

## PURCHASE AGREEMENT

1. **PARTIES.** This Purchase Agreement (this "Purchase Agreement") is made on this \_\_\_\_\_ day of \_\_\_\_\_, 2024 (the "Effective Date"), by and between the Virginie Eveleth Economic Development Authority, a Minnesota Government Corporation (the "Seller") and Independent School District No. 2909, Rock Ridge Public Schools, a Minnesota body corporate and politic (the "Buyer").

2. **SUBJECT PROPERTY.** The Seller is the owner of that certain real estate located in the City of Eveleth, St. Louis County, Minnesota, legally described on the attached Exhibit A attached hereto (the "Property").

3. **OFFER/ACCEPTANCE.** In consideration of the mutual agreements herein contained, the Buyer offers and agrees to purchase and the Seller agrees to sell the Property.

### 4. CONTINGENCIES.

A. **Seller's contingencies.** Final approval of the Authority after a public hearing.

B. **Buyer's contingencies.** This Purchase Agreement is contingent upon:

- i) The Buyer being satisfied with the condition of title; and
- ii) The Property's condition being acceptable to the Buyer, in its sole discretion.

The parties shall have until the date of closing to remove the foregoing contingencies. The contingencies are solely for the benefit of the benefitted party and may be waived by the party that benefits from them. If the contingencies are duly satisfied or waived, then the Buyer and the Seller shall proceed to close the transaction as contemplated herein. If, however, one or more of the contingencies is not satisfied, or is not satisfied on time, and is not waived by the party that it benefits, this Agreement shall thereupon be void, at the option of the benefitted party. If this Agreement is voided by the benefitted party, the Buyer and the Seller shall execute and deliver to each other a termination of this Agreement.

5. **PERSONAL PROPERTY.** There are no items of personal property or fixtures owned by the Seller and currently located on the Property for purposes of this sale.

6. **PURCHASE PRICE:** The Buyer shall pay the Seller \$1,000.00 for the Property (the "Purchase Price"). This transaction does not qualify as a business subsidy under the Business Subsidy Act, Minnesota Statutes, Section 116J.993.

7. **CLOSING.** The closing of the sale of the Property (the "Closing") shall take place on the date that is no later than 60 days from the date of this Agreement, or as otherwise mutually agreed upon by the parties (the "Closing Date"). The Closing shall take place at:

Virginia, Minnesota or such other location as mutually agreed upon by the parties. The Seller shall deliver possession of the Property to Buyer on the Closing Date.

**8. SURVEYING, ENVIRONMENTAL INSPECTION, AND SOIL TESTS.** The Buyer may inspect, examine, survey, and conduct testing of the Property. The Buyer agrees to indemnify the Seller against any liens, claims, losses, or damage directly attributable by the Buyer's exercise of its right to enter and work upon the Property. The Buyer agrees to provide the Seller with a copy of any report or survey prepared as a result of such surveying, inspection, examination, or testing, upon request by the Seller.

**9. DOCUMENTS TO BE DELIVERED AT CLOSING.** The Seller agrees to deliver the following documents to the Buyer at Closing:

- A. A duly recordable quit claim deed conveying fee simple title to the Property to the Buyer, free and clear of any mortgages, liens or encumbrances other than matters created by or acceptable to the Buyer.
- B. An affidavit from the Seller indicating that on the Closing Date there has been no skill, labor, or material furnished to the Property for which payment has not been made or for which mechanics' liens could be filed; and that there are not any unrecorded interests in the Property, together with whatever standard owner's affidavit and/or indemnity, which may be required by Title Company, sufficient to remove any exception in the Buyer's policy of title insurance for mechanics' and materialmen's liens and rights of parties in possession;
- C. Affidavit of the Seller confirming that the Seller is not a foreign person within the meaning of Section 1445 of the Internal Revenue Code;
- D. A completed Minnesota Well Disclosure Certificate or a statement that the Seller is not aware of any wells on the Property;
- E. Any notices, certificates, and affidavits regarding any private sewage systems, underground storage tanks, and environmental conditions as may be required by Minnesota statutes, rules, or ordinances;
- F. All other documents reasonably determined by the Buyer or the Title Company to be necessary to transfer the Property to the Buyer free and clear of all encumbrances except those which are permitted by the Buyer pursuant to Section 13 herein.

