PROCEEDINGS OF THE BOARD OF COUNTY COMMISSIONERS

Date: August 18, 2026 9:00 a.m.

Place: Commissioners Room, Courthouse, Caledonia, MN

Members Present: Cindy Wright, Eric Johnson, Kurt Zehnder, and Robert Schuldt

Others Present: Interim Auditor/Treasurer Polly Heberlein, Fillmore County Journal Reporter Charlene Selbee, The Caledonia Argus Associate Editor Kaita Gorsuch, Coordinator Brent Parker, EDA Director & Coordinator Support Allison Wagner, Finance Director Carol Lapham, Public Health Director Jordan Knoke, Interim Attorney Suzanne Bublitz, John Pugleasa, Kyle Johnson, Charles Wray, Sheila Schroeder, and Mikal Sylling

Presiding: Vice Chairperson Wright

Call to order.

Pledge of Allegiance.

Motion was made by Commissioner Johnson, seconded by Commissioner Zehnder, motion unanimously carried to approve the agenda.

Motion was made by Commissioner Schuldt, seconded by Commissioner Johnson, motion unanimously carried to approve the meeting minutes from August 4, 2026.

Motion was made by Commissioner Zehnder, seconded by Commissioner Johnson, motion unanimously carried to approve the meeting minutes from August 11, 2026.

Public Comment:

None.

APPOINTMENTS

None.

CONSENT AGENDA

Commissioner Zehnder moved, Commissioner Schuldt seconded, motion unanimously carried to approve the consent agenda. Approved items are below.

1) Transfer Melissa Jordan to a 1 FTE Child Support Case Aide (B22, Step 9), Effective August 24th, 2026.
2) Transfer Lee Langager to a 1 FTE Certified Minnesota Appraiser (B23, Step 8), Effective August 24th, 2026.
3) Approve a competitive search for 1 FTE Assessor Tech Clerk (B22).
4) Accept Resignation from Karen Fryseth (Child Support Officer) Effective August 11th, 2026.
5) Approve a competitive search for 1 FTE Child Support Officer (B24).
6) Appoint Anne Yakle and Kate Snodgrass as Ballot Board members for the State General Election to be held on November 3rd ($17.50 per hour).
7) Consider approving an Exempt Permit for Minnesota Lawful Gambling Application LG220 for Caledonia Girls Court Club INC for gambling (raffle) activities to be conducted at Ma Cal Grove Country Club in Caledonia Township with a drawing to be held on October 23, 2026, with no waiting period.
8) Review 2025 Annual Disclosure Report for the City of Spring Grove Tax Increment Financing (TIF) Districts for the year ended December 31, 2025.
9) Review 2025 Annual Disclosure Report for the City of La Crescent Tax Increment Financing (TIF) Districts for the year ended December 31, 2025.
10) Review and approve payments. Payments are below.

REQUEST APPROVAL FOR PAYMENTS

2026/08/18 COMMISSIONER WARRANTS:

VENDOR NAME	AMOUNT
ABILITY BUILDING COMMUNITY	2,664.50
ACENTEK	4,399.48
ADVANCED CORRECTIONAL HEALTHCAR	8,112.33
AVFUEL CORPORATION	22,715.53
BRUENING ROCK PRODUCTS INC	147,800.83
CALEDONIA OIL CO INC	7,590.00
CALEDONIA/CITY OF	21,645.42
ENTERPRISE FM	10,414.39
ENTERPRISE FM TRUST CAR SALES	13,479.56
HOUSTON COUNTY TREASURER	21,538.13
KWIK TRIP	5,912.95
LIBERTY TIRE RECYCLING LLC	3,918.80
LOFFLER COMPANIES	2,027.07
MACQUEEN	2,912.00
MATTISON CONTRACTORS INC	5,654.04
MEYERS LAWN SERVICE LLC	2,440.00

MILESTONE MATERIALS	33,960.58
MINNESOTA ENERGY RESOURCES	3,012.21
MN STATE TREASURER	5,357.50
OLYMPIC BUILDERS GENERAL CONTRAC	200,292.30
RICHARD'S SANITATION LLC	23,976.84
SCOTT CONSTRUCTION INC	485,580.25
STONEBROOKE ENGINEERING INC	6,604.69
WEX BANK	2,175.44
WEX BANK	4,735.79
	1,048,920.63
43 VENDORS PAID LESS THAN $2000.00	20,490.53
	1,069,411.16
PUBLIC HEALTH & HUMAN SERVICES	274,499.68
	1,343,910.84

ACTION ITEMS

File No. 1 – The Commissioners discussed the possibility of discontinuing operation of the County License Center and supporting a successor. This topic had been discussed at a recent Workgroup Session. Staffing the County License Center had been an ongoing issue, the County had been losing money in recent years on the License Center, and there were other centers in the area that were privately operated. The License Center in La Crescent was separate from the County. Currently due to a retirement and other staffing shortages there was only one person who was qualified to work in the License Center at the County. The employee who would be working in the License Center did not typically work there, and working the License Center would take away from the employee's normal duties working in the Auditor/Treasurer's office. Staff who issued passports were not able to also work in the License Center due to rules adding further to the shortage of staff. Coordinator Parker said if the County wanted to discontinue operation of the License Center the next step would be to approve a resolution to discontinue operations that would be sent to the State. The State would then study the area to determine a need and assuming a need was determined the State would advertise for a new successor to take over the services. It was anticipated that there would be a need, but if the State found otherwise the County could decide to continue with the License Center. The County would work with the State on a smooth transition and stay open until the successor could take over. Commissioner Johnson said there could be long lines, and thanked the public for their patience during the transition. The Commissioners agreed. Motion was made by Commissioner Zehnder, seconded by Commissioner Johnson, motion unanimously carried to approve Resolution 26-21: DISCONTINUE COUNTY OPERATION OF THE LICENSE CENTER AND SUPPORT THE CONTINUED PROVISION OF DRIVER AND VEHICLE SERVICES BY A SUCCESSOR OPERATOR. Resolution is below.

RESOLUTION NO. 26-21

RESOLUTION TO DISCONTINUE COUNTY OPERATION OF THE LICENSE CENTER AND SUPPORT THE CONTINUED PROVISION OF DRIVER AND VEHICLE SERVICES BY A SUCCESSOR OPERATOR

WHEREAS, Houston County currently provides motor vehicle registration, title, driver's license, identification card, and related Driver and Vehicle Services ("DVS") services to residents of Houston County and the surrounding area; and

WHEREAS, Minnesota Statutes § 168.33 provides for the appointment and administration of deputy registrars by the Minnesota Commissioner of Public Safety, and Minnesota Statutes § 171.061 governs the appointment and discontinuance of driver's license agents; and

WHEREAS, the Houston County Board of Commissioners has reviewed the County's continued operation of deputy registrar and driver's license services and has determined that the County should discontinue serving in this capacity; and

WHEREAS, the Houston County Board recognizes the importance of maintaining convenient access to motor vehicle registration, title, driver's license, identification card, and related services for Houston County residents; and

WHEREAS, the Board desires to work cooperatively with the Minnesota Department of Public Safety, Driver and Vehicle Services Division, to provide for an orderly transition and to minimize any interruption of services to the public; and

WHEREAS, the Board supports the State of Minnesota taking the necessary steps to identify, approve, and appoint a qualified replacement provider to continue DVS services within Houston County.

NOW, THEREFORE, BE IT RESOLVED, by the Houston County Board of Commissioners that:

1. **Discontinuation of County Services.** Houston County hereby provides notice of its intent to discontinue operating as a deputy registrar and driver's license agent and to relinquish its responsibility for providing the associated DVS services.
2. **Coordination with the State.** The Houston County Coordinator is authorized and directed to notify and work with the Minnesota Department of Public Safety, Driver and Vehicle Services Division, to establish an orderly transition plan and an appropriate effective date for discontinuation of County-operated services.
3. **Replacement Service Provider.** Houston County requests that the Minnesota Department of Public Safety initiate the appropriate process to identify and appoint a qualified replacement deputy registrar and/or driver's license agent to provide these services within Houston County.
4. **Continuity of Service.** It is the intent of the Houston County Board that County-operated services continue during a reasonable transition period, to the extent practicable and as

agreed upon with the Minnesota Department of Public Safety, in order to minimize or avoid a gap in services to the public.

5. **Transition Assistance.** County staff are authorized to cooperate with the Minnesota Department of Public Safety and any approved successor regarding equipment, records, facilities, public notification, operational transition, and other matters reasonably necessary to facilitate the transfer of services.
6. **County Facility.** Nothing in this Resolution commits Houston County to providing County-owned space, equipment, personnel, or financial support to a successor provider unless separately approved by the Houston County Board.
7. **Effective Date.** The final date on which Houston County will cease providing deputy registrar and driver's license agent services shall be established in coordination with the Minnesota Department of Public Safety and subsequently communicated to the public.

BE IT FURTHER RESOLVED, that the Houston County Board of Commissioners expresses its desire that deputy registrar and driver's license services remain available within Houston County following the County's withdrawal from providing these services directly.

Adopted by the Houston County Board of Commissioners on this 18th day of August 2026.

File No. 2 – Motion was made by Commissioner Johnson, seconded by Commissioner Schuldt, motion unanimously carried to approve Resolution No. 26-22: AQUATIC INVASIVE SPECIES PREVENTION AID. Resolution is below.

RESOLUTION NO. 26-22

AQUATIC INVASIVE SPECIES PREVENTION AID

August 18, 2026

WHEREAS, 2014 Session Law Chapter 308 enacted by the Legislature provides Minnesota counties a County Program Aid grant for Aquatic Invasive Species (AIS) prevention. The amount designated for each county is based on the number of watercraft trailer launches as well as the number of watercraft trailer parking spaces within each county. Houston County was allocated $11,248 for 2027 and years following (5 watercraft trailer launches and 50 watercraft trailer parking spaces), and

WHEREAS, the legislation requires that Houston County must establish, by resolution or through adoption of a plan, guidelines for the use of the proceeds which are to prevent the introduction or limit the spread of aquatic invasive species at all access sites within the county, and

WHEREAS, the county may appropriate the proceeds directly or may use any portion of the proceeds to provide funding to a soil and water conservation district in the county, for a joint powers board or cooperative agreement with another political subdivision, a watershed district in the county, or a lake association located in the county. Any money appropriated by the county to a different entity or political subdivision must be used as required under this section, and

WHEREAS, the county must submit a copy of its guidelines for use of the proceeds to the Department of Natural Resources by December 31 of the year the payments are received, and

WHEREAS, maintaining an ongoing effort to inform the public of resource needs, resource impairments and resource protection matters has been identified as the most important tool in addressing water resource concerns in the Root River Comprehensive Watershed Management Plan and the Mississippi River Winona/La Crescent (WinLaC) Comprehensive Watershed Management Plan for Houston County, the fight against Aquatic Invasive Species is included in this educational effort and will continue to be a cornerstone for Houston County.

