

PURCHASE AGREEMENT

THIS PURCHASE AGREEMENT (this “**Agreement**”) is made as of _____, 2024 (“**Effective Date**”), by and between BELANGER 1916, LLC, a Minnesota limited liability company, (“**Seller**”) and DULUTH ECONOMIC DEVELOPMENT AUTHORITY, a public body, corporate and politic and political subdivision under the laws of the State of Minnesota (“**Buyer**”).

RECITALS

A. Belanger 1916, LLC is the owner of real property in Duluth, St. Louis County, Minnesota, legally described on the attached **Exhibit A** (the “**Real Property**”);

B. Buyer wishes to obtain title to the Property (defined below) for economic development purposes with Buyer intending to promptly sell the Property to a developer for such purpose, and

C. To advance economic development goals, Seller intends to sell and Buyer desires to purchase the Property pursuant to the terms and conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants and conditions set forth in this Agreement, and other good and valuable consideration, the receipt, sufficiency and mutuality of which are acknowledged, Buyer and Seller agree as follows:

1.0 Property to Be Purchased. Subject to compliance with the terms and conditions of this Agreement, Seller shall sell the Property to Buyer and Buyer shall purchase from Seller the following (collectively, the “**Property**”):

- (a) the Real Property; and
- (b) all improvements located on the Real Property, if any.

Seller shall convey and Buyer shall accept title to the Property subject to (i) the Permitted Exceptions (defined in Section 4.3 below).

2.0 Purchase Price. The purchase price to be paid by Buyer for the purchase of the Property shall be Thirty-five Thousand and no/100 Dollars (\$35,000.00) (the “**Purchase Price**”), to be paid in cash at Closing (defined below).

2.1 Vacant Building Fees. At Closing, Buyer shall assume Seller’s obligation for unpaid vacant building fees imposed by the City of Duluth against the Property.

3.0 Closing. The closing of the purchase and sale of the Property from Seller to Buyer contemplated by this Agreement (the “**Closing**”) shall occur on or before April 30, 2024 (the “**Closing Date**”) or such earlier date as may be agreed upon by the parties. The Closing shall take place at the office of First American Title Insurance Company-Consolidated Title &

Abstract Company (“**Title**”) in Duluth, Minnesota, or at such other place as the parties shall mutually agree upon.

- 4.0 Title. As soon as practical after the Effective Date, Seller shall furnish, at Seller’s expense, to Buyer a title insurance commitment from Title for an ALTA Owner’s Policy of Title Insurance insuring title to the Property in the amount of the Purchase Price (the “**Title Commitment**”). In the event that the Title Commitment reflects that the title to the Property is not in a condition that is acceptable to Buyer, Buyer may object to the title defects by specifying its objections in writing (the “**Objections**”) to Seller within 20 days of receipt of the Title Commitment. All liens, mortgages, deeds of trust, trust deeds, and security interests affecting the Property shall automatically be deemed Objections, without notice by Buyer to Seller. Seller shall use best efforts to attempt to fix any title defects or may decline to fix any title defects by delivering written notice to Buyer within 14 days of receipt of Buyer’s title objections. If Seller agrees to fix the title defects, Seller shall fix the title defects and the parties shall proceed to the Closing subject to the terms and conditions of this Agreement. If Seller declines to fix the title defects or fails to do so prior to the Closing Date, Buyer may: (i) terminate this Agreement by delivering written notice of termination to Seller; or (ii) waive its objections and proceed to the Closing. If Buyer does not cancel this Agreement prior to Closing, Buyer shall accept title to the Property in as-is condition as of the Closing. Any title exceptions, defects or encumbrances that are not objected to by Buyer as set forth in this Section 4.0, or are initially objected to but later waived or deemed waived by Buyer as set forth in this Section 4.0, are referred to collectively in this Agreement as the “**Permitted Exceptions**.”
- 5.0 Right to Inspect Property. Prior to the Closing Date, Buyer and its employees, agents, independent contractors and assigns may enter the Property to inspect the Property, perform surveys, environmental assessments, soil and other tests and for other investigations and activities consistent with the purposes of this Agreement and to determine suitability for development; provided that Buyer shall not perform any invasive testing without prior written notification to Seller. Seller acknowledges that Buyer intends to promptly sell the Property for development and therefore Buyer’s right to inspect the Property may be assigned to a potential buyer.
- 6.0 Seller’s Conditions to Closing. The Closing of the transaction contemplated by this Agreement and the obligation of Seller to sell the Property shall be subject to the following conditions:
- (c) Representations. Buyer’s representations in this Agreement shall be true at the time of Closing as though such representations were made at such time.
 - (d) Performance by Buyer. Buyer shall have performed all of its obligations under this Agreement.

