

PURCHASE AGREEMENT

THIS PURCHASE AGREEMENT (“Agreement”) is made this ____ day of _____, 2024, by and between the City of Northfield, a municipal corporation under the laws of the State of Minnesota, Northfield City Hall, 801 Washington Street, Northfield, Minnesota 55057 (individually the “City”), on behalf of Northfield Hospital + Clinics, an instrumentality of the City of Northfield, 2000 North Avenue, Northfield, Minnesota 55057 (individually the “Hospital), (collectively, City and Hospital are referred to herein below as the “Seller”); and Northfield Housing and Redevelopment Authority, a/k/a Housing and Redevelopment Authority of the City of Northfield, Minnesota, a body politic and corporate under the laws of the State of Minnesota, 801 Washington Street, Northfield, Minnesota 55057 (the “Buyer”); (collectively the Seller and Buyer are referred to herein below as the “Parties”).

In consideration of the covenants and agreements of the Parties hereto, Seller and Buyer agree as follows:

1. **SALE OF PROPERTY.** Upon and subject to the terms and conditions of this Agreement, Seller agrees to sell to Buyer, and Buyer agrees to purchase from Seller, the following (collectively the “Property”):
 - a. **Real Property.** The real property located at 706 2nd Street West, PID No. 22.36.4.53.014 (“Parcel 1”) and 716 2nd Street West, PID No. 22.36.4.53.013 (“Parcel 2”), in the City of Northfield, collectively legally described on the attached Exhibit A (the “Land”), together with (1) all buildings and improvements constructed or located on the Land (the “Improvements”), and (2) all 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 (collectively the “Real Property”). Hospital agrees to indemnify and hold Buyer and City harmless from all claims of any kind whatsoever arising out of or in any way incidental to the marketability of title to the Real Property for the purposes aforesaid, which indemnity and hold harmless obligation of Hospital shall survive termination of this Agreement for any reason; and
 - b. **Personal Property:** All of the fixtures, if any, situated in or about the Real Property owned by Seller and relating to the use and operation of the Real Property (“Personal Property”), except that Buyer and Seller agree that the Hospital may, at Hospital’s option and expense, remove Personal Property located on the Property. Such removal of Personal Property by Hospital shall occur prior to the Closing Date. Hospital remains solely liable for such Personal Property, and Hospital shall not have any claim or cause of action regarding the same against Buyer or City. Hospital agrees to indemnify and hold Buyer and City harmless from all injury, death, or property damage or claims of any kind whatsoever arising out of or in any way incidental to Hospital’s presence on the Property for the purposes aforesaid, which indemnity and hold harmless obligation of Hospital shall survive termination of this Agreement for any reason.

On the Closing Date, Hospital, at Hospital's expense, shall provide all buildings on the Land in a secure, safe and non-hazardous condition acceptable to Buyer where entrance to the same may only be made by Buyer's authorized personnel or agents through a locked door via keyed entry. Prior to the Closing Date, all other items or personal property not affixed to the Property and not otherwise defined as Personal Property herein shall be removed from the Property by Hospital at the Hospital's expense such that on the Closing Date the Land and Buildings located on the Property are clean and empty of all non-affixed items, garbage, debris and junk. Any debris, junk, garbage or non-affixed items of personal property or otherwise remaining on the Property on the Closing Date and not otherwise removed by the Hospital prior to the Closing Date shall be deemed abandoned by the Hospital and become the property of the Buyer to be disposed of by the Buyer in its sole judgment and discretion without compensation to the Hospital, and the Purchase Price at Closing shall be reduced by the cost the Buyer estimates necessary to remove and dispose of the same. The Buyer shall have the right to inspect the Property prior to Closing to ensure this paragraph has been complied with to the Buyer's satisfaction and to determine any required reduction in the Purchase Price.

- c. **Leases.** Hospital warrants that any and all leases relating to the Property have been or will be terminated prior to the Closing Date. Hospital shall disclose all leases pertaining to the Property to Buyer.
 - d. **Permits.** Hospital's interests in any certificates, permits, variances, licenses and approvals which benefit or relate to the Property and its current use ("Permits").
 - e. **Warranties.** Hospital's interest in all warranties and guaranties, if any, given to, assigned to or benefiting Hospital or the Real Property or the Personal Property, regarding the acquisition, construction, design, use, operation, management or maintenance of the Property ("Warranties").
 - f. **Plans.** All blueprints, shop drawings, surveys, studies, plans and specifications regarding the Property and Personal Property that are in the possession of or readily available to Hospital or its agents (the "Plans").
 - g. **Records.** All records regarding the Real Property and the Personal Property ("Records") that are in possession of the Hospital, or Hospital's contract manager, except those that are proprietary to Seller or which are normally viewed as confidential.
 - h. **Proceeds.** Hospital's interest in and to any insurance or condemnation proceeds hereinafter received relating to any of the Property ("Proceeds").
2. **PURCHASE PRICE AND MANNER OF PAYMENT.** The total purchase price ("Purchase Price") to be paid by Buyer to Hospital for the Real Property and Personal

