

PURCHASE AGREEMENT

This Purchase Agreement is dated August 25, 2022 (“Effective Date”), by and between the Grand Rapids Economic Development Authority, a public body corporate and politic under the laws of the State of Minnesota located at 420 N. Pokegama Avenue, Grand Rapids, MN 55744 (Buyer) and William John Carlson and Carol Elizabeth Carlson trustees under the Carlson Living Trust, dated September 27, 2013, located at 1629 70th Street W. Inver Grove Heights, MN 55077 (Seller)

- 1. Sale Price.** Seller agrees to sell to Buyer, for the sum of **\$30,000.** and other valuable consideration, the following property:

West Five Hundred Forty-five feet (W.545’) of the South Two Hundred Feet (S.200’) of the Northeast Quarter of the Southeast Quarter (NE 1/4 SE 1/4), Section Thirty-three (33), Township Fifty-five (55), Range Twenty-five West of the Fourth Principal Meridian, according to the Government Survey thereof of file and of record in the office of the Itasca County Recorder, subject to and together with prior restrictions, reservations and easements, if any.

Said purchase price does not include any improvements, fixtures and appurtenances on the property, as it is Buyer’s intention to raze the property subsequent to purchase. Seller shall be allowed to remove any construction items, as well as, personal property from the existing structure, including but not limited to doors, boilers, HVAC equipment, fire suppression equipment, etc.

- 2. Earnest Money.** Within three (3) days of the Effective Date, the Buyer shall deposit Three Thousand and no/100 dollars (\$3,000.00) with the Seller as consideration for Seller entering into this Purchase Agreement (“Earnest Money”). The Earnest Money shall be non-refundable except as specifically provided below. The Earnest Money shall be applied to the Sale Price on the Closing Date.
- 3. Personal Property.** There is no personal property to be transferred to Buyer as part of this transaction.
- 4. Deed/Title.** Subject to performance by Buyer, Seller hereby agrees to execute and deliver to Buyer a Warranty Deed conveying marketable title to the Property subject only to the following exceptions:
 - (1) Building and zoning laws, ordinance, state and federal regulations;
 - (2) Restrictions relating to use or improvement of the Property without effective forfeiture provision;
 - (3) Reservation of any minerals or mineral rights to the State of Minnesota;
 - (4) Utility and drainage easements which do not interfere with present improvements; and

(5) Covenants, conditions, restrictions and easements of record, if any.

Real Estate Taxes/Assessments. There are special assessments for 7th Ave. SE owing upon the subject property. The total payment due for 2022 is \$146.13, which the first half of has been paid. The balance of the assessment, after the second half of 2022 is \$266.71.

The parties agree to evenly split the remaining assessment balance and prorate taxes for 2022 as of the closing date.

- 1. Expenses.** Except as stated below, all expenses related to the use, maintenance and occupancy of the Property prior to the closing shall be paid by Seller. It shall be assumed the Buyer will own the Property for the entire date of the closing.
- 2. Examination of Title.** Seller shall, at Seller's cost, within a reasonable time after acceptance of this Agreement, furnish an Abstract of Title or a Registered Property Abstract, certified to date to include proper searches covering bankruptcies, state and federal judgments, liens and levied and pending special assessments or a title commitment for an ALTA 2006 Owner's Policy of Title Insurance, in the amount of the Sale Price, insuring Buyer's title to the Property. Seller shall use Seller's reasonable efforts to provide fee simple marketable title subject only to the exceptions identified in Paragraph 4 above by the Closing Date. If Seller has not provided marketable title by the Closing Date, (a) Seller shall have an additional 30 days to make title marketable; or (b) Buyer may waive title defects by written notice to Seller; and (c) in addition to the 30-day extension, Buyer and Seller may agree to further extend the Closing Date. Lacking an extension or waiver by Buyer, or upon the expiration of the extension, either party may declare this Purchase agreement canceled by written notice to the other party, in which case this Purchase Agreement is canceled.
- 3. Cancellation or Termination of the Purchase Agreement.** If the Buyer fails to cure the breach of a Buyer obligation in the manner provided in this Purchase Agreement, Seller may cancel this Purchase Agreement with notice required by Minn. Stat. 559.21. Buyer may, in its sole discretion, terminate this Purchase Agreement prior to closing for any reason by giving Seller written notice. If Buyer terminates the Purchase Agreement due to Seller's breach of a Seller obligation under the Purchase Agreement, then the Seller shall refund the Earnest Money to Buyer.
- 4. Closing Date/Possession.** Closing shall occur on or before October 15, 2022, or at such other date as may be agreed to by the parties in writing ("Closing Date"). Closing shall take place at the offices of a third-party closing company selected by Buyer, or at such other location as may be mutually agreeable in writing to the parties. Seller shall deliver possession of the Property on the date of closing subject to the Leaseback Provision provided in paragraph 10.
- 5. Seller's Obligations at Closing.** At the Closing, Seller shall deliver to Buyer a duly executed warranty deed in recordable form, conveying to Buyer fee simple marketable title to the Property and all rights appurtenant, free and clear of all mortgages, liens and encum-

brances not listed in Paragraph 4 above, together with a seller's affidavit, FIRPTA affidavit, evidence as to the authority of the persons executing documents on behalf of Seller, well certificate and all other documents reasonably necessary to consummate the transaction contemplated by this Purchase Agreement.

