EXHIBIT 1

PURCHASE AGREEMENT

This Purchase Agreement (this "Agreement") is entered into as of the date of certification by the City Clerk set forth below, by and between VEIT COMPANIES, LLC, a limited liability company under the laws of the State of Minnesota ("Buyer") and the City of Duluth, a municipal corporation under the laws of the State of Minnesota ("City").

RECITALS

WHEREAS, the State of Minnesota (the "State") owns, in trust for the taxing district, certain real property in St. Louis County, Minnesota, legally described on the attached Exhibit A (the "Property").

WHEREAS, Buyer wishes to obtain title to the Property and then construct an office structure and vehicle maintenance structure on the Property (the "Project").

WHEREAS, City is willing to obtain title to the Property from the State and immediately sell the Property to Buyer, pursuant to the authority granted in Duluth City Code Section 2-177.4.

In consideration of this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which the parties acknowledge, City and Buyer agree as follows:

1. <u>Purchase</u>. City shall: (i) apply to the State to acquire title to the Property, and (ii) if it acquires title to the Property, sell the Property to Buyer on the terms and conditions set forth in this Agreement. Buyer shall purchase from City, on the terms and conditions set forth in this Agreement, City's right, title and interest in the Property.

2. <u>Purchase Price, Closing Costs and Closing</u>.

(A) The purchase price for the Property will be \$35,623.00 (the "Purchase Price"), which is the sum of (i) \$34,100.00 (the "Land Price"), (ii) a fee paid to the State equal to three percent of the Land Price, and (iii) a fee paid to City in the amount of \$500.00 (the "City Fee").

(B) In addition to the Purchase Price, Buyer shall pay all closing costs, recording fees, any real estate transfer tax or conveyance fees, and any other costs and expenses of City or Buyer required to effectuate the transfer of title to the Property from the State to City and from City to Buyer (collectively, the "Closing Costs"). The parties intend that City will not incur any out of pocket expenses in relation to: (i) its acquisition of the Property from the State; (ii) the sale of the Property to Buyer; or (iii) the Project. At this time, the Closing Costs are estimated to be as follows:

\$ 25.00	State Deed Fee
\$ 112.53	Deed Tax
\$ 92.00	Recording Fees
\$ 118.16	Additional Deed Tax
\$ 92.00	Additional Recording Fees

(C) The Purchase Price and the Closing Costs, as they may be adjusted based on additional information provided by the State or otherwise, shall be paid by Buyer to City in cash on or before May 31, 2021 (as it may be extended as permitted by this Agreement, the "Payment Due Date"); provided,

however, Buyer shall have the one-time option to extend the Payment Due Date by written notice to Buyer delivered on or before April 30, 2021, if (i) the Council Contingency (defined below) has not been satisfied on or before April 30, 2021, or (ii) the State has not yet granted Buyer's request to investigate the Property through a separate agreement with the State, as contemplated by paragraph 4 below. Buyer shall also deliver the completed form attached as Exhibit B to City on or before the Payment Due Date. In the event the parties identify additional amounts due on the Purchase Price and/or the Closing Costs after the Payment Due Date, Buyer shall pay those amounts to City within five (5) business days of City's request for payment.

(D) In the event Buyer delivers the cash and documents required by subparagraph C above on or before the Payment Due Date, City shall submit the following to the State within 30 days of the Payment Due Date: (i) that portion of the Purchase Price and the Closing Costs to be paid to the State; and (ii) all documents required by the State to apply to acquire title to the Property. In the event Buyer does not deliver the cash and documents required by subparagraph C above on or before the Payment Due Date: (i) this Agreement shall terminate and, upon request, each party shall promptly sign a cancellation of purchase agreement evidencing the cancellation of this Agreement; and (ii) except as expressly set forth in this Agreement, the parties shall have no further obligations to one another pursuant to this Agreement.

(E) The closing on Buyer's purchase of the Property shall occur on a date chosen by City within thirty (30) days of the recording date of the State Deed vesting title to the Property in City (the "Closing"). In conjunction with the Closing: (i) Buyer shall pay to City any additional amounts due on the Purchase Price and the Closing Costs; (ii) City shall deliver a quitclaim deed to Buyer conveying City's interest in the Property to Buyer substantially in the form attached as Exhibit C (the "Deed"); and (iii) City shall deliver possession of the Property. City shall record the Deed and City's ordinance approving the conveyance in the St. Louis County real estate records in conjunction with the Closing. Notwithstanding any outstanding amount due to City on the Purchase Price and/or the Closing Costs, City shall be authorized to deliver and record the Deed.

(F) In the event the State is unwilling to transfer title to the Property to City for any reason: (i) City shall return the Closing Costs and the Purchase Price, less the City Fee, to Buyer, EXCEPT, if the State refuses to return any portion of the Purchase Price or the Closing Costs to City, then City shall not be obligated to return that portion of the Purchase Price or the Closing Costs to Buyer; (ii) this Agreement shall terminate and, upon request, each party shall promptly sign a cancellation of purchase agreement evidencing the cancellation of this Agreement; and (iii), except as expressly set forth in this Agreement, the parties shall have no further obligations to one another pursuant to this Agreement.

(G) Buyer acknowledges that once the Purchase Price is paid to the State, City will be unable to cancel the acquisition of the Property from the State, even if Buyer decides it no longer wishes to purchase the Property. For this reason, after the Payment Due Date Buyer cannot terminate this Agreement for any reason.

(H) Buyer acknowledges the restriction, right of reverter and the easement reservations set forth in the Deed.

