

PURCHASE AGREEMENT

THIS AGREEMENT (the "Agreement") made and entered into this _____ day of _____ 2021, by and between Hossana Teklyes and Tsigereda Teklu, husband and wife, ("Buyers") and the City of Spring Lake Park, a Minnesota municipal corporation, located at 1301 – 81st Avenue NE, Spring Lake Park, Minnesota 55432 ("Seller"). Buyers and Seller are sometimes referred to collectively as the "parties" and each individually a "party".

RECITALS

1. The Seller is fee owner of real property located within the City of Spring Lake Park Anoka County, State of Minnesota and legally described:

Lot 3, Block 1, McKinley Manor Addition, Anoka County, Minnesota
("Subject Property")

2. Buyers agree to Purchase and Seller agrees to sell Subject Property to Buyers subject to the terms and conditions of this Agreement.

NOW, THEREFORE, the parties hereto agree as follows:

1) **Purchase Price.**

- a) The Buyers agree to purchase and Seller agrees to sell and transfer to the Buyers the real property described as the follows:

Lot 3, Block 1, McKinley Manor Addition, Anoka County, Minnesota

- b) As consideration for this purchase and sale, Buyers agree to pay Seller \$115,000.00 as follows:
 - a. Three thousand five hundred and No/100 Dollars (\$3,500.00) as initial earnest money which shall be due within 5 business days upon full execution of this Purchase Agreement ("Earnest Money"), and which shall be held prior to Closing or termination of this Agreement by Commercial Partners Title Company, or such other title company nominated by Seller, pursuant to the terms of this Agreement; and
 - b. The balance of the amount due, one hundred and eleven thousand five hundred dollars (\$111,500), will be paid by cash, certified funds or wire transfer on the Closing Date (as hereinafter defined).

2) **Closing.**

The closing of this transaction shall be on or before October 1, 2021 at a location agreed upon by the parties hereto.

3) **Evidence of Title.**

Seller shall provide, within twenty (20) days of execution of this Agreement, a commitment for the most current Alta Form B Owner's Policy of Title Insurance ("title commitment") for the Subject Property from Commercial Partners Title Company, or another company mutually agreed upon by Buyers and Seller. Seller shall pay for title commitment and Buyers shall pay for Owner's Title Policy. The title commitment shall be in an amount satisfactory to cover the value of the property transferred to the Buyers. The title commitment will permit the title company to insure title to the real properties subject only to permitted encumbrances. The following matters are permitted encumbrances:

- a) The lien of real estate taxes and pending special assessment not yet due and payable subject to the proration and allocation provisions herein;
- b) Federal, state and municipal laws, ordinances, rules and regulations;
- c) Any lien or encumbrance suffered or permitted by Buyers after the date of this Agreement;
- d) All easements, covenants, restrictions, conditions, and declarations of record;
- e) Any item shown on the title commitment and not objected to by the Buyers and
- f) Minerals and mineral rights, if any.

4) **Buyers' Objections.**

Buyers shall, within twenty (20) days after receiving a title commitment, make written objections ("objections") to the form and content of the title commitment. Failure to make objections within such timeframe will constitute a waiver of objections. Any matter shown on the title commitment and not objected to by Buyers shall be a "permitted encumbrance" subject to this Agreement. The Seller will have twenty (20) days after receipt of the objections to cure the objections, during which period the closing will be postponed, as necessary. The Seller shall use its best efforts to correct any objections. If the objections are not cured within sixty (60) days, the Buyers may terminate this Agreement or proceed to closing and waive the objections.

