

City Council Meeting Agenda

August 18, 2026 at 5:30 PM

St. James City Hall – Council Chambers

1. CALL TO ORDER

2. PLEDGE OF ALLEGIANCE

3. ROLL CALL: Mayor Christopher Whitehead, Councilpersons: Susan Craig, Kathleen Hanson, Paul Harris, Stephen Lindee, Mary Shupe

4. DETERMINATION OF QUORUM

5. APPROVAL OF MINUTES

A. Consideration to Approve Minutes – 08.05.2026 Council Meeting

6. CONSENT ITEMS

A. Payment of Claims and ACH Payments

7. SCHEDULED BID LETTING

8. SCHEDULED PUBLIC HEARINGS

9. ADMINISTRATIVE APPEALS

10. FINANCIAL REPORTS

11. LICENSES AND PERMITS

12. OLD BUSINESS

13. NEW BUSINESS

A. 2026 City Visit Presentation - Darrin Lee, Coalition of Greater MN Cities

B. Consideration to Approve Resolution 08.26.04 - Amending By-Laws of the St. James Firefighter's Relief Association

C. Consideration to Approve Resolution 08.26.05 - Appointing Housing Redevelopment Authority Board Vacancy

D. Consideration to Approve Resolution 08.26.06 - Authorizing the Transfer of the 2019 Ford F-350 from the Electric Fund to the General Fund for the Fire Department

E. Consideration to Approve Resolution 08.26.07 - Declaring Abandoned and Surplus Property and Ordering the Disposal

F. Consideration to Approve Resolution 08.26.08 - Authorizing the City Manager to Enter into the Temporary Construction Easement Agreement with Fleet and Farm Supply, Inc. for the 12th Avenue South Highway District Expansion

14. REPORT OF BOARDS, COMMISSIONS AND DEPARTMENT HEADS

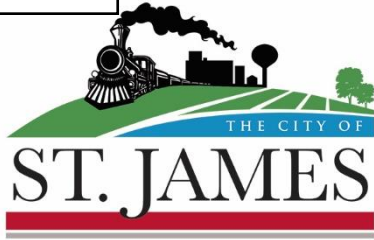
15. ADJOURNMENT

August 18, 2026

ITEM: Approval of Minutes – 08.05.2026 Council Minutes

BACKGROUND: The Minutes of August 5, 2026, City Council Meeting are attached for review and approval.

STAFF RECOMMENDATION: Approve/Deny Minutes.



City Council Meeting Minutes

August 05, 2026 at 5:30 PM

St. James City Hall – Council Chambers

1. CALL TO ORDER

Meeting called to order at 5:30 p.m.

2. PLEDGE OF ALLEGIANCE

3. ROLL CALL: Mayor Christopher Whitehead, Councilpersons: Susan Craig, Kathleen Hanson, Paul Harris, Stephen Lindee, Mary Shupe

PRESENT: Mayor Christopher Whitehead, Councilpersons Sue Craig, Kathleen Hanson, Paul Harris, Stephen Lindee, Mary Shupe

STAFF PRESENT: City Manager Amanda Knoll, City Clerk-Treasurer Kris Hurley, City Attorney Mike Kircher

4. DETERMINATION OF QUORUM

5. APPROVAL OF MINUTES

A. Consideration to Approve Minutes – 07.21.2026 Council Meeting

Motion made by Harris, Seconded by Lindee.

Voting Yea: Craig, Hanson, Harris, Lindee, Shupe

Upon voice vote, it was unanimously approved.

6. CONSENT ITEMS

A. Payment of Claims and ACH Payments

Payment of claims totaling \$796,718.18 is as follows: \$310,624.68 check numbers 706909 - 706914, 706919 - 706995 and ACH numbers 2419 - 2437 as listed in the check register.

Motion made by Hanson, Seconded by Shupe.

Voting Yea: Craig, Hanson, Harris, Lindee, Shupe

Upon voice vote, it was unanimously approved.

7. SCHEDULED BID LETTING

8. SCHEDULED PUBLIC HEARINGS

9. ADMINISTRATIVE APPEALS

10. FINANCIAL REPORTS

11. LICENSES AND PERMITS

12. OLD BUSINESS

- A. Consideration to Approve Second Reading of Proposed Ordinance No. 037, 4th Series - Rezoning Property from I-2, General Industrial, to B-2, Service Business District

Ordinance No. 037, 4th Series - If approved would rezone property located at 301 Armstrong Blvd. North from I-2, General Industrial, to B-2, Service Business District.

Motion made by Craig, Seconded by Harris Ordinance No. 037, 4th Series received its second reading. Upon hand vote, the following voted:

Voting Yea: Craig, Hanson, Harris, Lindee, Shupe

Whereupon Mayor Christopher Whitehead declared Ordinance No. 037, 4th Series to have received its second reading.

- B. Consideration to Approve Second Reading of Proposed Ordinance No. 038, 4th Series - Rezoning Property from B-2, Service Business District, to I-2, General Industrial

Ordinance No. 038, 4th Series - If approved would rezone property located at 806 1st Avenue South from B-2, Service Business District, to I-2, General Industrial District.

Motion made by Craig, Seconded by Lindee Ordinance No. 038, 4th Series received its second reading. Upon hand vote, the following voted:

Voting Yea: Craig, Harris, Lindee

Voting Nay: Hanson, Shupe

Whereupon Mayor Christopher Whitehead declared Ordinance No. 038, 4th Series to have received its second reading.

13. NEW BUSINESS

- A. Consideration to Approve Resolution 08.26.01 - Approving Ordinance No. 037, 4th Series Rezoning Property from I-2, General Industrial, to B-2, Service Business District

Resolution 08.26.01 rezones property located at 301 Armstrong Blvd North from I-2, General Industrial District, to B-2, Business Service District and approves the title and summary for publication.

Motion made by Craig, Seconded by Harris. Upon hand vote, the following voted:

Voting Yea: Craig, Hanson, Harris, Lindee, Shupe

Whereupon Mayor Christopher Whitehead declared Resolution 08.26.01 duly passed 5-0.

- B. Consideration to Approve Resolution 08.26.02 - Approving Ordinance 038, 4th Series Rezoning Property from B-2, Service Business District, to I-2, General Industrial

Resolution 08.26.02 rezones property located at 806 1st Avenue South from B-2, Business Service District, to I-2, General Industrial District, and approves the title and summary for publication.

Motion made by Harris, Seconded by Lindee. Upon hand vote, the following voted:

Voting Yea: Craig, Harris, Lindee

Voting Nay: Hanson, Shupe

Whereupon Mayor Christopher Whitehead declared Resolution 08.26.02 duly passed 3-2.

C. Consideration to Approve Resolution 08.26.03 - Adopting the St. James Police Department Policy Regarding Interactions with Outside Law Enforcement Agencies

Resolution 08.26.03 adopts the St. James Police Department's policy regarding interactions with outside law enforcement agencies. The policy establishes the Police Departments guiding principles for working with local, county, state, tribal, and federal law enforcement agencies while reaffirming the Police Departments commitment to professionalism, impartiality, and compliance with applicable federal, state, and local laws.

Motion made by Hanson, Seconded by Harris. Upon hand vote, the following voted:

Voting Yea: Craig, Hanson, Harris, Lindee, Shupe

Whereupon Mayor Christopher Whitehead declared Resolution 08.26.03 duly passed 5-0.

D. Consideration to Accept Resignation - Seth Reinke, Police Officer

Seth Reinke, Police Officer has given his intent to resign from the City of St. James effective August 10, 2026.

Motion made by Craig, Seconded by Harris. Upon voice vote, the following voted to accept Seth's resignation.

Voting Yea: Craig, Hanson, Harris, Lindee, Shupe

Upon voice vote, it was unanimously approved.

E. Consideration to Approve New Hire - Cody Monreal, Police Officer

Cody Monreal has completed the hiring process for the police department for the position of full-time police officer. His start date is slated for August 10, 2026. His rate of pay has been set to \$29.71 per hour, step 1 in accordance with the approved 2026 police union wage scale.

Motion made by Harris, Seconded by Lindee. Upon voice vote, the following vote to accept the new hire:

Voting Yea: Craig, Hanson, Harris, Lindee, Shupe

Upon voice vote, it was unanimously approved.

F. Consideration to Approve First Reading of Proposed Ordinance No. 039, 4th Series - Amending Chapter 72 of the St. James City Code by Repealing and Replacing §72.35 through §72.37 Relating to the Operation of Golf Carts

Proposed Ordinance No. 039, 4th Series: An ordinance amending Chapter 72 of the St. James City Code by repealing and replacing paragraphs 72.35 through 72.37 relating to the operation of golf carts was presented for consideration. No motion was made by any Council Member; therefore, no action was taken on the proposed ordinance.

14. REPORT OF BOARDS, COMMISSIONS AND DEPARTMENT HEADS

15. ADJOURNMENT

Motion made by Lindee, Seconded by Craig.

