

REAL ESTATE PURCHASE AGREEMENT

This Real Estate Purchase Agreement ("Agreement") is made this ____ day of August, 2024 (the "Effective Date"), between the **City of Northfield**, a Minnesota municipal corporation ("Seller"), and **LTJ Investments, LLC**, a Minnesota limited liability company, and its successors and assigns ("Buyer").

FOR VALUABLE CONSIDERATION, the parties, intending to be legally bound, hereby agree as follows:

1. **Sale of Property**. On and subject to the terms and conditions of this Agreement, Buyer offers to purchase, and Seller agrees to sell the following assets (collectively, the "Property"):

A. **Real Property**. The entirety of the land (PID Nos. 2201351001, 2201351002, 2201351003) located at 1280 Bollenbacher Drive, City of Northfield, in Rice County, Minnesota, consisting of approximately 4.75 acres, shall be surveyed and subdivided by Seller, at Seller's expense, to create new accurate legal descriptions for the Real Property to be sold to and purchased by Buyer under this Agreement which shall contain approximately 3.35 acres in substantially the location depicted on Exhibit A attached hereto. The exact legal description of the Real Property to be conveyed hereby to Buyer shall be determined by a surveyor and shall follow approval of a minor subdivision/lot consolidation process undertaken by Seller pursuant to City Code. Prior to subdivision approval by Seller, Buyer and Seller shall mutually agree upon the final land to be purchased by Buyer (collectively, the "Land"). Seller shall also sell, and Buyer purchase, the following: (1) all buildings and improvements constructed or located on the Land, consisting of approximately 24,200 square feet of improved space ("Improvements"); and (2) all leases, easements and rights benefiting or appurtenant to the Land and Improvements including any right, title or interest in the bed of any street, road, highway or alley adjoining the Land ("Rights") (the Land, Improvements, and Rights are collectively referred to as the "Real Property"). A floodplain map as it relates to the Real Property is attached hereto as Exhibit B.

B. **Equipment**. All of the fixtures, furnishings, equipment and other personal property, if any, situated in or about the Real Property owned by Seller and relating to the use and operation of the Real Property, except the existing Zamboni serving the ice arena (collectively, "Equipment").

C. **Permits**. Seller's interests in any certificates, permits, variances, licenses and approvals which benefit or relate to the Property and its current use ("Permits").

D. **Warranties**. Seller's interests in all warranties and guaranties, if any, given to, assigned to or benefiting Seller or the Property, regarding the acquisition, construction, design, use, operation, management or maintenance of the Property ("Warranties").

E. **Plans**. All blueprints, shop drawings, surveys, studies, plans and specifications regarding the Property that are in the possession of or readily available to Seller or its agents ("Plans").

F. **Records**. All records regarding the Property ("Records") that are in possession of Seller or its agents, except those that are normally viewed as confidential to Seller.

G. **Proceeds**. Seller's interest in and to any insurance or condemnation proceeds here after received relating to the Property, subject to the provisions of Section 6 ("Proceeds").

2. **Purchase Price and Payment**. The total purchase price to be paid by Buyer for the Property is One Million Twenty-Five Thousand and 00/100 Dollars (\$1,025,000.00) ("Purchase Price"), payable as follows:

A. **Earnest Money**. Earnest money in the amount of Twenty Thousand and 00/100 Dollars (\$20,000.00) ("Earnest Money") to be paid upon execution of this Agreement, which Earnest Money shall be held by FB Title Services, LLC, as agent for Old Republic National Title Insurance Company ("Title").

Company”), the receipt of which Seller hereby acknowledges; and

B. Balance. The balance of the Purchase Price payable in certified funds or by wire transfer to be paid at Closing.

3. Closing. The closing of the purchase and sale contemplated by this Agreement (the “Closing”) shall occur on a date mutually acceptable to Buyer and Seller, but no later than October 31, 2024, subject to extension for title curative matters pursuant to Section 11 (“Closing Date”). The Closing shall take place at the office of Title Company, or at such other place as may be agreed to mutually by the parties. Seller shall deliver possession of the Property to Buyer at Closing.

A. Seller’s Closing Documents. On the Closing Date, Seller shall execute and/or deliver to Buyer the following (collectively, “Seller’s Closing Documents”):

(1) Deed. A Limited Warranty Deed (with statement regarding no wells), in a form substantially similar to uniform conveyancing blank form 10.2.9 and reasonably satisfactory to Buyer, conveying marketable title to the Real Property to Buyer, free and clear of all encumbrances (the “Deed”).

(2) General Assignment of Contracts. A general Assignment of the Permits, Warranties, Plans, Records and Proceeds, if any, in a form reasonably satisfactory to the parties, and the originals of such items, as applicable.

(3) Seller’s Affidavit. An Affidavit of Seller indicating that on the Closing Date there are no outstanding, unsatisfied judgments, tax liens or bankruptcies against or involving Seller or the Real Property; that there has been no labor or material furnished to the Real Property for which payment has not been made or for which mechanics’ liens could be filed; that there are no other unrecorded interests in the Real Property; and that there are no encroachment or survey issues of which Seller is aware; together with whatever standard owner’s affidavit and/or indemnity which may be reasonably required by the Title Company to issue a customary policy of title insurance.

(4) Bring Down Certificate. A certificate certified to by an officer of Seller reaffirming, as of the Closing Date, the truth and accuracy of Seller’s representations and warranties in Section 7.

(5) City Council Resolution. A certified copy of the City Council Resolution by which this Agreement was approved by the City Council of the Seller and authorizing and directing appropriate representatives of Seller to execute and perform this Agreement and the transactions contemplated herein.