3. <u>Contingencies.</u>

A. <u>City Council Contingency</u>. City's obligation to sell the Property to Buyer is contingent on the City Council adopting an ordinance approving the sale on the terms and conditions set forth in this Agreement on or before the Payment Due Date (the "Council Contingency"). If the Council Contingency is not satisfied on or before the Payment Due Date: (i) if already paid by Buyer, City shall return the Closing Costs and the Purchase Price, less the City Fee, to Buyer; (ii) this Agreement shall terminate and, upon request, each party shall promptly sign a cancellation of purchase agreement evidencing the cancellation of this Agreement; and (iii), except as expressly set forth in this Agreement, the parties shall have no further obligations to one another pursuant to this Agreement. Neither Buyer nor City may waive the Council Contingency.

B. <u>Title Contingency</u>. Buyer, at Buyer's sole expense, may conduct a review of the title status of the Property. If Buyer is unsatisfied with the Property's title status, Buyer may terminate this Agreement by delivering written notice of termination to City prior to the Payment Due Date. If Buyer terminates this Agreement pursuant to this paragraph, the parties shall have no further obligations to one another pursuant to this Agreement except as expressly set forth in this Agreement.

4. <u>Property Inspection.</u> Buyer acknowledges that (i) City cannot grant Buyer permission to physically access the Property because it does not currently own the Property; and (ii) any physical inspection of the Property must be performed by Buyer pursuant to a separate agreement with the State or St. Louis County. Buyer is solely responsible for any and all investigation relating to the condition of the Property, including environmental contamination. If Buyer is unsatisfied with the condition of the Property, Buyer may terminate this Agreement by delivering written notice of termination to City prior to the Payment Due Date. If Buyer terminates this Agreement pursuant to this paragraph, the parties shall have no further obligations to one another pursuant to this Agreement except as expressly set forth in this Agreement.

5. <u>The Project</u>. The Project shall be completed within twenty-four (24) months of the date of the Deed, Buyer shall bear all costs related to the Project. Buyer is responsible to obtain the proper permits, from various local, state, and/or federal agencies and entities to complete the Project.

6. <u>Taxes</u>. The Property is currently tax-exempt and Buyer and City do not expect there to be any current or past due taxes or assessments outstanding as of the Closing. In the event that there are any current or past due taxes or assessments outstanding as of the Closing, Buyer shall pay them at Closing as a part of the Closing Costs. Buyer shall be responsible for all real estate taxes and assessments for the year following Closing and all subsequent years.

7. <u>AS-IS Provisions.</u> Buyer is purchasing the Property "AS IS" and "WHERE IS", and with all faults, and except as expressly set forth in paragraph 8 below, City makes no representations or warranties, whether express or implied, by operation of law or otherwise, with respect to the quality, physical condition or value of the Property, or the compliance of the Property with applicable building or fire codes or other laws or regulations. Buyer agrees City is not liable or bound by any guarantees, promises, statements, representations or information pertaining to the Property made or furnished by City or any agent, officer, director, employee or other person representing or purporting to represent City, except as and to the extent expressly set forth in paragraph 8 below. Buyer expressly waives the requirement of any disclosure not expressly contained in this Agreement (including, without limitation,

any disclosure required pursuant to Minn. Stat. §513.52-513.61), and Buyer agrees to take the Property "As Is" notwithstanding any matter set forth in any disclosure statement required by Minnesota law.

BUYER ACKNOWLEDGES AND AGREES THAT, EXCEPT AS EXPRESSLY SET FORTH IN PARAGRAPH 8 BELOW, CITY HAS NOT MADE, DOES NOT MAKE AND SPECIFICALLY NEGATES AND DISCLAIMS ANY REPRESENTATIONS, WARRANTIES, PROMISES, COVENANTS, AGREEMENTS OR GUARANTIES OF ANY KIND OR CHARACTER WHATSOEVER, WHETHER EXPRESS OR IMPLIED, ORAL OR WRITTEN, PAST, PRESENT OR FUTURE, OF, AS TO, CONCERNING OR WITH RESPECT TO:

(A) THE VALUE, NATURE, QUALITY OR CONDITION OF THE PROPERTY, INCLUDING, WITHOUT LIMITATION, THE WATER, SOIL AND GEOLOGY;

(B) THE INCOME TO BE DERIVED FROM THE PROPERTY;

(C) THE SUITABILITY OF THE PROPERTY FOR ANY AND ALL ACTIVITIES AND USES WHICH BUYER MAY CONDUCT THEREON;

(D) THE COMPLIANCE OF OR BY THE PROPERTY OR ITS OPERATION WITH ANY LAWS, RULES, ORDINANCE OR REGULATIONS OF ANY APPLICABLE GOVERNMENTAL AUTHORITY OR BODY OR ANY FRANCHISE LICENSE OR AGREEMENT OR ANY GRANT OR SIMILAR AGREEMENT;

(E) THE HABITABILITY, MERCHANTABILITY, MARKETABILITY, PROFITABILITY OR FITNESS FOR A PARTICULAR PURPOSE OF THE PROPERTY;

(F) THE MANNER OR QUALITY OF THE CONSTRUCTION OR MATERIALS, IF ANY, INCORPORATED INTO THE PROPERTY;

(G) THE MANNER, QUALITY, STATE OF REPAIR OR LACK OF REPAIR OF THE PROPERTY;

(H) THE AVAILABILITY OF WATER OR OTHER RESOURCES OR UTILITIES; OR

ANY OTHER MATTER WITH RESPECT TO THE PROPERTY. AND (I) SPECIFICALLY, THAT BUYER HAS NOT MADE, DOES NOT MAKE, AND SPECIFICALLY DISCLAIMS ANY REPRESENTATIONS REGARDING COMPLIANCE ANY ENVIRONMENTAL PROTECTION OR POLLUTION WITH RULES. REGULATIONS, ORDERS OR REQUIREMENTS, INCLUDING SOLID WASTE, AND INCLUDING THE DISPOSAL, RELEASE OR EXISTENCE, IN OR ON THE PROPERTY, OF ANY HAZARDOUS SUBSTANCE.