Voting Yea: Craig, Hanson, Harris, Lindee, Shupe

All Yea - motion carried. The meeting adjourned at 5:53 p.m.

Kristin Hurley, City Clerk-Treasurer

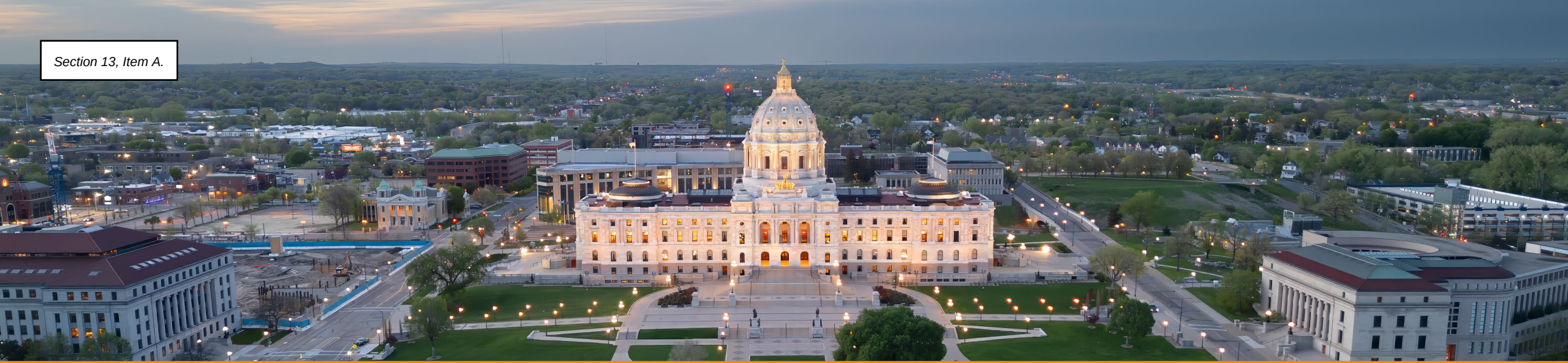
August 18, 2026

ITEM: New Business – Coalition of Greater MN Cities: 2026 City Visit Presentation

BACKGROUND: Darrin Lee representing the Coalition of Greater MN Cities (CGMC) will be presenting an update on the 2026 legislative session and issues affecting Greater Minnesota communities.

The presentation will cover several of CGMC's primary legislative priorities, including Local Government Aid (LGA), property taxes, environmental and energy issues, housing, EMS, economic development, transportation, annexation and land use, and labor and employment.

ACTION REQUESTED: N/A



2026 CITY VISIT

ST. JAMES, MN

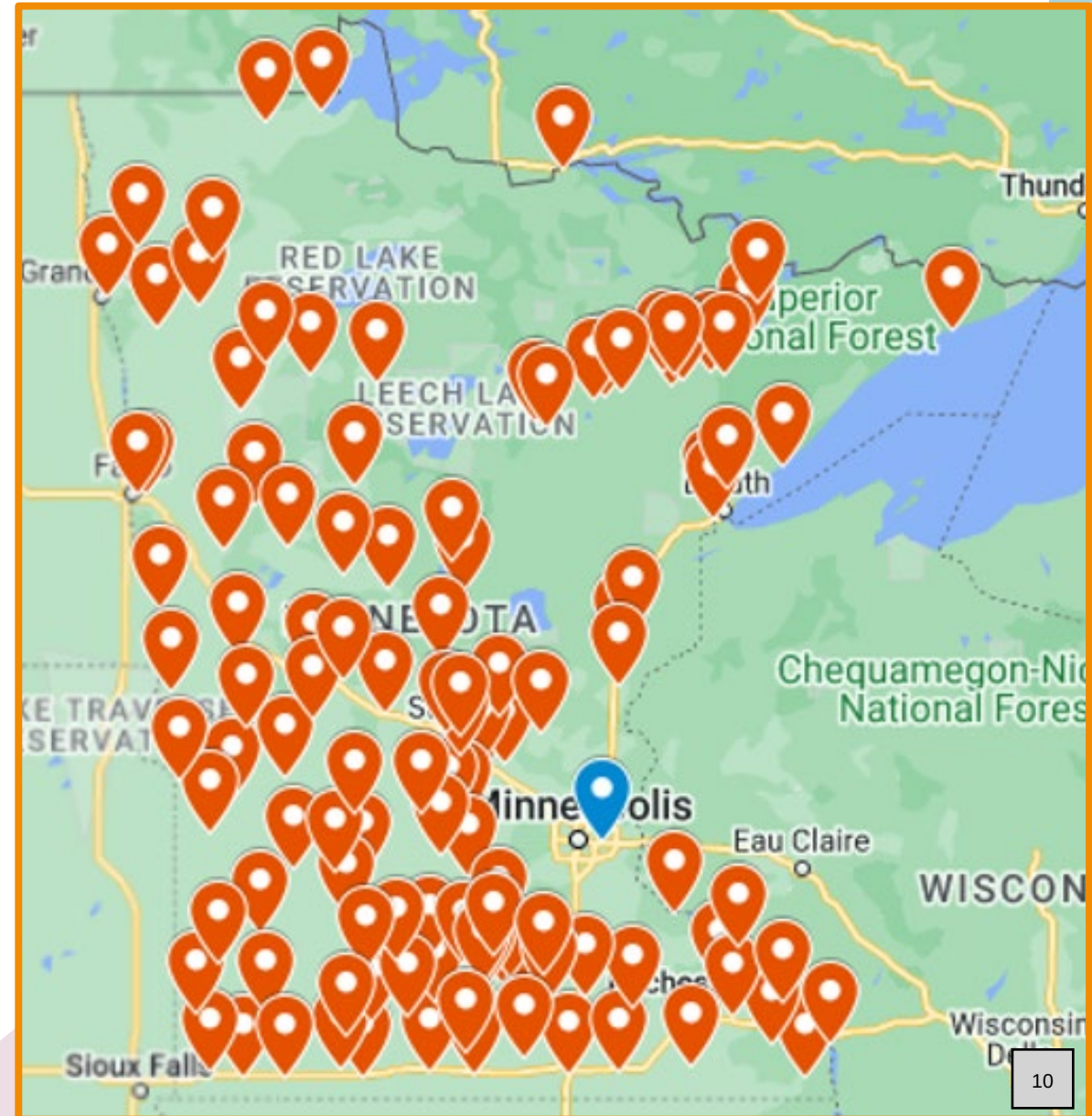


August 18, 2026 | Darrin Lee

CGMC:

MORE THAN 100 CITIES ACROSS THE STATE WORKING TOGETHER

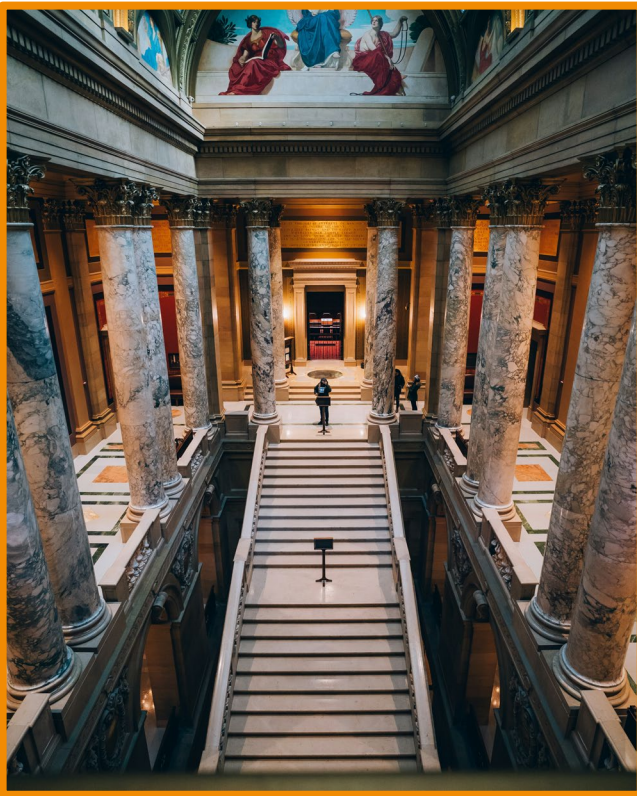
- Local Government Aid (LGA)/Property Taxes
- Environment and Energy
- Housing
- EMS
- Economic Development
- Transportation
- Annexation and Land Use
- Labor and Employment