NOW THEREFORE, BE IT RESOLVED the Board of Commissioners of Houston County, Minnesota designate oversight of Houston County's AIS prevention efforts to the Root River Soil and Water Conservation District and delegates to them the responsibility to prepare, implement and report annually a plan to allocate the funding in accordance with the above legislation.

DISCUSSION ITEMS

The Commissioners discussed the Gopher to Badger Link 765 kV High Voltage Transmission Line Project. A comment period on the route was expected to be coming in the near future. The Commissioners would need to decide how they wanted to respond both as a board and individually.

Coordinator Parker said budget talks with the finance committee would be starting soon as preliminary budget data would soon be available. He said health insurance would only be a 5% increase coming in less than expected.

The Commissioners discussed recent and upcoming meetings including a WINLAC, Public Health and Human Services, Canvasing Board, Land Use, and Semcac meeting.

Commissioner Johnson thanked the County’s maintenance staff for maintaining the County buildings and keeping them clean. He said it was much appreciated and the Commissioners agreed.

Closing Public Comment:

Charles Wray from the NO765MN group thanked the County board for their leadership. He said the most effective comments were those that had documentation. He said the comment period for the application and route would be coming soon. Wray referred to the County's resolution opposing the proposed 765kV transmission project within Houston County and said he was respectfully requesting the County to bring up the 5th paragraph again regarding human health. He said another important issue was the benefit cost analysis by MISO. Wray said an independent market monitor had said that MISO's analysis was flawed. He said alternatives should also be considered.

Houston County resident John Pugleasa said he was very involved in the NO765MN group. He said while working at Public Health they had done a lot of work on groundwater. He wondered what the impacts would be on karst geography of digging big holes. He had questions regarding the impact on ag land and the health of the people living under the line. Pugleasa said to his disappointment he had heard from the State that they were in favor of the line because it was a green energy project. He said he personally was in favor of green energy, but the effects of all energy should be studied. Pugleasa said he appreciated the work Houston County had done with the County's resolution opposing the proposed 765 kV "Gopher to Badger Link" transmission project within Houston County. He said he had a personal interest in the matter as the proposed line would be very near his house.

Kyle Johnson said he was a landowner, farmer, and business owner who lived in Crooked Creek. He said while the proposed transmission project was not specifically in his backyard he was concerned with the project. Johnson said the matter was not why to oppose the project, but how to oppose the project. He said he appreciated the County's resolution opposing the project. He said the companies involved in the project including Dairyland and Excel Energy had not been transparent. He urged the County to remain skeptical. He said the companies involved were using flawed metrics. Johnson said the County should use legal resources. He said Houston County must demand a response from the Minnesota Department of Health and Minnesota Pollution Control Agency. He asked the County to continue to stay engaged.

The Commissioners asked Coordinator Parker to find out when the next comment period would be for the proposed 765 kV transmission project. It was the general consensus of the Commissioners that they remained opposed to the 765 kV "Gopher to Badger Link" transmission project within Houston County and that the County should express this during the next comment period.

There being no further business, a motion was made by Commissioner Johnson, seconded by Commissioner Zehnder, motion unanimously carried to adjourn the meeting at 10:02 a.m. The next meeting would be a regular meeting on August 25, 2026.

BOARD OF COUNTY COMMISSIONERS

HOUSTON COUNTY, MINNESOTA

By: ________________________________

Greg Myhre, Chairperson

Attest: ______________________________
Brent Parker, Coordinator

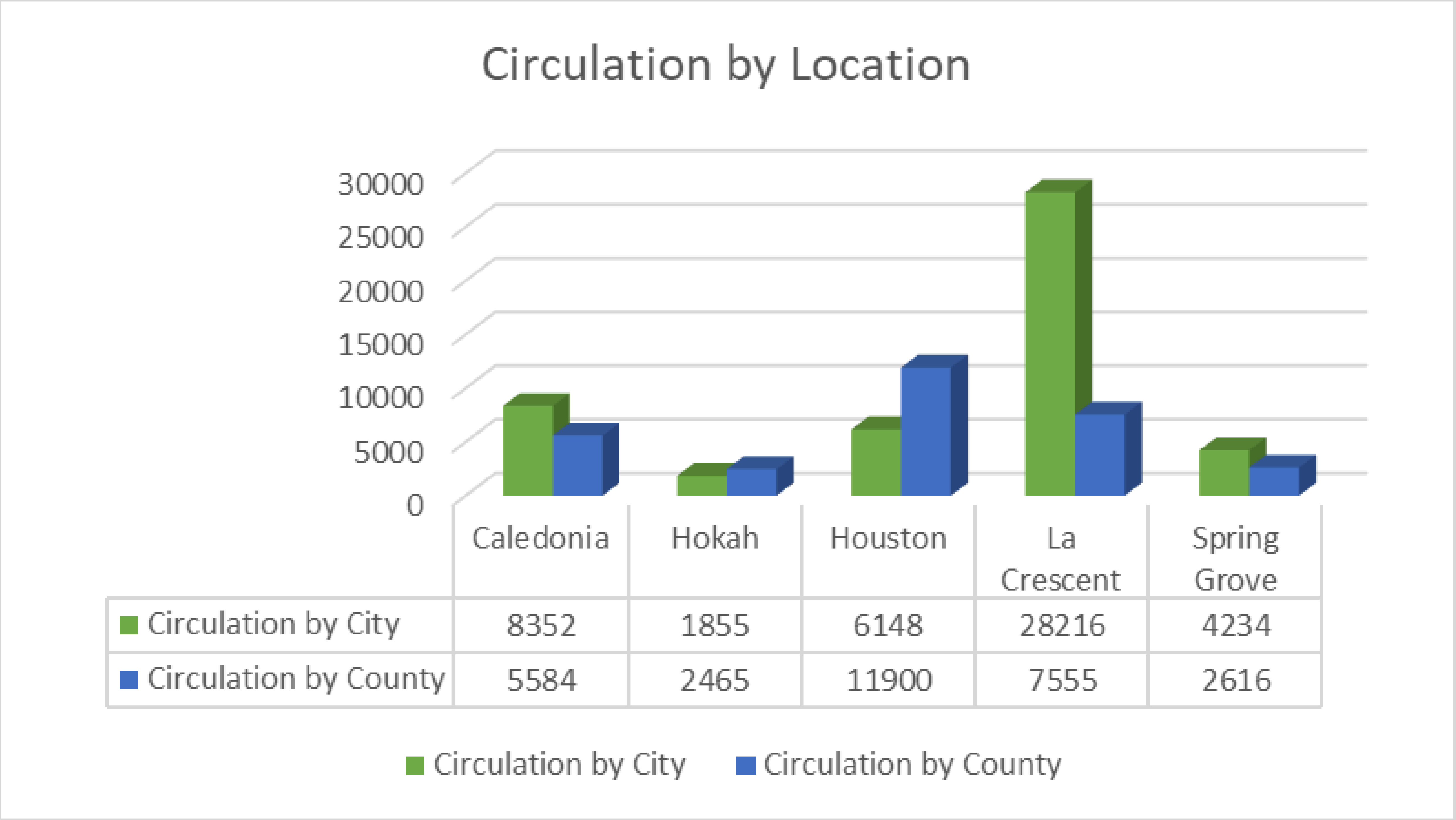
Why Libraries Matter

Supporting Access, Opportunity, and Community Wellbeing

AUGUST 2026 • PRESENTED BY HOUSTON COUNTY LIBRARY DIRECTORS

OVERVIEW

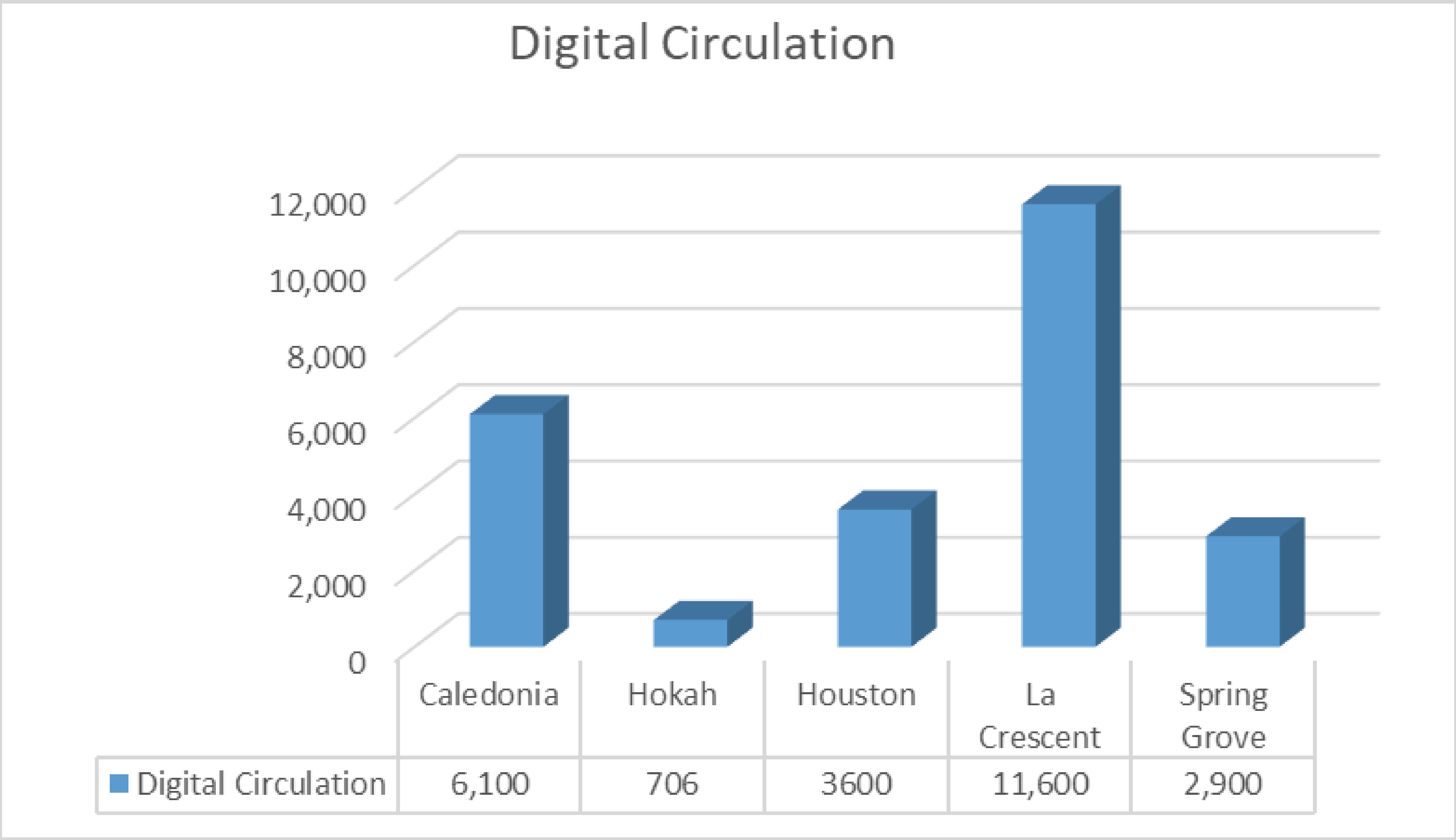
Where is circulation happening?



