

**UNITED STATES BANKRUPTCY COURT  
DISTRICT OF MINNESOTA**

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In re: Chapter 11

THE DIOCESE OF ST. CLOUD, a Minnesota Case No. 20-60337  
religious corporation,

Debtor.

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**NOTICE OF HEARING AND MOTION FOR AN ORDER  
(I) APPROVING ASSUMPTION AND ASSIGNMENT OF LEASES, AND  
(II) APPROVING THE SALE OF REAL PROPERTY**

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TO: The United States Bankruptcy Judge, the United States Trustee, and other parties in interest as specified in Local Rule 9013-3(a)(2).

The Diocese of St. Cloud, the debtor and debtor in possession in this case, moves the court for the relief requested below and gives notice of a hearing on its motion.

1. The court will hold a telephonic hearing on this motion at **10:00 a.m. (CDT) on November 5, 2020**. Parties interested in attending the hearing should contact Judge Kressel's calendar clerk at (612) 664-5250 for the call-in information.

2. Any response to this motion must be filed and served no later than October 31, 2020, which is five (5) days before the time set for the hearing (including Saturdays, Sundays, and holidays). **UNLESS A RESPONSE OPPOSING THE MOTION IS TIMELY FILED, THE COURT MAY GRANT THE MOTION WITHOUT A HEARING.**

**JURISDICTION**

3. This court has jurisdiction over this motion pursuant to 28 U.S.C. §§ 157(b)(2) and 1334, Bankruptcy Rule 5005, and Local Rule 1070-1. This is a core proceeding pursuant to 28 U.S.C. § 157(b). Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

4. The debtor files this motion under 11 U.S.C §§ 105(a), 363, and 365 Bankruptcy Rule 6004, and Local Rules 6004-1(e) and 9013-1 through 9013-3. The debtor provides notice of the hearing on this motion under Bankruptcy Rule 2002(a) and Local Rules 2002-1(b), 2002-4(a), and 9013-3(a)(2).

### **BACKGROUND**

5. On June 15, 2020, the debtor commenced this case by filing a voluntary Chapter 11 petition. The debtor is a debtor in possession under 11 U.S.C. §§ 1107 and 1108.

6. Additional background information about the debtor is set forth in the *Declaration of Bishop Donald J. Kettler in Support of Chapter 11 Petition and First Day Motions* (the “**Kettler Declaration**”) and the Disclosure Statement (defined below). Joseph Spaniol, the debtor’s Finance Officer, also verified the additional facts set forth below, as evidenced by the attached verification.

#### ***The Children’s Home Property***

7. As listed in its schedules (Dkt. No. 49), the debtor owns certain real property, including, without limitation, the two lots located at 1726 7th Avenue South, St. Cloud, Minnesota and 375 16th Street South, St. Cloud, Minnesota (commonly referred to as, the “**Children’s Home Property**”). Lot 1 is an 18-acre parcel with improvements that include the campus for the St. Cloud Children’s Home. Lot 2 is a 22-acre parcel of vacant land. The debtor acquired the Children’s Home Property in 1980.

#### ***The Leases***

8. Since its acquisition, the debtor has leased some or all of the Children’s Home Property to Catholic Charities of the Diocese of St. Cloud, a Minnesota non-profit corporation (“**Catholic Charities**”). The debtor currently leases portions of the Children’s Home Property to Catholic Charities pursuant to that certain *Lease* dated January 1, 1999 (as amended from time to

time, the “**Catholic Charities Lease**”), as most recently amended by that certain *Lease Amendment and Services Agreement* dated as of September 15, 2020. *See* Dkt. Nos. 76 and 84.

Either party may terminate the Catholic Charities Lease early by giving 90 days’ prior written notice.

9. Before commencing this bankruptcy case, the debtor and District 742 Community Schools (the “**School District**”) entered into that certain *Real Estate Lease* dated May 13, 2020 (the “**School District Lease**”) for a portion of the Children’s Home Property (the “**Secure Facility**”). The School District uses the Secure Facility to operate a school.

10. The term of the School District Lease began July 1, 2020 and terminates on June 30, 2021. Under the School District Lease, the School District pays the debtor annual rent of \$96,239.50 in monthly installments of \$8,019.96. Either party may terminate the School District Lease early by giving 90 days’ prior written notice. Although the School District is not permitted to assign or transfer the School District Lease, the debtor may do so.

#### ***Catholic Charities Settlement Agreement***

11. The debtor holds the Children’s Home Property free and clear of any liens. However, Catholic Charities asserts an equitable interest in the Secured Facility, as more particularly described in a complaint served on June 28, 2018, thereby commencing an action (the “**Catholic Charities Action**”) against the debtor in the District Court for Stearns County, Minnesota (the “**State Court**”) as Case No. 73-CV-18-5584. Catholic Charities also filed a notice of lis pendens against the Children’s Home Property (the “**Lis Pendens**”). The debtor disputes Catholic Charities’ claims.

12. In accordance with the *Settlement Agreement* dated September 15, 2020 (the “**Catholic Charities Settlement Agreement**”), filed at Dkt. No. 76 and approved by the Court at Dkt. No. 84, Catholic Charities has agreed to consent to the sale of the Children’s Home Property

and take any actions that may be required to transfer title free and clear of liens, claims, and interests, including, without limitation, dismissing one or more counts of the Catholic Charities Action and canceling the Lis Pendens, subject to certain conditions set forth therein. The debtor believes all such conditions have been or will be met with respect to the proposed sale discussed below. Prior to filing this motion, the debtor conferred with Catholic Charities and understands that Catholic Charities consents to the relief set forth in the motion, subject to the terms of the Settlement Agreement.

### ***Marketing Efforts***

13. On July 13, 2020, the debtor sought to employ Granite City Real Estate LLC (“**Broker**”) as real estate agent to market, among other property, the Children’s Home Property (Dkt. No. 60). On July 13, 2020, the court entered an order approving Broker’s employment (Dkt. No. 61). That order also approved payment of Broker’s commission directly from the proceeds of an approved sale.

14. On or about May 6, 2018, Broker provided the debtor with an opinion of value, determining that the Children’s Home Property would likely be worth between \$4,100,000 and \$4,900,000. Broker’s opinion makes clear, however, that valuing the Children’s Home Property is difficult because it is a special purpose property without comparable sales data in the market, and that the value of such a property is typically determined by the particular needs of a prospective purchaser. After 2 years of marketing with no offers, the broker significantly reduced her original opinion of value to account for a potential sale of different parcels of the property.

15. Prior to the petition date, the debtor marketed the Children’s Home Property for over two (2) years. During the prepetition marketing period, the debtor did not receive any viable offers to purchase the Children’s Home Property.

16. Following the petition date, the debtor received two (2) offers to purchase the Children's Home Property. The first offer was for \$5.1 million, with certain contingencies. The debtor never accepted the first offer. After receiving Buyer's offer (discussed below), the debtor rejected the first offer in favor of a higher and better offer.

***The Proposed Sale***

17. Monroe RE, LLC (the "**Buyer**"), an affiliate of Newport Healthcare and Newport Academy, made an all cash offer to purchase the Children's Home Property for \$5.4 million. Thereafter, on or about September 15, 2020, the debtor and Buyer entered into a *Commercial Purchase Agreement* (the "**PSA**") for the sale of the Children's Home Property for \$5,400,000.00. A complete and authentic copy of the PSA is attached hereto as **Exhibit A**.<sup>1</sup>

18. The debtor will assume the Catholic Charities Lease and the School District Lease and, through the PSA, Buyer will take assignment of both leases.<sup>2</sup> The debtor is not in default under either of the leases.

19. Buyer is not related to the debtor and the PSA has been negotiated in good faith and at arm's length.

20. The Children's Home Property will be sold free and clear of all liens, claims, encumbrances, and other interests, except for the Catholic Charities Lease and the School District

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<sup>1</sup> One of the Buyer signature blocks on the PSA incorrectly identifies Buyer as Monroe MN, LLC. This is a typographical error that will be corrected at closing. The buyer is Monroe RE, LLC.

<sup>2</sup> Notwithstanding this assignment, Catholic Charities has recently indicated a desire to terminate the Catholic Charities Lease and has arranged to lease alternative space. Catholic Charities desires to stay in the Children's Home Property through December 31, 2020. Accordingly, Catholic Charities has or will shortly file a Rule 4001(d) motion and stipulation terminating the lease effective December 31, 2020. Buyer has consented to termination of the Catholic Charities Lease and the December 31, 2020 move-out date.

Lease, which will be assigned to Buyer. However, pursuant to the Catholic Charities Settlement Agreement, Catholic Charities' claims will attach to 100% of the net sale proceeds generated from the sale.<sup>3</sup>

21. The debtor employed Broker prior to the petition date. Broker has been actively marketing the Children's Home Property for several years. The PSA is the highest and best offer Broker has received, and it is significantly higher than the Broker's revised opinion of value.

22. The sale is necessary for the debtor to raise the \$22.5 million required to fund the Plan and compensate survivors. All of the net sale proceeds will be used to compensate survivors of sexual abuse.

23. In light of the Broker's opinion of value, the debtor's knowledge of the Children's Home Property, and the circumstances of the market, in debtor's business judgment, the PSA is fair and reasonable, and it should be approved.

**RELIEF REQUESTED**

WHEREFORE, the debtor requests entry of an order:

- A. Approving the PSA;
- B. Approving the sale of the Children's Home Property to Buyer;
- C. Approving the assumption and assignment of the Catholic Charities Lease and the School District Lease;
- D. Authorizing the debtor to open a separate bank account at U.S. Bank, N.A. to hold net proceeds pending confirmation of the Plan;

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<sup>3</sup> Under the terms of the Catholic Charities Settlement Agreement, the debtor is required to keep the net proceeds in a segregated account, pending the Effective Date. To the extent required, by this motion, the debtor also seeks authority to open a new account at U.S. Bank, N.A. to hold the net proceeds.

- E. Waiving the stay provision of Bankruptcy Rule 6004(h); and
- F. Granting such other and further relief as the court deems just and proper.