2026 LEGISLATIVE SESSION RECAP



DIVIDED GOV'T BRINGS LOW EXPECTATIONS

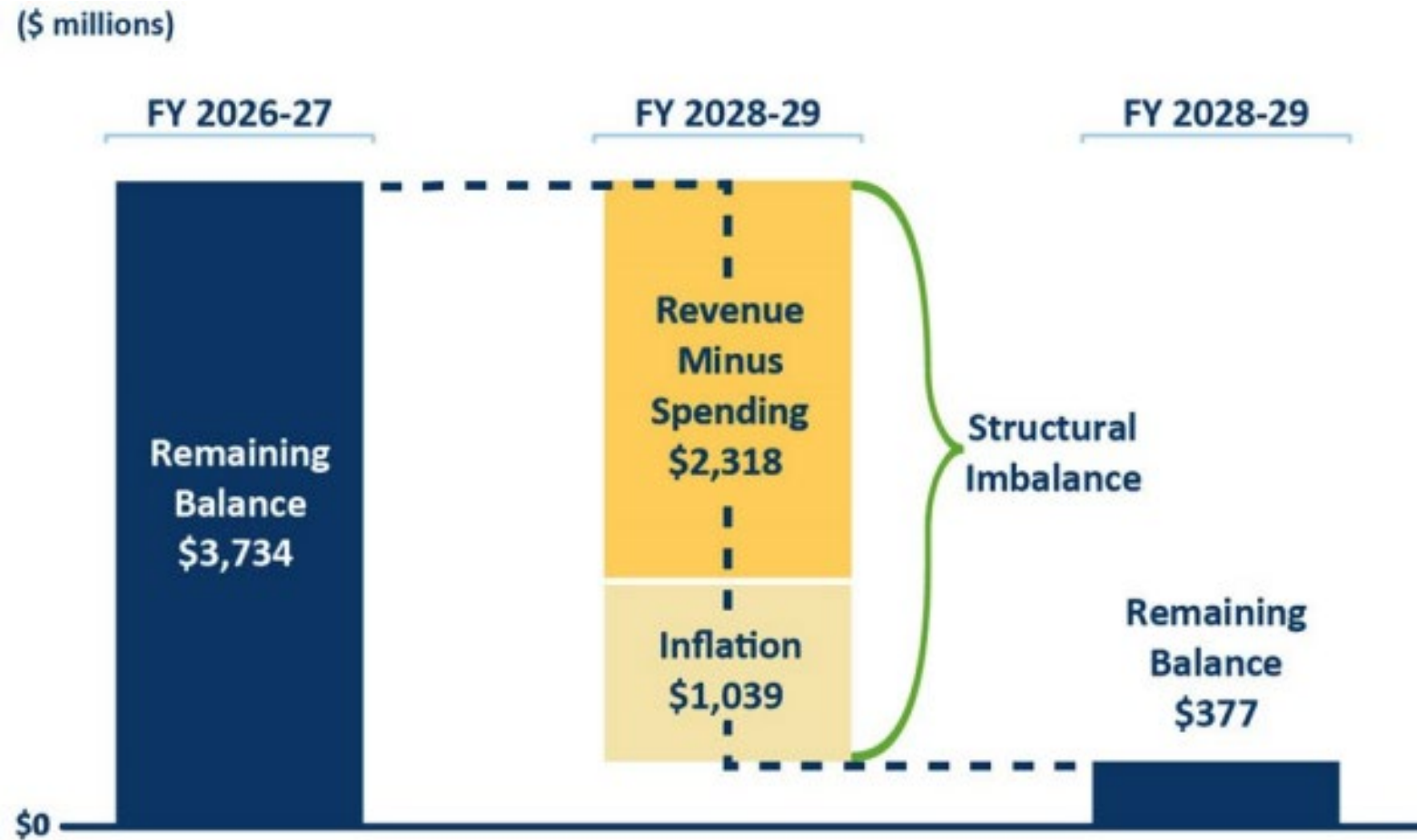


- DFL maintains 1-seat majority in Senate
- House evenly divided at 67-67
- Everything is a four-way negotiation: Gov. Walz, House DFL, Senate DFL, House GOP
- Focal points for the session:
 - Fraud
 - Guns
 - HCMC
 - School Safety
 - Bonding

TASKS FOR THE SESSION

- ✓ Protect LGA
- ✓ Pass a bonding bill
- ✓ Lead line funding
- ✓ Resist zoning and development pre-emption

FEBRUARY 2026 STATE BUDGET FORECAST

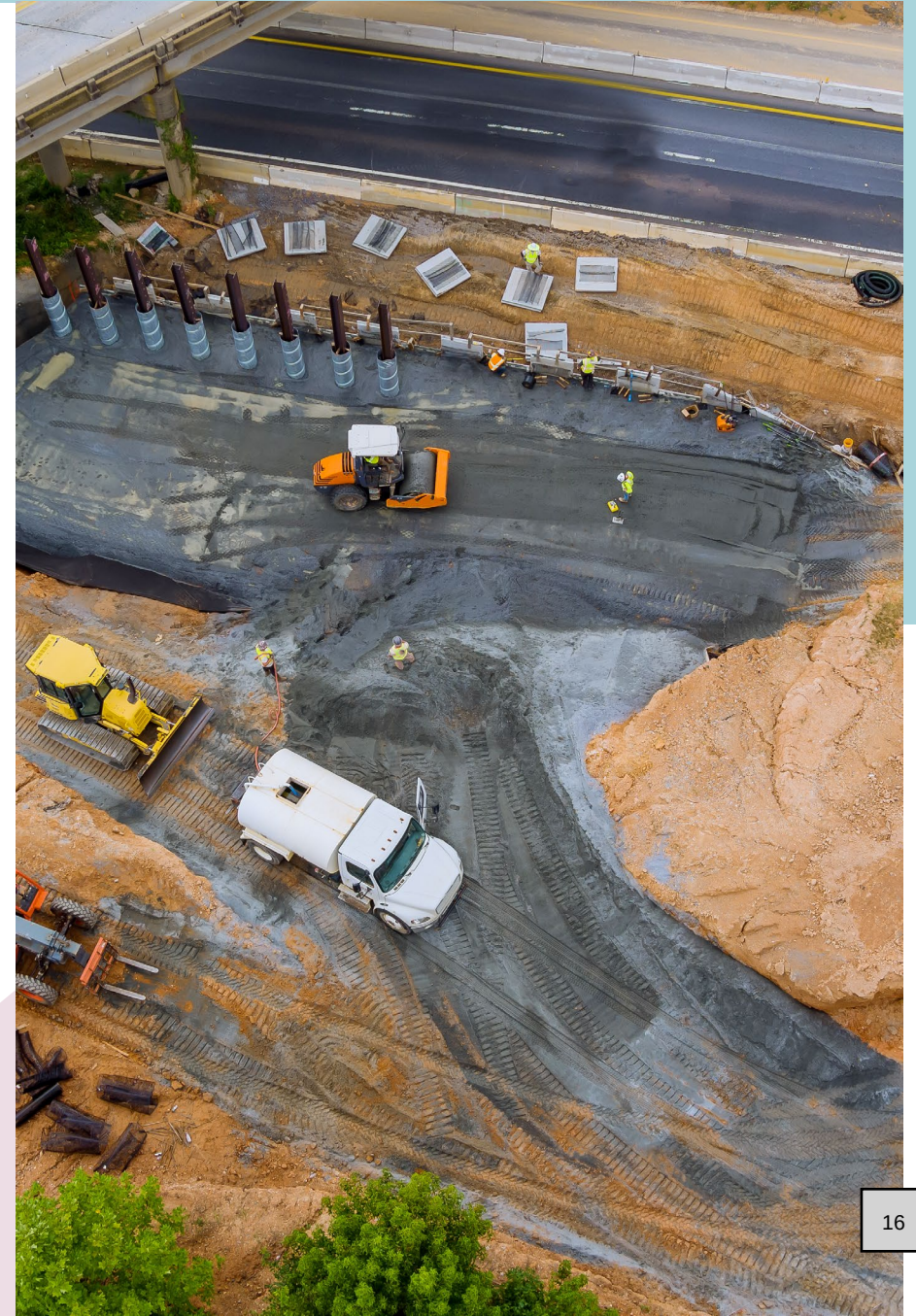


Source: Minnesota Management & Budget (February 2026)

NON-BUDGET YEAR, FISCAL CHALLENGES LIMIT SPENDING TALK

- Budget situation is improved, but still challenging
- Very little spending contemplated this session
- Focus on bonding bill and policy
- 2025 = Threat to LGA
 - Senate DFL proposal to cut \$20 million defeated
- 2026 = No discussion of cutting LGA

BONDING



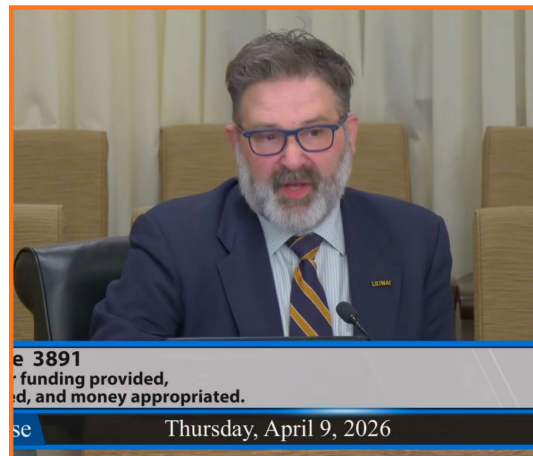
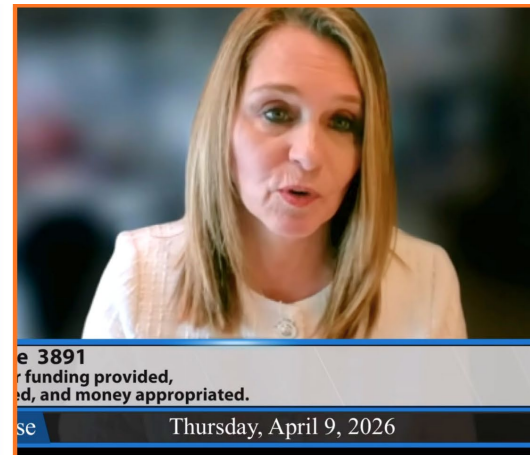
BACKGROUND ON THE BONDING BILL

