

AIRCRAFT HANGAR PURCHASE AGREEMENT

THIS AGREEMENT (the “Agreement”) is made as of _____, 2022, between Grand Rapids Economic Development Authority, a public body corporate and politic under the laws of the State of Minnesota (“Seller”), whose address is 420 N. Pokegama Avenue, Grand Rapids, Minnesota 55744, and the State of Minnesota, acting through its Department of Natural Resources (“Buyer”) whose address is 500 Lafayette Road, St. Paul, Minnesota 55155.

RECITALS:

- A. Seller owns certain personal property located at Grand Rapids/Itasca County Airport in the City of Grand Rapids, County of Itasca, State of Minnesota (as more specifically defined in Section 1 hereof, the “Property”), and desires to convey such Property to the Buyer, pursuant to its authority under Minnesota Statutes, Section 469.101, subd. 5.
- B. Minnesota Statutes, Section 16C.03, Subds. 1 and 7 authorize the Commissioner of Administration (“Commissioner”) to purchase real and personal property. The Commissioner of Administration has delegated its purchasing authority regarding this Property to the Commissioner of Natural Resources.
- C. Seller desires to sell and Buyer desires to purchase said Property subject to the terms and conditions contained in this Agreement.

TERMS OF PURCHASE AGREEMENT:

1. **Sale of Property.** Seller agrees to sell to Buyer, and Buyer agrees to purchase from Seller, the Personal Property described as follows:

1.1 **Personal Property.** That certain aircraft hangar (the “Hangar”) described as follows:

Metal aviation hangar building designed by Foremost Buildings, Inc., and built in 2008 by Northern Industrial Erectors.

Square footage: approx. 7,500.

Building is located at Grand Rapids/Itasca County Airport, 1500 SE 7th Avenue, Grand Rapids, Minnesota.

together with all of the personal property situated in or about the Hangar owned by Seller and described on the inventory attached as **Exhibit A** to this Agreement and made a part hereof thereby.

1.2 **Fixtures.** All of the fixtures situated in the Hangar and owned by Seller.

- 1.3 **Warranties.** Seller's interests in all warranties and guaranties given to, assigned to, or benefiting Seller or the Property regarding the acquisition, construction, design, use, operation, management, or maintenance of the Property ("Warranties").
 - 1.4 **Plans.** All originals and copies of the as-built blueprints, plans and specifications regarding the Property, if any ("Plans").
 - 1.5 **Records.** All records of Seller regarding the Property, including all records regarding management and leasing, insurance, maintenance, repairs, capital improvements and services, but excluding tax returns and such other records as are normally viewed as confidential, provided that such other records are not necessary, in Buyer's reasonable judgement, to the continued operation and management of the Property ("Records").
2. **Purchase Price and Manner of Payment.** The total purchase price ("Purchase Price") to be paid by Buyer to Seller shall be Six Hundred Thousand and No/100 dollars (\$600,000.00), which shall be paid by electronic transfer on the Closing Date (as defined hereinafter).
3. **Buyer's Contingencies.** The obligations of Buyer under this Agreement are contingent upon each of the following ("Buyer's Contingencies"):
- 3.1 **Representations and Warranties.** The representations and warranties of Seller contained in this Agreement must be true now and on the Closing Date as if made on the Closing Date and Seller shall have delivered to Buyer on the Closing Date a certificate dated the Closing Date, signed by authorized representatives of Seller, certifying that such representations and warranties are true as of the Closing Date (the "Bring-down Certificate").
 - 3.2 **Asbestos, Lead-Based Paint and Regulated Waste Survey.** Seller shall allow Buyer, and Buyer's agents and/or independent contractors, access to the Property without charge and at all reasonable times for the purpose of Buyer's asbestos, lead-based paint, and regulated waste survey of the same. Buyer shall pay all costs and expenses of such survey. On or before _____, Buyer shall have determined in its sole judgment that it is satisfied with the results of and matters disclosed by Buyer's asbestos, lead-based paint and regulated waste survey and review.
 - 3.3 **Closing Documents.** On or before three (3) business days prior to the Closing Date, Seller shall deliver to Buyer Seller's Closing Documents for Buyer's review. On or before the Closing Date, Buyer shall have determined in its sole judgment that it is satisfied with the form and content of Seller's Closing Documents.

- 3.4 **Lease.** On or before the Closing Date, Buyer will enter into a lease with the owner of the real property upon which the Hangar is located. Lease terms must be satisfactory to Buyer.

If any contingency has not been satisfied within the time frame set forth for that contingency herein, or if not set forth for that contingency herein then on or before the Closing Date, then this Agreement may be terminated, at Buyer's option, by written notice from Buyer to Seller given at any time on or before such applicable contingency date. Upon such termination, neither party will have any further rights or obligations regarding this Agreement or the Property. All the contingencies set forth in this Agreement are specifically stated and agreed to be for the sole and exclusive benefit of the Buyer and the Buyer shall have the right to unilaterally waive any contingency by written notice to Seller.

