

**PURCHASE AGREEMENT FOR VACANT
PROPERTY LOCATED ON AIRPORT ROAD
PRINCETON, MINNESOTA**

THIS AGREEMENT, made and entered into with an effective date of _____, 2022, by and between **THE CITY OF PRINCETON**, hereinafter referred to as "Seller", and **SYLVA CORPORATION, INC. or assigns**, as permitted in section 23 of this agreement, 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:

See Exhibit A together with all hereditaments and appurtenances thereto (hereinafter referred to as the "Property")

2. **Condition of Property.** Except as set forth herein, Seller makes no warranties as to condition of the Property, the same being unimproved and being sold "AS IS". All trash, waste and non-functional property identified by Buyer shall be removed by Seller at closing.

3. **Consideration; Conditions to Buyer's Performance.** As consideration for the transfer of the Property of the Seller to the Buyer:

- A. Buyer shall pay Seller the purchase price of Two Hundred Thousand and no/00 Dollars (\$200,000.00).
- B. Within five (5) days of acceptance by all Parties hereto, Buyer agrees to make a payment in the amount of Ten Thousand and no/00 Dollars (\$10,000.00) as earnest money. The earnest money shall be held in escrow at Home Security Abstract and Title (the "title company"), and applied to the purchase price at closing, or otherwise disbursed or applied as provided in this agreement.
- C. This agreement and Buyer's obligations hereunder are conditioned, for the sole benefit of Buyer, upon the following:
 - (a) Seller's Performance. All representations and warranties of Seller shall be true as of the closing date, and Seller shall have performed all of its covenants and obligations under this agreement.
 - (b) Title. Title and the Title Commitment shall have been found acceptable, or been made acceptable, in accordance with Section 6.
 - (c) Inspection. Buyer shall have been provided adequate opportunity to inspect the Property and to conduct tests and examinations in accordance with Section 7, the results of which shall have been found satisfactory to Buyer in Buyer's sole and absolute discretion as permitted in section 7.
 - (d) CUP, Zoning, etc. Prior to the closing date, Buyer shall have applied for, paid for, received and approved, in its sole discretion, a conditional use permit for Buyer's intended use of the Property and otherwise be satisfied with zoning and other restrictions on the Property.
 - (e) Financing. Buyer shall have received, on or before the closing date, such assurances as may be acceptable to Buyer in its sole discretion that Buyer will be able to obtain any financing desired by Buyer to consummate the transaction contemplated by this agreement

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

Buyer and Seller agree that each will be responsible for payment of one half of the title company's closing fee and escrow fee. Seller shall be responsible for payment of the Title Commitment (defined below), Seller's attorney's fees, State Deed tax, conservation fee payable on the deed, if any, and all fees for recording all documents necessary to place of record fee simple title in Buyer's name (if any), other than the recording fees for the deed and mortgage. Buyer shall be responsible for payment of all premiums and related costs for an owner's and lender's policy of title insurance and all endorsements, Buyer's attorney's fees, costs of all new surveys, environmental reports and investigations, mortgage registration tax (if any), conservation fee payable for the mortgage (if any), all fees associated with Buyer's financing of the purchase of the Property, all fees for recording the deed and mortgage.

Subject to performance by Buyer, Seller agrees to execute and deliver a Limited 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. 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. The Permitted Encumbrances (defined below).

5. **Examination of Title**. Within thirty (30) days following the full execution of this agreement, or as soon thereafter as reasonably possible, Seller shall furnish to Buyer a commitment (“Title Commitment”) for an ALTA 2006 Owner’s Policy of Title Insurance committing to insure title to the Property in Buyer in the amount of the purchase price and issued by the title company. The Title Commitment shall include copies of all matters described in Schedule B thereof that will remain encumbrances after the Closing. Seller shall not be required to provide Buyer with an Abstract.

Buyer shall have twenty (20) days after receipt of the Title Commitment to provide Seller with written objections to any matters in the Title Commitment (“Title Objections”). Buyer shall be deemed to have waived any Title Objections not made within the twenty (20) day period (“Permitted Encumbrances”).

Seller shall pay all costs associated with securing a Commitment for Title Insurance.

