

PURCHASE AGREEMENT

THIS AGREEMENT is made as of \_\_\_\_\_, 20\_\_\_\_, between the City of Blaine, a Minnesota municipal corporation ("Seller"), and \_\_\_\_\_ ("Buyer").

In consideration of this Agreement, Seller and Buyer agree as follows:

1. Sale of Property. Seller agrees to sell to Buyer, and Buyer agrees to buy from Seller, the following property (collectively the "Property").

- (a) Real Property. The real property located in Anoka County, Minnesota described on the attached Exhibit A ("Land"), together with all easements and rights benefiting or appurtenant to the Land (collectively the "Real Property").

2. Purchase Price and Manner of Payment. The total purchase price ("Purchase Price") to be paid by Buyer to Seller for the Property shall be \_\_\_\_\_ (\$ \_\_\_\_\_) Dollars. In addition the following shall apply:

- (a) Buyer providing earnest money of \$10,000 receipt of which is hereby acknowledged.
- (b) Final purchase price shall be based on a price of \$6.50/sf. Final square footage shall be based on the final plat.

3. Closing. The closing of the purchase and sale contemplated by this Agreement (the "Closing") shall occur on or before May 31, 2018 (the "Closing Date"). The closing shall take place at the office of the Title Company that provides the Title Commitment, or at such other place as may be agreed to. Seller agrees to deliver possession of the Property to Buyer on the Closing Date.

- (a) Seller's Closing Documents. On the Closing Date, Seller shall execute and/or deliver to Buyer the following (collectively "Seller's Closing Documents"):

- (1) Deed. A Quit Claim Deed, in form reasonably

satisfactory to Buyer, conveying the Real Property to Buyer, free and clear of all encumbrances, except the Permitted Encumbrances hereafter defined, and except for any restrictions, conditions or rights of reversion which may be required by Minnesota law as to the sale of the Property.

- (2) Title Policy. The Title Policy, or a suitably marked up Commitment for Title Insurance initialed by the Title Company, in a form required by this Agreement.
  - (3) Seller's Affidavit. An Affidavit of Title by Seller indicating that on the Closing Date there are no outstanding, unsatisfied judgments, tax liens or bankruptcies against or involving Seller or the Real Property; that there has been no skill, labor or material furnished to the Real Property for which payment has not been made or for which mechanics' liens could be filed; and that there are no other unrecorded interests in the Real Property, together with whatever standard owner's affidavit and/or indemnity which may be required by Title to issue an Owner's Policy of Title Insurance with the standard exceptions waived.
  - (4) Owner's Duplicate Certificate of Title. The Owner's Duplicate Certificate of Title, if any, regarding the Real Property.
  - (5) Well Certificate. A Certificate signed by Seller warranting that there are no "Wells" on the Property, or if there are "Wells", a Well Certificate in the form required by law.
- (b) Buyer's Closing Documents. On the Closing Date, Buyer will execute and/or deliver to Seller the following (collectively "Buyer's Closing Documents"):
- (1) Purchase Price. The Purchase Price by Buyer's certified funds or the equivalent.
  - (2) Title Documents. Such affidavits of Purchaser, Certificate of Real Estate Value or other documents as may be reasonably required by Title in order to record the Seller's Closing Documents

and issue the Title Insurance Policy required by this Agreement.