8. <u>Statutory Disclosures and Environmental Declaration</u>. City staff handling the sale of the Property on behalf of City have no actual knowledge of the following with respect to the Property: (1) the presence of a well, underground storage tank or subsurface sewage treatment system; or (2) methamphetamine production on the Property. City discloses and Buyer acknowledges environmental contamination of a portion of the Property as described in the attached Exhibit D, including the restrictions placed on a portion of the Property because of the environmental contamination.

9. <u>Buyer Representations</u>. Buyer makes the following representations:

(A) Buyer is a limited liability company in good standing under the laws of the State of Minnesota, has the full power and authority to: (i) enter into this Agreement, (ii) purchase the Property in accordance with this Agreement, and (iii) complete the Project. No consent or authorization from any other person, entity or government agency is required for Buyer to enter into and perform Buyer's obligations under this Agreement except as has already been obtained and except for permits and licenses which may be necessary to complete the Project. The execution of this Agreement will not constitute a breach or default under any agreement to which Buyer is bound.

(B) There is no suit, action, legal, administrative or other proceeding or inquiry pending or threatened against Buyer which could affect Buyer's ability to enter into and perform Buyer's obligations under this Agreement. No attachments, execution proceedings, assignments for the benefit of creditors, insolvency, bankruptcy, reorganization, or other proceedings are pending or threatened against Buyer, nor are any such proceedings contemplated by Buyer.

(C) Buyer shall promptly pay when due any and all charges for engineering, surveying or other studies, reports, assessments or investigations which are commissioned or requested by Buyer.

Each of the above representations is material and is relied upon by City. Each of the above representations shall be deemed to have been made as of the Closing and shall survive the Closing.

Independent Investigation. The consummation of this transaction shall constitute Buyer's 10. acknowledgment that Buyer has independently inspected and investigated the Property and has made and entered into this Agreement based upon such inspection and investigation and its own examination of the condition of the Property. Upon Closing, Buyer shall assume the risk that adverse matters, including but not limited to construction defects and adverse physical and environmental conditions and the suitability or unsuitability of the Property for Buyer's intended uses, may not have been revealed by Buyer's investigations. Buyer, upon Closing, shall be deemed to have waived, relinquished and released City and its employees, agents, elected officials and attorneys (collectively, the "Seller-Related Parties") from and against, and covenanted not to sue any of the foregoing with regard to, any and all claims, demands, causes of action (including causes of action in tort or under any environmental law), losses, damages, liabilities (whether based on strict liability or otherwise), losses, damages, liabilities, costs and expenses (including attorneys' fees and court costs) of any and every kind or character, known or unknown, which Buyer might have asserted or alleged against City and/or the Seller-Related Parties at any time (including without limitation to the extent covered by or that would be covered by [as opposed to paid] by insurance) by reason of or arising out of any latent or patent construction defects or physical conditions, violations of any applicable laws (including, without limitation, any environmental laws), the suitability of the Property for any purposes contemplated by Buyer and any and all other acts, omissions, events, circumstances or matters regarding the Property. The foregoing shall not be interpreted to waive any claim of Buyer with respect to any breach by City of any express representations made by City in paragraph 8 above that expressly survive Closing pursuant to this Agreement.

Buyer Reliance. Buyer is experienced in and knowledgeable about the ownership, 11. development, and management of real estate, and it has relied and will rely exclusively on its own consultants, advisors, counsel, employees, agents, principals and/or studies, investigations and/or inspections with respect to the Property, its condition, value and potential. The Purchase Price and other terms and conditions contained in this Agreement are the result of arm's-length negotiations between sophisticated parties experienced in transactions of this kind, and the Purchase Price and other terms and conditions contained in this Agreement take into account the fact that Buyer is not entitled to rely on any information provided by City, any of its agents, or any other person acting for or on behalf of City, except as expressly set forth in paragraph 8 above. All information, whether written or oral, previously, now, or hereafter made available to Buyer by City, its agents, employees, or any other person acting for or on behalf of City, whether in the form of appraisals, market studies, projections, brochures, maps, surveys, soil reports, engineering studies, environmental studies, inspection reports, plans and specifications, and all other information and materials have been or will be furnished by City to Buyer solely as an accommodation, and neither City nor its agents has verified the accuracy of such information or the qualifications of the persons preparing such information, except as expressly set forth in paragraph 8 above. Buyer agrees that, notwithstanding the fact that Buyer has received certain information from City, or its respective agents or consultants, Buyer has relied solely upon and will continue to rely solely upon its own analysis and will not rely on any information provided by City, or its agents or consultants, except as expressly set forth in paragraph 8 above.

12. <u>Indemnity</u>. Buyer shall indemnify, defend (with counsel reasonably satisfactory to City), and hold City and the Seller-Related Parties harmless for, from and against any claims, damages, costs, liabilities, losses, mechanic's, materialmen's or other liens, arising out of or in any way related to any claim by any third party for compensation for services relating to this Agreement or Buyer's use, possible use or intended use of the Property, including, without limitation, claims for compensation for any services relating to the Property, and any increase in value in the Property or any other property of City arising out of any improvements, on any basis whatsoever including, without limitation, on the basis of any claim based upon agency, partnership, joint venture or enterprise, unjust enrichment, quantum meruit or other quasi-contract theory, except to the extent, if at all, that such services or improvements are expressly contracted for by City in writing and for City's sole benefit. This paragraph 12 shall survive the Closing and cancellation of this Agreement for any reason.