- Bonding bill in 2025
- Bonding bill requires bipartisanship
- Governor's bonding proposal:
 - Heavy on state-owned assets
 - Capitol complex security
 - PFA = \$99 million
 - BDPI - \$2.5 million
 - Local roads/bridges = \$0
 - Local project set aside = \$35 million



CGMC BONDING EFFORTS

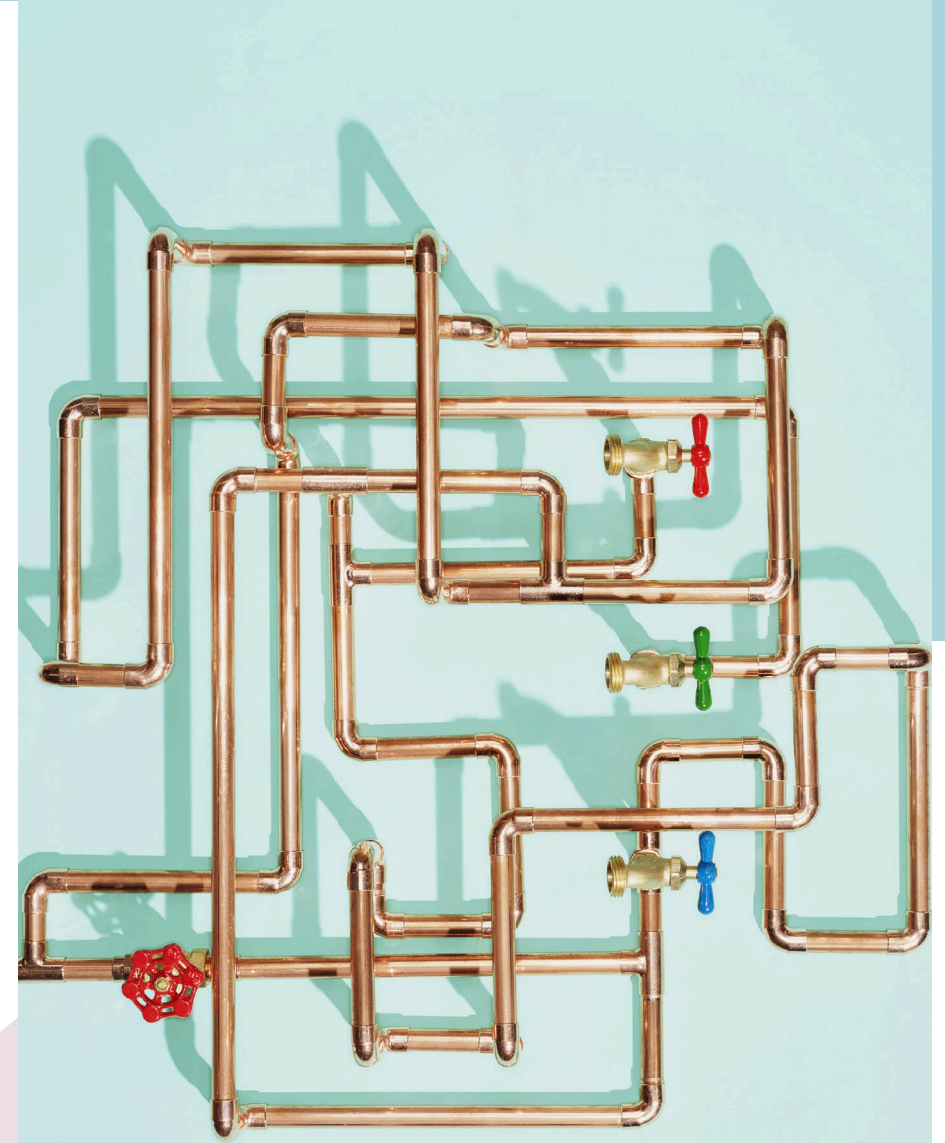
- Bonding bill a top focus of lobbying this session



BONDING BILL PASSES WITH IMPRESSIVE LEGISLATIVE SUPPORT

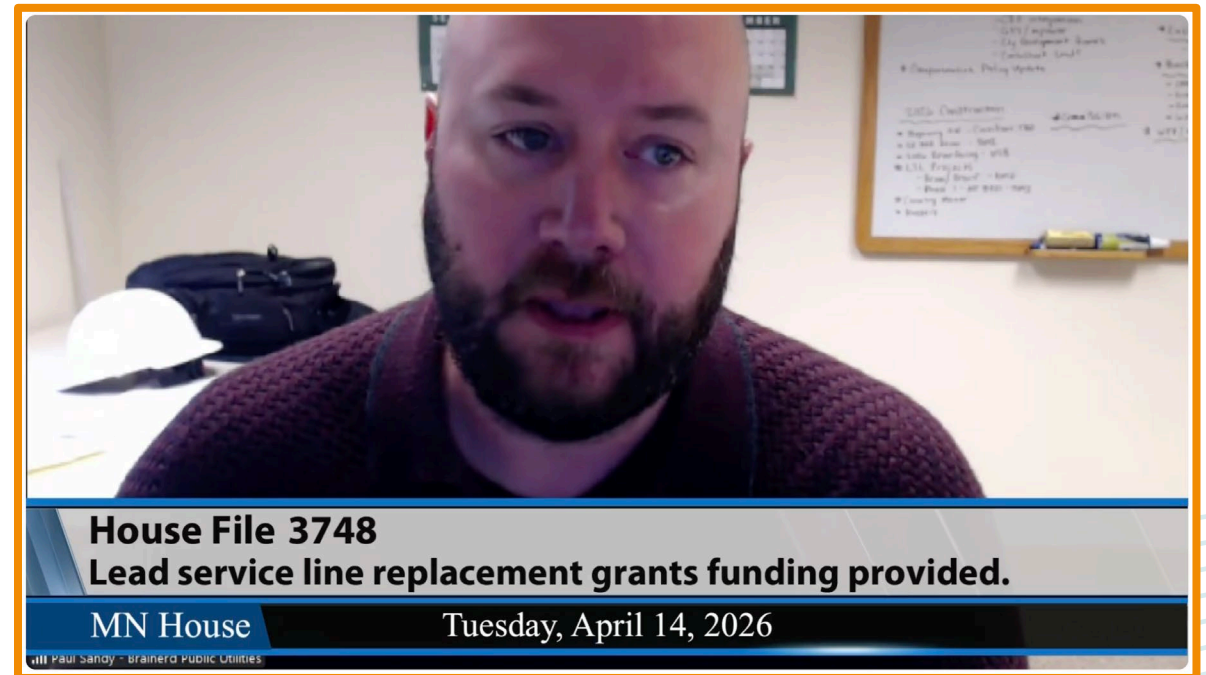
- Total \$1.24 billion package from all sources
- \$400+ million in PFA programs and local water and wastewater grants
 - PFA = \$122 million (grant and loan programs)
- Local bridges = \$25 million (undesignated)
- Local roads = \$47 million
- BDPI = \$2 million
- Unlike 2025, millions in local projects

LEAD SERVICE LINES



MOMENTUM ON LEAD LINES UNDER THREAT

- 2037 EPA deadline to remove lead service lines
- \$240 million allocated in 2023 session
- Initial inventory:
 - 87,000 lead lines statewide
 - 200,000 still to be identified
- Total cost estimate \$1.5 billion
- Reaching goal will require yearly progress with adequate funding
- Without infusion of dollars 2027 construction season in peril
- CGMC ask = \$250 million
- Inventory map → <https://maps.umn.edu/LSL/>



LEAD LINE DISAPPOINTMENT



- Lead line money included in bonding bill
- Squeezed by other bonding bill priorities
- **Only \$15 million** included in final package
- Need for dedicated funding source

HOUSING & ZONING



2024 “MISSING MIDDLE” → 2025 “YES TO HOMES” → 2026 “STARTER HOME ACT

“Starter Home Act” had many of the same elements. Different framework:

- Preemption of aesthetic and material standards, HOA preemption, require ADUs
- Cities over 5,000...
 - Must allow up to four units on 33% of area zoned as single-family
 - No minimum lot size greater than 1/8 acre in greenfield areas
 - Must allow multi-family in 33% of area zoned commercial

CITIES OVER 10,000

Choose your own adventure!