6. **Title Corrections and Remedies**. Seller shall have the right, but not the obligation (except for Title Objections relating to liens for liquidated sums, which Seller shall pay and/or otherwise discharge at closing), to attempt to cure any Title Objections within thirty (30) days after its receipt of the Title Objections, or in the case of any Title Objections which cannot with due diligence be cured within such thirty (30) day period, such later date by which such Title Objections can reasonably be cured; provided that Seller promptly commences to cure such Title Objections and thereafter continues diligently toward cure of the Title Objections. The Closing shall be extended at Seller’s election by written notice to Buyer, if necessary, in order to permit the cure described above. In the event that Seller elects not to attempt cure of any Title Objections, Seller

shall notify Buyer of such election within ten (10) business days after its receipt of the Title Objections. If Seller elects not to attempt to cure any Title Objections as set forth above or if, by the expiration of the cure period provided for above, Seller has not cured all the Title Objections, if any, by the end of the cure period described above, Buyer may, at its option and as its sole remedy, either (i) proceed to closing and waive all the uncured Objections, taking title subject to all uncured Objections (which shall then be deemed to be Permitted Encumbrances), with no offset against, or reduction in, the purchase price, or (ii) terminate this Agreement by written notice given to Seller within ten (10) business days after the expiration of the cure period or delivery to Buyer of Seller's notice that Seller will not cure an Title Objections, whichever occurs earlier. Failure to deliver such termination notice within said ten-day period shall be deemed an election by Buyer to proceed under (ii) above. In the event this agreement is so terminated by Buyer, the earnest money shall be returned to Buyer, and the parties shall be released from all further obligations and liabilities hereunder.

7. **Inspection Period.** Buyer and its agents and/or employees shall have the right during a period ending 15 days prior to the closing date, or other such date as otherwise agreed to by the parties (the "Inspection Date"), to enter upon the Property from time to time and, at Buyer's sole cost, expense and risk, to (i) inspect all physical aspects of the Property; and (ii) review all zoning, code and governmental requirements; and (iii) perform and review environmental assessments and investigations which Buyer or Buyer's lender deems reasonably prudent under the circumstances (collectively, the "Tests"). Buyer agrees that a representative of Seller may be present for any on-site investigation of the Property. Buyer shall promptly repair and restore the Property to substantially the same

condition in which it existed immediately prior to any physical tests conducted by or on behalf of Buyer and Buyer shall indemnify and hold Seller harmless from and against any and all costs, liabilities, claims, liens (including, without limitation, mechanic's or materialmen's liens or claims of liens), encumbrances or causes of action (including reasonable attorneys' fees) arising out of Buyer's actions taken on the Property in conjunction with exercising its rights under this Section, provided, however, such restoration, indemnification and hold harmless obligations shall not extend to previously existing conditions discovered by Buyer in the conduct of its Tests. Such indemnification obligation shall survive the closing or any termination of this agreement.

8. **Real Estate Taxes, State Deed Tax and Special Assessments.**

(a) Taxes for Years Prior to Closing. Seller will pay in full all general real property taxes that are due and payable with respect to the Property in years prior to the year of closing.

(b) Taxes for Current Year of Closing. All general real property taxes and special assessments that are due and payable with respect to the Property in the year of closing will be prorated between Buyer and Seller as of the closing, with Seller being responsible for all time periods through and including the closing date.

(c) Special Assessments. All levied or certified special assessments against the Property, if any, shall be paid by Seller in full on or before the closing. Buyer shall pay all other special assessments, including any pending or proposed special assessments levied on and after the effective date. Seller will promptly notify Buyer of all notices of proposed or final tax valuations and assessments that Seller receives after the effective date.

9. **Environmental Disclosure**. To the best of Seller's knowledge, there are no areas of the Property where hazardous substances or hazardous wastes, as such terms are defined by applicable Federal, State, and Local statutes and regulations, have been disposed of, released, or found. No claim has been made against Seller with regard to hazardous substances or wastes as set forth herein, and Seller is not aware that any such claim is current or ever has been threatened. Seller shall inform Buyer, to the best of Seller's knowledge, of any hazardous materials or release of any such materials into the environment, and of the existence of any underground structures or utilities which are or may be present on the Property.

9. **Seller's Representations and Warranties**. Seller makes the following representations and warranties to Buyer that, to the best of Seller's knowledge:

(a) There is no action in condemnation, eminent domain or public taking proceedings are now pending or contemplated against the Property.

(b) There are no leases of any portion of the Property which will bind Buyer.

(c) There are no wells, individual sewage treatment systems or underground tanks on the Property.

(d) The Property has not been used for the storing or disposal of waste or for storing or disposal of hazardous substances during or, to the best knowledge of Seller, prior to the period that Seller has been an owner of the Property; to the best knowledge of Seller, the Property does not contain or emit any hazardous, toxic, or contaminated chemicals, substances, materials or pollutants.

(e) At Closing, Seller will have and will convey to Buyer good and marketable fee simple title to the Property, free and clear of all liens, encumbrances and other matters other than the Permitted Encumbrances.

(f) Except for Seller, there are no parties with any interest in the Property (option, right of first refusal, leasehold or otherwise), any prior agreements concerning the Property (purchase agreements, options, or others) have been properly terminated or cancelled in accordance with Minnesota law, and all cure periods in connection with such terminations or cancellations have expired, and no other signatures are required to make this Agreement fully enforceable by Buyer.

