

REAL ESTATE PURCHASE AGREEMENT
1645 LYNDALE AVENUE NORTH, SUITE 103, FARIBAULT, MN

THIS REAL ESTATE PURCHASE AGREEMENT (this “**Agreement**”) is made as of November ____, 2016, by and between **GERARD LOUIS LLC**, a limited liability company under the laws of the State of Minnesota, 1645 Lyndale Avenue North, Suite 103, Faribault, Minnesota 55021 (“**Seller**”) and the **CITY OF NORTHFIELD**, a Minnesota municipal corporation, on behalf of **NORTHFIELD HOSPITAL & CLINICS**, an instrumentality of the City of Northfield, 2000 North Avenue, Northfield, MN 55057 (“**Buyer**”).

In consideration of the mutual covenants and agreements of the parties contained in this Agreement, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, 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 property owned by Seller in fee as of the date of this Agreement (the “**Property**”):

The real property legally described as:

Unit Number 3, CIC No. 79, Country Club Commerce Park Condominiums, a Condominium located in the City of Faribault, Rice County, Minnesota,

together with all easements and rights benefiting or appurtenant to the described property including any right, title or interest in the bed of any adjoining street, road, highway or alley,

subject to encumbrances, liens, and interest noted on CECT No. 10353, and

subject to the provisions of the Minnesota Common Interest Ownership Act, Minnesota Statutes Chapter 515B, and acts amendatory thereof.

Certificate of Title No. 11074.

The Parties agree that title to the Property will be conveyed to the City of Northfield, but that Northfield Hospital & Clinics will have the use and control of the Property and will pay all financial obligations of the Buyer hereunder.

2. **Purchase Price.** The total purchase price (the “**Purchase Price**”) for the Property to be paid by Buyer to Seller shall be One Hundred Seventy Thousand and 00/100 Dollars (\$170,000.00). Buyer shall pay the Purchase Price as follows:

- a. **Earnest Money.** Buyer shall deposit Ten Thousand and 00/100 Dollars (\$10,000.00) as earnest money (including an interest accrued under this Agreement, the “**Earnest Money**”), with a national title insurance company (or its local agent) selected by Buyer (“**Title Company**”) as escrow agent, to be held in an interest bearing account in accordance with an escrow agreement among Seller, Buyer and Title Company within two (2) business days after the Effective

Date (as defined in Section 24). At Closing, the Earnest Money (including any accrued interest) will be applied to the Purchase Price.

- b. Buyer shall pay the balance of the Purchase Price, adjusted for prorations, closing costs and other expenses allocated between Buyer and Seller under this Agreement, in cash, certified funds, wire transfer or other immediately available funds on the Closing Date.

3. **Closing.** Subject to all the provisions of this Agreement, the closing of the purchase and sale contemplated by this Agreement (the “**Closing**”) shall take place through escrow with Title Company on a date as may be mutually agreed upon by Buyer and Seller (the “**Closing Date**”), which date shall not be later than _____. Seller agrees to deliver possession of the Property to Buyer on the Closing Date.

- a. Seller’s Closing Deliverables. On or before the Closing Date, Seller shall execute and deliver, or cause to be delivered, the following documents to Title Company:
 - i. Warranty Deed. A warranty deed in form reasonably satisfactory to Buyer, conveying the Property to Buyer, free and clear of all encumbrances, except the “Permitted Encumbrances” determined pursuant to Section 5 of this Agreement.
 - ii. Well Certificate. If there are wells on the Property, a Well Certificate in the form required by Minn. Stat. § 103I. If there are no wells on the Property, the deed delivered at Closing will include a statement to that effect.
 - iii. Seller’s Affidavit. An owner’s 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 Property; that there has been no labor or material furnished to the Property for which payment has not been made or for which mechanic’s liens could be filed; that there are no other unrecorded interests in the Property; in such form as may be reasonably required by the Title Company to issue an owner’s policy of title insurance conforming to the requirements of Section 5 of this Agreement.
 - iv. FIRPTA Affidavit. A non-foreign person affidavit, properly executed and notarized, containing such information as is required by IRC § 1445(b)(2) and its regulations with respect to the Property.
 - v. IRS Reporting Form. Any required real estate transfer tax declaration or similar documents required of a seller in connection with any real property tax imposed by any governmental authority in connection with the transaction contemplated hereunder.
 - vi. 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.