(6) Well Certificate. If there are wells on the Land, a Well Certificate in the form required by Minn. Stat. § 103I.

(7) Bill of Sale. A Bill of Sale, in general warranty form, conveying the Equipment to Buyer, free and clear of all encumbrances.

(8) Other Affidavits. Any other affidavits or certificates that may be required under Minn. Stat. § 116.48, Subd. 6, or § 115B.16 or other provisions of law.

(9) Title Policy. A title policy, or a marked-up Title Commitment, meeting the requirements of this Agreement.

(10) Lease Agreement. The executed Lease, as defined herein, with Buyer as Landlord and Seller as Tenant.

(11) Other Documents. All other documents reasonably determined by Buyer to be necessary to properly transfer the Property to Buyer in the condition required by this Agreement, or other documents

as may be reasonably required in order to record the Closing Documents.

B. Buyer's Closing Documents. On the Closing Date, Buyer will execute and/or deliver to Seller the following (collectively, "Buyer's Closing Documents"):

(1) Purchase Price. The Purchase Price, by wire transfer, or in certified funds.

(2) Lease Agreement. The executed Lease, as defined herein, with Buyer as Landlord and Seller as Tenant.

(3) Other Documents. All other documents reasonably determined by Title Company to be necessary to properly transfer the Property to Buyer in the condition required by this Agreement, or other documents as may be reasonably required in order to record the Closing Documents.

4. Contingencies. The contingencies in this Section 4 are solely for the benefit of, and may at any time be waived by, the applicable party so benefitted.

A. Buyer Closing Contingencies. The obligation of Buyer to perform under this Agreement is contingent on the timely occurrence or satisfaction of each of the following conditions:

(1) On the Closing Date, title to the Real Property shall be acceptable to Buyer in accordance with the provisions of Section 11;

(2) The Inspection Period described in Section 8 shall have expired without Buyer terminating this Agreement;

(3) On the Closing Date, the representations and warranties of Seller contained herein shall be true and correct up through and including the Closing Date;

(4) Seller shall have delivered all of Seller's Closing Documents specified in Section 3A at Closing;

(5) Buyer shall be satisfied with its pre-closing walk-through inspections of the Property; and

(6) Prior to or on the Closing Date, Buyer and Seller shall have signed the commercial lease agreement substantially in the form of Exhibit C attached hereto (the "Lease");

(7) Prior to Closing, Seller has completed and paid for the full replacement of the roof of the Improvements located on the Land.

(8) Prior to Closing, Seller shall have undertaken and completed the process required pursuant to City Code to rezone the Land and Improvements from the current Public/Institutional zoning district to the C2 Highway Commercial District.

B. Mutual Closing Contingencies. The obligation of Buyer and Seller to perform under this Agreement is contingent on the timely occurrence or satisfaction of each of the following conditions:

(1) Prior to Closing, Buyer and Seller shall have agreed on the legal description to comprise the Land, and Seller shall have completed the subdivision process to create the valid legal parcel comprising the Land, as contemplated by Section 1A above.

(2) Sale of the Real Property is contingent upon a public hearing before the City Council of Seller following at least 10 days published notice thereof pursuant to Section 15.5 of Seller's Charter, and approval of this Agreement by the required vote of the City Council. In the event such approval of

this transaction is not granted by the requisite vote of the City Council for any reason by August 6, 2024, either party may terminate this Agreement upon five days written notice to the other party.

(3) Prior to or on the Closing Date, Buyer and Seller shall have signed a permanent public easement agreement, at no cost to Seller, 20 feet in width, and located generally as depicted on Exhibit D, for emergency vehicle access, pedestrian and bike trail, and water drainage purposes, substantially in the form attached hereto as Exhibit D. The Easement shall provide that Buyer may use the easement area for uses not inconsistent with Seller's easement rights, Seller shall maintain its facilities within the easement area, and be recorded by Buyer following Buyer's recording of the Deed.

(4) In the event that either party respectively determines as provided herein no later than on or before the expiration of Inspection Period or following 30 days after receipt of the Phase 2 environmental report, whichever is later, based on the findings, conclusions and recommendations contained in the Phase 2 environmental report that, in the case of: (1) Buyer, the Property is unfit for its intended use by Buyer in Buyer's judgment and discretion; or (2) Seller, the costs of remediation of such environmental condition(s) by Seller exceed the amount Seller is willing to pay through either reduction of the purchase price or otherwise, in Seller's judgment and discretion, then such respective case, the party making such determination may upon written notice to the other party, terminate this Agreement without further obligation, and upon said termination, Seller shall promptly refund to Buyer the Earnest Money paid by Buyer.

5. **Prorations and Closing Costs.** Seller and Buyer agree to the following prorations and allocation of costs regarding this Agreement:

A. **Title Insurance.** Seller will pay all fees associated with the issuance of the Title Commitment (defined in Section 11). Buyer will pay for any premiums charged for any policies of title insurance (owners and mortgagees) and endorsements, unless an endorsement is issued as a result of Seller's request of the Title Company that it insure over any Objections (defined in Section 11).

B. **Deed Tax.** Seller shall pay the state deed tax on the Deed.

C. **Real Estate Taxes and Special Assessments.** General real estate taxes and installments of special assessments payable therewith, payable in the year prior to the year of Closing and all prior years will be paid by Seller. All installments of special assessments levied as of the date of this Agreement which are due and payable following the Closing, and all special assessments which become pending after the Closing, shall be the responsibility of Buyer. General real estate taxes and installments of special assessments payable therewith payable in the year of Closing shall be prorated on a daily basis by Seller and Buyer as of the Closing Date based on a calendar year.

