

PURCHASE AGREEMENT

1. PARTIES. This Purchase Agreement (“Agreement”) is made on this 5th day of June, 2023 (the “Effective Date”), by and between Independent School District No. 256, Red Wing Public Schools, a Minnesota body corporate and politic (the “District”) and Brian Schreiber and Greta Schreiber, married to each other (each a “Buyer” and collectively the “Buyers”), each a “party” and collectively the “parties”.

2. SUBJECT PROPERTY. The District is the owner of that certain real property consisting of approximately 1 acre of vacant land located at 30000 Ski Road, Florence Township, County of Goodhue, State of Minnesota, (PID No. 32.007.0800) legally described on the attached Exhibit A (the “Property”).

3. OFFER/ACCEPTANCE. In consideration of the mutual agreement herein contained, the Buyers offer and agree to purchase, and the District agrees to sell and hereby grants to the Buyers the exclusive right to purchase the Property, together with all appurtenances thereto.

4. PERSONAL PROPERTY. The Buyers acknowledge that no personal property is included in the sale of the Property.

5. PURCHASE PRICE AND TERMS.

A. Purchase Price. The Buyers shall pay the District three thousand two hundred and fifty dollars (\$3,250.00) for the Property (the “Purchase Price”).

B. Balance Due to District. The Buyers agree to pay the Purchase Price to the District by certified or cashier’s check or by wire transfer at Closing.

6. CLOSING. The closing of the purchase and sale contemplated by this Agreement (the “Closing”) shall be on _____, 2023 or such other date as agreed upon in writing as signed by the parties (the “Closing Date”). The Closing shall occur at the District’s district office at 2451 Eagle Ridge Drive, Red Wing, MN 55066, or at a location as mutually agreed to by the parties. The District shall deliver possession of the Property to the Buyers on the Closing Date.

A. District’s Closing Documents. On the Closing Date, the District shall execute and deliver to the Buyers the following (collectively, the “District’s Closing Documents”), all in form and content reasonably satisfactory to the District and the Buyers:

i. Deed. A quit claim deed conveying the Property to the Buyers.

ii. Seller’s Affidavit. A seller’s affidavit as required by the title company to issue an owner’s policy of title insurance with the standard exceptions waived.

iii. Original Documents. Original copies of any permits, plans, and records in the District’s possession.

- iv. FIRPTA Affidavit. Affidavit of the District confirming that the District is not a foreign person within the meaning of Section 1445 of the Internal Revenue Code.
- v. Well Disclosure Certificate. A completed Minnesota Well Disclosure Certificate or a statement that the District is not aware of any wells on the Property.
- vi. ALTA Statement. ALTA Statement or other form of Settlement Statement prepared by the Title Company.
- vii. Bring-Down Certificate. A certificate in a form acceptable to the Buyers, signed by an authorized representative of the District, certifying that the District's representations and warranties as contained in this Agreement are true now and on the Closing Date as if made on the Closing Date
- viii. Other Documents. Any other documents reasonably required in order to complete the transaction contemplated by this Agreement.

B. Buyers' Closing Documents. The Buyers shall, where applicable, join with the District in the execution and delivery of the closing documents and instruments as may be required by the Title Company. On the Closing Date, the Buyers shall execute, as appropriate, and deliver to the District the following (collectively, the "Buyers' Closing Documents"):

- i. Purchase Price. The Purchase Price pursuant to this Agreement.
- ii. Other Documents. Such affidavits of the Buyers, certificates of value, or other documents as may be reasonably required in order to complete the transaction contemplated by this Agreement.

7. CONTINGENCIES. The following contingencies must be exercised by the Buyers by giving written notice to the District on or before 30 calendar days before the Closing Date (the "Contingency Date"):

A. Title Commitment. The Buyers' obligation to close hereunder is subject to their approval of a commitment of title covering the Property and all underlying exceptions to be obtained by the Buyers at the Buyers' sole cost and expense.

If, on or before the Contingency Date or if required earlier by this Agreement, the Buyers determine that any of their contingencies listed in this Section have not been satisfied in their sole discretion, then this Agreement may be terminated by written notice from the Buyers to the District, which notice must be given no later than the Contingency Date. If the Buyers fail to give the District written notice of termination on or before the Contingency Date, all of such contingencies will be deemed to have been satisfied and the parties shall proceed to close this transaction in accordance with the terms of this Agreement. If this Agreement is terminated by the Buyers in accordance with

this Section, neither party shall have any further rights or obligations to each other under this Agreement. All of the contingencies set forth in this Agreement are specifically stated and agreed to be for the sole and exclusive benefit of the Buyers and the Buyers shall have the right to unilaterally waive any or all of the contingencies by written notice to the District.