- vii. Reaffirmation of Representations and Warranties. A reaffirmation of representation and warranties made pursuant to this Agreement in form and substance acceptable to Buyer.
 - viii. Certificate of Good Standing. A Certificate of Good Standing for Seller from the Minnesota Secretary of State.
 - ix. Authorizing Resolutions. Seller's resolutions authorizing the sale of the Property contemplated in this Agreement and representing the individual signing on behalf of Seller has authority to do so.
 - x. Association Documents. Evidence of the existence in good standing of the Country Club Commerce Park Condominium Owners' Association (the "**Association**"), a Certificate of Secretary or similar confirmation from an officer of the Association to which the current governing documents of the Association and the Condominium are attached, together with a current statement of accounts of the Association, showing balances of reserves and showing that there are no assessment owing against the Property, other than assessments for the year of Closing that are not due and payable as of the Closing Date.
 - xi. Other Documents. All other documents, closing statements, certificates or affidavits that might be reasonably required by Buyer or Title Company to be delivered to carry out the transaction described in this Agreement.
- b. Buyer's Closing Deliverables. On or before the Closing Date, Buyer shall execute and deliver, or cause to be delivered, the following to Title Company:
- i. Purchase Price. The Purchase Price in cash or equivalent funds.
 - ii. IRS Reporting Form. Any required real estate transfer tax declaration or similar documents required of a buyer in connection with any real property tax imposed by any governmental authority in connection with the transaction contemplated hereunder.
 - iii. Other Documents. All other documents, closing statements, certificates or affidavits that might be reasonably required by Seller or Title Company to be delivered to carry out the transaction described in this Agreement.
4. **Contingencies.** The obligation of the Buyer to perform under this Agreement is contingent upon the timely occurrence or satisfaction, on or before the date noted below (the "**Condition Date**"), of each the following conditions precedent (the "**Closing Conditions**"):
- a. Acceptance of Property Condition. Before expiration of the Inspection Period, Buyer shall have determined, in its sole and absolute discretion, that the condition of the Property, as evidenced by any and all due diligence investigations, inspections and documents pursuant to Section 11 below, including but not

limited to all environmental assessments, soils and engineering tests, physical inspections of the Property, and all other matters pertaining to the physical condition of the Property, is acceptable to Buyer, for Buyer's intended use;

- b. Other Agreements. Before expiration of the Inspection Period, Buyer shall have resolved to its satisfaction all other agreements with third parties that Buyer, in its sole and absolute discretion, deems necessary for Buyer to satisfy the rights and ownership of the Property and close on the Property, including but not limited to financing arrangements for Buyer's proposed acquisition of the Property;
- c. Business Acquisition. Contemporaneously with the Closing of the transaction contemplated by this Agreement, Buyer and Seller shall have closed on the acquisition by Buyer of the medical practice operated by Gerard Louis O'Halloran, M.D. in the Property, known as the "O'Halloran Clinic" as contemplated by the Asset Purchase Agreement between Buyer and Dr. O'Halloran;
- d. Testing, Investigation. The Inspection Period shall have expired without Buyer terminating this Agreement;
- e. Marketable Title. On the Closing Date, the condition of title and Survey Property shall be acceptable to Buyer and the Title Policy (as defined in Section 5.c) shall be available for purchase by Buyer, in accordance with Section 5;
- f. Representations and Warranties. The representations and warranties of Seller in Section 9 of this Agreement shall be true and correct in all material respects up through and including the Closing Date, with the same force and effect as if such representations were made at such time;
- g. Governmental Approvals. Before expiration of the Inspection Period, Buyer shall have received all necessary governmental approvals from the City of Faribault, Rice County, the State of Minnesota and any other governing body having jurisdiction over the Property as Buyer, in its sole discretion, may deem necessary or desirable for Buyer to proceed with Buyer's intended use or occupancy of the Property and its anticipated improvements to the Property ("***Governmental Approvals***"); and
- h. Corporate Transaction Approvals. The parties understand and agree that the purchase of the Property is contingent upon approval by both the Board of Directors of Northfield Hospital & Clinics and the City Council of the City of Northfield. Unless the parties extend this date by written agreement, if either body fails to approve the purchase as provided herein by the Closing Date, this Agreement shall be null and void and the earnest money shall be refunded to Northfield Hospital & Clinics. Execution of this Agreement by any person on behalf of the Buyer prior to obtaining the necessary corporate approvals shall not confer any personal liability on the signer for the obligations of Buyer under this Agreement.

