



**ROCK RIDGE PUBLIC SCHOOLS
411 SOUTH 5TH AVENUE
VIRGINIA MN 55792**

**Working Session
Monday, March 15, 2021 at 5:00 PM
Spectrum Health Building, 1405 Progress Parkway, Virginia, MN
55792**

AGENDA

1. Discuss the roles and responsibilities of the school board regarding purchase offers on school properties.

2

AGREEMENT REGARDING SCHOOL DISTRICT PROPERTY

This Agreement (the "Agreement") is made this sun day of May, 2020, by and between the City of Eveleth, a Minnesota municipal corporation (the "City") and Independent School District No. 2154, Eveleth-Gilbert Public Schools, a Minnesota body corporate and politic ("ISD 2154"), or its successor:

RECITALS

WHEREAS, ISD 2154 will no longer be in need of the property containing its old elementary and high school campus, which is located at: 801 Jones Street, Eveleth, Minnesota, and is legally described on the attached Exhibit A (the "ISD 2154 Property"); and

WHEREAS, the City and ISD 2154 wish to enter into this Agreement governing the future use and sale of the ISD 2154 Property; and

NOW, THEREFORE, on the basis of the mutual covenants and agreements hereinafter provided, it is hereby agreed by and between the parties hereto as follows:

1. ISD 2154 shall market the ISD 2154 Property for sale for a two-year period of time commencing on the date of the ISD 2154 or its successor vacating the ISD 2154 Property and ending two years from the date that ISD 2154 vacates the ISD 2154 Property (the "Marketing Period"). Upon vacating the ISD 2154 Property, ISD 2154 shall inform the City in writing. ISD 2154 agrees to grant the City a right of first refusal to purchase the ISD 2154 Property during the Marketing Period. Said form of right of first refusal is attached to this Agreement as Exhibit B (the "Right of First Refusal"). It shall be executed by the City and ISD 2154 prior to the commencement of the Marketing Period.

2. In the event that the City does not wish to exercise its right to purchase the ISD 2154 Property under the Right of First Refusal, ISD 2154 agrees that it will not convey the ISD 2154 Property to a prospective buyer during the Marketing Period if the City determines, for reasonable cause, which shall not be unreasonably withheld, that the proposed purchaser's proposed use of the ISD 2154 Property is not acceptable to the City.

3. In the event that ISD 2154 has not conveyed the ISD 2154 Property to a third party during the Marketing Period, ISD 2154 agrees that it will demolish the existing buildings and improvements on the ISD 2154 Property at its sole cost. Said demolition shall occur no later than December 25, 2025. The City may opt to retain a portion or portions of the buildings or improvements. The City shall notify ISD 2154 in writing with regards to what portion or portions of the buildings or improvements that it would like to retain prior to the demolition.

4. In the event that the ISD 2154 Property is not conveyed to a third party and the building and improvements are demolished by ISD 2154, ISD 2154 shall notify the City in writing within 30 days of the completion of the demolition. The City shall then have the exclusive option to purchase the ISD 2154 Property for fair market value for a period of 60 days. The City shall notify ISD 2154 in writing of its intent to exercise its option to purchase the ISD 2154 Property. In the event

that the City exercises its option to purchase the ISD 2154 Property, the parties shall enter into a purchase agreement.

5. ISD 2154 and the City shall split the costs incurred by the City with respect to the drafting and negotiating of this Agreement and the Right of First Refusal.

6. ISD 2154 and the City shall split any survey costs associated with this Agreement.

7. Any notice, demand, request or other communication which may or shall be given or served by the parties, 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 City: Jackie Monahan-Junek
Attn: City Administrator
City of Eveleth
413 Pierce Street
Eveleth, MN 55734-1538

With a copy to: Sarah Sonsalla
Kennedy & Graven, Chartered
470 U.S. Bank Plaza
200 South Sixth Street
Minneapolis, MN 55402

If to ISD 2154: Eveleth-Gilbert Public Schools
Independent School District No. 2154
Attn: Superintendent
801 Jones Street
Eveleth, MN 55734

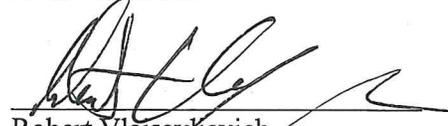
or such other address as either party may give to another party in accordance with this Section.

8. This Agreement shall be binding on the parties and their successors and assigns.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year written above.

CITY OF EVELETH

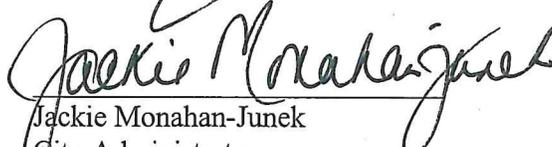
By:


Robert Vlasychevich

Its:

Mayor

By:

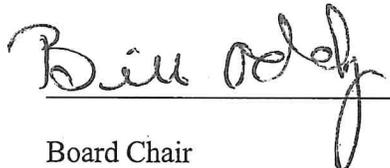

Jackie Monahan-Junek

Its:

City Administrator

**INDEPENDENT SCHOOL DISTRICT
NO. 2154, EVELETH-GILBERT PUBLIC
SCHOOLS**

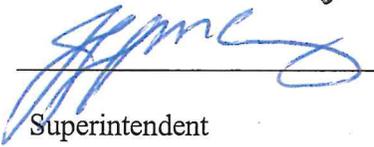
By:


Bill Odey

Its:

Board Chair

By:


Superintendent

Its:

Superintendent

EXHIBIT A

Legal Description of the ISD 2154 Property

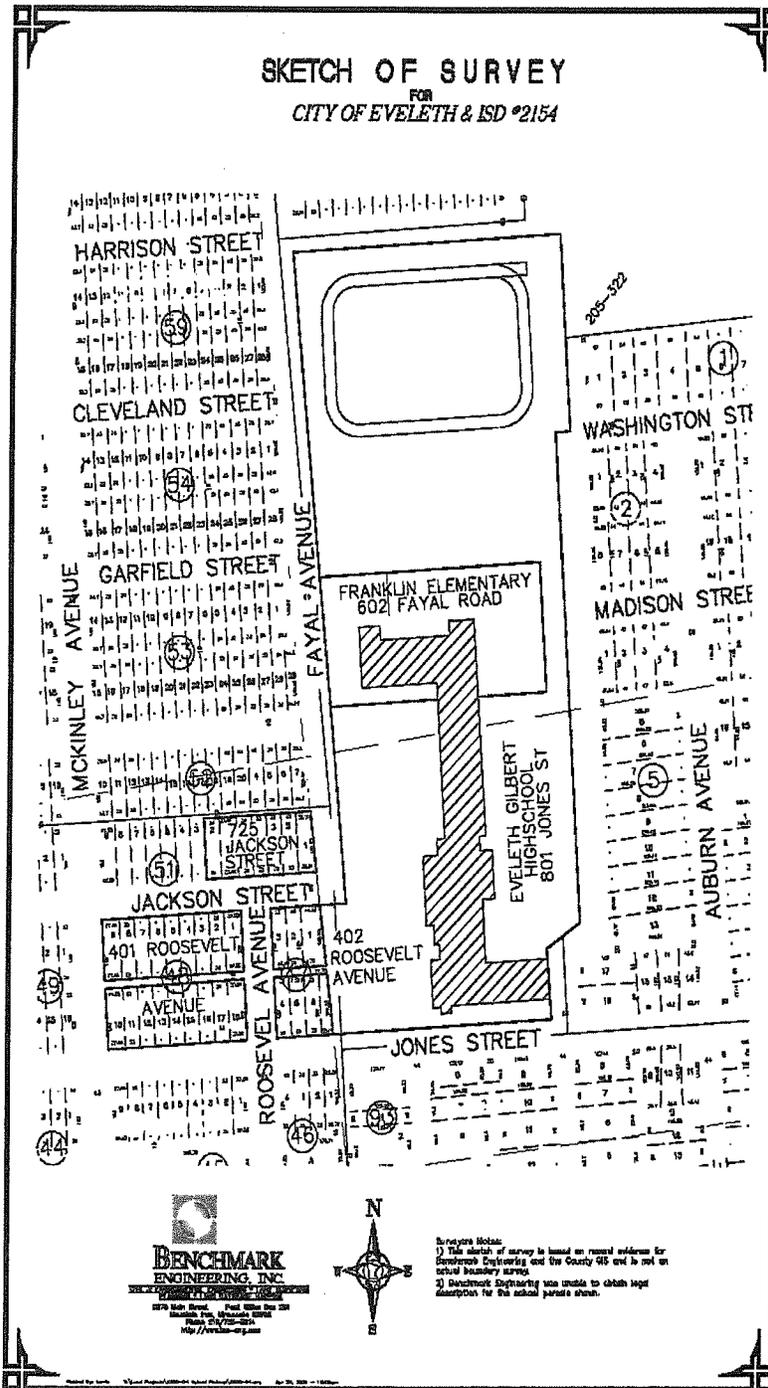


EXHIBIT A

Legal Description of the ISD 2154 Property

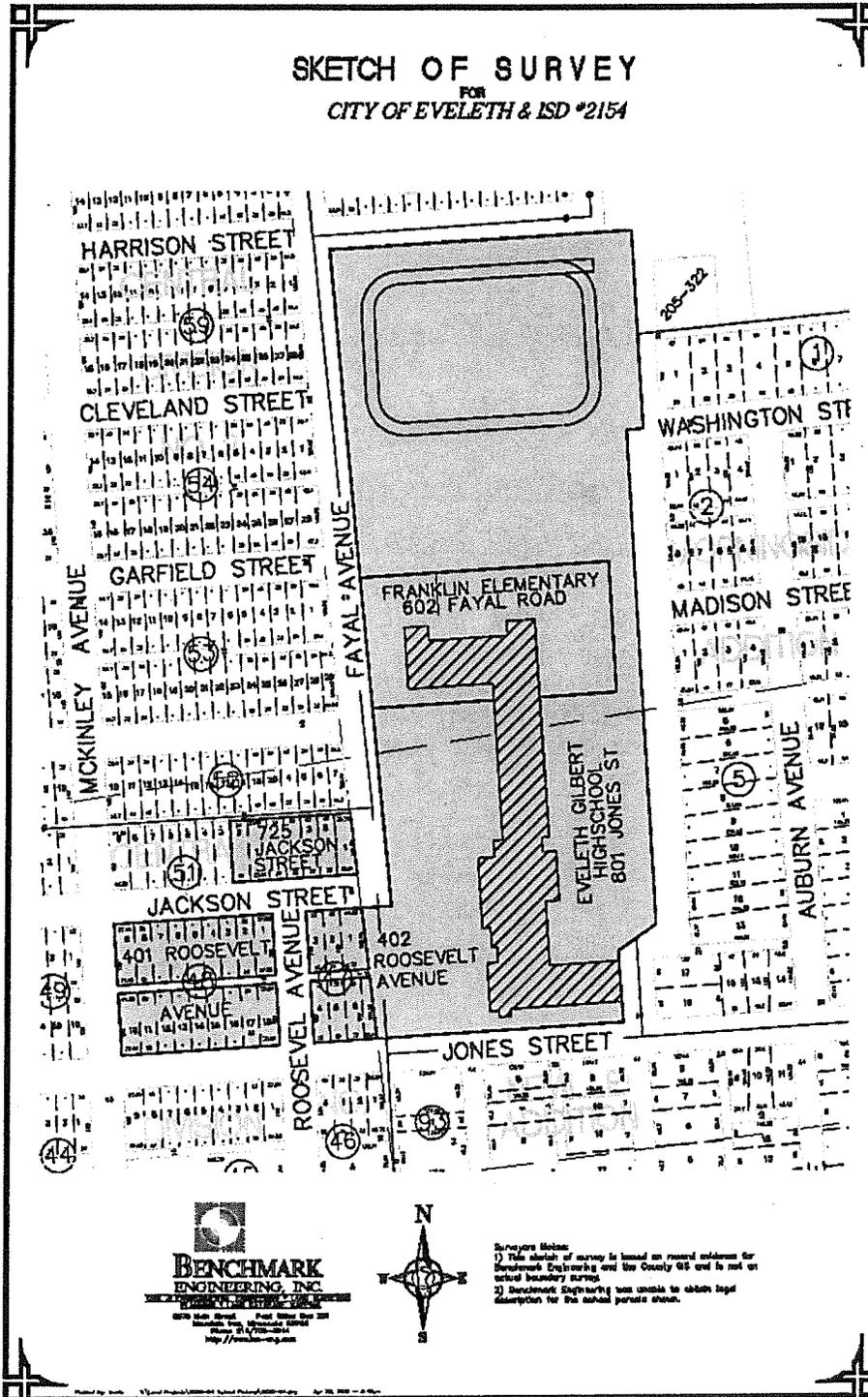


EXHIBIT B

Form of Right of First Refusal

RIGHT OF FIRST REFUSAL

THIS RIGHT OF FIRST REFUSAL (the "Agreement") is given as of this _____ day of _____, 2020 (the "Effective Date"), by Independent School District No. 2154, Eveleth-Gilbert Public Schools, a Minnesota body corporate and politic, or its successor, (the "Owner"), to the City of Eveleth (the "City").