If the conditions set forth at 6.0(a) and (b) have not been satisfied or waived prior to the Closing Date, this Agreement may be terminated, at the option of Seller, by written notice from Seller to Buyer delivered to Buyer no later than the Closing Date. All of the

contingencies set forth in Section 6.0 of this Agreement are for the sole and exclusive benefit of Seller and Seller shall have the right to unilaterally waive any contingency by written notice to Buyer.

6.0 Buyer Representations. Buyer makes the following representations:

- (a) Authority to Enter into Agreement. Buyer has the requisite power and authority to enter into and perform this Agreement.
- (b) No Other Actions Affecting Agreement. There is no suit, action, legal, administrative or other proceeding or inquiry pending or threatened against Buyer which could affect Buyer's ability to enter into and perform Buyer's obligations under this Agreement.

Each of the above representations is material and is relied upon by Seller. Each of the above representations shall be deemed to have been made as of the Closing and shall survive the Closing.

7.0 Seller's Representations. Seller makes the following representations:

- (a) Authority to Enter into Agreement. Seller has the requisite power and authority to enter into and perform this Agreement.
- (b) Title to Property. Seller is the sole owner of the Property.
- (c) Possession. There are no persons in possession of the Property other than Seller.
- (d) Rights of Others to Purchase Property. Seller has not entered into any other contracts for the sale of the Property. To Seller's knowledge, there are no unrecorded mortgages, contracts, purchase agreements, options, rights of first refusal, leases, easements or other agreements or interests relating to the Property.
- (e) FIRPTA. Seller is not a "foreign person," "foreign partnership," "foreign trust" or "foreign state" as those terms are defined in § 1445 of the Internal Revenue Code.
- (f) Proceedings. To the best knowledge of Seller, there is no action, litigation, investigation, condemnation or proceeding of any kind pending or threatened against the Property.
- (g) Wells and Septic Systems. Seller represents that they are not aware of the presence of a well, underground storage tank or subsurface sewage treatment system located on the Property;
- (h) Methamphetamine Production. Pursuant to Minn. Stat. § 152.0275, Seller certifies to Buyer that they are not aware of any methamphetamine production that has occurred on the Property.

- (i) Lead Paint. Seller has no knowledge of lead-based pain or lead-based paint hazards in the Property. Seller has no records or reports relating to, lead-based paint and/or lead-based paint hazards.

Each of the above representations is material and is relied upon by Buyer. Each of the above representations shall be deemed to have been made as of the Closing and shall survive the Closing.

- 8.0 As Is Provisions. Except as expressly set forth in this Agreement, Buyer warrants and acknowledges to and agrees with Seller that Buyer is purchasing the Property in its "AS-IS, WHERE IS" condition "WITH ALL FAULTS" as of the Closing Date and specifically and expressly without any warranties, representations or guarantees, either express or implied, as to its condition, fitness for any particular purpose, merchantability, or any other warranty of any kind, nature, or type whatsoever from or on behalf of Seller. Seller will continue to maintain the Property through the Closing Date.
- 9.0 Independent Investigation. The consummation of this transaction shall constitute Buyer's acknowledgment that Buyer has independently inspected and investigated the Property and has made and entered into this Agreement based upon such inspection and investigation and its own examination of the condition of the Property. Upon Closing, Buyer shall assume the risk that adverse matters, including but not limited to construction defects and adverse physical and environmental conditions and the suitability or unsuitability of the Property for Buyer's intended uses, may not have been revealed by Buyer's investigations. Buyer, upon Closing, shall be deemed to have waived, relinquished and released Seller from and against, and covenanted not to sue any of the foregoing with regard to, any and all claims, demands, causes of action (including causes of action in tort or under any environmental law), losses, damages, liabilities (whether based on strict liability or otherwise), losses, damages, liabilities, costs and expenses (including attorneys' fees and court costs) of any and every kind or character, known or unknown, which Buyer might have asserted or alleged against Seller at any time (including without limitation to the extent covered by or that would be covered by [as opposed to paid] by insurance) by reason of or arising out of any latent or patent construction defects or physical conditions, violations of any applicable laws (including, without limitation, any environmental laws), the suitability of the Property for any purposes contemplated by Buyer and any and all other acts, omissions, events, circumstances or matters regarding the Property.
- 10.0 Buyer Reliance. All information, whether written or oral, previously, now, or hereafter made available to Buyer by Seller, its agents, or any other person acting for or on behalf of Seller, whether in the form of appraisals, market studies, projections, brochures, maps, surveys, soil reports, engineering studies, environmental studies, inspection reports, plans and specifications, and all other information and materials have been or will be furnished by Seller to Buyer solely as an accommodation, and neither Seller nor its agents has verified the accuracy of such information or the qualifications of the persons preparing such information. Buyer agrees that, notwithstanding the fact that Buyer has received certain information from Seller, or its respective agents or consultants, Buyer has relied solely upon and will continue to rely solely upon its own analysis and will not rely on any information

provided by Seller, or its agents or consultants.

