

PURCHASE AGREEMENT

This Purchase Agreement (“Agreement”) is made this _____ day of _____, 2024, by and between the City of Grand Rapids, Minnesota, a municipal corporation and political subdivision organized and existing under the Constitution and laws of the State of Minnesota (“Seller”), and the Grand Rapids Economic Development Authority, a public body politic and corporate under the laws of the State of Minnesota (“Buyer”).

1. PROPERTY. Seller is the owner of property located on certain property in the City of Grand Rapids, Minnesota, which is legally described on the attached Exhibit A (“Property”).

2. OFFER/ACCEPTANCE. In consideration of and subject to the terms and provisions of this Agreement, Buyer offers and agrees to purchase and Seller agrees to sell and hereby grants to Buyer the exclusive right to purchase the Property and all improvements thereon, together with all appurtenances. All fixtures located on the Property on the date of this Agreement are included in the purchase of the Property.

3. PURCHASE PRICE FOR PROPERTY AND TERMS.

a. **PURCHASE PRICE:** The total purchase price for the Property is: \$64,780 (“Purchase Price”).

b. **DEED/MARKETABLE TITLE:** Subject to performance by Buyer, Seller agrees to execute and deliver a Quit Claim Deed conveying marketable fee simple title to the Property to Buyer, free and clear of any mortgages, liens or encumbrances other than matters created by or acceptable to Buyer, subject only to the following exceptions:

- i. Building and zoning laws, ordinances, state and federal regulations;
- ii. Reservation of minerals or mineral rights to the State of Minnesota, if any; and
- iii. Public utility and drainage easements of record which will not interfere with Buyer’s intended use of the Property.

4. DOCUMENTS TO BE DELIVERED AT CLOSING BY SELLER. In addition to the Quit Claim Deed required at paragraph 3(b) above, Seller shall deliver to Buyer at closing:

- a. An affidavit from Seller sufficient to remove any exception in the policy of title insurance for mechanics’ and materialmens’ liens and rights of parties in possession;
- b. A “bring-down” certificate, certifying that all of the warranties made by Seller in this Agreement remain true as of the Closing Date;

- c. Affidavit of Seller confirming that Seller is not a foreign person within the meaning of Section 1445 of the Internal Revenue Code;
- d. A statement that Seller does not know of any wells on the Property;
- e. Any notices, certificates, and affidavits regarding any private sewage systems, underground storage tanks, and environmental conditions as may be required by state or federal statutes, rules or regulations; and
- f. Any other documents reasonably required by Buyer's title insurance company or attorney to evidence that title to the Property is marketable and that Seller has complied with the terms of this Purchase Agreement.

5. CONTINGENCIES. Buyer's obligation to purchase the Property is contingent upon the following:

- a. Approval of this Purchase Agreement by Buyer's and Seller's governing bodies;
- b. Seller's removal of all personal property, junk, and debris from the Property; and
- c. Buyer's determination of marketable title pursuant to paragraph 6 of this Agreement.

Buyer shall have thirty (30) days from the date of approval of this Agreement to remove or waive the foregoing contingencies (the "Due Diligence Period"). These contingencies are solely for the benefit of Buyer and may be waived by Buyer. If Buyer or its attorney gives written notice to Seller that all contingencies are duly satisfied or waived, Buyer and Seller shall proceed to close the transaction as contemplated herein.

If one or more of the contingencies is not satisfied, or is not satisfied within the Due Diligence Period, and is not waived by Buyer, this Agreement shall thereupon be void at the written option of Buyer, and Buyer and Seller shall execute and deliver to each other documentation effecting the termination of this Agreement. As a contingent Purchase Agreement, the termination of this Agreement is not required pursuant to Minnesota Statutes Section 559.21, et. seq.

6. TITLE EXAMINATION/CURING TITLE DEFECTS. Buyer shall, at its expense and within a reasonable time after Seller's acceptance of this Agreement, obtain a commitment for title insurance ("Commitment") for the Property. Buyer shall have 10 business days after receipt of the later of the Commitment and executed Purchase Agreement to examine the same and to deliver written objections to title, if any, to Seller, or Buyer's right to do so shall be deemed waived. Seller shall have until the end of the Due Diligence Period (or such later date as the parties may agree upon) to make title marketable, at Seller's cost. In the event that title to the Property cannot be made marketable or is not made marketable by Seller within the Due Diligence Period, then this Agreement may be terminated at the option of Buyer.