Property is Three Hundred Twenty-Five Thousand and No/100ths Dollars (\$325,000.00), constituting payment of Two Hundred Eighty-Six Thousand Six Hundred and No/100ths Dollars (\$286,600.00) for Parcel 1 located at 706 2nd Street West (PID No. 22.36.4.53.014), and Thirty Eight Thousand Four Hundred and No/100ths Dollars (\$38,400.00) for Parcel 2 located at 716 2nd Street West (PID No. 22.36.4.53.013), which total amount shall be paid as follows:

- a. \$325,000.00 paid by wire transfer on the Closing Date.

Based on the unique Charter and statutory relationship between the City and Hospital related to conveyance of real property and notwithstanding any provision hereof, the Parties hereto acknowledge and agree that title to the Property will be conveyed by the City to the Buyer, but that the Hospital originally paid for, used, operated, maintained, controlled, and was solely financially responsible for the Property during the term of ownership by the Seller. Therefore, the proceeds of sale of the Property as provided herein shall be paid to the Hospital as a party to this Agreement, and all responsibility for the Property and obligations upon the Seller as provided in this Agreement as well as payment of all costs and expenses of any kind or nature whatsoever as provided in this Agreement attributable to the Seller shall be upon and paid by the Hospital as a party to the Agreement.

3. **CLOSING AND POSSESSION.** The closing of the purchase and sale contemplated by this Agreement shall occur on a date mutually acceptable to Seller and Buyer, but no later than December 31, 2024 (the “Closing Date”). The Hospital agrees to deliver possession not later than the Closing Date provided that all the contingencies and other terms and conditions contained in this Agreement have been complied with and satisfied. Closing shall take place at Northfield City Hall or the Title Company, as hereinafter defined, or at such other place as may be agreed to mutually by the Parties.

- a. **Seller’s Closing Documents.** On the Closing Date, Seller shall execute and/or deliver to Buyer the following (collectively, “Seller’s Closing Documents”):
 - i. Quit Claim Deed. Attached hereto and made a part hereof is the required Quit Claim Deed for Parcel 1, Exhibit B, and the required Quit Claim Deed for Parcel 2, Exhibit C (collectively the “Deeds”) containing the terms, covenants, and conditions upon which the sale of the Real Property is based.
 - ii. Original Documents. To the extent reasonably available to Hospital original copies of the Leases, the Permits, Warranties, Plans and Records.
 - iii. Well Certificate. If there are wells on the Real Property, a Well Certificate in the form required by Minn. Stat. § 103I.235.
 - iv. Other Affidavits. Any other affidavits or certificates that may be required

under Minn. Stat. § 116.48, Subd. 6, or Minn. Stat. § 115B.16 or other applicable provisions of law.

- v. Title Policy. A title policy, or a marked-up Title Commitment, meeting the requirements of Section 8 of this Agreement.
- vi. Other. Such other documents as may reasonably be required to transfer fee title to the Property to Buyer.

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

- i. Purchase Price. The Purchase Price, minus the earnest money, if any, by wire transfer.
- ii. Certificate of Real Estate Value. A Certificate of Real Estate Value.

4. **CONDITIONS PRECEDENT**. The obligations of the Parties to perform under this Purchase Agreement are contingent upon the timely occurrence or satisfaction of each of the following conditions prior to or on the Closing Date:

- a. On the Closing Date, title to the Real Property shall be acceptable to Buyer subject to and in accordance with the provisions of Section 8 regarding title examination.
- b. The Inspection Period described in Section 12 of this Agreement shall have expired without Buyer terminating this Agreement.
- c. The representations and warranties of Hospital shall be true and correct in all material respects up through and including the Date of Closing.
- d. Seller's obligation to perform hereunder is contingent upon Seller obtaining, before the Closing Date, approval of the transaction contemplated by this Agreement by the City Council of the City of Northfield, Minnesota, and the Board of Commissioners of the Northfield Housing and Redevelopment Authority. Notwithstanding anything in this Agreement to the contrary, if such approvals have not been obtained by the Closing Date, this Agreement shall be null and void. Execution of this Agreement by any person on behalf of the Seller prior to obtaining the necessary approvals provided herein shall not confer any personal authority nor create any personal liability on the signer for the obligations of Seller under this Agreement.

The conditions precedent and contingencies are solely for the benefit of, and may at any time be waived by, the Party so benefitted. If any approval as provided herein is not

obtained by the Closing Date, this Agreement shall be null and void, and the earnest money, if any, returned to the Buyer.