1. The Owner is the fee owner of certain real property which is legal described on Exhibit A attached hereto (the "Property"). For valuable consideration, the Owner and the City have agreed to enter into this Agreement concerning the Property.

2. Grant; Description of Property. For valuable consideration, and subject to the conditions set forth below, the Owner hereby grants to the City the right of first refusal with respect to any sale of the Property pursuant to the provisions of this Agreement.

3. Notice of Acceptable Offer. If the Owner receives a bona fide offer to purchase, sell, transfer, or convey all or a portion of the Property from a third party (the "Third Party Offer") that it wishes to accept, the Owner agrees that it shall not sell, transfer, or convey the Property pursuant to or in connection with the Third Party Offer without first offering the City the first right to acquire the Property pursuant to the terms of this Agreement. The Owner shall provide written notice to the City of the Third Party Offer within 10 days of the Owner's receipt of the Third Party Offer, which notice shall include a complete copy of the Third Party Offer.

4. Exercise by the City. The City shall then have 30 days after receipt of said notice to accept the terms of the Third Party Offer by sending written notice of such acceptance to the Owner. In the event the City accepts the terms of the Third Party Offer, the City and the Owner shall close the sale and purchase of the Property pursuant to all of the terms and conditions of the Third Party Offer, except that no closing shall be required of the City sooner than 60 days after acceptance by the City of the Third Party Offer. In the event the City refuses to accept the terms of the Third Party Offer (which refusal shall be conclusively established by the City's failure to accept in accordance with the terms of this Paragraph), the Owner shall be entitled to sell, transfer, or convey the Property (or the specified portion thereof) pursuant to the terms of the Third Party Offer. Any deviation of the terms and conditions of the sale, transfer, or conveyance to the third party from the terms and conditions of the Third Party Offer shall require a new notice by the Owner to the City and shall entitle the City to a new right of first refusal on the terms of the modified or altered Third Party Offer.

5. Waiver by the City. If the City does not notify the Owner within the 30 day period described in Section 4 of the City's election to purchase the Property, the Owner shall be free to sell the Property to the person who submitted the Third Party Offer (or to such person's permitted assigns) on the terms specified therein, and the City shall upon request execute and deliver an instrument in recordable form appropriate to evidence the City's relinquishment of its rights under this Agreement with respect to such transaction. Notwithstanding any such relinquishment, the City's rights under this Agreement shall remain in effect with respect to any part of the Property not covered by the Third Party Offer, and, if the transaction contemplated by the Third Party Offer fails for any reason to close, with respect to any subsequent offer to purchase all or any part of the Property covered by such Third Party Offer.

6. Term. This Agreement shall commence on the date hereof and terminate on the earlier of: (i) _____; and (ii) upon sale of all of the Property pursuant to the terms of an Third Party Offer for which the City has been provided notice and has not exercised its right to purchase the Property in accordance with the provisions of this Agreement. Notwithstanding the foregoing, for any portion of the Property that is sold pursuant to a Third Party Offer, this Agreement shall terminate with respect to such portion of Property on the day following the end of the 30 day period described in Section 4 if the City does not notify the Owner of its election to purchase such portion of the Property.

7. Notices. Any notice required or permitted to be given under this Agreement shall be in writing and shall be deemed given upon personal delivery or on the second business day after mailing by registered or certified United States mail, postage prepaid, to the appropriate party at its address stated below:

If to the City: City of Eveleth
 413 Pierce Street
 Eveleth, Minnesota 55374-1538
 Attn: City Administrator

To Owner: Eveleth-Gilbert Public Schools
 Independent School District No. 2154
 801 Jones Street
 Eveleth, MN 55734
 Attn: Superintendent

Either party may change its address for notices by notice to the other party as provided above.

8. Binding Effect and Transferability. The provisions of this Agreement shall bind and benefit the Owner and the City and their respective successors and assigns.

9. Miscellaneous. This Agreement may be executed in counterparts, all of which shall constitute an original of this Agreement. This Agreement may be recorded by the City with the St. Louis County Recorder's Office and/or St. Louis County Registrar of Titles' Office. All disputes related to this Agreement shall be governed by Minnesota law without application to its internal choice of law statutes or doctrines. All actions commenced relating to this Agreement shall only be brought before the courts located in St. Louis County, Minnesota. In any action to enforce the terms

of this Agreement, the prevailing party shall be entitled to an award of all its reasonably expended costs and attorneys' fees, including appeal and collection costs and fees. The Owner shall execute and deliver to the City all documents reasonably necessary to record this Agreement or to otherwise evidence the City's rights as contained herein.

(The remainder of this page is intentionally left blank.)

Execution page of the City to this Right of First Refusal Agreement, dated as of the date and year first above written.

CITY OF EVELETH

By: _____
Robert Vlasisavljevich

Its: Mayor

By: _____
Jackie Monahan-Junek

Its: City Administrator

STATE OF MINNESOTA)
)
COUNTY OF ST. LOUIS)

The foregoing instrument was acknowledged before me this ____ day of _____, 2020, by Robert Vlasisavljevich and Jackie Monahan-Junek, the Mayor and City Administrator, respectively, of the City of Eveleth, a Minnesota municipal corporation, on behalf of the City.

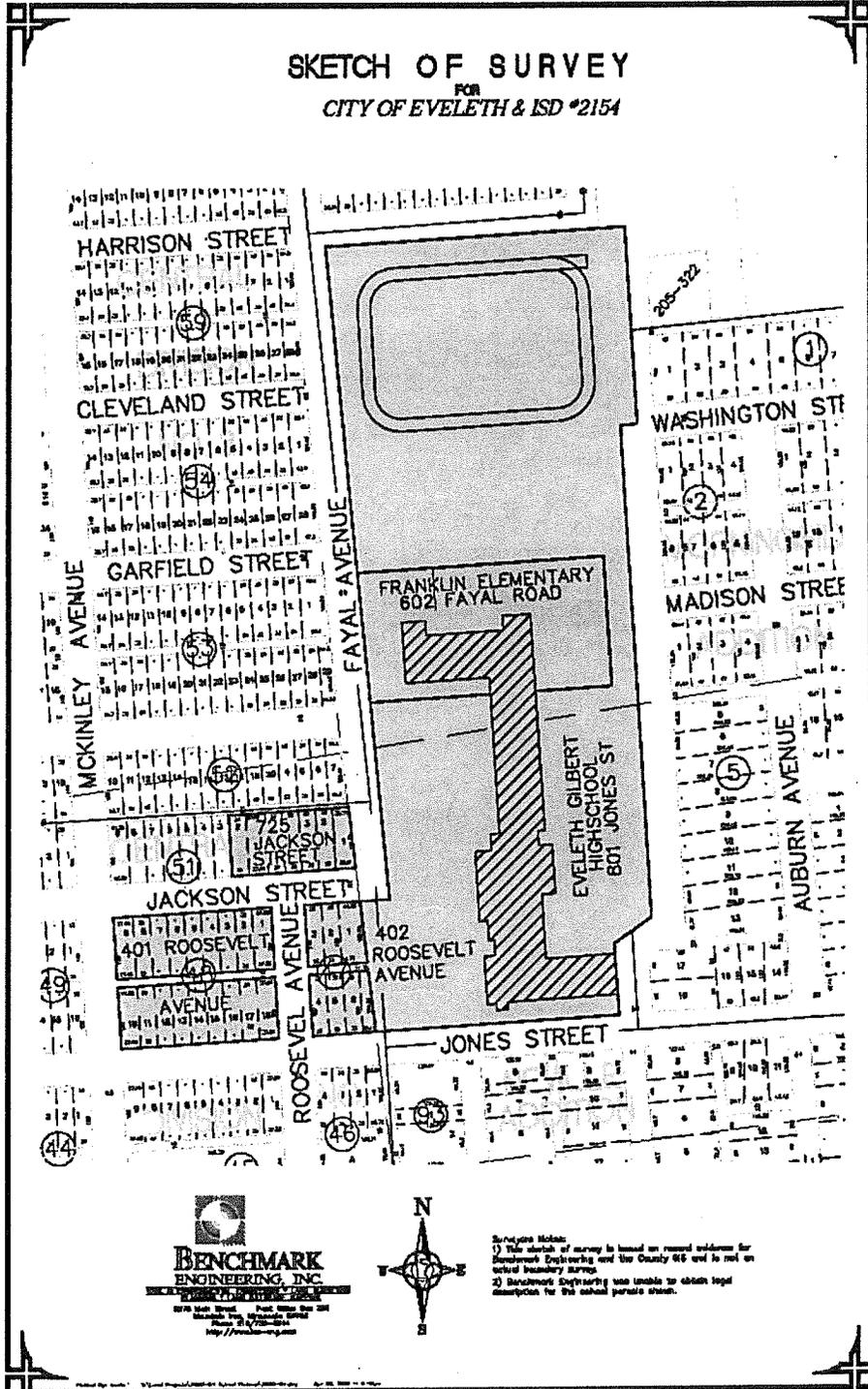
Notary Public

THIS INSTRUMENT WAS DRAFTED BY:

Kennedy & Graven, Chartered (SJS)
470 U.S. Bank Plaza
200 South Sixth Street
Minneapolis, MN 55402
(612) 337-9300

EXHIBIT A

LEGAL DESCRIPTION OF THE PROPERTY



FIRST AMENDMENT TO AGREEMENT REGARDING SCHOOL DISTRICT PROPERTY

This First Amendment to Agreement Regarding School District Property (this "Amendment") is made this 4th day of May, 2020 (the "Effective Date"), by and between the City of Eveleth, a Minnesota municipal corporation (the "City") and Independent School District No. 2154, Eveleth-Gilbert Public Schools, a Minnesota body corporate and politic ("ISD 2154"), or its successor.

