

**PURCHASE AGREEMENT FOR VACANT
PROPERTY LOCATED AT PRINCETON BUSINESS PARK
PRINCETON, MINNESOTA**

THIS AGREEMENT, made and entered into this _____ day of _____, 2022, by and between **THE CITY OF PRINCETON**, hereinafter referred to as "Seller", and **PALMER PRINCETON HOLDINGS, LLC**, hereinafter referred to as "Buyer".

WITNESSETH:

That in consideration of the mutual covenants and agreements herein contained, together with other good and valuable consideration, the Buyer and Seller agree as follows:

1. **Property Purchased.** Seller agrees to transfer and Buyer hereby agrees to accept, on such terms and conditions as are set forth herein, the following currently described property.

Lots 1, Block 1, Princeton Business Park, according the plat thereof and of record in the office of the county recorder, Mille Lacs County, Minnesota.

2. **Condition of Property.** Seller makes no warranties as to condition of the property, the same being unimproved and being sold "AS IS" except as to environmental representations appearing in Paragraph 8 of this Agreement. All trash, waste and non-functional property identified by buyer shall be removed by Seller at closing.

3. **Consideration.** As consideration for the transfer of the property of the Seller to the Buyer, the Buyer agrees to the following conditions and restrictions:

- A. Buyer shall pay Seller the total purchase price of Four Hundred Twenty-Nine Thousand Five Hundred Dollars and Zero Cents (\$429,500.00).
- B. Buyer shall pay to Seller the sum of Ten Thousand Dollars and Zero Cents (\$10,000) as earnest money within 10 business days of the acceptance of

this agreement, the balance of Four Hundred Nineteen Thousand Five Hundred Dollars and Zero Cents (\$419,500.00) shall be paid in cash at closing.

C. This purchase agreement is not subject to a financing addendum.

4. **Date, Place and Costs of Closing.** The date of closing shall be on the _____ day of _____, 2022, unless an earlier date is agreed to by and between the parties. Closing shall take place at the office of the title company designated by the Seller, or, at such other location which shall be agreed to by the parties hereto.

Buyer shall pay all costs of closing, and related expenses, directly to the title company.

Subject to performance by Buyer, Seller agrees to execute and deliver a Limited Warranty Deed conveying marketable title to said premises subject only to the following exceptions:

- A. Building and zoning laws, ordinances, state and federal regulations.
- B. Restrictions relating to use or improvements of the property and agreed to by Buyer.
- C. Reservation of any minerals or mineral rights to the State of Minnesota.
- D. Utility and drainage easements.
- E. Subject to encumbrances, liens and easements arising prior to Seller's control of the subject property. Provided, however, Buyer shall not be required to accept title that the title company is not willing to insure as marketable.

5. **Examination of Title.** Within a reasonable time prior to closing, Seller shall furnish Buyer with a Commitment for Title Insurance including proper searches covering bankruptcies and state and federal judgments, federal court judgment liens in favor of the U.S., liens, and levied and pending special assessments. The Commitment shall be

obtained from Home Security Abstract & Title so that Seller may obtain a reissue credit from the insurer. Seller shall not be required to provide Buyer with an Abstract.

Buyer shall have ten business days after receipt of the Commitment for Title Insurance to provide Seller with a copy of written Title Objections. Buyer shall be deemed to have waived any Title Objections not made within the ten-day period.

All costs associated with securing a Commitment for Title Insurance shall be paid by Buyer.

6. **Title Corrections and Remedies.** Upon receipt of Buyer's title objections, Seller shall, within 15 business days, notify Buyer of Seller's intention to make title marketable. Seller shall have 120 days from receipt of Buyer's written title objections to make title marketable. Liens or encumbrances for liquidated amounts which can be released by payment or escrow shall not delay the closing. Cure of the defects by Seller shall be reasonable, diligent, and prompt. Pending correction of title, the closing shall be completed in escrow on the date hereinabove set forth and all documents and performances shall be held in abeyance until title is corrected.