5. **PURCHASE, AS-IS.** Except as provided herein below, the Real Property described in this Purchase Agreement is being sold in an “as-is” and with “all faults” condition, Buyer hereby acknowledges that Buyer has had an opportunity to inspect the Real Property prior to the execution of this Agreement. 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 Real Property (including without limitation express or implied warranties of title, merchantability, or fitness for a particular purpose or use), (ii) Buyer has not relied on any written or oral representation or warranty made by Seller, its agents or employees with respect to the condition or value of the Real Property, (iii) Buyer has had an adequate opportunity to inspect the condition of the Real Property, including without limitation, any environmental testing, and to inspect documents applicable thereto, and Buyer is relying solely on such inspection and testing, and (iv) the condition of the Real Property is fit for Buyer’s intended use. Buyer agrees to accept all risk of Claims (including without limitation all Claims under any Environmental Law and all Claims arising at common law, in equity, or under a federal, state, or local statute, rule, or regulation) whether past, present, or future, existing or contingent, known or unknown, contemplated or un contemplated, suspected or unsuspected, arising out of, resulting from, or relating to the condition of the Real Property, including without limitation, the presence of any Hazardous Substance on the Real Property, whether such Hazardous Substance is located on or under the Real Property, or has migrated or will migrate from or to the Real Property.

a. For purposes of this Section, the following terms have the following meanings:

- i. “Environmental Law” means the Comprehensive Environmental Response, Compensation and Liability Act (“CERCLA”), 42 U.S.C. § 9601 et seq., the Resource Conservation and Recovery Act, 42 U.S.C. § 9601 et seq., the Federal Water Pollution Control Act, 33 U.S.C. § 1201 et seq., the Clean Water Act, 33 U.S.C. § 1321 et seq., the Clean Air Act, 42 U.S.C. § 7401 et seq., the Toxic Substances Control Act, 33 U.S.C. § 1251 et seq., all as amended from time to time, and any other federal, state, local or other governmental statute, regulation, rule, law or ordinance dealing with the protection of human health, safety, natural resources or the environment now existing and hereafter enacted; and
- ii. “Hazardous Substance” means any pollutant, contaminant, hazardous substance or waste, solid waste, petroleum product, distillate, or fraction, radioactive material, chemical known to cause cancer or reproductive toxicity, polychlorinated biphenyl or any other chemical, substance or material listed or identified in or regulated by any Environmental Law.

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

6. **WELLS AND INDIVIDUAL SEWAGE TREATMENT SYSTEMS.** The Seller certifies that the Seller does not know of any wells or individual sewage treatment systems on or serving the Real Property described herein.

7. **PRORATIONS.** Seller and Buyer agree to the following prorations and allocation of costs regarding the Real Property and this Agreement.

- a. **Title Insurance and Closing Fee.** Hospital will pay all costs related to issuance of the Title Commitment, including but not limited to any tax lien, judgment and bankruptcy searches. Buyer shall pay all premiums required for the issuance of the Title Policy and all endorsements thereto. Buyer and Seller will each pay half of any reasonable and customary closing fee or charge imposed by the Title Company.
- b. **Deed Tax.** Hospital shall pay all state deed taxes regarding the Deeds to be delivered by Seller under this Agreement.
- 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 Hospital. Hospital shall pay on or before the Closing Date all special assessments that were officially levied or pending as of the date of this Agreement. Special assessments levied or which become pending after the date of this Agreement shall be paid by Buyer. General real estate taxes payable in the year of Closing shall be prorated such that Hospital shall pay such portion of such taxes attributable to the period beginning on January 1 of the year in which the Closing Date takes place, and continuing through and including the Closing Date and Buyer shall pay such portion of such taxes attributable to the period beginning on the first day after the Closing Date takes place.
- d. **Recording Costs.** Buyer will pay the cost of recording the Deeds. Hospital shall pay the cost of recording any documents necessary to perfect its own title or which release encumbrances other than Permitted Exceptions.
- 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 on or before the Closing Date, and Buyer pays that part of such operating costs accruing after the Closing Date. All utilities, if

any, shall have a final reading as of the Closing Date and then be transferred to Buyer on the Closing Date. Hospital shall be responsible for all charges prior to the final reading; Buyer shall be responsible for all charges after the final reading, as applicable.