- Cities of the 1st, 2nd, and 3rd class must pick a specified number of additional requirements from a list of choices. Choices include things like:
 - Parking minimums
 - Additional upzoning in single-family zones
 - Additional allowance for multi-family in commercial zones
 - Creation of a housing trust fund
 - Housing subsidy programs

CGMC & METRO ALLIES DEFEAT BILL

- LMC drops active opposition to bill
- CGMC, Metro Cities, and the Municipal Legislative Commission continues opposition
- Bill defeated in House committee
- No hearing in the Senate
- Expect advocates and legislators to bring back some version of preemption again in 2027

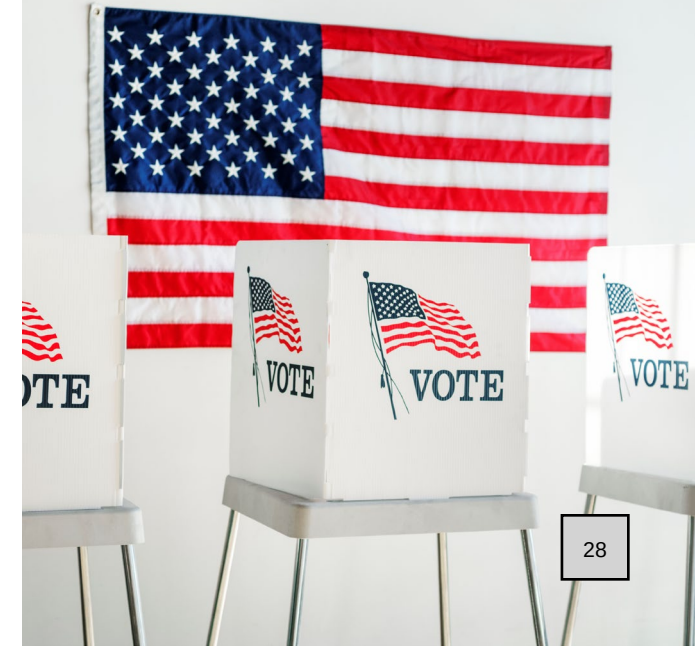


LOOKING AHEAD



ALL EYES ON THE ELECTION

- Open Governor's race with primary to set final field in August
- All 201 legislative seats on the ballot
- Lots of retirements mean lots of new faces
- CGMC will use interim to engage with candidates
 - Candidate education packet on CGMC issues coming later this summer
- Session scheduled to convene on January 14, 2027.



UPCOMING CGMC EVENTS

- **2026 CGMC Fall Conference** – November 12-13, Waite Park
- **2027 CGMC Legislative Action Day** – February 10, 2027, St. Paul
- **2027 CGMC Summer Conference** – TBD, Owatonna

Reach out to Emma Cliff at etcliff@flaherty-hood.com with any questions about CGMC events!

QUESTIONS?

Darrin Lee

(612) 414-2714

dwlee@flaherty-hood.com

GREATERMNCITIES.ORG | @GREATERMNCITIES

August 18, 2026

ITEM: New Business – Resolution 08.26.04: Amending By-Laws of the St. James Firefighter’s Relief Association

BACKGROUND: The attached resolution amends Article X, Section 10.1, Article XII, Section 12.2 and Section 12.3, and Article XIII of the Firefighter’s Relief Association By-laws. Approval of this Resolution sets the firefighter’s annual service pension at \$2,900.00. Resolution 09.25.04 was approved by Council on September 2, 2025, setting the annual pension at \$2,800.00.

STAFF RECOMMENDATION: Approve/Deny Resolution.

**State of Minnesota
County of Watonwan**

RESOLUTION NO. 08.26.04

**RESOLUTION AMENDING BY-LAWS OF THE ST. JAMES FIREFIGHTER'S
RELIEF ASSOCIATION**

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ST. JAMES, MINNESOTA, that the City of St. James City Council hereby amends the by-laws of the St. James Firefighter's Relief Association effective January 1, 2027, as follows:

ARTICLE X – BENEFITS

Section 10.1. Upon request of a retired member who has at least twenty (20) years of active service, and approval of the Board of Trustees, the said service pension may be paid in a lump sum which shall be computed on the basis of **\$2,900.00 per year** of active service of said member in the St. James Fire Department and Volunteer Firefighter's Relief Association. For members who have served less than twenty years of service, pensions shall be reduced in accordance with the early vesting provision of these by-laws. Said Lump Sum payment shall be in lieu of all rights to a further service pension, or survivor's pension.

ARTICLE XII – ANCILLARY BENEFIT

Section 12.2. Upon the death of any member, the association shall pay to the surviving spouse of one year, if any, and if there is no surviving spouse, to the surviving child, if any, or estate, if any, the sum of the **accrued value of \$2,900** for each year that he/she served as an active member of the St. James Volunteer Firefighter's Relief Association.

Section 12.3. A member who is permanently disabled from being an active member in the St. James Fire Department may be eligible for a disability benefit in lieu of retirement. Upon approval of the Board of Trustees pursuant to this section the disability benefits will apply:

A member who is permanently disabled with a service-related disability shall be eligible to collect a disability benefit in the amount of the accrued value of **\$2,900.00** for each year of active service on the St. James Fire Department and Volunteer Firefighter's Relief Association. The member shall be eligible to receive the disability benefit immediately upon approval of the Board of Trustees.

ARTICLE XIII – EARLY VESTING PROVISION

In the event a member with ten years or more but less than twenty years of active service on the St. James Fire Department and Volunteer Firefighter's Relief Association resigns or otherwise becomes a nonmember, that person shall be entitled to the following benefits that represent the Non-forfeitable Percentage of Pension Amount:

10 years	60 percent
----------	------------

11 years	64 percent
12 years	68 percent
13 years	72 percent
14 years	76 percent
15 years	80 percent
16 years	84 percent
17 years	88 percent
18 years	92 percent
19 years	96 percent
20 and thereafter	100 percent

Adopted by the City Council this 18th day of August 2026.

Christopher Whitehead, Mayor

Attest:

Kristin Hurley, City Clerk - Treasurer

August 18, 2026

ITEM: New Business – Resolution 08.26.05: Appointing Housing Redevelopment Authority Board Vacancy

BACKGROUND: The attached resolution appoints Annelle Schofield as the tenant board member to serve on the Housing Redevelopment Authority (HRA) Board of Directors.

STAFF RECOMMENDATION: Approve/Deny Resolution.

**State of Minnesota
County of Watonwan**

RESOLUTION NO. 08.26.05

**RESOLUTION APPOINTING HOUSING REDEVELOPMENT AUTHORITY BOARD
VACANCY**

WHEREAS, the Mayor has authority to appoint board and commission members for the City of St. James;

WHEREAS, the Council confirms Annelle Schofield to fill the Housing Redevelopment Authority board vacancy until January 1, 2032;

WHEREAS, it is necessary to keep an accurate record of these appointments and to individuals appointed and their term of office;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ST. JAMES, MINNESOTA, that the City Council approves Annelle Schofield to the Housing Redevelopment Authority Board of Directors.

Adopted by the City Council this 18th day of August 2026.

Christopher Whitehead, Mayor

ATTEST:

Kristin K. Hurley, City Clerk

August 18, 2026

ITEM: New Business – Resolution 08.26.06: Authorizing the Transfer of the 2019 Ford F-350 from the Electric Fund to the General Fund for the Fire Department

BACKGROUND: The attached resolution authorizes the Electric Department to transfer the 2019 Ford F-350 to the Fire Department.

STAFF RECOMMENDATION: Approve/Deny Resolution.

**State of Minnesota
County of Watonwan**

RESOLUTION NO. 08.26.05

**RESOLUTION AUTHORIZING THE TRANSFER OF THE 2019 FORD F-350
FROM THE ELECTRIC FUND TO THE GENERAL FUND FOR THE FIRE
DEPARTMENT**

WHEREAS, the City of St. James Electric Department currently owns a 2019 Ford F-350 pickup truck, VIN #1FT8X3B60KEF54890 (“Vehicle”); and

WHEREAS, the Vehicle is no longer necessary for the operational needs of the Electric Department; and

WHEREAS, the St. James Fire Department has a need for the Vehicle for the Fire Department operations; and

WHEREAS, the City Council finds that transferring the Vehicle between City departments is in the best interests of the City and allows the City to continue utilizing an existing City asset for a public purpose; and

WHEREAS, following the transfer, ownership of the Vehicle will remain with the City of St. James and the Vehicle will be assigned to and used by the St. James Fire Department; and

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF
THE CITY OF ST. JAMES, MINNESOTA, that:**

- 1) The transfer of the 2019 Ford F-350 pickup truck, VIN #1FT8X3B60KEF54890, from the City of St. James Electric Fund to the General Fund for the Fire Department is hereby approved.
- 2) The Vehicle shall remain property of the City of St. James and, following the transfer, shall be assigned to the Fire Department for municipal and emergency service purposes.
- 3) City staff are authorized and directed to make the appropriate inventory, fixed asset, and accounting adjustments necessary to document the transfer.
- 4) The City Manager, City Clerk-Treasurer, and appropriate city officials are authorized to execute any documents and take any additional actions necessary to carry out this Resolution.

