PURCHASE AGREEMENT

THIS PURCHASE AGREEMENT (this "Agreement") is made as of 9-16, 2024 (the "Effective Date") by and between the **City of Hayfield**, a Minnesota municipal corporation ("Seller"), and **Independent School District No. 203, Hayfield Community Schools**, a Minnesota public corporation ("Buyer").

RECITALS:

A. Seller is the owner of certain real property located in Dodge County, Minnesota, a portion of PID 230220900 as depicted in attached Exhibit A, the legal description of which is as follows:

See attached Exhibit B

(the "Property").

B. Seller wishes to convey, and Buyer wishes to purchase the Property, together with all rights, privileges, easements, and appurtenances belonging thereto.

AGREEMENT:

In consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. **Purchase of Property.** Seller hereby agrees to sell, and Buyer hereby agrees to purchase the Property including all easements and rights of every kind and nature benefiting or appurtenant to the Property, subject to the Permitted Encumbrances as provided herein.

2. **Purchase Price and Manner of Payment.** The total purchase price ("Purchase Price") to be paid by Buyer to Seller for the Property shall be One and no/100 Dollars ($1.00), and shall be paid at closing, subject to the terms of this Agreement.

3. **Personal Property and Fixtures.** The sale includes a shed that is located on the Property, as depicted at Exhibit A, and all property and fixtures that are used in conjunction with the softball field, whether stored in the shed or elsewhere, including but not limited to, lights, bases, benches, bleachers, and fences.

4. **Closing.** The closing of the purchase and sale contemplated by this Agreement shall occur on a "Closing Date" which shall be held on _____ ___, 2024.

The closing shall take place at a location mutually agreed upon by the parties. Seller agrees to deliver possession of the Property to Buyer on the Closing Date. At the closing, the following closing documents shall be executed and delivered:

a. A warranty deed conveying to Buyer Seller's interest in the Property, free and clear of all encumbrances, except the following "Permitted Encumbrances":

(1) Property taxes and any special assessments to be paid or assumed by Buyer pursuant to this Agreement;
(2) Building codes, laws and ordinances relating to zoning, land use, and environmental matters; and
(3) Easements of record.

b. A Standard Form Affidavit of Seller indicating no adverse matters.

c. A closing statement detailing the financial terms of the closing.

d. A Bring-Down Certificate, pursuant to Section 7 of this Agreement.

e. All other documents necessary to transfer the Property to Buyer.

5. **Right of First Refusal.** The parties agree to execute a Right of First Refusal, attached hereto as Exhibit C, at Closing. The terms of the Right of First Refusal are hereby incorporated into this Agreement.

6. **Lease.** The parties agree to execute a Lease Agreement, attached hereto as Exhibit D, at Closing. The terms of the Lease Agreement are hereby incorporated into this Agreement.

7. **Costs and Prorations.** Seller and Buyer agree to the following prorations and allocation of costs:

a. **Title Insurance and Closing Fee.** Buyer will pay any and all costs of obtaining a title insurance commitment and any title search and exam fees should Buyer desire to have a commitment issued. Buyer will pay the cost of all title insurance premiums required for the issuance of any owner's title insurance policy required by Buyer and endorsements, if any. Buyer will pay all reasonable and customary closing fees charged by the Title Insurer.

b. **Documentary Taxes and Fees.** Buyer shall pay all fees for the recording of the warranty deed by Buyer in the appropriate County offices.

c. **Real Estate Taxes and Levied and Pending Assessments.** Seller shall be responsible for all real estate taxes, including any deferred real estate taxes, penalties, or interest, for the years prior to the year in which Closing occurs. General real estate taxes with respect to the Property due and payable in the year in which closing occurs shall be prorated between Buyer and Seller as of the Closing Date. Buyer shall pay all taxes due and payable in years following the year in which closing occurs. Seller shall pay all special assessments certified against the Property, including any deferred special assessments. Buyer shall assume any pending special assessments pending against the Property as of the Closing Date.

d. **Attorney's Fees.** Each party will pay its own attorney's fees.