13. <u>No Assignment.</u> The parties acknowledge that City is relying upon the qualifications and identity of Buyer to complete the Project. Therefore, Buyer represents and agrees for itself, its successors and assigns that it has not made or created, and will not make or create or suffer to be made or created, any total or partial sale, assignment, conveyance, lease, trust, lien or power of attorney, nor has it nor will it allow any change in the identity of the principals or their respective percentages of ownership or voting rights, if such change would result in a change of control, and has not or will not otherwise transfer in any other way all or any portion of the Property, Buyer, the Project, this Agreement or any other contract or agreement entered into in connection with carrying out its obligations hereunder until after the completion of the Project as required by the Deed; and Buyer will not make or create or suffer to be made any such transfer of Buyer's rights hereunder. If any assignment of Buyer's obligations under this Agreement is approved, any such assignee shall explicitly assume the obligations of Buyer under this Agreement. This paragraph 13 shall survive the Closing and cancellation of this Agreement for any reason.

14. <u>Miscellaneous</u>. This Agreement constitutes the entire agreement between the parties pertaining to the subject matter contained in it and supersedes all prior and contemporaneous agreements, representations, and understandings between the parties regarding the Property. There are no oral agreements that change this Agreement and no waiver of any of its terms shall be effective unless in a writing executed by the parties. Time is of the essence in all terms of this Agreement. This Agreement binds and benefits the parties and their successors in interest. This Agreement shall be construed under the laws of the state of Minnesota. This Agreement, each provision of it, and all warranties and representations in this Agreement shall survive the Closing. Amendments to this Agreement must be in writing and must be executed by the same officers as executed this Agreement, except that the Director of Planning and Economic Development is authorized, in their discretion, to sign amendments solely to extend timelines set forth in this Agreement up to a maximum of 120 days. This paragraph 14 shall survive the Closing and cancellation of this Agreement for any reason.

15. <u>Waiver</u>. The failure of either party to enforce any provision of this Agreement shall not be construed as a waiver or limitation of that party's right to subsequently enforce and compel strict compliance with every provision of this Agreement.

16. <u>Notices</u>. Notices sent pursuant to this Agreement shall be sufficient if personally delivered or sent by regular United States mail, postage prepaid, addressed to:

City	Buyer
City of Duluth	Veit Companies, LLC
Attn: Property and Facilities Manager	Attn: Vaughn Veit
1532 W. Michigan Street	14000 Veit Place
Duluth, MN 55806	Rogers, MN 55374

or to such other persons or addresses as the parties may designate to each other in writing from time to time.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date indicated below.

Dated: _____ MARCH , 2021.

VEIT COMPANIES, LLC

By:

Its: OWNER Printed Name: URUGhn Veir

CITY OF DULUTH:

By____ Its Mayor

Attest: Its City Clerk

Date Attested:_____, 2021

Countersigned:

By:_____ Its Auditor

Approved as to form:

By:_____ Its City Attorney

EXHIBIT A TO PURCHASE AGREEMENT

Legal Description of Property

NE¼ of SW¼, Section 4, Township 48, Range 15 West of the Fourth Principal Meridian, EXCEPT MINERALS

EXHIBIT B TO PURCHASE AGREEMENT

eCRV Form

Individual Buyers	
Buyers 1 Name(s):	
Social Security #:	(1)
Social Security #:	(2)
	(-/
Is this a foreign address:	Yes No
Address:	
Country	USA
E-mail:	
Daytime phone: (required)	
Contact Notes:	
Is there a Court Order to make this information private?	Yes No
Individual Sellers	
Seller 1 Name(s):	
Social Security #:	(1)
Social Security #:	(2)
Is this a foreign address:	Yes No
Address:	
	Yes No
Address:	
Address: Country E-mail:	
Address: Country E-mail: Daytime phone: (required)	
Address: Country E-mail:	

Property Description Questions	
County:	St. Louis
Legal Description:	NE ¹ / ₄ of SW ¹ / ₄ , Section 4, Township 48, Range 15 West of the Fourth Principal Meridian, EXCEPT MINERALS
What is included in this sale?	Land and Buildings X Land only Buildings only
Were new buildings(s) constructed on the property after Jan. 1 of the sale year?	Yes X No
Will the buyer use this property as their principal residence?	Yes No
Parcel ID Information	010 0700 00460
Primary Parcel ID: Will this sale/transaction result in a lot split	010-2730-00460 Yes X No
Address(es) of Minnesota Property Being Sold	
Address:	Vacant Land - W Gary Street Duluth, MN 55808
Planned Use of the Property	
Property Type Code:	Agriculture Apartment Vacant Land Commercial Industrial Other Residential - condo Residential - duplex Residential - house single family Residential - townhouse Residential - triplex
	Residential - vacant land Seasonal Recreational Timber
Commercial type of business (be as specific as possible) Rental property # of rental units Office/retail: square feet Vacant Land: Residential, commercial, industrial, hunting, other Commercial type of business (be as specific as possible) Rental property # of rental units Office/retail: square feet Agricultural: Is it Animal related, crop production, grain storage or rural/vacant? Animal related: Is it Cattle, Diary, Horse, Poultry or swine Crop production: Greenhouse/Nursery, Hay/Grass, Market Farm, Orchard, Row crops, timber production, vineyard	
Property Type Code:	Agriculture Apartment Commercial Industrial Others
	Residential - condo Residential - duplex Residential - house single family Residential - townhouse Residential - triplex Residential - vacant land Seasonal Recreational Timber Image: Total Acres Image: Tillable Acres
	Irrigated Acres and what Produced Acreage is required on Agricultural property

