

PURCHASE AGREEMENT

This Agreement is made and entered into by and between the Independent School District No. 2143, a Minnesota public school corporation, (“Seller”), and Jerry Marzahn, an individual (“Purchaser”).

RECITALS:

A. Seller is the fee owner of certain property described in the attached Exhibit A (“Property”).

B. Seller wishes to convey, and Purchaser wishes to purchase the Property, together with all rights, privileges, easements, and appurtenances belonging thereto.

AGREEMENT:

In consideration of the mutual covenants and agreements herein contained and other valuable consideration, the sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Purchase Price and Manner of Payment. The total purchase price (“Purchase Price”) to be paid by Purchaser for the Property shall be \$81,300.00 payable upon closing of the purchase. In addition, Purchaser has agreed to make an \$8,000.00 donation to the WEM FFA Program, and a \$2,000.00 donation to the WEM Kindergarten classrooms, with both donations also payable at closing.

2. Closing. The closing shall be conducted at a mutually agreeable time and place. Seller agrees to deliver possession of the Property to Purchaser on the “Closing Date.” At the closing, Purchaser shall pay the entire Purchase Price to Seller and make the above-enumerated donations and the following closing documents shall be executed and delivered.

- a. A quit claim deed conveying to Purchaser title of the Property, free and clear of all encumbrances, except the following “Permitted Encumbrances”:
 - (1) Property taxes and special assessments to be allocated between the parties as provided in Section 3 of this Agreement;
 - (2) Building codes and laws and ordinances relating to zoning, land use and environmental matters; and
 - (3) Easements and Restrictions and Covenants of Record.

- b. All other documents necessary to transfer the Property to Purchaser free and clear of all encumbrances except the Permitted Encumbrances.
3. **Costs.** Seller and Purchaser agree to the following allocations of costs:
- a. **Documentary Taxes.** Seller shall pay all state deed tax for the deed to be delivered by Seller under this Agreement.
 - c. **Real Estate Taxes and Levied and Pending Assessments.** General real estate taxes due in 2023 shall be prorated between the parties. Seller shall be responsible for all special assessments levied or pending against the Property as of the date of closing.
 - d. **Recording Costs.** Seller shall pay recording costs relating to the Closing of the Property.
 - e. **Attorney's Fees.** Each party will pay its own attorney's fees.
4. **Representations and Warranties by Seller.** Seller represents and warrants to Purchaser as follows:
- a. **Authority.** Seller has the requisite power and authority to enter into and perform this Agreement.
 - b. **Rights of Others to Purchase Property.** Seller has not entered into any other contracts for the sale of the Property.
 - c. **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.
 - d. **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.
 - e. **Wells and Septic Systems.** Seller represents that it is not aware of any septic systems or wells located on the Property.
 - f. **Methamphetamine Production.** Pursuant to Minnesota Statutes section 152.0275, Seller certifies to Purchaser that it is not aware of any methamphetamine production that has occurred on the Property.

- g. Blocked Persons.** Seller has not received written notice that Seller is:
- (1) listed on the Specifically Designated Nationals and Blocked Persons List maintained by the Office of Foreign Assets Control, Department of the Treasury (“OFAC”) pursuant to Executive Order No. 13224, 66 Fed. Reg. 49079 Sept. 25, 2001 (“Order”) and/or on any other list of terrorists or terrorist organizations maintained pursuant to any of the rules and regulations of OFAC or pursuant to any other applicable Orders (such lists are collectively referred to as the “Lists”);
 - (2) a person who has been determined by competent authority to be subject to the prohibitions contained in the Order; or
 - (3) owned or controlled by, or acts for or on behalf of, any person or entity who is (x) on the Lists or any other person or entity who has been determined by competent authority to be subject to the prohibitions contained in the Order; (y) a citizen of the United States who is prohibited to engage in transactions by any trade embargo, economic sanction, or other prohibition of United States law, regulation, or Executive Order of the President of the United States; or (z) an “Embargoed Person,” meaning any person, entity or government subject to trade restrictions under U.S. law, including but not limited to the International Emergency Economic Powers Act, 50 U.S.C. § 1701 et seq., the Trading with the Enemy Act, 50 U.S.C. App. 1 et seq., and any Executive Orders or regulations promulgated under such acts.

5. Representations and Warranties by Purchaser. Purchaser represents and warrants to Seller that Purchaser has the requisite power and authority to enter into this Agreement and perform it.

6. Control of Property. Subject to the provisions of this Agreement, until the Closing Date, Seller shall have full responsibility and the entire liability for any and all damages or injuries of any kind whatsoever to the Property, to any and all persons, whether employees or otherwise, and to any other property from and connected to the Property, except liability arising from the negligence of Purchaser, its agents, contractors, or employees.

7. Condemnation. If, prior to the Closing Date, eminent domain proceedings are commenced against all or any part of the Property, Seller shall immediately give notice to Purchaser of such fact and at Purchaser's option (to be exercised within ten (10) days after Seller notice), this Agreement shall terminate, in which event neither party will have further obligations under this Agreement. If Purchaser fails to exercise its option to terminate the Agreement, then there shall be no reduction in the Purchase Price, and Seller shall assign to Purchaser at the Closing Date all of Seller right, title and interest in and to any award made or to be made in the condemnation proceedings.