4. Prorations. Seller and Buyer agree to the following prorations and allocation of costs regarding this Agreement:

- (a) Title Insurance and Closing Fee. Seller will pay all costs of Title Evidence, and the fees charged by Title for any escrow regarding Buyer's Objections. Buyer will pay all premiums required for the issuance of an ALTA Owner's Title Insurance Policy, (unless Seller fails to provide an Abstract or Registered Property Abstract). Seller and Buyer will each pay one-half of any reasonable and customary closing fee or charge imposed by any closing agent designated by the Title Company.
- (b) Deed Tax. Seller shall pay all state deed tax regarding the Quit Claim Deed to be delivered by Seller under this Agreement.
- (c) Real Estate Taxes and Special Assessments. Seller will pay or will arrange for removal, on or before the Closing Date, all special assessments levied, pending or constituting a lien against the Real Property as of the Closing Date including without limitation any installments of special assessments including interest payable with general real estate taxes in the year of Closing. General real estate taxes and installments of special assessments payable in all years prior to the year of Closing will be paid or removed by Seller. General real estate taxes payable in the year of Closing shall be prorated by Seller and Buyer as of the Closing Date based upon a calendar year. Seller shall pay or will arrange for removal of all deferred real estate taxes or special assessments which may become payable as a result of the sale contemplated hereby.
- (d) Recording Costs. Seller will pay the costs of recording all documents necessary to place record title in the condition warranted in this Agreement. Buyer will pay the cost of recording all other documents.
- (e) Other Costs. All other operating costs of the Property, will be allocated between Seller and Buyer as of the Closing Date, so that Seller pays that part of such other operating costs payable before the Closing Date, and Buyer pays that part of such operating costs

payable from and after the Closing Date.

- (f) Attorney's Fees. Each of the parties will pay its own attorneys fees, except that a party defaulting under this Agreement or any closing document will pay the reasonable attorney's fees and court costs incurred by the nondefaulting party to enforce its rights regarding such default.

5. Title Examination. Title Examination will be conducted as follows:

- (a) Seller's Title Evidence. Seller shall within forty-five (45) days after the date of this Agreement, furnish the following (collectively the "Title Evidence") to Buyer:
  - (1) Title Evidence. If the Real Property is abstract property, Seller shall deliver to Title or Buyer an Abstract of Title to the Real Property certified to a current date to include all appropriate judgment and bankruptcy searches. If the Real Property is registered property, Seller shall deliver to Title or Buyer a Registered Property Abstract to the Real Property certified to a current date to include all appropriate judgment and bankruptcy searches. In lieu of an Abstract or a Registered Property Abstract Seller may, at its cost, provide a Commitment for an ALTA Owner's Policy of Title Insurance insuring title to the Real Property, in the amount of the Purchase Price.
- (b) Buyer's Objections. Within fifteen (15) days after receiving the last of the Title Evidence, Buyer will make written objections ("Objections") to the form and/or contents of the Title Evidence, or at Buyer's expense to make application for an ALTA Owner's Title Insurance Policy. Buyer shall have ten (10) days after receipt of its Commitment for Title Insurance to provide Seller with a copy of the Commitment and Buyer's Objections. Buyer's failure to make Objections within such time period will constitute a waiver of Objections. Any matter shown on such Title Evidence and not objected to by Buyer shall be a "Permitted Encumbrance" hereunder. Seller will have thirty (30) days after receipt of the Objections to cure the Objections, during which period the Closing Date will

be postponed as necessary. Seller shall use its best efforts to correct any Objections. To the extent an Objection can be satisfied by the payment of money, Buyer shall have the right to apply a portion of the cash payable to Seller at the Closing to satisfaction of such Objection and the amount so applied shall reduce the amount of cash payable to Seller at the Closing. If the Objections are not cured within such 30-day period, Buyer will have the option to do any of the following:

- (1) Terminate this Agreement.
- (2) Waive the Objections and proceed to close.

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

- (a) Authority. Seller represents that it is a political subdivision duly organized 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; such execution, delivery and performance by Seller of such documents does not conflict with or result in a violation of Seller's Charter, Minnesota Statute, or any judgment, order, or decree of any court or arbiter to which Seller is a party; such documents are valid and binding obligations of Seller, and are enforceable in accordance with their terms.
- (b) Title to Property. Seller owns the Property, free and clear of all encumbrances except the Permitted Encumbrances identified on Exhibit B attached hereto (the "Permitted Encumbrances").

7. Broker's Commission. Seller agrees to pay                      a commission fee of 3% of the final sales price. Each party agree to indemnify each other and to 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 all costs of defending any action or lawsuit brought to recover any such fees or commissions incurred

by the other party, including reasonable attorney's fees.