Property Programs	
If the Property is subject to any Preservation or Conversation programs Sales Agreement Information	 Conservation Reserve Enhancement Program (CREP) Conservation Reserve Enhancement Program (CREPII) Conservation Reserve Program (CRP) Emergency Wetlands Reserve Program (EWRP) Native Prairie Program (NPP) Permanent Wetlands Reserve Program (PWRP) Reinvest in Minnesota (RIM) Sustainable Forest Incentive Act (SFIA) US Fish and Wildlife (USFW) Wetlands Reserve Program (WRP) Wetlands Reserve Program (WRP) Wetlands Reserve Program (WRP) Other
Type of Deed:	
Date of deed or contract (no future sales dates):	
Total purchase amount: \$	
Full Down Payment or Equity Investment: \$	
Seller paid points: \$	
Financing	
Sales agreement financing type:	Assumed Mortgage Cash Contract for Deed Mortgage or CD amount at purchase price: Monthly payment (Include principal and interest) Interest rate Number of payments Date of lump sum payment (balloon) Balloon Amount \$ New Mortgage
Personal Property	
Is personal property included in the total purchase amount of the sale?	Yes No
Personal Property and Value	
Description	Value
Did the buyer lease the property before purchasing it? If Yes, did the buyer have the option to buy?	Yes No
Did the seller lease the property after the sale?	Yes No
If Yes, what were the terms of the lease	
Did the seller guarantee the buyer minimum rental income, if the	Yes No
property was previously rented? (answer No if not applicable) Does this CRV represent a contract for deed payoff or was a contract for deed resold?	Yes No
Did the buyer purchase only partial interest in the property?	Yes No
Was the property received wholly or partially in trade?	Yes No
Is the purchase part of a "like-kind" exchange under section 1031 of the IRS code?	Yes No
Was the purchase agreement signed over two years ago?	Yes No

Questions on the Nature of the Sale	
Are the buyers and sellers relatives or related businesses?	Yes No
Are the buyers or sellers eligible for property tax exemption (e.g. a religious or charitable organization)?	Yes No
Are either the buyers or sellers a unit of local, state or federal government?	Yes No
Does this CRV solely represent a name added or removed from a deed?	Yes No
Was the property condemned or foreclosed or is legal action pending?	Yes No
Was the property entirely, or partially, received as a gift or inheritance?	Yes No
Did the buyer pay for an appraisal of this property? If yes: Enter Appraised value (enter 0 if unknown) \$	Yes No
Did the seller pay for an appraisal of this property? If yes: Enter Appraised value (enter 0 if unknown): \$	Yes No
Did the buyer own property adjacent to the property purchased?	Yes No
Did the buyer(s) feel they paid a significantly different price for the property than other potential buyers would have paid? If yes, briefly say why the price paid was different than similar properties:	Yes No
Was the sale announced and/or promoted through realtor listing, newspaper or other publications, advertisements, brochures, or other promotional or informational mailings? If no, how did the buyer learn that the property was for sale?	Yes No

Additional Buyers: (Include address if different than property address)

Additional Sellers: (Include address if different than property address)
_11

SS#	_1
SS#	
SS# SS#	
SS#	1
SS#	_/
SS#	_1
SS# SS# SS# SS#	
SS#	1

EXHIBIT C TO PURCHASE AGREEMENT

Quit Claim Deed

QUIT CLAIM DEED

eCRV Number: _____

Deed Tax Due: \$_____

Date: _____, 2021

FOR VALUABLE CONSIDERATION, the CITY OF DULUTH, a municipal corporation under the laws of the State of Minnesota, "Grantor," hereby conveys and quitclaims to VEIT COMPANIES, LLC, a limited liability company under the laws of the State of Minnesota, "Grantee," real property in St. Louis County, Minnesota, described as follows (the "Property"):

NE¹/₄ of SW¹/₄, Section 4, Township 48, Range 15 West of the Fourth Principal Meridian, EXCEPT MINERALS

together with all hereditaments and appurtenances belonging thereto, subject to the following exceptions:

(1) the restriction and reverter set forth on the attached Exhibit 1;

(2) the Declaration (defined below);

(3) an access easement as follows: Grantor hereby reserves an easement running with the land over and across the Property for the purpose of accessing, with such material and equipment deemed necessary by Grantor, that portion of the Property described in the Declaration of Restrictions and Covenants and Affidavit Concerning Real Property Contaminated with Hazardous Substances (the "Declaration Property") dated December 23, 2005 and recorded in the Office of the Registrar of Titles on April 7, 2006 as Document No. 815706 (the "Declaration") in order to perform the activities described in paragraph 8 of the Declaration on the Declaration Property. City may remove vegetation in order to create such access, but shall do so in a manner that shall occasion the least practical damage and inconvenience to Grantee. The above-described easement shall not prohibit or restrict the development or use of the

Property, except to the extent that the Declaration expressly limits the development and use of the Declaration Property;

(4) a street and utility easement as follows: Grantor hereby reserves and dedicates to Grantor, in trust for the benefit of the public, a perpetual easement running with the land for street and utility purposes over, under and across the portion of the Property legally described and depicted on the attached Exhibit 2; and

(5) any other existing easements, restrictions and reservations of record. Check here if all or part of the described real property is Registered (Torrens) \underline{X} . Grantor certifies that the Grantor does not know of any wells on the Property.

CITY OF DULUTH:

By: ______ Mayor

By: ______City Clerk

STATE OF MINNESOTA)) SS COUNTY OF ST. LOUIS)

This instrument was acknowledged before me on ______, 2021, by Emily Larson, Mayor of the City of Duluth, a municipal corporation organized and existing under the laws of the State of Minnesota.

Notary Public

STATE OF MINNESOTA)) SS COUNTY OF ST. LOUIS)

This instrument was acknowledged before me on ______, 2021, by Chelsea Helmer, City Clerk of the City of Duluth, a municipal corporation organized and existing under the laws of the State of Minnesota.

