

PURCHASE AGREEMENT

December ____, 2021

RECEIVED OF The City of Northfield, a Minnesota municipal corporation, on behalf of Northfield Hospital + Clinics, an instrumentality of the City of Northfield, the sum of Zero (\$0) Dollars as earnest money and in part payment for the purchase of property at 1980 30th St. NW, Faribault, Minnesota 55021, situated in the County of Rice and legally described as follows, to-wit:

See Exhibit A attached (Parcel ID No. 18.24.3.01.006)

all of which property the undersigned hereby agrees to sell to the Buyer for the sum of Seven Hundred Seventy-Five Thousand Two Hundred Seventy-Four and 25/100----- (\$775,274.25) Dollars, which the Buyer agrees to pay in the following manner:

Earnest money herein paid \$0 and \$775,274.25, on or before December 31, 2021.

The Seller is selling the property in an "as is" condition.

Said real property is Torrens property as shown on Certificate of Title No. 10240.

Seller agrees to assign the Lease dated August 29, 2019, by and between Northgate Development Co., LLC, a Minnesota Limited Liability Company and Living Green Farms to Buyer at closing. Said Lease terminates on August 31, 2022. Said lease is attached as Exhibit B.

The Seller certifies Seller does not know of any wells on the described real property.

The Seller certifies that sewage generated at the property goes to a facility permitted by the Minnesota Pollution Control Agency. Seller knows that there are no abandoned individual sewage treatment systems on the property.

At closing, Seller will refund the Security Deposit in the amount of \$10,285.00 to Buyer, assuming Buyer's payments under the Lease Agreement dated May 17, 2019, by and between Northgate Development Company LLC and Northfield Hospital + Clinics are current.

Buyer is responsible for all real estate taxes due and payable in 2021 and thereafter, together with any levied or pending special assessments pursuant to paragraph 5.1 of the Lease Agreement.

This Purchase Agreement is contingent upon the approval of Northfield Hospital's Board and the Northfield City Council. In the event the Purchase Agreement is not approved, said Purchase Agreement will be null and void and both Seller and Buyer agree to execute a Cancellation of Purchase Agreement.

Seller and Buyer have no responsibility whatsoever to any person or entity for a commission resulting from this sale.

This Purchase Agreement shall be governed by and shall be construed in accordance with the laws of the State of Minnesota.

This Purchase Agreement expresses all of the covenants and understandings of the Seller and Buyer and there are no oral agreements contained outside of this Purchase Agreement.

All of the terms, covenants and conditions contained in this Purchase Agreement shall not merge into the closing documents, but shall survive the closing and be enforceable by Seller and Buyer until both Seller and Buyer have fully complied with this Purchase Agreement.

If any provision in this Purchase Agreement shall be deemed or declared unenforceable, invalid or void, the same shall not affect, impair or invalidate any of the other provisions contained herein, but shall be enforced in accordance with their respective terms.

Seller and Buyer will each be responsible for their own costs of said sale. Seller will be solely responsible for the State Deed Tax on this transaction which will be \$2,558.41.

Subject to performance by the Buyer the Seller agrees to execute and deliver a Warranty Deed conveying marketable title to said premises subject only to the following exceptions:

- (a) Building and zoning laws, ordinances, State and Federal regulations.
- (b) Restrictions relating to use or improvement of premises and subject to unreleased forfeiture.
- (c) Reservation of any minerals or mineral rights to the State of Minnesota.
- (d) Utility easements.

(e) Rights of tenants as follows: Living Green Farms rights under the Lease Agreement dated August 29, 2019, a copy of said Lease is attached as Exhibit B.

The Seller further agrees to deliver possession not later than closing provided that all the conditions of this agreement have been complied with. Unless otherwise specified this sale shall be closed on or before 60 days from the date hereof.

In the event this property is destroyed or substantially damaged by fire or any other cause before the closing date, this agreement shall become null and void, at the Buyer's option.

The Buyer and Seller also mutually agree that pro rata adjustments of rents, interest, insurance and city water shall be made as of the date of closing. Any security deposit held by Seller will be transferred to Buyer at closing for any Lease surviving the closing.

TITLE AND EXAMINATION: As quickly as reasonably possible after Final Acceptance of this Purchase Agreement:

- (a) Seller shall surrender any abstract of title and a copy of any owner's title insurance policy for the property, if in Seller's possession or control, to Buyer or Buyer's designated title service provider; and
- (b) Buyer shall obtain the title services determined necessary or desirable by Buyer's lender, including but not limited to title searches, title examinations, abstracting, a title insurance commitment or an attorney's title opinion at Buyer's selection and cost and provide a copy to Seller.

Seller shall use Seller's best efforts to provide marketable title by the date of closing. Seller agrees to pay all costs and fees necessary to convey marketable title including obtaining and recording all required documents, subject to the following:

In the event Sellers has not provided marketable title by the date of closing, Seller shall have an additional 30 days to make title marketable, or in the alternative, Buyer may waive title defects by written notice to Seller. In addition to the 30-day extension, Buyer and Seller may, by mutual agreement, further extend the closing date. Lacking such extension, either party may declare this Purchase Agreement cancelled by written notice to the other party, in which case this Purchase Agreement is cancelled. If either party declares this Purchase Agreement

cancelled, Buyer and Seller shall immediately sign a Cancellation of Purchase Agreement confirming said cancellation.