D. **Recording Costs and Closing Fee.** Buyer will pay the cost of recording the Deed. Seller shall pay the cost of recording any documents necessary to perfect its own title, which release encumbrances or in connection with the clearance of any Objections. Seller and Buyer will each pay one-half (1/2) of any reasonable and customary closing fee or charge imposed by the Title Company.

E. **Other Costs.** All other operating costs of the Real Property will be allocated between Seller and Buyer as of the Closing Date, so that Seller pays that part of such other operating costs accruing before the Closing Date, and Buyer pays that part of such operating costs accruing from and after the Closing Date.

F. **Attorneys' Fees.** Each party will pay its own attorneys', accountants' and consultants' fees.

G. **Diligence Expenses.** At Seller's expense, Seller will obtain and provide to Buyer with respect to the Real Property, the following due diligence items (collectively, the "**Diligence Reports**"): (i) the survey contemplated by Section 1A, on or before August 30, 2024; and (ii) a Phase 2 Environmental Report prior to August 30, 2024. Within ten (10) days of execution of this Agreement by both parties, Seller shall provide to

Buyer copies of any existing Diligence Reports in Seller's possession.

6. **Risk of Loss, Damage, and Condemnation.**

A. **Damage / Loss.** If prior to Closing, all or any part of the Property is substantially damaged by fire casualty, the elements or any other cause, Seller shall immediately give written notice to Buyer of such fact and at Buyer's sole option (to be exercised within fifteen (15) days after Seller's notice), this Agreement may terminate. If Buyer so terminates this Agreement, the parties will have no further obligations under this Agreement and the Earnest Money, together with any accrued interest, shall be refunded to Buyer. In the event Buyer does not terminate this Agreement during the said fifteen (15) day period, Seller shall have the right, during the succeeding five (5) day period to terminate this Agreement by giving written notice thereof to Buyer. If Buyer elects not to terminate despite such damage, or if the Property is damaged but not substantially, Buyer may in Buyer's sole discretion elect to: (i) purchase the Property "as-is" and the Purchase Price shall be reduced accordingly to account for such damage, or (ii) have Seller restore the Property to the same condition prior to such damage. If Buyer elects to have Seller repair the Property, Seller shall promptly commence to repair such damage or destruction and return the Property to its condition prior to such damage and Buyer shall have the right to approve any loss adjustment reached by Seller with the applicable insurance companies, such approval not to be unreasonably withheld or delayed. If such damage shall be completely repaired prior to the Closing Date then there shall be no reduction in the Purchase Price and Seller shall retain the proceeds of all insurance related to such damage. If such damage shall not be completely repaired prior to the Closing Date but Seller is diligently proceeding to repair, then Seller shall complete the repair after the Closing Date and shall be entitled to receive the proceeds of all insurance related to such damage after repair is completed; provided however, Buyer shall have the right to delay the Closing Date until repair is completed. If Seller shall fail to diligently proceed to repair such damage then Buyer shall have the right to require a Closing to occur and the Purchase Price shall be reduced by the cost of such repair, as determined by Buyer, or at Buyer's option, Seller shall assign to Buyer all right to receive the proceeds of any insurance it may carry relating to such damage and Seller shall pay Buyer an amount equal to the deductible under the applicable policies, and the Purchase Price shall remain the same (or Seller may forego payment of the deductible, in which case the Purchase Price shall be reduced by the amount of said deductible). For purposes of this Section, the words "substantially damaged" mean damage that would cost \$100,000 or more to repair.

B. **Condemnation / Eminent Domain.** If prior to the Closing, eminent domain proceedings are commenced against all or any part of the Property, Seller shall immediately give written notice to Buyer of such fact and at Buyer's option (to be exercised within thirty days after Seller's notice), this Agreement shall terminate, in which event neither party will have further obligations under this Agreement. If Buyer shall elect not to give such termination notice, then there shall be a ten percent (10%) reduction in the Purchase Price, and Seller shall assign to Buyer at the Closing all of Seller's right, title and interest in and to any and all awards made or to be made in the condemnation proceedings, and all payments made in lieu of condemnation proceedings until such time as Buyer has elected not to terminate this Agreement by reason of the pending condemnation.

7. **Seller's Representations and Warranties.** As an inducement to Buyer to enter into this Agreement, and with the intent that Buyer may rely thereon, Seller represents and warrants to Buyer as follows (collectively, the "**Representations and Warranties**"):

A. **Wells and Tanks.** There are no: (i) wells (operating or abandoned) on the Property; (ii) operating or abandoned sewage treatment systems on the Real Property. No above ground or underground tanks are located in or about the Property in use or abandoned and no such tanks have been removed during Seller's ownership of the Property except in compliance with applicable Federal, state and local statutes, regulations, ordinances, and other regulatory requirements regarding such removal.

B. **Access.** The Property has direct legal access to, abuts, and is served by a publicly dedicated and maintained road that provides a valid means of ingress and egress to and from the Property, and Seller has

received no notice that any such road, are or may be subject to condemnation or closing.

C. No Covenants. The Property is not subject to any restrictive covenants of any kind, except those filed in the office of the County Recorder/Registrar where the Real Property is located. No present violations of a restriction relating to the use or improvement of the Property exist.

D. Compliance with Law. The Real Property and its current use, are in compliance with all federal, state and municipal laws, ordinances, rules and regulations, including zoning, subdivision, environmental protection, building, fire and health laws, ordinances, rules and regulations applicable to the Property (collectively, "Laws"). Seller has not received a notice from a governmental or regulatory authority that: (i) a person has violated any Laws affecting the Property; or (ii) the Property is in violation of the provisions of any such Laws. Seller will immediately provide copies to Buyer of all notices received by Seller affecting the Property.

