

PURCHASE AGREEMENT

THIS PURCHASE AGREEMENT (this “Agreement”) is made as of _____, 2022 (the “Effective Date”) by and between **Independent School District No. 2909, Rock Ridge Public Schools**, a Minnesota public corporation (“Seller”), and the **City of Eveleth**, a Minnesota municipal corporation (“Buyer”).

RECITALS:

A. By Order of Consolidation dated July 1, 2020, Independent School District No. 2154, Eveleth-Gilbert, merged with the Virginia school district and is now the entity identified as the Seller in this Agreement.

B. Seller is the owner of certain real property located in St. Louis County, Minnesota, with a street address of 401 Roosevelt Avenue, Eveleth, Minnesota, the legal description of which is as follows:

See attached Exhibit A

(the “Property”).

C. Seller wishes to convey, and Buyer wishes to purchase the Property, together with all rights, privileges, easements, and appurtenances belonging thereto.

AGREEMENT:

In consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

- 1. Purchase of Property.** Seller hereby agrees to sell, and Buyer hereby agrees to purchase the Property including all easements and rights of every kind and nature benefiting or appurtenant to the Property, subject to the Permitted Encumbrances as provided herein.
- 2. Purchase Price and Manner of Payment.** The total purchase price (“Purchase Price”) to be paid by Buyer to Seller for the Property shall be Fifty-Eight Thousand Five Hundred and no/100 Dollars (\$58,500.00), and shall be paid to Seller in cash, certified or cashier’s check, or by wire transfer at closing, subject to the terms of this Agreement.
- 3. Personal Property and Fixtures.** There are no items of personal property currently located on the Property for purposes of this sale. Any items of personal

property will be removed by Buyer after the closing at Seller's expense. There are no fixtures on the Property.

4. Closing. The closing of the purchase and sale contemplated by this Agreement shall occur on a "Closing Date" which shall be held on _____, 2022. The closing shall take place at a location mutually agreed upon by the parties. Seller agrees to deliver possession of the Property to Buyer on the Closing Date. At the closing, the following closing documents shall be executed and delivered:

- a.** A limited warranty deed conveying to Buyer Seller's interest in the Property, free and clear of all encumbrances, except the following "Permitted Encumbrances":
 - (1) Property taxes and any special assessments to be paid or assumed by Buyer pursuant to this Agreement;
 - (2) Building codes, laws and ordinances relating to zoning, land use, and environmental matters;
 - (3) Easements of record;
 - (4) The steam line that runs across the property, whether or not there is an associated easement of record; and
 - (5) Reservation of mineral rights to the State of Minnesota.
- b.** A Standard Form Affidavit of Seller indicating no adverse matters.
- c.** A Certification of Verification from the Minnesota Department of Education showing the corporate succession of ownership.
- d.** A Certificate of Real Estate Value, if required.
- e.** A closing statement detailing the financial terms of the closing.
- f.** A Bring-Down Certificate, pursuant to Section 6 of this Agreement.
- g.** All other documents necessary to transfer the Property to Buyer.

5. Costs and Prorations. Seller and Buyer agree to the following prorations and allocation of costs:

- a. Title Insurance and Closing Fee.** Seller will pay any and all costs of obtaining a title insurance commitment and any title search and exam fees should Buyer desire to have a commitment issued. Buyer will pay the cost of all title insurance premiums required for the issuance of any owner's title insurance policy required by Buyer and endorsements, if any. Buyer

and Seller will split equally the customary closing fee charged by the title insurer.