If any of the foregoing Closing Conditions has not been satisfied on or before the applicable Condition Date, then Buyer may terminate this Agreement by notice to Seller, which notice must be given, if at all, on or before the applicable Condition Date. Upon such termination (i) the Earnest Money (including all interest thereon) shall be returned to Buyer, and (ii) Buyer and Seller shall thereafter be released from any and all liabilities and obligations under this Agreement except obligations that expressly survive termination of this Agreement.

The conditions set forth in this Section 4 are solely for the benefit of Buyer and may be waived only by Buyer in writing. Buyer shall at all times have the right to waive any condition by written notice to Seller.

5. **Title and Survey Examination.** Title examination will be conducted as follows:

- a. **Seller's Title Evidence.** Seller shall, within twenty (20) days after the Effective Date, furnish to Buyer, at Seller's expense, (i) a commitment for a current ALTA form owner's policy of title insurance, issued by the Title Company, covering the Property in the amount of the Purchase Price, and including appropriate judgment and tax lien searches, a report of all special assessments levied or pending against the Property and copies of all documents and instruments referenced as title exceptions or encumbrances ("***Title Commitment***"); and (ii) a current certified ALTA/ACSM survey of the Property ("***Survey***"). In furtherance of said requirement, and as a condition to Buyer's obligation to close, Seller shall cause the Title Company to issue endorsements to the Title Commitment deleting any general exceptions from coverage, and affirmatively insuring access to the Property as it currently exists to public streets and/or across any appurtenant easements.
- b. **Buyer's Objections.** Within ten (10) days after receiving the last of (i) the Title Commitment, (ii) copies of any documents listed in Schedule B of the Title Commitment, and (iii) the Survey, Buyer will provide Seller with written notice of any objection Buyer may have to any matter disclosed in the Title Commitment, any Schedule B document, or the Survey (each, an "***Objection***" and collectively, "***Objections***"). Buyer's failure to make an Objection to any specific matter shown in Title Commitment, other than a lien for the payment of money, or in the Survey within such time period will constitute a waiver of Objection with respect to that specific matter, and that matter shall be a "***Permitted Encumbrance***." Seller shall use reasonable efforts to cure any Objections before the end of the Inspection Period.
- c. **Condition of Title at the end of Inspection Period.** In the event that, at the end of the Inspection Period, Seller cannot deliver, and Buyer cannot obtain, a Title Commitment for a final title insurance policy with all Objections removed and subject only to Permitted Encumbrances, (the "***Title Policy***"), Buyer may, at its option:
 - i. Terminate this Agreement and receive a refund of the Earnest Money including accrued interest, or

- ii. Accept each uncured Objection as a Permitted Encumbrance and proceed to Closing.
 - d. Condition of Title at Closing. Failure of Seller to deliver a Title Policy at Closing that is subject only to Permitted Encumbrances shall be an event of default.
6. **Prorations.** Seller and Buyer agree to the following prorations and allocation of costs regarding this Agreement:
- a. Title Insurance, Survey and Closing Fee. Seller will pay all costs of the Title Commitment and Survey. Buyer will pay all premiums required for the issuance of the Title Policy. Seller and Buyer will each pay one-half of any reasonable and customary closing fee or charge imposed by the Title Company.
 - b. Deed Tax. Seller shall pay the state deed tax on the warranty deed to be delivered by Seller under this Agreement.
 - c. Sales Tax. Seller shall pay any sales or excise taxes due as a result of the Closing of this transaction.
 - d. Real Estate Taxes and Special Assessments. General real estate taxes and installments of special assessments payable therewith payable in the year before the year of Closing and all prior years will be paid by Seller. 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 upon a calendar year. Buyer will assume all special assessments levied or pending as of the date of Closing.
 - e. Recording Costs. Buyer will pay the cost of recording the warranty deed. Seller shall pay the cost of recording any documents necessary to perfect Seller's title or release encumbrances other than Permitted Encumbrances.
 - f. Attorneys' Fees. Each of the parties will pay its own attorneys', accountants' and consultants' fees.
7. **Operation Before Closing.**
- a. Maintenance by Seller. During the period from the date Seller accepts this Agreement to the Closing Date (the "***Executory Period***"), Seller shall 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. As of the Effective Date, Seller will not enter into any contracts affecting the Property that cannot be terminated as of the Closing Date.