Dated: October 9, 2020.

QUARLES & BRADY LLP

/s/ Jason D. Curry

Susan G. Boswell (AZ Bar No. 004791)

Jason D. Curry (AZ Bar No. 026511)

Michael Galen (AZ Bar No. 035044)

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*Counsel for the Debtors*

**UNITED STATES BANKRUPTCY COURT  
DISTRICT OF MINNESOTA**

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In re:

Chapter 11

THE DIOCESE OF ST. CLOUD, a Minnesota  
religious corporation,

Case No. 20-60337

Debtor.

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**VERIFICATION OF JOSEPH SPANIOL**

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I, Joseph Spaniol, Finance Officer of The Diocese of St. Cloud, declare under penalty of perjury that the facts in the motion and the memorandum are true and correct to the best of my knowledge, information, and belief.

Executed on: 10/6/20, 2020

  
\_\_\_\_\_  
Joseph Spaniol

**UNITED STATES BANKRUPTCY COURT  
DISTRICT OF MINNESOTA**

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In re:	Chapter 11
THE DIOCESE OF ST. CLOUD, a Minnesota religious corporation,	Case No. 20-60337
Debtor.	

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**MEMORANDUM OF POINTS AND AUTHORITIES IN SUPPORT OF MOTION FOR  
AN ORDER (I) APPROVING ASSUMPTION AND ASSIGNMENT OF LEASES, AND  
(II) APPROVING THE SALE OF REAL PROPERTY**

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The debtor submits this memorandum in support of its motion seeking approval of its assumption and assignment of leases and the sale of real property.

**I. FACTS.**

The facts relevant to this memorandum are set forth in the verified motion.

**II. LEGAL ARGUMENT.**

**A. The court should approve the proposed sale because it is in the best interest of the debtor's estate and is a valid exercise of the debtor's business judgment.**

Bankruptcy Code § 363(b)(1) provides that a debtor in possession, "after notice and a hearing, may use, sell, or lease, other than in the ordinary course of business, property of the estate . . . ." 11 U.S.C. § 363(b)(1). To approve the sale of property outside the ordinary course of business, the court need only find that the debtor's decision to sell is supported by a sound business justification. *See In re Apex Oil Co.*, 92 B.R. 847, 869 (Bankr. E.D. Mo. 1988) ("[T]he sale presents a lucrative business opportunity to the Apex estates and is based upon sound business justifications. Accordingly, approval of the Acquisition Motion is appropriate under Section

363(b) of the Bankruptcy Code, absent a showing of bad faith.”); *Four B. Corp. v. Food Barn Stores, Inc. (In re Food Barn Stores, Inc.)*, 107 F.3d 558, 567 n.16 (8th Cir. 1997).

Here, the Children’s Home Property is not encumbered by any liens and is not being used by the debtor. Although a portion of the Children’s Home Property is currently leased to Catholic Charities and the School District, the Buyer wishes to purchase the entire property and take assignment of the leases. The debtor will use the net sale proceeds to fund its plan of reorganization.

In the exercise of its business judgment, the debtor believes that the proposed sale will produce the highest return for the estate, with the least administrative burden. The debtor reached this determination, in part, by analyzing the Broker’s opinion of value, which it believes to be sound. Broker has marketed the Children’s Home Property for the debtor for a reasonable period of time, both prepetition and during this case. However, the Children’s Home Property was developed for a particular use and its layout is not suitable for the needs of many prospective purchasers. Such properties typically attract few offers, and the Buyer’s offer is the highest and best offer that the debtor received. Based on its marketing efforts and the limited number of potential purchasers that could utilize the Children’s Home Property, the debtor believes that the purchase price constitutes the fair market value of the Children’s Home Property.

The debtor believes that the price and terms set forth in the PSA are the highest and best available. Additionally, the Children’s Home Property is not necessary for the debtor’s operations and will merely burden the debtor with maintenance and utility costs if it remains on the market.

Moreover, the debtor has informed the unsecured creditors committee of the relief requested herein and, given that the net proceeds will compensate survivors under the Plan, the

committee consents to such relief. For all of the foregoing reasons, the sale contemplated by the PSA should be approved.

**B. The sale of the Children's Home Property should be free and clear of all liens, claims, encumbrances, and other interests under 11 U.S.C. § 363(f).**

Bankruptcy Code §§ 363(f) authorizes a debtor in possession to sell property of the estate free and clear of all interests in such property if:

- (1) applicable nonbankruptcy law permits sale of such property free and clear of such interest;
- (2) such entity consents;
- (3) such interest is a lien and the price at which such property is to be sold is greater than the aggregate value of all liens on such property;
- (4) such interest is in bona fide dispute; or
- (5) such entity could be compelled, in a legal or equitable proceeding, to accept a money satisfaction of such interest.

11 U.S.C. § 363(f); *see, e.g., In re Gaylord Grain L.L.C.*, 306 B.R. 624, 627 (B.A.P. 8th Cir. 2004); *In re Eveleth Mines, LLC*, 312 B.R. 634, 649 (Bankr. D. Minn. 2004); *In re Meill*, 441 B.R. 610, 613 (B.A.P. 8th Cir. 2010). In this case, as previously noted, the Children's Home Property is not encumbered by any liens and the only interests in the Children's Home Property are the Lis Pendens, the claims asserted in the Catholic Charities Action, and the leasehold interests of Catholic Charities and the School District. The debtor disputes the Lis Pendens and the claims asserted in the Catholic Charities Action, thereby satisfying the fourth prong. Additionally, the second prong is satisfied because Catholic Charities consents to the sale of the Children's Home Property. The debtor therefore requests that the sale of the Children's Home Property be free and clear of all liens, claims, encumbrances, and other interests.

**C. The Buyer is entitled to protection under 11 U.S.C. § 363(m).**

Bankruptcy Code section 363(m) provides that the reversal or modification of a bankruptcy sale on appeal does not affect the validity of the sale "to an entity that purchased or leased such property in good faith, whether or not such entity knew of the pendency of the appeal, unless such

authorization and such sale or lease were stayed pending appeal.” 11 U.S.C. § 363(m). A “good faith” purchaser under that section is one who purchases assets for value, in good faith, and without engaging in misconduct concerning the sale. *In re Burgess*, 246 B.R. 352, 355-56 (B.A.P. 8th Cir. 2000).

The PSA was negotiated at arms’ length. To the debtor’s knowledge, the Buyer is not related to the debtor in any way. The sale is voluntary, for value, and each party is acting in its own self-interest. The debtor believes that providing the Buyer with Section 363(m) protection will ensure that closing of the proposed sale will occur promptly and that the debtor receives the maximum price possible. Accordingly, any order approving the proposed sale should include a provision that the Buyer is a “good faith” purchaser within the meaning of 11 U.S.C. § 363(m).

**D. The court should approve the assumption and assignment of the Catholic Charities Lease and the School District Lease**

The Bankruptcy Code provides that a debtor in possession may assume or reject unexpired leases, subject only to court approval. 11 U.S.C. § 365(a) (the debtor in possession “subject to the court’s approval, may assume or reject any executory contract or unexpired lease of the debtor”). When considering whether to approve a proposed assumption of an unexpired lease, courts in this jurisdiction apply a business judgment test. The business judgment test considers whether the requested relief is in the best interest of the debtor’s estate. *See Four B Corp. v. Food Barn Stores, Inc. (In re Food Barn Stores, Inc.)*, 107 F.3d 558, 567 n.16 (8th Cir. 1997) (“Although the court uses a business judgment test in deciding whether to approve a trustee’s motion to assume, reject, or assign an unexpired lease or executory contract, this entails a determination that the transaction is in the best interest of the estate.”); *see also In re Crystalin, L.L.C.*, 293 B.R. 455, 464 (B.A.P. 8th Cir. 2003) (same). The business judgment test is not an onerous one and approval is ordinarily

granted. *See id.* (Where a debtor in possession's request to assume a lease "is not manifestly unreasonable or made in bad faith, the court should normally grant approval.")

Assumption of the Catholic Charities Lease and the School District Lease is a proper exercise of the debtor's business judgment. The debtor's obligations under both leases are current and the Buyer wishes to take assignment of both leases. Both leases further the debtor's ministry and mission by providing a facility for education of children in the community. Assuming and assigning the leases will allow Catholic Charities and the School District to continue using a portion of the Children's Home Property for that purpose, while also monetizing the Children's Home Property to fund the debtor's reorganization plan. Both tenants have consented to such assumption and assignment. Because assumption is in the best interest of the estate and represents the debtor's sound business judgment, the court should approve assumption of the Catholic Charities Lease and the School District Lease.

**E. Waiver of Rule 6004(h).**

The debtor further requests that the fourteen-day stay that would otherwise be imposed by Bankruptcy Rule 6004(h) be waived to permit the proposed sale to close as soon as possible after entry of an order granting the motion. The PSA contemplates closing the sale on or about November 9, 2020 as a material term of the Commercial Purchase Agreement. The debtor also hopes to have the sale closed as far in advance of its plan confirmation hearing as possible, so that it can more readily demonstrate feasibility. For these reasons, the debtor submits that it is appropriate to waive the fourteen-day stay under Bankruptcy Rule 6004(h).

**III. CONCLUSION.**

For the foregoing reasons, the debtor respectfully requests that the court enter an order

- A. Granting the motion;
- B. Approving the sale of the Children's Home Property to Buyer;

C. Approving the assumption and assignment of the Catholic Charities Lease and the School District Lease;

D. Authorizing the debtor to open a separate bank account at U.S. Bank, N.A. to hold net proceeds pending confirmation of the Plan;

E. Waiving the stay provision of Bankruptcy Rule 6004(h); and

F. Granting such other and further relief as the court deems just and proper.

Dated: October 9, 2020.

