

PURCHASE AGREEMENT

New Prague, Minnesota

August 7, 2023

IN CONSIDERATION OF THE MUTUAL COVENANTS, DUTIES AND OBLIGATIONS CONTAINED HEREIN, the City of New Prague, a Minnesota municipal corporation, 118 Central Avenue North, New Prague, Minnesota 56071 ("Buyer") and STEELE & ASSOCIATES, LLC a Minnesota limited liability company ("Seller"), agrees to the following Purchase Agreement ("Agreement").

THE CONDITIONS AND TERMS OF THIS PURCHASE AGREEMENT INCLUDE THE FOLLOWING:

- 1. SUBJECT PROPERTY:** The Seller is the owner of certain real estate (the "Property") located in Scott County, Minnesota, which is legally described on the attached Exhibit A, and located at 412 5th Avenue NW, New Prague, Minnesota.
- 2. OFFER/ACCEPTANCE:** In consideration of the mutual agreements herein contained, Buyer offers and agrees to purchase and Seller agrees to sell and convey the Property, pursuant to the terms of this Agreement.
- 3. ACCEPTANCE DEADLINE:** This Agreement shall be null and void unless it has been executed by both Seller and Buyer by August 15, 2023.
- 4. PURCHASE PRICE AND TERMS:**
 - A. PURCHASE PRICE.** The purchase price (the "Purchase Price") for the Property shall be One Million, One Hundred Fifty Thousand Dollars (\$1,150,000.00) payable as follows: One Million, One Hundred and Thirty-Five Thousand, Five Hundred Dollars (\$1,135,500.00) at Closing by certified check or other immediately available funds, with Fourteen Thousand Five Hundred Dollars (\$14,500.00) held in escrow by the Buyer for payment of 2024 taxes.
 - B. DOCUMENTS TO BE DELIVERED BY SELLER AT CLOSING.** At Closing, Seller agrees to execute and shall deliver to Buyer:
 1. Warranty Deed conveying title to the Property to the Buyer free and clear of all liens and encumbrances except the following items (allowable encumbrances):
 - a) Building and zoning laws, ordinances, state and federal statutes or other governmental regulations;

- b) Easements and restrictions of record which do not interfere with Buyer's intended use of the Property;
 - c) Reservation of any minerals or mineral rights in the State of Minnesota, if any.
2. Standard form affidavit of Seller prepared by Buyer showing no bankruptcies, judgments or mechanics' liens affecting the Property.
 3. Certificate that Seller is not a foreign national.
 4. Abstract or Registered Property Abstract and any duplicate Certificate of Title in Seller's possession to the Property.
 5. Bill of Sale conveying title to the Buyer for the Personal Property and Fixtures as set forth in Exhibit B.
 6. If the environmental investigation referenced in paragraph 14 herein discloses the existence of petroleum product or other pollutant, contaminant or other hazardous substance, either (i) a closure letter from the Minnesota Pollution Control Agency (MPCA) or other appropriate regulatory authority that remediation has been completed to the satisfaction of the MPCA or other authority; or (ii) agreement for remediation/indemnification and security as the Buyer may require under paragraph 14 herein.
 7. Well disclosure certificate, if required, or, if there is no well on the Property, the Warranty Deed given pursuant to subparagraph a. above must include the following statement: "The Seller certifies that the seller does not know of any wells on the described real property."
 8. Any other documents reasonably required by the 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 Agreement.
 9. Certificate of Real Estate Value (CRV).
 10. Meth Disclosure Statement.
 11. Seller shall provide, at Seller's expense, UCC and tax lien searches from the office of the Minnesota Secretary of State in the name of Seller showing no security interests in Seller's Personal Property and Fixtures. Seller shall pay for all costs of filing all financing statements.
 12. Such other documents as may be reasonably required by Buyer's title examiner or title insurance company.