- b. Deed Tax and Marketable Title Costs.** Seller will pay any deed transfer taxes and conservation fees and recording fees for all instruments required to establish marketable title in the name of Seller.
 - c. Documentary Taxes and Fees.** Buyer shall pay all fees for the recording of the limited warranty deed by Buyer in the appropriate County offices.
 - d. Real Estate Taxes and Levied and Pending Assessments.** Seller shall be responsible for all real estate taxes, including any deferred real estate taxes, penalties, or interest, for the years prior to the year in which Closing occurs. General real estate taxes with respect to the Property due and payable in the year in which closing occurs shall be prorated between Buyer and Seller as of the Closing Date. Buyer shall pay all taxes due and payable in years following the year in which closing occurs. Seller shall pay all special assessments certified against the Property, including any deferred special assessments. Buyer shall assume any pending special assessments pending against the Property as of the Closing Date.
 - e. Attorney's Fees.** Each party will pay its own attorney's fees.
 - f. Miscellaneous Fees and Costs.** Any fees or costs associated with the sale or closing of the Property that are not by this Agreement specifically designated to be the responsibility of Seller will be paid by Buyer.
- 6. Contingencies.** Notwithstanding any other provision in this Agreement to the contrary, the parties agree that Buyer's purchase of the Property is subject to the following contingencies, which must be accepted or waived by Buyer before the Closing Date:
- a.** Title to the Property shall be acceptable to Buyer, in its sole discretion;
 - b.** Buyer shall have the right to conduct such tests, surveys, examinations, and other studies which Buyer desires to conduct, at Buyer's expense. The results of the same shall be satisfactory to Buyer in its sole discretion. Buyer shall keep the Property free from mechanics liens arising from such work. Buyer shall be responsible for any property damage or personal injury arising from such work, and agrees to restore the property to its prior condition as it was before any prior test, survey, examinations, or other studies; and

- c. Seller's representations and warranties contained in this Agreement must be true now and on the Closing Date as if made on the Closing Date, and Seller shall have delivered to Buyer at closing a certificate in a form acceptable to Buyer, signed by an authorized representative of Seller, certifying that such representations and warranties are true as of the Closing Date (the "Bring-down Certificate").

If any of the foregoing contingencies have not been satisfied on or before the Closing Date, the Buyer shall, by giving notice pursuant to Section 15 of this Agreement, either: (i) terminate this Agreement; or (ii) waive the contingencies listed above and proceed to closing.

7. **Representations by Seller.** Seller represents and warrants to Buyer as follows:

- a. **Authority.** Seller is a public corporation duly created under and subject to the laws of Minnesota and has the requisite power and authority to enter into and perform this Agreement and those closing documents signed by it.
- b. **Title to Property.** Seller is the owner of the Property free and clear of all encumbrances except the Permitted Encumbrances. Seller has not made any other written or oral representations or warranties of any kind with respect to the Property (including without limitation express or implied warranties of title, merchantability, or fitness for a particular purpose).
- c. **Rights of Others to Purchase Property.** Seller has not entered into any other contracts for the sale of the Property, nor are there any rights of first refusal or options to purchase the Property that might prevent the consummation of this Agreement.
- d. **FIRPTA.** Seller is not a "foreign person," "foreign partnership," "foreign trust," or "foreign state" as those terms are defined in § 1445 of the Internal Revenue Code.
- e. **Proceedings.** To the best knowledge of Seller, there is no action, litigation, investigation, condemnation, or private purchase in lieu of such proceeding that would affect the Property in any material way or proceeding of any kind pending or threatened against Seller or the Property, and Seller has no actual knowledge that any such action is contemplated.
- f. **Special Assessments.** Seller has not received any notice of new improvement projects or special assessments that will or may be assessed against the Property. The receipt of such notice shall be disclosed to Buyer but shall not affect any other obligation hereunder.

- g. Wells and Septic Systems.** Seller represents that it is not aware of any wells or septic systems located on the Property.
- h. Methamphetamine Production.** To the best of Seller's knowledge, methamphetamine production has not occurred on the Property.

8. Condition of Property.

- a. As Is.** Except as expressly provided herein, the Property is being sold "as is" and "with all faults." Seller makes no representations concerning the condition of the Property, environmental matters, or the suitability of the Property for Buyer's intended uses.
- b. Environmental Conditions.** Buyer accepts all risk of Claims (including without limitation all Claims under any Environmental Law and all Claims arising at common law, in equity or under a federal, state or local statute, rule or regulation) whether past, present or future, existing or contingent, known or unknown, arising out of, resulting from or relating to the condition of the Property, known or unknown, contemplated or un contemplated, suspected or unsuspected, including without limitation the presence of any Hazardous Substance on the Property, whether such Hazardous Substance is located on or under the Property, or has migrated from or to the Property.

