

PURCHASE AND SALE AGREEMENT

THIS PURCHASE AND SALE AGREEMENT (“**Agreement**”), by and between Independent School District #656 (“**Seller**”), having an address of ___PO Box 618, Faribault, MN 55021_, and Northern States Power Company, a **Minnesota corporation**, (“**Purchaser**”), having an address of **414 Nicollet Mall, Minneapolis, MN 55401**, is made effective for all purposes as of the Effective Date, as defined below. Purchaser and Seller may be referred to herein individually as a “**Party**” or collectively as the “**Parties**.”

WITNESSETH:

WHEREAS, Seller is the owner of certain real property located in County of Rice State of Minnesota, as more particularly described in **Exhibit A** attached hereto and incorporated herein by reference (together with all appurtenances thereto, including, without limitation, all water rights, easements, and Seller’s interests in alleys and streets adjacent thereto, and all improvements thereon, the “**Property**”); and

WHEREAS, Seller desires to sell, and Purchaser desires to purchase, the Property pursuant to the terms and conditions set forth in this Agreement.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Seller and Purchaser agree as follows:

1. **Purchase and Sale.** In accordance with the terms and conditions of this Agreement, Seller agrees to sell and Purchaser agrees to purchase the Property.

2. **Earnest Money Deposit.** Within 5 business days following the Effective Date, Purchaser shall deliver the sum of One Hundred Thousand Dollars (\$100,000) in the form of check or wire transfer of immediately available funds to Commercial Partners Title, LLC, as agent for Chicago Title Insurance Company___ (“**Title Company**”), having an address of 200 South Sixth Street, Suite 1300, Minneapolis, MN 55042 as escrow agent, for immediate deposit into an interest bearing account. The earnest money deposit and the interest earned on the deposit are referred to herein collectively as the “**Earnest Money Deposit**”. The Earnest Money Deposit shall be held and disbursed by the Title Company as follows:

a. If Seller terminates this Agreement because of Purchaser's default as provided in Section 16(b), and Seller is not in default, the Earnest Money Deposit shall be disbursed to Seller upon such termination.

b. If this Agreement terminates for any reason other than provided in Section 2(a) above, then the Earnest Money Deposit shall be disbursed to Purchaser upon such termination.

c. If Purchaser proceeds to Closing, the Earnest Money Deposit shall be disbursed to Seller at Closing in partial payment of the Purchase Price, as defined in Section 3 below.

3. **Purchase Price.** The purchase price for the Property shall be One Million Fifty Thousand Dollars (\$1,050,000) (the “**Purchase Price**”), subject to closing adjustments as provided in this Agreement. The Earnest Money Deposit shall be applied to the Purchase Price at Closing and the balance of the Purchase Price shall be payable by Purchaser to Seller in immediately available funds at Closing.

4. **Adjustments to the Purchase Price.** The following adjustments to the Purchase Price shall be made at Closing:

a. Items to be Prorated. The following items shall be prorated between the Parties as of the Closing, and shall be deducted from or added to the balance of the Purchase Price due at Closing:

i. Real Property Taxes. General real estate taxes, if any, allocable to the Property for the property tax year in which the Closing Date falls (the “Closing Tax Year”) shall be prorated between Seller and Purchaser on a daily basis as of the Closing Date, with Seller being charged for those allocable to the Property during the portion of the Closing Tax Year prior to the Closing Date, said amount being credited to Purchaser, and Purchaser being responsible for those allocable to the Property on and after the Closing Date. If the Closing Date shall occur before the amount of real property taxes is fixed, proration of real property taxes shall be made on the basis of the amount of tax for the preceding property tax year, subject to adjustment as provided in subsection (b) below. In the event the Property is not a separate tax parcel on the Closing Date, the tax liability allocable to the Property at Closing shall be determined by the following formula: For any tax parcel being divided as of Closing, the taxes applicable to the tax parcel’s land value shall be prorated based on the square footage of the land comprising the Property compared to the square footage of the land area of the entire tax parcel, and the taxes applicable to buildings and other improvements (as set forth on the tax statements) shall be charged to Seller.

ii. Special Assessments. All special assessments, levies or assessments of any special improvement district, impact fees or similar charges in the nature of, or in lieu of such assessments, including interest or penalties due thereon, with respect to the Property on the Closing Date, whether due in total or in part, shall be charged to Seller and shall be paid in full by Seller at or before Closing, unless Purchaser agrees in writing to take subject thereto, in which case a credit for such amount shall be made against the Purchase Price.

iii. Customary Prorations. Except as otherwise specifically set forth in this Agreement, all other items that are customarily prorated in the State and County in which the Property is located, in transactions similar to the

transaction contemplated by this Agreement, shall be prorated between the Parties in the customary manner.