Notary Public

This Instrument was drafted by: City of Duluth Office of the City Attorney 411 W. First Street, Room 410 Duluth, Minnesota 55802

> Tax Statements should be sent to: Veit Companies, LLC 14000 Veit Place Rogers, MN 55374

EXHIBIT 1 TO QUIT CLAIM DEED

This deed is subject to the condition that title to the Property shall automatically revert to Grantor in the event that any of the following conditions occur within 24 months of the date of this deed:

- (i) Grantee ceases to exist as a legal entity in the State of Minnesota;
- (ii) Grantee attempts to transfer, sell, lease, sublease or otherwise convey any interest of Grantee, legal or equitable, in the Property, unless such transferee or assignee is an entity owned or controlled by Buyer or with common ownership to Buyer: or
- (iii) Grantee fails to complete construction of an office structure and vehicle maintenance structure on the Property (the "Project"); or
- (iv) Grantee shall make any assignment for the benefit of its creditors, or generally not be paying its debts as they become due, or a petition shall be filed by or against Grantee under the United States Bankruptcy Code, or Grantee shall seek or consent to or acquiesce in the appointment of any trustee, receiver or liquidator of any part of the Property.

This restrictive covenant and reverter shall run with the land and be enforceable by Grantor.

Upon completion of the Project in the timeline required above, Grantee may request and Grantor shall provide, a Certificate of Completion in recordable form releasing the Property from the restriction and reverter set forth above.

EXHIBIT 2 TO QUIT CLAIM DEED

Street and Utility Easement Drawing and Legal Description



Easement Area:

Beginning at the Northeast corner of the Northeast ¼ of the Southwest ¼ of Section 4, Township 48, Range 15, St Louis County, Minnesota, thence southerly along the East line of said Northeast ¼ of the Southwest ¼ a distance of 55.00 feet more or less to a line that is parallel with and distant 55.00 feet southerly of the North line of said Northeast ¼ of the Southwest ¼; thence westerly along said parallel line a distance of 440.00 feet; thence northwesterly to a point on the North line of said Northeast ¼ of the Southwest ¼ of the Southwest ¼ of the Southwest ¼ of the Southwest ¼ that is 610.00 feet west of the Point of Beginning; thence easterly along said Northeast ¼ of the Southwest ¼ a distance of 610.00 feet to the Point of Beginning.

EXHIBIT D TO PURCHASE AGREEMENT

RECORDED DECLARATION

Office of the Registrar of Titles St. Louis County. Minnesola Certified Filed on Apr 07, 2006 at 8:40 AM as **Document No. 815706.0** Affecting Certificate(s) of Title **70534.0 Mark A. Monacelli** Registrar of Titles By D Ide Deputy TFR 211748



DO NOT REMOVE

DECLARATION OF RESTRICTIONS AND COVENANTS AND AFFIDAVIT CONCERNING REAL PROPERTY CONTAMINATED WITH HAZARDOUS SUBSTANCES

THIS DECLARATION AND AFFIDAVIT is made by Peg Sweeney, Chairperson of the St. Louis County Board of Commissioners, and Donald Dicklich, St. Louis County Auditor, on behalf of the St. Louis County Board of Commissioners (hereinafter collectively referred to as "the County Board"). The facts stated herein are stated under oath by Commissioner Sweeney and Mr. Dicklich on behalf of St. Louis County, and are intended to fulfill the disclosure requirements of Minn. Stat. § 115B.16, subd. 2 (2003).

WITNESSETH:

WHEREAS, the State of Minnesota is the fee owner in trust for the taxing districts of certain real property located in Duluth, St. Louis County, Minnesota, legally described herein in attached Exhibit A (the "Property") which is incorporated herein by reference; and

WHEREAS, the Property is Minnesota State Tax-forfeit land and is administered in trust by St. Louis County; and

WHEREAS, Peg Sweeney is the Chairperson of the St. Louis County Board of Commissioners and Donald Dicklich is the St. Louis County Auditor, and Commissioner

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Sweeney and Mr. Dicklich state the facts herein solely in their official capacities as Chairperson of the St. Louis County Board of Commissioners and St. Louis County Auditor, respectively; and

WHEREAS, the Property, also known as the Sargent Creek Dump, was utilized as an unpermitted disposal site for mixed municipal and solid waste by the residents of Duluth, and for a time by the City of Duluth from approximately the 1930s to the 1970s. Dumping continued until the access road was restricted in the 1970s. The City of Duluth (City) is a Responsible Party; and

WHEREAS, a portion of the Property was the site of releases of certain hazardous substances or pollutants and contaminants. See Exhibit B attached hereto and incorporated by reference herein; and

WHEREAS, in response to a 1997 citizen complaint, the MPCA completed a preliminary health risk screening evaluation to determine the human exposure risks that the Property might pose; and

WHEREAS, the preliminary health risk screening evaluation discovered waste and contaminated soil that required removal, disposal, and soil restoration to the Property; and

WHEREAS, in 1998 the Responsible Party, the City, was invited to join the VIC program, but the City did not accept the offer. Therefore, the Property was referred to the Superfund Program pursuant to the Minnesota Environmental Response and Liability Act, Minn. Stat. § 115B.01-115B.24 (2003); and

WHEREAS, in 2003 the waste and contaminated soils were removed and transported to a qualified disposal facility. Hazardous waste, such as paint, asbestos

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tiles, and household chemicals, and other waste such as broken glass, tires, cans, used oil, automobile wastes, ash, food, furniture, and demolition debris were removed and disposed of at a qualified facility. The City was responsible for restoration of the Site, including adding four (4) inches of cover soil placement of soil erosion prevention mats, and planting groundcover and trees; and

WHEREAS, the Property was cleaned up to a recreational use level, except for one area where contamination remains above the recreational level. See Exhibit C attached hereto and incorporated by reference herein. One test pit, noted as test pit S5 on attached Exhibit C, contains elevated concentrations of aluminum that are above the recreational use criteria. The aluminum area is located approximately in the North West corner of the site at sample point S5. See Exhibit C; and

WHEREAS, the aluminum at test pit S5 was found at three (3) feet below the surface and was folded under when graded then covered with at least four (4) inches of top soil, thus isolating the contaminants from casual contact. No additional monitoring of test pit S5 is required; and

WHEREAS, the County Board has agreed to place the Restrictive Covenant contained herein on the Property for the purpose of protecting public health, welfare, and the environment.