(g) Seller is in sole and exclusive possession of the Property and no person or entity claims any right of possession (lessees, tenants at sufferance, or trespassers) to all or any portion thereof, and no party has been granted any license, lease, or other right relating to use or possession of the Property.

(h) Seller has full authority to execute this Agreement and convey the Property to Buyer and execute and deliver the limited warranty deed and such other documents, instruments, affidavits and certificates as are required hereunder, or otherwise necessary or desirable to effectuate this transaction.

(i) To Seller's knowledge, all assessments against the Property are shown in the official records of the county in which the Property is located; no site or area improvements have been constructed or installed by any public authority, the cost of which may be assessed in whole or in part against any part of the Property; the Property is not subject to the imposition of impact or development fees; and Seller has not been

notified of any possible future improvements that might create an assessment against any part of the Property.

(j) There is no pending or, to Seller's knowledge, threatened action, litigation or proceeding by any organization, person or governmental agency affecting the Property (in whole or part) or Seller.

(k) Seller has no notice or knowledge of any violation of law, order, ruling, ordinance, rule or regulation with respect to Seller or the Property or the use or construction thereof.

(l) Seller has filed all federal, state and local tax returns as required by law with respect to Seller and the Property.

(m) The Property has full and free access to and from public streets and/or roads.

(n) To the best of Seller's knowledge, there are no attachments, executions, assignments for the benefit of creditors or voluntary or involuntary proceedings in bankruptcy or under any applicable debtor relief laws or any other litigation contemplated by or pending or threatened against Seller or the Property.

(o) To Seller's knowledge, there are no signs, billboards or leases for same located on or promised in connection with the Property.

(p) To Seller's knowledge, there are no underground or aboveground storage tanks (within the meaning of Minn. Stat. § 116.46) located on or serving the Property.

(q) To Seller's knowledge, methamphetamine production has not occurred on the Real Property. This representation is intended to satisfy the requirements of Minn. Stat. § 152.0275, Subd. 2(m).

(r) The information furnished and to be furnished to Buyer by Seller, and Seller's representations and warranties made herein or in connection herewith, are, to the best of Seller's knowledge, true, complete and accurate and do not omit to include any material information necessary to make the same true or not misleading.

(s) Seller has not received notice of any default (nor is there any default) under any note, mortgage or contract for deed related to the Property, and Seller covenants to not default thereunder nor to grant any liens, leases, easements, options, rights of refusal or contracts with respect to the Property.

(t) The execution and delivery of this Agreement, the consummation of the transaction herein contemplated, and the compliance with terms of this Agreement will not conflict with or, with or without notice or the passage of time or both, result in a breach of any of the terms or provisions of, or constitute a default under: (i) any indenture, mortgage, loan agreement, contract for deed, or instrument to which Seller is a party or by which Seller or the Property is bound; (ii) any applicable law, ordinance, rule, regulation or any judgment or order; or (iii) any decree of any court having jurisdiction over Seller or the Property

(u) To Seller's knowledge, there are no agreements or contracts affecting the Property which may not be terminated prior to the closing date.

Seller will not allow or cause any action to be taken that will cause any of the foregoing representations or warranties to be untrue or incorrect at closing or fail to take any action that may be required to keep such representations and warranties true and correct at closing. All such representations and warranties shall survive closing and shall not be affected by any investigation, verification or approval by any party hereto or by

anyone on behalf of any party hereto and shall not merge into the limited warranty deed being delivered by Seller at Closing. Seller agrees to indemnify and hold Buyer harmless from and against and to reimburse Buyer with respect to any and all claims, demands, causes of action, loss, damage, liabilities, and costs (including reasonable attorneys' fees and court costs) asserted against or incurred by Buyer by reason of or arising out of the breach of any warranty or representation as set forth in this Section. Buyer acknowledges and agrees that, except as expressly set forth in this Agreement and any documents provided by Seller to Buyer, (i) Seller has made and will make no warranty or representation whatsoever, whether express or implied or arising by operation of law, with respect to the Property or its condition, and (ii) BUYER AGREES THAT THE PROPERTY WILL BE SOLD AND CONVEYED TO (AND ACCEPTED BY) BUYER AT THE CLOSING IN ITS THEN-EXISTING CONDITION, AS-IS, WHERE-IS, WITH ALL FAULTS, AND WITHOUT ANY WRITTEN OR VERBAL REPRESENTATIONS OR WARRANTIES WHATSOEVER, WHETHER EXPRESS OR IMPLIED OR ARISING BY OPERATION OF LAW.

10. **Buyer's Representations**. Buyer is a lawfully constituted entity, duly organized, validly existing, and in good standing under the laws of Minnesota or another state; has the authority and power to enter into this agreement and to consummate the transactions contemplated herein; and upon execution hereof will be legally obligated to Seller in accordance with the terms and provisions of this agreement.