b. Adjustment. If the amount of real property taxes for the Property or any other amount to be prorated pursuant to this Agreement cannot be determined with certainty at the time of Closing then following the written request of either Party after the amount of taxes or other prorated amounts is fixed, Seller and Purchaser shall make a recalculation of the proration of same, and Seller or Purchaser, as the case may be, shall promptly make an appropriate payment to the other based on such recalculation.

c. Documentary and Recording Fees. Seller shall pay any transfer tax due in connection with the sale of the Property and the cost of recording any documents necessary to release monetary liens or encumbrances or to address title objections raised by Purchaser in accordance with Section 6. Purchaser shall pay all documentary fees and recording fees required for recordation of the Deed (as defined below).

d. Title Policy. Seller will pay the premium for the Title Policy described herein, including any charge for the deletion of pre-printed exceptions and any endorsements Seller agrees to provide to address objections made by Purchaser in accordance with Section 6. Purchaser will pay the cost of any lender's title insurance and any additional endorsements desired by Purchaser or required by its lender.

e. Closing Fee. Seller and Purchaser shall each pay one-half of the escrow and/or closing fee payable to Title Company at Closing.

5. **5. Inspection Period.**

For a period of sixty (60) days following the Effective Date of this Agreement ("Inspection Period"), Purchaser may, at Purchaser's expense, investigate the Property and all matters relevant to its acquisition, development, operation, and usage.

Inspection Period Extension. Purchaser shall have the right to extend the Inspection Period for two (2) additional periods of thirty (30) days (the "Extension Period") by delivering written notice to Seller prior to the expiration of the initial Inspection Period.

During the Inspection Period, as extended, Purchaser may, in its sole and absolute discretion, terminate this Agreement by failing to deliver an Acceptance Notice. Prior to the expiration of the Inspection Period, as extended, Purchaser shall notify Seller in writing that it accepts the condition of the Property (which determination Purchaser may make in its sole and absolute discretion) ("Acceptance Notice"). If Purchaser fails to send an Acceptance Notice prior to the expiration of the Inspection Period, as extended, then this Agreement shall automatically terminate and be of no further force and effect, whereupon the Earnest Money Deposit shall be promptly returned

to Purchaser, and both Parties shall be released from all obligations hereunder, except for those that expressly survive termination.

6. **Title.**

a. Title Evidence. Within 5 days following the Effective Date, Seller shall provide, at Seller's expense, the following title evidence to Purchaser:

i. Title Commitment. A commitment for an owner's title insurance policy, issued by Title Company and underwritten by a title insurance underwriter satisfactory to Purchaser, to insure title to the Property as of the Closing Date in an amount equal to the Purchase Price ("**Title Commitment**") and copies of all documents, instruments and matters shown as exceptions in the Title Commitment that are recorded in the office of the clerk and recorder of the county in which the Property is located.

ii. Survey. A current ALTA/ACSM survey of the Property showing improvements, if any, and all encumbrances and Title Commitment exceptions.

iii. Tax Certificate. A current certificate of taxes due showing all taxes and assessments that constitute liens on the Property.

As used in this Agreement, "**Title Evidence**" shall mean all items outlined in this Section.

b. Title Review. Purchaser shall notify Seller of its objection or acceptance to the condition of title shown by the Title Evidence no later than the expiration of the Inspection Period ("**Title Objection Date**"). If Purchaser does not give notice to Seller on or before the Title Objection Date identifying the matters reflected in the Title Evidence that are acceptable and/or objectionable to Purchaser (the "**Title Notice**"), then this Agreement shall automatically terminate and be of no further force and effect, whereupon the Earnest Money Deposit shall be promptly returned to Purchaser and both Parties shall be released from all obligations hereunder, except for those that expressly survive termination. Any matters identified by Purchaser in the Title Notice as acceptable shall be deemed "**Permitted Exceptions.**" If the Title Notice identifies any matter in the Title Evidence to which Purchaser objects in a Title Notice, Seller shall use reasonable effort to correct said item(s) on or before the date which is 5 business days prior to the Closing Date. Purchaser shall have an additional 5 day period after receipt in which to object to any revisions or endorsements to the Title Evidence as may be issued from time to time after the Title Objection Date, and the Closing Date shall be extended if and as necessary to allow Purchaser time to object. If any item(s) objected to by Purchaser is not cured by Seller to Purchaser's satisfaction, Purchaser shall have the following options: (i) proceed to Closing, in which event the items shall be deemed Permitted Exceptions, or (ii) terminate this Agreement, by giving written notice to Seller on or before the Closing Date. Notwithstanding any provision of this Agreement that may be interpreted to the contrary, whether or not objected to by Purchaser, monetary liens shall in no event be deemed Permitted Exceptions and if Seller does not cause such monetary liens to be released at or prior to Closing, Purchaser may, at its sole option, deduct the

amount of any monetary lien from the Purchase Price at Closing, or terminate this Agreement by giving written notice to Seller on or before the Closing Date. If this Agreement is terminated as provided in this Section, the Earnest Money Deposit shall be returned to Purchaser and neither Party shall have any other rights, obligations or liabilities hereunder, unless and to the extent that any right, obligation or liability is expressly stated in this Agreement to survive termination of this Agreement.