"**Claim**" or "**Claims**" means any and all liabilities, suits, claims, counterclaims, causes of action, demands, penalties, debts, obligations, promises, acts, fines, judgments, damages, consequential damages, losses, costs, and expenses of every kind (including without limitation any attorney's fees, consultant's fees, costs, remedial action costs, cleanup costs and expenses which may be related to any claims).

"**Environmental Law**" means the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA"), 42 U.S.C. § 9601 et seq., the Resource Conservation and Recovery Act, 42 U.S.C. § 6901 et seq., the Federal Water Pollution Control Act (the Clean Water Act), 33 U.S.C. § 1251 et seq. the Clean Air Act, 42 U.S.C. § 7401 et seq., and the Toxic Substances Control Act, 15 U.S.C. § 2601 et seq., all as amended from time to time, and any other federal, state, local or other governmental statute, regulation, rule, law or ordinance dealing with the protection of human health, safety, natural resources or the environment now existing or hereafter enacted.

“**Hazardous Substance**” or “**Hazardous Substances**” means any pollutant, contaminant, hazardous substance or waste, solid waste, petroleum product, distillate, or fraction, radioactive material, chemical known to cause cancer or reproductive toxicity, polychlorinated biphenyl or any other chemical, substance or material listed or identified in or regulated by any Environmental Law.

9. Remedies.

a. Default by Buyer. If Buyer defaults under this Agreement, Seller shall have the right to terminate this Agreement by giving 30-days written notice to Buyer pursuant to Minnesota Statutes § 559.21. If Buyer fails to cure such default within 30 days of the date of such notice, this Agreement will terminate and upon such termination, Seller may sue for specific performance of this Agreement or actual damages caused by Buyer’s default.

b. Default by Seller. If Seller defaults under this Agreement, Buyer may sue for specific performance of this Agreement or actual damages caused by Seller’s default.

10. Condemnation. If, prior to the Closing Date, eminent domain proceedings are commenced against all or any part of the Property, Seller shall immediately give notice to Buyer of such fact and at Buyer’s option (to be exercised within ten days after Seller’s notice), this Agreement shall terminate, in which event neither party will have further obligations under this Agreement. If Buyer fails to exercise its option to terminate the Agreement, then there shall be no reduction in the Purchase Price, and Seller shall assign to Buyer at the Closing Date all of Seller’s right, title, and interest in and to any award made or to be made in the condemnation proceedings. Prior to the Closing Date, Seller shall not designate counsel, appear in, or otherwise act with respect to the condemnation proceedings without Buyer’s prior written consent.

11. Broker’s Commission. Seller and Buyer represent and warrant to each other that they have not dealt with any broker, finder, or other person entitled to a commission, finder’s fee, or similar fee in connection with this transaction. Buyer agrees to indemnify and defend Seller for any and all claims for brokerage commissions or finders’ fees in connection with negotiations for purchase of the Property arising out of any alleged agreement or commitment or negotiation by Buyer, and Seller agrees to indemnify and defend Buyer for any and all claims for brokerage commissions or finders’ fees in connection with negotiations for purchase of the Property arising out of any alleged agreement or commitment or negotiation by Seller.

12. **Assignment.** Neither party may assign its rights under this Agreement unless it receives the written permission of the other party.
13. **Amendment and Modification.** No amendment, modification or waiver of any condition, provision or term of this Agreement shall be valid or have any effect unless made in writing, is signed by the party to be bound and specifies with particularity the extent and nature of such amendment, modification, or waiver. Any waiver by either party of any default by the other party shall not affect or impair any right arising from any previous or subsequent default.
14. **Survival.** All of the terms of this Agreement will survive and be enforceable after the Closing.
15. **Notices.** Any notices required or permitted to be given by any party to the other shall be given in writing, and shall be (i) hand delivered to any officer of the receiving party, or (ii) mailed in a sealed wrapper by United States registered or certified mail, return receipt requested, postage prepaid, or (iii) properly deposited with a nationally recognized, reputable overnight courier, properly addressed as follows:

If to Seller: Independent School District No. 2909
411 S 5th Ave
Virginia, MN 55792
Attention: Superintendent