- 11.0 Real Estate Taxes and Special Assessments. In the event that there are any current or past due taxes or assessments outstanding as of the Closing, Seller shall pay them at Closing as a part of the closing costs. Buyer shall be responsible for all real estate taxes and assessments for the year following Closing and all subsequent years.
- 12.0 Closing Documents. At or prior to Closing, the parties shall execute and deliver the following, as applicable:
- (a) The Deed, substantially in the form attached as Exhibit B.
 - (b) Resolution by Buyer, in recordable form, authorizing the acquisition of the Property by Buyer;
 - (c) All other documents required by this Agreement or reasonably required by Title to effectuate the provisions of this Agreement.
- 13.0 Closing Costs. The following costs and expenses shall be paid in connection with the Closing:
- (a) Seller shall pay the cost of:
 - (i) All fees associated with the issuance of the Title Commitment, including state and federal tax lien, judgment and bankruptcy searches;
 - (ii) All state deed taxes and/or transfer taxes on the Deed;
 - (iii) All recording fees, including but not limited to record the Deed and Buyer's resolution authorizing the acquisition of the Property by Buyer;
 - (iv) All expenses, including recording fees, to correct any objections that Seller elects to undertake pursuant to Section 4.3 above;
 - (v) All general real estate taxes due and all special assessments levied or pending with respect to the Property on Closing Date
 - (vi) One-half (1/2) of Title's closing fees;
 - (vii) All attorneys' fees and expenses incurred by Seller; and
 - (viii) Any other item allocated to Seller in this Agreement.
 - (b) Buyer shall pay the cost of:
 - (i) Any surveys, reports or inspection reports obtained by Buyer;

- (ii) One-half (1/2) of Title's closing fees;
- (iii) The premium for a title policy insuring title to the Property in the name of Buyer in the amount of the Purchase Price, if Buyer elects; and
- (iv) All attorneys' fees and expenses incurred by Buyer.

14.0 Title to Be Delivered. Seller agrees to convey marketable fee simple title in the Property to Buyer at Closing subject only to:

- (a) Reservations of minerals or mineral rights by the State of Minnesota, if any;
- (b) Building, zoning and subdivision laws, ordinances and State and Federal regulations which do not interfere with present improvements; and,
- (c) Any Permitted Exceptions, as defined in Section 4.0 above

15.0 Commission. 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. Seller and Buyer shall each indemnify and hold the other harmless of any claim made by any broker or sales agent or similar party for a commission due or alleged to be due under the terms of any brokerage agreement entered into by said party.

16.0 Risk of Loss. If there is any loss or damage to the Property between the date of this Agreement and the date of Closing, the risk of loss shall be on Seller. If the Property is destroyed or damaged prior to the Closing, Buyer may cancel this Agreement upon written notice to Seller and in such event, the parties shall have no further obligations to one another pursuant to this Agreement except as expressly set forth in this Agreement.

17.0 Default.

- (a) **Default by Buyer.** If Buyer defaults under this Agreement, due to no fault of Seller, Seller shall have the right to terminate this Agreement by giving written notice to Buyer. If Buyer fails to cure such default within thirty (30) days of the date of such notice, this Agreement will terminate.
- (b) **Default by Seller.** If Seller defaults under this Agreement, Buyer may, after at least thirty (30) days prior written notice to Seller and Seller's failure to cure the default within said notice period, either (i) declare this Agreement terminated, or (ii) Buyer may elect to seek specific performance of this Agreement.
- (c) Notwithstanding anything in this Section 16 to the contrary, any action by Buyer or Seller for specific performance must be commenced no later than 180 days after the date of discovery of the default.

- (d) The limitation set forth in the preceding sentence shall not apply to claims for indemnification or contribution specifically provided for in this Agreement.
- (e) The provisions in this Section 17.0 shall survive any termination or cancellation of this Agreement and shall survive the Closing.

18.0 Assignment. Except as provided herein, neither Seller or Buyer may assign its interest in this Agreement.

19.0 Governing Law. This Agreement is made and executed under and in all respect to be governed by the laws of the State of Minnesota. Any dispute that may arise between the parties arising out of this Agreement shall be adjudicated before a court located in St. Louis County, Minnesota and the parties irrevocably submit to the exclusive jurisdiction of the federal and state courts of the State of Minnesota located in St. Louis County with respect to any action or legal proceeding commenced by any party.