QUARLES & BRADY LLP

/s/ Jason D. Curry

Susan G. Boswell (AZ Bar No. 004791)

Jason D. Curry (AZ Bar No. 026511)

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*Counsel for the Debtors*

# **EXHIBIT A**



### COMMERCIAL PURCHASE AGREEMENT

This form approved by the Minnesota Association of REALTORS® and the Minnesota Commercial Association of REALTORS®, which disclaims any liability arising out of use or misuse of this form.  
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1. Page 1 Date September 15th 2020

2. BUYER(S) is/are: Monroe RE, LLC, (Check one.)
3. ☐ Individual(s); OR ☒ a business entity organized under the laws of the State of Delaware  
The Diocese of St Cloud, a Minnesota religious corporation, as debtor and debtor in possession under Bankruptcy Case 20-60377
4. SELLER(S) is/are: \_\_\_\_\_, (Check one.)
5. ☐ Individual(s); OR ☒ a business entity organized under the laws of the State of Minnesota
6. Buyer's earnest money in the amount of \_\_\_\_\_
7. Fifty Thousand Dollars
8. (\$ 50,000.00 ) shall be delivered no later than two (2) Business Days after
9. Final Acceptance Date to be deposited in the trust account of: (Check one.)
10. ☐ listing broker; or
11. ☒ Tri-County Abstract and Title Guaranty,  
(Trustee)
12. within three (3) Business Days of receipt of the earnest money or Final Acceptance Date whichever is later.
13. Said earnest money is part payment for the purchase of property at: 1726 7th Avenue South and 375 16th Street South
14. \_\_\_\_\_ located in the
15. City/Township of St Cloud, County of Stearns
16. State of Minnesota, Zip Code 56301, PID # (s) 82.44894.0060 & 82.44894.0055
17. \_\_\_\_\_
18. and legally described as follows Lot 1, Block 1 of Busch Terrace 2, less part platted as Busch Terrace 3 and
19. Lot 2, Block 1 of Busch Terrace 2
20. \_\_\_\_\_ (collectively the "Property")
21. together with the personal property as described in the attached *Addendum to Commercial Purchase Agreement:*
22. *Personal Property*, if any, all of which property the undersigned has this day sold to Buyer for the sum of:
23. Five Million Four Hundred Thousand
24. \_\_\_\_\_
25. (\$ 5,400,000.00 ) Dollars ("Purchase Price"), which Buyer agrees to pay in the following manner:
26. 1. **CASH** of 100 percent (%) of the sale price, or more in Buyer's sole discretion, which includes the earnest
27. money; PLUS:
28. 2. **FINANCING** of 0 percent (%) of the sale price. Buyer shall, at Buyer's sole expense, apply for any
29. financing as required by this Purchase Agreement.
30. Such financing shall be: (Check one.) ☐ a first mortgage; ☐ a contract for deed; or ☐ a first
31. mortgage with subordinate financing, as described in the attached *Addendum to Commercial Purchase Agreement:*
32. ☐ Conventional/SBA/Other ☐ Contract for Deed.  
(Check one.)
33. **DUE DILIGENCE:** This Purchase Agreement ☒ **IS** ☐ **IS NOT** subject to a due diligence contingency. (If answer is **IS**,
34. see attached *Addendum to Commercial Purchase Agreement: Due Diligence*.)
35. **CLOSING:** The date of closing shall be Forty-Five (45) days from Final Acceptance Date

MNC:PA-1 (8/20)



COMMERCIAL PURCHASE AGREEMENT

36. Page 2 Date September 15th 2020

37. Property located at 1726 7th Avenue South and 375 16th Street South St Cloud 56301

38. **DEED/MARKETABLE TITLE:** Subject to performance by Buyer, Seller agrees to execute and deliver a: (Check one.)

39. ☐ **WARRANTY DEED** ☐ **LIMITED WARRANTY DEED** ☐ **CONTRACT FOR DEED**

40. ☒ **OTHER: Quitclaim** **DEED** conveying marketable title, subject to:

41. (a) building and zoning laws, ordinances, and state and federal regulations;

42. (b) restrictions relating to use or improvement of the Property without effective forfeiture provisions;

43. (c) reservation of any mineral rights by the State of Minnesota or other government entity;

44. (d) utility and drainage easements which do not interfere with existing improvements; and

45. (e) others (must be specified in writing): \_\_\_\_\_

46. \_\_\_\_\_

47. **TENANTS/LEASES:** Property ☒ **IS** ☐ **IS NOT** subject to rights of tenants (if answer is **IS**, see attached Addendum \_\_\_\_\_ (Check one.) \_\_\_\_\_)

48. to Commercial Purchase Agreement: Due Diligence).

49. Seller shall not execute leases from the Date of this Purchase Agreement to the date of closing, the term of which lease  
50. extends beyond the date of closing, without the prior written consent of Buyer. Buyer's consent or denial shall be

51. provided to Seller within NA days of Seller's written request. Said consent  
52. shall not be unreasonably withheld.

X 53. **REAL ESTATE TAXES:** Real estate taxes due and payable in the year of closing shall be prorated between Seller and  
54. Buyer on a calendar year basis to the actual date of closing unless otherwise provided in this Purchase Agreement.  
55. Real estate taxes, including penalties, interest, and any associated fees, payable in the years prior to closing shall  
56. be paid by Seller. Real estate taxes payable in the years subsequent to closing shall be paid by Buyer.

57. **SPECIAL ASSESSMENTS:**

58. ☐ **BUYER AND SELLER SHALL PRORATE AS OF THE DATE OF CLOSING** ☒ **SELLER SHALL PAY** \_\_\_\_\_ (Check one.) \_\_\_\_\_

59. on the date of closing all installments of special assessments certified for payment with the real estate taxes due and  
60. payable in the year of closing.

61. ☐ **BUYER SHALL ASSUME** ☒ **SELLER SHALL PAY ON DATE OF CLOSING** all other special assessments  
62. levied as of the Date of this Purchase Agreement. \_\_\_\_\_ (Check one.) \_\_\_\_\_

63. ☐ **BUYER SHALL ASSUME** ☒ **SELLER SHALL PROVIDE FOR PAYMENT OF** special assessments pending as  
64. of the Date of this Purchase Agreement for improvements that have been ordered by any assessing authorities. (Seller's  
65. provision for payment shall be by payment into escrow of up to two (2) times the estimated amount of the assessments  
66. or less, as allowed by Buyer's lender.)

67. Buyer shall pay any unpaid special assessments payable in the year following closing and thereafter, the payment of  
68. which is not otherwise here provided.

69. As of the Date of this Purchase Agreement, Seller represents that Seller ☐ **HAS** ☒ **HAS NOT** received a notice  
70. regarding any new improvement project from any assessing authorities, the costs of which project may be assessed  
71. against the Property. Any such notice received by Seller after the Date of this Purchase Agreement and before  
72. closing shall be provided to Buyer immediately. If such notice is issued after the Date of this Purchase Agreement  
73. and on or before the date of closing, then the parties may agree in writing, on or before the date of closing, to pay,  
74. provide for the payment of, or assume the special assessments. In the absence of such agreement, either party may  
75. declare this Purchase Agreement canceled by written notice to the other party, or licensee representing or assisting the  
76. other party, in which case this Purchase Agreement is canceled. If either party declares this Purchase Agreement  
77. canceled, Buyer and Seller shall immediately sign a written cancellation of Purchase Agreement confirming said  
78. cancellation and directing all earnest money paid here to be refunded to Buyer.

MNC:PA-2 (8/20)

COMMERCIAL PURCHASE AGREEMENT

79. Page 3 Date September 15th 2020

80. Property located at 1726 7th Avenue South and 375 16th Street South St. Cloud 56301

81. **POSSESSION:** Seller shall deliver possession of the Property: (Check one.)

82. ☒ **IMMEDIATELY AFTER CLOSING;** or

83. ☐ **OTHER:** \_\_\_\_\_

84. Seller agrees to remove ALL DEBRIS AND ALL PERSONAL PROPERTY NOT INCLUDED HERE from the Property  
85. by possession date.

86. **PRORATIONS:** All items customarily prorated and adjusted in connection with the closing of the sale of the Property  
87. here including but not limited to rents, operating expenses, interest on any debt assumed by Buyer, shall be prorated  
88. as of the date of closing. It shall be assumed that Buyer will own the Property for the entire date of the closing.

89. **RISK OF LOSS:** If there is any loss or damage to the Property between Date of this Purchase Agreement and the date  
90. of closing, for any reason, the risk of loss shall be on Seller. If the Property is destroyed or substantially damaged before  
91. the closing, this Purchase Agreement shall be canceled, at Buyer's option, if Buyer gives written notice to Seller, or licensee  
92. representing or assisting Seller, of such cancellation within thirty (30) days of the damage. Upon said cancellation,  
93. Buyer and Seller shall immediately sign a written cancellation of Purchase Agreement confirming said cancellation  
94. and directing all earnest money paid here to be refunded to Buyer.

95. **EXAMINATION OF TITLE:** Seller shall, at its expense, within Ten (10) days after Final  
96. Acceptance Date, furnish to Buyer, or licensee representing or assisting Buyer, a commitment for an owner's policy  
97. of title insurance from Tri-County Abstract and Title Guaranty, including levied and pending special  
(Name of Title Company)

98. assessments. Buyer shall be allowed ten (10) days ("Objection Period") after receipt of the commitment for title  
99. insurance to provide Seller, or licensee representing or assisting Seller, with written objections. Buyer shall be deemed  
100. to have waived any title objections not made within the Objection Period provided for immediately above and any  
101. matters with respect to which title objection is so waived may be excepted from the warranties in the Deed as specified  
102. here to be delivered pursuant to this Agreement.

103. **TITLE CORRECTIONS AND REMEDIES:** Seller shall have thirty (30) days ("Cure Period") from receipt of Buyer's  
104. written title objections to cure any title objections but shall not be obligated to do so. Upon receipt of Buyer's title  
105. objections, Seller shall, within ten (10) days, notify Buyer, or licensee representing or assisting Buyer, in writing whether  
106. or not Seller will endeavor to cure such objections within the Cure Period. Liens or encumbrances for liquidated  
107. amounts created by instruments executed by Seller and which can be released by payment proceeds of closing shall  
108. not delay the closing.