RECITALS

WHEREAS, the City and ISD 2154 entered into that certain Agreement Regarding School District Property dated May 5, 2020 (the "Agreement"); and

WHEREAS, the City and ISD 2154 have agreed to further amend and modify the terms and conditions of the Agreement as hereinafter set forth; and

NOW, THEREFORE, in consideration of the premises and mutual covenants in this Amendment and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

AMENDMENTS

1. Exhibit A (the "ISD 2154 Property") of the Agreement shall be amended to include all currently vacant and occupied buildings and land of ISD 2154 located in the City of Eveleth, Minnesota.
2. Paragraph 1 of the Agreement is hereby deleted in its entirety and replaced with the following provisions:
 1. ISD 2154 or its successor shall market the ISD 2154 Property for sale effective May 5, 2020 and ending two years from the date that ISD 2154 vacates the ISD 2154 Property (the "Marketing Period"). Upon vacating the ISD 2154 Property, ISD 2154 shall inform the City in writing. ISD 2154 agrees to grant the City a right of first refusal to purchase the ISD 2154 Property during the Marketing Period. Said form of right of first refusal is attached to this Agreement as Exhibit B (the "Right of First Refusal"). It shall be executed by the City and ISD 2154 prior to the commencement of the Marketing Period. ISD 2154 shall ensure that any third party offer that it receives during the Marketing Period includes the following information from the third party purchaser:
 - A. A detailed plan of the intended use of the building and land;
 - B. A financial plan to complete the proposed plan;
 - C. Evidence of the source of funding for the development and improvement of the ISD 2154 Property;
 - D. A schedule of the date of commencement of the improvements and projected date of completion;
 - E. A statement of the minimum tax value of the proposed improvements; and

F. Acknowledgement that the third party purchaser must enter into a development agreement with ISD 2154 and the City that addresses all of the above issues to the satisfaction of ISD 2154 and the City.

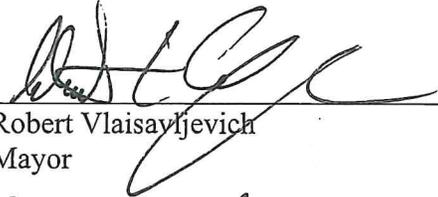
3. Wherever there is a conflict between the provisions contained in the Agreement, the provisions this Amendment shall control. Except as expressly amended, supplemented or modified by this Amendment, the Agreement shall continue in full force and effect. All capitalized terms contained in this Amendment, unless specifically defined herein, shall have the meaning ascribed to them in the Agreement. This Amendment shall bind and inure to the benefit of the parties hereto and their respective successors and assigns

4. This Amendment may be executed in any number of identical counterparts, any or all of which may contain the signatures of less than all of the parties, and all of which shall be construed together as a single instrument. For purposes of this Amendment, signatures by facsimile or .pdf shall be binding to the same extent as original signatures.

(The remainder of this page is intentionally left blank.)

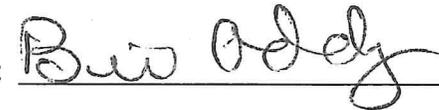
IN WITNESS WHEREOF, the parties have executed this Amendment as of the day and year written above.

CITY OF EVELETH

By: 
Robert Vlasyavljevich
Its: Mayor

By: 
Jackie Monahan-Junek
Its: City Administrator

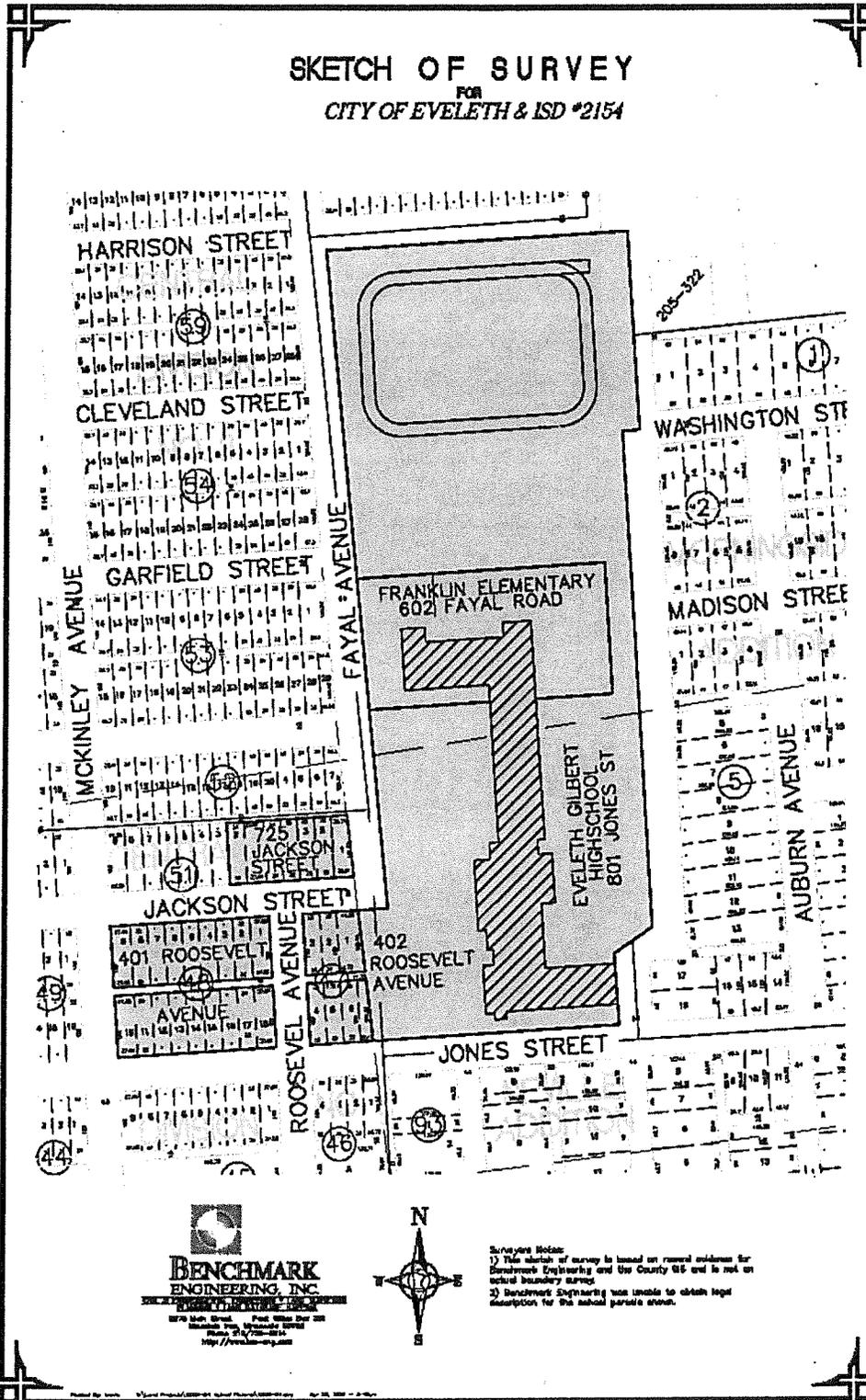
**INDEPENDENT SCHOOL DISTRICT
NO. 2154, EVELETH-GILBERT PUBLIC
SCHOOLS**

By: 
Bill Oddy
Its: Board Chair

By: 
Its: Superintendent

EXHIBIT A

SKETCH OF SURVEY
FOR
CITY OF EVELETH & ISD #2154



RIGHT OF FIRST REFUSAL

THIS RIGHT OF FIRST REFUSAL (the "Agreement") is given as of this 5th day of May, 2020 (the "Effective Date"), by Independent School District No. 2154, Eveleth-Gilbert Public Schools, a Minnesota body corporate and politic, or its successor, (the "Owner"), to the City of Eveleth (the "City").

1. The Owner is the fee owner of certain real property which is legal described on Exhibit A attached hereto (the "Property"). For valuable consideration, the Owner and the City have agreed to enter into this Agreement concerning the Property.

2. Grant; Description of Property. For valuable consideration, and subject to the conditions set forth below, the Owner hereby grants to the City the right of first refusal with respect to any sale of the Property pursuant to the provisions of this Agreement.

3. Notice of Acceptable Offer. If the Owner receives a bona fide offer to purchase, sell, transfer, or convey all or a portion of the Property from a third party (the "Third Party Offer") that it wishes to accept, the Owner agrees that it shall not sell, transfer, or convey the Property pursuant to or in connection with the Third Party Offer without first offering the City the first right to acquire the Property pursuant to the terms of this Agreement. The Owner shall provide written notice to the City of the Third Party Offer within 10 days of the Owner's receipt of the Third Party Offer, which notice shall include a complete copy of the Third Party Offer.

4. Exercise by the City. The City shall then have 30 days after receipt of said notice to accept the terms of the Third Party Offer by sending written notice of such acceptance to the Owner. In the event the City accepts the terms of the Third Party Offer, the City and the Owner shall close the sale and purchase of the Property pursuant to all of the terms and conditions of the Third Party Offer, except that no closing shall be required of the City sooner than 60 days after acceptance by the City of the Third Party Offer. In the event the City refuses to accept the terms of the Third Party Offer (which refusal shall be conclusively established by the City's failure to accept in accordance with the terms of this Paragraph), the Owner shall be entitled to sell, transfer, or convey the Property (or the specified portion thereof) pursuant to the terms of the Third Party Offer. Any deviation of the terms and conditions of the sale, transfer, or conveyance to the third party from the terms and conditions of

the Third Party Offer shall require a new notice by the Owner to the City and shall entitle the City to a new right of first refusal on the terms of the modified or altered Third Party Offer.

5. Waiver by the City. If the City does not notify the Owner within the 30 day period described in Section 4 of the City's election to purchase the Property, the Owner shall be free to sell the Property to the person who submitted the Third Party Offer (or to such person's permitted assigns) on the terms specified therein, and the City shall upon request execute and deliver an instrument in recordable form appropriate to evidence the City's relinquishment of its rights under this Agreement with respect to such transaction. Notwithstanding any such relinquishment, the City's rights under this Agreement shall remain in effect with respect to any part of the Property not covered by the Third Party Offer, and, if the transaction contemplated by the Third Party Offer fails for any reason to close, with respect to any subsequent offer to purchase all or any part of the Property covered by such Third Party Offer.

6. Term. This Agreement shall commence on the date hereof and terminate on the earlier of: (i) _____; and (ii) upon sale of all of the Property pursuant to the terms of an Third Party Offer for which the City has been provided notice and has not exercised its right to purchase the Property in accordance with the provisions of this Agreement. Notwithstanding the foregoing, for any portion of the Property that is sold pursuant to a Third Party Offer, this Agreement shall terminate with respect to such portion of Property on the day following the end of the 30 day period described in Section 4 if the City does not notify the Owner of its election to purchase such portion of the Property.

7. Notices. Any notice required or permitted to be given under this Agreement shall be in writing and shall be deemed given upon personal delivery or on the second business day after mailing by registered or certified United States mail, postage prepaid, to the appropriate party at its address stated below:

If to the City: City of Eveleth
 413 Pierce Street
 Eveleth, Minnesota 55374-1538
 Attn: City Administrator

To Owner: Eveleth-Gilbert Public Schools
 Independent School District No. 2154
 801 Jones Street
 Eveleth, MN 55734
 Attn: Superintendent

Either party may change its address for notices by notice to the other party as provided above.

8. Binding Effect and Transferability. The provisions of this Agreement shall bind and benefit the Owner and the City and their respective successors and assigns.

9. Miscellaneous. This Agreement may be executed in counterparts, all of which shall constitute an original of this Agreement. This Agreement may be recorded by the City with the St.

Louis County Recorder's Office and/or St. Louis County Registrar of Titles' Office. All disputes related to this Agreement shall be governed by Minnesota law without application to its internal choice of law statutes or doctrines. All actions commenced relating to this Agreement shall only be brought before the courts located in St. Louis County, Minnesota. In any action to enforce the terms of this Agreement, the prevailing party shall be entitled to an award of all its reasonably expended costs and attorneys' fees, including appeal and collection costs and fees. The Owner shall execute and deliver to the City all documents reasonably necessary to record this Agreement or to otherwise evidence the City's rights as contained herein.

(The remainder of this page is intentionally left blank.)