8. **Contingencies.** Notwithstanding any other provision in this Agreement to the contrary, the parties agree that Buyer's purchase of the Property is subject to the following contingencies, which must be accepted or waived by Buyer before the Closing Date:

a. Title to the Property shall be acceptable to Buyer, in its sole discretion;

b. Buyer shall have the right to conduct such tests, surveys, examinations, and other studies which Buyer desires to conduct, at Buyer's expense. The results of the same shall be satisfactory to Buyer in its sole discretion. Buyer shall keep the Property free from mechanics liens arising from such work. Buyer shall be responsible for any property damage or personal injury arising from such work, and agrees to restore the property to its prior condition as it was before any prior test, survey, examinations, or other studies;

c. Final approval of the transaction by the Buyer's School Board and the Seller's City Council; and

d. Seller's representations and warranties contained in this Agreement must be true now and on the Closing Date as if made on the Closing Date, and Seller shall have delivered to Buyer at closing a certificate in a form acceptable to Buyer, signed by an authorized representative of Seller, certifying that such representations and warranties are true as of the Closing Date (the "Bring-down Certificate").

If any of the foregoing contingencies have not been satisfied on or before the Closing Date, the Buyer shall, by giving notice pursuant to Section 16 of this

Agreement, either: (i) terminate this Agreement; or (ii) waive the contingencies listed above and proceed to closing.

9. **Representations by Seller.** Seller represents and warrants to Buyer as follows:

a. **Authority.** Seller is a public municipal corporation duly created under and subject to the laws of Minnesota and has the requisite power and authority to enter into and perform this Agreement and those closing documents signed by it.

b. **Title to Property.** Seller is the owner of the Property free and clear of all encumbrances except the Permitted Encumbrances. Seller has not made any other written or oral representations or warranties of any kind with respect to the Property (including without limitation express or implied warranties of title, merchantability, or fitness for a particular purpose).

c. **Rights of Others to Purchase Property.** Seller has not entered into any other contracts for the sale of the Property, nor are there any rights of first refusal or options to purchase the Property that might prevent the consummation of this Agreement.

d. **Utilities.** Utility meters, including water and electrical, will be in place and separated at the Property prior to Closing to allow the Buyer to take over those specific utilities at and for the Property after Closing.

e. **FIRPTA.** Seller is not a "foreign person," "foreign partnership," "foreign trust," or "foreign state" as those terms are defined in § 1445 of the Internal Revenue Code.

f. **Proceedings.** To the best knowledge of Seller, there is no action, litigation, investigation, condemnation, or private purchase in lieu of such proceeding that would affect the Property in any material way or proceeding of any kind pending or threatened against Seller or the Property, and Seller has no actual knowledge that any such action is contemplated.

g. **Special Assessments.** Seller has not received any notice of new improvement projects or special assessments that will or may be assessed against the Property. The receipt of such notice shall be disclosed to Buyer but shall not affect any other obligation hereunder.

h. **Wells and Septic Systems.** Seller represents that it is not aware of any wells or septic systems located on the Property.

i. **Methamphetamine Production.** To the best of Seller's knowledge, methamphetamine production has not occurred on the Property.