Adopted by the City Council this 18th day of August 2026.

Christopher Whitehead, Mayor

Attest:

Kristin Hurley, City Clerk - Treasurer

August 18, 2026

ITEM: New Business – Resolution 08.26.07: Declaring Abandoned and Surplus Property and Ordering the Disposal

BACKGROUND: The attached resolution declares certain property as abandoned and orders the disposal of such.

STAFF RECOMMENDATION: Approve/Deny Resolution.

RESOLUTION NO.: 08.26.07

**State of Minnesota
County of Watonwan**

RESOLUTION NO. 08.26.07

**RESOLUTION DECLARING ABANDONED AND SURPLUS PROPERTY
AND ORDERING THE DISPOSAL**

WHEREAS, the City of St. James owns certain property that is no longer needed for public use and has been declared surplus; and

WHEREAS, under Minnesota Statutes §471.3459, the City is authorized to dispose of surplus property through public auction or other approved means.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE
CITY OF ST. JAMES, MINNESOTA:**

1. The property listed below has been declared as surplus property that has been deemed abandoned:
 - 2013 Ford Taurus VIN #1FAHP2M84DG119330
 - Large Commercial Hobart Mixer
2. City staff are hereby authorized to dispose of surplus property.
3. Proceeds from the sale shall be deposited into the appropriate city fund as determined by the City Manager.

Adopted by the City Council this 18th day of August 2026.

Christopher Whitehead, Mayor

ATTEST:

Kristin Hurley, City Clerk-Treasurer

August 18, 2026

ITEM: New Business – Resolution 08.26.08: Authorizing the City Manager to Enter into the Temporary Construction Easement Agreement with Fleet and Farm Supply, Inc. for the 12th Avenue South Highway District Expansion

BACKGROUND: The attached resolution authorizing the City Manager to sign and execute the temporary construction easement agreement required for the 12th Avenue South Highway District Expansion.

STAFF RECOMMENDATION: Approve/Deny Resolution.

**State of Minnesota
County of Watonwan**

RESOLUTION NO. 08.26.09

**RESOLUTION AUTHORIZING THE CITY MANAGER TO ENTER INTO THE
TEMPORARY CONSTRUCTION EASEMENT AGREEMENT WITH FLEET
AND FARM SUPPLY, INC. FOR THE 12TH AVENUE SOUTH HIGHWAY
DISTRICT EXPANSION**

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF
THE CITY OF ST. JAMES, MINNESOTA, as follows:**

Section 1: The St. James City Manager is hereby authorized and directed to sign the Temporary Construction Easement Agreement with Fleet and Farm Supply, Inc. for the 12th Avenue South Highway District Expansion.

Adopted by the City Council this 18th day of August 2026.

Christopher Whitehead, Mayor

ATTEST:

Kristin K. Hurley, City Clerk

TEMPORARY CONSTRUCTION EASEMENT AGREEMENT

This Temporary Construction Easement Agreement ("Agreement") is made and entered into as of _____, 2026, by and between **Fleet and Farm Supply, Inc.**, a Corporation under the laws of the State of Minnesota, whose mailing address is 1175 11th Street S St. James, MN 56081 ("Grantor"), and the **City of Saint James**, a municipal corporation of the State of Minnesota, whose mailing address is 1205 6th Ave S Saint James, MN 56081 ("City" or "Grantee").

1. Recitals

A. Grantor is the owner of certain real property located in Watonwan County, Minnesota, commonly known as **Ace Hardware**, and more particularly described on **Exhibit A** attached hereto and incorporated herein ("Property").

B. The City is undertaking a public roadway improvement project generally consisting of the installation and construction of a highway turn lane, related roadway widening, grading, drainage, utility relocation or adjustment, sidewalk, curb and gutter, traffic-control, restoration, and other related improvements, together with all work incidental thereto ("Project").

C. In connection with the Project, the City requires temporary access to and use of a portion of the Property for construction-related purposes.

D. Grantor desires to grant to the City, and the City desires to accept, a temporary, non-exclusive construction easement over the portion of the Property described and/or depicted on **Exhibit B** attached hereto and incorporated herein ("Temporary Easement Area"), subject to the terms and conditions of this Agreement.

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Grantor and the City agree as follows:

2. Grant of Temporary Easement

Grantor hereby grants, conveys, and warrants to the City, and to the City's officers, employees, agents, representatives, consultants, engineers, contractors, subcontractors, utility providers, successors, and assigns acting for or on behalf of the City in connection with the Project, a temporary, non-exclusive easement over, across, upon, and through the Temporary Easement Area for the limited purposes described in this Agreement.

This easement is temporary only and does not convey fee title, a permanent easement, or any right of possession except as expressly provided herein.

3. Purpose and Permitted Uses

The City may use the Temporary Easement Area solely for purposes reasonably necessary or convenient for planning, surveying, staging, access, construction, installation, inspection, testing, repair, restoration, and completion of the Project, including, without limitation:

- a. entering upon and passing over the Temporary Easement Area with personnel, vehicles, machinery, tools, and equipment;
- b. grading, excavation, cutting, filling, sloping, compacting, trenching, paving, milling, drainage work, utility relocation or adjustment, and related construction activities;
- c. temporary placement, movement, and storage of construction equipment, materials, soil, aggregate, forms, traffic-control devices, and related items;
- d. installing, maintaining, and removing temporary erosion-control, sediment-control, stormwater-management, fencing, barricades, signage, and traffic-control measures;
- e. performing surveys, geotechnical testing, environmental testing, inspections, and other Project-related investigations;
- f. restoring disturbed portions of the Temporary Easement Area as required by this Agreement; and
- g. performing any other temporary construction activity reasonably related to the Project and consistent with approved Project plans.

4. Limitation on Use

The City shall use the Temporary Easement Area only to the extent reasonably necessary for the Project and shall use reasonable efforts to avoid unnecessary interference with Grantor's use and enjoyment of the remaining Property.

Unless expressly shown on the approved Project plans or otherwise agreed in writing by Grantor, the City shall not use areas of the Property outside the Temporary Easement Area, except for incidental access reasonably necessary to reach the Temporary Easement Area or respond to emergency or safety conditions related to the Project.

No right of access by the general public to any portion of the Property is granted by this Agreement.

5. Scope of Work

The temporary easement shall provide for construction of a new access road within the northwest corner of the property. Work shall include grading and preparation of the existing area, followed by placement of an 8-inch-thick Class 5 aggregate base and 6 inches of bituminous surfacing. The completed access road shall have a minimum width of 30 feet. An 18-inch reinforced concrete pipe culvert shall be installed beneath the access road within the Minnesota Department of Transportation right-of-way to maintain existing drainage patterns and facilitate stormwater conveyance. Upon completion of the

work, all disturbed areas shall be restored, graded, and seeded. Attached to this easement agreement is Exhibit "D" which shows the project location and anticipated size and area.

6. Term

The term of this temporary easement shall commence on the date this Agreement is fully executed by the parties and, if required by law or City practice, recorded in the real property records of Watonwan County, Minnesota.

Unless earlier terminated in writing, this temporary easement shall expire upon the earliest of:

- a. completion of the Project work requiring use of the Temporary Easement Area;
- b. written notice from the City to Grantor stating that the Temporary Easement Area is no longer needed for the Project;
- c. recording of a release or termination of this Agreement by the City; or
- d. **24 months** after the commencement date, unless extended by written agreement signed by Grantor and the City.

The City may include a brief close-out period, not to exceed **90 days** after substantial completion of the relevant Project work, for final inspection, punch-list work, restoration, demobilization, and removal of temporary materials and equipment.

7. Grantor's Reserved Rights

Grantor reserves all rights in and to the Property not expressly granted to the City under this Agreement. Grantor may continue to use the Temporary Easement Area in any manner that does not materially interfere with the City's rights under this Agreement or create an unsafe condition during Project activities.

During the term of this Agreement, Grantor shall not place or construct any building, structure, fence, landscaping, stored material, vehicle, or other obstruction within the Temporary Easement Area that would materially interfere with the Project or the City's temporary easement rights.

8. Compensation

As consideration for the temporary easement rights granted herein, the City shall pay such other consideration as follows: the City shall pay for the cost to install the turn lands and complete all necessary work for their project, this is a benefit to Grantor but shall be the cost shall be the sole responsibility of the City.

The parties acknowledge that the consideration stated herein is intended to compensate Grantor for the temporary construction rights granted under this Agreement only, and not for any separate fee acquisition, permanent easement, or other property interest unless expressly stated in writing.

9. Construction Standards and Permits

The City shall cause all Project work within the Temporary Easement Area to be performed in a good and workmanlike manner, in accordance with applicable laws,

permits, approved plans and specifications, and generally accepted construction practices for public roadway improvements.