8. TITLE EXAMINATION. Title examination shall be conducted as follows:

- A.** No later than 10 business days after receiving the Title Commitment, if any, the Buyers must make written objections (“Objections”) to the marketability of title to the Property based on the title evidence. If the Buyers elect to obtain a survey, objections based upon the survey must be made within seven business days after receipt of said survey but in no event later than the Contingency Date. The Buyers’ failure to make Objections within such time period will constitute a waiver of Objections. Any matter shown on such title evidence, other than a mortgage or other lien and not objected to by the Buyers shall be a permitted encumbrance hereunder. Within seven business days after receipt of the Buyers’ Objections, the District shall notify the Buyers in writing if the District elects not to cure the Objections. If such notice is given within said seven-day period, the Buyers may either waive the Objections or terminate this Agreement by giving written notice of termination to the District within 10 business days after the District’s notice is given to the Buyers. If written notice by the District is not given within the 10-day period, the District shall use commercially reasonable efforts to correct any Objections within 20 business days after the expiration of the 10-day period (“Cure Period”). If the title company is willing to issue a title insurance policy to the Buyers that does not except from title insurance coverage an item to which the Buyers have objected, the objection relating to such item shall be deemed cured. If the Objections are not cured within the Cure Period, the Buyers shall have the option to do any of the following:
- i. Terminate this Agreement by giving written notice to the District within 10 days after the expiration of the Cure Period and neither the District nor the Buyers shall have further rights or obligations hereunder.
 - ii. Waive the objections and proceed to Closing without reduction in the Purchase Price.

The Buyers shall make their election within 10 days after expiration of the District’s Cure Period. A failure to make an election within such period shall be deemed an election to proceed to close pursuant to Subsection ii, above.

9. REAL ESTATE TAXES AND SPECIAL ASSESSMENTS. Real estate taxes due and payable in connection with the Property for all prior years shall be paid by the District. Real estate taxes, excluding penalties and interest, if any, due and payable in the year in which Closing occurs shall be prorated as of the date of the Closing. The Buyers shall be responsible for all real estate taxes due and payable as of the date of Closing, if any. All unpaid special assessments which have not been levied as of the date of the Closing shall be paid by the District on the date of Closing. If any special assessments become pending after the date of this Agreement and before the date of Closing, the Buyers may, at the Buyers’ option:

- A. Assume payment of the pending special assessment without adjustment to the Purchase Price of the Property; or
- B. Require the District to pay the pending special assessment and the Buyers shall pay a commensurate increase in the Purchase Price; or
- C. Declare this Agreement null and void by sending written notice to the District.

10. REPRESENTATIONS AND WARRANTIES OF THE DISTRICT. The District represents and warrants to the Buyers that the following are true in all material respects now and, as modified by any changes about which the District notifies the Buyers in writing following the Execution Date, will be true in all material respects on the Closing Date:

- A. Authority. The District is a political subdivision duly created under and subject to the laws of the State of Minnesota; the District has the requisite power and authority to enter into and perform this Agreement and execute those closing documents signed by it.
- B. Title. The District is the fee owner of the Property.
- C. Rights of Others to Purchase the Property. The District 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 or any other rights of others that might prevent the consummation of this Agreement.
- D. Legal Proceedings. There is no action, litigation, investigation, condemnation, or proceeding of any kind pending or, to the best of the District's knowledge without investigation, threatened against any portion of the Property, and the District has no actual knowledge that any such action is contemplated.
- E. Bankruptcy. No action or proceeding shall have been commenced by or against the District under the federal bankruptcy code or any state law for the relief of debtors or for the enforcement of the rights of creditors, and no attachment, execution, lien, or levy shall have attached to or been issued with respect to the District's interest in all or a portion of the Property.
- F. Wells. The District represents that it does not know of any wells on the Property.
- G. Underground Storage Tanks. The District represents that it does not know of any underground storage tanks located on the Property.
- H. Sewage Treatment Systems. No individual sewage treatment system exists on the Property.
- I. Methamphetamine Production. To the best of the District's knowledge, methamphetamine production has not occurred on the Property.

- J.** Foreign Status. The District is not a “foreign person” as such term is defined in the Internal Revenue Code.
- K.** Eminent Domain. To the best of the District’s knowledge, there is no existing, proposed, or threatened eminent domain or similar proceeding, or private purchase in lieu of such a proceeding which would affect the Property in any material way.
- L.** Third Parties in Possession. The District represents that there are no lessees, tenants, or third parties in possession of the Property.