E. Assessments. Seller has not received a notice of hearing of a new public improvement project from a governmental assessing authority, the costs of which the authority may assess against the Property. There are no, and at Closing there will be no, special or other assessments levied, pending, or certified for payment with respect to the Property.

F. Authority. Seller has the legal power, right and authority to enter into this Agreement and the instruments referenced herein and to consummate the transactions contemplated hereby. All requisite action (corporate, trust, partnership or otherwise) has been taken by Seller in connection with entering into this Agreement and the instruments referenced herein and the consummation of the transactions contemplated hereby. No consent of any partner, shareholder, member, creditor, lender, investor, judicial or administrative body, authority or other party is required which has not been obtained to permit Seller to enter into this Agreement and consummate the transaction contemplated hereby. The individuals executing this Agreement and the instruments referenced herein on behalf of Seller have the legal power, right and actual authority to bind Seller to the terms and conditions hereof and thereof. Neither the execution, delivery nor performance of this Agreement will result in the breach under any indenture, security instrument, or other agreement or court or administrative order by which Seller or the Property may be bound or affected.

G. Flood Plain. No portion of the Land is in a flood plain, except as depicted on Exhibit B.

H. Environmental Matters. Buyer's acceptance of title to the Real Property shall represent Buyer's acknowledgment and agreement that, except as expressly set forth in this Agreement: (i) Seller has not made any written or oral representation or warranty of any kind with respect to the environmental condition or status of the Real Property, (ii) except for the representations and warranties made by Seller in this Agreement, Buyer has not relied on any written or oral representation or warranty made by Seller, its agents or employees with respect to the environmental condition of the Property, and (iii) Buyer has had an adequate opportunity to inspect the environmental condition of the Property, including without limitation, any environmental testing, and to inspect documents applicable thereto, and Buyer is relying solely on such inspection and testing. To Seller's Knowledge, but subject to the disclosures set forth in the Phase 2 environmental report concerning the Real Property to be obtained by Seller prior to Closing and shared with Buyer, with respect to the Real Property: (1) there is not any environmental condition, Hazardous Materials, situation or incident on, at, or concerning the Property that could give rise to an action or liability under any Environmental Laws or common law theory; (2) there are no present, and to Seller's Knowledge, no past, investigations, administrative proceedings, litigation, regulatory hearings or other actions proposed, threatened or pending, alleging non-compliance with or violation of any Environmental Laws, relating to any required environmental permits, or the release or presence of Hazardous Materials; (3) neither Seller nor, to Seller's Knowledge, any third party has violated any Environmental Laws with respect to the Property; (4) Seller has delivered to Buyer all reports and investigations commissioned by or otherwise readily available to Seller relating to the Property concerning Environmental Laws or Hazardous Materials; and (5) the Property is in compliance with all Environmental Laws.

For the purposes of this Agreement: (a) “Environmental Laws” means the Resource Conservation and Recovery Act and the Comprehensive Environmental Response Compensation and Liability Act, and other federal, state, regional, county, or local laws, ordinances, rules or regulations governing the environment as in effect on the date of this Agreement together with their implementing regulations and guidelines, or that: (i) purport to regulate Hazardous Materials in effect as of the date of this Agreement; or (ii) deal with or relate to environmental, health or safety matters; and (b) “Hazardous Materials” means any substance which is: (i) designated, defined, classified or regulated as a hazardous substance, hazardous material, hazardous waste, pollutant or contaminant under any Environmental Law, as currently in effect as of the date of this Agreement, (ii) petroleum hydrocarbon, including crude oil or any fraction thereof and all petroleum products, (iii) PCBs, (iv) lead, (v) friable asbestos, (vi) flammable explosives, (vii) infectious materials, or (viii) radioactive materials.

I. Seller Defaults. Seller is not in default concerning any of its obligations or liabilities regarding the Property.

J. No Post-Closing Contracts. There are no service, management, maintenance, operation, or equipment contracts, agreements or leases relating to the Property other than those which can and, at Buyer’s option, will be cancelled on or before the Closing Date, and Seller has disclosed in writing to Buyer all such agreements, contracts, leases, and documents, if any.

K. Litigation, Claims, and Mechanics’ Liens. There is no litigation, proceeding, claim or investigation, pending or threatened, which at or after Closing, would adversely affect the Property, or Seller’s ability to consummate the transactions contemplated by this Agreement. Seller has paid for, or will pay for on or before the Closing Date, all work, supplies, labor, improvements, and materials, performed on and supplied to the Property. Seller has no notice that any governmental authority may commence eminent domain, condemnation, special taxing district, or rezoning proceedings affecting the Property.

L. Title to Real Property. Seller owns the Real Property and Improvements free and clear of all encumbrances, except liens appearing in the public records in the county where the Real Property is located.

M. Rights of Others. Seller has not entered into any other contracts or understandings (oral or written) for the sale, lease, or encumbrance of the Property, nor are there any rights or understandings of first refusal or options to purchase the Property, easements affecting the Land, or any other rights of others that might prevent the consummation of this Agreement.

N. Broker. Seller has not employed any realtor, broker or finder regarding the sale of the Property.

O. Certificates. All Permits which are required to use or occupy the Property have been issued and are in full force and effect. Seller shall deliver to Buyer a true and complete copy of all Permits. Seller has not received any notice from any governmental authority or other entity having jurisdiction over the Property threatening a suspension, revocation, modification or cancellation of any Permit and, to Seller’s Knowledge, there is no basis for issuance of any such notice or the taking of any such action.