The City shall be responsible for obtaining governmental permits and approvals required for the Project work to be performed by or on behalf of the City.

10. Restoration

Following completion of the Project work within the Temporary Easement Area, the City shall restore portions of the Temporary Easement Area disturbed by the City's Project activities to substantially the same condition that existed immediately prior to entry, ordinary wear and tear excepted, or to the condition shown on the approved Project plans.

Restoration may include, as applicable, grading, replacement of topsoil, seeding, sodding, revegetation, repair or replacement of driveways, sidewalks, curbs, fencing, landscaping, irrigation components, mailboxes, private drainage features, and other surface improvements damaged by the City's use of the Temporary Easement Area.

The City shall not be required to restore or replace any feature that is removed, altered, or permanently modified as part of the approved Project plans, including permanent roadway, drainage, sidewalk, slope, grading, or utility improvements.

If weather, seasonal conditions, supply delays, or construction sequencing prevent immediate completion of restoration, the City shall complete restoration as soon as reasonably practicable under the circumstances.

11. Damage to Property

The City shall use reasonable care to avoid damage to the Property outside the scope of the Project and outside the Temporary Easement Area. The City shall be responsible for repairing damage to the Property caused by the City or its authorized Project representatives to the extent such damage is not contemplated by the Project plans and is not caused by Grantor, Grantor's tenants, invitees, or third parties not acting for the City.

12. Utilities and Existing Improvements

Grantor shall disclose to the City, to the extent known by Grantor, the location of private utilities, irrigation lines, drainage systems, septic facilities, wells, underground tanks, signs, lighting, fencing, landscaping, or other private improvements located within or near the Temporary Easement Area.

The City shall not be liable for damage to private underground improvements that are not visible, not marked, not disclosed by Grantor, and not otherwise reasonably discoverable by the City or its contractors, except to the extent required by applicable law.

13. Environmental Matters

The City shall conduct its activities within the Temporary Easement Area in compliance with applicable environmental, stormwater, erosion-control, spill-prevention, and hazardous-material laws and regulations.

The City shall not knowingly store hazardous materials on the Temporary Easement Area except ordinary construction materials, fuels, lubricants, or substances used in the ordinary course of roadway construction and handled in accordance with applicable laws.

Grantor shall remain responsible for pre-existing environmental conditions on, under, or about the Property, except to the extent such conditions are exacerbated by the City's negligent or wrongful acts, subject to applicable law.

14. Liens

The City shall use reasonable efforts to cause its contractors and subcontractors to avoid filing mechanic's liens, materialmen's liens, or similar claims against Grantor's interest in the Property arising from the Project.

If any such lien is filed as a result of work performed by or on behalf of the City, the City shall cause the lien to be released, bonded over, or otherwise addressed in accordance with applicable law.

15. Insurance

The City shall require its contractors performing work on the Property to maintain commercially reasonable insurance coverages customarily required for public roadway construction projects, which may include commercial general liability, automobile liability, workers' compensation, and employer's liability insurance.

Upon reasonable written request, the City shall provide or cause its contractor to provide evidence of applicable insurance coverage.

16. Indemnity

To the extent permitted by applicable law, the City shall be responsible for claims, damages, losses, or expenses arising from the negligent or wrongful acts or omissions of the City or its authorized representatives in connection with the City's use of the Temporary Easement Area.

Nothing in this Agreement shall be construed as a waiver of any governmental immunity, statutory limitation of liability, notice requirement, defense, or protection available to the City under applicable law.

Grantor shall be responsible for claims, damages, losses, or expenses arising from Grantor's negligent or wrongful acts or omissions, or from Grantor's interference with Project activities, to the extent permitted by applicable law.

17. Access, Safety, and Traffic Control

The City may temporarily restrict access to portions of the Temporary Easement Area as reasonably necessary for construction safety, traffic control, utility work, or Project sequencing.

The City shall use reasonable efforts to maintain access to Grantor's remaining Property, driveways, parking areas, and entrances, except for temporary interruptions reasonably necessary for construction, safety, or traffic-control purposes.

Where practicable, the City shall provide reasonable advance notice to Grantor of planned temporary access restrictions that materially affect Grantor's use of the Property.

18. Assignment and Use by Contractors

The City may permit its employees, agents, consultants, engineers, contractors, subcontractors, utility companies, and other Project representatives to exercise the

temporary easement rights granted herein, provided such use is for Project purposes and subject to the terms of this Agreement.

The City may assign this Agreement only to a successor public entity or other entity responsible for completing the Project, unless Grantor otherwise consents in writing. No assignment shall expand the scope, duration, or burden of this temporary easement beyond the terms stated herein.

19. Notices

Any notice required or permitted under this Agreement shall be in writing and shall be delivered personally, by recognized overnight courier, by certified mail, return receipt requested, or by such other method as the parties may agree in writing.

Notice to Grantor shall be sent to:

Grantor:

Fleet and Farm Supply, Inc.,
1175 11th Street S
St. James, MN 56081

Grantee:

Notice to City shall be sent to:

Saint James

1205 6th Ave S PO Box 70
Saint James, MN 56081

Notice shall be deemed given upon personal delivery, upon confirmed courier delivery, or three business days after deposit in the United States mail, postage prepaid, certified mail, return receipt requested.

20. Recording; Release

The City may record this Agreement, or a memorandum of this Agreement, in the real property records of Watonwan County, Minnesota.

Upon expiration or termination of this temporary easement, the City shall, upon written request by Grantor or as otherwise required by applicable law, execute and record a release, termination, or other appropriate instrument evidencing that the temporary easement has expired or been terminated.

21. No Waiver of Police Powers or Regulatory Authority

Nothing in this Agreement shall limit, impair, or waive the City's governmental, regulatory, police-power, permitting, inspection, or enforcement authority.

22. No Public Dedication

This Agreement does not dedicate any portion of the Property to public use, does not create public access rights over the Property, and does not create any rights in favor of the general public.

23. Successors and Assigns; Covenants Running with the Land

This Agreement shall bind and benefit the parties and their respective heirs, successors, permitted assigns, and successors-in-interest in the Property, but only for the temporary term and limited purposes stated herein.

24. Entire Agreement; Amendment

This Agreement, together with its exhibits, constitutes the entire agreement between the parties concerning the temporary easement rights granted herein. No amendment, modification, extension, or waiver shall be effective unless in writing and signed by Grantor and the City.

25. Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the State of Minnesota.

26. Authority

Each person signing this Agreement represents that they have full power and authority to execute and deliver this Agreement on behalf of the party for whom they sign.

27. Counterparts; Electronic Signatures

This Agreement may be executed in counterparts, each of which shall be deemed an original, and all of which together shall constitute one instrument. Electronic signatures and scanned signatures shall be effective to the extent permitted by applicable law.

28. Exhibits

The following exhibits are attached and incorporated into this Agreement:

Exhibit A - Legal Description of Grantor's Property

Exhibit B - Legal Description and/or Drawing of Temporary Easement Area

Exhibit C - Project Plans or Plan Sheets Showing Temporary Construction Limits

Exhibit D - Aerial Sketch of plan

(signature page follows)

IN WITNESS WHEREOF, Grantor and the City have executed this Temporary Construction Easement Agreement as of the dates set forth below.

GRANTOR:

FLEET AND FARM SUPPLY, INC.

Signature

By: _____

Its: Chief Executive Officer

Date: _____

CITY / GRANTEE:

CITY OF SAINT JAMES

By: _____

Name: _____

Title: _____

Date: _____

Approved as to form:

City Attorney

Date: _____

NOTARY ACKNOWLEDGMENT

State of Minnesota)
) **ss.**
County of _____)

This instrument was acknowledged before me on _____, 2026, by _____ as Chief Executive Office of Fleet and Farm Supply, Inc, a Minnesota Corporation, on behalf of said Corporation, as Grantor.

Notary Public
My commission expires: _____

State of Minnesota)
) ss.
County of _____)

This instrument was acknowledged before me on _____, 2026, by
_____ as _____, of the City of Saint James, Minnesota,
on behalf of the City, Grantee.

Notary Public
My commission expires: _____

Exhibit "A"

That part of Government Lot 5 of Section 19, Township 106 North, Range 31 West, Watonwan County, Minnesota, described as follows: Commencing at the West Quarter corner of said Section 19; thence on an assumed bearing of North 89 degrees 37 minutes 18 seconds East, along the South line of Government Lot 5 of said section, a distance of 75.00 feet to right of way monument B-4, located on the East line of State Highway Right of Way Plat No. 83-9, according to the recorded plat thereof, said iron monument being the point of beginning of the tract to be described; thence continuing North 89 degrees 37 minutes 18 seconds East, along said South line, a distance of 600.00 feet to an iron monument; thence North 0 degrees 00 minutes 00 seconds East a distance of 435.00 feet to an iron monument; thence South 89 degrees 37 minutes 18 seconds West a distance of 600.00 feet to an iron monument located on the East line of said State Highway Right of Way Plat No. 83-9; thence South 0 degrees 00 minutes 00 seconds West, along said East line, a distance of 435.00 feet to the point of beginning.