IN WITNESS WHEREOF, the Owner has executed this Right of First Refusal Agreement on the date set forth in its acknowledgement, intending it to take effect as of the date first mentioned above.

**INDEPENDENT SCHOOL DISTRICT NO. 2154
EVELETH-GILBERT PUBLIC SCHOOLS**

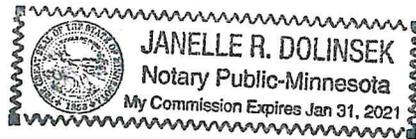
By: Bill Addy
Its: Board Chair

By: [Signature]
Its: Superintendent

STATE OF MINNESOTA)
) ss.
COUNTY OF ST. LOUIS)

The foregoing Agreement was acknowledged before me this 28th day of April, 2020, by William Addy and Jeff Carey, the Board Chair and Superintendent, respectively, of Independent School District No. 2154, Eveleth-Gilbert Public Schools, a Minnesota body corporate and politic, on behalf of the district.

[Signature]
Notary Public



Execution page of the City to this Right of First Refusal Agreement, dated as of the date and year first above written.

CITY OF EVELETH

By: [Signature]
Robert Vlasisavljevich

Its: Mayor

By: [Signature]
Jackie Monahan-Junek
Its: City Administrator

STATE OF MINNESOTA)
)
COUNTY OF ST. LOUIS)

The foregoing instrument was acknowledged before me this 12th day of May, 2020, by Robert Vlasisavljevich and Jackie Monahan-Junek, the Mayor and City Administrator, respectively, of the City of Eveleth, a Minnesota municipal corporation, on behalf of the City.

[Signature]
Notary Public

THIS INSTRUMENT WAS DRAFTED BY:

Kennedy & Graven, Chartered (SJS)
470 U.S. Bank Plaza
200 South Sixth Street
Minneapolis, MN 55402
(612) 337-9300

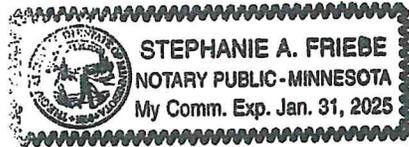
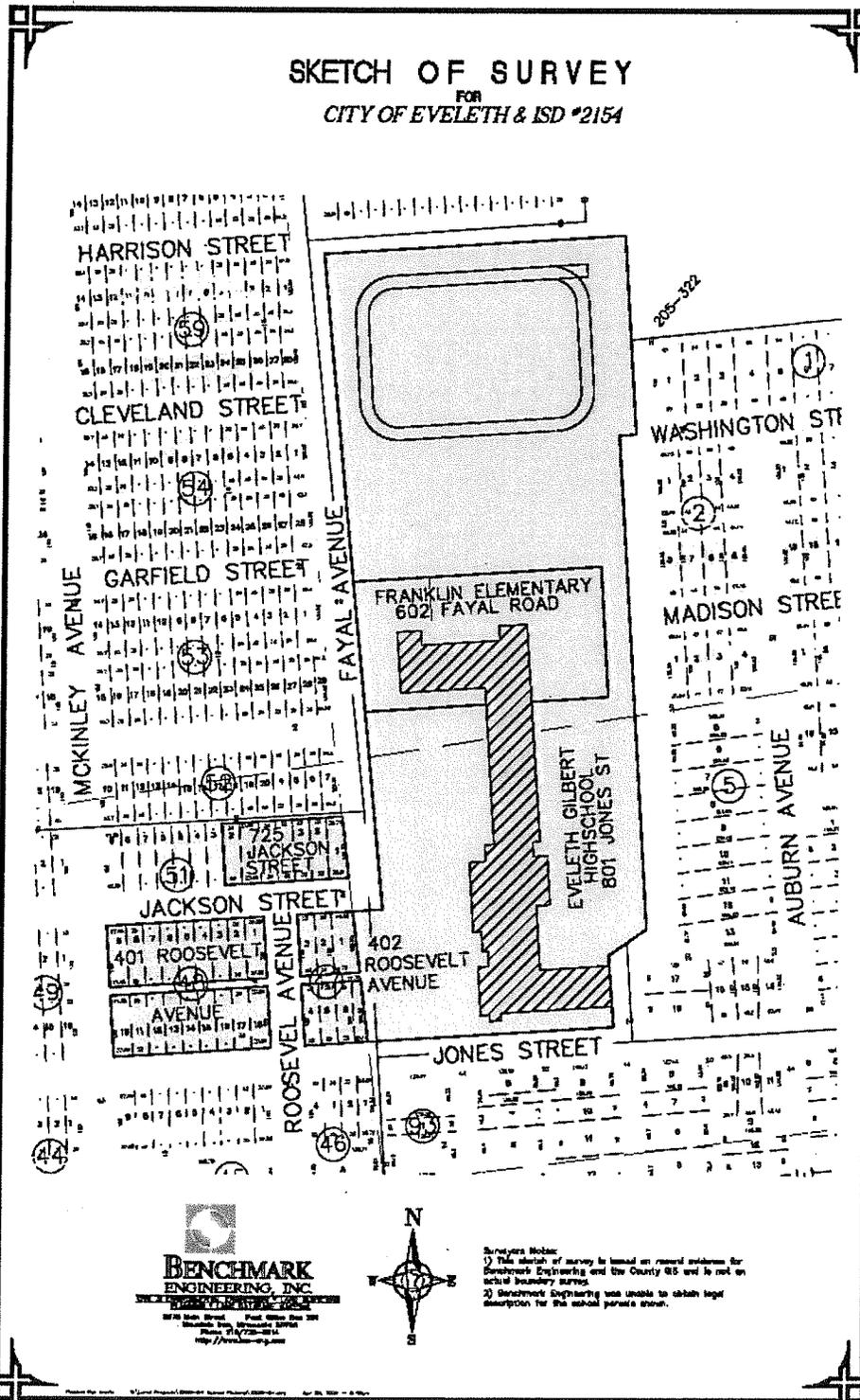


EXHIBIT A

LEGAL DESCRIPTION OF THE PROPERTY



Documents Needed for City of Eveleth Agreement

1. A detailed plan of the intended use of the building and land
2. A financial plan to complete the proposed plan
3. Evidence of the source of funding for the development and improvement of the property
4. A schedule of the date of commencement of the improvements and projected date of completion
5. A statement of the minimum tax value of the proposed improvements
6. Acknowledgement that the third party purchaser must enter into a development agreement with ISD and the City that addresses all of the above issues

To Whom It May Concern,

If selected to purchase the two properties located at 401 and 402 Roosevelt Ave, my plan is to turn the property at 401 into a single family residential home for myself and my family. The first purpose of the building at 402 would be to help facilitate in that conversion and remodel of 401 as a storage for materials and work area to prep the materials for the conversion. After the remodel is complete the plan is to turn the building at 402 into a future business endeavor which I am currently working out and planning.

Currently, I am serving in the United States Navy and will be until I retire. My plan is while I am actively serving, to remodel the entirety of the property at 401. Room by room, hallway by hallway, floor by floor. My goal which is my plan will be to use local resources, materials and local craftsman throughout the entire process. This process would be to first and foremost make the building at 401 completely weather proof by finding a local roofing company to fix and or replace the roof. The next process would be to repair the leaks in the basement walls along with repair and replace the floor that is damaged due to the cold in line with the Passive house requirements. All while using local tradesmen and businesses to do the work. Lastly, the repair and or replacement of windows from single pane to triple pane windows while keeping with the integrity of the architecture to keep the cold, snow, and rain out while keeping the warmth and integrity of the building in to conduct the work to restore and bring back to life this amazing building and part of the local history.

The conversion process would all begin by focusing on getting a local architect or local draftsman to assist in the creation of a plan (ie blue prints) to convert the building internally from a school house to a living and functioning single family residential home while maintaining the core concepts of what the building was originally built for. Once permits are approved for the internal conversion, the process to remove and or repair the interior walls, ceilings, and floors to meet the requirements under Passive House codes for an existing structure using the most modern processes and materials would begin.

Finances

The plan is to acquire a mortgage to cover the costs of the repair and replacement of the basic structure. Roof, windows, floors, walls, electrical, heating, HVAC, and plumbing. Coming directly out of my pocket would be to budget approximately \$20,000 a year, outside of the mortgage, for the finishing touches to the internal rooms, and the grounds.

I am local to the area and want to stay local. I may be serving the Nation and be far away but my family is still in the Eveleth/Virginia area and I want to invest in the area. I want to save this building by making it a part of my family so it can continue to be a part of the city of Eveleth.

Sincerely and with much HOPE,

Paul David-Lewis Lesemann

GSE1 (SW/AW) 13 Year Veteran of the United States Naval Services



COMMERCIAL PURCHASE AGREEMENT

This form approved by the Minnesota Association of REALTORS® and the Minnesota Commercial Association of REALTORS®, which disclaims any liability arising out of use or misuse of this form. © 2020 Minnesota Association of REALTORS®, Edina, MN

1. Page 1 Date February 8th 2021

2. BUYER(S) is/are: Paul David-Lewis Lesemann, (Check one.)

3. individual(s); OR a business entity organized under the laws of the State of _____.

4. SELLER(S) is/are: ISD 2154, Eveleth, MN, (Check one.)

5. individual(s); OR a business entity organized under the laws of the State of _____.

6. Buyer's earnest money in the amount of _____

7. Two Hundred Fifty Dollars

8. (\$ 250.00) shall be delivered no later than two (2) Business Days after

9. Final Acceptance Date to be deposited in the trust account of: (Check one.)

10. listing broker; or

11. _____,
(Trustee)

12. **within three (3) Business Days of receipt of the earnest money or Final Acceptance Date whichever is later.**

13. Said earnest money is part payment for the purchase of property at 401 AND 402 ROOSEVELT AVE.

14. 401-402 Roosevelt Ave. located in the

15. City/Township of EVELETH, County of ST. LOUIS,

16. State of Minnesota, Zip Code 55734, PID # (s) 040-0090-00330 & 040-0090-00340

17. _____

18. and legally described as follows PARCEL CODES: 040-0090-00330 AND 040-0090-00340 LEGALS TO GOVERN

19. _____

20. _____ (collectively the "Property")

21. together with the personal property as described in the attached *Addendum to Commercial Purchase Agreement:*

22. *Personal Property*, if any, all of which property the undersigned has this day sold to Buyer for the sum of:

23. Two Thousand

24. _____

25. (\$ 2,000.00) Dollars ("Purchase Price"), which Buyer agrees to pay in the following manner:

26. 1. **CASH** of 100 percent (%) of the sale price, or more in Buyer's sole discretion, which includes the earnest
27. money; PLUS

28. 2. **FINANCING** of N/A percent (%) of the sale price. Buyer shall, at Buyer's sole expense, apply for any
29. financing as required by this Purchase Agreement.

30. Such financing shall be: (Check one.) a first mortgage; a contract for deed; or a first
31. mortgage with subordinate financing, as described in the attached *Addendum to Commercial Purchase Agreement:*

32. **Conventional/SBA/Other** **Contract for Deed.**
------(Check one.)-----

33. **DUE DILIGENCE:** This Purchase Agreement IS IS NOT subject to a due diligence contingency. (If answer is IS,
------(Check one.)-----

34. see attached *Addendum to Commercial Purchase Agreement: Due Diligence.*)

35. **CLOSING:** The date of closing shall be OOB March 31st 2021.