13. List of all tenants and leases, if any, and the date of termination of all such leases, if any.

C. DOCUMENTS TO BE DELIVERED BY BUYER AT CLOSING. At Closing, Buyer shall deliver the following to Seller:

1. Any documents as may be reasonably required by Buyer's title examiner or title insurance company.

5. DEED/MARKETABLE TITLE: Subject to performance by Buyer, Seller agrees to execute and deliver at the time of closing a warranty deed conveying marketable title to said Property, subject only to the following exceptions:

- (a) Building and zoning laws, ordinances, state and federal regulations;
- (b) Reservation of any mineral rights by the State of Minnesota;
- (c) Utility and drainage easements which do not interfere with existing improvements.

6. POSSESSION: Seller agrees to deliver possession not later than the date of closing.

7. COSTS AND PRORATIONS: Seller and Buyer agree to the following prorations and allocations of costs regarding this Agreement:

A. Deed Tax. Seller shall pay all state deed tax regarding a Warranty Deed and any other documents necessary to place record title in the condition warranted and to be delivered by Seller under this Agreement.

B. Taxes and Assessments. The real estate taxes due and payable in 2023 will be non-homestead classification. The Seller and Buyer agree to prorate as of the date of actual closing all real estate taxes due and payable in 2023, the year of closing. Buyer shall pay the real estate taxes due and payable in the year 2024 and thereafter. Seller shall pay all special assessments due and payable and levied as of the date of closing. Buyer shall pay all special assessments levied on said Property after the date of closing. Seller makes no representation or warranty whatsoever concerning the amount of real estate taxes or assessments which shall be assessed or levied against the Property subsequent to the date of this Agreement.

C. Recording Costs. Seller shall pay the costs of recording all documents necessary to place record title in the condition warranted, and the Buyer shall pay the cost of recording all other documents.

D. Closing Costs. Seller and Buyer shall prorate the cost for utilizing the services of a closer or title company to close this transaction.

8. SUBDIVISION OF LAND/LEGAL DESCRIPTION TO PROPERTY: If this sale constitutes or requires a subdivision of land owned by Seller, Seller shall pay all subdivision expenses and obtain all necessary governmental approvals. Seller warrants that the legal description of the real property to be conveyed has been or will be approved for recording as

of the date of closing. Both parties understand that all real estate taxes due and payable in the year of closing will need to be paid at closing in order for a parcel or subdivision or lot split to be recorded.

9. TITLE EXAMINATION/CURING TITLE DEFECTS: As soon as reasonably possible after execution of this Agreement by both parties,

A. Seller shall surrender any abstract or registered property abstract of title and a copy of any owner's title insurance policy for the property, if in Seller's possession or control, to Buyer or to Buyer's designated title service provider; and

B. Buyer shall obtain the title evidence determined necessary or desirable by Buyer.

The Buyer shall have 10 days from the date it receives such title evidence to raise any objections to title it may have. Objections not made within such time will be deemed waived. The Seller shall have 30 days from the date of such objection to affect a cure; provided, however, that Seller shall have no obligation to cure any objections, and may inform Buyer of such. The Buyer may then elect to close notwithstanding the uncured objections or declare this Agreement null and void, and the parties will thereby be released from any further obligation hereunder.

10. DEFAULT: If the title to the Premises be found marketable or be so made within said time, and Buyer shall default in any of the covenants contained in this Agreement and continue into default for a period of ten (10) days, then and in that case, Seller may terminate this Agreement and on such termination all the payments made under this Agreement shall be retained by Seller as liquidated damages, time being of the essence hereof. This provision shall not deprive either party of the right of enforcing the specific performance of this Agreement provided this Agreement shall not be terminated as aforesaid, and provided action to enforce such specific performance shall be commenced within six months after such right of action shall arise.

11. CONTINGENCIES: This Agreement is subject to the following contingencies:

A. Inspection of Property. This Agreement is contingent upon an inspection and approval of the Property by the Buyer at the Buyer's expense. Such inspection must be conducted within twenty (20) days of the signing and acceptance of this Agreement by all parties. Seller hereby grants to Buyer, its agents and designated representatives the right to enter upon the Property at reasonable times and from time to time after the date of this Agreement for the purposes of inspecting the Property.

B. Environmental Inspection. This Agreement is contingent upon Buyer approving the environmental condition of the Property not later than twenty (20) days of the signing and acceptance of the Agreement by all parties, pursuant to paragraph 14 of this Agreement.