c. Title Policy. Seller shall take all actions necessary to cause Title Company to issue a standard form extended coverage owner's title insurance policy in the amount of the Purchase Price, effective as of the date and time of recording of the Deed, and insuring Purchaser as the owner of the Property, subject only to the Permitted Exceptions ("**Title Policy**") to be delivered to Purchaser by the Title Company promptly following Closing.

7. **Review Documents.** Seller, without cost to Purchaser, shall provide Purchaser with copies of all surveys, engineering studies, feasibility studies, soil and water test results, environmental studies or reports, maps, plats, contracts, documents, agreements, permits, licenses, reports and data pertaining to or affecting the Property (collectively, the "**Information**") in the possession or control of Seller. The Information shall be delivered to Purchaser on or before 10 days after the Effective Date. In the event of termination of this Agreement for any reason after the Effective Date, Purchaser, without additional cost to Seller, shall promptly return to Seller all copies of the Information that are in the Purchaser's possession or under Purchaser's control. Seller agrees that following said initial submission of Information to Purchaser, throughout the term of this Agreement, Seller shall continue to deliver to Purchaser all Information obtained by Seller or within Seller's control promptly after Seller receives or obtains control over the same. The Inspection Period shall be extended for a period of 5 additional days following Purchaser's receipt of any Information from Seller that Seller fails to deliver prior to the expiration of the Inspection Period.

8. **Physical Access to Property.** Following the Effective Date, Purchaser and its employees, agents and contractors shall have the right to enter the Property during normal business hours and upon reasonable prior notice to Seller to inspect the same, perform surveys, environmental assessments, soil and other tests and for other investigations and activities consistent with the purposes of this Agreement, including speaking and negotiating with any tenants. Upon completion of Purchaser's activities on the Property, Purchaser shall restore the Property to as near a condition as existed immediately prior to the entry by Purchaser as is reasonably possible, provided however, Purchaser shall not be liable for any prior environmental contamination or any other existing condition on the Property. Soil, rock, water, asbestos, and other samples found on or taken from the Property shall remain the property of Seller, unless and until the Property is conveyed to Purchaser.

9. **Seller's Representations and Warranties.** Seller represents and warrants to Purchaser as of the Effective Date of this Agreement as follows:

a. Possession. No person or entity is in possession of any of the Property, nor is any person or entity entitled to possession of any of the Property, other than Seller and except pursuant to Permitted Exceptions.

b. Special Assessments. The Property is not subject to any special assessments, any assessment district or any other governmental or quasi-governmental financing for the payment of on or off-site improvements; nor are there any proposed or pending public improvements that may give rise to any special assessment levy or similar charges in lieu of such assessments affecting the Property. Seller shall be responsible for and shall pay all such assessments and charges attributable to the Property, whether due before or after Closing, and shall indemnify Purchaser from all liability therefor.

c. Condemnation. Seller has received no notice of and has no knowledge of any pending or threatened condemnation or transfer in lieu thereof affecting any of the Property, or any interest therein. Seller has not agreed or committed to dedicate any of the Property, or any interest therein.

d. Adverse Proceedings. There is no pending, threatened or contemplated, litigation, investigation, arbitration, condemnation or other proceedings of any kind affecting the Property or affecting Seller's ability to convey the Property pursuant to this Agreement.

e. Hazardous Materials. Neither Seller nor any of its affiliates has used or allowed the use of the Property for the storage, use, generation, manufacture, treatment, transportation, handling or disposal of any Hazardous Materials nor are any above-ground or underground storage tanks or other containment facilities of any kind located on or about the Property. To Seller's knowledge, the Property has not ever been used for the use, storage, generation, manufacture, treatment, transportation, handling or disposal of any Hazardous Materials. Further, Seller has received no notice of and has no knowledge (i) any Hazardous Materials are or have ever been generated, manufactured, buried, spilled, leaked, discharged, emitted, stored, disposed of, used or released, in, on, under or about the Property; (ii) that any Hazardous Materials which may have originated on other properties in the vicinity of the Property, have migrated to the Property; (iii) of any, requests, notices, investigations, demands, administrative proceedings, hearings, litigation or other action proposed, threatened or pending relating to any of the Property and alleging non-compliance with or liability under any Environmental Law, or (iv) that any above-ground or underground storage tanks or other containment facilities of any kind containing any Hazardous Materials have ever been located on or about the Property.