P. Location of Improvements. The Improvements are entirely located on the Land, and all buildings and improvements on adjoining real property, if any, are entirely outside the boundary lines of the Land. Except as provided in this Agreement, Seller will not construct or permit construction, of any improvements on the Property prior to the Closing Date.

Q. Equipment. Seller is the owner of all, and there exists no lien, encumbrance or adverse claim with respect to, any of the items of Equipment, and all equipment and capital leases for fixtures or equipment essential to operation of the Property have been disclosed in writing to Buyer.

R. Condition of Improvements. The Improvements are in good condition and repair, ordinary wear and tear excepted, and are sufficient for the normal operation of the Property. There are no structural

deficiencies or latent defects affecting any of the Property. The air conditioning, heating, ventilation, plumbing and electrical systems, and other mechanical systems used and located on and in the Property are in working order. Structural walls and foundation comprising the Improvements are in good condition and repair, are watertight, and contain no latent defects. Buyer and Seller acknowledge the roof requires replacement, which shall be completed by Seller prior to Closing.

S. Accuracy. All such representations and warranties contained in this Section shall be true on the Closing Date as if made on and as of such date.

T. Breach. If any aforesaid warranty is determined not to be true on and as of the Closing Date Buyer may, in Buyer's sole discretion, at its option and by notice to Seller, either: (i) terminate this Agreement, and upon said termination, Seller shall promptly refund to Buyer all monies paid to Seller hereunder; or (ii) waive the warranty or representation and close the sale and purchase hereof.

U. Definitions. For the purposes of this Section 7, the phrase "Knowledge of Seller" or "Seller's Knowledge" or such similar phrases shall mean the actual knowledge of the City Administrator, Ice Rick Manager, and City Engineer, after reasonable inquiry and investigation of applicable information and Seller's agents, managers, advisors, and employees.

8. Inspection and Development Contingency. The obligation of Buyer to perform under this Agreement is contingent on Buyer's satisfaction of each of the following contingencies. Buyer may inspect the Property at Buyer's expense before Closing to determine the following:

A. Inspection Period. Seller agrees that Buyer shall have the unqualified right to terminate this Agreement at Buyer's sole option and to have the Earnest Money promptly refunded at any time during the period up through and including 4:00 p.m. on the seventy fifth (75th) day following the Effective Date (said period referred to as the "Inspection Period"). If Buyer desires to exercise its option to terminate this Agreement, Buyer shall do so by serving written notice of such exercise on Seller, on or before the expiration of the Inspection Period, whereupon all Earnest Money herein shall be returned to Buyer.

B. Document Inspection. Within ten (10) days of the Effective Date, Seller shall deliver to Buyer all Seller's existing Diligence Reports, Records, Plans, Warranties, Permits, existing surveys, and other documents that are in the possession of Seller pertaining to the Property, (collectively, the "Documents"), except those which are proprietary or normally viewed as confidential.

C. Property Evaluation. Buyer and its employees, agents and contractors shall have the right to enter on the Property at all reasonable times with 24 hours notice to Seller during the Inspection Period to perform such physical inspections and investigations as it deems advisable, provided: (i) there shall be no unreasonable interruption of Seller's use of the Property; (ii) Buyer shall indemnify and hold Seller harmless from and against any damages, losses, liens (including mechanic's liens), fines, penalties, or claims arising out of or relating to the inspection activities of Buyer, its employees, agents and contractors; and (iii) Buyer will promptly repair, at its cost, any damages to the Property occasioned by any such inspection activities. If Buyer, in Buyer's sole discretion, is not satisfied with the outcome of such inspection and investigation, Seller agrees that Buyer shall have the right to terminate this Agreement at any time during the Inspection Period. If Buyer desires to exercise its option to terminate this Agreement, Buyer shall do so by serving written notice thereof on Seller on or before the expiration of the Inspection Period, whereupon all Earnest Money shall be returned to Buyer.

Prior to Closing, Buyer agrees and covenants with Seller not to disclose to any third party (other than lenders, accountants, attorneys and other professionals and consultants in connection with the transaction contemplated herein) without Seller's prior written consent, unless Buyer is obligated by law to make such disclosure, any of the reports or any other documentation or information obtained by Buyer which relates to the Property or Seller in any way, all of which shall be used by Buyer and its agents solely in connection with the transaction contemplated hereby. If this Agreement is terminated, Buyer agrees that all such information

will continue to be held in strict confidence, unless otherwise provided by law.

9. **Survival and Indemnification.**

A. **Survival.** The respective covenants, agreements, indemnifications, Warranties and Representations contained at Sections 7B, 7C, 7D, 7F, 7G, 7H, 7L, 7M, and 7P and the indemnification relating thereto will survive and be in full force and effect after the Closing for the applicable statute of limitations, and shall not be deemed to have merged into any of Seller's Closing Documents or Buyer's Closing Documents. All other covenants, agreements, indemnifications, Representations and Warranties contained herein shall survive and be in full force and effect after the Closing for a period of two (2) years and shall not be deemed to have merged into any of Buyer's Closing Documents or Seller's Closing Documents.

B. **Indemnification.** Seller shall indemnify, defend, and hold Buyer harmless from and against any and all claims, actions, judgments, liabilities, liens, damages, losses, penalties, fines, costs and reasonable attorneys' fees, foreseen or unforeseen, asserted against, imposed on or suffered or incurred by Buyer (or the Property) directly or indirectly arising out of or in connection with any breach of any of the Representations and Warranties contained in this Section 7. The Representations and Warranties shall be deemed remade as of Closing and updated if necessary, and said Representations and Warranties as so remade and updated, and the indemnity obligation set forth in herein shall survive Closing as provided in Section 9B.