SELLER'S WARRANTIES: Seller further specifically agrees as follows:

- A. That there will be no material change in the Real property from the date of this Purchase Agreement to the date of closing which would materially and adversely affect the real property.
- B. That Seller has entered into no other agreement for the sale, assignment, transfer or disposition of the real property being sold by Seller to Buyer hereunder and Seller shall not enter into any such agreement during the period between the date of this Purchase Agreement and the date of closing.
- C. That the building is entirely within the boundary lines of the real estate owned by Seller.
- D. Seller has no knowledge of any materially adverse matter or thing relative to the conditions, financial or otherwise, of the property not disclosed herein, or of any fact, matter or thing which would make any representation or warranty herein contained untrue. No representation or warranty in this Agreement, or the documents to be furnished at closing, contain or will contain any untrue statement of a material fact, or omits or will omit any material fact necessary to make the statements contained herein untrue.
- E. Seller agrees to provide a Certificate of Good Standing from the Secretary of State, State of Minnesota.
- F. That Seller for itself agrees to, and does hereby indemnify and hold Buyer harmless from and against any and all actions, causes of action, claims, damages, debts, demands, expenses, judgments, liabilities or losses (including reasonable attorney's fees) from, against and in any respect of any damages or deficiency resulting from:
(a) Any breach of the warranties, representations and covenants of Seller contained herein.

(b) Any and all actions, causes of actions, claims, judgments, liabilities and losses, by Seller's creditors now existing, existing as of the closing date or that may hereafter arise from Seller's ownership of the real property.

BUYER'S WARRANTIES: Buyer further specifically agrees as follows:

- A. That Buyer agrees to, and does hereby, indemnify and hold Seller harmless from and against any and all actions, causes of action, claims, damages, debts, demands, expenses, judgments, liabilities or losses (including reasonable attorney's fees) from, against and in any respect of any damages or deficiency resulting from:
- (a) Any breach of the warranties, representations and covenants of Buyer contained herein.
- (b) Any and all actions, causes of actions, claims, damages, debts, demands, expenses, judgments, liabilities and losses, by Buyer's creditors after the closing date or that may thereafter arise from Buyer's ownership of the real property after closing.

NOTICES: All notices required under this Agreement shall be effective as of the date when deposited in the United States mail, first class with postage prepaid, certified mail, and sent to the following addresses:

Seller

North Gate Development Company, LLC
c/o Paul A. Gray
205 Western Ave. NW
Faribault, MN 55021

Buyer

Northfield Hospital, an instrumentality and municipally owned Corporation of the City of Northfield
c/o Jerry Ehn
2000 North Ave.
Northfield, MN 55057

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

METHAMPHETAMINE PRODUCTION DISCLOSURE: A methamphetamine production disclosure is required by Minnesota Statute 152.0275, Subd. 2(m). Seller is not aware of any methamphetamine production that has occurred on the property.

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

This Purchase Agreement is binding upon the heirs, successors and personal representatives and assigns of the Seller and Buyer.

North Gate Development Company, LLC

By: Paul A. Gray
Its: Chief Manager

We hereby agree to purchase the
said property for the price and
upon the terms above mentioned,
and subject to all conditions
herein expressed.

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

By: Steve Underdahl
Its: President and CEO

City of Northfield, a Minnesota
municipal corporation

By: Rhonda Pownell
Its: Mayor

By: Lynette Peterson
Its: City Clerk

THIS INSTRUMENT WAS DRAFTED BY:
Debbie A. Korman
504 Central Avenue, PO Box 716
Faribault, Minnesota 55021

Certificate of Title

Certificate No: 10240.0

TRANSFER FROM NO. 9100

ORIGINALLY REG. NO. 9025 dated 09/03/2002 Volume 30 Page 205

WD DOC. NO. 40688

State of Minnesota, County of Rice

This is to certify that

NORTH GATE DEVELOPMENT COMPANY, LLC

IN FEE SIMPLE

Whose address is

20140 GENEVA COURT

in the CITY of FARIBAULT

State of MINNESOTA 55021

*Owner(s) of the following described land situated in the
County of Rice and State of Minnesota*

THAT PART OF LOT 1, BLOCK 2, GLOBAL ADDITION, IN THE CITY OF FARIBAULT, ACCORDING TO THE RECORDED PLAT THEREOF, LYING SOUTHEASTERLY OF THE FOLLOWING DESCRIBED LINE: BEGINNING AT A POINT IN THE NORTHEASTERLY LINE OF SAID LOT 1, DISTANT 117.52 FEET SOUTHEASTERLY FROM THE MOST NORTHERLY CORNER OF SAID LOT 1; THENCE SOUTHWESTERLY, PERPENDICULAR TO SAID NORTHEASTERLY LINE OF LOT 1, TO A POINT IN THE SOUTHWESTERLY LINE OF SAID LOT 1 AND THERE TERMINATING.

THE ABOVE DESCRIBED PARCEL CONTAINS 55,943 SQUARE FEET, MORE OR LESS.

Subject to the encumbrances, liens and interest noted by the memorial underwritten or endorsed hereon; and subject to the following rights, or encumbrances subsisting, as provided in M.S. Section 508.25 namely;

1. Liens, claims, or rights arising or existing under the laws or Constitution of the United States, which this state cannot require to appear of record;
2. The lien of any real property tax or special assessment;
3. Any lease for a period not exceeding three years, when there is actual occupation of the premises thereunder;
4. All rights in public highways upon the land;
5. The right of appeal or right to appear and contest the application, as is allowed by the chapter;
6. The rights of any person in possession under deed or contract for deed from the owner of the certificate of title;
7. Any outstanding mechanics lien rights which may exist under sections 514.01 to 514.17;

Exh. A