11. **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, in recordable form, executed by Seller, conveying good, marketable and insurable title to the property to Buyer free and clear of all encumbrances and restrictions, except the Permitted Encumbrances, in which the Seller warrants that the property has not been encumbered by Seller during its ownership thereof.
- B. A standard form 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. A certificate of Seller, in a form reasonably satisfactory to Buyer, as to the continuing validity as of the closing date of Seller's representations and warranties set forth herein.
- E. Certified copy of Seller resolutions authorizing the sale and transfer of the Property and designating the representative authorized to sign on behalf of the Seller.
- F. An affidavit of non-foreign status, duly executed by Seller, containing such information as is required by IRC Section 1445(b)(2) and its regulations.
- G. Such other documents as may be reasonably necessary to complete the closing of the transaction.

12. **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.

13. **No Merger; Survival; Entire Agreement; Counterparts**. 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. All representations and warranties of Buyer and Seller

herein shall specifically survive the closing of the herein transaction and the recording of 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.

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. Facsimile, emailed PDF, or any other electronic signatures shall be sufficient for all purposes.

14. **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 when 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: Sylva Corporation, Inc.
Attn: Yvonne Doose
900 Airport Road
Princeton, MN 55371

With copy to:

**James A. Bumgardner, Esq.
First National Financial Center, Suite 230
PO Box 490
812 Main Street
Elk River, MN 55330
Tel: (763) 241-3638
Fax: (763) 241-3639**

15. **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.

16. **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.

17. **Instrument Only Constitutes Offer.** This instrument shall not be effective and shall constitute only an offer to the Buyer until the Seller has executed the same and has inserted the date of the Seller's acceptance of the offer in the first line hereof, which shall be deemed the effective date of this Agreement. The Buyer has ten (10) business days from the date of this offer, as specified below, 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 Seller of a Cancellation of Purchase Agreement

18. **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.

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

20. **Agency Representation**. Seller and Buyer represent and warrant to each other that they have not engaged the services of any broker in connection with the sale and purchase contemplated by this Agreement. Buyer and Seller shall each indemnify, defend, and hold the other party, and their respective members, agents, employees, representatives, successors and assigns, harmless from and against any and all claims, judgments, damages, penalties, fines, costs, liabilities, or losses (including, without limitation, reasonable attorneys' fees) resulting from the breach of the indemnifying party of the representation and warranty set forth in this Section.

21. **Other Terms**. The Buyer agrees to provide the Seller with one (1) truckload containing approximately 90 cubic yards of SoftStep © Playground material per year annually, beginning in 2023 and ending the year 2032, a total of ten (10) truckloads and 900 cubic yards.

22. **Time of Essence**. Seller and Buyer agree that time shall be of the essence of this Agreement.

23. **Parties in Interest; Assignment.** This Agreement shall be binding upon and inure to the benefit of the parties' respective heirs, representatives, successors, and assigns. Buyer may assign its rights and obligations under this Agreement without the prior written consent of Seller to Pathfinder Management Company, LLC. In the event such an assignment occurs, any assignee shall assume all obligations imposed on Buyer as if the assignee was the original Buyer under this agreement, and no such assignment shall release Buyer from any obligation or liability on its part under this agreement.

24. **Remedies.** If Buyer cancels this agreement by reason of non-satisfaction of one or more conditions to closing, or if Buyer cancels this agreement by reason of Seller's default, neither party shall thereafter have any further liability, right or obligation hereunder, except that the earnest money shall be refunded to Buyer. If Seller cancels this agreement by reason of non-satisfaction of one or more conditions to close, or if the Seller cancels this agreement by reason of Buyer's default, neither party shall have any further liability, right or obligation hereunder, except that the earnest money shall be retained by Seller as liquidated damages.

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:

SYLVA CORPORATION

By: _____

Its: _____

Exhibit A – Legal Descriptions

Parcel 1 (Mille Lacs County):

Outlot B, Air Park Addition, according to the recorded plat thereof on file and of record in the office of the Count Recorder in and for Mille Lacs County, Minnesota

Parcel Number: 24-071-0020

Parcel 2 (Sherburne County):

The Northwest Quarter of the Northeast Quarter of Section Five (5), Township Thirty-Five (35), Range Twenty-Six (26), Sherburne County, Minnesota EXCEPT:

That part platted as Princeton Industrial Park Second and Third Additions and

A strip of land 80.00 feet in width over that part of the Northwest Quarter of the Northeast Quarter of Section 5, Township 35, Range 26, Sherburne County, Minnesota, the Southerly line of which is contiguous with the Northerly line of Lot 1, Block 3, Princeton Industrial Park Third Addition, according to the recorded plat thereof in said County. Said strip of land is to extend by its full width from the West line of said Northwest Quarter of the Northeast Quarter, to a line parallel with and distant 190.00 feet East of said West line (WD 604181)

Parcel Number 90-005-1200