- b. Removal of Seller's Personal Property. Seller shall remove all personal property and debris from the Property during the Executory Period, other than personal property to be acquired by Buyer under the Asset Purchase Agreement.

8. **Damage/Condemnation.**

- a. Damage. If, before the Closing Date, all or any portion of the Property is substantially damaged or destroyed by fire, casualty, the elements or any other cause, Seller shall immediately give Buyer notice of such fact and Buyer may, in Buyer's discretion, terminate this Agreement by written notice to Seller. If Buyer does not elect to terminate, the insurance proceeds shall become the sole property of Buyer, provided Seller shall have the right to receive any amounts specifically paid for damage to or destruction of Seller's personal property. Seller shall promptly, at Seller's expense, remove all damaged or destroyed personal property from the Property.
- b. Condemnation. If, before the Closing Date, eminent domain proceedings are commenced against all or any part of the Property, Seller shall immediately give notice to Buyer of such fact and at Buyer's option (to be exercised within thirty (30) days after Seller's notice), this Agreement shall terminate, in which event the Earnest Money, including any accrued interest, shall be refunded to the Buyer and neither party will have further obligations under this Agreement. If Buyer shall elect not to give such notice then Seller shall assign to Buyer at the Closing Date 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, if any.

9. **Seller's Representations and Warranties.** As an inducement to Buyer to enter into this Agreement, Seller hereby represents and warrants to Buyer as follows, all except as disclosed by Seller to Buyer:

- a. Seller is a limited liability company duly formed, validly existing and in good standing under the laws of the State of Minnesota. Seller has taken all steps required under its governing documents to authorize the execution and performance of this Agreement and satisfaction of all its terms and conditions. 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 the Seller or the Property may be bound or affected.
- b. Seller has not filed for bankruptcy or reorganization or made a general assignment for the benefit of creditors, and Seller is not insolvent or otherwise unable to pay its debts as they become due and no party has any unsatisfied judgment against Seller.
- c. No consent or approval of any third party (including, without limitation any governmental authority) is or was required in connection with Seller's execution

and delivery of this Agreement or consummation of the transactions contemplated herein.

- d. Seller has received no notices from municipal or regulatory bodies that the Property is in violation of the provisions of any federal, state and municipal laws, ordinances, rules and regulations, including zoning, subdivision, environmental protection, building, fire and health laws, ordinances, rules and regulations, other than violations, if any, that have subsequently been cured.
- e. The documents to be delivered by Seller pursuant to Section 11.a will include all reports commissioned by or otherwise readily available to Seller relating to Hazardous Materials at the Property.
- f. Seller has not stored, released, or disposed of, nor permitted any other party to store, release or dispose of, any Hazardous Material. Seller has no knowledge that there has been any Hazardous Material stored, released, or disposed of, in, on, about or from the Property, and Seller has no knowledge of the existence in, on or about the Property of any Hazardous Material. To the best of Seller's knowledge, there are no underground or above ground storage tanks in, on or about the Property.