109. If Seller's notice states that Seller will not endeavor to cure one or more specified objections within the Cure Period,  
110. Buyer may, as its sole remedy, within ten (10) days of the sending of such notice by Seller, declare this Purchase  
111. Agreement canceled by written notice to Seller, or licensee representing or assisting Seller, in which case this Purchase  
112. Agreement is canceled. If Buyer declares this Purchase Agreement canceled, Buyer and Seller shall immediately sign a  
113. written cancellation of Purchase Agreement confirming said cancellation and directing all earnest money paid here to  
114. be refunded to Buyer. If Buyer does not declare this Purchase Agreement canceled as provided immediately above,  
115. Buyer shall be bound to proceed with the closing and to purchase the Property subject to the objections Seller has  
116. declined to cure without reduction in the Purchase Price.

117. If Seller's notice states that Seller will endeavor to cure all of the specified objections, or if Seller's notice states that  
118. Seller will endeavor to cure some, but not all, of the specified objections and Buyer does not declare this Purchase  
119. Agreement canceled as provided above, Seller shall use commercially reasonable efforts to cure the specified objections  
120. or those Seller has agreed to endeavor to cure and, pending correction of title, all payment required here and the  
121. closing shall be postponed.

122. If Seller, within the Cure Period provided above, corrects the specified objections Seller's notice indicated Seller would  
123. endeavor to cure, then upon presentation to Buyer, or licensee representing or assisting Buyer, of documentation  
124. establishing that such objections have been cured, the closing shall take place within ten (10) days or on the scheduled  
125. closing date, whichever is later.

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COMMERCIAL PURCHASE AGREEMENT

126. Page 4 Date September 15th 2020

127. Property located at 1726 7th Avenue South and 375 16th Street South

St Cloud

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128. If Seller, within the Cure Period provided above, does not cure the specified objections which Seller's notice indicated  
129. Seller would endeavor to cure, Buyer may, as its sole remedy, declare this Purchase Agreement canceled by written  
130. notice to Seller, or licensee representing or assisting Seller, given within five (5) days after the end of the Cure Period,  
131. in which case this Purchase Agreement is canceled. Buyer and Seller shall immediately sign a Cancellation of Purchase  
132. Agreement confirming said cancellation and directing all earnest money paid here to be refunded to Buyer. Neither  
133. party shall be liable for damages here to the other. In the alternative, Buyer may elect to waive such objections by  
134. providing written notice to Seller, or licensee representing or assisting Seller, within such five (5)-day period and accept  
135. title subject to such uncured objections, in which event, Buyer shall be bound to proceed with the closing and to purchase  
136. the Property subject to the objections Seller has not cured without reduction in the Purchase Price. If neither notice  
137. is given by Buyer within such five (5)-day period, Buyer shall be deemed to have elected to waive the objections and  
138. to proceed to closing as provided in the immediately preceding sentence.

139. If title is marketable, or is made marketable as provided here, and Buyer defaults in any of the agreements here,  
140. Seller, in addition to any other right or remedy available to Seller here, at law or in equity may cancel this Purchase  
141. Agreement as provided by either MN Statute 559.21 or MN Statute 559.217, whichever is applicable, and retain all  
142. earnest money paid here as liquidated damages.

X 143. ~~If title is marketable, or is made marketable as provided here, and Seller defaults in any of the agreements here,~~  
144. Buyer may, in addition to any other right or remedy available to Buyer here, seek specific performance within six  
145. (6) months after such right of action arises.

146. **REPRESENTATIONS AND WARRANTIES OF SELLER:** The following representations made are to the best  
147. of Seller's knowledge.

X 148. ~~There is no action, litigation, investigation, condemnation, or other proceeding of any kind pending or threatened~~  
149. against Seller or any portion of the Property. In the event Seller becomes aware of any such proceeding prior to  
150. closing, Seller will promptly notify Buyer of such proceeding.

151. The Property is in compliance with all applicable provisions of all planning, zoning, and subdivision rules; regulations;  
152. and statutes. Seller has obtained all necessary licenses, permits, and approvals necessary for the ownership and  
153. operation of the Property.

X 154. ~~Prior to the closing, payment in full will have been made for all labor, materials, machinery, fixtures, or tools furnished~~  
155. within the 120 days immediately preceding the closing in connection with construction, alteration, or repair of any  
156. structure on, or improvement to, the Property.

157. Seller has not received any notice from any governmental authority as to condemnation proceedings, or violation of  
158. any law, ordinance, regulation, code, or order affecting the Property. If the Property is subject to restrictive covenants,  
159. Seller has not received any notice from any person or authority as to a breach of the covenants. Any such notices  
160. received by Seller shall be provided to Buyer immediately.

161. Seller has not executed any options to purchase, rights of first refusal, or any other agreements giving any person or  
162. other entity the right to purchase or otherwise acquire any interest in the Property, and Seller is unaware of any options  
163. to purchase, rights of first refusal, or other similar rights affecting the Property.

164. The legal description of the real property to be conveyed has been or shall be approved for recording as of the date  
165. of closing.

X 166. ~~If Seller is an organized entity, Seller represents and warrants to Buyer that Seller is duly organized and is in good~~  
167. standing under the laws of the State of Minnesota; that Seller is duly qualified to transact business in the State of  
168. Minnesota; that Seller has the requisite organizational power and authority to enter into this Purchase Agreement and  
169. the Seller's closing documents signed by it; such documents have been duly authorized by all necessary action on  
170. the part of Seller and have been duly executed and delivered; that the execution, delivery, and performance by Seller of  
171. such documents do not conflict with or result in a violation of Seller's organizational documents or Bylaws or any judgment,  
172. order, or decree of any court or arbiter to which Seller is a party; and that such documents are valid and binding obligations  
173. of Seller, and are enforceable in accordance with their terms.

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**COMMERCIAL PURCHASE AGREEMENT**

174. Page 5 Date September 15th 2020

175. Property located at 1726 7th Avenue South and 375 18th Street South,

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X 176. ~~Seller will indemnify Buyer, its successors and assigns, against and will hold Buyer, its successors and assigns,~~  
177. ~~harmless from, any expenses or damages, including reasonable attorneys' fees, that Buyer incurs because of the~~  
178. ~~breach of any of the above representations and warranties, whether such breach is discovered before or after the~~  
179. ~~date of closing.~~

180. See attached Addendum to Commercial Purchase Agreement: Due Diligence, if any, for additional representations  
181. and warranties.

182. **REPRESENTATIONS AND WARRANTIES OF BUYER:** If Buyer is an organized entity, Buyer represents and warrants  
183. to Seller that Buyer is duly organized and is in good standing under the laws of the State of Minnesota; that Buyer is  
184. duly qualified to transact business in the State of Minnesota; that Buyer has the requisite organizational power and  
185. authority to enter into this Purchase Agreement and the Buyer's closing documents signed by it; such documents  
186. have been duly authorized by all necessary action on the part of Buyer and have been duly executed and delivered;  
187. that the execution, delivery, and performance by Buyer of such documents do not conflict with or result in a violation  
188. of Buyer's organizational documents or Bylaws or any judgment, order, or decree of any court or arbiter to which Buyer  
189. is a party; and that such documents are valid and binding obligations of Buyer, and are enforceable in accordance with  
190. their terms. Buyer will indemnify Seller, its successors and assigns, against and will hold Seller, its successors and  
191. assigns, harmless from, any expenses or damages, including reasonable attorneys' fees, that Seller incurs because  
192. of the breach of any of the above representations and warranties, whether such breach is discovered before or after  
193. the date of closing.

194. **TIME IS OF THE ESSENCE FOR ALL PROVISIONS OF THIS CONTRACT.**

195. **CALCULATION OF DAYS:** Any calculation of days begins on the first day (calendar or Business Days as specified)  
196. following the occurrence of the event specified and includes subsequent days (calendar or Business Days as specified)  
197. ending at 11:59 P.M. on the last day.

198. **BUSINESS DAYS:** "Business Days" are days which are not Saturdays, Sundays, or state or federal holidays unless  
199. stated elsewhere by the parties in writing.

200. **DEFAULT:** If Buyer defaults in any of the agreements here, Seller may cancel this Purchase Agreement, and any  
201. payments made here, including earnest money, shall be retained by Seller as liquidated damages and Buyer and Seller  
202. shall affirm the same by a written cancellation. In the alternative, Seller may seek all other remedies allowed by law.  
203. If Buyer defaults in any of the agreements here, Seller may terminate this Purchase Agreement under the  
204. provisions of either MN Statute 559.21 or MN Statute 559.217, whichever is applicable.

X 205. ~~If this Purchase Agreement is not canceled or terminated as provided here, Buyer or Seller may seek actual damages~~  
206. ~~for breach of this Purchase Agreement or specific performance of this Purchase Agreement; and, as to specific~~  
207. ~~performance, such action must be commenced within six (6) months after such right of action arises.~~

208. **SUBJECT TO RIGHTS OF TENANTS, IF ANY, BUYER HAS THE RIGHT TO VIEW THE PROPERTY PRIOR TO**  
209. **CLOSING TO ESTABLISH THAT THE PROPERTY IS IN SUBSTANTIALLY THE SAME CONDITION AS OF THE**  
210. **DATE OF THIS PURCHASE AGREEMENT.**

211. **METHAMPHETAMINE PRODUCTION DISCLOSURE:**

212. (A Methamphetamine Production Disclosure is required by MN Statute 152.0275, Subd. 2 (m).)

213. ☒ Seller is not aware of any methamphetamine production that has occurred on the Property.

214. ☐ Seller is aware that methamphetamine production has occurred on the Property.

215. (See Disclosure Statement: Methamphetamine Production.)

216. **NOTICE REGARDING AIRPORT ZONING REGULATIONS:** The Property may be in or near an airport safety zone  
217. with zoning regulations adopted by the governing body that may affect the Property. Such zoning regulations are  
218. filed with the county recorder in each county where the zoned area is located. If you would like to determine if such  
219. zoning regulations affect the Property, you should contact the county recorder where the zoned area is located.

