

Exhibit 1

PURCHASE AGREEMENT

This Purchase Agreement (this “Agreement”) is entered into by and between Minnesota Power, a division of ALLETE, Inc., a Minnesota corporation (“Seller”) and the City of Duluth, a municipal corporation and political subdivision under the laws of the State of Minnesota (“City”).

RECITALS

WHEREAS, Seller owns certain real property in St. Louis County, Minnesota, legally described on the attached **Exhibit A**, together with any and all improvements located thereon and all privileges, rights and easements appurtenant thereto (the “Property”).

WHEREAS, upon completion of certain conditions precedent, City wishes to purchase the Property from Seller and Seller wishes to sell the Property to City.

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

1. Purchase. Seller agrees to sell to City and City agrees to purchase from Seller, on the terms and conditions set forth in this Agreement, all of Seller’s right, title and interest in the Property.

2. Purchase Price and Closing.

(A) The purchase price for the Property, which Seller agrees to accept and City agrees to pay, shall be One Hundred Dollars (\$100.00) and other good and valuable consideration (the “Purchase Price”), to be paid in cash at Closing (defined below).

(B) The closing on the purchase and sale shall occur on or before June 30, 2026 (the “Closing Date”), at a time and location mutually agreeable to the parties (the “Closing”). Seller shall deliver possession of the Property on the date of Closing. On the date of Closing, City shall pay the Purchase Price to Seller and Seller shall deliver a Limited Warranty Deed to City conveying Seller’s interest in the Property to City (the “Deed”). City and Seller shall also execute and deliver all other documents reasonably necessary to complete the sale and purchase of the Property.

(C) If it is contemplated that the Closing cannot be completed by the Closing Date, City or Seller may request and the other party shall approve of an extension up to 60 days after the Closing Date by providing written notice to the other party (the “Extended Closing Date”). If the Closing has not occurred on or before June 30, 2026, or the Extended Closing Date if applicable: (i) this Agreement shall automatically terminate; (ii) 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.

3. Title. City shall conduct its own due diligence in relation to the condition of title to the Property (the “City’s Due Diligence”). Seller shall convey marketable title to the Property to the City subject only to the following title exceptions (collectively, the “Permitted Encumbrances”):

- a. Reservations of minerals or mineral rights by the State of Minnesota, if any;
- b. Building and zoning laws, ordinances, state and federal regulations;
- c. Any other matters consented to by the City in writing and any title defects objected to by the City and subsequently waived by the City pursuant to the process set forth below (in the event the City does not object to any title defects pursuant to the process set forth below, the City shall be deemed to accept title subject to all easements and restrictions of record).

In the event the City’s Due Diligence reflects that title to the Property is not in a condition that is acceptable to the City, the City may object to the title defects by specifying its objections in writing to Seller no less than 15 days before the Closing Date. At Seller’s election, Seller may fix any title defects, or may decline to fix any title defects by delivering written notice to the City within 3 days of receipt of the City’s title objections. If Seller agrees to fix the title defects, Seller shall fix the title defects and the parties shall proceed to the Closing subject to the terms and conditions of this Agreement. If Seller declines to fix the title defects or fails to do so prior to the Closing Date, the City may (i) terminate this Agreement by delivering written notice of termination to Seller; or (ii) waive its objections and proceed to the Closing. Notwithstanding the above, any mortgages, liens or money judgements against the Seller Property shall automatically be deemed unacceptable by the City without need for written objection, and shall be satisfied in full by Seller on or before the Closing.

4. Inspection. From time to time on or before the Closing, City and its employees, agents and independent contractors may enter the Property to inspect the Property, perform surveys, environmental assessments, soil and other tests and for other investigations and activities consistent with the purposes of this Agreement (the “Inspections”); provided, however, City shall not perform any invasive testing without the prior written consent of Seller. City shall restore any damage to the Property caused by the Inspection.

5. Contingencies to City’s Obligation to Purchase. City’s obligation to close on the sale of the Property is contingent on the occurrence of the following events within the time periods set forth below (the “Contingencies”):

(A) All of Seller’s representations set forth in this Agreement being true and correct as of the date of Closing.

(B) Subdivision. On or before the Closing Date, the City shall have obtained, to the extent possible, any necessary approvals to subdivide the Property. Seller shall cooperate both before and after the Closing with any applications and procedures necessary to obtain any required approvals, including but not limited to, execution of any necessary documents as owner of the Property. The City and Seller acknowledge that the Property is currently comprised of one tax parcel, and the subdivision approval process will require that the Property and other real property not subject to this Agreement is split into separate tax parcels. Despite this subdivision contingency needing to be waived or satisfied on or prior to the Closing Date, Seller’s obligation

to cooperate with any subdivision or related requirements of the City of Duluth and/or St. Louis County shall survive the Closing, including but not limited to the combining of tax parcels after the Closing.