As used herein, the term "**Hazardous Material**" means mold, asbestos, urea formaldehyde, polychlorinated biphenyls, nuclear fuel or materials, radioactive materials, explosives, known carcinogens, petroleum products and by-products, and any pollutant, contaminant, chemical, material or substance defined as hazardous or as a pollutant or a contaminant in, or the release or disposal of which is regulated by, any federal, state, county, municipal, local or other statute, ordinance or regulation which relates to or deals with human health or the environment, including, without limitation, all regulations promulgated by a regulatory body pursuant to any such statute, ordinance, or regulation, including, but not limited to, the Comprehensive Environmental Response and Liability Act of 1980 ("**CERCLA**"), 42 U.S.C. § 9601, as amended.

- g. There are no unrecorded contracts or agreements relating to management, maintenance services or operation of the Property, or any leases or other occupancy agreements regarding the Property, that that cannot be terminated on or before the Closing Date, or upon thirty (30) days' written notice thereafter; and Seller has disclosed to Buyer any such contracts, agreements and leases.
- h. Seller 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 by or on behalf of Seller.
- i. To Seller's knowledge, there exists no pending or threatened litigation or administrative actions affecting or calling into question the Property or any part or component of the Property, or Seller's interest therein. To Seller's knowledge,

there is no condemnation proceeding pending or threatened with respect to any part of the Property.

- j. Seller does not know of any “Wells” on the Property within the meaning of Minn. Stat. § 103I.
- k. Seller certifies that sewage generated at the Property goes to a facility permitted by the Minnesota Pollution Control Agency. This representation is intended to satisfy the requirements of Minn. Stat. § 115.55, Subd. 6. Seller has no knowledge of the existence of an abandoned individual sewage treatment system on the Property.
- l. To Seller’s knowledge, no methamphetamine production has occurred on the Property.
- m. The Association is validly formed and in good standing and Seller is current on its payment of assessments payable by Seller to the Association.

All such representations and warranties shall be true on the Closing Date as if made on and as of such date. In the event that any aforesaid warranty is determined not to be true on and as of the Closing Date, Buyer will, at its option and by notice to Seller, without waiving other remedies available to Buyer, (i) terminate this Agreement in which event Buyer shall receive a refund of all Earnest Money, including accrued interest; or (ii) proceed to Closing.

Seller will indemnify Buyer, its successors and assigns, against, and will hold Buyer, its successors and assigns harmless from, any expenses or damages, including reasonable attorneys’ fees, that Buyer incurs because of the breach of any of the above representations and warranties. The representations and warranties in this Section 9 shall not merge with the deed but shall survive and be enforceable after the Closing against Seller and its successors and assigns.

10. **Buyer’s Representations and Warranties.** As of the date of this Agreement and as of the date of Closing, Buyer represents, warrants and covenants to Seller as follows:

- a. Buyer is duly created and validly existing pursuant to the laws of the jurisdiction of its organization.
- b. Buyer has the legal capacity and authority to execute this Agreement and perform the obligations of Buyer under this Agreement. All action necessary to authorize the execution, delivery and performance of this Agreement by Buyer has been taken, and such action has not been rescinded or modified. Upon the execution of this Agreement, this Agreement will be legally binding upon Buyer and enforceable against Buyer in accordance with all of its respective provisions. The person signing this Agreement on behalf of Buyer has been duly authorized to sign and deliver this Agreement on behalf of Buyer.
- c. Buyer is not subject to any judgment or decree of a court of competent jurisdiction or governmental agency that would limit or restrict Buyer’s right to enter into and carry out this Agreement.

- d. Neither the execution of this Agreement, nor the consummation of the transactions contemplated herein or therein by Buyer will constitute a breach under any contract or agreement to which Buyer is a party or by which Buyer is bound or affected.
- e. No consent or approval of any third party (including, without limitation any governmental authority) is or was required in connection with Buyer's execution and delivery of this Agreement or its consummation of the transactions contemplated herein.

All of the foregoing representations and warranties of Buyer are true, accurate and complete as of the date hereof and shall be true, accurate and complete as of the Closing Date.

11. **Inspection Period.** Seller hereby agrees that Buyer shall have the unqualified right to terminate this Agreement and to have the Earnest Money promptly refunded at any time during the period up through and including 5:00 p.m. on the date that is sixty (60) days after the Effective Date (said period is the "***Inspection Period***"). If Buyer desires to exercise its option to terminate this Agreement, Buyer shall do so by delivering written notice of such exercise on Seller or Seller's agent on or before the expiration of the Inspection Period, whereupon all Earnest Money shall be returned to Buyer.