For purposes of this Agreement, (i) "Hazardous Materials" means any substance, pollutant, contaminant, chemical, material or waste that is regulated, listed, or identified under any Environmental Laws, or which is deemed or may be deemed hazardous, dangerous, damaging or toxic to living things or the environment, and

shall include, without limitation, any flammable, explosive, or radioactive materials; hazardous materials; radioactive wastes; hazardous wastes; hazardous or toxic substances or related materials; polychlorinated biphenyls; petroleum products, fractions and by-products thereof; asbestos and asbestos-containing materials; medical waste, solid waste, and any excavated soil, debris, or groundwater that is contaminated with such materials; and (ii) "Environmental Law" means any and all applicable environmental laws, whether imposed by statute or derived from common law including, but not limited to, the Toxic Substances Control Act (15 U.S.C. § 2601, et seq.), the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, (42 U.S.C. § 9601, et seq.), the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act (42 U.S.C. § 6901, et seq.), the Hazardous Material Transportation Act, (49 U.S.C. § 5101, et seq.), the Federal Water Pollution Control Act, (33 U.S.C. § 1251, et seq.), the Clean Air Act, (42 U.S.C. § 7401, et seq.), the Low-Level Radioactive Waste Policy Act, 42 U.S.C. 2021b et seq., and applicable state counterparts, and their implementing regulations, all as amended from time-to-time, and all other comparable federal, state or local environmental, conservation or environmental protection laws, rules or regulations.

f. Unrecorded Interests. There are no unrecorded leases, licenses, easements, agreements or contracts affecting the Property.

g. Foreign Person. Seller is not a "foreign person", "foreign partnership", "foreign trust" or "foreign estate" as those terms are defined in Section 1445 of the Internal Revenue Code.

h. Seller Authorization. Seller is the sole fee title owner of the Property and has the requisite power and authority to enter into and perform this Agreement and the documents and instruments required to be executed and delivered by Seller pursuant hereto. This Agreement has been duly executed and delivered by Seller and is a valid and binding obligation of Seller enforceable in accordance with its terms. This Agreement and the documents and instruments required to be executed and delivered by Seller pursuant hereto have each been (or prior to the Closing Date will be) duly authorized by all necessary action on the part of Seller and that such execution, delivery and performance does and will not conflict with or result in a violation of any judgment, order or decree of any court or arbiter to which Seller is a party, or any agreement to which Seller and/or any of the Property is bound or subject.

i. Creditors. Seller has not (i) made a general assignment for the benefit of creditors, (ii) filed a voluntary petition in bankruptcy or suffered the filing of any involuntary petition by Seller's creditors, (iii) suffered the appointment of a receiver to take possession of all or substantially all of Seller's assets, (iv) suffered the attachment or other judicial seizure of all, or substantially all, of Seller's assets, (v) admitted in writing its inability to pay its debts as they come

due, or (vi) made an offer of settlement, extension or composition to its creditors generally.

j. Other Agreements. Seller has not entered into any contracts for the sale of any of the Property other than this Agreement nor granted any options or rights of first refusal to any party with respect to the Property. There are no leases, non-governmental licenses, occupancy agreements, service contracts or other contracts with third parties relating to the Property that will survive Closing.

k. Violation of Laws. There is no condition existing with respect to the Property or the operation thereof by Seller, or any part thereof, which violates any law, rule, regulation, ordinance, code, other decree or ruling of any city, county, state or federal government, agency or court. Seller has not received notice seeking the correction of any condition with respect to the Property, or any part thereof. The Property is a distinct legal parcel capable of being legally conveyed to Purchaser without violating any law, rule, regulation, ordinance, code or other decree of any city, county, state or federal government.

l. Blocked Person. Neither Seller nor any of its affiliates is a person or entity with whom U.S. persons or entities are restricted or prohibited from doing business under any laws, orders, statutes, regulations or other governmental action relating to terrorism or money laundering (including Executive Order No. 13224 effective September 24, 2001, and regulations of the Office of Foreign Asset Control of the Department of the Treasury) (each, a “**Blocked Person**”), and, to the best of Seller’s knowledge, neither Seller nor any of its affiliates engages in any dealings or transactions with any Blocked Person or is otherwise associated with a Blocked Person.

m. Survival of Representations and Warranties. Each of the representations and warranties contained in this Section are acknowledged by Seller to be material and are intended to be relied upon by Purchaser in proceeding with this transaction. Accordingly, such representations and warranties shall be deemed to have been made on the execution hereof by Seller, and automatically reaffirmed by Seller as of the Closing Date, and shall survive Closing. The accuracy of each of such representation and warranty is a condition to Purchaser’s obligations under this Agreement provided, consummation of this Agreement by Purchaser with knowledge of a breach of any of the foregoing representations and warranties shall not constitute a waiver or release by Purchaser of any claims arising out of or in connection with such breach.