- f. **Attorneys' Fees.** Each of the parties will pay its own attorneys', accountants' and consultants' fees.
8. **Title Examination.** Seller shall convey good and marketable title to the Property to the Buyer, free of encumbrances other than easements and restrictions of record, which do not materially interfere with Buyer's intended use of the Property and Permitted Exceptions as provided by this Agreement.
- a. **Title Commitment.** Within ten (10) business days of the date of this Agreement, Seller shall, at Hospital's expense, obtain and deliver to Buyer a title commitment ("Title Commitment") covering the Property and binding the title company ("Title Company") to issue at Closing a current form ALTA Owner's Policy of Title Insurance ("Title Policy") in the full amount of the Purchase Price. During the same period, Seller shall deliver to Buyer any updated Abstract(s) or Certificates of Title Seller may have in Seller's possession. Abstracts of Title or Certificates of Title are not required to be certified to date nor to include searches covering bankruptcies, state and federal judgments, judgment liens, or special assessments, so long as the Title Commitment required above assures good and unfettered title.
 - b. **Survey.** Notwithstanding any provision to the contrary contained in this Agreement, Buyer shall have the right prior to Closing to obtain a survey of the Property at its cost and expense to ensure that it has an accurate legal description of the Land.
 - c. **Objections.** Within 15 business days after delivery of the Title Commitment to Buyer (but in no event later than the expiration of the Inspection/Due Diligence Period (as defined below)), Buyer may deliver to Seller such written objections as Buyer may have to anything contained therein. Seller shall make commercially reasonable efforts to satisfy such objections prior to the Closing Date.
 - d. **Buyer's Rights if Seller Fails to Cure Objections.** If Seller delivers written notice to Buyer on or before the Closing Date that Seller is unable or unwilling to satisfy any objection or if, for any reason, Seller is unable to convey title in accordance herewith, Buyer may, as Buyer's exclusive remedies, waive such objections and accept such title as Seller is able to convey, with or without adjustment in the Purchase Price, or terminate this Agreement by written notice to Seller, provided that such termination notice must be delivered on or before the Closing Date. In the event of termination as provided herein, Seller shall return the earnest money, if any, to Buyer.

- e. **Permitted Exceptions.** The following shall be deemed to be permitted exceptions:
 - i. Building and zoning laws, ordinances, state and federal regulations; and
 - ii. The lien of real property taxes payable in the year of Closing, which by the terms of this Agreement are not otherwise required to be paid by Seller, but are instead required to be paid or assumed by Buyer.
9. **OPERATION PRIOR TO CLOSING.** During the period from the date of Seller's acceptance of this Agreement to the Closing Date (the "Executory Period"), Hospital shall operate and maintain the Property in the ordinary course in accordance with prudent, reasonable 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, provided, that Seller will terminate all leases with respect to the Property prior to the Closing Date and shall not enter into any new leases, or renew any lease terms.
10. **DAMAGE/CONDEMNATION.** If, prior to the Closing Date, all or any part of the Property is substantially damaged by fire casualty, the elements, or any other cause, Hospital shall immediately give notice to Buyer and City of such fact, and at Buyer's option (to be exercised within fifteen (15) days after Hospital's notice), this Agreement may be terminated by Buyer without further obligation and Seller shall return the earnest money to Buyer. If Buyer so elects not to terminate despite such damage, or if the Property is damaged but not substantially, at Buyer's election, Hospital 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 Hospital with the applicable insurance companies, such approval not to be unreasonably withheld or delayed. If Buyer elects to require Hospital to repair, such damage shall be completely repaired prior to the Closing Date, then Hospital 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 Hospital is diligently proceeding to repair, then Hospital 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 Hospital shall fail to diligently proceed to repair such damage then Buyer shall have the right to require a closing to occur, at Buyer's option, the Hospital shall assign to Buyer all right to receive the proceeds of any insurance it may carry relating to such damage and Hospital shall pay Buyer an amount equal to the deductible under the applicable policies, and the Purchase Price shall remain the same. For purposes of this Section, the words "substantially damaged" mean damage that would cost \$10,000.00 or more to repair.
11. **WARRANTIES.**