The Buyer agrees to deliver the following documents to the Seller at closing:

- A. Executed easements in favor of the Seller for sanitary sewer and water purposes for the sanitary sewer and water mains that currently transverse the Property.

**10. CLOSING COSTS AND RELATED ITEMS.** The Buyer shall be responsible for paying the state deed tax, the title search and examination fees, the title commitment fee, and any recording charges necessary to make title to the Property marketable. The Buyer shall also be

responsible for paying the recording charges in connection with recording the quit claim deed, the costs of any reports for any testing/examination/inspections of the Property ordered by the Buyer, and the cost of the title insurance premium and endorsements, if any. The Buyer shall pay the closing fees charged by the Title Company. Each party shall be responsible for paying its own attorneys' fees.

**11. REAL ESTATE TAXES AND SPECIAL ASSESSMENTS.**

- A. The 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. Real estate taxes for the year of closing shall be prorated between the Buyer and the Seller as of the Closing Date.
- B. The Seller shall pay all special assessments levied and constituting a lien against the Property as of the Closing Date, including, without limitation, special assessments certified for payment with the real estate taxes, any installments of special assessments, including interest payable with general real estate taxes in the year of Closing, and all deferred assessments. The Buyer shall assume payment of any special assessments that are pending and levied against the Property as of the Closing Date.

**12. TITLE EXAMINATION.** The Buyer's examination of title to the Property shall be conducted as follows: as soon as reasonably practicable after the execution of this Purchase Agreement by both parties, the Buyer shall purchase a title commitment. The Buyer shall have 10 days from the date it receives such title evidence to raise any objections to title. The Buyer must raise its objections to the Seller in writing. Objections not made within such time will be deemed waived. The Seller may affect a cure satisfactory to the Buyer or may give written notice to the Buyer that the Seller elects not to cure. The Buyer may then elect to close notwithstanding the uncured objections or may declare this Purchase Agreement null and void and the parties will thereby be released from any further obligation hereunder.

If the Buyer chooses to close either after it waives its objections to title or elects to close after the Seller cures any objections or notwithstanding the Seller's refusal to cure such objections, the Buyer shall provide a letter to the Seller at closing confirming its comfort with the condition of title.

**13. POSSESSION/CONDITION OF THE PROPERTY.** The Seller has delivered possession of the Property in an AS IS condition, without representation or warranty on the part of the Seller as to any aspect of the Property.

**14. REPRESENTATIONS AND WARRANTIES BY THE SELLER.** The Seller hereby represents and warrants to the Buyer as of the Closing Date that:

- A. Authority. The Seller is a Minnesota Government Corporation, duly created under and subject to the laws of Minnesota; the Seller has the requisite power and authority to enter into and perform this Purchase Agreement and those closing documents signed by it.

- B. Legal Proceedings. There is no action, litigation, investigation, condemnation or proceeding of any kind pending or, to the best of the Seller's knowledge without investigation, threatened against the Seller or any portion of the Property, and the Seller has no actual knowledge that any such action is contemplated.
- C. Wells. There are not any wells located on the Property.
- D. Individual Sewage Treatment Systems. There are not any individual sewage treatment systems located on the Property.
- E. Methamphetamine Production. To the best of the Seller's knowledge, methamphetamine production has not occurred on the Property.
- F. Foreign Status. The Seller is not a "foreign person" as such term is defined in the Internal Revenue Code.
- G. Eminent Domain. To the best knowledge of the Seller, there is no existing or 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.
- H. Utility Connections. The Property is able to be connected to the City's sanitary sewer and water system. The Buyer will be responsible for payment of the costs associated with connecting the buildings on the Property to the City's water and sanitary sewer systems, including but not limited to, contractor fees, water and sanitary sewer availability charges, and connection charges.
- I. Utility Easements. There are City water and sanitary sewer lines that run through the Property. The Buyer agrees to execute easements at closing in favor of the City in order to allow the City to maintain the water and sanitary sewer lines in their present locations.