- a. **Document Inspection.** Within ten (10) business days following the Effective Date, Seller will deliver to Buyer copies of all reports, studies or tests in Seller's possession or readily available to Seller relating to the condition of the Property, including environmental matters, and copies of any leases or contracts relating to occupancy, use or maintenance of the Property.
- b. **Property Inspection.** Buyer, its employees, agents and contractors, shall have the right to enter upon the Property at all reasonable times to perform such physical inspections as it deems advisable. Buyer shall indemnify and hold Seller and the Property 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. Buyer will promptly repair at its cost any damages to the Property occasioned by any such inspection activities.
- c. **Environmental Investigation.** After the Effective Date, Buyer may procure, at Buyer's expense, a Phase I Environmental Site Assessment performed by a qualified environmental engineer acceptable to Buyer (the "***Phase I***"). In the event the Phase I discloses reason(s) for further inquiry, in Buyer's reasonable discretion, Buyer, at Buyer's expense, may cause a qualified environmental engineer to proceed to a Phase II assessment report (the "***Phase II***"), and shall deliver a copy of the Phase II to Seller. In the event the Phase II is conducted, then at Closing the Purchase Price shall be reduced by an amount equal to any and all costs incurred by Buyer, in connection with the Phase II. If any remedial work is identified in the Phase II, Buyer may request that Seller, at Seller's sole cost and expense, perform the remedial work before the Closing Date. In the event Seller declines to perform

any such remedial work, or fails to perform the remedial work, if any, to Buyer's satisfaction, then without limitation of any of Buyer's other rights and remedies contained in this Agreement, Buyer may terminate this Agreement and the Earnest Money shall be returned to Buyer. Commencing upon the determination by Buyer of the need for the Phase II, the Inspection Period with regard solely to any remaining environmental issues shall be extended until after Seller's completion, to Buyer's sole satisfaction, of the remedial work recommended in such Phase II report (to the extent such remedial work is undertaken by Seller) and the Closing Date will be extended accordingly. Seller acknowledges and agrees that the Purchase Price was established assuming that there will not be a need for Buyer to incur any significant environmental remediation costs in connection with the Property.

12. **Broker's Commission.** Seller and Buyer shall each be responsible for payment of any brokers, finders or the like it has retained in connection with this transaction. Seller agrees to defend, indemnify and hold Buyer harmless from any claim asserted for real estate brokerage, commissions, finders' fees or other such compensation as a result of dealings claimed to have been conducted with Seller, and will pay all costs of defending any action or lawsuit brought to recover any such fees or commissions incurred by Buyer, including reasonable attorneys' fees. This indemnity shall survive the Closing.

13. **Assignment.** Buyer shall have an unconditional right to assign this Agreement, and either party may assign its rights under this Agreement at any time; provided that no such assignment will relieve the assigning party of its obligations under this Agreement.

14. **Survival.** The respective covenants, agreements, indemnifications, warranties and other terms of this Agreement will survive and be effective and enforceable by and against Seller, Buyer and their respective successors and assigns after the Closing, and shall not be deemed to have merged into any of the Closing Documents.

15. **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 delivered personally to the person identified below; or if mailed by United States registered or certified mail, return receipt requested, postage prepaid; or if transmitted by facsimile or electronic 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:

Northfield Hospital
Attn: Steve Underdahl, President
2000 North Avenue
Northfield, MN 55057
Telephone: (507) 646-1001
Facsimile: (507) 646-1392
E-mail: underdahls@northfieldhospital.org

With a copy to:

Stinson Leonard Street LLP
Attn: Eric Galatz
150 South Fifth Street Suite 2300
Minneapolis, MN 55402
Telephone: (612) 335-1509
Facsimile: (612) 335-1657
E-mail: eric.galatz@stinson.com

If to Seller:

Gerard Louis LLC

Telephone: (____) ____-____
Facsimile: (____) ____-____
E-mail: _____[.com](#)

With a copy to:

Telephone: (____) ____-____
Facsimile: (____) ____-____
E-mail: _____[.com](#)

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.