- **On average, 38% of circulation across Houston County libraries came from Houston County residents in 2025**

(Without La Crescent's proximity to the border skewing the average, Houston County patron circulation goes up to 52%)

Where is circulation happening?



- For digital materials (ebooks and e-audiobooks), that's an additional 4,981 checkouts on average/year per library

Who is doing the work?

	Library Hours/Week	Director Hours	FTE	PTE
Caledonia	41	38	0	4
Hokah	30	18	0	2
Houston	32	29	0	2
La Crescent	44	40	2	2
Spring Grove	37	25	0	3

- Only 1 out of the 5 Houston County Libraries pays wage & benefits for a Fulltime Director
- The majority of part-time staff positions are hired for an average of 12 hours/week or less
- The demand for library access and programs is only increasing

THE CHALLENGE

Our libraries are under pressure.

Demand is growing faster than our capacity to serve it.

- Growing numbers of visits & program attendance
- Demand for new materials and new forms of media
- Limited hours and strained staffing
- Need to keep up with technological changes
- Need to address gaps in access, such as school partnerships and home deliveries
- Need for safe, welcoming spaces for community

Our current situation is not sustainable.

THE CHALLENGE

What are the biggest issues right now?

- Physical Material Costs
  - Closing of Baker & Taylor
  - Audio materials require new technology
  - Average cost examples
    - $65/Vox Book (audio & text picture books)
    - $65 – 85/Playaway (chapter book audio devices)
  - Shipping Charges vs. Delays
- Digital Material Costs
  - Regional usage is up 9% from last year, 11% for youth materials
  - OverDrive (Libby) cost examples
    - $80 – 100/Title (One Copy, One User model)

EVIDENCE OF DEMAND

The community is already showing up.

ANNUAL VISITS	COMPUTER + WI-FI USE	PROGRAM ATTENDANCE	PHYSICAL CIRCULATION	DIGITAL CIRCULATION
64,000	8,250	21,500	111,800	19,700

Let’s look at one aspect of demand:

Internet and Wi-Fi usage

What could happen to a small library

1. Internet bills could rise substantially.:E-Rate provides discounts on broadband and telecommunications services.
For a small library with a tight operating budget, losing even a few thousand dollars in annual discounts can mean a real choice between paying more for internet or cutting something else.

2. Libraries could have to reduce internet capacity.
A library might move from a faster connection to a cheaper one, reduce bandwidth, or delay upgrading equipment. That matters because library internet isn't just for casual browsing—it supports public computers, Wi-Fi, databases, digital literacy, job applications, government services, printing, online classes, and staff operations.

Potential impact for Houston County Libraries:

Caledonia: $2,122.80
Hokah: $2,122.80
Houston: $2,122.80
La Crescent: $839.76
Spring Grove: $900.00

Libraries are a wise public investment

The library is practical civic infrastructure that meets multiple demands every day.

EDUCATION

Children

Lifelong learners

School partnerships

Summer reading

Storytimes

Supporting early literacy and homeschoolers

WORKFORCE

Job search & career readiness

Help with technology

Assisting with applications, tax forms, et.

Connecting people to government services

DIGITAL ACCESS

Free public computers, wifi, printing, faxing, scanning

Help with devices

E-books and E-audiobooks

Help with websites and searches, email, software, etc.

WELLBEING

Safe, welcoming public space

Place to learn, read, study, and connect

Providing programs to match interests and encourage social connnections

COMMUNITY

History, culture

A place to gather, try new things, and bond

Serve as information source and ambassador for visitors

Provide local cultural and historical programs

How can Houston County commissioners make an impact?

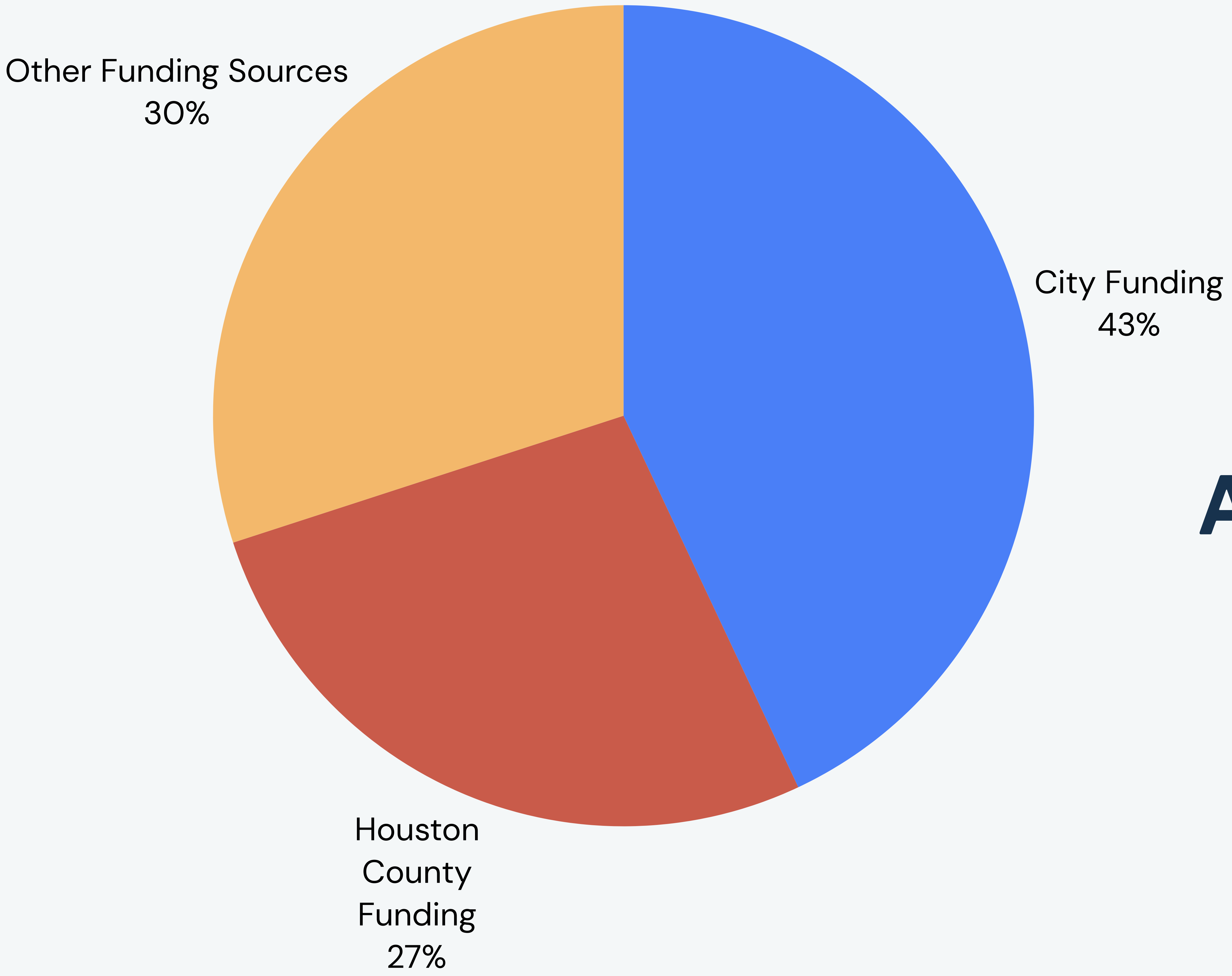
Maintenance of Effort (MOE) – Level of Library Support

Minnesota Statutes, sections 134.34 and 275.761, establish the amount at 90% of the state-certified level of support set in 2011.

<u>This amount has not changed in 16 years.</u>

Houston County MOE 2011: $92,434
Houston County MOE 2027: $92,434

**The MOE requirement establishes a floor for county support—
not a measure of what it costs to provide library service today.**



How are Houston County Libraries Funded?

- As of now, Houston County supports 27% of the Houston County Libraries' funding

AND...

- Houston County Libraries are already doing the work to supplement 30% of their operational income.
- 38% of library circulation comes from Houston County patrons.

REAL COMMUNITY IMPACT

Houston Public Library

> Library Director, Beth Peterson-Lee, was awarded the MLA Above and Beyond award for her creative outreach, innovative programming, and service that turns access into outcomes.

“The library is an incredible advocate for literacy and works tirelessly to support students from preschool through high school. Through partnerships with local schools, engaging learning opportunities, and programs that inspire a lifelong love of reading, the library consistently goes above and beyond to support students and families.