With copy to: Ratwik, Roszak & Maloney, P.A.
730 Second Avenue South, Suite 300
Minneapolis, MN 55402
Attention: Margaret A. Skelton

If to Buyer: City of Eveleth
413 Pierce St.
Eveleth, MN 55734
Attention: City Administrator

With a copy to: Kennedy & Graven, Chartered
Attn: Sarah Sonsalla
150 South 5th Street, Suite 700
Minneapolis, MN 55402

Notices shall be deemed effective on the earlier of the date of receipt or in the case of such deposit in the mail or overnight courier, on the first business day following such deposit. Any party may change its address for the service of notice by giving written notice of such change to the other party in accordance with this Section. If delivered at the Closing, a notice shall be deemed given when hand delivered to the party's representative at the Closing. Notice not given in the manner or within the time limits set forth in this Section are of no effect and may be disregarded by the party to whom they are directed.

16. **Captions.** The captions appearing in this Agreement are for convenience only, are not a part of this Agreement and are not to be considered in interpreting this Agreement.
17. **Entire Agreement.** This written Agreement constitutes the complete agreement between the parties and supersedes any and all other oral or written agreements, negotiations, understandings and representations between the parties regarding the Property. There are no verbal or written side agreements that change this Agreement, and this Agreement shall supersede all previous agreement and understandings, written or oral, between the parties with respect to the Property, if any.
18. **Construction.** The Parties acknowledge that this Agreement was initially prepared by Seller solely as a convenience, that all Parties have read and fully negotiated all the language used in this Agreement, and that no rule of construction shall apply to this Agreement to construe ambiguous or unclear language in favor of or against any Party.
19. **Amendment; Waiver.** No amendment of this Agreement, and no waiver of any provision of this Agreement, shall be effective unless set forth in a writing expressing the intent to so amend or waive, and the exact nature of such amendment or waiver, and signed by both parties (in the case of amendment) or the waiving party (in the case of waiver). No waiver of a right in any one instance shall operate as a waiver of any other right, nor as a waiver of such right in a later or separate instance.
20. **No Joint Venture or Partnership.** Sellers and Buyer, by entering into this Agreement and completing the transactions described herein, shall not be considered joint venturers or partners, and nothing contained in this Agreement shall be construed or interpreted as creating such a partnership or joint venture.
21. **Cumulative Rights.** Except as may otherwise be provided herein, no right or remedy herein conferred on or reserved by either party is intended to be exclusive of any other right or remedy provided by law, but such rights and remedies shall

be cumulative in and in addition to every other right or remedy given herein or elsewhere or existing at law, equity or by statute.

22. **Third Party Beneficiary.** There are no third-party beneficiaries of this Agreement, intended or otherwise.
23. **Governing Law.** This Agreement is made and executed under and in all respects is to be governed and construed under the laws of the State of Minnesota.
24. **Binding Effect.** This Agreement binds and benefits the parties and their respective successors and assigns.
25. **Relocation Benefits: Indemnification.** Seller acknowledges that it is being displaced from the Property as a result of the transaction contemplated by this Agreement and that Seller may be eligible for relocation assistance and benefits, and Seller agrees to waive any and all relocation assistance and benefits. The provisions of this paragraph shall survive Closing.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, Seller and Buyer have executed this Agreement as of the date first written above.

SELLER

INDEPENDENT SCHOOL DISTRICT NO. 2909

By: _____ Date: _____, 2022
Tim Riordan
Its: School Board Chair

By: _____ Date: _____, 2022
Brandi Lautigar
Its: School Board Clerk

BUYER

CITY OF EVELETH

By: _____ Date: _____, 2022
Robert Vlasisavljevich
Its: Mayor

By _____ Date: _____, 2022
Jackie Monahan-Junek
Its: City Administrator

EXHIBIT A
Legal Description of the Property

Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, and 18 all in Block 48 of Eveleth Central Division No. 1, as recorded and on file in the Office of the County Recorder, in and for the County of St. Louis, State of Minnesota

Subject to easements, restrictions, and reservations of record; and subject to minerals and mineral reservations of record