10. Indemnity, Release, and Assumption of Liability. Notwithstanding anything contained in this Agreement to the contrary, the foregoing indemnity, release and assumption of liability shall survive Closing.

- a. General Indemnity. The Seller agrees to indemnify and hold harmless Purchaser and any of its officers, agents and employees against any losses, claims (including without limitation governmental claims), actions, damages, liabilities, liens, judgments, fines, penalties, costs and expenses (including investigation and remediation costs, natural resource damages, and reasonable attorneys' and technical consulting fees), arising from or related to any performance or non-performance by the Seller hereunder, including, without limitation, any breach of a covenant, representation or warranty of Seller.
- b. Environmental Indemnity, Release, and Assumption of Liability. The Seller agrees to indemnify and hold harmless Purchaser and any of its officers, agents and employees against any losses, claims (including without limitation governmental claims), actions, damages, liabilities, liens, judgments, fines, penalties, costs and expenses (including investigation and remediation costs, natural resource damages, and reasonable attorneys' and technical consulting fees), arising from or related to (i) the release of any Hazardous Material from the Property or any Hazardous Materials on, under, in, or over the Property; or (ii) Seller's violation of any Environmental Law applicable to the Property.
- c. Seller will retain full liability for any environmental or hazardous condition in existence on the Property and the Seller undertakes the responsibility (including all costs and fees associated therewith) for any necessary clean up by the Seller in the event there does exist an environmental or hazardous condition on the Property. Purchaser shall not, nor shall any officer or employee thereof, be liable or responsible for any accident, loss or damage happening or arising out of the existence of any environmental or hazardous condition that exists on the Property prior to the Closing, nor shall Purchaser, nor any officer or employee thereof, be liable for any persons or property injured on the Property prior to Closing, but all of said liabilities shall and are assumed by the Seller unless caused by the gross negligence or willful misconduct of Purchaser, its officers, agents, or employees.

11. **Purchaser's Representations and Warranties.** Purchaser represents and warrants to Seller as of the Effective Date of this Agreement as follows:

- a. Purchaser Authorization. Purchaser has the requisite power and authority to enter into and perform this Agreement and the documents and instruments required to be executed and delivered by Purchaser pursuant hereto. This Agreement has been duly executed and delivered by Purchaser and is a valid and binding obligation of Purchaser enforceable in accordance with its terms. This Agreement and the documents and instruments required to be executed and delivered by Purchaser pursuant hereto have each been (or prior to the Closing

Date will be) duly authorized by all necessary action on the part of Purchaser and that such execution, delivery and performance does and will not conflict with or result in a violation of any judgment, order or decree of any court or arbiter to which Purchaser is a party, or any agreement to which Purchaser is bound or subject.

b. Blocked Person. Neither Purchaser nor any of its affiliates Blocked Person, and, to the best of Purchaser's knowledge, neither Purchaser nor any of its affiliates engages in any dealings or transactions with any Blocked Person or is otherwise associated with a Blocked Person.

12. **Platting and Approvals.**

a. Subdivision. If, in order for Purchaser to record the Deed or develop the Property as contemplated by Purchaser, the Property must be platted or subdivided, either separately or in conjunction with other land, then Seller, at its sole cost and expense, shall cause such platting or subdivision requirement to be satisfied (the "**Platting Contingency**"). Seller, with Purchaser's assistance, shall use its best efforts and all due diligence to satisfy the Platting Contingency as quickly as possible, but in no event later than _____, 202_. If, as a result of such platting or subdivision, the legal description of the Property is modified, Seller shall cause the Title Evidence to be updated to reflect such modification.

b. Approvals. Purchaser may, at its sole expense prepare and file any applications and do other actions necessary to obtain any other approvals which Purchaser deems necessary, in its sole discretion, to develop and operate the Property, including obtaining any special use permits, zoning amendments or other approvals pursuant to any applicable local, state or federal statutes, ordinances or regulations (the "**Approvals**"). Seller shall reasonably cooperate with Purchaser in obtaining the Approvals, including the execution of applications and other necessary documentation, and appearance at community meetings and/or public hearings at the request of Purchaser to voice support thereof.

