

PURCHASE AGREEMENT

THIS PURCHASE AGREEMENT ("Agreement") is made this ____ day of _____, 2022, by and between the Northfield Housing and Redevelopment Authority, a/k/a Housing and Redevelopment Authority of the City of Northfield, a body politic and corporate under the laws of the State of Minnesota, 801 Washington Street, Northfield, MN 55057 ("Seller"), and Community Action Shelter Associates, Inc., a nonprofit corporation under the laws of the State of Minnesota, 1651 Jefferson Parkway, Suite HS-200 Northfield, MN 55057 ("Buyer"); (collectively 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 517 Washington Street in the City of Northfield, Rice County, Minnesota, 55057 (PID No.22.06.2.25.133); legally described as follows:

The West One Hundred Fifteen (W-115.00) Feet of Lot Ten (10), in Block Forty-Nine (49) of the Original Town (Now City) of Northfield, Rice County, Minnesota, except the East 14 feet thereof

(the "Land") together with (i) all buildings and improvements constructed or located on the Land, and (ii) 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"); 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 (the "Personal Property").
2. **PURCHASE PRICE AND MANNER OF PAYMENT.** The total purchase price ("Purchase Price") to be paid by Buyer to Seller for the Real Property and Personal Property is Two Hundred Twenty-Two Thousand Forty and No/100ths (\$222,040.00) Dollars, which amount shall be paid as follows:
 - a. \$1,000.00 as earnest money; receipt of which is hereby acknowledged by Seller; and
 - b. \$221,040.00 paid on the Closing date.
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, 2022, whichever occurs first (the "Closing Date"). The Seller 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 as Exhibit A is the required Quit Claim Deed containing the terms, covenants, and conditions upon which the sale of the Real Property is based. The Quit Claim Deed shall contain the following restrictions, covenants, and conditions:

1. The Real Property herein conveyed shall be devoted to the following use: residential emergency shelter/affordable housing, for persons of low and/or moderate income and their families, as such persons and their families are defined by Minn. Stat. § 469.002, subds. 17 and 18. The Real Property shall be devoted to such use for not less than ten (10) consecutive years from the date of this Deed, unless the Seller provides written notice to the Buyer that an alternative use is authorized prior to the end of such 10-year period.
2. The Real Property shall be devoted to such intended use in accordance with the provisions of the Deed.
3. The Buyer shall (a) complete the work on those improvements as provided in the Seller approved plans and specifications and this Purchase Agreement between Buyer and Seller (the "Improvements") within one year from the date the deed is recorded with the Office of the Rice County Recorder, or on or before August 31, 2023, whichever occurs first, and (b) shall devote the Real Property to its intended use by August 31, 2023. If the Buyer fails to complete the work on time or fails to devote the Real Property to its intended use as described in paragraph 1 above, title to the Real Property shall revert to Seller, at Seller's election, and, in that event, Buyer shall promptly offer a deed to the Real Property legally described herein to Seller, who will then refund to Buyer the amount of the Purchase Price paid by Buyer to Seller, without interest, less any taxes and other encumbrances placed on the title by the Buyer which affect the marketability of title. Notwithstanding the foregoing, Seller may, at its option, consider an extension of time for good cause shown by Buyer. In

the event an extension is granted, such extension (a) shall be to a date certain, (b) may be conditioned by Seller to protect the public interest, and (c) during the period Buyer shall not transfer title to the Real Property without the express written consent of Seller.

4. The Buyer shall not transfer title to the Real Property within five (5) years after the date of this Deed without the express written consent of the Seller.
5. Any transfer of title to the Real Property made pursuant to the provisions of paragraphs 3 and 4 hereof shall be made only to a purchaser who demonstrates to the satisfaction of Seller that such purchaser has the ability to perform in place of Buyer.
6. Upon satisfaction of any of the above-referenced restrictions, covenants and conditions and upon request by the Buyer, the Seller shall execute a document in recordable form which releases the Real Property and the Buyer from such restriction, covenant or condition.

- ii. Well Certificate. If there are wells on the Real Property, a Well Certificate in the form required by Minn. Stat. § 103I.235.
- iii. 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.
- iv. 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, by check or 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. The Parties understand and agree that the purchase of the Property is made possible by the approval of Buyer's grant application submitted to the Minnesota Department of Human Services ("DHS"). The purchase of the Property will only

proceed if Buyer is awarded the DHS applied for grant funds.