COMMERCIAL PURCHASE AGREEMENT

36. Page 2 Date February 8th 2021

37. Property located at 401-402 Roosevelt Ave. EVELETH 55734

38. **DEED/MARKETABLE TITLE:** Subject to performance by Buyer, Seller agrees to execute and deliver a: *(Check one.)*

39. **WARRANTY DEED** **LIMITED WARRANTY DEED** **CONTRACT FOR DEED**

40. **OTHER:** _____ **DEED** conveying marketable title, subject to:

- 41. (a) building and zoning laws, ordinances, and state and federal regulations;
- 42. (b) restrictions relating to use or improvement of the Property without effective forfeiture provisions;
- 43. (c) reservation of any mineral rights by the State of Minnesota or other government entity;
- 44. (d) utility and drainage easements which do not interfere with existing improvements; and
- 45. (e) others (must be specified in writing): _____

46. _____

47. **TENANTS/LEASES:** Property **IS** **IS NOT** subject to rights of tenants (if answer is **IS**, see attached *Addendum* -----*(Check one.)*-----)

48. *to Commercial Purchase Agreement: Due Diligence).*

49. Seller shall not execute leases from the Date of this Purchase Agreement to the date of closing, the term of which lease extends beyond the date of closing, without the prior written consent of Buyer. Buyer's consent or denial shall be

51. provided to Seller within _____ days of Seller's written request. Said consent shall not be unreasonably withheld.

53. **REAL ESTATE TAXES:** Real estate taxes due and payable in the year of closing shall be prorated between Seller and Buyer on a calendar year basis to the actual date of closing unless otherwise provided in this Purchase Agreement. Real estate taxes, including penalties, interest, and any associated fees, payable in the years prior to closing shall be paid by Seller. Real estate taxes payable in the years subsequent to closing shall be paid by Buyer.

57. **SPECIAL ASSESSMENTS:**

58. **BUYER AND SELLER SHALL PRORATE AS OF THE DATE OF CLOSING** **SELLER SHALL PAY** -----*(Check one.)*-----

59. on the date of closing all installments of special assessments certified for payment with the real estate taxes due and payable in the year of closing.

61. **BUYER SHALL ASSUME** **SELLER SHALL PAY ON DATE OF CLOSING** all other special assessments -----*(Check one.)*-----

62. levied as of the Date of this Purchase Agreement.

63. **BUYER SHALL ASSUME** **SELLER SHALL PROVIDE FOR PAYMENT OF** special assessments pending as -----*(Check one.)*-----

64. of the Date of this Purchase Agreement for improvements that have been ordered by any assessing authorities. (Seller's provision for payment shall be by payment into escrow of up to two (2) times the estimated amount of the assessments or less, as allowed by Buyer's lender.)

67. Buyer shall pay any unpaid special assessments payable in the year following closing and thereafter, the payment of which is not otherwise here provided.

69. As of the Date of this Purchase Agreement, Seller represents that Seller **HAS** **HAS NOT** received a notice -----*(Check one.)*-----

70. regarding any new improvement project from any assessing authorities, the costs of which project may be assessed against the Property. Any such notice received by Seller after the Date of this Purchase Agreement and before closing shall be provided to Buyer immediately. If such notice is issued after the Date of this Purchase Agreement and on or before the date of closing, then the parties may agree in writing, on or before the date of closing, to pay, provide for the payment of, or assume the special assessments. In the absence of such agreement, either party may declare this Purchase Agreement canceled by written notice to the other party, or licensee representing or assisting the other party, in which case this Purchase Agreement is canceled. If either party declares this Purchase Agreement canceled, Buyer and Seller shall immediately sign a written cancellation of Purchase Agreement confirming said cancellation and directing all earnest money paid here to be refunded to Buyer.

MNC:PA-2 (8/20)

COMMERCIAL PURCHASE AGREEMENT79. Page 3 Date February 8th 202180. Property located at 401-402 Roosevelt Ave. EVELETH 5573481. **POSSESSION:** Seller shall deliver possession of the Property: *(Check one.)*82. **IMMEDIATELY AFTER CLOSING;** or83. **OTHER:** _____84. Seller agrees to remove ALL DEBRIS AND ALL PERSONAL PROPERTY NOT INCLUDED HERE from the Property
85. by possession date.86. **PRORATIONS:** All items customarily prorated and adjusted in connection with the closing of the sale of the Property
87. here including but not limited to rents, operating expenses, interest on any debt assumed by Buyer, shall be prorated
88. as of the date of closing. It shall be assumed that Buyer will own the Property for the entire date of the closing.89. **RISK OF LOSS:** If there is any loss or damage to the Property between Date of this Purchase Agreement and the date
90. of closing, for any reason, the risk of loss shall be on Seller. If the Property is destroyed or substantially damaged before
91. the closing, this Purchase Agreement shall be canceled, at Buyer's option, if Buyer gives written notice to Seller, or licensee
92. representing or assisting Seller, of such cancellation within thirty (30) days of the damage. Upon said cancellation,
93. Buyer and Seller shall immediately sign a written cancellation of Purchase Agreement confirming said cancellation
94. and directing all earnest money paid here to be refunded to Buyer.95. **EXAMINATION OF TITLE:** Seller shall, at its expense, within 21 days after Final
96. Acceptance Date, furnish to Buyer, or licensee representing or assisting Buyer, a commitment for an owner's policy
97. of title insurance from NORTHEAST TITLE, including levied and pending special
(Name of Title Company)98. assessments. Buyer shall be allowed ten (10) days ("Objection Period") after receipt of the commitment for title
99. insurance to provide Seller, or licensee representing or assisting Seller, with written objections. Buyer shall be deemed
100. to have waived any title objections not made within the Objection Period provided for immediately above and any
101. matters with respect to which title objection is so waived may be excepted from the warranties in the Deed as specified
102. here to be delivered pursuant to this Agreement.103. **TITLE CORRECTIONS AND REMEDIES:** Seller shall have thirty (30) days ("Cure Period") from receipt of Buyer's
104. written title objections to cure any title objections but shall not be obligated to do so. Upon receipt of Buyer's title
105. objections, Seller shall, within ten (10) days, notify Buyer, or licensee representing or assisting Buyer, in writing whether
106. or not Seller will endeavor to cure such objections within the Cure Period. Liens or encumbrances for liquidated
107. amounts created by instruments executed by Seller and which can be released by payment proceeds of closing shall
108. not delay the closing.109. If Seller's notice states that Seller will not endeavor to cure one or more specified objections within the Cure Period,
110. Buyer may, as its sole remedy, within ten (10) days of the sending of such notice by Seller, declare this Purchase
111. Agreement canceled by written notice to Seller, or licensee representing or assisting Seller, in which case this Purchase
112. Agreement is canceled. If Buyer declares this Purchase Agreement canceled, Buyer and Seller shall immediately sign a
113. written cancellation of Purchase Agreement confirming said cancellation and directing all earnest money paid here to
114. be refunded to Buyer. If Buyer does not declare this Purchase Agreement canceled as provided immediately above,
115. Buyer shall be bound to proceed with the closing and to purchase the Property subject to the objections Seller has
116. declined to cure without reduction in the Purchase Price.117. If Seller's notice states that Seller will endeavor to cure all of the specified objections, or if Seller's notice states that
118. Seller will endeavor to cure some, but not all, of the specified objections and Buyer does not declare this Purchase
119. Agreement canceled as provided above, Seller shall use commercially reasonable efforts to cure the specified objections
120. or those Seller has agreed to endeavor to cure and, pending correction of title, all payment required here and the
121. closing shall be postponed.122. If Seller, within the Cure Period provided above, corrects the specified objections Seller's notice indicated Seller would
123. endeavor to cure, then upon presentation to Buyer, or licensee representing or assisting Buyer, of documentation
124. establishing that such objections have been cured, the closing shall take place within ten (10) days or on the scheduled
125. closing date, whichever is later.

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COMMERCIAL PURCHASE AGREEMENT126. Page 4 Date February 8th 2021127. Property located at 401-402 Roosevelt Ave. EVELETH 55734

128. If Seller, within the Cure Period provided above, does not cure the specified objections which Seller's notice indicated
129. Seller would endeavor to cure, Buyer may, as its sole remedy, declare this Purchase Agreement canceled by written
130. notice to Seller, or licensee representing or assisting Seller, given within five (5) days after the end of the Cure Period,
131. in which case this Purchase Agreement is canceled. Buyer and Seller shall immediately sign a *Cancellation of Purchase*
132. *Agreement* confirming said cancellation and directing all earnest money paid here to be refunded to Buyer. Neither
133. party shall be liable for damages here to the other. In the alternative, Buyer may elect to waive such objections by
134. providing written notice to Seller, or licensee representing or assisting Seller, within such five (5)-day period and accept
135. title subject to such uncured objections, in which event, Buyer shall be bound to proceed with the closing and to purchase
136. the Property subject to the objections Seller has not cured without reduction in the Purchase Price. If neither notice
137. is given by Buyer within such five (5)-day period, Buyer shall be deemed to have elected to waive the objections and
138. to proceed to closing as provided in the immediately preceding sentence.

139. If title is marketable, or is made marketable as provided here, and Buyer defaults in any of the agreements here,
140. Seller, in addition to any other right or remedy available to Seller here, at law or in equity may cancel this Purchase
141. Agreement as provided by either MN Statute 559.21 or MN Statute 559.217, whichever is applicable, and retain all
142. earnest money paid here as liquidated damages.

143. If title is marketable, or is made marketable as provided here, and Seller defaults in any of the agreements here,
144. Buyer may, in addition to any other right or remedy available to Buyer here, seek specific performance within six
145. (6) months after such right of action arises.

146. **REPRESENTATIONS AND WARRANTIES OF SELLER:** The following representations made are to the best
147. of Seller's knowledge.

148. There is no action, litigation, investigation, condemnation, or other proceeding of any kind pending or threatened
149. against Seller or any portion of the Property. In the event Seller becomes aware of any such proceeding prior to
150. closing, Seller will promptly notify Buyer of such proceeding.

151. The Property is in compliance with all applicable provisions of all planning, zoning, and subdivision rules; regulations;
152. and statutes. Seller has obtained all necessary licenses, permits, and approvals necessary for the ownership and
153. operation of the Property.

154. Prior to the closing, payment in full will have been made for all labor, materials, machinery, fixtures, or tools furnished
155. within the 120 days immediately preceding the closing in connection with construction, alteration, or repair of any
156. structure on, or improvement to, the Property.

157. Seller has not received any notice from any governmental authority as to condemnation proceedings, or violation of
158. any law, ordinance, regulation, code, or order affecting the Property. If the Property is subject to restrictive covenants,
159. Seller has not received any notice from any person or authority as to a breach of the covenants. Any such notices
160. received by Seller shall be provided to Buyer immediately.

161. Seller has not executed any options to purchase, rights of first refusal, or any other agreements giving any person or
162. other entity the right to purchase or otherwise acquire any interest in the Property, and Seller is unaware of any options
163. to purchase, rights of first refusal, or other similar rights affecting the Property.

164. The legal description of the real property to be conveyed has been or shall be approved for recording as of the date
165. of closing.

166. If Seller is an organized entity, Seller represents and warrants to Buyer that Seller is duly organized and is in good
167. standing under the laws of the State of Minnesota; that Seller is duly qualified to transact business in the State of
168. Minnesota; that Seller has the requisite organizational power and authority to enter into this Purchase Agreement and
169. the Seller's closing documents signed by it; such documents have been duly authorized by all necessary action on
170. the part of Seller and have been duly executed and delivered; that the execution, delivery, and performance by Seller of
171. such documents do not conflict with or result in a violation of Seller's organizational documents or Bylaws or any judgment,
172. order, or decree of any court or arbiter to which Seller is a party; and that such documents are valid and binding obligations
173. of Seller, and are enforceable in accordance with their terms.

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COMMERCIAL PURCHASE AGREEMENT174. Page 5 Date February 8th 2021175. Property located at 401-402 Roosevelt Ave. EVELETH 55734

176. Seller will indemnify Buyer, its successors and assigns, against and will hold Buyer, its successors and assigns, harmless from, any expenses or damages, including reasonable attorneys' fees, that Buyer incurs because of the breach of any of the above representations and warranties, whether such breach is discovered before or after the date of closing.

