DONATION AGREEMENT

1. PARTIES. This Donation Agreement (the "Donation Agreement") is made this 14 day of SEPTEMBER, 2026, by and between the City of Mankato, a Minnesota municipal corporation (the "City") and Diamond Creek Homes Association, a Minnesota nonprofit corporation (the "HOA").

2. SUBJECT PROPERTY. The HOA is the owner in fee simple of real estate located in the City of Mankato, Blue Earth County, Minnesota, legally described on the attached Exhibit A (the "Property").

3. CONTINGENCIES. This Donation Agreement is contingent upon the satisfaction of the following conditions:

A. Condition of the Property and condition of title being satisfactory to the City following the City's examination of title and other inspections or investigations as provided for in Section 8 of this Donation Agreement.

The parties shall have until the date of the closing of the donation of the Property ("Closing") to satisfy the foregoing contingency. If the contingency is duly satisfied or waived in writing by the City, then the City and the HOA shall proceed to close the transaction as contemplated herein. If, however, the contingency is not timely satisfied and is not waived in writing by the City, then this Donation Agreement shall thereupon be void, at the option of the City. If this Donation Agreement is voided, then the HOA and the City shall execute and deliver to each other a termination of this Donation Agreement.

4. PERSONAL PROPERTY INCLUDED IN DONATION. The following items of personal property and fixtures owned by the HOA and currently located on the Property are included in this donation: None.

5. CLOSING DATE. The Closing shall take place within 60 days after execution of this Donation Agreement, but in no event later than October 30, 2026 (the "Closing Date"), unless otherwise mutually agreed upon by the City and the HOA. The Closing shall take place at Intergovernmental Center, 10 Civic Center Plaza, Mankato, Minnesota, or such other location or remotely as mutually agreed upon by the City and the HOA.

6. DOCUMENTS TO BE DELIVERED AT CLOSING. The HOA agrees to deliver the following documents to the City at Closing:

A. A duly recordable warranty deed conveying marketable fee simple title to the Property to the City;

B. An affidavit from the HOA sufficient to remove any exception in the City's policy of title insurance for mechanics' and materialmen's' liens and rights of parties in possession;

C. Affidavit of the HOA confirming that it is not a foreign person within the meaning of Section 1445 of the Internal Revenue Code;

D. A completed Minnesota Well Disclosure Certificate, if applicable;

E. Any available notices, certificates, and affidavits regarding any reasonably known private sewage systems, underground storage tanks, and environmental conditions as may be required by Minnesota statutes, rules, or City ordinances; and

F. Customary affidavits, certificates and such other documents as the City may request to carry out this transaction.

7. REAL ESTATE TAXES AND SPECIAL ASSESSMENTS.

A. The HOA shall be responsible for any taxes due and payable any year prior to Closing, including any deferrals or penalties. Taxes due and payable the year of Closing shall be prorated between the HOA and the City as of the date of Closing. The City shall be responsible for payment of any taxes due and payable the year after Closing and subsequent years.

B. The HOA shall be responsible for payment of any special assessments levied or pending on the Property in years prior to Closing and up to the date of Closing. The City shall pay any special assessments levied or pending against the Property as of the date of Closing.

8. DUE DILIGENCE; EXAMINATION OF TITLE; CURING TITLE DEFECTS. The HOA will provide to the City any known and easily accessible title records in its possession. The City will obtain a commitment for title insurance ("Commitment") for the Property, and the City shall have 15 calendar days after receipt thereof to examine the same and to deliver written objections to title, if any, to the HOA, or the City's right to do so shall be deemed waived. The HOA shall have until Closing to make title marketable. In the event that title to the Property cannot be made marketable or is not made marketable by the HOA by the Closing Date, then this Donation Agreement may be terminated at the option of the City. With the HOA's prior consent, the City is encouraged to and may conduct inspections and investigations of the Property as it determines appropriate to assure it is satisfied with the condition of the Property and any structures on it.

9. CLOSING COSTS AND RELATED ITEMS. The City shall be responsible for the following closing costs and related items: premiums required for issuance of the City's title insurance policy, if purchased by the City; any costs of preparation of a title commitment, including any abstracting fees and fees for standard searches with respect to the HOA and the Property; any state deed tax and conservation fee with respect to the warranty deed; all other recording fees; fees of any soil tests, environmental assessments, inspection reports, appraisals, or other tests or reports ordered by the City in connection with its acquisition of the Property; and closing fees charged by the title company or closer. Each party shall be responsible for its own attorneys' and accounting fees.

