

**COMMERCIAL-INDUSTRIAL
PURCHASE AGREEMENT**
900 NW 4th Street, Grand Rapids, MN 55744

Date: April _____, 2024

The Grand Rapids Economic Development Authority, a Minnesota public body corporate and politic (the “Buyer”) agrees to purchase that certain real property and all the fixtures and personal property located thereon as of the date of this Commercial-Industrial Purchase Agreement (“Purchase Agreement”) which is situated in the City of Grand Rapids, County of Itasca, State of Minnesota, and is more particularly described on attached Addendum A (the “Real Property”).

Subject to the terms and conditions set forth herein, Deerwood Bank, a Minnesota banking corporation (the “Seller”), agrees to sell, and Buyer agrees to purchase, the Real Property for the sum of One and 00/100 dollar (\$1.00), which Buyer agrees to pay in the following manner: One and 00/100 dollars (\$1.00) in cash or immediately available funds, on the Closing Date (hereinafter defined). As used herein, the term “Closing Date” shall mean the date on which the closing of the transaction contemplated herein is held, which shall occur on _____, 2024 or such earlier date as the parties shall agree.

1. **DEED/ TITLE.** Subject to performance by the Buyer, the Seller agrees to execute and deliver a Quit Claim Deed to the Real Property to the Buyer. Seller agrees to provide a satisfaction of mortgage for (i) that certain Mortgage dated May 4, 2021, filed June 1, 2021 as Document Number 752766, in the original amount of \$113,746.32, and (ii) that certain Mortgage dated May 4, 2021, filed June 1, 2021 as Document Number 752767, in the original amount of \$100,000.00. Seller makes no representation or warranty as to the marketability of title for the Real Property.
2. **CONTINGENCIES.** Buyer’s obligation to purchase the Real Property is contingent upon the following:
 - (a) Approval of this Purchase Agreement by Buyer’s governing body. Nothing in this Purchase Agreement shall be interpreted to limit or restrict the discretion of Buyer’s governing body to grant or withhold approval of the conveyance. This contingency may not be waived by either party;
 - (b) Buyer having confirmed satisfactory condition of title; and
 - (c) Buyer being satisfied with the condition of the Real Property.

Buyer shall have until the Closing Date to remove or waive the foregoing contingencies. The contingencies are solely for the benefit of Buyer and may be waived in writing by Buyer. If one or more of the contingencies are not satisfied or are not satisfied by the Closing Date and are not waived by Buyer, this Purchase Agreement shall thereupon be void at the written option of Buyer and the parties shall execute and deliver to each other documentation effecting the termination of this Purchase Agreement.

3. **REAL ESTATE TAXES.** Real estate taxes due and payable in the year of closing shall be paid by Buyer. Real estate taxes payable in the years prior to closing shall be paid by Buyer. Real estate taxes payable in the years subsequent to closing shall be paid by Buyer.

4. **SPECIAL ASSESSMENTS.** Buyer shall pay on the Closing Date all installments of special assessments certified for payment with the real estate taxes due and payable in the year of closing. Buyer shall pay on the Closing Date all other special assessments levied as of the date of this Purchase Agreement. Buyer shall provide for payment of special assessments pending that are pending as of the date of this Purchase Agreement, for improvements that have been ordered by the City Council or other governmental assessing authorities. If a special assessment becomes pending **after** the date of this Purchase Agreement and **before** the Closing Date, Buyer shall assume payment of the pending special assessment without adjustment to the purchase price. Buyer shall pay on the Closing Date any deferred real estate or special assessments payment of which is required as a result of the closing of this sale.
5. **PRORATIONS.** All items customarily prorated and adjusted in connection with the closing of the sale of the Real Property, including but not limited to rents, operating expenses, interest on any debt assumed by Buyer, shall be paid by Buyer.
6. **DAMAGES TO REAL PROPERTY.** If there is any loss or damage to the Real Property between the date hereof and the Date of Closing, for any reason, the risk of loss shall be on the Seller. If the Real Property is destroyed or substantially damaged before the Closing Date, this Purchase Agreement shall become null and void, at Buyer's option. Buyer shall have the right to terminate this Purchase Agreement within 30 days after Seller notifies Buyer of such damage. Upon said termination, the Deposit shall be refunded to Buyer and Buyer and Seller agree to sign a cancellation of Purchase Agreement.
7. **EXAMINATION OF TITLE.** Within a reasonable time after the date on which this Purchase Agreement is executed by both parties (the "Execution Date"), Buyer shall order, at Buyer's cost, a commitment for an owner's policy of title insurance in the amount of the Purchase Price covering the Real Property, together with proper searches covering bankruptcies and State and Federal judgments, liens, and levied and pending special assessments, and together with copies of all documents noted as exceptions to title set forth therein (the "Title Evidence"). The Title Evidence (together with electronic links to the documents noted as exceptions to title therein) shall be made available to Seller via email to jeremy.sobtzak@deerwoodbank.com with copy to david@lutzlawfirm.com. In the event that title to the Real Property cannot be made marketable or is not made marketable by Seller by the Closing Date, then this Purchase Agreement may be terminated at the option of Buyer.
7. **POSSESSION.** Seller shall deliver possession of the Real Property on the Date of Closing.
8. **REPRESENTATIONS AND WARRANTIES.** Seller represents and warrants to Buyer that Seller is a Minnesota banking corporation, duly qualified to do business in Minnesota and that it has the full power and authority to execute, deliver and perform its obligations under this Purchase Agreement. Buyer represents and warrants to Seller that Buyer is a Minnesota public body, duly qualified to do business in Minnesota and that it has the full power and authority to execute, deliver and perform its obligations under this Purchase Agreement.