c. Conditions to Closing. It is a condition to Purchaser's obligations under this Agreement, that on or before the Closing Date: (i) a subdivision plat or exemption plat establishing the Property as a legal parcel for conveyancing and tax purposes, has been recorded, or has received all necessary approvals and is in final, recordable form to be record in connection with the Closing; (ii) the Approvals have been obtained; (iii) neither the subdivision nor exemption plat nor the Approvals are subject to any conditions, unless approved by Purchaser in its sole and absolute discretion; and (iv) all appeal periods with respect to the subdivision or exemption plat and the Approvals have expired without contest.

d. Purchaser Options. If any of the foregoing conditions with respect to the Platting Contingency and the Approvals are not satisfied prior to the date of Closing, Purchaser, at its option, may: (i) extend the Closing Date by up to one

year to provide additional time to satisfy the conditions; or (ii) terminate this Agreement. If this Agreement is terminated as provided in this Section because of a failure to obtain necessary Approvals, then the Earnest Money Deposit shall be returned to Purchaser and neither Party shall have any other rights, obligations or liabilities hereunder, unless and to the extent that any right, obligation or liability is expressly stated in this Agreement to survive termination of this Agreement. If this Agreement is terminated as provided in this Section because of a failure to satisfy the Platting Contingency, then the Earnest Money Deposit shall be returned to Purchaser and Purchaser may seek any remedies available hereunder for Seller's failure to satisfy the Platting Contingency. This provision shall survive termination of this Agreement.

13. **Closing.** Provided that neither Party is in default of this Agreement and that all conditions to closing have been satisfied or waived, the consummation (herein called the "**Closing**") of the purchase and sale of the Property shall take place 30 days following the later of the expiration of the Inspection Period or the satisfaction of all contingencies and conditions to Closing ("**Closing Date**") (or, if that date is not a business day, on the first business day thereafter). The Closing shall be held at the offices of the Title Company, except that in lieu of appearing at Closing, Seller and/or Purchaser may deposit with Title Company their respective closing deliveries, as described below, on or before the Closing Date with appropriate instructions for recording and disbursement consistent with this Agreement.

a. Seller's Closing Deliveries. At Closing Seller shall deliver the following:

i. Deed. A duly executed and acknowledged general warranty deed, in substantially the same form as **Exhibit B** attached hereto and incorporated herein by reference, conveying to Purchaser the Property, free and clear of all liens, encumbrances and other exceptions, except the Permitted Exceptions ("**Deed**").

ii. FIRPTA Certificate. A transferor's certification stating that Seller is not a "foreign person", "foreign partnership", "foreign trust" or "foreign estate" as those terms are defined in Section 1445 of the Internal Revenue Code, and containing such additional information as may be required thereunder.

iii. Additional Documents. All normal and customary documents and instruments which (a) Purchaser or Title Company may reasonably determine are necessary to transfer the Property to Purchaser subject only to the Permitted Exceptions, (b) Purchaser or Title Company may reasonably determine are necessary to evidence the authority of Seller to enter into and perform this Agreement and the documents and instruments required to be executed and delivered by Seller pursuant to this Agreement, (c) Title Company may require as a condition to issuing the title insurance policy contemplated by the Title Commitment, including any seller's affidavits or agreements; or (d) may be required of Seller

under applicable law, including any revenue or tax certificates or statements.

iv. Settlement Statement. A settlement statement consistent with this Agreement executed by Seller.

b. Purchaser's Closing Deliveries. At Closing, subject to performance by Seller of its obligations under this Agreement, Purchaser shall deliver the following:

i. Purchase Price. The Purchase Price, subject to adjustments as set forth herein.

ii. Settlement Statement. A settlement statement consistent with this Agreement executed by Purchaser.

c. Further Instruments. Seller shall, at Closing or from time to time prior to Closing, execute and deliver such further instruments as Purchaser or the Title Company may reasonably request to effectuate the intent of this Agreement or as required by applicable law.

d. Possession. Seller shall deliver exclusive legal and actual possession of the Property to Purchaser on the Closing Date, subject only to the Permitted Exceptions, and in a condition consistent with (i) its condition as of the Effective Date, and (ii) the representations and warranties of Seller as set forth herein.

14. **Condemnation**. If prior to Closing, eminent domain proceedings are threatened or commenced against any portion of the Property, Seller shall immediately give notice thereof to Purchaser, and Purchaser at its option (to be exercised within thirty (30) days after Seller's notice) may either (a) terminate this Agreement, whereupon the Earnest Money Deposit shall be returned to Purchaser and neither Party shall have any other rights, obligations or liabilities hereunder, unless and to the extent that any right, obligation or liability is expressly stated in this Agreement to survive termination of this Agreement, or (b) proceed to Closing. In the event Purchaser elects to proceed to Closing, Purchaser shall receive, at Closing, an assignment of all rights in the eminent domain proceeding and a credit against the Purchase Price in the amount of any award made prior to Closing. Seller shall not, prior to Closing, designate counsel or appear in, or otherwise act with respect to any eminent domain proceedings, or commence any repair or restoration resulting therefrom, without the consent of Purchaser, which prior written consent shall not be unreasonably withheld.