4. **Closing.** The closing of the purchase and sale contemplated by this Agreement (the "Closing") shall occur on _____ (the "Closing Date"). The closing shall take place at _____ a./p.m. local time at the office of _____ or at such other place or time as may be agreed to by the parties. Seller agrees to deliver possession of the Property to Buyer at the time of Closing.

5. **Closing Documents.** At the Closing:

- 5.1 Seller shall deliver to Buyer a properly executed bill of sale conveying all of Seller's right, title, and interest in the Property to Purchaser or Purchaser's designee or assignee, free and clear of all liens, security interests, and adverse claims (the "Bill of Sale").
- 5.2 Seller shall deliver to Buyer the Bring-down Certificate.
- 5.3 Seller shall deliver to Buyer all Plans and Records, as well as all other documents reasonably determined by Buyer to be necessary to transfer the Property to Buyer free and clear of all encumbrances.

6. **Attorney and Accounting Fees.** Each of the parties will pay its own attorney and accounting fees associated with this transaction.

7. **Property Taxes.** Any personal property taxes associated with the Property shall be paid in full by Seller prior to the date of closing.

8. **Operation Prior to Closing.** During the period from the date of Seller's acceptance of this Agreement to the Closing Date (the "Executory Period"), Seller shall, subject to the existing lease between Buyer and Seller, operate and maintain the Property at its cost in the ordinary course of business in accordance with prudent, reasonable business standards, including the maintenance of adequate liability insurance and insurance against loss by fire, windstorm and other hazards, casualties and contingencies, including vandalism and malicious mischief. However, Seller shall execute no contracts regarding the Property during the Executory Period

that are not terminable on or before the Closing Date, without the written consent of Buyer, which consent may be withheld by Buyer at its sole discretion.

9. Representations and Warranties by Seller. Seller represents and warrants to Buyer as follows:

9.1 Title to Property. As of the Effective Date of this Agreement, Seller is the owner of the Property. As of the Closing Date, Seller owns the Property, free and clear of all encumbrances.

9.2 Utilities. Seller has received no notice of actual or threatened reduction or curtailment of any utility service now supplied to the Property.

9.3 Rights of Others to Purchase Property. Seller has not entered into any other contracts for the sale of the Property, nor are there any rights of first refusal or options to purchase the Property or any other rights of others that might prevent the consummation of this Agreement.

9.4 Seller's Default. Seller is not in default concerning any of its obligations or liabilities regarding the Property.

9.5 Proceedings. There is no action, litigation, investigation, or other proceeding of any kind pending or threatened against Seller or any portion of the Property.

9.6 Bankruptcy. Seller represents that there have been no bankruptcy proceedings involving Seller, during the time said Seller has had any interest in the Real Property.

9.7 Unsatisfied Judgements. Seller represents that there are no unsatisfied judgements of record against said Seller nor any actions pending in any courts, which affect the Property.

9.8 Tax Liens. Seller represents that there are no unsatisfied tax liens filed against said Seller.

9.9 Contracts. Seller is not in default under any contracts regarding the Property and no contracts will survive and remain in effect after the Closing Date except as authorized in writing by Buyer.

9.10 Economic Development Authority. Seller is a duly formed Economic Development Authority under Minn. Stat. §§ 469.090 et seq. and is in good standing under the laws of the State of Minnesota; Seller is duly qualified to transact business in the State of Minnesota; Seller has the requisite power and authority to enter into and perform this Agreement and those Seller's Closing Documents signed by it; such documents have been duly authorized by all necessary action on the part of Seller and have been duly executed and delivered; the execution, delivery and performance by Seller of such

documents do not conflict with or result in a violation of Seller's enabling resolution, bylaws, rules of procedure, or any judgment, order or decree of any court or arbiter to which Seller is a party; and such documents are valid and binding obligations of Seller, enforceable in accordance with their terms.

9.11 Leases. Seller is not in default under any lease regarding the Property and no leases will survive and remain in effect after the Closing Date.

9.12 Special Assessments. Seller has not received notice of any special assessments related to the Property.

These warranties shall survive the delivery of the Bill of Sale.

Seller will indemnify Buyer and its successors and assigns against, and will hold Buyer and its successors and assigns harmless from, any expenses or damages, including reasonable attorneys' fees, that Buyer incurs because of the breach of any of the above representations and warranties, whether such breach is discovered before or after closing. Consummation of this Agreement by Buyer with knowledge of any such breach by Seller will not constitute a waiver or release by Buyer of any claims due to such breach.

10. Environmental Liability. Seller shall indemnify Buyer against and hold Buyer harmless from all costs and expenses levied against Buyer by reason of the violation of any environmental protection law or regulation, whether federal, state, or local, and whether presently in force or hereinafter enacted, resulting from the operation of the Property by Seller or any of Seller's predecessors. Such costs and expenses shall include, but not be limited to, the cost of inspecting and/or cleaning any such Property or otherwise complying with the orders or demands of any local, state, or federal environmental protection agency, together with any legal fees and expenses associated with defending Buyer therefrom. This indemnity shall remain in effect in perpetuity and shall inure to the benefit of Buyer's successors, transferees, and assigns.