15. **"AS IS, WHERE IS."** The Buyer acknowledges that it has inspected or has had the opportunity to inspect the Property and agrees 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 (except for the representations and warranties in Section 14 herein), made by the Seller or any official, employee or agent of the Seller 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 Buyer acknowledges and agrees that the Seller 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 Seller hereby expressly disclaims, except as provided in Section 14 above.

**16. ENVIRONMENTAL.** The Buyer shall conduct any and all testing and inspections necessary to become comfortable with the environmental condition of the Property prior to closing. The Buyer shall hold harmless, indemnify, and defend Seller against all claims for damages arising from the presence of Hazardous Building Materials or releases of Hazardous Substances on the Property. For the purposes of this section, "Hazardous Substances" means any product, substance or waste whose presence, use storage, manufacture, disposal, transportation or release, either by itself or in combination with other materials (i) is potentially injurious to the public health, safety or welfare, or the environment, (ii) is regulated under any Environmental Law or by any government entity, or (iii) is a basis for liability or potential liability to any governmental agency or third party under any Environmental Law. Hazardous Substances includes, without limitation, hazardous wastes, solid wastes, demolition materials, petroleum or petroleum products or fractions thereof, asbestos and asbestos-containing materials, polychlorinated biphenyls, toxic molds, pesticides, and other hazardous or toxic substances, pollutants and contaminants. The term "Environmental Law" means all applicable federal, state or local laws, statutes, common law rulings, ordinances, rules, regulations and agency guidance documents relating to pollution, protection of the environment or the generation, manufacture, disposal, treatment, release, use of or exposure to chemical or hazardous substances, as in effect on the date hereof, including without limitation the Minnesota Environmental Response and Liability Act, the federal Comprehensive Environmental Response, Compensation and Liability Act, the Resource Conservation and Recovery Act, the Clean Water Act, the Toxic Substances Control Act, the Clean Air Act, and Occupational Safety and Health Act, all as amended, and regulations promulgated thereunder. The term "Hazardous Building Materials" means Hazardous Substances contained in building materials and fixtures within the buildings and structures now located on the Property. The indemnities and assumptions of liabilities provided in this section shall continue in full force and effect notwithstanding the termination of this Agreement, whether by expiration of time, by operation of law, or otherwise.

**17. CONDEMNATION.** If, prior to the Closing, eminent domain proceedings are commenced against all or any part of the Property, the Seller shall immediately give notice to the Buyer of such fact and at the Buyer's option (to be exercised within 15 days after the Seller's notice), this Agreement shall terminate, in which event neither party will have further obligations under this Agreement. If the Buyer fails to give such notice, then there shall be no reduction in the Purchase Price, and the Seller shall assign to the Buyer at the Closing all of the Seller's right, title and interest in and to any award made or to be made in the condemnation proceedings. Prior to the Closing, the Seller shall not designate counsel, appear in, or otherwise act with respect to the condemnation proceedings without the Buyer's prior written consent.

**18. BROKER COMMISSIONS.** The Seller and Buyer represent and warrant to each other that there is no broker involved in this transaction with whom it has negotiated or to whom it has agreed to pay a broker commission. The Buyer agrees to indemnify the 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 the Buyer, and the Seller agrees to indemnify the 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 the Seller.

**19. REMEDIES.** If the Buyer or the Seller defaults in any of the agreements herein, the non-defaulting party may (i) terminate this Purchase Agreement, (ii) seek actual damages for breach of this Purchase Agreement or (iii) seek specific performance of this Purchase Agreement; provided that any action for specific enforcement must be brought within six months after the date of the alleged breach.

**20. AMENDMENT AND MODIFICATION.** No amendment, modification or waiver of any condition, provision or term of this Purchase 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.

**21. NOTICES.** Any notice, demand, request or other communication which may or shall be given or served by the Seller on the Buyer or by the Buyer on the Seller, shall be deemed has been given or served on the date the same is hand delivered or the date of receipt or the date of delivery if deposited in the United States mail, registered or certified, postage prepaid, and addressed as follows:

If to the Seller:                      Executive Director  
   Virginia-Eveleth Economic Development Authority  
   City of Virginia  
   327 1<sup>st</sup> Street South  
   Virginia, MN 55792

If to the Buyer:                        Superintendent  
   Independent School District No. 2909, Rock Ridge Public  
   Schools  
   411 5<sup>th</sup> Avenue South  
   Virginia, MN 55792

With a copy to:                        City Administrator  
   City of Virginia  
   327 1<sup>st</sup> Street South  
   Virginia, MN 55792

With a copy to:                        City Administrator  
   City of Eveleth  
   413 Pierce Street  
   Eveleth, MN 55734

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

**22. NO PARTNERSHIP OR JOINT VENTURE.** Nothing in this Purchase Agreement shall be construed or interpreted as creating a partnership or joint venture between the Seller and the Buyer relative to the Property.