9. **CONDITION OF PROPERTY / ENVIRONMENTAL.** Buyer shall have the right to enter upon the Real Property to conduct such surveying, inspections, investigations, soil borings and testing, as Buyer may elect. Buyer shall hold Seller harmless from any liability caused by such entry. Buyer agrees to indemnify Seller against any liens, claims, losses, or damage directly attributable by Buyer's exercise of its right to enter and work upon the Real Property. Buyer agrees to provide Seller with a copy of any report prepared as a result of such inspection, examination, or testing, upon request by Seller.

Buyer acknowledges that it has inspected and conducted, or as of the Closing will have had an adequate opportunity to inspect and conduct, tests and studies of the Real Property, and that Buyer is familiar with its general condition. Buyer understands and acknowledges that the Real Property may be subject to fire, floods, erosion, high water table, dangerous underground soil conditions, hazardous materials, and similar occurrences that may alter its condition or affect its suitability for any proposed use. Seller shall have no responsibility or liability with respect to any such occurrence. Buyer represents and warrants that Buyer is acting, and will act only, upon information obtained by Buyer directly from Buyer's own inspection of the Real Property. Notwithstanding anything to the contrary contained in this Purchase Agreement, the suitability or lack of suitability of the Assets for any proposed or intended use, or availability or lack of availability of (a) permits or approvals of governmental, quasi-governmental or regulatory authorities, or (b) easements, licenses or other rights with respect to any such proposed or intended use of the Real Property shall not affect the rights or obligations of the Buyer hereunder. Buyer acknowledges receipt of a Phase I Environmental Site Assessment prepared by Stantec Consulting Services Inc. in 2023 for the Real Property and that certain Phase II Environmental Site Assessment report prepared by Stantec Consulting Services Inc. in 2023 for the Real Property and hereby acknowledges and agrees to be responsible for any and all remediation or clean up associated with any and all recognized environmental conditions ("REC") for the Real Property and any other environmental concerns related to the Real Property (the "Environmental Issues").

10. **INDEMNIFICATION.** As partial consideration for this purchase agreement, Buyer shall indemnify Seller, its directors, officers, employees, agents, contractors, licensees, invitees, and the respective heirs, legal representatives, successors and assigns of all such persons and parties (hereinafter collectively referred to as "**Indemnified Parties**") against, shall hold the Indemnified Parties harmless from, and shall reimburse the Indemnified Parties for, any and all loss, damage, liability, cost and expense directly or indirectly incurred by the Indemnified Parties, including reasonable attorneys' and consultants' fees, resulting from: (a) the presence or discovery of any hazardous substance in, upon, under or over, or emanating from, the Real Property, whether or not Buyer is responsible therefor, and whether or not it was placed, located, deposited or released by the Buyer; and/or (b) any violation of any federal, state, or local law, statute, code, ordinance, rule, regulation or requirement; and/or any Environmental Issues. Buyer agrees that the Indemnified Parties shall have no responsibility for, and Buyer hereby release the Indemnified Parties from responsibility for, damage or injury to human health, property, the environment or natural resources caused by hazardous substances and for abatement, clean-up, detoxification, removal or disposal of, or otherwise with respect to, hazardous substances. The indemnity contained in this paragraph 10 shall be deemed continuing for the benefit of the Indemnified Parties, and shall survive the delivery of the deed and/or any acquisition of title to the Real

Property or any part thereof by anyone claiming by, through or under Seller or Buyer, by deed or otherwise.