- 6. Buyer's Obligations at Closing.** At the Closing, Buyer shall pay to Seller the full amount of the Sale Price, as increased or decreased by prorations or adjustments set forth in this Agreement, and shall deliver to Seller all other documents reasonably necessary to consummate the transaction contemplated by this Agreement.
- 7. Closing Costs.** Seller and Buyer agree to the payment of costs in connection with the Closing as follows: (a) Seller and Buyer each will pay one-half of any reasonable and customary closing fees or charges imposed by the third-party closing company for closing the transaction; (b) Seller shall pay all state deed tax for the recording of the deed; (c) Seller shall pay the cost of recording all documents necessary to place record title in the condition warranted by Seller in this Agreement and Buyer will pay the cost of recording the deed conveying the Property to Buyer; and (d) any other costs required to be paid by Buyer or Seller by Closing pursuant to this Agreement.
- 8. Representations and Warranties.** There are no representations or warranties made with regard to the Property except as set out in this Purchase Agreement or any attached Addenda to the Agreement.
- 9. Time.** Time is of the essence for all provisions of this contract.
- 10. Survival.** All of the warranties, representation and covenants of this Agreement shall survive and be enforceable after the closing.
- 11. Successor and Assigns.** All provisions of this Agreement shall be binding on the new Buyer's and Seller's successors and assigns.
- 12. Entire Agreement.** This Purchase Agreement constitutes the complete agreement between the parties regarding the purchase and sale of the Property and supersedes any prior oral or written agreements between the parties regarding the purchase and sale of the Property. There are no verbal agreements that change this Purchase Agreement. No waiver of any term of this Agreement will be effective unless in writing executed by the parties. The signatories to this Agreement represent that they are authorized to execute this Agreement.
- 13. Seller's Warranties:**
 - (a) Seller does not know of a private sewer system on or serving the property.
 - (b) This Purchase Agreement is subject to a well disclosure certificate.
 - (c) Seller does not know of any hazardous substances or underground storage tanks located on the property.
 - (d) Seller represents that it is the fee owner of the Property.

- (e) Seller warrants that it has received no notice of any action, litigation, investigation or proceeding of any kind pending neither against Seller, nor to the best of Seller's knowledge is any action, litigation, investigation, or proceeding pending or threatened against the Subject Premises, or any part thereof.
- (f) All labor or material which has been or will be furnished to the Property have been fully paid for or will be fully paid for prior to the Closing so that no lien for labor or material rendered can be asserted against the Property.

14. 18. Brokerage Commissions. Buyer represents and warrant that it has not been involved with any real estate brokers or agents on its behalf in connection with the transaction contemplated under this Purchase Agreement and that no commissions or costs are owed or being paid to any real estate broker or agent in connection with this transaction.

The Seller represents and warrant that they are utilizing the services of Broker Steve Welliver (Welliver Group) on their behalf in connection with the transaction contemplated under this Purchase Agreement. Seller specifically understands and agrees that the Seller must pay any and all costs associated with using said Broker and that GREDA will in no way contribute to these costs.

15. Seller and Buyer agree to indemnify and hold harmless the other party from any loss, liability, cost, damage or expense resulting from, or relating to, the breach of its representation under this Paragraph and any claim for real estate commissions or costs resulting from the indemnifying party's actions in connection with this transaction not provided for above. These obligations of Seller and Buyer shall survive Closing or any termination of this Agreement.

16. Miscellaneous:

- (a) This Agreement represents the complete and final agreement of the parties regarding sale of the Property and supersedes any prior oral or written understanding. This Agreement may be amended only by a writing executed by both parties. This Agreement shall be binding on the parties hereto, their successors and assigns.
- (b) Buyer and Seller represent and warrant that the recitals contained herein are true and accurate as of the date of execution of this Agreement.
- (c) All notices required hereunder shall be given by depositing in the U.S. mail, postage prepaid, certified mail, return receipt requested, to the following addresses (or such other addresses as either party may notify the other)

To the Seller: William John Carlson and Carol Elizabeth Carlson
 1629 70th Street W.
 Inver Grove Heights, MN 55077

To the Buyer: GREDA
 Attn: Rob Mattei
 420 North Pokegama Avenue
 Grand Rapids, MN 55744

17. Effective Date of Agreement. This Agreement shall become effective and shall be binding upon the parties hereto only after it has been executed by each of the parties hereto.

[Remainder of page intentionally blank; signature page follows]

**SELLER:
William John Carlson
Carol Elizabeth Carlson**

**BUYER:
GREDA**

Seller Date

Buyer Date

Seller Date

Buyer Date