11. State Audits. Pursuant to Minnesota Statutes, Section 16C.05, Subdivision 5, the books, records, documents, and accounting procedures and practices of the Seller relevant to this Agreement shall be subject to examination by the Buyer and/or Legislative Auditor, as appropriate, for a minimum of six (6) years.

12. Damage. If, prior to the Closing Date, all or any part of the Property is damaged by fire, casualty, the elements, or any other cause, Seller shall immediately give notice to Buyer of such fact and at Buyer's option (to be exercised within thirty days after Seller's notice), this Agreement shall terminate, in which event neither party will have any further obligations under this Agreement. If Buyer fails to elect to terminate despite such damage, the Seller shall assign to Buyer all right to receive the proceeds of all insurance related to such damage and the Purchase Price shall remain the same.

13. Survival. The parties' obligations under this Agreement and the representations and warranties which the parties have recited in this Agreement shall survive Seller's delivery of a bill of sale to Buyer and the Closing of this transaction.

14. Captions. The paragraph headings or captions appearing in this Agreement are for convenience only, are not a part of this Agreement and are not to be considered in interpreting this Agreement.

15. Entire Agreement; Modification. This written Agreement constitutes the complete Agreement between the parties and supersedes any prior oral or written agreements between the parties regarding the sale of the 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.

16. Binding Effect. This Agreement binds and benefits the parties and their successors in interest. The Buyer may not assign its rights under this Agreement without written consent of Seller.

17. Relationship of the Parties. Nothing contained in this Agreement is intended or should be construed in any manner as creating or establishing the relationship of co-partners or a joint venture between the parties hereto, nor shall any party hereto be considered or deemed to be an agent, representative, or employee of any other party hereto in the performance of this Agreement.

18. Choice of Law and Venue. All matters relating to the validity, construction, performance, or enforcement of this Agreement shall be determined in accordance with the laws of the State of Minnesota. All legal actions initiated with respect to or arising from any provision contained in this Agreement shall be initiated, filed and venued in the State of Minnesota District Court located in the County of St. Paul, County of Ramsey, State of Minnesota.

19. Waiver. Neither the failure by any party hereto, in any one or more instances, to insist upon the complete and total observance or performance of any term or provision hereof, or to exercise any right, privilege, or remedy conferred hereunder or afforded by law shall be construed as waiving any breach of such term, provision, or the right to exercise such right, privilege, or remedy thereafter. In addition, no delay on the part of any party hereto in exercising any right or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right or remedy preclude other or further exercise thereof or the exercise of any other right or remedy.

20. Severability. If any provision of this Agreement is finally judged by a court of competent jurisdiction to be invalid, then the remaining provisions shall remain in full force and effect and they shall be interpreted, performed, and enforced as if the invalid provision did not appear herein.

21. Notices. All notices or communications between Buyer and Seller shall be deemed sufficiently given or rendered if in writing and delivered to either party personally; or if mailed by United States registered or certified mail to the addresses set forth below, or such future addresses as may be subsequently supplied by the parties hereto to each other, return receipt requested, postage prepaid; or if transmitted by facsimile copy followed by mailed notice; or if deposited cost paid with a nationally recognized, reputable overnight courier, properly addressed as follows:

Seller: Rob Mattei
Grand Rapids Economic
Development Authority
420 N. Pokegama Avenue
Grand Rapids, MN 55744

Buyer: TDB
Minnesota Dept. of Natural Resources
Division of Management Resources
500 Lafayette Road
St. Paul, MN 55155

22. Remedies for Non-Compliance. If Seller fails to comply with any of the provisions contained in this Agreement, then Buyer may become damaged by such failure may assert any and all remedies it possess under law and equity including, but not limited to, the right to petition the court for an order requiring Seller to fully comply with all of the provisions contained in this Agreement.

23. Effective Date. This Agreement shall be effective upon the date that the final required signature is obtained pursuant to Minn. Stat. §16C.05, Subd. 2.

24. Electronic Signatures; Execution in Counterparts. The electronic signature of the parties to this Agreement shall be as valid as an original signature of such party and shall be effective to bind the parties hereto. For purposes hereof, (i) “electronic signature” means a manually signed original signature that is then transmitted by electronic means; and (ii) “transmitted by electronic means” means sent in the form of a facsimile or sent via the internet as a portable document format (“pdf”) or other replicating image attached to an electronic mail or internet message. This Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

[Signature page follows.]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date(s) indicated below intending to be bound thereby.

SELLER:

GRAND RAPIDS ECONOMIC DEVELOPMENT
AUTHORITY

By: _____
Its: President

Date: _____

By: _____
Its: Executive Director

Date: _____

BUYER:

STATE OF MINNESOTA
DEPARTMENT OF NATURAL RESOURCES

By: _____

Its: _____

Date: _____

EXHIBIT A

PERSONAL PROPERTY

Personal Property items included are the following, which are currently located on the Property.
All personal property shall be in working order on the date of Closing:

Refrigerator

Microwave

Electric Range

Six Bar Stools in Kitchenette

Washer and Dryer