220. **NOTICE REGARDING PREDATORY OFFENDER INFORMATION:** Information regarding the predatory  
221. offender registry and persons registered with the predatory offender registry under MN Statute 243.166 may  
222. be obtained by contacting the local law enforcement offices in the community where the Property is located  
223. or the Minnesota Department of Corrections at (651) 361-7200, or from the Department of Corrections web  
224. site at [www.corr.state.mn.us](http://www.corr.state.mn.us).

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**COMMERCIAL PURCHASE AGREEMENT**

225. Page 6 Date September 15th 2020

226. Property located at 1726 7th Avenue South and 375 16th Street South

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227. **DISCLOSURE NOTICE:** If this Purchase Agreement includes a structure used or intended to be used as residential property as defined under MN Statute 513.52, Buyer acknowledges Buyer has received a *Disclosure Statement: Seller's Property Disclosure Statement* or *Disclosure Statement: Seller's Disclosure Alternatives* form.
229. **BUYER IS NOT RELYING ON ANY ORAL REPRESENTATIONS REGARDING THE CONDITION OF THE PROPERTY.**

231. *(Check appropriate boxes.)*

232. SELLER WARRANTS THAT THE PROPERTY IS EITHER DIRECTLY OR INDIRECTLY CONNECTED TO:

233. CITY SEWER ☒ YES ☐ NO / CITY WATER ☒ YES ☐ NO

234. **SUBSURFACE SEWAGE TREATMENT SYSTEM**

235. SELLER ☐ DOES ☒ DOES NOT KNOW OF A SUBSURFACE SEWAGE TREATMENT SYSTEM ON OR SERVING

236. THE PROPERTY. (If answer is **DOES**, and the system does not require a state permit, see *Disclosure Statement: Subsurface Sewage Treatment System*.)

237. *Subsurface Sewage Treatment System.*

238. **PRIVATE WELL**

239. SELLER ☐ DOES ☒ DOES NOT KNOW OF A WELL ON OR SERVING THE PROPERTY. (If answer is **DOES** and well

240. is located on the Property, see *Disclosure Statement: Well*.)

241. To the best of Seller's knowledge, the Property ☐ IS ☒ IS NOT in a Special Well Construction Area.

242. THIS PURCHASE AGREEMENT ☐ IS ☒ IS NOT SUBJECT TO AN ADDENDUM TO PURCHASE AGREEMENT.

243. **SUBSURFACE SEWAGE TREATMENT SYSTEM AND WELL INSPECTION CONTINGENCY.**

244. (If answer is **IS**, see attached *Addendum*.)

245. **IF A WELL OR SUBSURFACE SEWAGE TREATMENT SYSTEM EXISTS ON THE PROPERTY, BUYER HAS**

246. **RECEIVED A DISCLOSURE STATEMENT: WELL AND/OR A DISCLOSURE STATEMENT: SUBSURFACE SEWAGE**

247. **TREATMENT SYSTEM.**

248. There ☐ IS ☒ IS NOT a storage tank located on the Property that is subject to the requirements of MN Statute 116.48.

249. (If answer is **IS**, see *Commercial Disclosure Statement: Storage Tank(s)*.)

250.

**AGENCY NOTICE**

251. Kate Hanson  
(Licensee)

is ☒ Seller's Agent ☐ Buyer's Agent ☐ Dual Agent.

252. Granite City Real Estate  
(Real Estate Company Name)

253. Thomas Stella  
(Licensee)

is ☐ Seller's Agent ☒ Buyer's Agent ☐ Dual Agent.

254. Cushman & Wakefield  
(Real Estate Company Name)

255. **DUAL AGENCY DISCLOSURE:** Dual agency occurs when one broker or salesperson represents both parties to a transaction, or when two salespersons licensed to the same broker each represent a party to the transaction. Dual agency requires the informed consent of all parties, and means that the broker or salesperson owes the same fiduciary duties to both parties to the transaction. This role limits the level of representation the broker and salespersons can provide, and prohibits them from acting exclusively for either party. In dual agency, confidential information about price, terms, and motivation for pursuing a transaction will be kept confidential unless one party instructs the broker or salesperson in writing to disclose specific information about him or her. Other information will be shared. Dual agents may not advocate for one party to the detriment of the other.

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**COMMERCIAL PURCHASE AGREEMENT**

263. Page 7 Date September 15th 2020

264. Property located at 1726 7th Avenue South and 375 18th Street South

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265.

**CONSENT TO DUAL AGENCY**

266. Broker represents both parties involved in the transaction, which creates a dual agency. This means that Broker and  
267. its salespersons owe fiduciary duties to both parties. Because the parties may have conflicting interests, Broker and its  
268. salespersons are prohibited from advocating exclusively for either party. Broker cannot act as a dual agent in this  
269. transaction without the consent of both parties. Both parties acknowledge that  
270. (1) confidential information communicated to Broker which regards price, terms, or motivation to buy, sell, or lease will  
271. remain confidential unless the parties instruct Broker in writing to disclose this information. Other information will  
272. be shared;  
273. (2) Broker and its salespersons will not represent the interest of either party to the detriment of the other; and  
274. (3) within the limits of dual agency, Broker and its salesperson will work diligently to facilitate the mechanics of the  
275. sale.  
276. With the knowledge and understanding of the explanation above, the parties authorize and instruct Broker and its  
277. salespersons to act as dual agents in this transaction.

278. SELLER: \_\_\_\_\_

(Business Entity or Individual Name)

BUYER: \_\_\_\_\_

(Business Entity or Individual Name)

279. By: \_\_\_\_\_

(Seller's Signature)

By: \_\_\_\_\_

(Buyer's Signature)

280. \_\_\_\_\_

(Seller's Printed Name)

(Buyer's Printed Name)

281. Its: \_\_\_\_\_

(Title)

Its: Chief Financial Officer

(Title)

282. \_\_\_\_\_

(Date)

(Date)

283. SELLER: \_\_\_\_\_

(Business Entity or Individual Name)

BUYER: \_\_\_\_\_

(Business Entity or Individual Name)

284. By: \_\_\_\_\_

(Seller's Signature)

By: \_\_\_\_\_

(Buyer's Signature)

285. \_\_\_\_\_

(Seller's Printed Name)

(Buyer's Printed Name)

286. Its: \_\_\_\_\_

(Title)

Its: \_\_\_\_\_

(Title)

287. \_\_\_\_\_

(Date)

(Date)

288. **SUCCESSORS AND ASSIGNS:** All provisions of this Purchase Agreement shall be binding on successors and  
289. assigns.

290. **CLOSING COSTS:** Buyer or Seller may be required to pay certain closing costs, which may effectively increase the  
291. cash outlay at closing or reduce the proceeds from the sale.

292. **FOREIGN INVESTMENT IN REAL PROPERTY TAX ACT ("FIRPTA"):** Section 1445 of the Internal Revenue Code  
293. provides that a transferee ("Buyer") of a United States real property interest must be notified in writing and must  
294. withhold tax if the transferor ("Seller") is a foreign person and no exceptions from FIRPTA withholding apply. Buyer  
295. and Seller agree to comply with FIRPTA requirements under Section 1445 of the Internal Revenue Code.

296. Seller shall represent and warrant, under the penalties of perjury, whether Seller is a "foreign person" (as the same  
297. is defined within FIRPTA), prior to closing. Any representations made by Seller with respect to this issue shall survive  
298. the closing and delivery of the deed.

299. Buyer and Seller shall complete, execute, and deliver, on or before closing, any instrument, affidavit, or statement  
300. reasonably necessary to comply with the FIRPTA requirements, including delivery of their respective federal taxpayer  
301. identification numbers or Social Security numbers.

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**COMMERCIAL PURCHASE AGREEMENT**

302. Page 8 Date September 15th 2020

303. Property located at 1726 7th Avenue South and 375 16th Street South St. Cloud 56301

304. Due to the complexity and potential risks of failing to comply with FIRPTA, including the Buyer's responsibility for  
305. withholding the applicable tax, Buyer and Seller should seek appropriate legal and tax advice regarding FIRPTA  
306. compliance, as the respective licensees representing or assisting either party will be unable to assure either  
307. party whether the transaction is exempt from FIRPTA withholding requirements.

308. **NOTE:** MN Statute 500.221 establishes certain restrictions on the acquisition of title to agricultural land by aliens  
309. and non-American corporations. Please seek appropriate legal advice if this Purchase Agreement is for the  
310. sale of agricultural land and Buyer is a foreign person.

311. **ACCEPTANCE DEADLINE:** This offer to purchase, unless accepted sooner, shall be withdrawn at 11:59 P.M.,

312. September 22nd 2020, and in such event all earnest money shall be returned to Buyer.

313. **CONDEMNATION:** If, prior to the closing date, condemnation proceedings are commenced against all or any part  
314. of the Property, Seller or licensee representing or assisting Seller, shall immediately give written notice to Buyer, or  
315. licensee representing or assisting Buyer, of such fact and Buyer may, at Buyer's option (to be exercised within thirty (30)  
316. days after Seller's notice), declare this Purchase Agreement canceled by written notice to Seller or licensee representing  
317. or assisting Seller, in which case this Purchase Agreement is canceled and neither party shall have further obligations  
318. under this Purchase Agreement. In the event Buyer declares the Purchase Agreement canceled, Buyer and Seller  
319. shall immediately sign a written cancellation confirming such cancellation and directing all earnest money paid  
320. here to be refunded to Buyer. If Buyer fails to give such written notice, then Buyer shall be bound to proceed with  
321. closing, subject to any other contingencies to this Purchase Agreement. In such event, there shall be no reduction in  
322. the purchase price, and Seller shall assign to Buyer at the closing date all of Seller's rights, title, and interest in and to  
323. any award made or to be made in the condemnation proceedings. Prior to the closing date, Seller shall not designate  
324. counsel, appear in, or otherwise act with respect to, the condemnation proceedings without Buyer's prior written  
325. consent.