C. General Inspection. This Agreement is contingent upon Buyer's inspection of the property disclosing, in the Buyer's sole discretion, no unsatisfactory conditions, not later

than twenty (20) days of the signing and acceptance of the Agreement by all parties. Buyer and Buyer's agents shall have a reasonable right of access to the Property at reasonable times prior to closing, solely for the purpose of inspecting the Property.

D. Personal Property and Fixtures Inspection. This Agreement is contingent upon Buyer approving Seller's list as set forth in Exhibit B not later than ten (10) days of the signing and acceptance of the Agreement by all parties of the Personal Property and Fixtures which are to be sold to Buyer under this Agreement.

E. Approval of City Council. This Agreement is contingent upon approval of this Agreement by the New Prague City Council, which approval must be obtained by or no later than August 15, 2023.

F. Waiver of Relocation Assistance. Buyer's approval of the Waiver of Relocation Assistance, Services, Payments and Benefits Agreement with Seller.

12. WELL AND SEPTIC SYSTEM DISCLOSURE: The Seller certifies that Seller does not know of any wells on the described real Property. Provided however, if the Property does contain wells, the cost of sealing any wells required to be capped or sealed under Minnesota law will be borne by the Seller. If the well is not sealed by the date of closing, Seller shall escrow a sum equal to two times the bid price from a licensed well sealing contractor to complete the sealing process. Seller shall prepare, execute and file any required well certificate at or before closing. If the Property has a septic system, Seller agrees to provide water quality test results and/or septic system certification as required by state law or local ordinance.

13. OTHER GENERAL AND SPECIAL WARRANTIES:

A. Right of Access. Seller warrants that there is a right of access to the Property from a public right of way.

B. Mechanic's Liens. Seller warrants that, prior to the closing date, Seller has made any and all payments in full for all labor, materials, machinery, fixtures or tools furnished within the 120 days immediately preceding the closing date in connection with construction, alteration or repair of any structure on or improvement (including, but not limited to grading and landscaping, etc.) to the Property, if any.

C. Removal of Debris. Seller agrees to remove all debris and all personal property from the Property by the date Buyer takes possession of the Property consistent with Paragraph 11.D. of this Agreement.

D. Buildings. Seller warrants that buildings, if any, are entirely within the boundary lines of the Property.

E. Notices. Seller warrants that Seller has not received any notice from any governmental authority as to violation of any law, ordinance, or regulation. If the Property is

subject to restrictive covenants, Seller warrants that Seller has not received any notice from any person or authority as to a breach of the covenants. Any notices received by Seller shall be provided to Buyer immediately.

F. Sewer and Water. Seller warrants that the Property is connected to city of New Prague sewer and water.

G. Seller Authority. Seller warrants that Seller is the owner of the Property, that Seller has full authority to enter into this Agreement for the sale of the Property, and that there are no other parties who hold any unrecorded interests in the Property.

H. Authority of Seller Signatories. The signatories to this Agreement represent and warrant that he is the Seller or he is the representative of the Seller and that he has the authority to enter into this Agreement on Seller's behalf.

I. Personal Property and Fixtures Warranty. Seller makes no warranty regarding the condition of the personal property and fixtures and is selling the personal property and fixtures equipment as is, consistent with Paragraph 11.D. of this Agreement.

J. Building Plans, Specifications and Surveys. Within ten (10) days after the date hereof, Seller shall deliver to Buyer copies of all building plans, specifications and surveys relative to the Property which Seller has in its possession or subject to its control.

14. ENVIRONMENTAL INVESTIGATION AND WARRANTY:

A. Seller agrees to permit the Buyer to enter the Property for purposes of conducting environmental testing, at the Buyer's expense.

B. Seller agrees to cooperate with Buyer and its consultants in conducting the environmental evaluations and specifically agrees to provide the Buyer with copies of all environmental studies, soil borings, tests, reports and other documents related to the Property and in Seller's possession or control.