- a. Seller has the authority to enter into this Purchase Agreement and has taken all steps required in order to authorize this Purchase Agreement and the performance and satisfaction of all its terms and conditions.
- b. Hospital represents and warrants that neither the execution, delivery nor performance of this Agreement will result in the breach under any instrument of title, indenture, security instrument or other agreement or court or administrative order by which the Hospital or the Property may be bound or affected.
- c. Hospital represents and warrants that the Property and its current use, and the location of the Improvements on the Property, 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; and Hospital has received no notices from any municipal or state or federal regulatory bodies or agencies that the Property is in violation of the provisions of any such laws, ordinances, rules or regulations.
- d. There is access to and from the Property to a public street.
- e. Hospital has disclosed and made available to Buyer all reports and investigations commissioned by or otherwise readily available to Seller relating to Hazardous Substances and the Property. The term "Hazardous Substance," in the singular and plural form, means any "hazardous substance" as defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended from time to time (42 U.S.C. §§ 9601 et. seq., any substances or materials which are classified or considered to be hazardous, contaminants, toxic or pollutants, or otherwise regulated under the laws of the State in which the Property is located, and crude oil and any fraction thereof, asbestos in any form or condition, and polychlorinated biphenyls in any form or condition, or any other chemical, substance or material listed or identified in or regulated by any Environmental Law.
- f. Hospital represents and warrants that all permits, licenses, approvals and reports necessary or required for a Party to store, use, generate or dispose of any Hazardous Substances within or on the Property have been obtained or made, are being complied with, and are in full force and effect.
- g. To the best of Seller's knowledge, no methamphetamine production has occurred on the Property.
- h. Hospital is not aware of any environmental condition, situation or incident on, at, or concerning the Property, that could give rise to an action or liability under any Environmental Law or other law, rule, ordinance, or common law theory.
- i. To the best of Hospital's knowledge, (i) there are no past or present investigation, administrative proceedings, litigation, regulatory hearings, claims or other actions

proposed, threatened or pending, alleging non-compliance with or violation of any federal, or state or local laws, ordinance, rule or regulations dealing with environmental, health or safety matters (“Environmental Laws”) or relating to any required environmental permits, and (ii) neither Seller nor any third party has violated any Environmental Law with respect to the Property or Improvements. For purposes of this Agreement, “Environmental Law” means the Comprehensive Environmental Response, Compensation and Liability Act (“CERCLA”), 42 U.S.C. §§ 9601 et seq., the Resource Conservation and Recovery Act, 42 U.S.C. §9601 et seq. the Federal Water Pollution Control Act, 33 U.S.C. §1201 et seq., the Clean Water Act, 33 U.S.C. §1321 et seq., the Clean Air Act, 42 U.S.C. §7401 et seq., the Toxic Substances Control Act, 33 U.S.C. §1251 et seq., all as amended from time to time, and any other federal, state, local or other governmental statute, regulation, rule, law or ordinance dealing with the protection of human health, safety, natural resources or the environment now existing and hereafter enacted; and “Claim” or “Claims” means any and all liabilities, suits, claims, counterclaims, causes of action, demands, penalties, state or federal regulatory agency proceedings or actions, violations, debts, obligations, promises, acts, fines, judgment, damages, consequential damages, losses, costs, and expenses of every kind (including without limitation any attorney’s fees, consultant’s fees, costs, remedial action costs, cleanup costs and expenses which may be related to any claims).

- j. To the best of Hospital’s knowledge, there are not now, nor have there ever been, any wells, operating or abandoned, located in, on or under the Property.
- k. Neither the Seller nor any of its affiliates, nor any person that controls, is controlled by, or is under common control with Seller, is on the list of Specially Designated Nationals and Blocked Persons of the Office of Foreign Assets Control of the United States Department of the Treasury (“OFAC”), nor is Seller acting, directly or indirectly, for or on behalf of any person, group, entity or nation named by any Executive Order, the United States Treasury Department, or United States Office of Homeland Security as a terrorist, Specially Designated National and Blocked Person, or other banned or blocked person, entity, nation or pursuant to any law, order, rule or regulation that is enforced or administered by the OFAC.
- l. Hospital represents and warrants that there are no underground or above ground storage tanks on the Property, in use or abandoned, and no such tanks have been removed during Seller’s ownership of the Property except in strict compliance with all laws, ordinances and regulations regarding such removal.
- m. Hospital represents and warrants that there is in effect no contract or agreement relating to management, maintenance services or operation of the Property that cannot be terminated on or prior to the Closing Date.

- n. Hospital has paid for, or will pay for on or before the Closing Date, all work, supplies and materials, performed upon and supplied to the Property.
- o. Hospital represents and warrants that there exists no litigation affecting or calling into question the Property or any part or component thereof, or Seller's interest therein. There is no condemnation proceeding pending with respect to any part of the Property, and Seller has no knowledge of any threat or the imminence thereof.
- p. Hospital represents and warrants that Seller is the owner of all, and there exists no lien, encumbrance or adverse claim with respect to, any of the items of Personal Property, and all equipment and capital leases for fixtures or equipment essential to operation of the Property have been disclosed in writing to Buyer.
- q. Hospital represents and warrants that there are no service, maintenance or other contracts or equipment 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 Hospital has disclosed in writing to Buyer all such contracts and equipment leases, if any.
- r. Hospital will terminate all leases and contracts with respect to the Property on or prior to the Closing Date and Hospital agrees not to enter into any new leases or renew any lease terms.
- s. No portion of the Property is in a flood plain.

All such representations and warranties shall be true on the Closing Date as if made on and as of such date and shall survive the Closing Date. In the event that 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.