7. CLOSING DATE. The date of closing shall be on the earlier of (a) seven (7) days following the satisfaction of all contingencies; and (b) June 30, 2024 (“Closing Date”). Delivery of all papers and the closing shall be made at the offices of Buyer, 420 North Pokegama Avenue, Grand Rapids, MN 55744 or at such other location as is mutually agreed upon by the parties.

8. SELLER’ WARRANTIES. Seller hereby represents and warrants to Buyer and Seller will represent and warrant to Buyer as of the Closing Date that:

- a. **Mechanics' Liens.** Seller warrants that, prior to the closing, Seller shall pay in full all amounts due for labor, materials, machinery, fixtures or tools furnished within the 120 days immediately preceding the closing in connection with construction, alteration or repair of any structure upon or improvement to the Property caused by or resulting from any action of Seller.
- b. **Notices.** Seller warrants that Seller has not received any notice from any governmental authority as to violation of any law, ordinance or regulation in connection with the Property.
- c. **Tenants.** Seller warrants that that there are no tenants or third parties in possession of the Property.
- d. **Legal Proceedings.** There are no legal actions, suits or other legal or administrative proceedings, pending or threatened, that affect the Property or any portion thereof, and Seller has no knowledge that any such action is presently contemplated.
- e. **Legal Capacity.** Seller has the legal capacity to enter into this Agreement.
- f. **Methamphetamine Production.** To the best of Seller’ knowledge, methamphetamine production has not occurred on the Property.

Seller’ representations and warranties set forth in this paragraph shall be continuing and are deemed to be material to Buyer’s execution of this Agreement and Buyer’s performance of its obligations hereunder. All such representations and warranties shall be true and correct on or as of the Closing Date with the same force and effect as if made at that time; and all of such representations and warranties shall survive closing and any cancellation or termination of this Agreement, and shall not be affected by any investigation, verification or approval by any part hereto or by anyone on behalf of any party hereto. Seller agrees to defend, indemnify, and hold Buyer harmless for, from and against any loss, costs, damages, expenses, obligations and attorneys’ fees incurred should an assertion, claim, demand or cause of action be instituted, made or taken, which is contrary to or inconsistent with the representations or warranties contained herein.

9. CLOSING COSTS/RECORDING FEES/DEED TAX. Buyer shall pay: (a) any transfer or deed taxes and any deferred taxes due as a result of this transaction; and (b) closing fees customarily charged by the title company.

10. DEFAULT/REMEDIES. If Buyer defaults under this 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 will be the sole remedies available to Seller and Buyer, and Buyer and Seller will not be further liable for damages.

11. NOTICE. Any notice, demand, request or other communication which may or shall be given or served by the parties, shall be deemed to have been given or served on the date the same is personally served upon one of the following indicated recipients for notices or is deposited in the United States Mail, registered or certified, return receipt requested, postage prepaid and addressed as follows:

SELLER: City of Grand Rapids, Minnesota
420 North Pokegama Avenue
Grand Rapids, MN 55744
Attn: City Administrator

BUYER: Grand Rapids Economic Development Authority
420 North Pokegama Avenue
Grand Rapids, MN 55744
Attn: Executive Director

12. ENTIRE AGREEMENT. This Agreement, including exhibits attached hereto, and any amendments hereto signed by the parties, shall constitute the entire agreement between Seller and Buyer and supersedes any other written or oral agreements between the parties relating to the Property. This Agreement can be modified only in a writing properly signed on behalf of Seller and Buyer.

13. SURVIVAL. Notwithstanding any other provisions of law or court decision to the contrary, the provisions of this Agreement shall survive closing.

14. BINDING EFFECT. This Agreement binds and benefits the parties and their successors and assigns.

(the remainder of this page intentionally left blank)

IN WITNESS WHEREOF, the undersigned have executed this Agreement on the date and year above.