10. **Possession.** Seller will deliver possession of Property not later than the Closing Date subject to the Lease. Seller will deliver the Property in materially the same condition that the Property is in on the date of execution of this Agreement.

11. **Title and Title Remedies.** Title examination will be conducted as follows:

A. **Seller's Title.** Buyer shall at Seller's expense, arrange for the Title Company to prepare and deliver to Seller and Buyer, as soon as practical, a commitment for an owner's policy of title insurance in the amount of the Purchase Price ("**Title Commitment**"), together with copies of documents listed in Schedule B Section 2 therein. Buyer shall pay the premium for any title insurance policy obtained by Buyer (the "**Title Policy**") and the cost of any endorsements thereto, other than endorsements if any acceptable to Buyer to insure over Title Objections, the cost of which shall be Seller's responsibility.

B. **Buyer's Examination and Objection.** Within twenty (20) days after receiving the Title Commitment ("**Title Review Date**"), Buyer will make written objections ("**Objections**") thereto and the Alta Survey obtained with respect to the Property. If Buyer shall fail to make any objections on or before the Title Review Date, Buyer shall be deemed to have accepted all exceptions to the Title Commitment.

C. **Seller Correction.** Seller will have until the expiration of the Inspection Period, but in no case less than 60 days, to cure the Objections. Seller shall use commercially reasonable efforts to correct any Objections in a prompt and diligent manner. To the extent an Objection is a mortgage, lien or similar financial obligation, Buyer shall have the right and option to: (i) apply a portion of the cost payable to Seller at Closing to satisfaction of such Objections and the amount so applied shall reduce the amount of cash payable to Seller at Closing; or (ii) escrow sufficient funds with the Title Company for such title correction costs and actions.

D. **Remedy.** If the Objections are not cured within such sixty (60) day period, Buyer will have in its sole discretion, the option to do any of the following: (1) Terminate this Agreement and receive a refund of the Earnest Money and the interest accrued and unpaid on the Earnest Money, if any and any other funds owed to Buyer hereunder; (2) Cure Objections of the nature specified in the third sentence of Section 11C, by paying the same at Closing and deducting all such payments from the Purchase Price; or (3) Waive the Objections in writing and proceed to Closing.

12. **Remedies on Default.**

A. **Default by Buyer.** If Buyer defaults under this Agreement, Seller shall provide written notice to Buyer specifying the nature of the claimed default. If Buyer fails to cure such default within ten (10) days of the date of such notice is received by Buyer, this Agreement will terminate, and upon such termination Seller will retain the Earnest Money as liquidated damages. The termination of this Agreement and retention of the Earnest Money will be the sole and exclusive remedy available to Seller for such default by Buyer, and Buyer will not be liable for any damages.

B. **Default by Seller.** If Seller defaults under this Agreement, Buyer shall provide written notice to Seller specifying the nature of the claimed default. If Seller fails to cure such default within ten (10) days of the date of such notice is received by Seller, Buyer may at its option: (i) terminate the Agreement in which case the Earnest Money shall be refunded to Buyer; or (ii) seek specific performance of this Agreement within six (6) months after the right of action arises.

13. **Results of Termination.** Except as otherwise provided herein, any time this Agreement is cancelled, terminated, or is void: (A) Neither party is liable for damages under this Agreement to the other; (B) The Earnest Money, together with all accrued interest, will be returned to Buyer; and (C) Seller and Buyer will sign a cancellation of this Agreement to evidence the termination of this Agreement, but the failure of either party to sign does not affect the termination of this Agreement, or the fact that this Agreement is void. The provisions of Sections 9, 11A, 12, 13, 16, 20, and 21 shall survive the termination or cancellation of this Agreement for the applicable statute of limitations.

14. **Notices.** Any notice required or permitted to be given by any party to the other must be in writing, and given in accordance with this Agreement by delivering it: (i) personally to an officer of Buyer or Seller; (ii) if transmitted by electronic mail, followed by mailed notice as above required; or (iii) if deposited cost paid with a nationally recognized, reputable overnight courier, properly addressed as follows:

If to **Buyer:** LTJ Investments, LLC
110 3rd St East STE A
Northfield, MN 55057
Attn: Tyler Westman
Email: tyler@westmanenterprises.com

With copy to: Michael Jacobs, Esq.
Fredrikson & Byron, P.A.
111 South 2nd Street, Suite 400
Mankato, MN 56001
mjacobs@fredlaw.com

If to **Seller:** City of Northfield, MN
801 Washington Street
Northfield, MN 55057
Attn: Ben Martig
Ben.Martig@northfieldmn.gov

Notices shall be deemed effective on the earlier of the date of receipt or the date of deposit as aforesaid; provided however, if notice is given by deposit, that the time for response to any notice by the other party shall commence to run three (3) business days after any such deposit. Any party may change its address for the service of notice by giving written notice of such change to the other party, in any manner above specified.

15. **Assignment.** This Agreement may not be assigned by either party without the written consent of the other party, which consent shall not be unreasonably withheld, conditioned or delayed, provided however, Buyer shall have the unconditional right to assign this Agreement to an affiliate or related entity of its choosing. Seller may not assign this Agreement. This Agreement binds and benefits the parties and their successors and assigns.