16. **Captions.** The section 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.

17. **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.

18. **Binding Effect.** This Agreement binds and benefits the parties and their successors and assigns.

19. **Controlling Law.** This Agreement has been made under the laws of the State of Minnesota, and such laws will control its interpretation.

20. **Remedies.** If Buyer defaults under this Agreement, Seller will have the right to terminate this Agreement, after written notice of cancellation as provided under Minn. Stat. § 559.21. Upon such termination, Seller will retain the Earnest Money as liquidated

damages, time being of the essence of this Agreement. Seller and Buyer agree that Seller's economic detriment resulting from the removal of the Property from the market and the carrying and other costs incurred thereafter and associated therewith, including any costs to be incurred by Seller in order to satisfy the conditions of escrow set forth herein, are impracticable or extremely difficult to ascertain. Seller and Buyer agree that the Earnest Money is a reasonable estimate of such damages in the event of Buyer's failure to perform according to the provisions of this Agreement. Such payment is intended to be liquidated damages and not intended to be a forfeiture or penalty. The termination of this Agreement and retention of the Earnest Money will be the sole remedy available to Seller for such default by Buyer.

If Seller defaults under this Agreement and fails to cure the default within thirty (30) days after written notice from Buyer specifying the default, Buyer will have the right (i) to terminate this Agreement by giving written notice of termination to Seller, obtain a refund of all Earnest Money and recover monetary damages, or (ii) in lieu of terminating this Agreement, maintain a suit for specific performance of this Agreement, damages, or both, Seller's liability for default, including breaches of representations and warranties, shall not be limited by this Section 20.

21. **Counterparts.** This Agreement may be executed in counterparts, each of which shall be deemed an original, and which together shall constitute a single, integrated contract.

22. **Duties of Title.** In the event the Title Company receives written notice from Buyer and Seller that (i) this Agreement has been duly terminated pursuant to Section 4 or Section 11, or (ii) this Agreement was otherwise terminated as a result of a default by Seller, then Title shall promptly deliver the Earnest Money (together with all interest accrued thereon) to Buyer. In the event the Title Company receives written evidence that this Agreement has been duly terminated by Seller pursuant to Minn. Stat. § 559.21, then Title shall promptly deliver the Earnest Money (together with all accrued interest thereon) to Seller. 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 to this Agreement 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 in 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 to this Agreement hereby indemnify and hold harmless the Title Company from any action taken by it in good faith in the execution of its duties under this Agreement. The parties to this Agreement 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 to this Agreement 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 under this Agreement and in determining whether it can give its irrevocable commitment to insure Buyer's title in the Property. The provisions of this Section 22 shall survive the termination of this Agreement.

23. **Time is of the Essence.** Seller and Buyer hereby acknowledge that time is of the essence of this Agreement. Whenever the time for performance of a condition or the giving of a notice falls upon Saturday, Sunday or a holiday, such time for performance or the giving of notice shall be extended to the next business day.

24. **Effective Date.** The date of this Agreement (“*Effective Date*”) shall be the later of the dates on which this Agreement is signed by Seller or Buyer.

[Signature page follows]

SIGNATURE PAGE
TO
REAL ESTATE PURCHASE AGREEMENT

IN WITNESS WHEREOF, Seller and Buyer have each executed this Real Estate Purchase Agreement in their corporate names as of the date first written above.

SELLER: **GERARD LOUIS LLC,**
a Minnesota limited liability company

Dated: _____, 2016

By: _____
Its: _____

BUYER: **NORTHFIELD HOSPITAL & CLINICS,**
an instrumentality of the City of Northfield a
Minnesota municipal corporation

Dated: _____, 2016

By: _____
Its: _____

CITY OF NORTHFIELD

Dated: _____, 2016

By: _____
Its: Mayor

Dated: _____, 2016

By: _____
Its: City Clerk

TITLE COMPANY: _____

Dated: _____, 2016

By: _____
Its: _____
Signing with respect to Section 22 only.