Throughout the summer, the library provides meaningful programs and activities that keep students engaged, excited about learning, and reading when school is not in session. Its partnership with our school district has a lasting impact on student success, and our community is stronger because of the library’s dedication to literacy and education. “
----from the Principal of Houston Elementary

Spring Grove Public Library

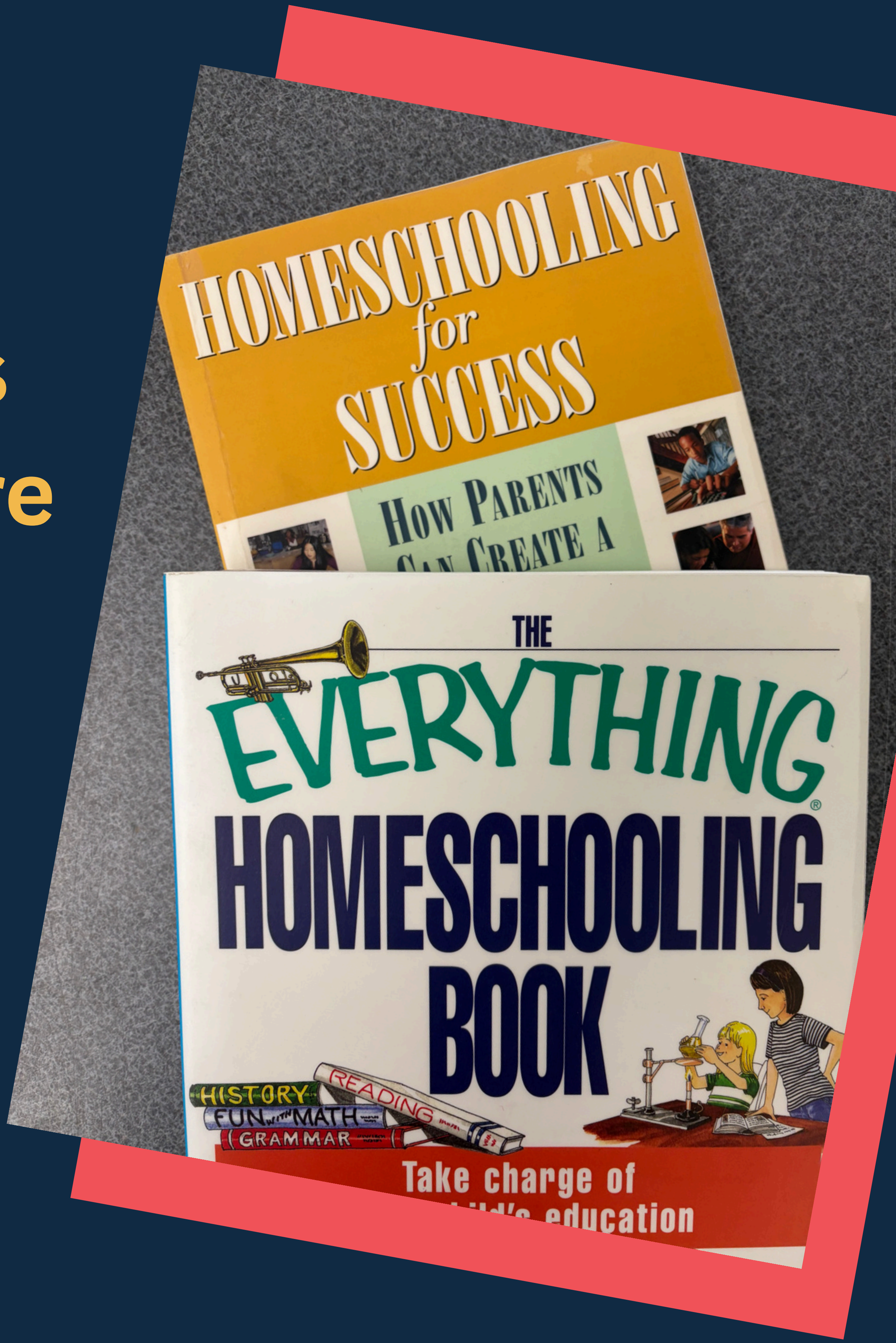
Third Space = a social environment distinct from home (the first place) and work (the second place). It serves as a safe gathering spot where individuals can connect,share experiences and foster community.

Beyond books we serve patrons by supporting direct needs. A few newer programs that are community driven, supported and sustained:

- a produce library - a perishable food shelf to compliment the non perishable shelf at church
- a seed library for free access to seeds and storage
- a drop off station for free summer lunches through a local church

Caledonia Public Library

We're so proud that our homeschool groups are helping make our library busier and more vibrant. Their participation brings families through our doors, increases the use of our resources, strengthens community connections, and shows just how valuable our library is as a place to learn, gather, and grow.



Hokah Public Library

We are proud of our new library space!

It gives our community a safer, more accessible and brighter place to learn, connect and grow.

It represents how our community is…

Resourceful,

Exploring options,

Accessing services

Discovering what we can do when we come together for a common need.

La Crescent Public Library

The library was featured in an article by State Library Services, Minitex, for its ongoing 2026 Community Conversations series, which unpacks the current, complex topic of immigration.

From the article, "Bridging the Gap":

With Minnesota having been the subject of immigration enforcement during the first half of the year, one key takeaway many who attended found was the importance of addressing myths and correcting misinformation. ... A partnership between the library and various churches and community members encouraged continued conversations that encourage communicating opinions in productive ways, educate on this complex topic, dispel misconceptions, and provide nuance, as well as support those most affected.

This series also explores how members can help those affected in ways that uphold compassion and dignity. Participants are encouraged to find ways to support affected individuals using the knowledge learned and connections made. This has shown up in different ways, including contacting representatives, supporting food drives, distributing supplies to families, and continuing the conversation.

What is a library?

The library exists to help citizens access knowledge in whatever form they need, whenever they need it.

The library is one of the only spaces in our society where a person is allowed to freely exist without the expectation of spending money.

Libraries are more than books. The modern library has evolved to meet current community needs.

REVIEW LICENSE CENTER PAYMENTS

2026/08/14 AUDITOR WARRANTS:

VENDOR NAME	AMOUNT
CONSOLIDATED ENERGY COMPANY	8,467.31
HOUSTON COUNTY TREASURER	74,290.27
INSIGHT PUBLIC SECTOR	5,474.63
ISD 300 TREASURER	6,255.25
OFFICE OF MNIT SERVICES	5,762.64
OLMSTED SWCD	2,400.00
TREASURER SCHOOL DISTRICT 239	6,966.45
TREASURER SCHOOL DISTRICT 294	2,320.26
TREASURER TWP OF CALEDONIA	2,181.88
TREASURER TWP OF CROOKED CREEK	9,101.14
TREASURER TWP OF HOKAH	2,976.79
TREASURER TWP OF JEFFERSON	6,559.95
TREASURER TWP OF MONEY CREEK	4,904.18
TREASURER TWP OF MOUND PRAIRIE	6,146.19
TREASURER TWP OF SHELDON	2,771.02
TREASURER TWP OF WINNEBAGO	3,418.02
TREASURER TWP OF YUCATAN	12,577.95
VANCLEAVE/WILLIAM DALE	4,075.28
VISA	18,659.23
WINONA CONTROLS INC	8,545.10
	193,853.54
16 VENDORS PAID LESS THAN $2000.00	12,046.23
	205,899.77

REQUEST APPROVAL FOR PAYMENTS

2026/08/25 COMMISSIONER WARRANTS:

VENDOR NAME	AMOUNT
BOLTON & MENK INC	26,250.00
CALEDONIA AUTO REPAIR LLC	2,169.68
CALEDONIA OIL CO INC	7,568.00
COMPUTER FORENSIC SERVICES LLC	48,301.41
DAHL AUTOMOTIVE	4,485.20
KNOWBE4 INC	7,864.20
MIENERGY COOPERATIVE	7,274.66
MN POLLUTION CONTROL AGENCY	6,791.00
SEACHANGE PRINT INNOVATIONS	2,955.25
	113,659.40
33 VENDORS PAID LESS THAN $2000.00	14,717.62
	128,377.02
PUBLIC HEALTH & HUMAN SERVICES	41,514.74
	169,891.76

HOUSTON COUNTY
AGENDA REQUEST FORM
August 25, 2026

Date Submitted: August 18, 2026
By: Robert Thoen

The Brownsville VFW Auxiliary Post 6801 has again donated $200.00 to the Veteran Services Office to use for any veteran's needs. The County Board must accept this by motion.

Reviewed by:	___	**HR Director**	___	**County Sheriff**	______
	X	**Finance Director**	___	**County Engineer**	______
	___	**IS Director**	___	**PHHS**	______
	___	**County Attorney**	X	**Other (indicate dept)**	VSO
	___	**Environmental Srvcs**			

Recommendation:

Decision:

Historic Courthouse
304 S Marshall Street
Caledonia, MN 55921

HOUSTON COUNTY

BOARD OF COMMISSIONER MEETING
AGENDA REQUEST FORM

Board Meeting Date: August 24, 2026
Date Request Submitted: August 17, 2026

Submitted By (Name and Title): Brian Pogodzinski, County Engineer

Please fill in item(s) requested for agenda in correct category below. Add numbers as needed.

Appointment Request:

Consent Agenda Request:

Action Item Request:
1) Consider approving Detour Agreement between Houston County and the Department of Transportation for Trunk Highway 44.
2) Consider approving the airport lease agreement for Matt Buley.
3)

Discussion Item:
1)

Background/additional information can be typed below and/or included with request:

Note: Please submit all agenda request forms and supporting documentation to the BOC email at **BOC@HoCoMN.gov** by noon the Thursday before each BOC meeting to be included on the agenda. If your department needs a resolution number, please ask for the number ahead of time via the BOC email. Resolutions should be emailed in word format so they can be easily copied and pasted into the meeting minutes. Departments are responsible for scheduling their own public hearings, but please email the BOC to verify a date and time is available prior to advertising the hearing to ensure we do not double book times. Questions regarding agenda requests and board meetings can be sent to the BOC email. Thank you!

MnDOT Contract No.: **1061414**

STATE OF MINNESOTA
DEPARTMENT OF TRANSPORTATION
AND
HOUSTON COUNTY
DETOUR AGREEMENT
For Trunk Highway No. 44 Detour

State Project Number (S.P.):	**2804-40**	**Original Amount Encumbered**
Trunk Highway Number (T.H.):	**44=044**	**$6,392.19**

This Agreement is between the State of Minnesota, acting through its Commissioner of Transportation ("State") and Houston County acting through its Board of Commissioners ("County").