C. Seller agrees that, if the Buyer's environmental investigation discloses the existence of any petroleum product or other pollutant, contaminant or hazardous substance on the Property which requires remediation under state or federal environmental laws or regulations, Seller: (i) after determining costs, at its expense, Seller may perform the remediation to the satisfaction of the Minnesota Pollution Control Agency or other applicable regulatory authority, or (ii) if in Seller's judgment the Property cannot be economically remediated, Seller may terminate this Agreement. If remediation is undertaken but not completed prior to the date of closing, the Buyer may at its option (i) declare this Agreement null and void or (ii) proceed to closing and execute an agreement for remediation/indemnification and security (Remediation and Indemnification Agreement) as the Buyer may require.

D. Seller hereby warrants to Buyer that during the time the Seller has owned the

Property there have been no acts or occurrences upon the Property that have caused or could cause impurities in the subsoil or ground water of the Property or other adjacent properties. This warranty shall survive the closing of this transaction.

- 15. SURVIVAL OF REPRESENTATIONS AND WARRANTIES/NO MERGER:** All of the representations, warranties, covenants and agreements of the parties hereto contained in this Agreement shall survive the closing of the transaction contemplated herein and the delivery of any documents provided for herein and shall not be merged into any other agreement or any instruments of conveyance, including but not limited to the Warranty Deed, delivered at closing, but instead shall survive closing, and the parties shall be bound accordingly.
- 16. MAINTENANCE OF PROPERTY PRIOR TO CLOSING:** Until the closing, Seller shall have the full responsibility for the continued maintenance of the Property. Prior to the closing:

 - A. Seller shall not cause any new liens, leases, contracts or encumbrances to be created by Seller against the Property;
 - B. Seller shall (i) maintain the Property in good repair, (ii) not make, terminate or materially change, amend, modify materially any agreements relating to the Property or other rights, obligations or agreements relating to use, ownership or operation of the Property where such changes, amendments or modifications would increase the Seller's obligations, liability or expenses thereunder, not enter into any commitments for the rental or use of the Premises or any portion thereof, and (iii) not make any substantial alterations or changes to the Property other than ordinary and necessary maintenance repairs without Buyer's prior written approval, which shall not be unreasonably withheld or delayed.
- 17. RISK OF LOSS:** If there is any loss or damage to the Property between the date hereof and the date of closing, for any reason including fire, vandalism, flood, earthquake or act of God, the risk of loss shall be on Seller. If the Property is destroyed or substantially damaged before the closing date, this Agreement shall become null and void, at the Buyer's option, and earnest money shall be returned to Buyer. If such an event occurs, Buyer and Seller agree to sign a Cancellation of Purchase Agreement within a reasonable time after such event takes place.
- 18. TIME OF ESSENCE:** Time is of the essence in this Agreement.
- 19. CLOSING DATE AND LOCATION:** Upon any required approval by the City of New Prague City Council, this Agreement for the sale of the above-described Property shall be closed on or before August 31, 2023, or upon such other date agreed upon by the parties. The delivery of all papers and monies shall be made at the offices of the City of New Prague/New Prague City Hall and/or at the offices of a closer at the choosing of the City of New Prague. If the closing date is changed, any and all costs, if prorated, shall be adjusted to the new closing date.
- 20. ADDITIONAL DOCUMENTS:** Buyer and Seller agree to cooperate with each other and

their representatives regarding any reasonable requests made subsequent to the execution of this Agreement to correct any clerical errors in this Agreement and to provide any and all additional documentation deemed necessary by either party to effectuate the transaction contemplated by this Agreement.

- 21. NOTICES:** Any notice required or permitted to be given by any party upon the other is given in accordance with the Agreement if it is directed to the Seller by delivering it personally to the Seller; or if it is directed to the Buyer, by delivering it personally to an officer of the Buyer; or to either party if mailed in a sealed wrapper by United States registered or certified mail, return receipt requested, postage prepaid; or if transmitted to either party by facsimile, copy followed by mailed notice as above required; or if deposited by either party, cost paid with a nationally recognized, reputable overnight courier, properly addressed as follows:

IF TO THE SELLER:

STEELE & ASSOCIATES, LLC
31515 Cambria Avenue
Le Sueur, Minnesota 56058
Attn: Mark Steele