20.0 Notices. The mailing addresses for notice purposes of Seller and Buyer are as follows (or to such other respective addresses as may be designated by notice given in accordance with provisions of this Section):

If to Seller: Belanger 1916, LLC
Attn: Michael Conlan

If to Buyer: Duluth Economic Development Authority
Attn: Executive Director
411 W. First Street, Room 418
Duluth, MN 55802

Any notice, request, demand or other communication permitted or required under this Agreement shall be in writing and shall be deemed duly delivered when delivered personally or when deposited in the United States mails, First Class, postage prepaid or delivered to a reputable courier addressed to the party for whom it is intended at the address specified above or at such other address as either party shall notify the other of in writing as provided above.

21.0 Headings. The captions and headings of the various sections of this Agreement are for convenience only and are not to be construed as defining or as limiting in any way the scope or intent of the provisions hereof.

22.0 Invalidity. If for any reason any portion or paragraph of this Agreement shall be declared void or unenforceable by any court of law at equity, it shall only affect such particular portion or paragraph of this Agreement and the balance of this Agreement shall remain in

full force and effect and shall be binding upon the parties hereto.

- 23.0 Counterparts/Facsimile/E-Mail Signatures. This Agreement may be executed in any number of counterparts and by different parties on separate counterparts, each of which counterparts, when so executed and delivered, shall be deemed to be an original and all of which counterparts, taken together, shall constitute one and the same Agreement. Facsimile and e-mail signatures shall be binding on the transmitting party and shall have the same force and effect as if the original signature had been delivered.
- 24.0 Waiver. The failure of either party to enforce any provision of this Agreement shall not be construed as a waiver or limitation of that party's right to subsequently enforce and compel strict compliance with every provision of this Agreement.
- 25.0 No Rights or Benefits to Third Parties. The parties do not intend to create rights in, or to grant remedies to, any third-party as a beneficiary of this Agreement or to create any duty to, or standard of care on behalf of, any third-party by any covenant, obligation or undertaking established in this Agreement. There are no incidental third-party beneficiaries to this Agreement.
- 26.0 Construction of Agreement. The parties have participated jointly in the negotiation and drafting of this Agreement. If an ambiguity or question of intent or interpretation arises, this Agreement is to be construed as if drafted jointly by the parties and no presumption or burden of proof will arise favoring or disfavoring a party by virtue of the authorship of any of the provisions of this Agreement.
- 27.0 Entire Agreement and Amendment. This Agreement constitutes the entire understanding of the parties with respect to the subject matter hereof. No modification, amendment or waiver may be made to the terms of this Agreement without the written consent of both parties.

[Remainder of this page is intentionally left blank.]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date indicated above.

BELANGER 1916, LLC

By: _____

Name: _____

Title: _____

Dated: _____

**DULUTH ECONOMIC
DEVELOPMENT AUTHORITY**

By: _____

Name: _____

Its: President

Dated: _____

By: _____

Name: _____

Its: Secretary

Dated: _____

DRAFT

EXHIBIT A TO PURCHASE AGREEMENT
Legal Description

Lot Three Hundred Eight-Five (385), Block One Hundred Fifty-Three (153), DULUTH PROPER
SECOND DIVISION

St. Louis County, Minnesota

DRAFT

EXHIBIT B TO PURCHASE AGREEMENT

WARRANTY DEED

eCRV Number: _____

Deed Tax Due: \$ _____

Date: _____, 2024

FOR VALUABLE CONSIDERATION, BELANGER 1916, LLC, a Minnesota limited liability company, “Grantor,” hereby conveys and warrants to DULUTH ECONOMIC DEVELOPMENT AUTHORITY, a public body, corporate and politic and political subdivision under the laws of the State of Minnesota “Grantee,” real property in St. Louis County, Minnesota, described as follows (the “Property”):

Lot Three Hundred Eight-Five (385), Block One Hundred Fifty-Three (153), DULUTH PROPER SECOND DIVISION

together with all hereditaments and appurtenances belonging thereto, and subject to all existing easements, restrictions and reservations of record.

Check here if all or part of the described real property is Registered (Torrens) ☐

Grantor certifies that the Grantor does not know of any wells on the Property.

[Remainder of this page is intentionally left blank.]

BELANGER 1916, LLC

By: _____

Name: _____

Its: _____

STATE OF MINNESOTA)
) SS
COUNTY OF ST. LOUIS)

This instrument was acknowledged before me on _____, 2024, by
_____, the _____ of the BELANGER 1916, LLC, limited liability
company under the laws of the State of Minnesota.

Notary Public

This Instrument was drafted by:
City of Duluth
Office of the City Attorney
411 W. First Street, Room 410
Duluth, Minnesota 55802

Tax Statements should be sent to:
Duluth Economic Development Authority
411 West 1st St. Room 418
Duluth, MN 55802