15. **Broker Commission**. Purchaser and Seller each represents to the other that such Party is not utilizing a real estate broker, agent, or salesperson in connection with the transaction contemplated hereby. Purchaser and Seller agree to indemnify and hold the other harmless from and against any and all liabilities, claims, losses, damages, costs or expenses (including attorneys' fees) of any kind or character arising out of or resulting from any agreement or

arrangement with any broker or finder in connection with this Agreement or this transaction. This provision shall survive termination or Closing of this Agreement.

16. Default and Remedies.

a. Default by Seller. If there is any material default by Seller under this Agreement, including, without limitation, a default hereunder based on breach by Seller of any of its representations and warranties contained in this Agreement that is discovered prior to the Closing, and such material default continues for a period of 5 days after Purchaser notifies Seller, in writing, of such event (provided Seller shall not be entitled to notice and a cure period in the event of a default which consists of a failure to deliver Seller's Closing Deliveries and proceed to Closing in accordance with this Agreement), Purchaser may at its option, either (i) declare this Agreement terminated, in which case the Earnest Money Deposit shall be returned to Purchaser and neither Party shall have any other rights, obligations or liabilities hereunder, unless and to the extent that any right, obligation or liability is expressly stated in this Agreement to survive termination of this Agreement, or (ii) Purchaser shall have the right to specific performance of this Agreement, or damages, or both.

b. Default by Purchaser. If there is a material default by Purchaser under this Agreement, and such material default continues for a period of 5 days after Seller notifies Purchaser, in writing, of such event, then Seller may terminate this Agreement by written notice to Purchaser, in which event the Earnest Money Deposit shall be forfeited by Purchaser, and shall be paid to Seller and retained by Seller as liquidated damages, and not a penalty, as Seller's sole and exclusive remedy for such default and each Party shall thereupon be relieved of all further obligations under this Agreement. It is agreed that it is difficult to ascertain the amount of actual damages that would result from a default by Purchaser. The Parties agree that the Earnest Money Deposit specified herein is a fair and reasonable estimate of the presumed actual damages, and therefore agree to liquidated damages in the amount of the Earnest Money Deposit. Seller hereby expressly waives and releases any other right or remedy it might have, including without limitation, to specifically enforce this Agreement or to recover additional damages.

c. Attorney Fees. If either Party brings an action at law or in equity to enforce this Agreement, the prevailing party in such action shall be entitled to recover reasonable attorneys' fees and costs, in addition to any other remedy granted.

17. Assignment. This Agreement shall be binding upon, and inure to the benefits of, Seller and Purchaser and their respective permitted successors and assigns. This Agreement shall not be assignable by either Party without the prior written consent of the non-assigning Party,

18. **Confidentiality of Terms.** Seller and Purchaser agree to retain the confidentiality of the terms of this Agreement prior to Closing, and not to disclose the same to any third party unless otherwise required by law or regulatory authority, except that the Parties may disclose such terms to their respective attorneys, accountants and other professional advisors, to Title Company to the extent necessary to allow the Title Company to issue the Title Commitment and the Title Policy and to conduct the Closing, and Purchaser to the extent necessary to complete its investigation during the Inspection Period or to obtain financing to complete this transaction. Neither Party shall make any press release nor public announcement regarding this Agreement nor the transactions contemplated hereby prior to Closing without the express written consent of the other Party, which consent may be granted or withheld in such Party's sole discretion, and subject to approval. Prior to Closing, any release to the public of information with respect to the matters set forth in this Agreement will be made only in the form approved by Purchaser and Seller and their respective counsel.

19. **Notices.** Any notice, consent, waiver, request or other communication required or provided to be given under this Agreement shall be in writing and shall be sufficiently given and shall be deemed delivered (a) when delivered personally; (b) 2 business days after deposit with the United States Postal Service by certified or registered mail, return receipt requested, postage prepaid, or (c) 1 business day following deposit with a nationally recognized overnight delivery service, in any event, addressed to the applicable Party as follows:

If to Seller: Near North Title Group-Faribault
414 Central Ave N. Suite B
Faribault, MN 55021

If to Purchaser: Northern States Power Company
414 Nicollet Mall, MZ-AS 1000
Real Estate Services
Minneapolis, MN 55401

With a copy to: Northern States Power Company
MN1180-08-MCA
401 Nicollet Mall
Legal Services
Minneapolis, MN 55401

or to such other address as shall be designated by such Party in writing to the other Party by a notice given in accordance with this Section.

