete.com	Minnesota Power	30 W Superior St  Duluth, MN 558022093	Electronic Service	Yes	GEN_SL_Minnesota Power_Minnesota Power General Service List
Andrew	Moratzka	andrew.moratzka@stoel.com	Stoel Rives LLP	33 South Sixth St Ste 4200  Minneapolis, MN 55402	Electronic Service	No	GEN_SL_Minnesota Power_Minnesota Power General Service List
Jennifer	Peterson	jjpeterson@mnpower.com	Minnesota Power	30 West Superior Street  Duluth, MN 55802	Electronic Service	No	GEN_SL_Minnesota Power_Minnesota Power General Service List
Susan	Romans	sromans@allete.com	Minnesota Power	30 West Superior Street Legal Dept Duulth, MN 55802	Electronic Service	No	GEN_SL_Minnesota Power_Minnesota Power General Service List
Thomas	Scharff	thomas.scharff@versoco.com	Verso Corp	600 High Street  Wisconsin Rapids, WI 54495	Electronic Service	No	GEN_SL_Minnesota Power_Minnesota Power General Service List
Ron	Spangler, Jr.	rlspangler@otpc.com	Otter Tail Power Company	215 So. Cascade St. PO Box 496 Fergus Falls, MN 565380496	Electronic Service	No	GEN_SL_Minnesota Power_Minnesota Power General Service List
Eric	Swanson	eswanson@winthrop.com	Winthrop Weinstine	225 S 6th St Ste 3500 Capella Tower Minneapolis, MN 554024629	Electronic Service	No	GEN_SL_Minnesota Power_Minnesota Power General Service List



First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Daniel P	Wolf	dan.wolf@state.mn.us	Public Utilities Commission	121 7th Place East Suite 350 St. Paul, MN 551012147	Electronic Service	No	GEN_SL_Minnesota Power_Minnesota Power General Service List