5) **Representations of Seller.**

Seller represents and warrants to the Buyers as follows:

- a) That it is fee owner of the real property identified in this Agreement and has the right to convey said as identified in this Agreement.
- b) Proceedings. There are no actions, litigations, investigations, condemnations or proceedings of any kind pending to the best knowledge of Seller, threatened against the Sellers with regard to the premises or any portion of the premises.
- c) Liens. As of the date of closing, all payments will have been made for all labor, materials furnished to premises by or on behalf of Seller.
- d) Storage tanks. To the best of Seller's knowledge there are no underground storage tanks on the premises. If storage tanks exist, Seller shall remove such tanks at Seller's cost.
- e) Seller warrants that they have not used the property for storage of hazardous substances or petroleum products and, as of the date of this Agreement is not aware of any facts of the existence of which would constitute the violation of any local, state or federal environmental law, regulation or review procedure which would give any person a valid claim under the Minnesota Environmental Rights Act or the Federal Comprehensive Environmental Response, Compensation and Liabilities Act.
- f) That Seller has not entered into any other contracts for the sale of real property identified to in this Agreement, nor as of the date of closing will there be any first rights of refusal or options to purchase said real property.
- g) That Seller has not entered into any brokerage or agency agreements in relation to the sale of the real property identified in this Agreement and there is no brokerage fee or commission due and owing to any person or entity in relation to the sale of said real property.
- h) Seller warrants that sewer and water and electrical power are stubbed to subject property.
- i) Subject to the terms of this Purchase Agreement, Subject Property is sold "as is".

6) **Representations of Buyers.**

- a) Buyers represent that this property is being developed as a single family residential home for Buyers; and that the same intend to reside in the home.
- b) That Buyers have not entered into any brokerage or agency agreements in relation to the purchase of the real property identified in this Agreement and there is no brokerage

fee or commission due and owing to any person or entity in relation to the sale of said real property.

7) **Taxes – Assessments.**

There are currently no taxes or special assessments due and owing against subject property. Buyers shall be responsible for all real estate taxes and special assessments from and after the date of closing.

8) **Right of Entry.**

The Buyers and their duly authorized agents shall have the right during the period from the date of this Agreement until closing, to enter in and upon the premises in order to make, at Buyers' expense, surveys, measurements, soil tests and other tests that Buyers shall deem necessary. The Buyers agrees to restore any resulting damage to the premises and to indemnify and hold harmless and defend Seller from any and all claims by third persons of any nature whatsoever arising from Buyers' right of entry hereunder, including all actions, suits, proceedings, demands, assessments, costs, expenses and attorneys' fees.

9) **Closing Documents.**

Seller shall execute and deliver to the Buyers the following:

- a. Marketable Warranty Deed for the Subject Property.
- b. Seller's Affidavit. A standard form affidavit by Seller indicating that on the date of closing there are no outstanding, unsatisfied judgments, tax liens, or bankruptcies against or involving Seller or the real property identified in this Agreement; that there has been no skilled, waiver or material furnished to the properties for which payment has not been made or for which Mechanic's Liens could be filed; and that there are no other unrecorded interests in the properties.
- c. Well Disclosure. A Well Disclosure Statement in form and substance appropriate for recording.
- d. Certification. A Certification that the representation and/or warranties made by the Seller is the same as were in existence on the date of the Purchase Agreement.
- e. Other Documents. All other documents reasonably determined by either party or title insurance company to be necessary to transfer and provide title for the real property identified in this Agreement.

10) **Buyers shall deliver to Seller the following.**

- a. Cash in the amount of \$111,500.00 at closing to be paired with Buyers' previously posted \$3,500.00 Earnest Money, for a total purchase price of \$115,000.00.

- b. All other documents reasonably determined by either party or the title insurance company to be necessary to transfer and provide title for the real property identified in this Agreement.