Recitals

1. The State is about to perform roundabout construction upon, along, and adjacent to Trunk Highway No. 44 from County State Aid Highway No. (C.S.A.H.) 20 to Esch Drive under State Project No. 2804-40 (T.H. 44=044); and
2. The State requires a detour to carry T.H. 44 traffic on County State Aid Highway No. (C.S.A.H.) 20 during the construction; and
3. The County is willing to maintain the T.H. 44 detour; and
4. The State is willing to reimburse the County for the road life consumed by the detour and detour maintenance as hereinafter set forth; and
5. Minnesota Statutes § 471.59, subdivision 10, § 161.25, and § 161.20, subdivision 2(b), authorize the parties to enter into this Agreement.

Agreement

1. Term of Agreement;

1.1. ***Effective Date.*** This Agreement will be effective on the date the State obtains all signatures required by Minnesota Statutes § 16C.05, subdivision 2.

1.2. ***Expiration Date.*** This Agreement will expire when the State removes all detour signs, returns the temporary Trunk Highway detour to the County, and pays for the detour compensation.

2. Agreement Between the Parties

2.1. ***Detour.***

A. ***Location(s).*** The State will establish the T.H. 44 detour route on the following County road(s) as detailed in the project plans or Special Provisions:

Stage 1 – C.S.A.H. 20 for a total distance of 1.01 miles.

B. ***Modification of the Detour Route.*** The State may modify the detour route or may add additional roadways to the official detour during construction. The State will request concurrence from the County for changes to the detour route. If such change increases the State's total payment amount over the maximum obligation in Article 3.3.B, the Agreement will be amended.

C. ***Axle Loads and Over-Dimension Loads.*** The County will permit 10-ton axle loads on the detour route. Oversize/Overweight (OSOW) loads may be permitted on a case-by-case basis with County coordination.

D. ***Traffic Control Devices.*** The State may install, maintain, and remove any traffic control devices it considers necessary to properly control the detoured traffic. The State may paint roadway markings, such as the centerline, edge lines, and necessary messages.

E. ***Duration.***The State will provide the County with advance notice identifying the dates the State intends to place and remove the detour signing.

2.2. ***Maintenance.***

A. The County will maintain the portion of the detour that is on County roads, and furnish all necessary labor and materials, to the satisfaction of the State's District Maintenance Engineer at Rochester.

B. ***County's Failure to Adequately Maintain.*** If the County fails to adequately maintain the detour as provided in Section 2.2.A. of this Agreement, of which failure the State will be the sole judge, the State may perform such work or cause it to be performed, as the State's District Maintenance Engineer considers necessary, to properly and adequately maintain the T.H. 44 detour. The State may retain the cost of such maintenance from any moneys then due, or thereafter becoming due, to the County under this Agreement. This paragraph will not be construed to relinquish any rights of action that may accrue on behalf of the State against the County for any breach of agreement.

2.3. ***Basis of State Cost.***

A. ***Road Life Consumed.*** The State will reimburse the County for the road life consumed by the detour using the following methods, as set forth in the Detour Management Study Final Report dated January 1991 and updated by MnDOT's Policy on Cost Participation for Cooperative Construction Projects and Maintenance Responsibilities between MnDOT and Local Units of Government.

i. The "Gas Tax Method" formula multiplies the Combined Tax Factor per mile times the Average Daily Traffic ("ADT") count of vehicles diverted from the Trunk Highway times the county road length in miles times the duration of the detour in days to determine the State's cost for the road life consumed by the detour. If an ADT changes, the parties will amend the Agreement.

ii. The County may, at its option, perform an "Equivalent Overlay Method" analysis. A State-approved firm, at no cost or expense to the State, must perform the testing and analysis. The County will keep records and accounts to verify any claim it might bring against the State for additional costs using the "Equivalent Overlay Method".

B. ***Maintenance Costs.***The State's detour maintenance cost will be computed by multiplying $500.00 times the county road length in miles times the detour duration in months. Fractional miles and fractional months will be used in computing the State's cost.

3. Payment

The State's payment consists of the sum of the road life consumed and maintenance amounts.

3.1. ***For Road Life Consumed.*** The State's total payment for the road life consumed by the detour is equal to the amount computed by using the "Gas Tax Method" formula plus any amount determined by using the "Equivalent Overlay Method" analysis that is in excess of twice the "Gas Tax Method" amount.

The State's estimated cost for the road life consumed by the detour is based on the data below:

Stage	Tax Factor	ADT	Road Length (Miles)	Duration (Days)	Cost
Stage 1	0.00781	4538	1.01	122	$4,367.14
			Road Life Consumed Amount:		$4,367.14

3.2. ***For Maintenance.*** $2,025.05 is the State's estimated cost for detour maintenance based on $500.00 multiplied times a County road length of 1.01 miles times a detour duration of 4.01 months.

The State may retain the cost of State performed detour maintenance, as provided for in Section 2.2 of this Agreement, from any moneys then due, or thereafter becoming due, to the County under this Agreement.

3.3. ***Total Payment and Maximum Obligation.***

A. **$6,392.19** is the State's estimated payment for road life consumed (**$4,367.14**) and maintenance (**$2,025.05**).

B. **$16,000.00** is the maximum obligation of the State under this Agreement and must not be exceeded unless the maximum obligation is increased by execution of an amendment to this Agreement.

3.4. ***Conditions of Payment.*** The State will pay the County the State's total road life consumed and maintenance payment amount after performing the following conditions.

A. Execution of this Agreement and the County's receipt of the executed Agreement.

B. State's encumbrance of the State's total payment amount.

C. State's removal of all detour signs.

D. State notifies the County of the removal of the detour signs, and the number of days the detour was in effect.

E. State's receipt of a written request from the County for payment.

4. Release of Road Restoration Obligations

By accepting the State's road life consumed and maintenance payment plan and total payment amount, the County releases the State of its obligation, under Minnesota Statutes § 161.25, to restore the County roads used as a T.H. 44 detour to as good condition as they were before designation as temporary trunk highways.

5. Authorized Representatives

Each party's Authorized Representative is responsible for administering this Agreement and is authorized to give and receive any notice or demand required or permitted by this Agreement.

5.1. The State's Authorized Representative will be:

Name, Title: Kevin Amundson, Assistant Agreements Coordinator (or successor)
Address: 2900 48th Street Northwest, Rochester, MN 55901
Telephone: (507) 286-7562
E-Mail: kevin.r.amundson@state.mn.us

5.2. The County's Authorized Representative will be:

Name, Title: Brian Pogodzinski, County Engineer (or successor)
Address: 1124 East Washington Street, Caledonia, MN 55921
Telephone: (507) 725-5803
E-Mail: bpogodzinski@hocomn.gov

6. Assignment; Amendments, Waiver; Contract Complete

6.1. ***Assignment.*** No party may assign or transfer any rights or obligations under this Agreement without the prior consent of the other party and a written assignment agreement, executed and approved by the same parties who executed and approved this Agreement, or their successors in office.

6.2. ***Amendments.*** Any amendment to this Agreement must be in writing and will not be effective until it has been executed and approved by the same parties who executed and approved the original Agreement, or their successors in office.

6.3. ***Waiver.*** If a party fails to enforce any provision of this Agreement, that failure does not waive the provision or the party's right to subsequently enforce it.

6.4. ***Contract Complete.*** This Agreement contains all prior negotiations and agreements between the State and the County. No other understanding regarding this Agreement, whether written or oral, may be used to bind either party.

7. Liability

The County and State will be responsible for their own acts and omissions, to the extent authorized by law. Minnesota Statutes § 3.736 governs the State's liability. Minnesota Statutes, Chapter 466 governs the liability of the County.

8. State Audits

Under Minnesota Statutes § 16C.05, subdivision 5, the County's books, records, documents, and accounting procedures and practices relevant to this Agreement are subject to examination by the State and the State Auditor or Legislative Auditor, as appropriate, for a minimum of six years from the end of this Agreement.

9. Government Data Practices

The County and State must comply with the Minnesota Government Data Practices Act, Minnesota Statutes Chapter 13, as it applies to all data provided by the State under this Agreement, and as it applies to all data created, collected, received, stored, used, maintained, or disseminated by the County under this Agreement. The civil remedies of Minnesota Statutes §13.08 apply to the release of the data referred to in this clause by either the County or the State.

10. Governing Law; Jurisdiction; Venue

Minnesota law governs the validity, interpretation, and enforcement of this Agreement. Venue for all legal proceedings arising out of this Agreement, or its breach, must be in the appropriate state or federal court with competent jurisdiction in Ramsey County, Minnesota.

11. Termination; Suspension

11.1. ***By Mutual Agreement.*** This Agreement may be terminated by mutual agreement of the parties or by the State for insufficient funding as described below.

11.2. ***Termination for Insufficient Funding.*** The State may immediately terminate this Agreement if it does not obtain funding from the Minnesota Legislature, or other funding source; or if funding cannot be continued at a level sufficient to allow for the payment of the services covered here. Termination must be by written or fax notice to the County. The State is not obligated to pay for any services that are provided after notice and effective date of termination. However, the County will be entitled to payment, determined on a pro rata basis, for services satisfactorily performed to the extent that funds are available. The State will not be assessed any penalty if this Agreement is terminated because of the decision of the Minnesota Legislature, or other funding source, not to appropriate funds.

11.3. ***Suspension.*** In the event of a total or partial government shutdown, the State may suspend this Agreement and all work, activities, performance, and payments authorized through this Agreement. Any work performed during a period of suspension will be considered unauthorized work and will be undertaken at the risk of non-payment.

12. Force Majeure

No party will be responsible to the other for a failure to perform under this Agreement (or a delay in performance), if such failure or delay is due to a force majeure event. A force majeure event is an event beyond a party's reasonable control, including but not limited to, unusually severe weather, fire, floods, other acts of God, labor disputes, acts of war or terrorism, or public health emergencies.

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MnDOT Contract No.: **1061414**

STATE ENCUMBRANCE VERIFICATION

Individual certifies that funds have been encumbered as required by Minnesota Statutes § 16A.15 and 16C.05.