The District’s representations shall be true, accurate and complete in all material respects as of the date of this Agreement, and as modified by any notice or notices given by the District to the Buyers before or on the Closing Date. If any time prior to Closing, the Buyers determine that any representation herein made by the District was not true in all material respects when made, the Buyers’ sole remedy shall be to terminate this Agreement by giving notice to the District and seeking any applicable remedies for such breach.

Any claim by the Buyers not made pursuant to the Notice provision of this Agreement before the Closing Date shall be deemed waived.

11. REPRESENTATIONS AND WARRANTIES OF THE BUYERS. The Buyers represent and warrant to the District as follows:

- A.** Authority. The Buyers have the requisite power and authority to enter into and perform this Agreement and all agreements and documents referenced herein and to acquire the Property in accordance with this Agreement.
- B.** Indemnification for the Buyers’ Investigation. The Buyers shall promptly pay when due any and all charges related to their inspections or investigations of the Property, if any.

The representations and warranties contained in this Section shall survive Closing and shall be true and correct on the Effective Date and the Closing Date.

12. “AS IS, WHERE IS.” The Buyers acknowledge that they have inspected or have had the opportunity to inspect the Property and agree to accept the Property “AS IS” with no right of set off or reduction in the Purchase Price. Such sale shall be without representation of warranties, express or implied, either oral or written, made by the District or any official, employee or agent of the District with respect to the physical condition of the Property, including but not limited to, the existence or absence of petroleum, hazardous substances, pollutants or contaminants in, on, or under, or affecting the Property or with respect to the compliance of the Property or its operation with any laws, ordinances, or regulations of any government or other body, except as stated above. The Buyers acknowledge and agree that the District has not made and does not make any representations, warranties, or covenants of any kind or character whatsoever, whether expressed or implied, with respect to warranty of income potential, operating expenses, buildability, uses, habitability, tenant ability, or suitability for any purpose, merchantability, or fitness of the Property for a particular purpose, all of which warranties the District hereby expressly disclaims, except as stated above. The

Buyers are relying entirely upon information and knowledge obtained from the Buyers' own investigation, experience and knowledge obtained from the Buyers' own investigation, experience, or personal inspection of the Property. The Buyers expressly assume, at closing, all environmental and other liabilities with respect to the Property and release and indemnify the District from same, whether such liability is imposed by statute or derived from common law including, but not limited to, liabilities arising under the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA"), the Hazardous and Solid Waste Amendments Act, the Resource Conservation and Recovery Act ("RCRA"), the federal Water Pollution Control Act, the Safe Drinking Water Act, the Toxic Substances Act, the Superfund Amendments and Reauthorization Act, the Toxic Substances Control Act and the Hazardous Materials Transportation Act, all as amended, and all other comparable federal, state or local environmental conservation or protection laws, rules or regulations. The foregoing assumption and release shall survive closing. All statements of fact or disclosures, if any, made in this Agreement or in connection with this Agreement, do not constitute warranties or representations of any nature. The foregoing provision shall survive Closing and shall not be deemed merged into any instrument of conveyance delivered at Closing.

13. NOTICES. Any notice or other communication which must or may be given under the terms of this Agreement shall be deemed sufficiently given or rendered in writing, and delivered to either party personally; or if mailed by United States registered or certified mail to the addresses set forth below, or such future addresses as may be subsequently supplied by the parties hereto to each other, return receipt requested, postage prepaid; or if deposited cost paid with a nationally recognized, reputable overnight courier, properly addressed as follows:

A. If to the Buyers:

Brian and Greta Schreiber
30671 Ski Road
Red Wing, MN 55066

B. If to the District:

Independent School District No. 256
Attn: Superintendent
2451 Eagle Ridge Drive
Red Wing, MN 55066

With a copy to:

Kennedy & Graven, Chartered
Attn: Sarah Sonsalla
150 South Fifth Street, Suite 700
Minneapolis, MN 55402

or such other address as either party may give to the other in accordance with this Section.

14. TERMINATION. If the District fails to perform its obligations hereunder or if any representation or warranty of the District set forth in this Agreement shall not be true and accurate as of the date stated and as of the date of Closing, the Buyers shall have the option to terminate this Agreement by providing notice to the District according to the notice provision above, and this Agreement shall automatically terminate and be of no further force and effect and all liability of the parties hereto to each other shall be discharged. If the Buyers shall default in the performance of any of the Buyers' obligations hereunder, then the District's sole remedy shall be to terminate this Agreement.

