

**OPTION TO PURCHASE AND
RIGHT OF FIRST REFUSAL**

THIS AGREEMENT, dated this 25 day of October, 2013, by and between Star of the North, LLC, a Minnesota Corporation, party of the first part (Grantor), and Gaylord Economic Development Authority, a municipal corporation under the laws of the State of Minnesota, party of the second part (Grantee).

RECITALS

- A. GRANTOR is the owner of real property in Sibley County, Minnesota, described as: Tract M of RLS No. 10, Section 33, Township 113, Range 28, in the City of Gaylord.
- B. GRANTEE is a municipal corporation under the laws of the State of Minnesota.
- C. GRANTEE desires to have an option to purchase and a right of first refusal regarding GRANTOR'S real property.

AGREEMENT

NOW, THEREFORE, IT IS AGREED, for good and valuable consideration as follows:

- 1. OPTION TO PURCHASE.
 - A. GRANTOR grants unto GRANTEE an option to purchase GRANTOR'S real property as described above.
 - B. The purchase price and terms of the purchase shall be as mutually agreed by the parties.
 - C. GRANTEE can exercise this option to purchase by giving written notice of intent to exercise to GRANTOR. Negotiations shall commence immediately and take place for a maximum period of five (5) days.

- D. If the parties fail to reach agreement, this option to purchase may be exercised again at a later time.

2. RIGHT OF FIRST REFUSAL

- A. GRANTOR grants unto GRANTEE a right of first refusal as to the sale of GRANTOR'S real property as described above.
- B. Should GRANTOR decide to sell GRANTOR'S real property, GRANTOR shall provide written notice to GRANTEE of the offer to purchase received by GRANTOR. GRANTEE shall have the right to purchase the real property for the same purchase price and upon the same terms as the offer made to GRANTOR.
- C. GRANTEE can exercise this right of first refusal by giving written notice to GRANTOR within five (5) days of receipt of the written notice from GRANTOR.
- D. If GRANTEE does not exercise this right of first refusal it shall lapse.

3. OTHER PROVISIONS

- A. This agreement is binding on all parties hereto, their heirs and assigns, and shall run with the described properties.