Exhibit "B"

The North 180.00 feet of the West 195.00 feet of the below described parcel:

That part of Government Lot 5 of Section 19, Township 106 North, Range 31 West, Watonwan County, Minnesota, described as follows: Commencing at the West Quarter corner of said Section 19; thence on an assumed bearing of North 89 degrees 37 minutes 18 seconds East, along the South line of Government Lot 5 of said section, a distance of 75.00 feet to right of way monument B-4, located on the East line of State Highway Right of Way Plat No. 83-9, according to the recorded plat thereof, said iron monument being the point of beginning of the tract to be described; thence continuing North 89 degrees 37 minutes 18 seconds East, along said South line, a distance of 600.00 feet to an iron monument; thence North 0 degrees 00 minutes 00 seconds East a distance of 435.00 feet to an iron monument; thence South 89 degrees 37 minutes 18 seconds West a distance of 600.00 feet to an iron monument located on the East line of said State Highway Right of Way Plat No. 83-9; thence South 0 degrees 00 minutes 00 seconds West, along said East line, a distance of 435.00 feet to the point of beginning.

Exhibit "C"

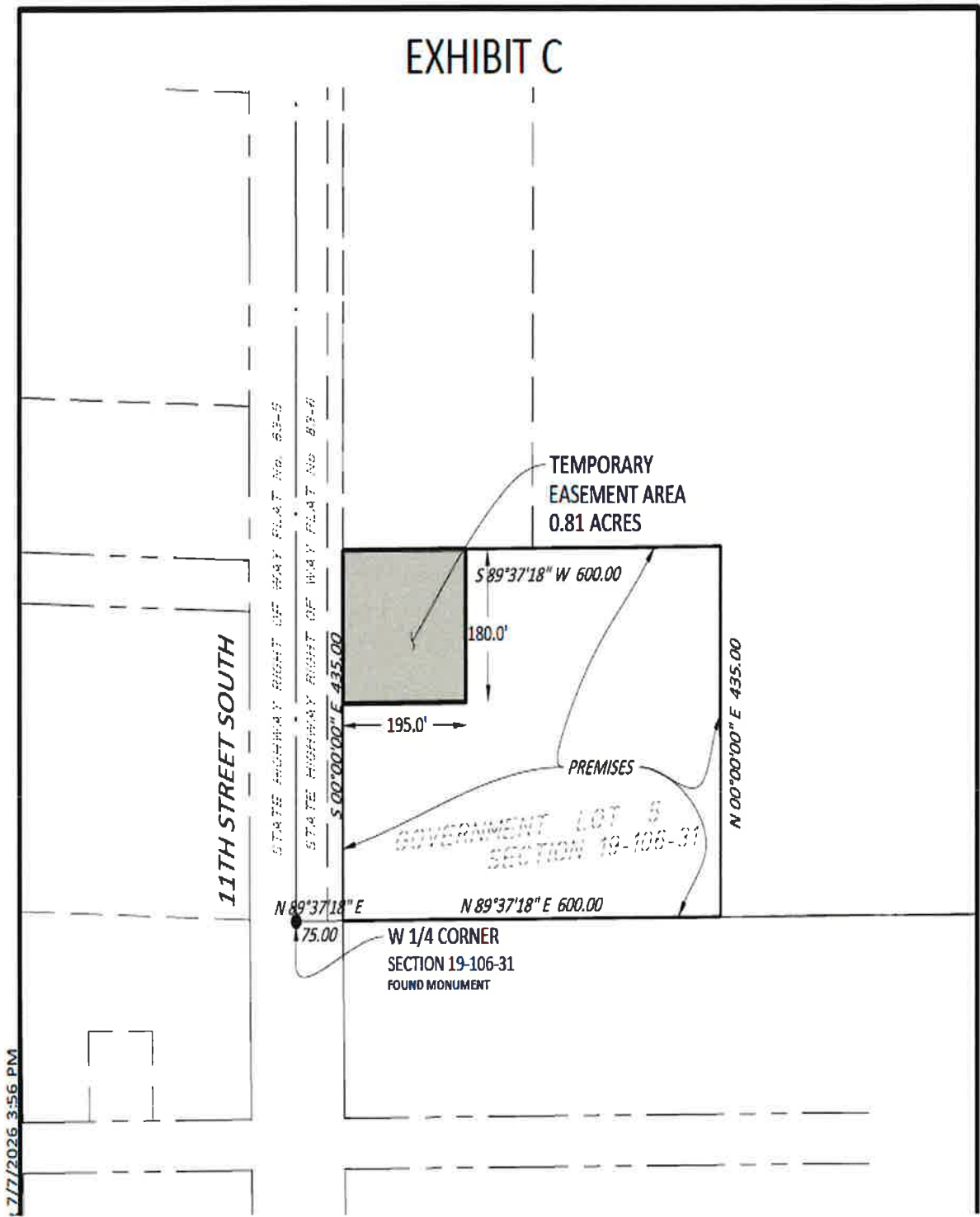
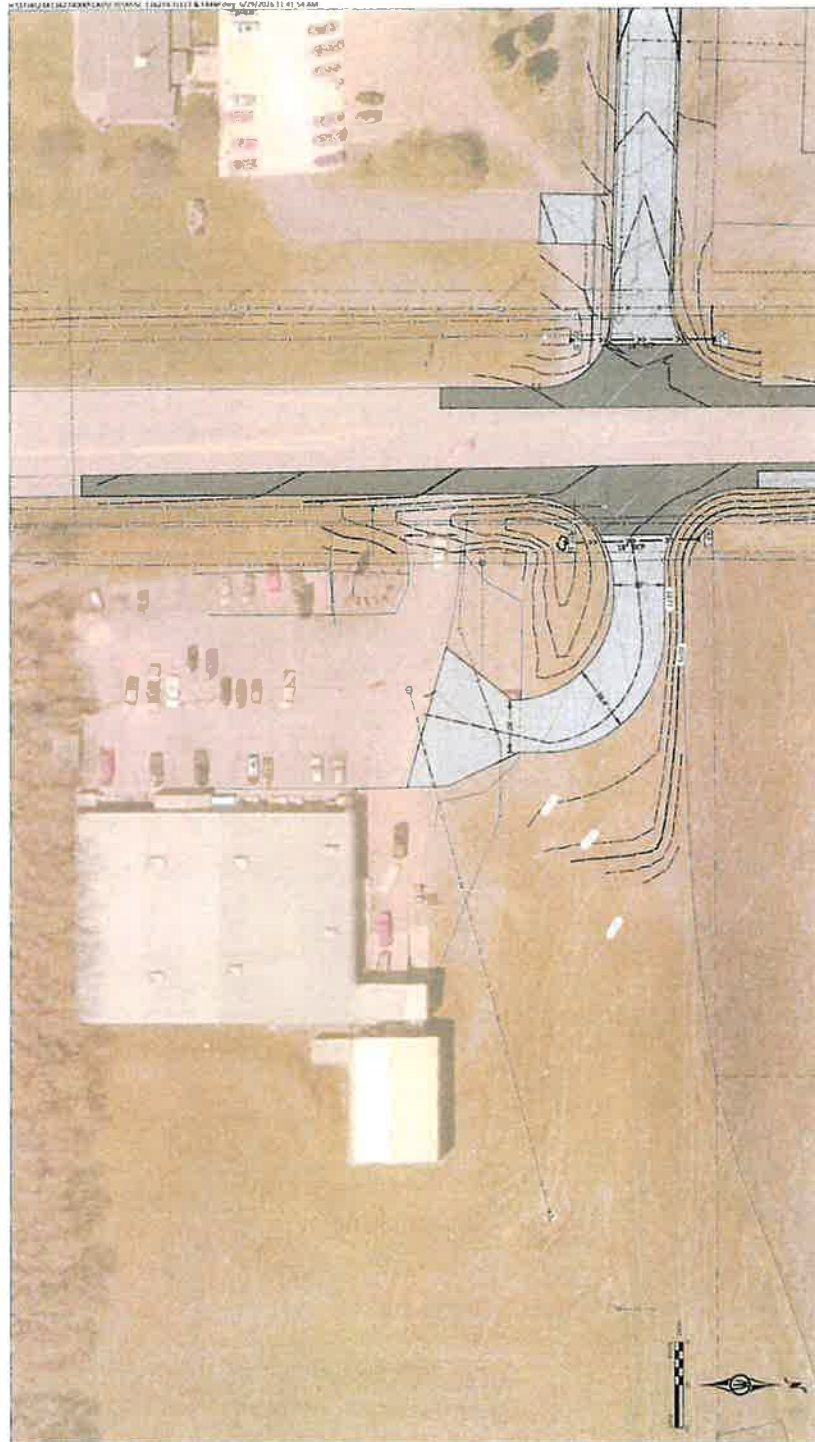


Exhibit "D"



12th Avenue S Highway District Expansion
City of St. James

Fleet & Farm
June 2026
BOLTON & MENK