j. **Hazardous Materials.** To Seller's actual knowledge, without duty to investigate, no toxic or hazardous substances (including, with limitation, asbestos, urea foam formaldehyde, the group of organic compounds known as polychlorinated biphenyls, and any hazardous substance as defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA"), 42 U.S.C. § 9601-9657, as amended) have been generated, treated, stored, released, or disposed of, or otherwise deposited in or located on the Property, including with limitation, the surface or subsurface waters of the Property, nor has any activity been undertaken on the Property which would cause (i) the Property to become a hazardous waste treatment, storage or disposal facility within the meaning of, or otherwise bring the Property within the ambit of the Resource Conservation and Recovery Act of 1976 ("RCRA"), 42 U.S.C. § 6901, *et. seq.*, or any similar state law or local ordinance or any other environmental law; (ii) a release or threatened release of hazardous waste from the Property within the meaning of, or otherwise bring the Property within the ambit of CERCLA, or any similar state law or local ordinance, or any other environmental law; or (iii) the discharge of pollutants or effluents into any water source or system, or the discharge into the air or any emissions, which would require a permit under the Federal Water Pollution Control Act, 33 U.S.C. § 7401, *et.seq.*, or any similar state law or local ordinance or any other environmental law. To the best of Seller's knowledge: (i) there are no substances or conditions in or on the Property which may support a claim or cause of action under RCRA, CERCLA, or any other federal, state, or local environmental statutes, regulations, ordinances, or other environmental regulatory requirements, and (ii) no underground deposits which cause hazardous wastes or underground storage tanks are located on the Property.

10. Control of Property. Subject to the provisions of this Agreement, until the Date of Closing, Seller shall have full responsibility and the entire liability for any and all damages or injuries of any kind whatsoever to the Property, to any and all persons, whether employees or otherwise, and to any other property from and connected to the Property, except liability arising from the negligence or willful acts of Buyer, its agents, contractors, or employees, and except as may otherwise be provided by separate agreement between the Parties.

11. Remedies.

a. **Default by Buyer.** If Buyer defaults under this Agreement, Seller shall have the right to terminate this Agreement by giving 30-days written notice to Buyer pursuant to Minnesota Statutes § 559.21. If Buyer fails to cure such default within 30 days of the date of such notice, this Agreement will terminate and upon such termination, Seller may sue for specific performance of this Agreement or actual damages caused by Buyer's default.

b. **Default by Seller.** If Seller defaults under this Agreement, Buyer may sue for specific performance of this Agreement or actual damages caused by Seller's default.

12. **Condemnation.** If, prior to 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 ten days after Seller's notice), this Agreement shall terminate, in which event neither party will have further obligations under this Agreement. If Buyer fails to exercise its option to terminate the Agreement, then there shall be no reduction in the Purchase Price, and Seller shall assign to Buyer at the Closing Date all of Seller's right, title, and interest in and to any award made or to be made in the condemnation proceedings. Prior to the Closing Date, Seller shall not designate counsel, appear in, or otherwise act with respect to the condemnation proceedings without Buyer's prior written consent.

13. **Broker's Commission.** Seller and Buyer represent and warrant to each other that they have dealt with no broker, finder or other person entitled to a commission, finder's fee or similar fee in connection with this transaction.

14. **Assignment.** Neither party may assign its rights under this Agreement unless it receives the written permission of the other party.

15. **Amendment and Modification.** No amendment, modification or waiver of any condition, provision or term of this Agreement shall be valid or have any effect unless made in writing, is signed by the party to be bound and specifies with particularity the extent and nature of such amendment, modification, or waiver. Any waiver by either party of any default by the other party shall not affect or impair any right arising from any previous or subsequent default.

16. **Survival.** All of the terms of this Agreement will survive and be enforceable after the Closing.

17. **Notices.** Any notices required or permitted to be given by any party to the other shall be given in writing, and shall be (i) hand delivered to any officer of the

receiving party, or (ii) mailed in a sealed wrapper by United States registered or certified mail, return receipt requested, postage prepaid, or (iii) properly deposited with a nationally recognized, reputable overnight courier, properly addressed as follows:

If to Seller: Independent School District No. 203
9 Sixth Avenue SE
Hayfield, MN 55940
Attention: Superintendent

With copy to: Ratwik, Roszak & Maloney, P.A.
444 Cedar Street, Suite 2100
St. Paul, MN 55101
Attention: Christian R. Schafer

If to Buyer: City of Hayfield
18 W. Main Street
PO Box 53
Hayfield, MN 55940
Attention: City Clerk

Notices shall be deemed effective on the earlier of the date of receipt or in the case of such deposit in the mail or overnight courier, on the first business day following 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 accordance with this Section. If delivered at the Closing, a notice shall be deemed given when hand delivered to the party's representative at the Closing. Notice not given in the manner or within the time limits set forth in this Section are of no effect and may be disregarded by the party to whom they are directed.