- b. 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.
- c. The representations and warranties of Seller shall be true and correct in all material respects up through and including the Closing Date.
- 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 Board of Commissioners of the Northfield Housing and Redevelopment Authority. Notwithstanding anything in this Agreement to the contrary, if such approval has 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.
- e. Prior to the transfer of title of the Real Property, the Buyer shall submit to the Seller plans and specifications for the development of and/or improvements to the Real Property; no transfer shall be made unless and until such plans are approved in writing by the Seller. The detail of the plans and specifications shall be such as will enable the Seller to determine with reasonable certainty that the project on the Real Property is or will be in compliance with the law and will, if carried out, provide for the intended use.
- f. Buyer has closed on Buyer's financing and provided to Seller a document signed by the Buyer's bank or other financial institution demonstrating that Buyer has closed and obtained financing to construct and complete the project on the Real Property.
- g. Seller has completed and paid for the replacement of the roof covering (including shingles and the flat roof material) on the residential structure located on the Real Property in a manner that is satisfactory to the Buyer in Buyer's reasonable discretion.

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.

5. **PURCHASE, AS-IS.** 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. **Deed Tax.** Buyer shall pay all state deed tax regarding the deed to be delivered by Seller under this Agreement.
 - b. **Real Estate Taxes and Special Assessments.** Real estate taxes and any special assessments payable in the year 2022 shall be prorated between Seller and Buyer to the Closing Date. The Buyer shall pay real estate taxes and any special assessments payable therewith thereafter.
 - c. **Recording Costs.** Buyer will pay the cost of recording the Deed. Seller shall pay the cost of recording any documents necessary to perfect its own title.
 - d. **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.
 - e. **Attorneys' Fees.** Each of the parties will pay its own attorneys', accountants' and consultants' fees.
8. **TITLE EXAMINATION.**
 - a. **The Delivery of the Title Commitment.** Buyer may obtain, at its option and expense, a commitment for an owner's policy of title insurance. Buyer shall pay all costs associated with obtaining title insurance including, but not limited to, updating of the abstract, if any, or obtaining a new abstract of title for the Real Property, title insurance premiums and title examination fees (hereinafter the "Title Commitment"), issued by a Title Insurance Company authorized to do business in the State of Minnesota and approved by Buyer (hereinafter the "Title Company"). The Title Commitment shall be based upon the description of the Real Property provided herein and shall show fee title in the Seller, subject only to those encumbrances waived in writing by Buyer, and shall provide for extended coverage risks and include special endorsements for zoning, contiguity and such other matters as Buyer may request.
 - b. **The Making and Curing of Title Objections.** Buyer shall be allowed fifteen (15) days after receipt of the Title Commitment in which to make objections to

the content of the commitment, said objections to be made in writing. If there are any objections to the title which are not remedied by the Closing Date, the Seller shall have sixty (60) days from the date of receipt of said written objections in which to remedy said objections.

- c. **The Consequences of Failing to Cure Title Objections.** If said objections are not remedied within sixty (60) days from the date of Seller's receipt of said objections, then Buyer shall have the following two alternatives:
 - i. Buyer may accept title to said Real Property subject to said objections; or
 - ii. Buyer may declare this entire transaction to be null and void, in which case, the earnest money shall immediately be returned to Buyer.
- 9. **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 writing executed by the Parties.
- 10. **BINDING EFFECT.** This Agreement binds and benefits the Parties and their successors and assigns.
- 11. **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.
- 12. **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.
- 13. **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 an officer of Buyer; or if mailed by United States registered or certified mail; return receipt requested, postage prepaid; or if deposited cost paid with a nationally recognized, reputable overnight courier, properly addressed as follows:

If to Buyer: Scott Wopata, Executive Director

Community Action Shelter Associates, Inc.
1651 Jefferson Parkway, Suite HS-200
Northfield, MN 55057

If to Seller: Melissa Hanson
Northfield Housing and Redevelopment Authority
1801 Washington Street
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.

14. **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 after receipt of such written notice, this Agreement will terminate, and upon such termination Seller will retain any Earnest Money as liquidated damages, time being of the essence of this Agreement. The termination of this Agreement and retention of the Earnest Money, if any, 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 thirty (30) days' written notice to Seller (Seller having cure rights during the 30-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; provided however that this provision does not preclude the Buyer from seeking specific performance of this Agreement so long as the action for specific performance is commenced within six (6) months of the date the cause of action arises.