16. **Duties of Title Company.**

A. **Seller Default.** If Title Company receives written evidence from Buyer that this Agreement: (i) has been duly terminated by Buyer pursuant to Sections 3, 4, 6, 8, 11 or 12; or (ii) was otherwise terminated as a result of a default by Seller, then Title Company shall promptly deliver all Earnest Money (together with all interest accrued thereon) to Buyer.

B. **Buyer Default.** If Title Company receives written evidence from Seller that this Agreement has been duly terminated by Seller pursuant to Sections 6 or 12 hereof, or pursuant Minnesota Statutes § 559.21, then Title Company shall promptly deliver all Earnest Money hereunder (together with all accrued interest thereon) to Seller.

C. **Limitations.** The sole duties of Title Company shall be those described herein, and Title Company shall be under no obligation to determine whether the other parties hereto are complying with any requirements of law or the terms and conditions of any other agreements among said parties. Title Company may conclusively rely on and shall be protected in acting upon any notice, consent, order or other document believed by it to be genuine and to have been signed or presented by the proper party or parties, consistent with reasonable due diligence on Title Company's part. Title Company shall have no: (i) duty or liability to verify any such notice, consent order or other document, and its sole responsibility shall be to act as expressly set forth in this Agreement; and (ii) obligation to institute or defend any action, suit or proceeding in connection with this Agreement. If any dispute arises with respect to the disbursement of any monies, Title Company may continue to hold the same pending resolution of such dispute, and the parties hereto hereby indemnify and hold harmless Title Company from any action taken by it in good faith in the execution of its duties hereunder.

17. **Reserved.**

18. **Operation Prior to Closing.** Seller shall until the Closing, operate and maintain the Property in the ordinary course of business in accordance with prudent, reasonable business standards, including the maintenance of adequate liability insurance and any currently-maintained insurance against loss by fire, windstorm and other hazards, casualties and contingencies, including vandalism and malicious mischief. Between the date of this Agreement and the Closing Date, Seller shall not execute new leases, or modify or terminate any existing leases without the advance written approval of Buyer.

19. **Further Documents.** Each of the parties agree to execute, acknowledge, and deliver to the other, documents which such other party reasonably requests in order to effectuate the transactions contemplated by this Agreement, including any commercially reasonable document required by Buyer or Buyer's lender.

20. **General Terms.**

A. **Severability.** Each provision, section, sentence, clause, phrase, and word of this Agreement is intended to be severable. If any provision, section, sentence, clause, phrase, and word hereof is illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the validity of the remainder of this Agreement, provided: (i) each party receives the substantial benefit of its bargain with respect to the transaction contemplated hereby; and (ii) the ineffectiveness of such provision would not result in such a material change as to cause completion of the transactions contemplated hereby to be unreasonable.

B. **No Assumption of Liabilities.** Except as specifically provided herein, each party does not assume and shall not be liable for any of the other party's obligations or liabilities of any nature whatsoever, and the same shall continue to be the responsibility of the other obligated party.

C. **Time is of the Essence.** Time is of the essence for all provisions of this Agreement.

D. **Entire Agreement.** This Agreement with all attached exhibits and addenda or amendments signed by the parties constitutes the entire agreement between Seller and Buyer and supersedes all other written or

oral agreements between them. The parties can modify this Agreement only by a writing signed by Seller and Buyer. There are no verbal agreements that change this Agreement and no waiver of any of its terms will be effective unless in writing executed by the parties.

E. Governing Law. The parties agree that each has been given the opportunity to independently review this Agreement with legal counsel, and/or has the requisite experience and sophistication to understand, interpret, and agree to the particular language of this Agreement. The parties have equal bargaining power, and intend the plain meaning of the provisions of this Agreement. In the event of an ambiguity in or dispute regarding the interpretation of this Agreement, the ambiguity or dispute shall not be resolved by application of any rule that provides for interpretation against the drafter of the Agreement. The laws of the State of Minnesota govern this Agreement and such laws will control its interpretation.

F. Multiple Originals, Counterparts. Seller and Buyer may sign two originals of this Agreement. This Agreement may be executed in counterparts, each of which shall be deemed an original, and which together shall constitute a single, integrated contract.

G. Captions. The paragraph headings or captions appearing in this Agreement are for convenience only, are not a part of this Agreement and are not to be considered in interpreting this Agreement.

H. Risk of Loss. If there is any loss or damage to the Property between the date hereof and the Closing, the risk of loss shall be completely on Seller.

I. Dates and Time Periods. Should the date for the giving of any notice, the performance of any act, or the beginning or end of any period provided for herein fall on a Saturday, Sunday or legal holiday, such date shall be extended to the next succeeding business day which is not a Saturday, Sunday or legal holiday.

J. Data Practices. The parties acknowledge that this Agreement is subject to the requirements of Minnesota's Government Data Practices Act, Minnesota Statutes, Section 13.01 et seq.

K. Recitals. The recitals hereto are made a part hereof.

L. Remedies. The remedies contained in Section 12 of this Agreement are the exclusive remedies for violation or breach of this Agreement, but only if Closing has not occurred. Except where expressly limited herein, no right or remedy herein conferred on or reserved to Buyer or Seller is intended to be exclusive of any other right or remedy herein or by law provided but each shall be cumulative in and in addition to every other right or remedy existing at law in equity or by statute, now or in the future.

