

PETITION AND WAIVER AGREEMENT

THIS PETITION AND WAIVER AGREEMENT (the “Agreement”) is made this _____ day of _____, 2025, by and between the city of Mankato, a Minnesota municipal corporation (the “City”), and Pentagon Acquisition, LLC, a Minnesota limited liability company (the “Developer”).

WITNESSETH:

WHEREAS, the Developer is the fee owner of certain real property located in Mankato and legally described on Exhibit A attached hereto, (the “Property”); and

WHEREAS, the Developer is developing the Property as Quarry View, a subdivision including single family and duplex residential lots; and

WHEREAS, the City intends to construct its Germania Park Phase 5 Capital Improvement Project (City Project No. 11114) on 8th Avenue adjacent to the Property (the “Improvement Project”); and

WHEREAS, the Developer has requested that the City, in conjunction with the Improvement Project, provide sanitary sewer and water service lines for the benefit of the Property (the “S&W Project”); and

WHEREAS, the City is willing to construct the S&W Project and to specially assess the Property for the same without notices or hearings, provided the assurances and covenants hereinafter stated are made by the Developer to ensure that the City will have a valid and collectable special assessment as it relates to the Property to finance the cost of the S&W Project; and

WHEREAS, were it not for the assurances and covenants hereinafter provided, the City would not construct the S&W Project without such notices and hearings and is doing so solely at the behest of the Developer and for the benefit of the Property.

NOW, THEREFORE, ON THE BASIS OF THE COVENANTS AND OBLIGATIONS CONTAINED HEREIN, THE PARTIES HERETO AGREE AS FOLLOWS:

1. The Developer represents and warrants it is the fee owner of the Property, that it has full legal power and authority to encumber the Property as herein provided, that in doing so it is not in violation of the terms or conditions of any instrument or agreement of any nature to which it is bound or which relates in any manner to the Property and that there are no other liens or encumbrances against the Property except those of record as of this date.
2. Pursuant to the terms and conditions of this Agreement, the Developer hereby petitions the City for construction of the S&W Project which shall consist generally of the construction of sanitary sewer and water service lines to the 29 lots constituting the Property.
3. The Developer consents to the City levying a special assessment for the S&W Project against the Property in accordance with Minnesota Statutes, section 429.061. The principal amount of the special assessment shall not exceed the actual final cost to the City of the S&W Project. The cost of the S&W Project is estimated to be \$260,228.54 based on the cost estimates shown in Exhibit B attached hereto, plus the cost of any change orders or other adjustments needed to construct the improvements. Any change in the cost of the S&W Project resulting from change orders or other adjustments will be included in the special assessment levied against the Property and are in addition to the above estimate.
4. The Developer waives notice of hearing and hearing pursuant to Minnesota Statutes, section 429.031, on the S&W Project and notice of hearing and hearing on the special assessment levied to finance the S&W Project pursuant to Minnesota Statutes, section 429.061 and specifically requests that the S&W Project be constructed and the special assessment be levied against the Property as provided for herein without notice of hearings or hearings.
5. The Developer waives the right to appeal the levy of special assessment in accordance with this Agreement pursuant to Minnesota Statutes, section 429.081 and further specifically agrees with respect to such special assessment against the Property that:
 - a. With the exception of the requirement to bid the S&W Project competitively, all requirements of Minnesota Statutes, Chapter 429 with which the City does not comply are hereby waived by the Developer; and
 - b. The increase in fair market value of the Property resulting from construction of the S&W Project will be at least equal to the amount of the special assessment levied against the Property and that such increase in fair market value is a special benefit to the Property.
6. The special assessment levied against the Property shall be payable over such period as the City may determine, but not less than 10 years, and shall bear interest at a rate determined by the City, but not more than 4.5 percent. The first installment of principal and interest shall be included in the first tax rolls completed after adoption of the resolution levying the special assessment.

7. The Developer agrees to take no action which would cause the Property to be eligible for deferral of the special assessments. Any such action by or on behalf of the Developer shall be an Event of Default under this Agreement and shall cause the special assessments to be due and payable immediately.
8. The covenants, waivers and agreements contained in this Agreement shall bind the Developer and its successors and assigns and shall run with the Property. It is the intent of the parties hereto that this Agreement be in a form which is recordable among the land records of Blue Earth County, Minnesota. The Developer and the City agree to make any changes in this Agreement which may be necessary to effect the recording and filing of this Agreement against the title of the Property.
9. The special assessments will initially be assessed against the three parcels comprising the Property in proportion to the number of residential lots in each of the parcels constituting the Property. Following recording of a final plat, the City will, upon request by the Developer or the then-fee owner, reapportion the special assessments previously levied against the Property but not yet paid among the newly created lots. The City's decisions regarding the initial apportionment of the special assessments among the parcels comprising the Property and regarding reapportionment of the special assessment upon subdivision of the Property will be made based upon the City's reasonable determination that such apportionment or reapportionment will not materially impair the City's ability to collect the special assessments and, in the case of any reapportionment, will be done in compliance with the provisions of Minnesota Statutes, section 429.071, subd. 3.
10. Any notice required to be given under this Agreement shall be deemed given if delivered personally or sent by United States mail, postage prepaid, certified and return receipt requested:

a) as to Developer: Pentagon Acquisition, LLC
3301 Third Avenue
Mankato, MN 56001
Attn: _____

b) as to City: City of Mankato
Intergovernmental Center
10 Civic center Plaza
Mankato, MN 56001
Attn: _____

with a copy to:

Kennedy & Graven, Chartered
150 South Fifth Street
Suite 700
Minneapolis, MN 55402
Attn: Pamela J. F. Whitmore

or at such other address as either party or its successor in interest may from time to time notify the other in writing in accordance with this paragraph.

11. This Agreement shall terminate upon the final payment of all special assessments levied against the Property for the S&W Project. The City agrees to execute and deliver such documents, in recordable form, as are necessary to extinguish its rights hereunder upon receipt of such final payment.

IN WITNESS WHEREOF, the parties have set their hands the day and year first written above.

PENTAGON ACQUISITION, LLC

By: _____

Its: _____

STATE OF MINNESOTA)
) ss
COUNTY OF BLUE EARTH)

The foregoing instrument was acknowledged before me this _____ day of _____, 2025 by _____, the _____ of Pentagon Acquisition, LLC, a Minnesota limited liability company, on behalf of the company.

Notary Public

CITY OF MANKATO

By: _____
_____, Mayor

By: _____
_____, City Clerk

STATE OF MINNESOTA)
) ss.
COUNTY OF BLUE EARTH)

The foregoing instrument was acknowledged before me this _____ day of _____, 2025, by _____, the mayor of the city of Mankato, a municipal corporation under the laws of the state of Minnesota, on behalf of the City.

Notary Public

STATE OF MINNESOTA)
) ss.
COUNTY OF BLUE EARTH)

The foregoing instrument was acknowledged before me this _____ day of _____, 2025, by _____, the city clerk of the city of Mankato, a municipal corporation under the laws of the state of Minnesota, on behalf of the City.

Notary Public

THIS DOCUMENT DRAFTED BY:
Kennedy & Graven, Chartered
150 South Fifth Street
Suite 700
Minneapolis, MN 55402
(612) 337-9300

**EXHIBIT A TO
PETITION AND WAIVER AGREEMENT**

Legal Description

The Property subject to the foregoing Petition and Waiver Agreement is located in Blue Earth County, Minnesota, and is legally described as follows:

Parcel 1:

Lot 1, Block 24, Germania Park Addition to the City of Mankato, Blue Earth County, Minnesota.

Abstract Property

Parcel 2:

Lot Four (4) in Block Ten (10) of Columbia Park Addition to the City of Mankato, according to the plat thereof on file and of record in the office of the Register of Deeds within and for said County and State.

Blue Earth County, Minnesota

Torrens Property Certificate No. 36455

AND

Lots 5, 6 and 8, all in Block 1, Lots 1 to 5, inclusive, Lots 9 to 12, inclusive, all in Block 8, Lots 5 and 6, Block 3 and

Lots 9 through 14, Block 7, all in Columbia Park Addition to the City of Mankato, according to the recorded plat thereof on file and of record in the office of the County Recorder in and for said County and State, Blue Earth County, Minnesota

Torrens Property Certificate No. 36456

AND

Lots 1, 2, 3 and 4, Block 1; Lots 1, 2, 3, 4, 11, 12, 13, 14, 15 and 16, Block 2; Lots 1, 2, 3, 4, 13, 14, 15 and 16, Block 3; Lots 1, 2, 3, 4, 5, 6, 13, 14, 15 and 16, Block 4; Lots 6, 7 and 8, Block 8; and Lots 1, 2 and 3, Block 9, all in Columbia Park Addition to the City of Mankato, Blue Earth County, Minnesota; and

Lot 10, Block 2, Columbia Park Addition to the City of Mankato, Blue Earth County, Minnesota; and

Lot 15, Block 7, Columbia Park Addition to the City of Mankato, Blue Earth County, Minnesota;

and

Lot 7, Block 1, Columbia Park Addition to the City of Mankato, Blue Earth County, Minnesota.

Abstract Property

Parcel 3:

Lots 2 and 3, Block 24, Germania Park Addition to the City of Mankato, Blue Earth County, Minnesota; and

Lots 4, 5, 6, 7, 8 and 9, Block 24, Germania Park Addition to the City of Mankato, Blue Earth County, Minnesota; and

Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15 and 16, Block 19, Germania Park Addition to the City of Mankato, Blue Earth County, Minnesota.

Abstract Property

**EXHIBIT B TO
PETITION AND WAIVER AGREEMENT**

Estimated Costs of S&W Project

Bid Price	\$224,334.95
Engineering (10%)	\$22,433.49
Administrative (6%)	\$13,460.10
Total Estimated Assessment	\$260,228.54