10. POSSESSION/CONDITION OF PROPERTY. The HOA shall deliver possession of the Property to the City on the Closing Date.

11. DONOR'S WARRANTIES. The HOA has the legal capacity and is authorized to enter into this Donation Agreement. The HOA warrants that there has been no labor or materials furnished to the Property for which payment has not been made. The HOA agrees not to place any liens or encumbrances on the Property after the date of execution of this Donation Agreement. The HOA warrants that there are no known tenants or third parties entitled to possession of all or any portion of the Property and there are no leases, oral or written affecting all or any portion of the Property. As of closing, the HOA warrants that as of closing, there will be no known obligations or liabilities of any kind or nature whatsoever, including, but not limited to, contract liabilities, or tort liabilities for which or in which the City or the Property will be liable or subject except for real estate tax obligations. To the best of the HOA's knowledge, there are no septic systems or wells on the Property. To the best of the HOA's knowledge, the Property has not been used for the storage or production of methamphetamine. The HOA has not filed, voluntarily, or involuntarily for bankruptcy relief within the last year under the United States Bankruptcy Code or has any petition for bankruptcy or receivership been filed against the HOA within the last year. The HOA warrants that it has not received any notice from any governmental authority regarding a violation of any regulation, ordinance, or law related to the Property. These representations shall survive closing for a period of six months.

The HOA makes no warranty or representations whatsoever, express or implied, regarding the condition, merchantability, habitability, tenantability, environmental condition, or the fitness for any particular purpose or use, of the Property conveyed hereunder. The City acknowledges that it is receiving the Property "AS IS, WHERE IS, AND WITH ALL FAULTS."

12. EASEMENTS. The HOA represents and warrants that there are no easements, or claims of easements, other than the easements of public record on the Property.

13. BROKER COMMISSIONS. The City and the HOA represent and warrant to each other that there is no real estate agent or broker involved in this transaction with whom either has negotiated, or to whom either has agreed to pay any agent or broker commission or fees. Each party agrees to defend, indemnify, and hold harmless the other for any and all claims for any agent or brokerage commissions or fees in connection with negotiations for conveyance of the Property arising out of any alleged agreement or commitment or negotiation by the indemnifying party.

14. NO MERGER OF REPRESENTATIONS, WARRANTIES. The representations and warranties contained in this Donation Agreement will not be merged into any instrument or conveyance delivered at the Closing, and the parties shall be bound accordingly.

15. ENTIRE AGREEMENT; AMENDMENTS. This Donation Agreement constitutes the entire agreement between the parties and no other agreement prior to this Donation Agreement or contemporaneous herewith shall be effective except as expressly set forth or incorporated herein. Any purported amendment hereto shall not be effective unless it shall be set forth in writing and executed by both parties or their respective successors or assigns.

16. BINDING EFFECT; ASSIGNMENT. This Donation Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and assigns.

17. NOTICE. Any notice, demand, request, or other communication which may or shall be given or served by the parties shall be deemed to have been given or served on the date the same is deposited in the United States Mail, registered or certified, postage prepaid and addressed as follows:

a. If to the City: City of Mankato
Intergovernmental Center
10 Civic Center Plaza
Mankato, MN 56001
Attn: City Manager

with a copy to: Sarah Sonsalla/Pam Whitmore
Kennedy & Graven, Chartered
150 South 5th Street, Suite 700
Minneapolis, MN 55402

b. If to the HOA: Diamond Creek Homes Association
_____
_____
Attn: _____

or such other address as either party may give to another party in accordance with this Section.

18. DEFAULT; REMEDIES; SPECIFIC PERFORMANCE. If either party defaults in any of its obligations under this Donation Agreement, then the other party may terminate this Donation Agreement by written notice pursuant to Section 17 hereof. If this Donation Agreement is not so terminated, then the HOA or the City may seek specific performance of this Donation Agreement, provided that any action for specific enforcement of this Donation Agreement must be brought within three months after the date the party receives actual notice of the alleged breach.

19. COUNTERPARTS. This Agreement may be executed in any number of counterparts, each of which will, for all purposes, be deemed to be an original, and all of which are identical. This Agreement may further be evidenced by facsimile and email scanned signature pages.

20. FURTHER ASSURANCES. Each party agrees that it will without further consideration execute and deliver such other documents and take such other action, whether prior or subsequent to Closing, as may be reasonably requested by the other party to consummate more effectively the purposes or subject matter of this Agreement.

21. SEVERABILITY. In case any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision hereof, and this Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein.

22. WAIVER. The waiver by any party of a breach of any provision of this Agreement shall not be deemed a continuing waiver or a waiver of any subsequent breach whether of the same or another provision of this Agreement.

IN WITNESS WHEREOF, the HOA and the City have executed this Donation Agreement as of the date written above.

DIAMOND CREEK HOMES ASSOCIATION

By: _____

Its: President

By: _____

Its: Vice President

CITY OF MANKATO

By: _____
Najwa Massad
Its: Mayor

By: _____
Susan Arntz
Its: City Manager

EXHIBIT A

Legal Description of the Property

Outlot C, Diamond Creek Homes, according to the recorded plat thereof, County of Blue Earth, State of Minnesota.

Parcel ID R01.09.16.451.015