(C) Inspections. City shall have determined on the Closing Date that it is satisfied, in its sole discretion, with the condition of the Property. In the event City determines that it is not satisfied with the physical condition of the Property based on the Inspections undertaken pursuant to this Agreement, City may, at its sole option, terminate this Agreement by written notice to Seller.

(D) Legal Description of the Property. In the event that Seller's actions taken pursuant to Section 6.A. below necessitate modifications to the legal description of the Property so that it is more accurately described to confirm with then-current Certificate of Title, the parties shall work in good faith to agree on a new legal description for the Property. At or prior to Closing, the City's City Administrator (the "City Administrator") and Seller's Manager – Siting and Land Rights may, by mutual agreement, execute an amendment to this Agreement to reflect the revised and corrected legal description for the Property (the "New Legal Description"). In such an event, the New Legal Description shall be included on the Deed in lieu of the legal description on the attached Exhibit A. The New Legal Description must be in form acceptable to the St. Louis County Registrar of Titles so that the City can obtain a new Certificate of Title in its own name following Closing.

If the Contingencies are not satisfied within the required time periods set forth above, this Agreement shall automatically terminate and except as expressly set forth in this Agreement, the parties shall have no further obligations to one another pursuant to this Agreement. The Contingencies are for the benefit of City and can only be waived by City.

6. Contingencies to Seller's Obligation to Sell. Seller's obligation to close on the sale of the Property is contingent on the occurrence of the following event within the time periods set forth below (the "Seller Contingencies"):

(A) Clearing of Prior Tax Forfeiture. Seller agrees, at Seller's sole cost and expense, to take such commercially reasonable actions as are necessary to cure and perfect Seller's title to the Property and to cause Seller to be reflected as the owner of record on the then-current Certificate of Title for the Property prior to Closing. The Parties acknowledge that the current Certificate of Title for the Property includes additional land not subject to this Agreement.

If the Seller Contingencies are not satisfied within the required time periods set forth above, this Agreement shall automatically terminate and except as expressly set forth in this Agreement, the parties shall have no further obligations to one another pursuant to this Agreement.

7. Taxes and Special Assessments. Real estate taxes on the Property for the year in which the Closing occurs shall be prorated as of the date of Closing based upon the latest available tax statement. Seller shall pay at Closing all special assessments pending as of the date of Closing. City shall be responsible for all real estate taxes for the year following Closing and all subsequent years. Seller shall be responsible for all real estate taxes and assessments for the years prior to the year in which the Closing occurs, including all special assessments that have been certified or levied as of the date of Closing.

8. Closing Costs.. City shall pay the deed tax and the recording fee to record the Deed from Seller.

9. Statutory Disclosures. Seller has no knowledge of the following with respect to the Property: (i) the presence of a well, underground storage tank or subsurface sewage treatment system; or (ii) methamphetamine production on the Property.

10. Seller Representations. Seller makes the following representations:

(A) Seller represents and warrants to City that it is a validly formed corporation under the laws of the State of Minnesota; that it is in good standing in the State of Minnesota; that it has all requisite corporate authorizations to enter into this Agreement; the execution of the Agreement will not constitute a breach or default under any agreement to which Seller is bound; and that the individuals executing this Agreement on behalf of Seller are duly authorized to so do.

(B) There is no suit, action, legal, administrative or other proceeding or inquiry pending or threatened against Seller which could affect Seller's ability to enter into and perform Seller'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 Seller, nor are any such proceedings contemplated by Seller.

(C) All taxes for all prior years, all governmental liens and assessments which are currently due and payable are paid or will be paid by Seller as of the date of Closing.

(D) Seller has had no work performed on the Property within any operative statutory period that would allow a mechanic's lien to attach to the Property before or after Closing.

(E) Seller is not a foreign person, foreign partnership, foreign trust or foreign estate as those terms are defined in Section 1445 of the Internal Revenue Code.

(F) Except for this Agreement, Seller has no knowledge of any agreement: (i) for the sale of the Property or any part thereof; (ii) which grants a third party an option to purchase the Property or any part thereof; or (iii) which gives a third party a right of first refusal with respect to the Property or any part thereof. City acknowledges that the Property is subject to the Mortgage as described in Section 6 above.

(G) Seller has no knowledge of any other contracts that affect the property that Buyer would be obligated to assume upon completion of Closing.