Signed: ____________________

Date: ____________________

SWIFT Purchase Order: 3000890407

HOUSTON COUNTY

The undersigned certify that they have lawfully executed this contract on behalf of the Governmental Unit as required by applicable charter provisions, resolutions, or ordinances.

By: ____________________

Title: Greg Myhre, Houston County Board Chair

Date: August 25, 2026

By: ____________________

Title: Brian Pogodzinski, Houston County Highway Engineer

Date: August 25, 2026

DEPARTMENT OF TRANSPORTATION

Approved:

By: ____________________
(District Engineer)

Date: ____________________

COMMISSIONER OF ADMINISTRATION

By: ____________________
(With Delegated Authority)

Date: ____________________

INCLUDE COPY OF THE RESOLUTION APPROVING THE AGREEMENT AND AUTHORIZING ITS EXECUTION.

HOUSTON COUNTY
RESOLUTION 26-23
Truck Highway No 44 Detour Agreement
Between
State of Minnesota and Houston County

IT IS RESOLVED that Houston County enter into MnDOT Agreement No. 1061414 with the State of Minnesota, Department of Transportation for the following purposes:

To provide for payment by the State to the County for the use and maintenance of County State Aid Highway No. 20 as a detour route during the construction to be performed upon, along, and adjacent to Trunk Highway No. 44 from County State Aid Highway No. 20 to Etch Drive under State Project No. 2804-40 (T.H. 44=044).

IT IS FURTHER RESOLVED that the Houston County Board Chair
(Title)

and the Houston County Highway Engineer
(Title)

are authorized to execute the Agreement and any amendments to the Agreement.

CERTIFICATION

I certify that the above Resolution is an accurate copy of the Resolution adopted by the Board of Commissioners of Houston County at an authorized meeting held on the 25th day of August, 2026, as shown by the minutes of the meeting in my possession.

____
(Signature)

Brent Parker
(Type or Print Name)

Houston County Coordinator
(Title)

Subscribed and sworn to me this 25th day of August, 2026

Notary Public ______________________

My Commission Expires ______________________

AIRPORT T-HANGAR LEASE

This agreement, made and entered into on the date indicated below by and between
Houston County, hereinafter called the “County,” and
Matt Buley, hereinafter called the “Lessee.”

WHEREAS, the County owns and operates an airport known as the Houston County Airport (Airport) and Lessee is desirous of leasing from the County a hangar on the Airport, hereinafter more fully described; and

NOW, THEREFORE, for and in consideration of the rental charges, covenants, and agreements herein contained, the Lessee does hereby lease from the County the following premises, rights, and easements on and to the Airport upon the following terms and conditions.

1. **Hangar Description**. County shall hereby lease to Lessee the following Hangar:

   Building #__1___ Bay # __3N________

   Hanger drawing containing Bay #’s is shown in Appendix A

2. **Term.** The term of this lease shall be for a period commencing on September 1, 2026, and terminating on June 30, 2027. If the Lessee complies with all rules, regulations, terms, and covenants of this lease, the parties can mutually agree to renew for additional 12-month terms, subject to any additional terms and conditions. Each party will notify the other of their intention not to renew the lease no later than 90 days prior to the end of the lease term date. If the parties do not agree to renew this Lease Agreement, the parties will follow the provisions of termination contained in this Lease Agreement.

3. **Rent.** For the term of this lease agreement, Lessee shall pay to County an annual rental fee of **$1800.00**. (Initial term rental rate prorated to 1 months is $1,500.00)

   Payments shall be made payable to Houston County Treasurer and shall be sent to 304 South Marshall Street, Caledonia, MN 55921, or such other place or electronically as County may designate. The rental rate specified herein shall be subject to reexamination and readjustment as provided below.

   All rental payments shall be received prior to the lease commencement date for which they are due. No statements are sent by the County. Rental payments not received on the due date specified above are subject to a late fee of 10% of the monthly rental payment. If the Lessee makes a payment that is less than the total amount due under this Lease Agreement, or if the County accepts such a lesser payment, it will not be considered a full payment. Instead, it will be treated as a partial payment and will be applied to the Lessee's account based on the County's standard accounting procedures.

4. **Proof of Ownership.** On or before the commencement date of this lease, Lessee shall provide the County with a copy of the federal registration certificate establishing Lessee’s ownership

of an airplane. Prior to placing any aircraft in a T-Hangar unit, Lessee shall provide County in writing the following information, also known as the “Checklist for Lessee.”

a. Aircraft Type

b. Serial Number

c. Registration Number (N-number)

d. Present Condition of Aircraft (Airworthy or Not Airworthy)

e. Insurance Certificate(s)

f. Contact Information

5. **Hangar Use.** Hangar shall be used for an aeronautical purpose such as:

a. Storage of active, airworthy aircraft;

b. Shelter for maintenance, repair, or refurbishment of aircraft, but not the indefinite storage of non-operational aircraft;

c. Non-commercial construction of amateur-built or kit-built aircraft;

d. Storage of aircraft handling equipment, (e.g. tow bar, glider tow equipment, work benches, tools and materials used to service aircraft); and

e. Storage of materials related to an aeronautical activity (e.g. balloon and skydiving equipment, office equipment, teaching tools).

Provided the hangar is used primarily for an aeronautical purpose, Lessee may store nonaeronautical items in the hangar provided they do not:

a. Interfere, in any manner, with the entrance, storage, or removal of aircraft, with interference being solely defined by the County.

b. Displace the aeronautical contents of the hangar. A vehicle parked at the hangar while the vehicle owner is using the aircraft will not be considered to displace the aircraft;

c. Impede access to other aeronautical contents of the hangar; and

d. Violate building codes or local ordinances.

Lessee shall not conduct non-aeronautical business activities out of the hangar nor store items in support of a non-aeronautical business.

At no time shall the Lessee store any flammable material (except for fuel in the aircraft) nor shall the Lessee store explosives or other dangerous or hazardous materials, in or around the hangar, without the County's prior written consent.

Lessee shall not hereafter make use of the premises in any manner which might create electrical or electronic interference with navigational signals or radio communications, impair the ability of pilots to visually distinguish the airfield, or otherwise endanger the landing, taking off, or maneuvering of aircraft. County reserves the right to enter upon the premises hereby and abate any such hazard at the expense of Lessee.

6. **Prohibited Hangar Uses.**

   a. Used as a residence.

   b. Operation of any business whatsoever without the expressed written consent of the County.

   c. Activities which impede the movement of aircraft in and out of the hangar.

   d. Storage of household items that could be stored in a commercial storage facility.

   e. Long-term storage of derelict aircraft and parts. Long-term being solely defined by the County.

   f. Hazardous items not authorized within this Agreement.

   g. Other non-aeronautical uses unless so authorized by the Airport Manager in compliance with FAA Policy.

   h. Any other use not expressly authorized by this Lease Agreement.

7. **Nonexclusive Rights.** Lessee shall have the nonexclusive right, in common with others so authorized:

   a. To use the common areas of the airport, including runways, taxiways, aprons, roadways, floodlights, landing lights, signals and other conveniences for the take-off, flying and landing of aircraft.

   b. To use the common areas of the hangar area in such a way as to not block any aircraft access to the hangar area or to their T Hangar.

   c. To use the airport parking areas, appurtenances and improvements thereon, but this shall not restrict the right of the County to charge fees for the use of such areas.

d. To use all access ways to and from the premises, limited to streets, driveways or sidewalks designated for such purposes by the County, and which right shall extend to Lessee's employees, passengers, guests, invitees, and patrons.

8. **Airplane Required.** On the commencement date of this Lease, the Lessee shall maintain an airplane on the premises. This means the aircraft shall be based at Houston County Airport as defined by the Federal Aviation Administration (FAA). T-hangar units will be leased to any individual currently owning an operational aircraft, or to an individual actively seeking an operational aircraft. If a T-hangar is leased to an individual actively seeking an operational aircraft, Lessee must obtain and occupy T-hangar with operational aircraft and provide Airport Manager with information contained on “Checklist for Lessee” within three (3) months of execution of lease agreement. If Lessee does not obtain an operational aircraft and provide “Checklist for Lessee” information, County will notify Lessee of termination of the Lease Agreement. If the original aircraft shown on the Agreement is sold or removed with the intent of being replaced and if this replacement is not done within 90 calendar days, the County may terminate the Agreement. If documentation is provided that this timeframe cannot be met, this period may be extended at the sole discretion of County. The County may request proof of aircraft ownership or usage rights from the Lessee during the term of this Lease. Lessee must notify County Airport Manager of any change of aircraft related to this lease agreement.

9. **Operational Aircraft.** T-hangar units shall be used only for the storage of active and operational aircraft. Active and operational aircraft shall be defined to mean all aircraft currently licensed, airworthy, and flyable, which are flown to and from the Houston County Airport periodically during the year and have a current FAA airworthy certificate. T-Hangar units may be used for building an aircraft but not without the expressed written consent from the Airport Manager. For Lessees building an aircraft, a plan to get the aircraft airworthy will be required, along with regular plan updates as required by the Airport Manager.

10. **Alterations.** The Lessee shall not make any alterations or improvements to the hangar without the written consent of the County and then only in strict compliance with any such written consent, which may include, but is not limited to, the request for specific design, engineering, or architectural plans. Additionally, the County may require Lesse to enter into additional agreements for the construction of any alterations or improvements. At the termination of the leasehold such improvements or alterations shall become the property of the County unless otherwise agreed upon in writing

11. **Damage to Premises.** Lessee shall not cause or permit any waste, damage or injury to the premises. The Lessee shall be responsible for any damage to the premises done by the Lessee, its agents, employees, guests or invitees. Lessee hereby agrees that it shall immediately repair the damage to the premises or shall immediately reimburse the County for same.

12. **Locks.** No private locks of any type will be allowed on individual pedestrian doors. If private locks are installed, they will be removed at the discretion of the County. The County will provide two keys for the hangar door. Lessee agrees not to duplicate the key. Additional keys will be provided at non-refundable $5.00 per key and the key shall remain the property of the

County. County may require a security deposit on keys. All keys shall be returned to the County upon termination of this Agreement. The County shall have the right to change the locks, re-key, add additional locks, or security devices to the premises. The County shall provide Lessee will any locks necessary in the event the premises are re-keyed or additional locks are added.