11. **LIABILITY.** The liability of Buyer under this Purchase Agreement shall not be subject to any limitations on liability, with the exception of the tort liability limits set forth in Minnesota Statutes Chapter 466. The obligations and liability of the Buyer under this Purchase Agreement shall in no way be waived, released, discharged, reduced, mitigated or otherwise affected by the presence of any hazardous substance on, in, about or under the Real Property or any property adjoining or in the vicinity of the Real Property, or of any violation of any environmental regulation or any condition or state of facts or circumstances which with notice or lapse of time or both might ripen into such a violation, or by any neglect, delay or forbearance of Seller in demanding, requiring or enforcing payment or performance of the obligations and liability of Buyer hereunder, or by the receivership, bankruptcy, insolvency or dissolution of Buyer or any affiliate thereof. No action or proceeding brought or instituted under this Purchase Agreement, and no recovery made as a result thereof, shall be a bar or a defense to any further action or proceeding under any other agreement. Buyer shall reimburse Seller for all reasonable attorneys' fees and expenses incurred in connection with the enforcement of Seller's rights under this Purchase Agreement, including those incurred in any case, action, proceeding or claim under the Federal Bankruptcy Code or any successor statute. The covenants, representations and warranties contained herein shall be deemed continuing covenants, representations and warranties for the benefit of Seller, including any purchaser at a mortgage foreclosure sale, any transferee of the title of Seller or any subsequent purchaser at a foreclosure sale, and any subsequent owner of the Real Property and shall survive any foreclosure of the Mortgage and any acquisition of title by Seller or Buyer or anyone claiming through or under them.
12. **RELOCATION BENEFITS; INDEMNIFICATION.** Seller acknowledges that it is not being displaced from the Real Property as a result of the transaction contemplated by this Purchase Agreement and that it is not eligible for relocation assistance and benefits or in the event that Seller is deemed eligible for relocation assistance and benefits, that the purchase price includes compensation for any and all relocation assistance and benefits for which Seller may be eligible.
13. **TIME IS OF THE ESSENCE FOR ALL PROVISIONS OF THIS CONTRACT.**
14. **WELL DISCLOSURE STATEMENT.** Buyer has received the well disclosure statement required by Minnesota Statutes §103L.235 if applicable.
15. **ADDENDUM.** There is an Addendum A.
16. **BROKERS.** There are no brokers involved in this transaction.
17. **CONDITION OF THE PROPERTY.** Buyer accepts the Real Property in its "as-is", "where-is", and "with all faults condition".
18. **CLOSING COSTS.** Notwithstanding anything contained herein to the contrary, Buyer shall pay all closing costs, expenses, and any related transaction costs and expenses to effectuate the

transaction contemplated herein and in no event shall Seller net less than \$1.00 after completion of the transaction.

19. **DEFAULT.** If Buyer defaults under this Purchase Agreement, Seller has the right to terminate this Agreement by giving written notice of such election to Buyer, which notice shall specify the default. If Buyer fails to cure such default within 15 days of the date of such notice, Seller may terminate this Agreement. The termination of this Agreement) shall be the sole remedy available to Seller for such default by Buyer, and Buyer will not be further liable for damages. If Seller defaults under this Agreement, Buyer shall have the right: (i) to terminate this Agreement; or (ii) to enforce and recover from Seller's specific performance of this Agreement. The termination of this Agreement, or the enforcement and recovery from Seller of specific performance of this Purchase Agreement, shall be the sole remedies available to Buyer for such default by Seller, and Seller shall not be further liable for damages.

20. **MISCELLANEOUS PROVISIONS.**

- (a) **Survival.** All of the warranties, representations, and covenants of this Purchase Agreement shall survive and be enforceable after the closing.
- (b) **Entire Agreement; Modification.** This Purchase Agreement constitutes the complete agreement between the parties and supersedes any prior oral or written agreements between the parties regarding the Real Property. There are no verbal agreements that change this Agreement and no waiver of any of its terms will be effective unless in writing executed by the parties.
- (c) **Successors and Assigns.** This Purchase Agreement may not be assigned by either party without the prior written consent of the other party. If this Purchase Agreement is assigned with the consent of the other party, all provisions of this Purchase Agreement shall be binding on successors and assigns.
- (d) **Counterparts.** This Purchase Agreement may be simultaneously executed in several counterparts, each of which shall be an original and of which shall constitute one and the same instrument.
- (e) **Governing Law.** The provisions of this Purchase Agreement shall be governed by and construed in accordance with the laws of the State of Minnesota.
- (f) **Partnership or Joint Venture.** Nothing in this Purchase Agreement shall be construed or interpreted as creating a partnership or joint venture between the parties relative to the Real Property.

THIS IS A LEGALLY BINDING CONTRACT. IF NOT UNDERSTOOD, SEEK COMPETENT ADVICE.

SELLER: Deerwood Bank

**BUYER: Grand Rapids Economic
Development Authority**

By: _____

By: _____

Its: _____

Its: _____

Dated: _____

Dated: _____

By: _____

Its: _____

Dated: _____

Addendum “A”
Legal Description of the Real Property

Parcel 1: Lots 1-12, inclusive, Block 26, together with that part of vacated Tenth Avenue West Appertaining thereto, and that portion of the vacated Ninth Avenue West lying East of Block 26, all in Grand Rapids Second Division, Itasca County, Minnesota Except: The East 25 feet of Lots 1-6, Block 26, Grand Rapids Second Division, Itasca County, Minnesota.

Parcel 2: All of the Eastern 100 feet of Lots 1, 2,3, 4, 5 and 6, Block 25 AND all that portion of the West Half (W1/2) of vacated 10th Avenue West lying between and Easterly extensions of the North and South lines of said Block 25, excepting therefrom all those portions of Lots 5 and 6 of said Block 25 West of a line drawn parallel to and distant 60 feet Westerly of the East line of Block 25 AND except the East 4.72 feet of the West ½ (W1/2) of vacated tenth avenue West lying between the Easterly extension of the North and South lines of said Block 25, Second Division of Grand Rapids