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.

11. Risk of Loss. If there is any loss or damage to the Property between the date of this Agreement and the date of Closing, the risk of loss shall be on the Seller. If the Property is destroyed or damaged prior to the Closing, City may cancel this Agreement upon written notice to Seller and in such

event, the parties shall have no further obligations to one another pursuant to this Agreement except as expressly set forth in this Agreement.

12. Real Estate Broker. The parties represent to one another that no real estate broker is entitled to any commission as a result of the sale of the Property to City.

13. AS-IS. Except as expressly set forth in this Agreement, City acknowledges that Seller has made no representations or warranties (whether express or implied, oral or written) regarding the Property, including but not limited to the value, quality or condition of the Property; the suitability of the Property for any activity or use which City may conduct; the compliance of the Property with any laws or regulations; the habitability, merchantability, marketability, profitability, or fitness of the Property for a particular purpose; and compliance by the Property with any and all environmental rules, regulations, orders or laws. City acknowledges and agrees that, to the maximum extent permitted by law, City is purchasing the Property in its “AS-IS” condition. This paragraph 13 shall survive the Closing.

14. Miscellaneous. The Recitals of this Agreement are true and correct and are incorporated into this Agreement by reference. 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. This document may be executed in counterparts, which together shall be deemed an original for all purposes. Facsimile or electronic signatures shall be binding on the transmitting party and shall have the same force and effect as if the original signature had been delivered. Amendments to this Agreement must be in writing and must be executed by the same individuals/officers as executed this Agreement, except that the City Administrator is authorized, in their discretion, to sign amendments on behalf of the City to: (i) extend timelines set forth in this Agreement up to a maximum of 60 days and/or (ii) replace the legal description of the Property attached as Exhibit A with the New Legal Description.

15. Waiver. 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. Severability. If any term or provision of this Agreement or the application thereof to any person or circumstance is, for any reason and to any extent, held to be invalid or unenforceable, then such term or provision will be ignored, and to the maximum extent possible, this Agreement will continue in full force and effect, but without giving effect to such term or provision.

17. Date for Performance. If the time period by which any right, option or election provided under this Agreement must be exercised, or by which any act required hereunder must be performed, or by which the Closing must be held, expires on a Saturday, Sunday or legal or bank holiday, then such time period will be automatically extended through the close of business on the next regularly scheduled business day.

18. Default and Remedies. In the event of a default of this Agreement by either party, the nondefaulting party shall be entitled to pursue either of the following remedies: (1) cancellation of this Agreement; or (2) specific performance of this Agreement. Neither party shall be entitled to damages for a breach of this Agreement. The waiver by either party of any default on the part of the other party or the failure of said party to declare default on the part of the other party of any of its obligations pursuant to this Agreement shall not be deemed to be a waiver of any subsequent event of default on the part of the defaulting party of the same or of any other obligation of the defaulting party. And, to be effective, any waiver of any default by the defaulting party shall be in writing by the non-defaulting party. In the event that either party is in default of any of the terms and conditions of this Agreement and the non-defaulting party shall successfully take legal action to enforce said rights herein, in addition to the foregoing, such non-defaulting party shall be entitled to reimbursement for its reasonable attorneys' fees and costs and otherwise for its costs and disbursements occasioned in enforcing its rights hereunder.

19. Notices. Notices sent pursuant to this Agreement shall be sufficient if sent by regular United States mail, postage prepaid, addressed to:

City

City of Duluth
Attn: City Attorney
411 W. First Street, Room 440
Duluth, MN 55802

Seller

ALLETE, Inc.
Attn: Land and Real Estate
30 W. Superior St.
Duluth, MN 55802

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

[Remainder of this page is intentionally left blank.]

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

Dated: May _____, 2026.

MINNESOTA POWER, a division of ALLETE, INC.:

By: _____

Name: Jim Atkinson

Its: Manager – Siting and Land Rights

CITY OF DULUTH:

By: _____

Its Mayor

Attest: _____

Its City Clerk

Date Attested: _____, 2026

Countersigned:

By: _____

Its Auditor

Approved as to form:

By: _____

Its City Attorney

EXHIBIT A

**LEGAL DESCRIPTION
OF THE PROPERTY**

That part of Lot 5, Block 98, WEST DULUTH FOURTH DIVISION lying northeast of a strip of land 50 feet in width across said Lot 5, said strip of land being 7 1/2 feet wide on the SW'ly side and 42 1/2 feet wide on the NE 'ly side of the centerline of the railway tracks of the Duluth Transfer Railway Company as originally constructed across said premises.

St. Louis County, Minnesota