18. **Captions.** The 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.

19. **Entire Agreement.** This written Agreement constitutes the complete agreement between the parties and supersedes any and all other oral or written agreements, negotiations, understandings and representations between the parties regarding the Property. There are no verbal or written side agreements that change this Agreement, and this Agreement shall supersede all previous agreement and understandings, written or oral, between the parties with respect to the Property, if any.

20. **Amendment; Waiver.** No amendment of this Agreement, and no waiver of any provision of this Agreement, shall be effective unless set forth in a writing expressing the intent to so amend or waive, and the exact nature of such amendment or waiver, and signed by both parties (in the case of amendment) or the waiving party (in the case of waiver). No waiver of a right in any one instance shall operate as a waiver of any other right, nor as a waiver of such right in a later or separate instance.

21. **No Joint Venture or Partnership.** Sellers and Buyer, by entering into this Agreement and completing the transactions described herein, shall not be considered joint venturers or partners, and nothing contained in this Agreement shall be construed or interpreted as creating such a partnership or joint venture.

22. **Cumulative Rights.** Except as may otherwise be provided herein, no right or remedy herein conferred on or reserved by either party is intended to be exclusive of any other right or remedy provided by law, but such rights and remedies shall be cumulative in and in addition to every other right or remedy given herein or elsewhere or existing at law, equity or by statute.

23. **Third Party Beneficiary.** There are no third-party beneficiaries of this Agreement, intended or otherwise.

24. **Governing Law.** This Agreement is made and executed under and in all respects is to be governed and construed under the laws of the State of Minnesota.

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

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, Seller and Buyer have executed this Agreement as of the date first written above.

SELLER

CITY OF HAYFIELD

By: Rich Fjerstad Date: 10-9, 2024
Rich Fjerstad
Its: Mayor

By Marnie Davis Date: October 9, 2024
~~Lori Kindschy~~ Marnie Davis
Its: City Clerk