12. INSPECTION/DUE DILIGENCE PERIOD. Buyer shall have, commencing the effective date of this Purchase Agreement, until thirty (30) days thereafter (the "Inspection/Due Diligence Period") to: (i) conduct such reviews, inspections, soil borings, and tests of the Property as Buyer in its sole discretion deems necessary or advisable; (ii) conduct a Phase I environmental assessment of the Property in Buyer's discretion; and (iii) obtain such federal, state and local governmental approvals and permits as Buyer in its sole discretion deems necessary or advisable for Buyer's proposed development and use of the Property. Such inspection/due diligence by Buyer shall include, but not necessarily be limited to, the following:

- t. Hospital shall allow Buyer and its agents, upon 24 hours advance verbal or written notice from Buyer to Hospital, the right of any ingress and egress over and

through the Property for the purpose of inspecting and testing the same and making other observations and taking soils samples and borings as Buyer deems prudent, necessary or advisable, all however, at Buyer's expense. Buyer agrees to indemnify and hold Seller harmless from all injury, death, or property damage or claims of any kind whatsoever arising out of or in any way incidental to Buyer's presence on the Property for the purposes aforesaid, which indemnity and hold harmless obligation of Buyer shall survive termination of this Purchase Agreement for any reason.

- u. If prior to the end of the Inspection/Due Diligence Period, Buyer finds any information or conditions relating to the Property or Buyer's proposed development and use thereof that are objectionable to Buyer in Buyer's sole discretion, Buyer shall have the right to terminate this Agreement by giving written notice of termination to Seller no later than the end of the Inspection/Due Diligence Period or to extend the Closing Date for such time as necessary for the Hospital to be in compliance with the terms and conditions of this Agreement. For purposes of this Section, objectionable information or conditions means: (1) that the item or component being inspected is not fit for its intended purpose, that it is in violation of a public law, code or regulation, that it needs replacement, cleaning, repairs or service, or that it is missing essential parts; or, (2) that an environmental condition (such as for example radon, mold, well water contamination, asbestos, soil contamination, other Hazardous Substances, etc.) of the Property is unacceptable to Buyer, or (3) the Land or buildings are not clear of personal property, debris, junk and garbage on the Closing Date. However, an item or component is not in objectionable condition if its only imperfections are cosmetic or signs of wear and tear or diminished effectiveness associated with an item or component of its age, or because it is not new or perfect, or because it is legally nonconforming under current law.

This section shall not be construed to limit in any manner any future testing or analyses by Buyer, in Buyer's sole judgment and discretion, of the environmental conditions on the Property.

13. **BROKER'S COMMISSION.** Seller and Buyer represent and warrant to each other that they have dealt with no brokers, finders or the like in connection with this transaction Seller shall otherwise pay any brokers commissions, finders or the like in connection with this transaction.
14. **NOTICES.** Any notice required or permitted to be given by any Party upon the other is given in accordance with this Agreement if it is directed to Seller by delivering it personally to an officer of Seller; or if it is directed to Buyer, by delivering to Buyer; or if mailed by United States registered or certified mail; postage prepaid; or if transmitted by facsimile copy followed by mailed notice as above required, or if deposited cost paid with a nationally recognized, reputable overnight courier, properly addressed as follows:

If to Buyer:

Melissa Hanson, Housing and Redevelopment Project Manager
Northfield Housing and Redevelopment Authority
801 Washington Street
Northfield, Minnesota 55057

If to Seller:

Eric Guth, Vice President/CFO Northfield Hospital + Clinics
2000 North Avenue
Northfield, MN 55057

Notices shall be deemed effective on the earlier of the date of receipt or the date of deposit as aforesaid; provided, however, that if notice is given by deposit, that the time for response to any notice by the other Party shall commence to run two (2) 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. **ENTIRE AGREEMENT; MODIFICATION.** This written Agreement constitutes the complete agreement between the Parties and supersedes any prior oral or written agreements between the Parties regarding the Property. There are no verbal agreements that change this Agreement and no waiver of any of its terms will be effective unless in a writing executed by the Parties.
16. **BINDING EFFECT.** This Agreement binds and benefits the Parties and their successors and assigns.
17. **CONTROLLING LAW.** The Parties acknowledge and 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. This Agreement has been made under the laws of the State of Minnesota, and such laws will control its interpretation.
18. **REMEDIES.** If Buyer defaults under this Agreement, Seller shall have the right to terminate this Agreement by giving written notice to Buyer. If Buyer fails to cure such default within thirty (30) days of the date of such notice, this Agreement will terminate with no further obligation by either Party. The termination of this Agreement will be the sole remedy available to Seller for such default by Buyer, and Buyer will not be liable for damages. If Seller defaults under this Agreement, Buyer may terminate the Agreement upon five (5) days' notice to Seller (Seller having cure rights during the 5-day period),

and upon such termination, the earnest money, if any, shall be refunded to Buyer and thereafter, neither Party shall have any further rights or obligations hereunder.