- A. If notice is given and Seller proceeds in good faith to make title marketable but the 120 day period expires without title being made marketable, Buyer may declare this Agreement null and void by notice to Seller, neither party shall be liable for damages hereunder to the other, and all escrowed closing documents shall be null and void and the parties shall agree to execute a release of this Purchase/Development Agreement. Under these circumstances, Buyer shall be entitled to a return of the earnest money payment.
- B. If title is marketable, or is made marketable as provided herein, and Buyer defaults in any of the agreements herein, Seller's remedies shall be limited to the right to cancel this Purchase/Development Agreement and declare all escrowed documents null and void. Under these circumstances, Seller shall be entitled to keep the earnest money payment.

7. **Real Estate Taxes, State Deed Tax and Special Assessments.** Real estate taxes due and payable in and for the year of closing shall be paid by Seller. Seller shall pay on date of closing all special assessments levied against the property.

Except as stated above, Seller shall pay on date of closing any deferred real estate taxes or special assessments payment of which is required as a result of the closing of this sale. Buyer shall pay all real estate taxes and assessments due thereafter. Seller makes no representation concerning the amount of future real estate taxes or of future special assessments.

Buyer shall pay the State deed tax associated with this transaction.

8. **Environmental.** Buyer shall have the option of obtaining an Environmental Phase I Assessment prepared by a qualified environmental engineer acceptable to Buyer, certified to Buyer and containing findings that no environmental waste or hazardous materials are found on the subject property and that the same is not subject to contamination by hazardous waste or ground water contamination. In the event the said Assessment is positive, Buyer's sole remedy shall be the right to rescind this Agreement and any earnest money paid hereunder shall be refunded. Buyer shall be solely responsible for any and all costs associated with obtaining an Environmental Phase I Assessment.

9. **Seller's Representations.** As an inducement to Buyer to enter into this Agreement, and as part of the consideration therefore, Seller represents and warrants to and covenants with Buyer and its successors and assigns that:

- A. To the best of Seller's knowledge and belief, at the time of execution by Seller of this Agreement, there are no environmental proceedings, applications, court pleadings, investigations by public or private agencies, or other matters pending which could prohibit, impede, delay or adversely affect the use of the Property for development.
- B. To the best of Seller's knowledge and belief, at the time of the execution by Seller of this Agreement, there are no private sewer systems or wells on the Property.

10. **Closing Documents**. Subject to performance by the Buyer and the Seller of their respective obligations hereunder, the Buyer and the Seller agree to fully execute as necessary and to deliver at the closing the following:

- A. A Limited Warranty Deed conveying title to the property, in which the Seller warrants that the property has not been encumbered by Seller during its ownership thereof.
- B. An Affidavit of Seller indicating that on the date of the closing there are no outstanding unsatisfied judgments, tax liens, or bankruptcies against or involving the Seller and that, if appropriate, there are no maintenance agreements, or other agreements in force as to the property and that the Seller knows of no unrecorded interests in the property of any kind, together with whatever standard owner's affidavit may be required by the Buyer.
- C. Certificate of Real Estate Value.
- D. Such other documents as may be reasonably necessary to complete the closing of the transaction.

11. **No Partnership or Joint Venture Created Hereby**. Nothing contained in this Agreement shall be interpreted as creating a partnership or joint venture between the Buyer and the Seller relative to the property.

12. **No Merger; Entire Agreement.** The terms, covenants, and conditions to be performed, or which may be performed, subsequent to the date of this closing shall survive the closing and thereafter continue in full effect and shall not merge with the deed.

This Agreement contains the entire understanding of the parties hereto with respect to the purchase of the subject property by the Buyer and supersedes all prior agreements and understandings between the parties with respect to such purchase.