180. See attached *Addendum to Commercial Purchase Agreement: Due Diligence*, if any, for additional representations and warranties.

182. **REPRESENTATIONS AND WARRANTIES OF BUYER:** If Buyer is an organized entity, Buyer represents and warrants to Seller that Buyer is duly organized and is in good standing under the laws of the State of Minnesota; that Buyer is duly qualified to transact business in the State of Minnesota; that Buyer has the requisite organizational power and authority to enter into this Purchase Agreement and the Buyer's closing documents signed by it; such documents have been duly authorized by all necessary action on the part of Buyer and have been duly executed and delivered; that the execution, delivery, and performance by Buyer of such documents do not conflict with or result in a violation of Buyer's organizational documents or Bylaws or any judgment, order, or decree of any court or arbiter to which Buyer is a party; and that such documents are valid and binding obligations of Buyer, and are enforceable in accordance with their terms. Buyer will indemnify Seller, its successors and assigns, against and will hold Seller, its successors and assigns, harmless from, any expenses or damages, including reasonable attorneys' fees, that Seller incurs because of the breach of any of the above representations and warranties, whether such breach is discovered before or after the date of closing.

194. **TIME IS OF THE ESSENCE FOR ALL PROVISIONS OF THIS CONTRACT.**

195. **CALCULATION OF DAYS:** Any calculation of days begins on the first day (calendar or Business Days as specified) following the occurrence of the event specified and includes subsequent days (calendar or Business Days as specified) ending at 11:59 P.M. on the last day.

198. **BUSINESS DAYS:** "Business Days" are days which are not Saturdays, Sundays, or state or federal holidays unless stated elsewhere by the parties in writing.

200. **DEFAULT:** If Buyer defaults in any of the agreements here, Seller may cancel this Purchase Agreement, and any payments made here, including earnest money, shall be retained by Seller as liquidated damages and Buyer and Seller shall affirm the same by a written cancellation. In the alternative, Seller may seek all other remedies allowed by law.

203. If Buyer defaults in any of the agreements here, Seller may terminate this Purchase Agreement under the provisions of either MN Statute 559.21 or MN Statute 559.217, whichever is applicable.

205. If this Purchase Agreement is not canceled or terminated as provided here, Buyer or Seller may seek actual damages for breach of this Purchase Agreement or specific performance of this Purchase Agreement; and, as to specific performance, such action must be commenced within six (6) months after such right of action arises.

208. **SUBJECT TO RIGHTS OF TENANTS, IF ANY, BUYER HAS THE RIGHT TO VIEW THE PROPERTY PRIOR TO CLOSING TO ESTABLISH THAT THE PROPERTY IS IN SUBSTANTIALLY THE SAME CONDITION AS OF THE DATE OF THIS PURCHASE AGREEMENT.**

211. **METHAMPHETAMINE PRODUCTION DISCLOSURE:**

212. (A Methamphetamine Production Disclosure is required by MN Statute 152.0275, Subd. 2 (m).)

213. Seller is not aware of any methamphetamine production that has occurred on the Property.

214. Seller is aware that methamphetamine production has occurred on the Property.

215. (See *Disclosure Statement: Methamphetamine Production*.)

216. **NOTICE REGARDING AIRPORT ZONING REGULATIONS:** The Property may be in or near an airport safety zone with zoning regulations adopted by the governing body that may affect the Property. Such zoning regulations are filed with the county recorder in each county where the zoned area is located. If you would like to determine if such zoning regulations affect the Property, you should contact the county recorder where the zoned area is located.

220. **NOTICE REGARDING PREDATORY OFFENDER INFORMATION:** Information regarding the predatory offender registry and persons registered with the predatory offender registry under MN Statute 243.166 may be obtained by contacting the local law enforcement offices in the community where the Property is located or the Minnesota Department of Corrections at (651) 361-7200, or from the Department of Corrections web site at www.corr.state.mn.us.

COMMERCIAL PURCHASE AGREEMENT

225. Page 6 Date February 8th 2021

226. Property located at 401-402 Roosevelt Ave. EVELETH 55734

227. **DISCLOSURE NOTICE:** If this Purchase Agreement includes a structure used or intended to be used as residential
 228. property as defined under MN Statute 513.52, Buyer acknowledges Buyer has received a *Disclosure Statement:*
 229. *Seller's Property Disclosure Statement* or *Disclosure Statement: Seller's Disclosure Alternatives* form.
 230. BUYER IS NOT RELYING ON ANY ORAL REPRESENTATIONS REGARDING THE CONDITION OF THE PROPERTY.

231. **(Check appropriate boxes.)**
 232. SELLER WARRANTS THAT THE PROPERTY IS EITHER DIRECTLY OR INDIRECTLY CONNECTED TO:
 233. **CITY SEWER** **YES** **NO** / **CITY WATER** **YES** **NO**

234. **SUBSURFACE SEWAGE TREATMENT SYSTEM**
 235. SELLER **DOES** **DOES NOT** KNOW OF A SUBSURFACE SEWAGE TREATMENT SYSTEM ON OR SERVING
 -----(Check one.)-----
 236. THE PROPERTY. (If answer is **DOES**, and the system does not require a state permit, see *Disclosure Statement:*
 237. *Subsurface Sewage Treatment System.*)

238. **PRIVATE WELL**
 239. SELLER **DOES** **DOES NOT** KNOW OF A WELL ON OR SERVING THE PROPERTY. (If answer is **DOES** and well
 -----(Check one.)-----
 240. is located on the Property, see *Disclosure Statement: Well.*)
 241. To the best of Seller's knowledge, the Property **IS** **IS NOT** in a Special Well Construction Area.
 -----(Check one.)-----

242. THIS PURCHASE AGREEMENT **IS** **IS NOT** SUBJECT TO AN *ADDENDUM TO PURCHASE AGREEMENT:*
 -----(Check one.)-----
 243. *SUBSURFACE SEWAGE TREATMENT SYSTEM AND WELL INSPECTION CONTINGENCY.*
 244. (If answer is **IS**, see attached *Addendum.*)

245. **IF A WELL OR SUBSURFACE SEWAGE TREATMENT SYSTEM EXISTS ON THE PROPERTY, BUYER HAS**
 246. **RECEIVED A DISCLOSURE STATEMENT: WELL AND/OR A DISCLOSURE STATEMENT: SUBSURFACE SEWAGE**
 247. **TREATMENT SYSTEM.**

248. There **IS** **IS NOT** a storage tank located on the Property that is subject to the requirements of MN Statute 116.48.
 -----(Check one.)-----
 249. (If answer is **IS**, see *Commercial Disclosure Statement: Storage Tank(s).*)

250. **AGENCY NOTICE**

251. ANDREA E. ZUPANCICH is **Seller's Agent** **Buyer's Agent** **Dual Agent.**
 (Licensee) -----(Check one.)-----

252. Z'UP NORTH REALTY
 (Real Estate Company Name)

253. JOYCE E. GIBLIN is **Seller's Agent** **Buyer's Agent** **Dual Agent.**
 (Licensee) -----(Check one.)-----

254. z'Up North Realty
 (Real Estate Company Name)

255. **DUAL AGENCY DISCLOSURE:** Dual agency occurs when one broker or salesperson represents both parties to a
 256. transaction, or when two salespersons licensed to the same broker each represent a party to the transaction. Dual
 257. agency requires the informed consent of all parties, and means that the broker or salesperson owes the same fiduciary
 258. duties to both parties to the transaction. This role limits the level of representation the broker and salespersons can
 259. provide, and prohibits them from acting exclusively for either party. In dual agency, confidential information about price,
 260. terms, and motivation for pursuing a transaction will be kept confidential unless one party instructs the broker or
 261. salesperson in writing to disclose specific information about him or her. Other information will be shared. Dual agents
 262. may not advocate for one party to the detriment of the other.

COMMERCIAL PURCHASE AGREEMENT

263. Page 7 Date February 8th 2021

264. Property located at 401-402 Roosevelt Ave. EVELETH 55734

265. CONSENT TO DUAL AGENCY
266. Broker represents both parties involved in the transaction, which creates a dual agency. This means that Broker and
267. its salespersons owe fiduciary duties to both parties. Because the parties may have conflicting interests, Broker and its
268. salespersons are prohibited from advocating exclusively for either party. Broker cannot act as a dual agent in this
269. transaction without the consent of both parties. Both parties acknowledge that
270. (1) confidential information communicated to Broker which regards price, terms, or motivation to buy, sell, or lease will
271. remain confidential unless the parties instruct Broker in writing to disclose this information. Other information will
272. be shared;
273. (2) Broker and its salespersons will not represent the interest of either party to the detriment of the other; and
274. (3) within the limits of dual agency, Broker and its salesperson will work diligently to facilitate the mechanics of the
275. sale.
276. With the knowledge and understanding of the explanation above, the parties authorize and instruct Broker and its
277. salespersons to act as dual agents in this transaction.

278. SELLER: (Business Entity or Individual Name)
279. By: (Seller's Signature)
280. (Seller's Printed Name)
281. Its: (Title)
282. (Date)

BUYER: PAUL DAVID-LEWIS LESEMANN (Business Entity or Individual Name)
By: Paul David-Lewis Lesemann (Buyer's Signature)
PAUL DAVID-LEWIS LESEMANN (Buyer's Printed Name)
Its: (Title)
02/08/2021 (Date)

283. SELLER: (Business Entity or Individual Name)
284. By: (Seller's Signature)
285. (Seller's Printed Name)
286. Its: (Title)
287. (Date)

BUYER: (Business Entity or Individual Name)
By: (Buyer's Signature)
(Buyer's Printed Name)
Its: (Title)
(Date)

288. SUCCESSORS AND ASSIGNS: All provisions of this Purchase Agreement shall be binding on successors and
289. assigns.

290. CLOSING COSTS: Buyer or Seller may be required to pay certain closing costs, which may effectively increase the
291. cash outlay at closing or reduce the proceeds from the sale.

292. FOREIGN INVESTMENT IN REAL PROPERTY TAX ACT ("FIRPTA"): Section 1445 of the Internal Revenue Code
293. provides that a transferee ("Buyer") of a United States real property interest must be notified in writing and must
294. withhold tax if the transferor ("Seller") is a foreign person and no exceptions from FIRPTA withholding apply. Buyer
295. and Seller agree to comply with FIRPTA requirements under Section 1445 of the Internal Revenue Code.

296. Seller shall represent and warrant, under the penalties of perjury, whether Seller is a "foreign person" (as the same
297. is defined within FIRPTA), prior to closing. Any representations made by Seller with respect to this issue shall survive
298. the closing and delivery of the deed.

299. Buyer and Seller shall complete, execute, and deliver, on or before closing, any instrument, affidavit, or statement
300. reasonably necessary to comply with the FIRPTA requirements, including delivery of their respective federal taxpayer
301. identification numbers or Social Security numbers.



COMMERCIAL PURCHASE AGREEMENT302. Page 8 Date February 8th 2021303. Property located at 401-402 Roosevelt Ave. EVELETH 55734.

304. Due to the complexity and potential risks of failing to comply with FIRPTA, including the Buyer's responsibility for
 305. withholding the applicable tax, Buyer and Seller should **seek appropriate legal and tax advice regarding FIRPTA**
 306. **compliance, as the respective licensees representing or assisting either party will be unable to assure either**
 307. **party whether the transaction is exempt from FIRPTA withholding requirements.**

308. **NOTE:** MN Statute 500.221 establishes certain restrictions on the acquisition of title to agricultural land by aliens
 309. and non-American corporations. Please seek appropriate legal advice if this Purchase Agreement is for the
 310. sale of agricultural land and Buyer is a foreign person.