19. **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.

20. **DUTIES OF TITLE COMPANY.** The sole duties of the Title Company shall be those described herein, and the 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. The Title Company may conclusively rely upon 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 the Title Company's part. The Title Company shall have no 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. The Title Company shall be under no obligation to institute or defend any action, suit or proceeding of any connection with this Agreement. If any dispute arises with respect to the disbursement of any monies, the Title Company may continue to hold the same pending resolution of such dispute, and the Parties hereto hereby indemnify and hold harmless the Title Company from any action taken by it in good faith in the execution of its duties hereunder. The Parties hereto agree that there may exist a potential conflict of interest between the duties and obligations of the Title Company pursuant to this Agreement and as insurer of the purchase of the Property by Buyer from Seller. The Parties hereto acknowledge such potential conflict and indemnify 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. The provisions of this Section shall survive the termination of this Agreement.

21. **TIME OF ESSENCE.** Time is of the essence with respect to this Agreement.

22. **MISCELLANEOUS PROVISIONS.**

- a. **Voluntary and Knowing Action.** The Parties, by executing this Agreement, state that they have carefully read this Agreement and understand fully the contents thereof; that in executing this Agreement they voluntarily accept all terms described in this Agreement without duress, coercion, undue influence, or otherwise, and that they intend to be legally bound thereby.
- b. **Authorized Signatories.** The parties each represent and warrant to the other that (1) the persons signing this Agreement are authorized signatories for the entities represented, and (2) no further approvals, actions or ratifications are needed for the full enforceability of this Agreement; each party indemnifies and holds the

other harmless against any breach of the foregoing representation and warranty.

- c. **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.
- d. **Assignment.** This Agreement may not be assigned by either party without the written consent of the other party.
- e. **Headings and Captions.** Headings and captions contained in this Agreement are for convenience only and are not intended to alter any of the provisions of this Agreement and shall not be used for the interpretation of the validity of the Agreement or any provision hereof.
- f. **Survival.** The respective covenants, agreements, indemnifications, warranties and other terms of this Agreement will survive and be in full force and effect after the Closing and shall not be deemed to have merged into any of the Closing Documents.
- g. **Other Documents.** Each party to this Agreement agrees, both at the Closing and after the Closing, to execute such other documents as may be reasonably requested by the other party in order to complete the transactions contemplated by this Agreement.
- h. **Recitals.** The recitals hereto are made a part hereof.
- i. **Counterparts.** This Purchase Agreement may be executed in counterparts, each of which shall be deemed an original, and which together shall constitute a single, integrated contract.

Remainder of this page intentionally left blank.

IN WITNESS WHEREOF, Seller and Buyer have caused this Agreement to be executed effective as of the day and year first set forth above.

SELLER:

NORTHFIELD HOSPITAL + CLINICS,
an instrumentality of the City of Northfield

Date: _____

By: _____
_____, Its _____

Date: _____

By: _____
_____, Its _____

CITY OF NORTHFIELD, MINNESOTA

Date: _____

By: _____
Rhonda Pownell, Its Mayor

Date: _____

By: _____
Lynette Peterson, Its City Clerk

BUYER:

**Northfield Housing and Redevelopment
Authority, a/k/a Housing and Redevelopment
Authority of the City of Northfield, Minnesota**

Date: _____

By: _____
Galen Malecha, Its Chair

Date: _____

By: _____
Brent Nystrom, Its Secretary

EXHIBIT A

Legal Descriptions

Legal Description of Parcel 1: 706 2nd Street West, PID No. 22.36.4.53.014:

The East Seventy Four (74) Feet of Lots Six (6) and Seven (7), and the East Seventy Four (74) Feet of the South One-Half (S1/2) of Lot Eight (8), all in Lot Nineteen (19), in Fox's Subdivision of Lots Eighteen (18) and Nineteen (19), of the South East One-Quarter (SE1/4) of Section Thirty Six (36), Township One Hundred Twelve (112), Range Twenty (20), Northfield, Rice County, Minnesota.

AND

Legal Description of Parcel 2: 716 2nd Street West, PID No. 22.36.4.53.013:

The West Sixty-Six (66) Feet of Lots Six (6) and Seven (7) and the South Thirty-three (33) Feet of the West Sixty-six (66) Feet of Lot Eight (8) of Block Nineteen (19) of Fox's Subdivision of Lots Eighteen (18) and Nineteen (19) in the South East Quarter (SE1/4) of Section Thirty-six (36) Township One Hundred and Twelve (112) North of Range Twenty (20) West, in the County of Rice and State of Minnesota.