326. ~~**MUTUAL INDEMNIFICATION:** Seller and Buyer agree to indemnify each other against, and hold each other harmless~~  
327. ~~from, all liabilities (including reasonable attorneys' fees in defending against claims) arising out of the ownership,~~  
328. ~~operation, or maintenance of the Property for their respective periods of ownership. Such rights to indemnification will~~  
329. ~~not arise to the extent that (a) the party seeking indemnification actually receives insurance proceeds or other cash~~  
330. ~~payments directly attributable to the liability in question (net of the cost of collection, including reasonable attorneys'~~  
331. ~~fees); or (b) the claim for indemnification arises out of the act or neglect of the party seeking indemnification. If, and~~  
332. ~~to the extent that, the indemnified party has insurance coverage, or the right to make claim against any third party for~~  
333. ~~any amount to be indemnified against, as set forth above, the indemnified party will, upon full performance by the~~  
334. ~~indemnifying party of its indemnification obligations, assign such rights to the indemnifying party or, if such rights are~~  
335. ~~not assignable, the indemnified party will diligently pursue such rights by appropriate legal action or proceeding and~~  
336. ~~assign the recovery and/or right of recovery to the indemnifying party to the extent of the indemnification payable~~  
337. ~~made by such party.~~

338. **FULLY EXECUTED PURCHASE AGREEMENT AND FINAL ACCEPTANCE:** To be binding, this Purchase Agreement  
339. and all addenda must be fully executed by both parties and a copy must be delivered.

340. **ELECTRONIC SIGNATURES:** The parties agree the electronic signature of any party on any document related to  
341. this transaction constitute valid, binding signatures.

342. **ENTIRE AGREEMENT:** This Purchase Agreement and all addenda and amendments signed by the parties shall  
343. constitute the entire agreement between Buyer and Seller. Any other written or oral communication between Buyer and  
344. Seller, including, but not limited to, e-mails, text messages, or other electronic communications are not part of this  
345. Purchase Agreement. This Purchase Agreement can be modified or canceled only in writing signed by Buyer and  
346. Seller or by operation of law. All monetary sums are deemed to be United States currency for purposes of this Purchase  
347. Agreement.

348. **SURVIVAL:** All warranties and representations in this Purchase Agreement shall survive the delivery of the deed or  
349. contract for deed and be enforceable after the closing.

350. **DATE OF THIS PURCHASE AGREEMENT:** Date of this Purchase Agreement to be defined as the date on line one  
351. (1) of this Purchase Agreement.

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COMMERCIAL PURCHASE AGREEMENT

352. Page 9 Date September 15th 2020

353. Property located at 1726 7th Avenue South and 375 16th Street South St Cloud 56301

354. **OTHER:**

**Addendum to Purchase Agreement**

355. Notice to Seller: 214 3rd Avenue South, St. Cloud, MN 56301

356. Notice to Buyer: 19200 Von Karman Avenue, Suite 500, Irvine, CA 92612

357. **ADDENDA:** Attached addenda are a part of this Purchase Agreement.

358. ☒ If checked, this Purchase Agreement is subject to  
359. attached **Addendum to Commercial Purchase**  
360. **Agreement: Counteroffer.**

361. **FIRPTA:** Seller represents and warrants, under penalty  
362. of perjury, that Seller ☒ **IS** ☐ **IS NOT** a foreign person (i.e., a

----- (Check one.) -----

363. non-resident alien individual, foreign corporation, foreign  
364. partnership, foreign trust, or foreign estate for purposes  
365. of income taxation. (See lines 292-310.) This representation  
366. and warranty shall survive the closing of the transaction  
367. and the delivery of the deed.

368. **SELLER**

The Diocese of St Cloud, a Minnesota religious corporation, as debtor and  
369. debtor in possession under Bankruptcy Case 20-60377

(Business Entity or Individual Name)

370. By: Donald J Kettler  
(Seller's Signature)

371. Donald J Kettler  
(Seller's Printed Name)

372. Its: President  
(Title)

373. 9/22/2020  
(Date)

374. **SELLER** Diocese of St. Cloud  
(Business Entity or Individual Name)

376. By: Jane M. Marrin  
(Seller's Signature)

377. JANE M. MARRIN  
(Seller's Printed Name)

378. Its: 9/22/2020  
(Title)

379.   
(Date)

**BUYER**

Monroe MN, LLC

(Business Entity or Individual Name)

By: [Signature]  
(Buyer's Signature)

Jim Adams  
(Buyer's Printed Name)

Its: Chief Financial Officer  
(Title)

9/17/20  
(Date)

**BUYER**

(Business Entity or Individual Name)

By:   
(Buyer's Signature)

(Buyer's Printed Name)

Its:   
(Title)

(Date)

380. **FINAL ACCEPTANCE DATE:** September 24, 2020 The Final Acceptance Date  
381. is the date on which the fully executed Purchase Agreement is delivered.

382. **THIS IS A LEGALLY BINDING CONTRACT BETWEEN BUYER(S) AND SELLER(S).**  
383. **IF YOU DESIRE LEGAL OR TAX ADVICE, CONSULT AN APPROPRIATE PROFESSIONAL.**

384. **THIS MINNESOTA ASSOCIATION OF REALTORS® COMMERCIAL PURCHASE AGREEMENT IS NOT**  
385. **DESIGNED TO BE AND IS NOT WARRANTED TO BE INCLUSIVE OF ALL ISSUES SELLER AND BUYER**  
386. **MAY WISH TO ADDRESS, AND EITHER PARTY MAY WISH TO MODIFY THIS PURCHASE AGREEMENT**  
387. **TO ADDRESS STATUTORY OR CONTRACTUAL MATTERS NOT CONTAINED IN THIS FORM.**

388. **BOTH PARTIES ARE ADVISED TO SEEK THE ADVICE OF AN ATTORNEY TO ENSURE**  
389. **THIS CONTRACT ADEQUATELY ADDRESSES THAT PARTY'S RIGHTS.**

MNC:PA-9 (8/20)



1726 7th Avenue South and 375 16th Street South

## WIRE FRAUD ALERT



Internet fraud — the use of Internet services or software with Internet access to defraud victims — is on the rise in real estate transactions.

**THESE SOPHISTICATED CRIMINALS COULD:**

- **HACK INTO YOUR E-MAIL ACCOUNT** or the e-mail of others involved in your real estate transaction and may direct you to wire money to the hacker's account.
- **SEND FRAUDULENT E-MAILS** that appear to be from your real estate licensee, lender, or closing agent.
- **CALL YOU** claiming they have revised wiring instructions.

**Buyers/Tenants and Sellers/Owners are advised to:**

- (1) Never wire funds without confirming the wiring instructions directly with the intended recipient.
- (2) Verify that the contact information for the wire transfer recipient is legitimate by calling a known phone number for the broker or closing agent. Do not rely on the information given to you in an e-mail communication.
- (3) Never send personal information through unsecured/unencrypted e-mail.

**If you suspect wire fraud in your transaction:**

- (1) Immediately notify your bank, closing agent, and real estate licensee.
- (2) File a complaint online at the Internet Crime Complaint Center (IC3) at <http://www.ic3.gov>.

The undersigned acknowledge receipt of this wire fraud alert and understand the importance of taking proactive measures to avoid being a victim of wire fraud in a real estate transaction.

(Signature) 9/10/20 (Date)   
(Signature) (Date)

This form approved by the Minnesota Association of REALTORS®, which disclaims any liability arising out of use or misuse of this form.  
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MN-WFA (8/18)



**Addendum to Purchase Agreement  
Due Diligence and Other Conditions  
1726 7<sup>th</sup> Avenue South & 375 16<sup>th</sup> Street South in St Cloud, Minnesota  
Parcel ID: 82.44894.0060 & 82.44894.0055**

**REVISION TO THE PURCHASE AGREEMENT:**

Line 53: Subject to provisions of the Bankruptcy Code, Real Estate taxes due and payable in the year of closing shall be prorated between Seller and Buyer.

Line 145: (6) months after such right of action arises. The Bankruptcy Court has exclusive jurisdiction to determine such right and remedies.

Line 148: Except as disclosed in the Bankruptcy Case, there is no action, litigation, investigation, condemnation, or other proceeding of any kind pending or threatened.

Line 154: Except as provided under the Bankruptcy Court approval, prior to the closing, payment in full will have been made for all labor, material, machinery, fixtures, or tools furnished

Line 166: Subject to Bankruptcy Court Approval, if Seller is an organized entity, Seller represents and warrants to Buyer that Seller is duly organized and is in good

Line 205: After Bankruptcy Court approval, if this Purchase Agreement is not canceled or terminated as provided here, Buyer or Seller may seek actual damages

**BUYER INVESTIGATION:** At any time through the day of closing, Buyer and its agents shall have the right (upon at least 24 hours prior written notice) to enter upon the Property to conduct such inspections, investigations, and studies of the Property as Buyer deems reasonable necessary (the "Inspection"). Seller shall provide all cooperation reasonably necessary to assist Buyer and its agent in performing the Inspection. Buyer agrees to indemnify and hold Seller harmless from any damages sustained as a result of Buyer's Inspection(s), but Buyer shall not be liable for the discovery of a preexisting condition or for the consequences of such discovery.

**PERSONAL PROPERTY:** In addition to the real estate, all equipment, personal property and furnishings owned by Seller and currently utilized at the property shall transfer to the Buyer at Closing. The Bishop's Home furnishings and personal property will not be included in the sale.

**"AS IS":** Property being delivered by Seller to Buyer "as is" without warranty or representation regarding condition, marketability or title.

**CLOSING COST:**

Seller shall be responsible for the following Closing costs:

1. Abstract updating
2. Preparation of Quitclaim Deed [NOTE: the bankruptcy court require a specific form deed]
3. Preparation of a Bill of Sale for all fixtures, equipment, and personal property
4. [NOTE: This is a bankruptcy sale. The court order approving will provide that it is free and clear of all liens, claims, interests, and encumbrances.]Preparation of and recording expense of all Releases, Satisfactions, and corrective documents necessary to provide clear title
5. One-half of the Closing fee

Buyer shall be responsible for the following Closing costs:

1. Title examination fees
2. Title insurance
3. Survey (if any)
4. Phase I fees (if any)
5. Recording of Quitclaim Deed
6. One-half of the Closing fee

Payment of any Closing costs not specifically listed here shall be the responsibility of the party as stated elsewhere in this Agreement, and if not stated elsewhere in this Agreement, the costs shall be the responsibility of the party ordering or contracting for such item.