311. **ACCEPTANCE DEADLINE:** This offer to purchase, unless accepted sooner, shall be withdrawn at 11:59 P.M.,
 312. February 22nd 2021, and in such event all earnest money shall be returned to Buyer.

313. **CONDEMNATION:** If, prior to the closing date, condemnation proceedings are commenced against all or any part
 314. of the Property, Seller or licensee representing or assisting Seller, shall immediately give written notice to Buyer, or
 315. licensee representing or assisting Buyer, of such fact and Buyer may, at Buyer's option (to be exercised within thirty (30)
 316. days after Seller's notice), declare this Purchase Agreement canceled by written notice to Seller or licensee representing
 317. or assisting Seller, in which case this Purchase Agreement is canceled and neither party shall have further obligations
 318. under this Purchase Agreement. In the event Buyer declares the Purchase Agreement canceled, Buyer and Seller
 319. shall immediately sign a written cancellation confirming such cancellation and directing all earnest money paid
 320. here to be refunded to Buyer. If Buyer fails to give such written notice, then Buyer shall be bound to proceed with
 321. closing, subject to any other contingencies to this Purchase Agreement. In such event, there shall be no reduction in
 322. the purchase price, and Seller shall assign to Buyer at the closing date all of Seller's rights, title, and interest in and to
 323. any award made or to be made in the condemnation proceedings. Prior to the closing date, Seller shall not designate
 324. counsel, appear in, or otherwise act with respect to, the condemnation proceedings without Buyer's prior written
 325. consent.

326. **MUTUAL INDEMNIFICATION:** Seller and Buyer agree to indemnify each other against, and hold each other harmless
 327. from, all liabilities (including reasonable attorneys' fees in defending against claims) arising out of the ownership,
 328. operation, or maintenance of the Property for their respective periods of ownership. Such rights to indemnification will
 329. not arise to the extent that (a) the party seeking indemnification actually receives insurance proceeds or other cash
 330. payments directly attributable to the liability in question (net of the cost of collection, including reasonable attorneys'
 331. fees); or (b) the claim for indemnification arises out of the act or neglect of the party seeking indemnification. If, and
 332. to the extent that, the indemnified party has insurance coverage, or the right to make claim against any third party for
 333. any amount to be indemnified against, as set forth above, the indemnified party will, upon full performance by the
 334. indemnifying party of its indemnification obligations, assign such rights to the indemnifying party or, if such rights are
 335. not assignable, the indemnified party will diligently pursue such rights by appropriate legal action or proceeding and
 336. assign the recovery and/or right of recovery to the indemnifying party to the extent of the indemnification payable
 337. made by such party.

338. **FULLY EXECUTED PURCHASE AGREEMENT AND FINAL ACCEPTANCE:** To be binding, this Purchase Agreement
 339. and all addenda must be fully executed by both parties and a copy must be delivered.

340. **ELECTRONIC SIGNATURES:** The parties agree the electronic signature of any party on any document related to
 341. this transaction constitute valid, binding signatures.

342. **ENTIRE AGREEMENT:** This Purchase Agreement and all addenda and amendments signed by the parties shall
 343. constitute the entire agreement between Buyer and Seller. Any other written or oral communication between Buyer and
 344. Seller, including, but not limited to, e-mails, text messages, or other electronic communications are not part of this
 345. Purchase Agreement. This Purchase Agreement can be modified or canceled only in writing signed by Buyer and
 346. Seller or by operation of law. All monetary sums are deemed to be United States currency for purposes of this Purchase
 347. Agreement.

348. **SURVIVAL:** All warranties and representations in this Purchase Agreement shall survive the delivery of the deed or
 349. contract for deed and be enforceable after the closing.

350. **DATE OF THIS PURCHASE AGREEMENT:** Date of this Purchase Agreement to be defined as the date on line one
 351. (1) of this Purchase Agreement.

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COMMERCIAL PURCHASE AGREEMENT

352. Page 9 Date February 8th 2021

353. Property located at 401-402 Roosevelt Ave. EVELETH 55734

354. **OTHER:**

I will sign and pay for both buildings upon the completion of an inspection of building done by me with the right to say no.

356.

357. **ADDENDA:** Attached addenda are a part of this Purchase Agreement.

358. If checked, this Purchase Agreement is subject to
359. attached **Addendum to Commercial Purchase**
360. **Agreement: Counteroffer.**

361. **FIRPTA:** Seller represents and warrants, under penalty
362. of perjury, that Seller **IS** **IS NOT** a foreign person (i.e., a
-----*(Check one.)*-----

363. non-resident alien individual, foreign corporation, foreign
364. partnership, foreign trust, or foreign estate for purposes
365. of income taxation. *(See lines 292-310.)* This representation
366. and warranty shall survive the closing of the transaction
367. and the delivery of the deed.

368. **SELLER**

369. _____
(Business Entity or Individual Name)

370. By: _____
(Seller's Signature)

371. _____
(Seller's Printed Name)

372. Its: _____
(Title)

373. _____
(Date)

374. **SELLER**

375. _____
(Business Entity or Individual Name)

376. By: _____
(Seller's Signature)

377. _____
(Seller's Printed Name)

378. Its: _____
(Title)

379. _____
(Date)

BUYER

Paul David-Lewis Lesemann
(Business Entity or Individual Name)

By:  _____
(Buyer's Signature)

Paul David-Lewis Lesemann
(Buyer's Printed Name)

Its: _____
(Title)

02/08/2021
(Date)

BUYER

(Business Entity or Individual Name)

By: _____
(Buyer's Signature)

(Buyer's Printed Name)

Its: _____
(Title)

(Date)

380. **FINAL ACCEPTANCE DATE:** _____ The Final Acceptance Date
381. is the date on which the fully executed Purchase Agreement is delivered.

382. **THIS IS A LEGALLY BINDING CONTRACT BETWEEN BUYER(S) AND SELLER(S).**
383. **IF YOU DESIRE LEGAL OR TAX ADVICE, CONSULT AN APPROPRIATE PROFESSIONAL.**

384. **THIS MINNESOTA ASSOCIATION OF REALTORS® COMMERCIAL PURCHASE AGREEMENT IS NOT**
385. **DESIGNED TO BE AND IS NOT WARRANTED TO BE INCLUSIVE OF ALL ISSUES SELLER AND BUYER**
386. **MAY WISH TO ADDRESS, AND EITHER PARTY MAY WISH TO MODIFY THIS PURCHASE AGREEMENT**
387. **TO ADDRESS STATUTORY OR CONTRACTUAL MATTERS NOT CONTAINED IN THIS FORM.**
388. **BOTH PARTIES ARE ADVISED TO SEEK THE ADVICE OF AN ATTORNEY TO ENSURE**
389. **THIS CONTRACT ADEQUATELY ADDRESSES THAT PARTY'S RIGHTS.**

WIRE FRAUD ALERT



Internet fraud — the use of Internet services or software with Internet access to defraud victims — is on the rise in real estate transactions.

THESE SOPHISTICATED CRIMINALS COULD:

- **HACK INTO YOUR E-MAIL ACCOUNT** or the e-mail of others involved in your real estate transaction and may direct you to wire money to the hacker's account.
- **SEND FRAUDULENT E-MAILS** that appear to be from your real estate licensee, lender, or closing agent.
- **CALL YOU** claiming they have revised wiring instructions.

Buyers/Tenants and Sellers/Owners are advised to:

- (1) Never wire funds without confirming the wiring instructions directly with the intended recipient.
- (2) Verify that the contact information for the wire transfer recipient is legitimate by calling a known phone number for the broker or closing agent. Do not rely on the information given to you in an e-mail communication.
- (3) Never send personal information through unsecured/unencrypted e-mail.

If you suspect wire fraud in your transaction:

- (1) Immediately notify your bank, closing agent, and real estate licensee.
- (2) File a complaint online at the Internet Crime Complaint Center (IC3) at <http://www.ic3.gov>.

The undersigned acknowledge receipt of this wire fraud alert and understand the importance of taking proactive measures to avoid being a victim of wire fraud in a real estate transaction.

Authentisign  02/08/2021
Paul David-Lewis Lesemann _____
(Signature) 5:47:33 PM CST (Date) (Date) (Date)

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Letter of Intent for Proposed Development 401/402 Roosevelt Ave

To whom it may concern: It is our pleasure to submit this letter of intent to pursue the purchase of the land and buildings located at 401/402 Roosevelt Avenue, Eveleth MN for the redevelopment of these school properties into an apartment housing complex.

Project Summary: Phase one of the project will be the acquisition of the above properties to convert into multi-unit apartments. The initial phase of the project will be comprised of approximately 10-20 apartments in the first building. In the short term we will use the other building for a potential rental(s) for storage or office space. Our goal will be to keep the historical aspects of the property unless seen fit to change for safety and code standard purposes. We would like to keep the historical integrity of the buildings intact. The interior hallways and stairways of the school will provide all residents easy access to amenities, while maintaining privacy and security. These initial plans will be adjusted and detailed as we are able to access and take possession of the property to further our planning. The first phase of our project will be personally funded between three owners. We have combined real estate and property rental and management experience of 40 years. Attached you will find a list of our combined real estate assets to show our financial ability to finance this project. We are confident with our great relationship with our lenders, if need be we will also be partnering with them as the project gets further along.

Total plan will be comprised of 30-40 apartments.

Approximate cost per unit \$20k

Total Cost of project is estimated at \$800k

Unit Mix:

one- two- and three-bedroom units –

Apartment Features: - Distinctive floors plans - Professionally designed interiors. Upgraded Community Amenities: - On/Off-site leasing.

Project Construction Schedule Estimated to commence on or before June 2021 with a completion approximately 12-36 months after commencement.

In closing, we look forward to working with the City throughout the approval process to transform these buildings into an asset to the community of Eveleth. We also plan on hiring 3 to 5 local people to help our crew and have a permanent onsite or local manager once the project is complete. These will be mid to upper end units with the intent to provide nice affordable long-term housing.

Please let us know any concerns you have and what the city would like to see. We also are open to the city renting the space they are currently using if they would like. During this project the exterior and lawn maintenance will be upkept as not to be an eyesore to the public.

DETAILS BREAKDOWN OF SCHOOL AT 401 ROOSEVELT

The problem with the request to get a detailed report about what it would cost to accomplish the plans that I have for 401 is that I don't have unfettered access to the location. However, the best I can do is give you an estimate for items that will be required under my plan if I am chose to be able to purchase the property.

For example,
THE ROOF.

From the tour of 401 and the pictures that are posted, we can attain that the roof clearly leaks. The issue that we can't see is how bad is the leak and what damage has been done to the roof structure. Is just repairing where the leak is the right solution or is a greater investigation a better solution to find out what damage has been done. I would vote for the later. But again....access and time.

To repair a flat roof, depending on type for which there are three types, built up roof (BUR), modified Bitumen roof (MBR), and rubber membrane roof (EPDM) can be tallied only when a proper roof inspection is done by a skilled and experienced roof contractor. However, here are the averages.

A built up roof type of roofing to fix, repair, or replace costs on average \$2.50 - \$4 per square foot.

Bitumen type of roofing to fix, repair, replace costs on average in Minnesota \$4-\$8 per square foot.

A rubber membrane type of roof to fix, repair, or replace on average \$4.50 -\$5.50 per square foot.

How much will it cost to repair the roof at 401? Guessing is never a good thing in investing in a property. So idk. Nor can any person guess without a solid investigation into the how far the damage could be. Further investigation might bring about the replacement of the interior plasterboard, the decking, replacement of the insulation and vapor barrier, and finally the waterproof layer and covering.