8. Mutual Indemnification. Seller and Buyer agree to indemnify each other against, and hold each other harmless from, all liabilities (including reasonable attorneys' fees in defending against claims) arising out of the ownership, operation or maintenance of the Property for their respective periods of ownership. Such rights to indemnification will not arise to the extent that (a) the party seeking indemnification actually receives insurance proceeds or other cash payments directly attributable to the liability in question (net of the cost of collection, including reasonable attorneys' fees) or (b) the claim for indemnification arises out of the act or neglect of the party seeking indemnification. If and to the extent that the indemnified party has insurance coverage, or the right to make claim against any third party for any amount to be indemnified against as set forth above, the indemnified party will, upon full performance by the indemnifying party of its indemnification obligations, assign such rights to the indemnifying party or, if such rights are not assignable, the indemnified party will diligently pursue such rights by appropriate legal action or proceeding and assign the recovery and/or right of recovery to the indemnifying party to the extent of the indemnification payment made by such party.

9. Survival. All of the terms of this Agreement will survive and be enforceable after the Closing.

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

If to Seller:

Erik Thorvig  
Economic Development Coordinator  
10801 Town Square Drive  
Blaine, MN 55449

If to Buyer:

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 response to any notice by the other party shall commence to run one 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, in any manner above specified ten (10) days prior to the effective date of such change.

11. 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.

12. 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 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.

13. Binding Effect. This Agreement binds and benefits the parties and their successor and assigns.

14. Controlling Law. This Agreement has been made under the laws of the State of Minnesota, and such laws will control its interpretation.

15. Remedies. If Buyer defaults under this Agreement, Seller shall have the right to terminate this Agreement by giving written notice to Buyer. If Buyer fails to cure such default within fifteen (15) days of the date of such notice, this Agreement will terminate. If Seller defaults under this Agreement, this provision does not preclude Buyer from seeking and recovering from Seller specific performance of this Agreement. If Seller defaults under this Agreement, Buyer shall have no right to seek damages from Seller for Buyer's loss of its bargain in failing to acquire the Property

16. Government Approvals. Buyer shall use due diligence to obtain at its sole cost and expense, on or before the date of closing, all final governmental approvals necessary in Buyer's judgment in order to make the use of the property which Buyer intends.

17. Financing. Buyer shall exercise due diligence in obtaining financing, if any. If Buyer is unable to obtain a

Commitment acceptable to Buyer for the proceeds of financing necessary and sufficient in Buyer's opinion to implement Buyer's plan for and to complete the purchase of the property on or before the Date of Closing, this Agreement shall be null and void and Seller shall retain the Earnest Money.

18. Approval of Building and Site Plan and Development Requirements. Prior to closing, Buyer shall obtain approval of the Building and Site Plan from the Seller or Seller's designee. Compliance with the Building and Site Plan approval are essential to this Agreement and the Seller enters into this Agreement in direct reliance on these assurances. Within one (1) year from the Date of Closing, Buyer shall begin construction of a 16,500 sf. office building on the subject Property. The improvements constructed must be consistent with City approved Building and Site Plans. If the Buyer fails to satisfy any of these conditions, the Seller may cancel the sale and the title of the Property shall revert to the Seller. Upon the request of the Buyer and following completion of the required improvements on the site, Seller shall within thirty (30) days prepare and deliver to Buyer a recordable Waiver of Right to Reversion.

19. Assignment. Either party may assign its rights under this Agreement before or after the Closing. Any such assignment will not relieve such assigning party of its obligations under this Agreement.

20. Assignment or Transfer. Buyer may not transfer title to the Property other than to Buyer's affiliates within one (1) year from the closing date without the written consent of the Seller, which shall not be unreasonably withheld. No assignment or transfer shall affect the obligations of any assignee or transferee to comply with this Purchase Agreement and to utilize the Property as an office building.



Seller and Buyer have executed this Agreement as of the date first written above.

**SELLER:**

By: \_\_\_\_\_  
Its: Mayor

Date: \_\_\_\_\_

By: \_\_\_\_\_  
Its: City Manager

Date: \_\_\_\_\_

**BUYER:**

By: \_\_\_\_\_  
Its:

Date: \_\_\_\_\_

**EXHIBIT A - REAL PROPERTY DESCRIPTION (TBD)**

**EXHIBIT B - PERMITTED ENCUMBRANCES**