Buyer:

GRAND RAPIDS ECONOMIC
DEVELOPMENT AUTHORITY

By: _____
Its: President

By: _____
Its: Executive Director

Seller:

CITY OF GRAND RAPIDS, MINNESOTA

By: _____
Its: Mayor

By: _____
Its: City Administrator

EXHIBIT A

Legal Description of Property

The property located in the City of Grand Rapids, Itasca County, Minnesota legally described as:

That part of the East 330.00 feet of the South Half of the Southeast Quarter of the Northeast Quarter of section 33, Township 55 North, Range 25 West, Itasca County, Minnesota, lying southwesterly of the following described line:

Commencing at the southeast corner of said Southeast Quarter of the Northeast Quarter; thence on an assigned bearing of North 01 degrees 20 minutes 08 seconds West, along the east line of said Southeast Quarter of the Northeast Quarter, a distance of 151.91 feet to the point of beginning of the line herein described; thence North 14 degrees 18 minutes 12 seconds West 523.41 feet to the north line of the South Half of the Southeast Quarter of the Northeast Quarter and said line terminating thereat.

EXHIBIT B
FORM OF QUIT CLAIM DEED

(Top 3 inches reserved for recording data)

QUIT CLAIM DEED

DEED TAX DUE: \$ _____
ECRV: _____

DATE: _____, 2023

(month/day/year)

FOR VALUABLE CONSIDERATION,

(insert name of Grantor)

City of Grand Rapids, Minnesota

a municipal corporation and political subdivision under the laws of _____ of
Minnesota,
("Grantor"), hereby conveys and quitclaims to Grand Rapids Economic Development Authority

(insert name of Grantee)

a body corporate and politic under the laws of Minnesota, ("Grantee"), real property in
Itasca County, Minnesota, legally described as follows:

The property located in the City of Grand Rapids, Itasca County, Minnesota legally described as:

That part of the East 330.00 feet of the South Half of the Southeast Quarter of the Northeast Quarter of section 33, Township 55 North, Range 25 West, Itasca County, Minnesota, lying southwesterly of the following described line:

Commencing at the southeast corner of said Southeast Quarter of the Northeast Quarter; thence on an assigned bearing of North 01 degrees 20 minutes 08 seconds West, along the east line of said Southeast Quarter of the Northeast Quarter, a distance of 151.91 feet to the point of beginning of the line herein described; thence North 14 degrees 18 minutes 12 seconds West 523.41 feet to the north line of the South Half of the Southeast Quarter of the Northeast Quarter and said line terminating thereat.

Subject to easements, restrictions, or reservations of record, if any.

Check here if all or part of the described real property is Registered (Torrens)

together with all hereditaments and appurtenances.

Check applicable box:

- The Seller certifies that the Seller does not know of any wells on the described property.
- A well disclosure certificate accompanies this document (If electronically filed, insert WDC number: _____).
- I am familiar with the property described in this instrument and I certify that the status and number of wells on the described real property have not changed since the last previously filed well disclosure certificate.

CITY OF GRAND RAPIDS, MINNESOTA

By: _____

Its: Mayor

By: _____

Its: City Administrator

State of Minnesota, County of ITASCA

This instrument was acknowledged before me on _____, 2023 by _____ and _____, as the Mayor and the City Administrator, respectively, of the Grand Rapids Economic Development Authority, a municipal corporation and political subdivision organized and existing under the laws of the State of Minnesota, on behalf of the body corporate and politic.

Notary Public

THIS INSTRUMENT WAS DRAFTED BY:
(insert name and address)

Kennedy & Graven, Chartered (GAF)
150 South Fifth Street, Suite 700
Minneapolis, MN 55402

TAX STATEMENTS FOR THE REAL PROPERTY DESCRIBED IN THIS INSTRUMENT SHOULD BE SENT TO:

(insert name and address of Grantee to whom tax statements should be sent)

GRAND RAPIDS ECONOMIC DEVELOPMENT
AUTHORITY
420 North Pokegama Avenue
Grand Rapids, MN 55744