BUYER

INDEPENDENT SCHOOL DISTRICT NO. 203

By: _____ Date: _____, 2024
Patrick Towey, Jr.
Its: School Board Chair

By: _____ Date: _____, 2024
Chad O'Connor
Its: School Board Clerk

EXHIBIT A
Visual Depiction of Property

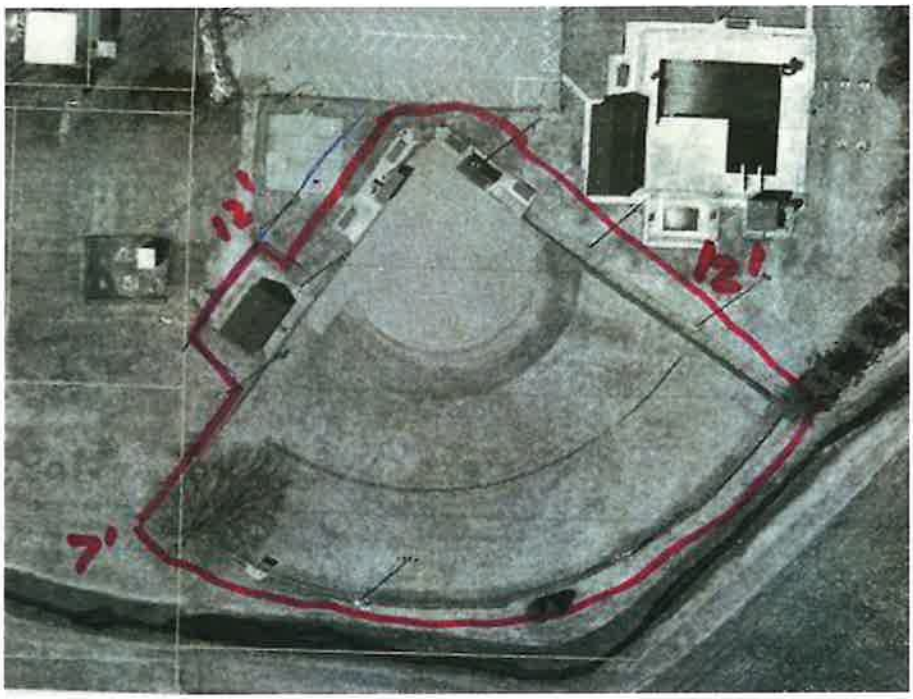


EXHIBIT B
Legal Description of the Property

[insert legal description]

EXHIBIT C

[Reserved for Recording Data]

RIGHT OF FIRST REFUSAL

This Right of First Refusal ("Agreement") is made on this 16 day of Sept 2024, by and between **Independent School District No. 203, Hayfield Community Schools**, a Minnesota public corporation ("District"), and the **City of Hayfield**, a Minnesota municipal corporation ("City").

Recitals

A. Whereas, the District and the City entered into a Purchase Agreement dated 9-16-24 ("Purchase Agreement"), wherein the District purchased from the City property located in the City in Dodge County, Minnesota, legally described as follows:

[inset legal description]

("the Property");

B. Whereas, as part of the Purchase Agreement, the City requested and the District agreed to grant the City with a right of first refusal prior to any subsequent sale of the Property by the District;

Agreement

NOW, THEREFORE, FOR VALUABLE CONSIDERATION, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Grant of Option. The District hereby grants to the City the exclusive the right of first refusal to purchase the Property upon the terms and conditions set forth below.

2. Exercise of Option. The District shall give the City at least thirty (30) days prior notice of the District's intent to sell the Property. The City shall then have forty-five (45) days to exercise the option to purchase the Property. Within the 45-day notice period, the City shall provide the District with written notice of the City's decision to exercise its option. Failure to respond within the 45-day notice period shall be deemed a rejection.

3. Failure to Exercise Option. If the City does not exercise the option to purchase the Property within 45 days of notice from the District, this Right of First Refusal shall have no more force and effect and the District may sell the Property to another buyer.

4. Purchase Price. In the event the District elects to sell the Property and the City elects to exercise the option to purchase the Property, the purchase price shall be One and no/100 Dollars ($1.00), the same purchase price paid by the District under the Purchase Agreement. Related costs of the transaction shall be apportioned consistent with the Purchase Agreement.

5. Time of Essence. Time is of the essence of this Agreement.

6. Notices. Any notices required or permitted to be given by any party to the other shall be given in writing, and shall be (i) hand delivered to any officer of the receiving party, or (ii) mailed in a sealed wrapper by United States registered or certified mail, return receipt requested, postage prepaid, or (iii) properly deposited with a nationally recognized, reputable overnight courier, properly addressed as follows:

If to District: Independent School District No. 203
9 Sixth Avenue SE
Hayfield, MN 55940
Attention: Superintendent

If to City: City of Hayfield
18 W. Main Street
PO Box 53
Hayfield, MN 55940
Attention: City Clerk

Notices shall be deemed effective on the earlier of the date of receipt or in the case of such deposit in the mail or overnight courier, on the first business day following 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 accordance with this Section. Notice not given in the manner or within the time limits set forth in this Section are of no effect and may be disregarded by the party to whom they are directed.

7. Governing Law. This agreement is governed by the laws of the State of Minnesota.

[Signatures on following pages]

In Witness Whereof, the parties have entered into this Agreement as of the date first written above.