IF TO THE BUYER:

CITY OF NEW PRAGUE
118 Central Avenue North
New Prague, Minnesota 56071
Attn: City Administrator

AND COPY TO:

Scott J. Riggs
KENNEDY & GRAVEN, CHARTERED
150 South Fifth Street, Suite 700
Minneapolis, Minnesota 55402

Notices shall be deemed effective on the earlier of the date of receipt or the date of deposit as aforesaid; provided, however, that if notice is given by deposit, that the time for the response to any notice by the other party shall commence to run one (1) business day after any such deposit. Any party may change its address for the service of notice by giving written notice of such change to the other party, or in any manner above specified, ten (10) days prior to the effective date of such change.

The delivery of all papers and monies pursuant to this Agreement are to be made at the offices of the City of New Prague, 118 Central Avenue North, New Prague, MN 56071.

- 22. EXECUTION IN COUNTERPARTS:** This Agreement may be executed in counterparts by the parties hereto, each of which when so executed shall be deemed an original, but all of

which taken together shall constitute one and the same agreement.

23. **ENTIRE AGREEMENT/MODIFICATION:** This Agreement, any attached exhibits and any addenda or amendments signed by the parties shall constitute the entire agreement between Seller and Buyer, and supersedes any other written or oral agreements between Seller and Buyer. This Agreement can only be modified in writing signed by Seller and Buyer.
24. **USE OF BROKER:** Rod Tietz, TrueLife Real Estate Solution, is the sole broker in this transaction representing the Seller. Seller shall be solely responsible for paying three percent (3%) commission of the total sales price to broker. Seller shall defend, indemnify and hold the Buyer harmless from any brokerage fees or claims made against the Buyer.
25. **AS-IS” CONDITION OF PROPERTY:** Except as otherwise specifically provided in this Agreement, the Property is being sold “as-is” without any representations or warranties as to its condition or fitness for the Buyer’s intended purposes.
26. **MUTUAL RELEASE OF CLAIMS:** Except as provided in this Agreement, the parties and their attorneys, agents, employees, former employees, insurers, heirs, administrators, representatives, successors and assigns, hereby release and forever discharge each other, and their attorneys, agents, representatives, employees, former employees, insurers, heirs, executors and assigns of and from any and all past, present or future claims, demands, obligations, actions or causes of action, at law or in equity, whether arising by statute, common law or otherwise, and for all claims for damages, of whatever kind or nature, and for all claims for attorneys' fees, and costs and expenses, including but not limited to all claims of any kind arising out of the negotiation, consideration, execution and performance of this Agreement between the parties.
27. **CHOICE OF LAW AND VENUE; INTERPRETATION:** This Agreement shall be governed by, enforced and construed in accordance with the laws of the State of Minnesota. Any disputes, controversies, or claims arising out of this Agreement shall be heard in the state or federal courts of Minnesota, and all parties to this Agreement waive any objection to the jurisdiction of these courts, whether based on convenience or otherwise.
28. **WAIVER OF RELOCATION BENEFITS:** The Buyer has notified the Seller that (a) the Buyer only seeks to acquire the Property by voluntarily conveyance; (b) the parties mutually initiated negotiations; and (c) if negotiations fail, the Buyer will not acquire or undertake acquisition of the Property by eminent domain. Seller acknowledges that, absent this Agreement, Buyer would not acquire the Property and specifically would not exercise its power of eminent domain to acquire the Property.

Further, the Buyer and Seller acknowledge that the Seller or any tenants or other persons in possession of the Property other than Seller may be entitled to relocation benefits pursuant to Minnesota Statutes Chapter 117. The Buyer and Seller acknowledge that the Purchase Price for the Property includes payment for any and all relocation benefits. As such, the Seller acknowledges that no relocation benefits are applicable to the Property. Pursuant to Minnesota Statutes Section 117.521, the Seller or any tenants