**DUE DILIGENCIES PERIOD:** Within ten (10) days after the parties execute the Purchase Agreement, Seller will deliver copies of all documents in Seller's possession or control related to the Property, including without limitation, title reports and policies, surveys, plats, real estate tax statements, zoning information, environmental site assessments or reports, restrictive covenants, easements, existing Lease Agreements and all reasonably requested documents which are in Seller's possession or control (the "Due Diligence Documents"). Buyer shall have up until within 15 days of the Closing Date (the "Due Diligence Period") in which to investigate and study the Property. The Due Diligence Period shall commence on the date Buyer and Seller execute the Purchase Agreement. Buyer, in its sole and absolute discretion, may terminate the transaction at any time prior to the end of the Due Diligence Period and receive a refund of the Earnest Money.

**ASSIGNMENT OF LEASES:** At Closing Seller shall assign to Buyer and Buyer shall assume from Seller all rights and obligations arising from and after the date of Closing under any leases affecting the Property, copies of which shall have been furnished to Buyer as part of the Due Diligence Documents.

**CONTINGENCIES:**

Buyer's obligation to close on the Property shall be contingent upon Buyer's satisfaction or waiver of all of the following:

- A. Entry of a final, non-appealable order approving the Purchase Agreement and sale entered by the Bankruptcy Court providing for the transfer of the Property to Buyer free and clear of all monetary liens.

Buyer has the right to terminate this agreement at time if any of these items are not acceptable to Buyer, at the Buyer's sole and absolute discretion. If Buyer elects to cancel this purchase agreement, Buyer and Seller shall immediately sign a "Cancellation of Purchase Agreement" confirming said cancellation and all earnest money shall be refunded to Buyer.

All of Seller's obligations under the Purchase Agreement, including its obligation to close the sale is expressly contingent upon full satisfaction of each of the following:

- A. Entry of a final, non-appealable order approving the Purchase Agreement and sale entered by the Bankruptcy Court.
- B. Buyer will have complied with and performed all of its obligations as and when required under the Purchase Agreement.

Seller has the right to terminate this agreement at time if any of this item is not acceptable to Seller, at the Seller's sole and absolute discretion. If Seller elects to cancel this purchase agreement, Buyer and Seller shall immediately sign a "Cancellation of Purchase Agreement" confirming said cancellation and all earnest money shall be refunded to Buyer.

**SURVEY:** Seller shall provide all cooperation reasonably requested by Buyer to obtain a survey of the Property, certified to Buyer and its designees, if Buyer decides to obtain a survey. The costs associated with the survey shall be paid by Buyer.

**ASSIGNMENT:** Buyer shall have the free right to assign the Purchase Agreement to an entity controlled by Buyer or under common control with Buyer, provided that no such assignment shall relieve Buyer of its obligations under the Purchase Agreement.

THE BANKRUPTCY CODE REQUIRES THAT SELLER CONSIDER HIGHER AND BETTER OFFERS.

Payment of any Closing costs not specifically listed here shall be the responsibility of the party as stated elsewhere in this Agreement, and if not stated elsewhere in this Agreement, the costs shall be the responsibility of the party ordering or contracting for such item.

DUE DILIGENCIES PERIOD: Within ten (10) days after the parties execute the Purchase Agreement, Seller will deliver copies of all documents in Seller's possession or control related to the Property, including without limitation, title reports and policies, surveys, plats, real estate tax statements, zoning information, environmental site assessments or reports, restrictive covenants, easements, existing Lease Agreements and all reasonably requested documents which are in Seller's possession or control (the "Due Diligence Documents"). Buyer shall have up until within 15 days of the Closing Date (the "Due Diligence Period") in which to investigate and study the Property. The Due Diligence Period shall commence on the date Buyer and Seller execute the Purchase Agreement. Buyer, in its sole and absolute discretion, may terminate the transaction at any time prior to the end of the Due Diligence Period and receive a refund of the Earnest Money.

ASSIGNMENT OF LEASES: At Closing Seller shall assign to Buyer and Buyer shall assume from Seller all rights and obligations arising from and after the date of Closing under any leases affecting the Property, copies of which shall have been furnished to Buyer as part of the Due Diligence Documents.

CONTINGENCIES:


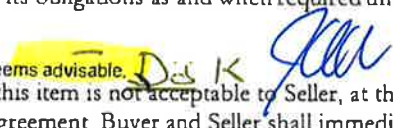
Buyer's obligation to close on the Property shall be contingent upon Buyer's satisfaction or waiver of all of the following:

- A. Entry of a final, non-appealable order approving the Purchase Agreement and sale entered by the Bankruptcy Court providing for the transfer of the Property to Buyer free and clear of all monetary liens.

Buyer has the right to terminate this agreement at time if any of these items are not acceptable to Buyer, at the Buyer's sole and absolute discretion. If Buyer elects to cancel this purchase agreement, Buyer and Seller shall immediately sign a "Cancellation of Purchase Agreement" confirming said cancellation and all earnest money shall be refunded to Buyer.

All of Seller's obligations under the Purchase Agreement, including its obligation to close the sale is expressly contingent upon full satisfaction of each of the following:

- A. Entry of a final, non-appealable order approving the Purchase Agreement and sale entered by the Bankruptcy Court.
- B. Buyer will have complied with and performed all of its obligations as and when required under the Purchase Agreement.

 C. Bishop Kettler obtaining such ecclesiastical confirmation as he deems advisable.  Seller has the right to terminate this agreement at time if any of this item is not acceptable to Seller, at the Seller's sole and absolute discretion. If Seller elects to cancel this purchase agreement, Buyer and Seller shall immediately sign a "Cancellation of Purchase Agreement" confirming said cancellation and all earnest money shall be refunded to Buyer.

SURVEY: Seller shall provide all cooperation reasonably requested by Buyer to obtain a survey of the Property, certified to Buyer and its designees, if Buyer decides to obtain a survey. The costs associated with the survey shall be paid by Buyer.

ASSIGNMENT: Buyer shall have the free right to assign the Purchase Agreement to an entity controlled by Buyer or under common control with Buyer, provided that no such assignment shall relieve Buyer of its obligations under the Purchase Agreement.

THE BANKRUPTCY CODE REQUIRES THAT SELLER CONSIDER HIGHER AND BETTER OFFERS.

A faxed or digital signature on this document shall be as valid and enforceable as an original.

Seller: The Diocese of St. Cloud, a Minnesota religious corporation, as debtor and debtor in possession under Bankruptcy Case 20-60377 Buyer: Monroe RE, LLC

By: Donald Kettler

Its: Bishop

Date: Sept. 22, 2020

By: [Signature]

Its: CFO

Date: 9/17/20

**UNITED STATES BANKRUPTCY COURT  
DISTRICT OF MINNESOTA**

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In re:	Chapter 11
THE DIOCESE OF ST. CLOUD, a Minnesota religious corporation,	Case No. 20-60337
Debtor.	

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**ORDER (I) APPROVING ASSUMPTION AND ASSIGNMENT OF  
LEASES, AND (II) APPROVING THE SALE OF REAL PROPERTY**

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This matter came before the court on the debtor's *Notice of Hearing and Motion for an Order (I) Approving Assumption and Assignment of Leases, and (II) Approving the Sale of Real Property*. Based on the motion and the file,

**THE COURT FINDS AND CONCLUDES** as follows:

A. This court has jurisdiction over the bankruptcy case, the sale motion, and the transactions contemplated by the *Commercial Purchase Agreement*, and this order pursuant to 28 U.S.C. §§ 157(b) and 1334 and Local Rule 1070-1. This matter is a core proceeding as defined in 28 U.S.C. § 157(b)(2).

B. The statutory predicates for the relief sought in the sale motion include Bankruptcy Code §§ 105, 363, and 365, Bankruptcy Rules 2002, 6004, 6006 and 9014, and Local Rules 6004-1(e) and 9013-1 through 9013-3.

C. Proper and adequate notice of the sale motion, the *Commercial Purchase Agreement*, and the hearing on the sale motion has been provided or otherwise excused in accordance with Bankruptcy Code §§ 102(1), 363 and 365, and Bankruptcy Rules 2002, 6004, 9006, 9007, and 9014, and Local Bankruptcy Rules 9006-1(e), 2002-1(b), 2002-4(a), and 9013-

3(a)(2). As a result, notice has been given that is proper and sufficient under the circumstances of the sale motion.

D. The debtor (through its court-approved broker) has marketed the subject property and conducted the sale process thoroughly, fairly, and in good faith.

E. A copy of the fully executed *Commercial Purchase Agreement* between the debtor and the buyer is attached to the sale motion. In the *Commercial Purchase Agreement*, buyer has designated, for assumption and assignment to buyer effective as of the closing date, all current tenant leases at the subject property.

F. After due and sufficient notice of the sale motion and the hearing thereon, there are no pending objections to the sale motion or the sale, or such objections have been, and are hereby, overruled.

G. All requirements of Bankruptcy Code § 363(b) and (f), and any other applicable laws relating to the sale of the subject property free and clear of all liens, claims, encumbrances, and other interests pursuant to the *Commercial Purchase Agreement* and this order have been satisfied.

H. The *Commercial Purchase Agreement* was negotiated, proposed, and entered into by the debtor and buyer without collusion, in good faith, and at arm's length. Neither the debtor, nor buyer has engaged in any conduct that would cause or permit the *Commercial Purchase Agreement* to be avoided under Bankruptcy Code § 363(n), or otherwise.

I. Buyer is a good faith purchaser under Bankruptcy Code § 363(m) and, as such, is entitled to all of the protections afforded thereby.