13. **Waste Oil and Garbage.** Waste oil shall be taken off airport property and disposed of only in an approved method and location. Disposing of any petroleum products on any portion of the Airport shall be cause for immediate termination of this Agreement at County's discretion. All other items detrimental to the environment shall be disposed of properly. Garbage shall be taken off airport and disposed of. The Lessee of each T-hangar unit shall be responsible for the proper disposal of all materials generated from or within that unit. The cost of cleaning up any materials improperly disposed of on airport properties shall be charged to the Lessee of the unit which generated or was the source of the material.

14. **Cleanliness of Hangar.** Lessee shall be responsible for the cleanliness of the T-hangar unit. Lessee covenants and agrees that it shall not use the leased premises nor permit the use of the leased premises in any manner that will constitute waste, and that it shall not cause or permit any unlawful conduct, unreasonable annoyance, damage, or nuisance to exist or arise in the course of, or as a result of, its use of the leased premises, nor permit any activity or omission that constitutes or results in the same. When, in the opinion of the County, a safety hazard or nuisance is found to exist within a T-hangar unit, Lessee will be provided with notice providing for a two (2) week cleanup limit. If the cleanup is not completed within the designated time, the County will perform all cleanup, which, in its discretion, it deems necessary, and the cost of which shall be charged to the Lessee.

15. **Electric Radiant Type Pre-Heaters.** Electric engine pre-heaters will not be allowed in any T-hangar unit without obtaining a separate permit from the County authorizing its use. The cost of the permit is indicated on the permit application and shall authorize the use of the heaters from the 1st of November to the 31st of March in each winter season. Lessee agrees that the electric pre-heaters will only be used for a limited amount of time immediately prior to flight. In no case shall light bulbs be used as a radiant-type engine pre-heater. Fuel-fired, UL listed hot-air type heaters are permitted at no additional charge so long as the lessee is present at all times while the heater is in operation.

16. **Operating Aircraft Inside Hangar.** The Lessee agrees that no aircraft engine shall be operated inside the T-Hangar.

17. **Hangar Doors.** Lessee agrees the T-Hangar doors shall be closed and the lights turned off when the T-Hangar is unattended. If the hangar is equipped with electric doors, Lessee must remain at the door during operation. Any damage due to leaving the door unattended during operation will be the sole responsibility of Lessee.

18. **Aircraft Fueling.** Aircraft fueling inside the hangar is not allowed.

19. Signs. No signs or advertising matter may be erected on the leased premises without the prior written consent of the County.

20. Laws. Lessee agrees to comply with any and all applicable federal, state, and local laws, regulations, and orders, and any amendments thereto. County will reasonably inform Lessee of changes to County/Airport regulatory requirements.

21. Rules and Regulations. The County has the right to create and adopt Rules and Regulations that may be amended from time to time. The Lessee agrees to observe and obey all current and future laws, ordinances, rules and regulations, promulgated and enforced by the County and by other proper County having jurisdiction over the conduct of operations at the airport, provided the same are consistent with the procedures prescribed or approved from time-to-time by the Federal Aviation Administration and others for landing and taking off of Lessee's aircraft. Lessee shall observe, obey, and require all of its officers, employees, agents, and invitees to obey and observe the same. Lessee agrees to indemnify and hold the County harmless for any loss or claim against the County from the failure of Lessee to comply hereunder.

Lessee warrants that Lessee will hold all certificates, permits, licenses, or other entitlements required by federal, state, or local laws in order to enable it to conduct its operations and services hereunder (including fueling and fuel storage), and that the same are and will be kept current, valid, and complete. Lessee further warrants that it shall at all times abide by and conform with all terms of the same and that it will give immediate notice to the County of any additions, renewals, amendments, revocations, or suspensions.

22. Security. Lessee shall at all times comply with airport security requirements and agrees to indemnify and hold harmless the County from any violations of said requirements committed by the Lessee, its agents, representatives, assigns, guests, invites, or people admitted to Leased Premises by the Lessee. Any violation of this paragraph is considered a material breach of this Hangar Agreement authorizing the termination thereof at the election of the Airport Manager. By accepting this Lease Agreement.

a. Lessee acknowledges County's responsibility to maintain the integrity of the airfield and agrees to comply with all Airport rules and regulations, security procedures and Federal Aviation rules, regulations and guidelines pertaining to the security and safety of the Leased Premises and adjacent area and the airfield operations area, including the ingress and egress thereto.

b. Should the Transportation Security Administration determine that security has been breached due to the negligence of Lessee and fine the Airport, Lessee agrees to reimburse Airport for the amount of the fine.

23. Commercial Operations. Lessee shall be prohibited, either directly or indirectly, from conducting or promoting any commercial activities within the Leased Premises or in the T-hangar area, unless otherwise licensed or authorized by the County to do so in compliance with

Airport Rules & Regulations and Minimum Standards. For the purpose of this Agreement, commercial activity shall mean the provision of a product or service, whether payment occurs in the form of cash or credit, or barter, including, but not limited to, maintenance or inspection of aircraft not authorized herein, flight training, and sale of aircraft parts or supplies.

24. **Exterior Building Maintenance.** The County shall perform routine repairs and maintenance on the exterior and roof of, and the grounds adjacent to, the leased premises. Lessee shall promptly report to the County any such need for maintenance that Lessee observes.

25. **Airport Maintenance.** County reserves the right, but shall not be obligated to Lessee, to maintain and keep in repair the landing and taxi areas of the airport and all publicly owned facilities of the airport, together with the right to direct and control all activities of Lessee in this regard in the County's sole discretion.

26. **Airport Development.** The County reserves the right to further develop and improve the airport as County sees fit, regardless of the desires or views of the Lessee, and without interference or hindrance from the Lessee.

27. **Snow Removal.** The cost for customary maintenance routinely performed by the County, related to areas affecting the value or use of leased properties are included in the annual lease costs charged for the property, and includes snow removal, grounds maintenance and maintenance of apron areas. Snow removal is performed by County employees on a priority basis. The County of Houston reserves the right to perform snow removal functions in whatever manner it deems necessary. In any case, snow removal in front of buildings is the tenant's responsibility. The County is not required to perform any snow removal function on leased property but may plow snow on or adjacent to leased properties to expedite other snow removal operations at the airport.

28. **Private Vehicle Parking.** Lessee's private vehicle shall be allowed to be placed in a T-hangar when the aircraft is removed for a trip. Parking on the sides of the T-hangar is permitted so as to not impede the ability of aircraft to taxi in the T-hangar area or past the building.

29. **Right of Entry.** County reserves the right for itself or agents to go on, into, and have access at all times during the existence of this lease, to said premises for the purpose of, including, but not limited to, inspection and showing of the building. County may conduct inspections of all T-hangar units to ensure cleanliness, inspect for hazardous substances and/or materials, make any repairs, complete any work, verify heater/electric usage and ensure compliance.

30. **Indemnification.** The County shall not be liable to the Lessee, and Lessee agrees to indemnify, hold harmless and defend County, and its employees, officials, and agents from and against, any and all claims, damages, losses and expenses, including reasonable attorney fees, caused by the acts or omissions of the Lessee, its family, guests, invitees, employees, agents, representatives or servants, relating to or arising out of Lessee's use and enjoyment of the Airport or the rights and privileges granted by this Lease, provided the Lessee shall not be liable for any loss caused by the negligent, intentional, or willful misconduct of County. The

County shall not be liable for any loss or damage not caused by negligent acts or omissions of the County, which Lessee may sustain from the following acts, including, but not limited to:

a. Theft or burglary in or about the premises;

b. Delay or interruption in any utility service from any cause whatsoever;

c. Fire, water, rain, frost, snow, gas, odors or fumes from any source whatsoever;

d. Any injury to any person or damage to any property; or

e. Failure to keep the Airport premises, appurtenances, fixtures and/or equipment in repair.

This agreement to indemnify and hold harmless does not constitute a waiver of limitations on liability provided by Minnesota Statutes, Chapter 466.

31. **Abandonment.** If the Lessee fails to use the hangar, for the purpose of storing aircraft owned by the Lessee, for a continuous period of six (6) months, without the express written consent of the Airport Manager, then the County may, in County's sole discretion, terminate this lease.

32. **Liens and Encumbrances.** The Lessee shall neither create, nor cause or permit to be created, any lien, encumbrance, security interest or other charge, including liens for work, labor or materials furnished, or alleged to have been furnished, on the leased premises.

33. **Holdover.** In the event that the Lessee should hold over and remain in possession of the Hangar after the expiration of the term of this Agreement or termination for any other cause, such holding over shall be deemed not to operate as a renewal or extension of this Agreement. The resulting tenancy shall, unless otherwise mutually agreed, be on a month-to-month basis until such time as Lessee shall surrender the leased premises. During such month-to-month tenancy, Lessee shall pay rental payments to the County equal to those stated in this Lease Agreement and shall be bound by all of the provision of this Lease Agreement insofar as they may be pertinent.

34. **Minimum Standards.** The County has implemented Airport Minimum Standards, and the County reserves the right to modify the standards from time to time as it deems necessary to accomplish its purposes. Lessee shall at all times comply with the current Minimum Standards of the Airport and will require its agents, representatives, assigns, guests, employees, invites, or people admitted to Leased Premises by the Lessee to also comply with the standards. Any violation of this paragraph is considered a material breach of the Agreement authorizing the termination thereof at the election of the County.

35. **Hull Insurance.** Lessee shall carry hull insurance on each aircraft stored on the leased premises. The limits of the insurance shall be in an amount equal to or greater than the current value of the aircraft, instruments, and accessories. On or before the date of this lease, Lessee shall provide a Certificate of Insurance to the County indicating the required coverage and providing for a minimum of thirty (30) days notice to a change or cancellation of that coverage.

If Lessee opts not to meet the insurance minimums outlined in this paragraph, Lessee must also sign Addendum B.

36. Liability Insurance. The Lessee shall maintain a policy of general liability or aircraft liability insurance with a premises liability extension with a company licensed to do business in Minnesota in a minimum amount of $1,000,000 per occurrence and $2,000,000 annual aggregate, for all damages arising out of bodily injury or property damage concerning the above described premises during the entire term of this lease naming County as an additional insured acknowledging that the Lessee's insurance will be primary and non- contributory. Lessee shall provide County with a certificate of said insurance or copy of insurance policy within 30 days of executing this Lease Agreement. County's review of any insurance certificate or policy does not constitute any representation or warranty that Lessee's insurance coverage is sufficient.