11) **The Seller shall be responsible for the following closing costs.**

- a. Cost of title commitment
- b. Deed Tax
- c. Seller's attorney's fees
- d. ½ closing costs (cost of closer)

12) **Buyers shall be responsible for the following.**

- a. Buyers' attorney's fees (if any)
- b. Recording of documents from sale
- c. Mortgage registration (if any)
- d. ½ of closing costs (cost of closer)
- e. Title Insurance (if purchased)

13) **Miscellaneous.**

- a) Survival. All of the terms, covenants, conditions, representations, warranties and agreements contained in this Agreement shall survive and continue in force and effect and shall be enforceable after the closing.
- b) Notices. Any notice or election required or permitted to be given or served by any party hereto upon any other shall be deemed given or served if personally delivered to an officer of the party to be notified or if mailed by US registered or certified mail, postage prepaid return receipt requested, or sent by reputable overnight courier, to the property address as follows:

If to Seller: City of Spring Lake Park
 Attention: Dan Buchholtz, City Administrator, Clerk/Treasurer
 1301 – 81st Avenue NE
 Spring Lake Park, MN 55432

Copy to: John J. Thames, Esq.
 Carson, Clelland & Schreder
 6300 Shingle Creek Parkway
 Suite 305
 Minneapolis, MN 55430

If to the Buyers: Hossana Teklyes and Tsigereda Teklu
 1620 81st Ave NE, Unit 4
 Spring Lake Park, Minnesota 55432

Except as otherwise expressly provided herein, each such notice shall be deemed to have been received by, or served upon, the party to whom addressed on the date on which is three (3) days after the date upon which the same is deposited in the US registered or certified mail, postage prepaid, return receipt requested, properly addressed and if served personally or sent by reputable overnight courier, on the date of service or delivery. Should any party hereto change its address, notice of address change must be to the other party before the change of address is effective.

- c) Entire Agreement; Modification. This written Agreement constitutes the entire and complete agreement between the parties hereto and supersedes any prior oral or written agreements between the parties hereto with respect to the Subject Property. It is expressly agreed that there are no verbal understandings or agreement which in any way change the terms, covenants or conditions herein set forth, and that no modification of this Agreement and no waiver of any of its terms and conditions shall be effective unless in writing and duly executed by the parties hereto
- d) Binding Effect. All covenants, agreements, warranties and provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. When used herein, the singular shall include the plural, the plural shall include the singular, and the use of one gender shall include all other genders, as and when the context so requires.
- e) Controlling Law. This Agreement has been made and entered into under the laws of the State of Minnesota and said laws shall control the interpretation enforcement hereof.
- f) Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same document. A signature page to any counterpart may be detached from such counterpart without impairing the legal effect of the signatures thereon and thereafter attached to another counterpart identical thereto except having attached to it additional signature pages.
- g) Brokers. Seller and Buyers represent and warrant to each other that they have dealt with no brokers, finders or the like in connection with this transaction and agree to indemnify each other and hold each other harmless against all claims, damages, costs or expenses of or for any other such fees or commissions resulting from their actions or agreements regarding the execution or performance of this Agreement, and will pay the costs of defending any action or lawsuit brought to recover any such fees or commissions incurred by the other party, including reasonable attorneys' fees.
- h) Severability. If any provision of this Agreement is held to be unenforceable or void, such provision shall be deemed to be severable and shall in no way affect the validity of the remaining terms of this Agreement.

- i) Effective Date. This Purchase Agreement shall be deemed effective as of the latest date on which Seller or Buyers executed this Purchase Agreement.

[Signatures on following page]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the day and year indicated.

SELLER:

CITY OF SPRING LAKE PARK

Dated: _____

By: _____
Its Mayor

Dated: _____

By: _____
Its Administrator, Clerk/Treasurer

BUYERS:

**HOSSANA TEKLYES AND
TSIGEREDA TEKLU, HUSBAND AND
WIFE**

Dated: _____

By: _____
Hossana Teklyes

Dated: _____

By: _____
Tsigereda Teklu

THIS INSTRUMENT WAS DRAFTED BY:

John J. Thames, Esq.
CARSON, CLELLAND & SCHREDER
6300 Shingle Creek Parkway, Suite 305
Minneapolis, MN 55430
763-561-2800