

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 and Itasca County, a public body politic and corporate under the laws of the State of Minnesota (the “Sellers”), and the Grand Rapids Economic Development Authority, a public body politic and corporate under the laws of the State of Minnesota (“Buyer”).

1. PROPERTY. Sellers are the owners 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 Sellers agree to sell and hereby grant 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: \$146,000 (“Purchase Price”).

b. **DEED/MARKETABLE TITLE:** Subject to performance by Buyer, Sellers agree to execute and deliver a Quit Claim Deed conveying marketable fee simple title to the Property to Buyer to deliver the same, 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 SELLERS. In addition to the Quit Claim Deed required at paragraph 3(b) above, Sellers shall deliver to Buyer at closing:

a. An affidavit from Sellers 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 Sellers in

this Agreement remain true as of the Closing Date;

- c. Affidavit of Sellers confirming that Sellers are not foreign persons within the meaning of Section 1445 of the Internal Revenue Code;
- d. A statement that Sellers do 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 Sellers have 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 Sellers' governing bodies;
- b. Sellers' 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 Sellers that all contingencies are duly satisfied or waived, Buyer and Sellers 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 Sellers 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 Sellers' 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 Sellers, or Buyer's right to do so shall be deemed waived. Sellers 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 Sellers' cost. In the event that title to the Property cannot be made marketable or is not made marketable by Sellers 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) _____, 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. SELLERS’ WARRANTIES. Sellers hereby represent and warrant to Buyer and Sellers will represent and warrant to Buyer as of the Closing Date that:

- a. **Mechanics' Liens.** Sellers warrant that, prior to the closing, Sellers 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 Sellers.
- b. **Notices.** Sellers warrant that Sellers have not received any notice from any governmental authority as to violation of any law, ordinance or regulation in connection with the Property.
- c. **Tenants.** Sellers warrant 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 Sellers have no knowledge that any such action is presently contemplated.
- e. **Legal Capacity.** Sellers have the legal capacity to enter into this Agreement.
- f. **Methamphetamine Production.** To the best of Sellers’ knowledge, methamphetamine production has not occurred on the Property.

Sellers’ 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. Sellers agree 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

EXECUTION COPY

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

Sellers:

CITY OF GRAND RAPIDS, MINNESOTA

By: _____
Its: Mayor

By: _____
Its: City Administrator

ITASCA COUNTY

By: _____

Its: _____

By: _____

Its: _____

EXHIBIT A

Legal Description of Property

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

The Northeast Quarter of the Southeast Quarter (NE $\frac{1}{4}$ SE $\frac{1}{4}$), Section Thirty-three (33), Township Fifty-five (55), Range Twenty-five (25), lying South of the North Eight Hundred Twenty-eight feet (N. 828') and LESS the West Five Hundred Forty-five feet (W. 545') of the South Two Hundred feet (S. 200'), according to the Government survey thereof on file and of record in the office of the Itasca County Recorder.

Subject to mineral reservations, restrictions and easements as they may appear of record.

PID #91-033-4105

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