13. **Notices.** Except as otherwise provided herein, all communications, demands, notices, or objections permitted or required to be given or served under this Agreement shall be in writing and shall be deemed to have been duly given or served if delivered in person or deposited in the United States mail, postage prepaid, and addressed as set forth below. The current addresses of the parties are as follows:

SELLER: Michele McPherson, City Administrator
City of Princeton
705 2nd St. N.
Princeton, MN 55371
(763) 389-2040

With copy to: Damien F. Toven, City Attorney
Damien F. Toven & Associates, LLC
413 S. Rum River Dr., Suite 6
Princeton, MN 55371
(763) 389-2214

BUYER: PALMER PRINCETON HOLDINGS LLC
PO BOX 2026
NORTH MANKATO, MN 56002
(507) 386-0210

With copy to: _____

14. **Binding Effect.** This Agreement shall be binding on and inure to the benefit of the parties hereto and the assigns, executors, heirs, and successors of the parties.

15. **Amendment, Modification, or Waiver.** No amendment, modification, or waiver of any condition, provision, or term shall be valid or of any effect unless made in writing, signed by the party or parties to be bound or a duly authorized representative, and specifying with particularity the extent and nature of such amendment, modification, or waiver. Any waiver by any party of any default of another party shall not affect or impair any right arising from any subsequent default. Except as expressly and specifically stated otherwise, nothing herein shall limit the remedies and rights of the parties hereto under and pursuant to this Agreement.

16. **Instrument Only Constitutes Offer.** This instrument shall not be effective and shall constitute only an offer by the Seller until the Buyer has executed the same and has inserted the date of the Buyer's acceptance of the offer in the first line hereof, which shall be deemed the effective date of this Agreement. The Buyer has five (5) days from the date of this offer, as specified below by the Seller, to accept and to execute this Agreement. In the event the Buyer does not accept and execute this Agreement within that period, the Seller shall in no manner be liable or responsible on account hereof except to return to the Buyer any money paid by the Buyer to the Seller on the execution by the Buyer of a Cancellation of Purchase Agreement.

17. **Severable Provisions.** Each provision, section, sentence, clause, phrase, and word of this Agreement is intended to be severable. If any provision, section, sentence, clause, phrase, and word hereof is illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the validity of the remainder of this Agreement.

18. **Minnesota Law.** This Agreement shall be construed and enforced in accordance with the laws of the State of Minnesota.

19. **Agency Representation.** Seller is not represented by an Agent. Buyer is not represented by an Agent.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed effective the day and year first above written.

SELLER:

CITY OF PRINCETON

BY: _____
Tom Walker, Mayor

BY: _____
Michele McPherson, City Administrator

BUYER:

PALMER PRINCETON HOLDINGS, LLC

BY: *Jeanne N. Franke*
MANAGING MEMBER

STATE OF MINNESOTA)
) SS:
COUNTY OF MILLE LACS)

On this _____ day of _____, 2022, before me, a Notary Public in and for said county, personally appeared Tom Walker and Michele McPherson, to me personally known, who being duly sworn, did say that they are the Mayor and City Administrator of the City of Princeton, a Minnesota Municipal Corporation named in the foregoing instrument and that said instrument was signed on behalf of said City of Princeton by authority of its Council and said Tom Walker and Michele McPherson, acknowledged said instrument to be the free act and deed of said City of Princeton.

Notary Public

STATE OF MINNESOTA)
) SS:
COUNTY OF NICOLLET)

On this 28th day of November, 2022, before me, a Notary Public in and for said county, personally appeared Jenna Fromm to me personally known, who being duly sworn, did say that s/he is the Managing Member of Palmer Princeton Holdings LLC ~~the a Minnesota Limited Liability Company~~ named in the foregoing instrument and that said instrument was signed on behalf of said Palmer Princeton Holdings LLC by authority of its members and said Jenna Fromm acknowledged said instrument to be the free act and deed of said Palmer Princeton Holdings LLC



Notary Public



DRAFTED BY:
Damien F. Toven (0300585)
Damien F. Toven & Associates, LLC
413 S. Rum River Dr., Suite 6
Princeton, MN 55371
(763) 389-2214

SEND REAL ESTATE TAX STATEMENTS TO:

PALMER PRINCETON HOLDINGS, LLC
PO Box 2026
NORTH MANKATO, MN 56002