or other persons in possession of the Property other than Seller may voluntarily waive any relocation assistance, services, payments and benefits, for which Seller or any tenants or other persons in possession of the Property other than Seller are eligible under Chapter 117 by signing a waiver agreement specifically describing the type and amounts of relocation assistance, services, payments and benefits for which the Seller or any tenants or other persons in possession of the Property other than Seller are eligible, separately listing those being waived, and stating that the agreement is voluntary and not made under any threat of acquisition by eminent domain by the Buyer. Prior to execution of the waiver agreement by the Seller or any tenants or other persons in possession of the Property other than Seller, the Buyer shall explain the contents of the agreement to the Seller or any tenants or other persons in possession of the Property other than Seller. The Seller or any tenants or other persons in possession of the Property other than Seller have agreed to enter into such an agreement with the Buyer and shall do so prior to closing on the Property. Seller represents and warrants that consistent with this Agreement, no person will be displaced or otherwise entitled to relocation benefits as a result of the sale of the Property. Seller agrees to defend and indemnify the Buyer against any claims made by any third parties for relocation benefits or services.

29. **CUMULATIVE RIGHTS:** Except as may be otherwise provided elsewhere herein, no right or remedy herein conferred on or reserved to Buyer or Seller is intended to be exclusive of any other right or remedy provided herein or by law, but such rights and remedies shall be cumulative and in addition to every other right or remedy given herein or elsewhere or hereafter existing at law in equity, or by statute.
30. **ASSIGNMENT:** Buyer may not assign its rights and obligations under this Agreement to another entity.
31. **CAPTIONS, HEADINGS OR TITLES:** All captions, headings, or titles in the paragraphs or sections of this Agreement are inserted for convenience of reference only and shall not constitute a part of the Agreement or a limitation of the scope of the particular paragraphs or sections to which they apply.
32. **RIGHT OF ENTRY:** The Buyer shall be entitled to enter upon the Property for inspection, soil tests and borings, environmental testing and assessments, wetland delineation, general examination of the Property and for surveying Seller's parcel or parcels of land; provided that the Buyer will restore any disturbance to the Property and will hold Seller harmless from and against all damages and liability caused by the Buyer's actions.
33. **RUNS WITH THE LAND:** The terms, covenants, indemnities and conditions of this Agreement shall be binding upon and inure to the benefit of the successors and assigns of the respective parties hereto.
34. **SPECIFIC PERFORMANCE:** This Agreement may be specifically enforced by the parties, provided that any action for specific enforcement is brought within six months after the date of the alleged breach. This paragraph is not intended to create an exclusive remedy

for breach of this Agreement; the parties reserve all other remedies available at law or in equity.

35. **MEMORANDUM OF PURCHASE AGREEMENT:** At the request of either party, the parties hereto shall execute a Memorandum of Purchase Agreement in recordable form memorializing this Agreement.

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NOTICE: THIS IS A LEGALLY BINDING CONTRACT BETWEEN BUYER AND SELLER. IF YOU DESIRE LEGAL OR TAX ADVICE, CONSULT AN APPROPRIATE PROFESSIONAL.

The undersigned, owner of the above Property, does hereby approve the above Agreement and the sale thereby made of the Property for the price and upon the terms above mentioned, and subject to all conditions herein expressed.

SELLER: STEELE & ASSOCIATES, LLC

By: _____
Mark Steele
Its: Chief Manager

Dated: August _____, 2023.

The undersigned does hereby approve the above Agreement and agrees to purchase the Property for the price and upon the terms above mentioned, and subject to all conditions herein expressed.

BUYER: CITY OF NEW PRAGUE

By: _____
Duane J. Jirik, Mayor

Dated: August _____, 2023.

By: _____
Joshua M. Tetzlaff, City Administrator

Dated: August _____, 2023.

This instrument was drafted by:
KENNEDY & GRAVEN, CHARTERED (SJR)
150 South Fifth Street, Suite 700
Minneapolis, MN 55402
(612) 337-9300

EXHIBIT A
LEGAL DESCRIPTION

PID #241190030

Lot 1, Block 2, New Prague Business Park 10th Addition, Scott County, Minnesota.

Abstract Property

EXHIBIT B

PERSONAL PROPERTY AND FIXTURES

[Insert List, if any]