NOW, THEREFORE, the County Board makes the following declarations as to limitations, restrictions and uses to which the Property may be put, and specifies that such declarations shall constitute covenants to run with the Property as provided by law and shall be binding on St. Louis County, its successors or assigns, all present or future owners of the Property, and all parties who now or hereafter have or hold any right, title or interest in the Property:

1. Definitions.

(A) As used herein, "Owner" means St. Louis County Board of Commissioners, which is the grantor of the rights and covenants created in this Declaration, and includes the County Board's successors and assigns, and all present and future owners of the Property.

(B) As used herein, "Property" means the real property held in trust by the County Board located a quarter mile south of the intersection of Gary Street and Becks Road near Gary-New Duluth in St. Louis County, Minnesota, shown on and legally described on Exhibit A.

2. Use Restrictions.

Subject to the terms and conditions of this Declaration and the reservation and covenants contained herein, the County Board hereby declares and imposes the following restrictions ("Restrictions") on the Property:

- (A) Use of the property shall be restricted to recreational as the remedial action requires; and
- (B) No disturbance or alteration of any nature whatsoever to the soils on the designated portion of the Property, specifically including, but not limited to, use of ATVs, grading, excavation, boring, drilling and construction. No water supply well installation shall occur on, above, beneath or adjacent to the Property within 500 feet of the property.

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Any activity on or alteration of the Property prohibited by the Restrictions shall not occur without the prior written approval of the Commissioner of the MPCA or her successor (the "Commissioner"). The Commissioner's approval may include conditions which the Commissioner deems reasonable and necessary to protect public health,

welfare, or the environment, including submission to and approval by MPCA of a contingency plan for the activity or alteration, and such approval shall not be unreasonably withheld. The Restrictions do not apply to, and no prior approval of the Commissioner shall be required for, activities including installation of fencing and signage, when such activities are not expected to or are not reasonably likely to result in disturbance of or intrusion into soil, ground water, and surface waters.

Within 60 days after receipt of a written request for approval to engage in any activities subject to the Restrictions, the MPCA shall respond, in writing, by approving such request, disapproving such request, or requiring that additional information be provided. A lack of response from the Commissioner shall not constitute approval by default or authorization to proceed with the proposed activity.

3. Maintenance Requirements.

The Property should be inspected bi-annually for erosion on the slope, preferably after spring melt and in the fall until the Property is successfully vegetated for two years. If any alterations are made on the Property, such as trail installation, the MPCA must be notified in writing and be approved prior to alteration.

4. Covenants.

The St. Louis County Board of Commissioners hereby covenants that the Property shall not be held, transferred, sold, conveyed, occupied, altered, or used in violation of the Restrictions set forth in Section 2 and the Maintenance Requirements stated in Section 3 of this Declaration.

5. Reservations.

Nothing contained in this Declaration shall in any way prohibit, restrict or limit the St. Louis County Board of Commissioners or any other Owner of the Property, from fully conveying, transferring, occupying or using the Property for all purposes not inconsistent with the Restrictions and the Maintenance Requirements.

6. Duration; Amendment.

In accordance with Minn. Stat. § 115B.17, subd. 15 (2003) and Minn. Stat.

§ 84C.02(c) (2003), this Declaration and the covenants, grants, and Restrictions, and Maintenance Requirements herein are unlimited in duration unless terminated, released and/or amended with the written consent of the Commissioner or her successor, such consent not to be unreasonably withheld. Notwithstanding the foregoing, this Declaration and the covenants, grants and Restrictions set forth herein may be terminated, released and/or amended upon the occurrence and satisfaction of the following conditions:

- a. soil, groundwater, and/or surface water sampling is conducted on the Property with prior written notice to and in accordance with a plan approved by the MPCA, such approval not to be unreasonably withheld; and
- b. based on such samples, the MPCA determines that contaminants in the soil, groundwater, and/or surface waters located within the Property no longer pose a potential threat to human health, welfare, the environment.

This Declaration, the covenants, grants, Restrictions, and Maintenance

Requirements herein may be amended if the MPCA finds that the conditions set forth in

Sections 2 or 3 of this Declaration are inadequate to protect public health, welfare, or

the environment as set forth in the Minnesota Decision Document signed on March 26,

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2004.

If Owner and the Commissioner agree to amend this Declaration, or if the Commissioner decides to terminate or release this Declaration, the Commissioner shall, within 60 days after receipt of written request from the owner of the Property, execute and deliver to Owner an instrument in recordable form, amending, terminating, or releasing this Declaration.