EXHIBIT B

Quit Claim Deed for Parcel 1

(Top 3 inches reserved for recording data)

QUIT CLAIM DEED

eCRV number: _____

DEED TAX DUE: \$ _____

Date: _____

FOR VALUABLE CONSIDERATION, the **City of Northfield**, a municipal corporation under the laws of the State of Minnesota, on behalf of **Northfield Hospital + Clinics**, an instrumentality of the City of Northfield ("**Grantor**"), hereby conveys and quitclaims to **Northfield Housing and Redevelopment Authority, a/k/a Housing and Redevelopment Authority of the City of Northfield, Minnesota**, a body politic and corporate under the laws of the State of Minnesota ("**Grantee**"), real property in Rice County, Minnesota, legally described as follows (such tract or parcel of land is hereinafter referred to as the "**Real Property**"):

The East Seventy Four (74) Feet of Lots Six (6) and Seven (7), and the East Seventy Four (74) Feet of the South One-Half (S1/2) of Lot Eight (8), all in Lot Nineteen (19), in Fox's Subdivision of Lots Eighteen (18) and Nineteen (19), of the South East One-Quarter (SE1/4) of Section Thirty Six (36), Township One Hundred Twelve (112), Range Twenty (20), Northfield, Rice County, Minnesota.

together with all hereditaments and appurtenances belonging thereto.

The Grantor certifies that the Grantor does not know of any wells on the described Real Property.

Grantor

City Of Northfield

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** as **Mayor** and by **Lynette Peterson** as **City Clerk** of the **City of Northfield**, a municipal corporation under the laws of the State of Minnesota, **Grantor**.

(Stamp)

(signature of notarial officer)

Title (and Rank): _____

My commission expires: _____
(month/day/year)

Grantor

Northfield Hospital + Clinics, an instrumentality of the City of Northfield

By: _____
_____, Its _____

By: _____
_____, Its _____

STATE OF MINNESOTA)
) ss.
COUNTY OF RICE)

This instrument was acknowledged before me on _____, **2024**, by _____ as _____ and by _____ as _____ of the **Northfield Hospital + Clinics**, an instrumentality of the City of Northfield, **Grantor**.

(Stamp)

(signature of notarial officer)

Title (and Rank): _____

My commission expires: _____
(month/day/year)

THIS INSTRUMENT WAS DRAFTED BY:

FLAHERTY & HOOD, P.A.
525 Park Street, Suite 470
St. Paul, MN 55103
(651) 225-8840

TAX STATEMENTS FOR THE REAL PROPERTY DESCRIBED IN
THIS INSTRUMENT SHOULD BE SENT TO:

Northfield Housing and Redevelopment Authority
801 Washington Street
Northfield, MN 55057

EXHIBIT C

Quit Claim Deed for Parcel 2

(Top 3 inches reserved for recording data)

QUIT CLAIM DEED

eCRV number: _____

DEED TAX DUE: \$_____

Date: _____

FOR VALUABLE CONSIDERATION, the **City of Northfield**, a municipal corporation under the laws of the State of Minnesota, on behalf of **Northfield Hospital + Clinics**, an instrumentality of the City of Northfield ("**Grantor**"), hereby conveys and quitclaims to **Northfield Housing and Redevelopment Authority, a/k/a Housing and Redevelopment Authority of the City of Northfield, Minnesota**, a body politic and corporate under the laws of the State of Minnesota ("**Grantee**"), real property in Rice County, Minnesota, legally described as follows (such tract or parcel of land is hereinafter referred to as the "**Real Property**"):

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together with all hereditaments and appurtenances belonging thereto.

The Grantor certifies that the Grantor does not know of any wells on the described Real Property.

Grantor

City Of Northfield

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** as **Mayor** and by **Lynette Peterson** as **City Clerk** of the **City of Northfield**, a municipal corporation under the laws of the State of Minnesota, **Grantor**.

(Stamp)

(signature of notarial officer)

Title (and Rank): _____

My commission expires: _____
(month/day/year)

Grantor

Northfield Hospital + Clinics, an instrumentality of the City of Northfield

By: _____
_____, Its _____

By: _____
_____, Its _____

STATE OF MINNESOTA)
) ss.
COUNTY OF RICE)

This instrument was acknowledged before me on _____, **2024**, by _____ as _____ and by _____ as _____ of the **Northfield Hospital + Clinics**, an instrumentality of the City of Northfield, **Grantor**.

(Stamp)

(signature of notarial officer)

Title (and Rank): _____

My commission expires: _____
(month/day/year)

THIS INSTRUMENT WAS DRAFTED BY:

FLAHERTY & HOOD, P.A.
525 Park Street, Suite 470
St. Paul, MN 55103
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