15. **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. **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.
- i. **Risk of Loss.** Until completion of the Closing, and delivery of possession to the Buyer, all risk of loss is on the Seller. If the Property is damaged in excess of \$5,000 prior to Closing, Seller shall give written notice to Buyer within five (5) business days after such damage has occurred. The notice shall include Seller's proposal for repairing the damage. From the date that Buyer receives Seller's written notice, Buyer shall have five (5) business days to inspect the Property, and an additional five (5) business days to determine if the damages and the Seller's proposal for repairs are acceptable to Buyer. If Buyer does not accept Seller's proposal for repairs within said five (5) day period, then this Purchase Agreement is cancelled and the Earnest Money shall be refunded to the Buyer.

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

By: _____
Brent Nystrom, Its Chair

By: _____
Jayne Hager Dee, Its Secretary

STATE OF MINNESOTA)
) ss.
COUNTY OF RICE)

The foregoing instrument was acknowledged before me this ____ day of _____, 2022, by Brent Nystrom, the Chair, and Jayne Hager Dee, the Secretary, for the 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, Seller.

Notary Public

BUYER:

**COMMUNITY ACTION SHELTER
ASSOCIATES, INC.**

By: _____
Scott Wopata, Its Executive Director

STATE OF MINNESOTA)
) ss.
COUNTY OF RICE)

The foregoing instrument was acknowledged before me this ____ day of _____, 2022, by Scott Wopata, Executive Director, for Community Action Shelter Associates, Inc., a nonprofit corporation under the laws of the State of Minnesota, Buyer.

Notary Public

THIS INSTRUMENT DRAFTED BY:

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

EXHIBIT A
FORM OF QUIT CLAIM DEED

(Top 3 inches reserved for recording data)

QUIT CLAIM DEED

eCRV number: _____

DEED TAX DUE: \$ _____

Date: _____

FOR VALUABLE CONSIDERATION, the **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 ("**Grantor**"), hereby conveys and quitclaims to **Community Action Shelter Associates, Inc.**, a non-profit corporation 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 West One Hundred Fifteen (W-115.00) Feet of Lot Ten (10), in Block Forty-Nine (49) of the Original Town (Now City) of Northfield, Rice County, Minnesota, except the East 14 feet thereof

together with all hereditaments and appurtenances belonging thereto,

subject to the following restrictions, covenants, and conditions:

1. The Real Property herein conveyed shall be devoted to the following use: residential emergency shelter/affordable housing, for persons of low and/or moderate income and their families, as such persons and their families are defined by Minn. Stat. § 469.002, subs. 17 and 18. The Real Property shall be devoted to such use for not less than ten (10) consecutive years from the date of this Deed, unless the Grantor provides written notice to the Grantee that an alternative use is authorized prior to the end of such 10-year period.
2. The Real Property shall be devoted to such intended use in accordance with the provisions of the Deed.
3. The Grantee shall (a) complete the work on those improvements as provided in the Grantor approved plans and specifications and that certain unrecorded Purchase Agreement dated _____, 2022 between Grantee and Grantor (the "Improvements") within one year from the date this deed is recorded with the Office of the Rice County Recorder, or on or before August 31, 2023, whichever occurs first, and (b) shall devote the Real Property to its intended use by August 31, 2023. If the Grantee fails to complete the work on time or fails to devote the Real Property to its intended use as described in paragraph 1 above, title to the Real Property shall revert to Grantor, at Grantor's election, and, in that event, Grantee shall promptly offer a deed to the Real Property legally described herein to Grantor, who will then refund to Grantee the amount of the Purchase Price paid by Grantee to Grantor, without interest, less any taxes and other encumbrances placed on the title by the Grantee which affects the marketability of title. Notwithstanding the foregoing, Grantor may, at its option, consider an extension of time for good cause shown by Grantee. In the event an extension is granted, such extension (a) shall be to a date certain, (b) may be conditioned by

Grantor to protect the public interest, and (c) during the period Grantee shall not transfer title to the Real Property without the express written consent of Grantor.

4. The Grantee shall not transfer title to the Real Property within five (5) years after the date of this Deed without the express written consent of the Grantor.
5. Any transfer of title to the Real Property made pursuant to the provisions of paragraphs 3 and 4 hereof shall be made only to a purchaser who demonstrates to the satisfaction of Grantor that such purchaser has the ability to perform in place of Grantee.

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

Grantor

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

By: _____
Brent Nystrom
Its: **Chair**

By: _____
Jayne Hager Dee
Its: **Secretary**

STATE OF MINNESOTA)
) ss.
COUNTY OF RICE)

This instrument was acknowledged before me on _____, 20__, by **Brent Nystrom** as **Chair** and by **Jayne Hager Dee** as **Secretary** of the **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, **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:

Community Action Shelter Associates, Inc.
1651 Jefferson Parkway, Suite HS-200
Northfield, MN 55057