37. Default and Termination. If Lessee fails to make any of the above-mentioned payments as specified or fails to keep and perform any of the covenants and agreements herein contained, County may immediately and without notice terminate this lease and re-enter and repossess said premises, without prejudice, to its claims for earned cash rent. In all other cases, Lessee may terminate lease at the end of the term of this Lease Agreement. Lessee shall provide notice to County 90 days prior to the end of the lease term, that Lessee would like to not renew the lease agreement for an additional term. Lessee shall leave the Leased Premises broom-clean and in orderly condition, reasonable wear and tear excepted, at the termination of this Agreement. Upon expiration or termination of this Agreement, Lessee's rights herein shall cease, and Lessee shall immediately surrender possession and occupancy of the Hangar to County.

a. **Default Defined:** Lessee shall be deemed in default upon

i. Failure to pay rent or any other properly imposed fee within 30 days after due date.

ii. The filing of any petition under the Federal Bankruptcy Act or any amendment thereto, including a petition for reorganization.

iii. The commencement of any proceeding for dissolution or for the appointment of a receiver.

iv. The making of an assignment for the benefit of creditors.

v. Violation of any of the other terms or conditions of this lease after written notice to cease and/or correct such violation has been served upon the Lessee by the County, and after the Lessee has failed to correct such violation within thirty (30) days of service of such notice (or such later deadline as may be established in the Notice by the Lessee). Mailing notice by U.S. Mail, Certified Mail return receipt, shall constitute "service" of notice. In the case of a violation which cannot, with due diligence, be cured within a period established, the Lessee may apply to the County for an extension of time within which to cure said violation.

b. **Effect of Default:** Default by the Lessee shall authorize the County, at its sole option, to declare this lease void, to cancel the same, and to re-enter and take possession of the premises.

c. **Remedies:** Except otherwise provided herein, no right or remedy herein conferred shall be considered exclusive of any other right or remedy and each and every right and remedy shall be cumulative and in addition to any other right and remedy given hereunder, or now or hereafter existing at law or in equity or by statute.

d. **Restoration of Property:** Upon termination of this lease, the Lessee shall remove all of its equipment and property and restore the leased premises to its original vacant condition, unless the County agrees, in writing, to accept all or any part of the property which the Lessee wishes to abandon.

38. Subletting. This lease shall not be sold, assigned, or in any manner transferred or encumbered by Lessee, nor shall the leased premises or any part thereof be sublet without the prior consent of County in writing. Lessee shall keep and use the T-hangar primarily for aircraft storage purposes and for no unlawful purpose whatsoever. A sublease will not be allowed without the express written consent from the Airport Manager. Any sublease will be full-time and have an aircraft based at Houston County Airport. Sublease rental rate shall be based of the actual number of days sublet and may not be greater than the prorated rental fee charged in this agreement.

39. Subordination Clause. This lease shall be subordinate to the provisions of any existing or future agreement between the County and the United States or the State of Minnesota relative to the operation or maintenance of the airport, the execution of which has been or may be required as a condition precedent to the expenditure of federal or state funds for the development of the airport. Furthermore, this lease may be amended to include provisions required by those agreements with the United States or the State of Minnesota.

40. National Emergency. During time of War or other State or National emergency, the County shall have the right to suspend this Contract and to turn over operation and control of the Airport to the State of Minnesota and/or the United States Government. During any period when the airport shall be closed by any lawful County, thereby restricting the use of the airport in such a manner as to interfere with the use of same by Lessee, the rent shall abate.

41. Nondiscrimination. The Lessee, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that:

a. No person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of the Subject Property or Lessee's Improvements.

b. In the construction of any improvements on, over, or under such land and the furnishing of services thereon, no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination,

c. The Lessee shall use the Subject Property and Lessee's Improvements in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination, in Federally-assisted programs of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended.

42. **Dispute Resolution.** Any controversy or claim arising out of or relating to this lease or any alleged breach thereof, which cannot be settled through negotiation between the parties, the parties agree first to try in good faith to settle the dispute by mediation, with a mediator agreed to by the parties. If the dispute is not resolved within (30) days after the end of mediation proceedings, the parties may pursue any legal remedy.

43. **Severability.** This lease shall be construed under the laws of the State of Minnesota. Any covenant, condition, or provisions herein contained that is held to be invalid by any court of competent jurisdiction shall be considered deleted from this lease, but such deletion shall in no way affect any other covenant, condition, or provision herein contained so as such deletion does not materially prejudice County or Lessee in their respective rights and obligations contained in the valid remaining covenants, conditions and provisions of the lease, and when such occurs, only such other covenants, conditions or provisions shall be deleted as are incapable of enforcement.

44. **Notices and Contact Information**. All notices and other communications pursuant to this Lease must be in writing or delivered by hand at the addresses set forth below. Lessee must contact County within ten (10) days if Lessee's contact information changes. Lessee will be considered in default of this Agreement if County is unable to reach Lessee by phone or email in a timely fashion for any reason.

Notice to County: Houston County Airport
C/O Houston County Auditor
304 South Marshall Street
Caledonia, MN 55921

Name: Matt Buley
Street Address, City, State, ZIP:
Email Address: mbuley25@gmail.com
Phone Number: (608) 780-5850 ☐ Cell ☐ Landline

45. **Nonwaiver.** No waiver of default by either party of any of the terms, covenants, and conditions hereof to be performed, kept and observed by the other party shall be construed as, or operate

as, a waiver of any subsequent default of any of the terms, covenants, or conditions herein contained to be performed, kept or observed by the other party.

46. Entire Agreement. This Lease Agreement, including attachments hereto at the time of its execution, constitutes the entire agreement between the parties hereto, and all prior agreements covering the rights and privileges set out herein are superseded by and merged into this Lease Agreement.

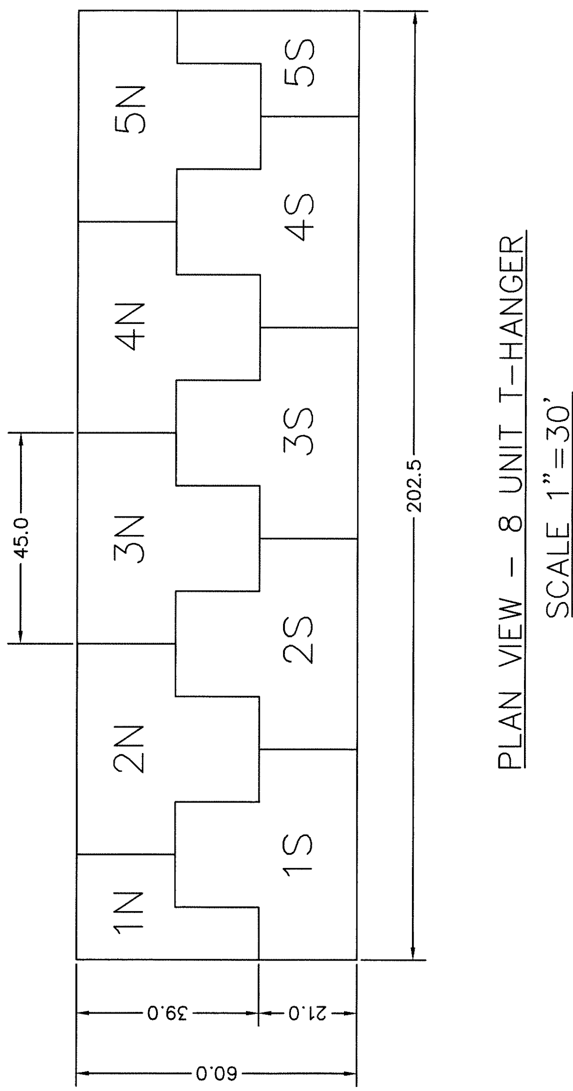
47. Governing Law. This Lease Agreement shall be deemed to be made in and construed in accordance with the laws of the State of Minnesota. Any claim or controversy herd under this Lease Agreement shall be venued in Houston County, Minnesota.

IN WITNESS WHEREOF, the parties hereto have executed this lease this _____day of ______, 20____.

HOUSTON COUNTY AIRPORT- **HOUSTON COUNTY BOARD** **OF COMMISSIONERS**	**LESSEE**
By ______________________________ Its Board Chair	__________________________________ Lessee Signature

ADDENDUM "A" TO THE HOUSTON COUNTY AIRPORT

T-HANGAR LEASE AGREEMENT



ADDENDUM "B" TO THE HOUSTON COUNTY AIRPORT

T-HANGAR LEASE AGREEMENT

In lieu of carrying hull insurance required by paragraph 36 of the Airport T-hangar Lease Agreement and as an additional requirement for the lease of T-hangar space, Lessee covenants and agrees that Lessee will not hold the County of Houston or any of its agents, employees, or Airport Commission members responsible for any loss occasioned by fire, theft, rain, windstorm, hail, or from any other cause whatsoever, whether said cause be the direct, indirect, or merely a contributing factor in producing the loss to any airplane, automobile, personal property, parts, or surplus that may be located or stored in the T-hangars, aprons, field, or any other location at the airport; and Lessee agrees that the planes and the contents are to be stored, whether on the field or in the hangars, at Lessee's risk.

HOUSTON COUNTY AIRPORT- HOUSTON COUNTY BOARD OF COMMISSIONERS	**LESSEE**
By ____________________________	____________________________
Its Board Chair	Lessee

CHECKLIST FOR LESSEE

1. Aircraft Type: ____
2. Serial Number: ____
3. Registration Number: ____
4. Present Condition of Aircraft (airworthy, under construction, etc.): ______________
5. Copy of Insurance Certificate with Additional Insured listed
6. Copy of Airworthiness Certificate (Proof of Ownership)
7. Engine Pre-Heater Permit: ____ Number of Engines x $50.00 = ________
8. Confirmed Contact Information is accurate in the lease

Lease payments are to be received prior to the commencement date for which they are due. No statements are sent by the County. **Payments are to be made payable to the Houston County Treasurer.**

If an electric engine pre-heater is used (November 1st through March 31st), it must be indicated on the form and a check for $50.00 per engine for seasonal use shall be enclosed.

If you do not wish to renew your lease, written notification of intent not to renew must be provided.