WINDOWS

The goal of getting windows replaced is one of the largest factors of renovating 401. However, without getting exact dimensions of windows, all I can do is give you estimates on the type of windows I want and the amount and the average price. Most triple pane windows cost on average 10-15% more than a standard one or two pane window. Most estimates put the replacement of a single wood window at \$550-\$1500 plus on average about \$38 per hour for labor. The cost of replacing windows in 401 could be similar or more depending on if the windows are a standard manufactured size or if they will need to be special ordered. I will also be purchasing windows that have a low U factor with a minimum u factor of 0.27 or greater. The windows will also have a high solar heat gain coefficient so to allow as much solar radiated heat to enter through the windows and add heat to the building. The R value of the window will also be around R13-R21. All this will be determined but as of this moment I am unable to get you an exact amount. The good thing about my plan at 401 is they do not need to be replaced at once. As long as the windows that are existing can keep out the weather, they can be replaced in smaller groupings to the final windows that will be decided on.

Those windows on the third level or second story on either end of the building facing north and south where there are five windows will be reduced to three. The seven windows on the third story middle front and the six windows on the third story middle back will be replaced but as of yet I do not have a style or design. There are 25 big windows that need to be replaced.

However, they will most likely be some form of single or double hung windows as that style is the best for our climate in northern Minnesota.

Those windows on the second level will be the same as those on the third level when it comes to the two ends of the building facing north and south. Some form of double or single hung triple pane windows with a low u factor, high solar gain coefficient will be used. Where there are currently five windows only three will remain. The windows facing the front of the building, second level either side of the big entrance, where there are five will most likely be dropped to three. So that puts 14 windows of the same size in the front. In the back there are currently 14 windows facing north in the main central part of the building, those will be replaced with the same windows in the front but it also will be determined how many will be replaced due to the final plan of the layout of the building. But those windows on the ends of the building where there is five windows facing norther on the second level will be the same windows as those in the front but just three.

The ends of the building at 401, those windows facing west and east on the second and third levels, the four smaller windows on each side will be replaced to similarly match the windows in the basement and or those windows on the same level. Double hung triple pane low u factor high solar heat gain windows. The two large arched windows will be replaced to match what is existing. As of this time, I have not been able to get access to the building to get a window specialist in there to take measurements and get quotes. But again those windows will be triple paned, low u factor, high solar heat gain windows. The biggest question at this point is will that window be a single unit or will be multiple.

Finally, to maintain the most security in the building from the threat of damage by people trying to break in, the windows in the basement will be replaced last and since they are all the same size and the core of the basement won't change and so therefore the cost for the 44 windows should be quite low on the standards of triple pane double hung windows. The windows in the basement will have an added feature in that each window will be egress accessible.

The door to the building will be replaced with a high thermal efficiency. But as of this point there is no decisions made on the style or design other than the doors will be replaced which will be one of the last things replaced on this building before it is finished.

INTERIOR

The best explanation for the interior would be to break up the different parts of the building up and discuss those areas as separate items. However, until I sit down with a draftsman or architect and design a layout of the each and every floor which will be approved by the city, county, and state, the basic concept of telling you what a cost break down will be impossible. But I can tell you what I plan.

CEILINGS/FLOORS

Both the ceilings and floors will be dismantled to the basic skeleton functions ie to the floor joists/ceiling joists. This will be so that not only can they both be well insulated, but also so that new plumbing, electrical, lighting, in floor heating, and any other items can be run

through them. All insulation will far exceed building standards and will meet passive house standards. Once all the plumbing, electrical, lighting, in floor heating etc is installed then the floors and ceilings can be replaced with the different types of insulation, subfloors, finished type of flooring, ceiling board, crown molding etc..

WALLS

Walls will also be stripped back to the studs/brick per the final approved design layout. This will be to run all plumbing, electrical, utilities, amenities etc. but the current plan on the interior brick walls is to place three coats of a lime plaster which is vapor permeable and chemically fights mold growth. Then the next step will be to place a form of rigid foam insulation/Rockwool/or dense pack cellulose, followed by airtight intelligence membrane and finally the out interior wall that will be seen every day. Each room will be decorated differently with either wood, sheet rock, plaster, or any combination of those three or other items. As I do not have a plan for each room or an approved design with permit, it will be impossible to give you a price break down.

ELECTRICAL

However, the average national cost to wire a home per square foot is approximately \$3. THIS INCLUDES THE LABOR, MATERIAL, ROUGH WIRING, FINISHING INCLUDING THE INSTALLATION OF SWITCHES AND OUTLETS. SO EACH FLOOR OF THE BUILDING WILL BE APPROXIMATELY \$40,000. That number would be as if building a new building. So again, hard to determine final cost.

PLUMBING

Plumbing a brand new structure costs \$4.50 per square foot. So an estimate of this will be hard especially when it comes to adding how many bathrooms? / repairing existing plumbing adding or repairing kitchen areas. Pex tubing which is the standard for running of water costs \$0.40 to \$2.00 a linear foot to install by adding 2-3 bathrooms in an existing home, the cost of the plumbing runs around \$4300. Then add sinks, tubs/shower unit, tile, toilets all adds up but gain hard to determine final cost without a finalized plan.

HEATING/

The plan for the heating in 401 is in-floor radiant heating. I have yet to decide if putting in floor heating in the basement would be a good idea yet and I am speaking with companies at this time to determine that but for the second and third levels I have decided on in floor radiant heating. So far I am leaning on choosing WarmBoard which is a plug and play type of flooring. The cost of WARMBOARD is about \$5-\$8 dollars per square foot installed. The goal of in floor radiant heat is to provide heating but it does not need to be in every room or location in 401. So the ultimate cost of WARMBOARD will be detailed once I have a WarmBoard specialist make a detail plan on where and how much I need. So again, hard to create a cost. There is little plans as this time if I would want to install a cooling system. That will be something that I determine when speaking with a HVAC specialist.

BASEMENT

The basement has one room that I know of at this point where the existing floor has been damaged due to the weather. So that concrete flooring will need to be removed and replaced. My father works in the concrete industry and I also have all the tools required to

remove existing concrete flooring and re pour a concrete floor. The basic premise of this would be the basic cost of concrete and how much. As I do not have the dimensions of the room and therefore I don't know the amount of concrete I will need, concrete costs \$108 per cubic yard. So again, hard to determine a cost without knowing dimensions etc.

How much is sheet rock? \$0.40 TO \$0.60 PER SQUARE FOOT. How much am I going to need? I cannot answer that with a detailed amount.

How much is a 2x4? A 2x4 by 14' is \$10.52 How many of these do I need? I can't tell you.

A 2x4 by 16' is \$12.62 How many of these do I need? I can't tell you.

A 2x4 by 12' is \$9.13 how many of these do I need? I can't tell you.

How much does plywood cost? OSB cost? \$16-\$66 a 4x8 sheet. How many do I need and what thickness? I can't answer at this time.

How much for paint? \$140 a five gallon or \$3.30 per square foot. How much paint do I need? I can't answer this.

How much for screws? Nails? What kind? How Many? I can't answer that.

How much for tile? \$2000 for a 5x8 bathroom which includes a tub shower feature. How much do I need? I can't answer that.

How much for a toilet? \$510 to \$1300. How many toilets do I need? I can't answer that.

How much for a new kitchen? What do I want in my kitchen? \$15,000, \$35,000? I can't answer that.

There are a lot of items I can list that I can get the amount for one single unit but I don't know how many I need and if I can get it cheaper due to bulk or from a different source.

OVERVIEW

Is this building a huge endeavor.....YES! However, it is not without its rewards. It definitely has its risks as well. I want to make 401 my forever home. I want to make 401 my families forever home. When I retire from the United States Navy, I want to move back home and be an active member of the Iron Range. I want to invest in where I grew up. I want to live where I grew up. I want to make 401 my family's permanent home that everyone can come back to. For weddings, for funerals, for holidays and everything in between life's good moments and bad moments.

I have and am still doing my due diligence in researching the best windows, the best flooring, the best paint, the best tile, and the best roof products. I have already been in contact with the City of Eveleth Permit department and found out the zoning of these two buildings and discussed my goals with these buildings. I have been in contact with the county and state about the taxes on these buildings. . I have been in contact with numerous companies locally and throughout the region about a wide variety of supplies, tools and items needed to make this dream a successful endeavor. I have been in contact with many insurance companies finding out the process to get insurance on the structures while they are being renovated and also while I live in them.

Here is the question that you have to ask yourself, there has been little no interest in these buildings, so if you don't choose me to take over the ownership of these buildings, is the school

and or city going to have to pay hundreds of thousands of dollars to tear them down or are you willing to take a risk by choosing me and my dreams of 401 and 402? Is the school board willing to invest money in these buildings to mitigate more damage to them or is the School and the city willing to take a risk on me and allow me to invest my time and money in them. Are you willing to take a risk on me, to allow me to repurpose and save these two historical and iconic buildings that should remain a part of local area? Let me save them by letting me make 401 my personal home when I retire from the United States Navy and turn 402 into storage and building location to rehab 401 and when I am finished with 401 let me turn 402 into a business to help sustain and grow our local town, region and greater Iron Range community.

If it helps, I make \$92,000 a year. My plan is to spend up to \$24,000 a year annually on the rehab and refurbishment of 401. This is by no means a cap for there will be times that I will spend more. If I can get an approved loan on the structure ie mortgage for the repairs and renovation then this will be done faster. But knowing that it is an out of the box abnormal structure, and knowing the state that the buildings are in, most banks might be hesitant to loan to this project until certain mitigating factors are met.

Thank you for your time and consideration for allowing me the opportunity to explain in greater detail my goals and plans and processes to turn 401 in to my forever home, my family's forever home and 402 to be an investment in my future and the future of the City of Eveleth. Please feel free to ask any questions or send any comments.

Tim Collelo: Real Estate Assets as of 2/17/2021

416 42nd St E, Hibbing MN 55746 \$70,100

1424 14th Ave E, HIBBING 55746 \$25,000

1011 W 8th St Duluth MN \$150,000

1531 2nd Ave, INTL FALLS 56649 \$15,000

4119 Kingston Rd, Duluth MN \$75,000

305 Granite St, Cloquet MN 55720 \$125,000

8842 S Meller Rd Solon Springs WI 54873 \$55,000

11029 Hwy 71 Mizpah 56660 \$75,000

25915 Maple Tree Lane Pine City MN 55063 \$ 150,000

6541 TABAKO RD Wright MN 55798 \$220,400

6549 Tabako Road Wright MN 55798 \$150,000

Total: \$960,500 Free and clear real estate assets.

Other assets Equity in Real Estate after mortgage:

1427 Cloquet Ave Cloquet MN 55720 \$225,000

4196 County Rd 61 Moose Lake MN 55767: \$150,000

Total: \$375,000 Equity in these properties

Total Equity in Real Estate: \$1,310,500.00

Also have stocks and retirement cash.

Amy Angell & Isaac Wolter Assets as of 2/17/2021

715 Hawthorne Ave Cloquet, MN 55720 65k Single Family Home Rental

4343 Nancy St, Moose Lake, MN 55767 130k Single Family Home Rental

4766 Tower Rd, Moose Lake MN 55767 275k Currently on the Market for Sale

3732 Front St, Barnum MN 55707 50k Business Rental

xxx3rd Street, Moose Lake MN 40k Garage Rental

5710 Wadena St, Duluth MN 130k Single Family Rental

518 Industrial Rd, Moose Lake MN 40k Single Family Rental

509 2nd St Carlton, MN 100k Single Family Vacant House

409 Elm Ave, Moose Lake MN 55767 150k Commercial and Rental Apartments

3845 Main St Barnum MN 55707 100k Commercial Space

513 11th St S Virginia MN 25k Single Family Rental

Tabako Rd Wright MN 240k Investment Lake Property

Total Asset value of this list \$1,345,000.00