7. Grant and Conveyance to MPCA: Right of Entry.

Subject to the terms and conditions of this Declaration, the St. Louis County Board of Commissioners grants and conveys to the MPCA and its successors such rights and interest in the Property as are necessary and convenient to enforce the Restrictions set forth in Section 2 and the Maintenance Requirements set forth in Section 3 of this Declaration, including the right of the MPCA, its employees, its agents, contractors and subcontractors, upon reasonable notice to the then-current owner and at reasonable times, to enter from time to time upon the Property to inspect the Property and verify compliance with the Restrictions and Maintenance Requirements. The Restrictions and Maintenance Requirements declared and the rights and interest granted under this Declaration of Restrictions shall run with the Property and bind the St. Louis County Board of Commissioners, its successors or assigns, all present or future owners of the Property, and all parties who now or hereafter have or hold any right, title or interest in or to the Property.

8. Grant and Conveyance to City of Duluth: Right of Entry

Subject to the terms and conditions of this Declaration, the County Board grants and conveys to the City of Duluth and its successors or assigns such rights and interest in the Property as are necessary and convenient to perform and monitor the

Maintenance Requirements, including the Right of the City of Duluth, its employees, its agents, contractors and subcontractors, upon reasonable notice to the then-current owner and at reasonable times, to enter upon the Property , to inspect the Property and to perform actions necessary to complete the Maintenance Requirements. The rights granted under this Declaration of Restrictions shall run with the Property and bind the County Board, its successors or assigns, all present or future owners of the Property, and all parties who now or hereafter have or hold any right, title, or interest in or to the Property.

9. Disclosures

The Restrictions set forth in Section 2 and the Maintenance Requirements in Section 3 of this Declaration shall be incorporated in full or by reference into all instruments conveying an interest in and/or a right to use the property (e.g., easements, mortgages, leases).

IN WITNESS WHEREOF, this instrument has been executed on this $\mathcal{A3}$ day of

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ecember_, 2005

ST. LOUIS COUNTY

BY: PEGSWEENEY

Chair, St. Louis County Board of Commissioners

BY: DONALD DICKLICH

St. Louis County Auditor

APPROVED AS TO FORM:

BY: ÁLÁN L. MITCHELL

St. Louis County Attorney

State of Minnesota) :ss COUNTY OF ST. LOUIS)

PEG SWEENEY, Chair of the St. Louis County Board of Commissioners and DONALD DICKLICH, St. Louis County Auditor, being duly sworn by me under oath, have signed and acknowledged the foregoing instrument before me this 20% day of December , 20%, on behalf of St. Louis County.



Notary Public



Accepted on behalf of the Minnesota Pollution Control Agency pursuant to Minn. Stat. § 115B.17, subd. 15

BY:

TIM SCHERKENBACH Director, Remediation Division Delegate of the Commissioner of the Minnesota Pollution Control Agency

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STATE OF MINNESOTA

The foregoing instrument was acknowledged before me this $\underline{\mathcal{M}}_{M,M}^{\text{th}}$ day of $\underline{\mathcal{M}}_{M,M}^{\text{th}}$, 20 $\underline{\mathcal{M}}_{D}$, by TIM SCHERKENBACH, under the authority of SHERYL A. CORRIGAN, the Commissioner of Minnesota Pollution Control Agency, a Minnesota body politic, on behalf of the State of Minnesota.

Notáry Public

THIS INSTRUMENT WAS DRAFTED BY:

J. Sebastian Stewart Assistant Attorney General NCL. Tower, Suite 900 445 Minnesota Street St. Paul, MN 55101-2127 651.296.8403





Exhibit A Legal Description of Sargent Creek Dump

That part of the Northeast Quarter of the Southwest Quarter of Section 4, Township 48 North, Range 15 West of the 4th Principal Meridian described as follows:

Commencing at the northeast corner of said Northeast Quarter; thence along the east line of said Northeast Quarter on an assigned bearing of South 2 degrees 33 minutes 21 seconds West 702.84 to the POINT OF BEGINNING; thence continuing along said east line 287.22 feet; thence North 88 degrees 05 minutes 39 seconds West 460.03 feet; thence North 2 degrees 33 minutes 21 seconds East 304.39 feet; thence North 59 degrees 36 minutes 44 seconds East 285.34 feet; thence South 50 degrees 17 minutes 22 seconds East 276.72 feet to the POINT OF BEGINNING.

Containing 173,192 square feet or 3.98 acres, more or less.

Site Location of Sargent Creek Superfund Site





815/706





City of Duluth Sargent Creek Site UTM Coordinates for Property Corners

Property Corner	Northing	Easting	Elevation
Southeast	16957255	1829146	707.2
Southwest	16957270	1828687	686.1
Northwest	16957574	1828700	782.4
Northern	16957719	1828946	767.8
Northeast	16957542	1829159	767.4



Sargent Creek Dump Site City of Duluth

ST . LOUIS COUNTY AUTOMATED TORRENS SYSTEM

MARK A. MONACELLI, REGISTRAR OF TITLES P.O. Box 157, Duluth, MN 55801-0157 Telephone 218-726-2680

TORRENS FILING REQUEST TFR #211748

Date this form was completed	Client file	
Phone ()	Fax ()	
Amount enclosed	Check Cash Dep.	Acct. #
Return: Mail Pick-Up	Other (specify)	
Signature	Title Change Pursuant to MS. 508	.421?
APR 0 5 2005 Order of Priority DocumentsList in priority ord	Other services with this document and CERTIFICATE OF TITLE NO. der (REQUIRED)	copy File in
At 1_ RC	815706	nk
2		815706
3		
4		
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Checks for filing fees should be payable to: REGISTRAR OF TITLES.

Checks for deed, mortgage or real estate taxes or division fee should be payable to: COUNTY AUDITOR.

Note: Documents presented with this request are not filed until they are fully processed in the office of the Registrar of Titles.

For Registrar's Use Only.	Do Not Write In this Box.	
Status Return Code Dep,	/Bill Acct.# Coded/Logged by)
cert.# 70534		_