21. Waiver of Conflict of Interest. Title Company acts as legal counsel to Buyer. Title Company does not want to be precluded from handling Buyer matters now or in the future because of this Agreement, therefore, to assure Title Company that it will be able to continue handling all types of matters for Buyer, Title Company is asking for a waiver in advance of any conflicts that may result from activities contemplated under this Agreement. Seller agrees that Title Company may continue to represent, and may in the future represent, Buyer in any matter, including a dispute over this Agreement. Therefore, if a conflict should arise between Buyer and Seller, Seller agrees that Title Company may continue to represent Buyer in such matters (even those adverse to Seller), and all unrelated matters, provided the Earnest Money shall be held by an unrelated third-party financial institution at Buyer's expense. The parties acknowledge such potential conflict and indemnify, defend and hold harmless the Title Company from any claim of conflict of interest arising as a result of its duties hereunder and in determining whether it can give its irrevocable commitment to insure Buyer's title.

[Signatures contained on following page]

[Signature Page to Real Estate Purchase Agreement]

SELLER:

CITY OF NORTHFIELD, MINNESOTA

By: _____
Rhonda Pownell, Its Mayor

By: _____
Lynette Peterson, Its City Clerk

STATE OF MINNESOTA)
) ss.
COUNTY OF RICE)

This instrument was acknowledged before me on _____, 2024, by Rhonda Pownell, the Mayor, and by Lynette Peterson, the City Clerk of the City of Northfield, Minnesota, a municipal corporation under the laws of the State of Minnesota, Seller.

(Notary Seal)

Notary Public

EXHIBIT A
TO
REAL ESTATE PURCHASE AGREEMENT

Depiction of Real Property to be Conveyed to Buyer

(Subject to survey and minor subdivision prior to Closing to determine legal descriptions. Property City will retain contains approximately 1.4 acres. Property City will convey contains approximately 3.36 acres)



EXHIBIT B
TO
REAL ESTATE PURCHASE AGREEMENT

Depiction of Flood Plain

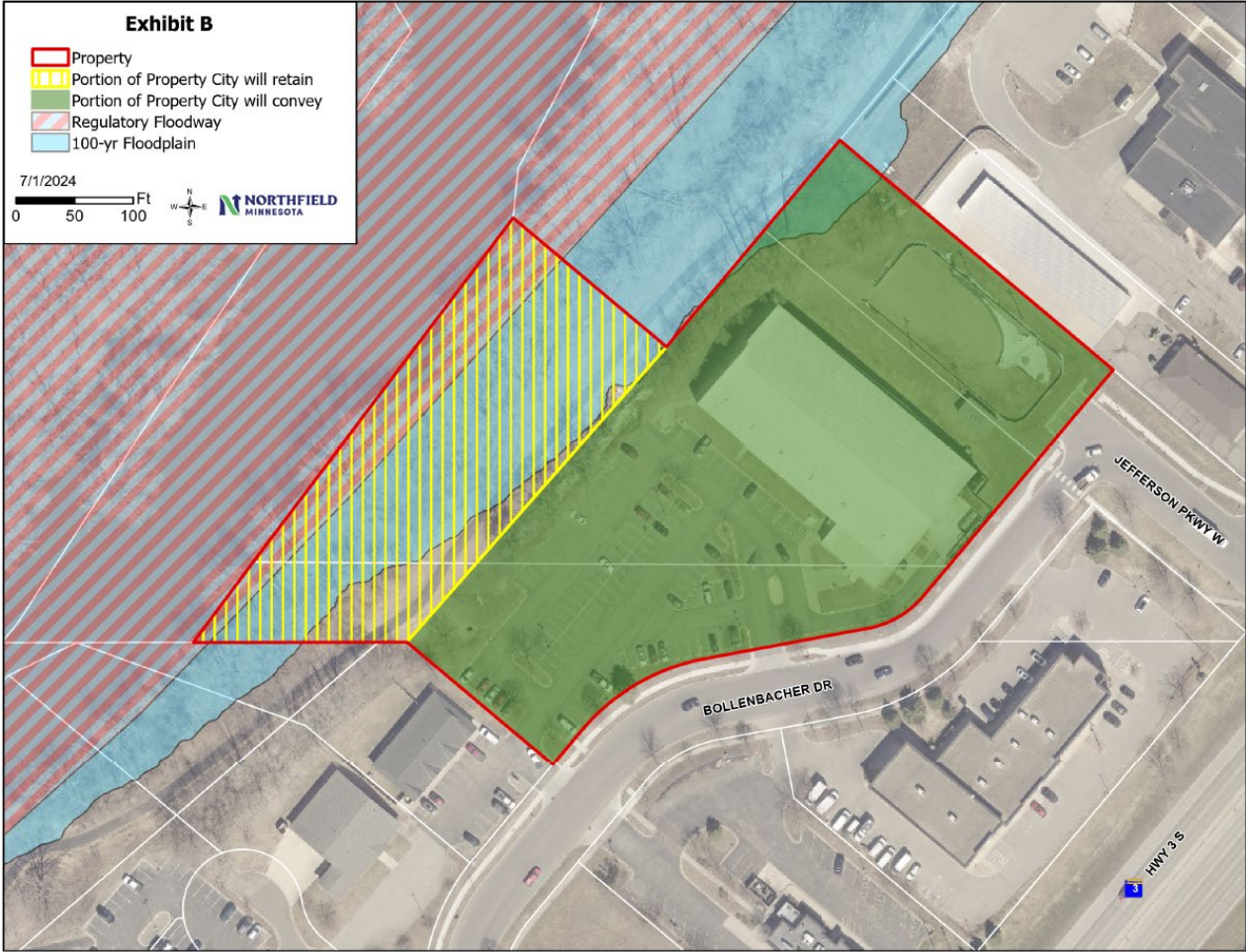


EXHIBIT C
TO
REAL ESTATE PURCHASE AGREEMENT

Lease Agreement

EXHIBIT D
TO
REAL ESTATE PURCHASE AGREEMENT
Easement Agreement