J. The consideration to be provided by buyer: (a) is fair and reasonable; (b) is the highest and best offer for the subject property; (c) will provide a greater recovery for debtor's

creditors than would be provided by any other practically available alternative; and (d) constitutes reasonably equivalent value and fair consideration under the Bankruptcy Code and under all applicable non-bankruptcy law.

K. The transfer of the subject property to buyer will be a legal, valid, and effective transfer of the subject property, authorized pursuant to the Bankruptcy Code, and will vest buyer with all of the debtor's right, title, and interest in and to the subject property, free and clear of all liens, claims, encumbrances, and other interests, except Catholic Charities' claims will attach to the net proceeds of such sale pending plan confirmation.

L. The debtor may sell the subject property free and clear of all liens, claims, encumbrances, and other interests because one or more of the standards set forth in Bankruptcy Code § 363(f)(1)-(5) has been satisfied.

M. Approval of the sale under the terms and conditions of the *Commercial Purchase Agreement* and this order is in the best interests of the debtor, its creditors, its estate, and other parties in interest.

N. Each of the foregoing findings will be deemed a finding of fact if and to the full extent that such finding makes and contains factual findings, and will be deemed a conclusion of law if and to the full extent that such finding makes legal conclusions.

Based on the foregoing, and the entire record before the Court, and good cause appearing therefor,

**IT IS ORDERED** as follows:

1. The paragraphs contained in the foregoing preamble, findings, and conclusions are incorporated by reference as operative provisions of this order and are approved as part of the court's ruling herein.

2. The sale motion is granted;

3. All objections to the sale motion (if any) or to the relief requested therein that have not been withdrawn, waived, or settled, and all reservations of rights included therein, are hereby overruled on the merits.

4. The *Commercial Purchase Agreement* between the debtor and Monroe RE, LLC is approved and, pursuant to 11 U.S.C. § 363(b), the debtor is authorized to perform its obligations under and comply with the terms of the *Commercial Purchase Agreement* and to consummate the sale pursuant to and in accordance with the terms and provisions of the *Commercial Purchase Agreement* and this order.

5. The debtor is authorized to take all actions and execute and deliver all documents, instruments, and agreements consistent with the *Commercial Purchase Agreement* that it deems necessary or appropriate to implement and effect the sale of the property thereunder without further order of this court.

6. Except as expressly permitted or otherwise specifically provided in the *Commercial Purchase Agreement* or this order, the subject property will be transferred to the buyer pursuant to Bankruptcy Code §§ 105(a) and 363(f). Upon closing of the sale, the property will be free and clear of all liens, claims, encumbrances, and other interests.

7. The transfer of the subject property to the buyer pursuant to the *Commercial Purchase Agreement* and this order constitutes a legal, valid, and effective transfer of the subject property and will vest the buyer with all right, title, and interest of the debtor in and to the subject property, free and clear of all liens, claims, encumbrances, and other interests; *provided, however*, that Catholic Charities' disputed interests in the subject property will attach to the net proceeds of the sale.

8. Upon consummation of the sale in accordance with the *Commercial Purchase Agreement* and this order, Tri-County Abstract & Title Guaranty is authorized and directed to distribute the sale proceeds only in the following manner: (i) for payment of any accrued and unpaid real property taxes that are due and payable as of the closing date; (ii) for ordinary closing costs for a sale of this nature to be approved by the debtor, which costs will include, among other things, broker's commission in the amount previously approved by the court in the order approving the broker's retention; and (iii) after the foregoing distributions are made, the remaining net proceeds of the sale will be paid to the debtor to be held in a separate, interest-bearing account pending further order of the court.

9. The sale is not approved and will not close unless and until: (i) the court has entered this order on the docket in this case; and (ii) the buyer has delivered its earnest money deposit under the *Commercial Purchase Agreement*, in cash, to Tri-County Abstract & Title Guaranty.

10. Because the transactions contemplated by the *Commercial Purchase Agreement* are undertaken by the buyer in good faith, as that term is used in Bankruptcy Code § 363(m), the reversal or modification on appeal of the authorization provided herein to consummate the sale will not affect the validity of the sale to the buyer (including assumption and assignment of the Catholic Charities Lease and the School District Lease), unless this order is duly stayed pending such appeal.

11. On and after the closing of the sale in accordance with the *Commercial Purchase Agreement* and this order, no holder of an interest or any claim against the debtor may interfere with the buyer's title to, or use or enjoyment of the subject property.

12. Pursuant to Bankruptcy Code §§ 105(a) and 365, and subject to and conditioned on the closing of the sale in accordance with the *Commercial Purchase Agreement* and this order, the

debtor's assumption of the following leases and assignment of such leases to the buyer is approved effective as of the closing of the sale and the debtor is not in default under either of the following leases:

- i. That certain *Lease* dated January 1, 1999 between the debtor and Catholic Charites of the Diocese of St. Cloud, as such lease was most recently amended by that certain *Lease Amendment and Services Agreement* dated September 15, 2020.
- ii. That certain *Real Estate Lease* dated May 13, 2020 between the debtor and District 742 Community Schools.

13. In the event of any inconsistency between the terms and provisions of the *Commercial Purchase Agreement* and the terms and provisions of this order, the terms and provisions of this order will control.

14. Each and every federal, state, and local governmental agency or department is hereby directed to accept any and all documents and instruments necessary and appropriate to consummate the transactions contemplated by the *Commercial Purchase Agreement* and this order.

15. The terms and provisions of the *Commercial Purchase Agreement* and this order will be in all respects binding on, and will inure to the benefit of, the debtor, its estate, its creditors and equity holders, Monroe RE, LLC and its affiliates, successors, and assigns (specifically including any assignee of buyer's rights under the *Commercial Purchase Agreement* as permitted by the *Commercial Purchase Agreement*), and any affected third parties including, but not limited to, all persons asserting an interest in the subject property to be sold to buyer pursuant to the

*Commercial Purchase Agreement* and any subsequently appointed trustee under any chapter of the Bankruptcy Code.

16. The debtor is authorized to open a separate bank account at U.S. Bank, N.A. to hold net proceeds pending confirmation of the Plan

17. The fourteen-day stay provided for in Fed. R. Bankr. P. 6004(h) is waived and this order will be effective immediately upon entry.

18. This court retains jurisdiction to enforce and implement the terms and provisions of this order and the *Commercial Purchase Agreement* and any amendments thereto, any waivers thereof or consents thereunder, and each of the agreements executed in connection therewith in all respects, including, but not limited to, retaining jurisdiction to: (a) compel delivery of the subject property to the buyer; (b) compel delivery of the sale proceeds or performance of other obligations owed to the debtor; (c) resolve any disputes arising under or related to the *Commercial Purchase Agreement*; and (d) interpret, implement, and enforce the provisions of this order and the *Commercial Purchase Agreement*.

DATED:

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ROBERT J. KRESSEL  
UNITED BANKRUPTCY COURT JUDGE

**UNITED STATES BANKRUPTCY COURT  
DISTRICT OF MINNESOTA**

In re:

Chapter 11

THE DIOCESE OF ST. CLOUD, a Minnesota  
religious corporation,

Case No. 20-60337

Debtor.

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**CERTIFICATE OF SERVICE**

---

I, Jason D. Curry, declare under penalty of perjury that on October 9, 2020 I caused to be served the foregoing *Notice of Hearing and Motion for an Order (I) Approving Assumption and Assignment of Leases, and (II) Approving the Sale of Real Property* to each entity listed below at the e-mail address or mailing address stated for each entity:

Sarah J. Wencil  
U.S. Trustee's Office  
1015 U.S. Courthouse  
300 South Fourth Street  
Minneapolis, MN 55415  
[sarah.j.wencil@usdoj.gov](mailto:sarah.j.wencil@usdoj.gov)  
[ustpreion12.mn.ecf@usdoj.gov](mailto:ustpreion12.mn.ecf@usdoj.gov)

Thomas A. Janson  
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P.O. Box 795  
St. Joseph, MN 56374  
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[jeffrey.peterson@lathropgpm.com](mailto:jeffrey.peterson@lathropgpm.com)  
*Counsel for Catholic Charities for the Diocese of St. Cloud*

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*Attorneys for Monroe RE, LLC*

I, Jason D. Curry, declare under penalty of perjury that on October 13, 2020 I caused to be served the foregoing *Notice of Hearing and Motion for an Order (I) Approving Assumption and Assignment of Leases, and (II) Approving the Sale of Real Property* to each entity listed below at the mailing address stated for each entity:

District 742 Community Schools  
Attn: Amy Skaalerud or Carol O. Potter  
1201 2nd Street South  
Waite Parke, MN 56387

Office of the U.S. Attorney  
600 U.S. Courthouse  
300 S. Fourth Street  
Minneapolis, MN 55415

City of St. Cloud  
400 2nd St. S  
St. Cloud, MN 56302

Minnesota Department of Revenue  
Collection Enforcement  
551 Bankruptcy Section  
600 N. Robert Street  
St. Paul, MN 55101

District Counsel  
Internal Revenue Service  
430 North Wabasha St.  
St. Paul, MN 55101

Internal Revenue Service  
Wells Fargo Place  
30 E. 7th Street  
Mail Stop 5700  
St. Paul, MN 55101

Internal Revenue Service  
Centralized Insolvency  
Operations Unit  
P.O. Box 7346  
Philadelphia, PA 19101

Office of the Attorney General  
445 Minnesota Street, Suite 1400  
St. Paul, MN 55101

Secretary of State  
60 Empire Drive, Suite 100  
St. Paul, MN 55103

Dated: October 9, 2020.

QUARLES & BRADY LLP

/s/ Jason D. Curry

Susan G. Boswell (AZ Bar No. 004791)

Jason D. Curry (AZ Bar No. 026511)

Michael Galen (AZ Bar No. 035044)

*Admitted Pro Hac Vice*

150 South Fifth Street, Suite 1800

Minneapolis, Minnesota 55402

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[michael.galen@quarles.com](mailto:michael.galen@quarles.com)

*Counsel for the Debtors*