15. CLOSING COSTS. The Buyers will pay: (a) one-half of the closing fees charged by the title insurance or other closing agent, if any, utilized to close the transaction contemplated by this Agreement; (b) fees for any title evidence obtained by the Buyers; (c) the recording fee for the deed transferring title to the Buyers; (d) title search and examination fees; and (e) title insurance premium and endorsement costs. The District will pay (a) one-half of the closing fees charged by the title insurance or other closing agent, if any, utilized to close the transaction contemplated by this Agreement; (b) any transfer taxes and Well Disclosure fees required to enable the Buyers to record its deed from the District under this Agreement, and (c) fees and charges related to the filing of any instrument required to make title marketable. Each party shall pay its own accounting and attorney fees associated with this transaction.

16. REMEDY; PROCEEDING TO CLOSE. In the event that any of the District's representations, warranties or covenants set forth in this Agreement are not true and correct as of the Closing Date, the Buyers may, in addition to its other remedies, elect to close under this Agreement notwithstanding the failure of such representation or warranty.

17. SURVIVAL. The parties' obligations under this Agreement and the representations and warranties which the parties have recited in this Agreement shall survive the District's delivery of its closing documents to the Buyers and the Closing.

18. CONTROLLING LAW. This Agreement has been made under the substantive laws of the State of Minnesota and such laws shall control its interpretation.

19. CONDEMNATION. If, prior to the Closing, eminent domain proceedings are commenced against all or any material part of the Property, the District shall immediately give notice to the Buyers of such fact and at the Buyers' option (to be exercised within 15 calendar days after the date of the District's notice), this Agreement shall terminate, in which event neither party will have further obligations under this Agreement. If the Buyers fail to give such notice, then there shall be no reduction in the Purchase Price, and the District shall assign to the Buyers at the Closing all of District's right, title, and interest in and to any award made or to be made in the condemnation proceedings. Prior to the Closing Date, the District shall not designate counsel, appear in, or otherwise act with respect to the condemnation proceedings without the Buyers' prior written consent. For purposes of this section, the words "a material part" means a part if acquired by a condemning authority would materially hinder the Buyers' intended use of the Property.

20. BROKER COMMISSIONS. The District and the Buyers represent and warrant to each other that they have not dealt with any brokers, finders, or the like in connection with the transaction contemplated by this Agreement. The District and the Buyers each hereby agree to

indemnify and hold the other harmless from and against all liability, loss, cost, damage, or expense (including, but not limited to, reasonable attorneys' fees and costs of litigation) which the other party shall suffer or incur because of any claim by a broker, agent, or finder claiming by, through, or under such indemnifying party for any compensation with respect to the entering into of this Agreement, the sale and purchase of the Property, or the consummation of the transaction contemplated herein. The foregoing indemnification shall survive Closing.

21. NO PARTNERSHIP OR JOINT VENTURE. Nothing in this Agreement shall be construed or interpreted as creating a partnership or joint venture between the District and the Buyers relative to the Property.

22. ASSIGNMENT. The Buyers may not assign their rights under this Agreement without obtaining the written consent of the District. Such written consent, if given, shall not relieve the assignor from liability for the performance of this Agreement by its assignee.

23. COUNTERPARTS. This Agreement may be executed in any number of counterparts, each of which will be an original, but such counterparts together will constitute one and the same instrument.

24. ENTIRE AGREEMENT. This Agreement constitutes the entire agreement between the parties and supersedes any agreements and understandings, either oral or written between the parties with respect to the Property.

25. 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 it is made in writing, signed by the party to be bound, and specifies with particularity the extent and nature of such amendment, modification, or waiver.

26. SEVERABILITY. If any provision of this Agreement is found by a court of competent jurisdiction to be invalid or unenforceable, the remaining provisions of this Agreement shall remain in full force and effect and shall be interpreted, performed, and enforced as if the invalid or unenforceable provision did not appear herein.

27. BINDING EFFECT. This Agreement binds and benefits the parties and their heirs, successors, and assigns.

[SIGNATURE PAGE TO FOLLOW]

BUYERS

By: _____
Brian Schreiber

By: _____
Greta Schreiber

SELLER

**INDEPENDENT SCHOOL DISTRICT
NO. 256**

By: _____
Jim Bryant
Its: Board Chair

By: _____
Jennifer Tift
Its: Board Clerk

EXHIBIT A

Legal Description of the Property

One acre of the East $\frac{1}{2}$ of the Southeast $\frac{1}{4}$ of Section 7, Township 112, Range 13, Goodhue County, Minnesota.

PID No. 32.007.0800