**23. 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.

**24. ENTIRE AGREEMENT.** This Purchase Agreement constitutes the entire agreement between the parties and no other agreement prior to this Purchase Agreement or contemporaneous herewith shall be effective except as expressly set forth or incorporated herein.

**25. BINDING EFFECT.** This Agreement binds and benefits the parties and their successors and assigns.

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

IN WITNESS WHEREOF, the parties have executed this Purchase Agreement as of the Effective Date written above.

**SELLER — EVELETH-VIRGINIA  
ECONOMIC DEVELOPMENT  
AUTHORITY**

By: George Walters  
George Walters  
Its: President

By: Julianne Paulsen  
Julianne Paulsen  
Its: Secretary-Treasurer

**BUYER — INDEPENDENT SCHOOL  
DISTRICT NO. 2909, ROCK RIDGE  
PUBLIC SCHOOLS**

By: \_\_\_\_\_

Its: \_\_\_\_\_

By: \_\_\_\_\_

Its: \_\_\_\_\_

## EXHIBIT A

### Legal Description of the Property

Tract A RLS #148 Except minerals.

Part of NE 1/4 of SE 1/4 and the N 1/2 of NW 1/4 of SE 1/4 Section 29 Township 58 Range 17 are TOGETHER WITH the nonexclusive roadway, watermain and sewer easement dated October 4, 2004, recorded in the office of the County Recorder as document no. 1282730. Part of NE 1/4 of SE 1/4 Section 29 Township 58 Range 17 is SUBJECT to pledge assignment dated February 13, 1989, recorded in the office of the County Recorder as document no. 470547. Part of NE 1/4 of SE 1/4 Section 29 Township 58 Range 17 is SUBJECT to covenants and release set forth in the warranty deed dated June 21, 1996, recorded in the office of the County Recorder as document no. 672471 running in favor of United Taconite LLC, a Delaware limited liability company, as successor to certain interests of the grantor. Part of the E 1/2 of SE 1/4 is SUBJECT to bill of sale dated July 1, 2001, running in favor of Eveleth Mines LLC, recorded in the office of the County Recorder as document no. 846188.

-and-

Tract G RLS #148 Except minerals.

SE 1/4 of NE 1/4 of Section 29 Township 58 Range 17 is SUBJECT to mineral rights reserved by the State of Minnesota in deed recorded as microfilm document no. 205 in the office of the Register of Deeds. Part of NE 1/4 of SE 1/4 Section 29 Township 58 Range 17 is TOGETHER WITH the nonexclusive roadway, watermain and sewer easement dated October 4, 2004, recorded in the office of the County Recorder as document no. 1282730. Part of E 1/2 of SE 1/4 is SUBJECT to a 66-foot wide permanent easement for road purposes recorded in the office of the County Recorder as document no. 783953, which easement encumbers and is appurtenant to the land conveyed by deed recorded in the office of the County Recorder as document no. 936168, running in favor of Spectrum Housing with Services, LLC, a limited liability company under the laws of the State of Minnesota. Part of NE 1/4 of SE 1/4 Section 29 Township 58 Range 17 is SUBJECT to pledge assignment dated February 13, 1989, recorded in the office of the County Recorder as document no. 470547. Part of NE 1/4 of SE 1/4 Section 29 Township 58 Range 17 is SUBJECT to covenants and release set forth in the warranty deed dated June 21, 1996, recorded in the office of the County Recorder as document no. 672471 running in favor of United Taconite LLC, a Delaware limited liability company, as successor to certain interests of the grantor. Part of the E 1/2 of SE 1/4 is SUBJECT to bill of sale dated July 1, 2001, running in favor of Eveleth Mines LLC, recorded in the office of the County Recorder as document no. 846188.