20. **Entire Agreement; Modification.** This Agreement embodies the entire agreement and understanding between Seller and Purchaser, and supersedes any prior oral or written agreements, relating to this transaction. This Agreement may not be amended, modified or supplemented except in writing executed by both Seller and Purchaser. No term of this Agreement shall be waived unless done so in writing by the Party benefited by such term.

21. **Survival; No Merger.** The terms of this Agreement shall survive and Closing and the delivery of the Deed and shall not be merged therein.

22. **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State in which the Property is located. Jurisdiction and venue for any action arising out of or relating to this Agreement shall be in the county in which the Property is located.

23. **Severability.** If any term of this Agreement or any application thereof shall be invalid or unenforceable, the remainder of this Agreement and any other application of such term shall not be affected thereby.

24. **Time of the Essence.** Time is of the essence under this Agreement and each and every provision hereof.

25. **Construction.** The rule of strict construction shall not apply to this Agreement, and if any provision of this Agreement is determined by a court not to apply, the rest of the Agreement shall remain in full force and effect. This Agreement shall not be interpreted in favor of or against either Seller or Purchaser merely because of their respective efforts in preparing it.

26. **Captions, Gender, Number and Language of Inclusion.** The article and section headings in this Agreement are for convenience of reference only and shall not define, enlarge, limit or prescribe the scope, meaning or intent of any term of this Agreement. As used in this Agreement, the singular shall include the plural and vice versa, and words of gender shall include any other gender.

27. **Computation of Time; Business Day.** Unless otherwise specified, in computing any period of time described in this Agreement, the day of the act or event after which the designated period of time begins to run is not to be included and the last day of the period so computed is to be included, unless such last day is not a business day, in which event the period shall run until the end of the next day which is a business day. The last day of any period of time described in this Agreement shall be deemed to end at 11:59 p.m. local time of the state in which the Property is located. As used herein, the term "business day" means any day that is not a Saturday, Sunday or legal holiday for national banks in the state in which the Property is located.

28. **Binding Effect.** This Agreement shall inure to the benefit of and shall bind the respective heirs, executors, administrators, successors and assigns of Seller and Purchaser.

29. **Counterparts.** This Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which together shall constitute 1 instrument. The Parties also agree to recognize signatures transmitted by facsimile, e-mail or other recognized electronic transmission as original.

30. **Effective Date.** The "Effective Date" of this Agreement shall be the date on which the last Party to execute this Agreement does so.

IN WITNESS WHEREOF, Seller and Purchaser have caused this Agreement to be executed and delivered as of the Effective Date.

SELLER:

By: _____

Its: _____

Date: _____

By: _____

Its: _____

Date: _____

PURCHASER:

NORTHERN STATES POWER COMPANY,
a MINNESOTA corporation

By: _____

Matthew Boehlke
Senior Director, Property and Aviation Services

Date: _____

EXHIBIT A

PID 18.19.1.50.003

All that part of the South One-Half of the Northeast Quarter of Section 19, Township 110 North, Range 20 West of the Fifth Principal Meridian, in the City of Faribault, Rice County, Minnesota, described as follows: Beginning at the Southwest corner of said South One-half of Northeast Quarter of Section 19; thence North 89°55'30" East along the South line of said South One-half of Northeast Quarter of Section 19 (for purposes of this description bearing of said South line of South One-half of Southeast Quarter of Section 19 assumed North 89°55'30" East), 493.38 feet to a point in the southeasterly right of way line of proposed Minnesota Trunk Highway 3 (formerly called Minnesota Trunk Highway 218) as the same is set forth in an instrument bearing date of February 4th, 1955, and filed for record in the office of the Register of Deeds in and for Rice County, Minnesota, on February 8th, 1955, at 10:40am., and recorded in Book 153 of Mortgages on Page 593-609; thence North 6°31'00" East along said southeasterly right of way line of proposed Minnesota Trunk Highway 3, a distance of 116.4 feet to the true point of beginning of the parcel to be herein described" thence continue North 6°31'00" East along said proposed Highway right of way line 274.8 feet; thence deflect to the right on a 10 chord spiral curve of decreasing radius (delta angle equals 9°44'00", spiral angle equals 1°07'30", length equals 150.0 feet), an arc distance of 123.53 (chord bearing and distance equals North 6°46'30" East, 123.53 feet); thence North 89°54'00" East, 627.71 feet to a point in the northwesterly right of way line of the Chicago, Great Western Railway Company; thence South 25°14'00" West along said northwesterly Railroad right of way line, 437.03 feet; thence South 89°54'00" West, 487.22 feet to the point of beginning, containing 5.055 acres, more or less.