City of Hayfield, Minnesota

By: Rich Fjerstad
Rich Fjerstad, Mayor

By: Marnie Davis
~~Lori Kindschy,~~ City Clerk
Marnie Davis

STATE OF MINNESOTA)
) ss.
COUNTY OF DODGE)

This instrument was acknowledged before me on 10-9-24
2024, by Rich Fjerstad and ~~Lori Kindschy~~ Marnie Davis, Mayor and City Clerk, respectively, of the City of Hayfield, a Minnesota municipal corporation.

(Stamp)
LORI A. KINDSCHY
NOTARY PUBLIC - MINNESOTA
My Commission Expires Jan. 31, 2025

Notary Public
Lori A. Kindschy

Independent School District No. 203,
Hayfield Community Schools

By: _____
Patrick Towey, Jr., School Board Chair

By: _____
Chad O'Connor, School Board Clerk

STATE OF MINNESOTA)
) ss.
COUNTY OF DODGE)

This instrument was acknowledged before me on _____ 2024, by Patrick Towey, Jr. and Chad O'Connor, School Board Chair and School Board Clerk, respectively, of Independent School District No. 203, a Minnesota public corporation.

(Stamp)

Notary Public

This instrument drafted by:
Ratwik, Roszak & Maloney, P.A.
444 Cedar Street, Suite 2100
St. Paul, MN 55101

LEASE AGREEMENT FOR ATHLETIC FIELD

This Contract is made and entered into this 16th day of Sept., 2024 by and between Independent School District No. 203, Hayfield Community Schools, a Minnesota public corporation (LESSOR) and City of Hayfield, a Minnesota municipal corporation, (LESSEE).

WITNESSTH:

1. For and in consideration of the mutual covenants herein expressed and for good and valuable consideration, including the agreement for LESSEE to have recently sold to LESSOR, the subject athletic field, LESSOR does hereby lease back the Athletic Field, legally described on the attached Exhibit A to LESSEE upon the terms herein.

2. LESSEE shall pay no further rent or fee to LESSOR.

3. This lease agreement shall be for a term of 100 years, commencing on January 1, 2025 and ending on December 31, 2125.

4. The Athletic Field shall be available for use by LESSEE each day from 6:00 am to 11:00 pm, except for days and times LESSOR is using the Athletic Field for practices or games.

5. The Athletic Field shall be used by LESSEE, solely for recreational activities by LESSEE, its citizens, invitees, and guests.

6. LESSEE shall at all times use reasonable care in conducting activities at the Athletic Filed identified above so as not to endanger any person and/or property of another lawfully thereon. LESSEE further agrees not to use or permit the premises leased to be used for any illegal purpose and not to permit any disturbance or annoyance detrimental to the premises.

7. LESSOR shall be responsible for all maintenance of the Athletic Field.

8. LESSEE shall indemnify LESSOR, and its officers and employees, from and against all suits, proceedings, claims, demands, actions, loss and expenses from liability of any kind and from any person asserting the same arising or growing out of or in any way connected with LESSEE's use of the Athletic Field identified above. In addition, LESSOR shall not be liable for any damage or loss which may be sustained by LESSEE.

9. This lease agreement sets forth the entire understanding between the parties and may not be changed or amended except in writing with the agreement of both parties.

10. All communications given pursuant to this lease agreement shall be in writing and shall be addressed to the parties at the addresses specified below.

If to LESSOR: Independent School District NO. 203
9 Sixth Ave SE
Hayfield, MN 55940
Attention: Superintendent

If to LESSEE: City of Hayfield
18 W. Main Street
PO Box 53
Hayfield, MN 55940
Attn: City Clerk

IN WITNESS HEREOF, the parties hereto have executed this contract on the day first above written.

Independent School District No. 203,
Hayfield Community Schools

By: _____
Patrick Towey, Jr. School Board Chair

By: _____
Chad O'Connor, School Board Clerk

City of Hayfield, Minnesota

By: Rich Fjerstad
Rich Fjerstad, Mayor

By: Marnie Davis
~~Lori Kindschy~~, City Clerk
Marnie Davis