8. Assignment. Purchaser may not assign its rights under this Agreement without written consent of the Seller.

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

10. Notices. Any notices required or permitted to be given by any party to the other shall be given in writing, and shall be (i) hand delivered to any officer of the receiving party, or (ii) mailed in a sealed wrapper by United States registered or certified mail, return receipt requested, postage prepaid, or (iii) properly deposited with a nationally recognized, reputable overnight courier, properly addressed as follows:

If to Seller: Independent School District No. 2143
 c/o Margaret Jewison, Business Manager
 500 East Paquin Street
 Waterville, MN 56096

If to Purchaser: Jerry Marzahn
 51301 153rd Ave.
 Waterville, MN 56096

Notices shall be deemed effective on the earlier of the date of receipt or in the case of such deposit in the mail or overnight courier, on the first business day following such deposit. Any party may change its address for the service of notice by giving written notice of such change to the other party.

11. Captions. The 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. This written Agreement constitutes the complete agreement between the parties and supersedes any and all other oral or written agreements, negotiations, understandings, and representations between the parties regarding the Property. There are no verbal or written side agreements that change this Agreement.

13. Amendment; Waiver. No amendment of this Agreement, and no waiver of any provision of this Agreement, shall be effective unless set forth in a writing expressing the intent to so amend or waive, and the exact nature of such amendment or waiver, and signed by both parties (in the case of amendment) or the waiving party (in the case of waiver). No waiver of a right in any one instance shall operate as a waiver of any other right, nor as a waiver of such right in a later or separate instance.

14. Governing Law. This Agreement is made and executed under and in all respects is to be governed and construed under the laws of the State of Minnesota.

15. Binding Effect. This Agreement binds and benefits the parties and their respective successors and assigns.

16. Remedies.

a. Default by Purchaser. If Purchaser defaults under this Agreement, Seller shall have the right to terminate this Agreement by giving a 30-day written notice to Purchaser pursuant to Minnesota Statutes section 559.21, as it may be amended from time to time. If Purchaser fails to cure such default within thirty (30) days of the date of such notice, this Agreement will terminate, and upon such termination Seller shall retain the Earnest Money as liquidated damages, time being of the essence of this Agreement; or Seller may sue for specific performance of this Agreement or actual damages caused by Purchaser's default.

b. Default by Seller. If Seller defaults under this Agreement, Purchaser may sue for specific performance of this Agreement or actual damages caused by Seller default.

SELLER: INDEPENDENT SCHOOL DISTRICT NO. 2143

By: _____

Dated: _____

Its: Board Chair

By: _____

Dated: _____

Its: Board Clerk

PURCHASER: JERRY MARZAHN

By: _____

Dated: _____

Exhibit A

All that part of the Northeast Quarter of the Northeast Quarter of Section 34, Township 109 North, Range 23 West, LeSueur County, Minnesota, described as: Commencing at the Northwest corner of the Northeast Quarter of the Northeast Quarter of Section 34, Township 109 North, Range 23 West; thence North 89 degrees 10 minutes 48 seconds East (assumed bearing) on the North line of said Northeast Quarter of the Northeast Quarter, a distance of 1102.54 feet; thence South 00 degrees 00 minutes 00 seconds West; 543.56 feet to a point on the westerly right-of-way line of the former Minneapolis and St. Louis Railway Company, said point being the point of beginning, also said point being on a circular curve to the left, center of radius bearing North 54 degrees 23 minutes 50 seconds East, a distance of 1959.86 feet, chord bearing South 40 degrees 15 minutes 39 seconds East, a distance of 318.32 feet, an arc distance of 318.67 feet on said right-of-way line to the point of tangency of said curve; thence South 44 degrees 55 minutes 08 seconds East on said right of way line, 25.86 feet; thence South 78 degrees 44 minutes 54 seconds West, 1342 feet more or less to the West line of said Northeast Quarter of the Northeast Quarter; thence northerly on said West line, 304.7 feet more or less to a point that bears South 78 degrees 43 minutes 30 seconds West from the point of beginning; thence North 78 degrees 43 minutes 30 seconds East, 1117 feet more or less to the point of beginning. Said parcel contains 8.4 acres of land more or less and being subject to any and all easements of record.

AND

All that part of the Northeast quarter of the Northeast quarter of Section 34 Township 109 North Range 23 West lying southerly of the southerly right of way line of Minnesota Truck Highway No. 60, westerly of the westerly right of way line of the former Minneapolis and St. Louis Railway Company and northerly of the following described line. Commencing at the Northwest corner of the Northeast quarter of the Northeast quarter of said Section 34, thence North 89 degrees 10 minutes 48 seconds East (assumed bearing) on the North line of said Northeast quarter of the Northeast quarter a distance of 1102.54 feet; thence South 00 degrees 00 minutes 00 seconds West 543.56 feet to a point on the westerly right of way line of said Railway Company, said point being the point of beginning of said line; thence South 78 degrees 43 minutes 30 seconds West, 1117 feet more or less to the West line of said Northeast quarter of the Northeast quarter and there terminating. Said tract contains 10.0 acres of land more or less and being subject to any and all easements of record.

EXCEPT

That part of the Northeast Quarter of the Northeast Quarter of Section 34, Township 109 North, Range 23 West, Le Sueur County, Minnesota, described as follows: Commencing at the Northwest Corner of said Northeast Quarter of the Northeast Quarter; thence North 89 degrees 56 minutes 46 seconds East (bearings based on Le Sueur County Coordinates

System NAD83, 1996 Adjustment) on the north line of said Northeast Quarter of the Northeast Quarter, a distance of 1102.54 feet; thence South 00 degrees 45 minutes 58 seconds West, a distance of 543.56 feet, thence South 79 degrees 29 minutes 28 seconds West, a distance of 395.87 feet to the point of beginning; thence North 01 degrees 12 minutes 56 seconds West, a distance of 77.81 feet; thence North 01 degrees 12 minutes 12 seconds West, a distance of 230.47 feet; thence North 15 degrees 56 minutes 04 seconds West, a distance of 74.93 feet; thence North 57 degrees 31 minutes 52 seconds West, a distance of 81.04 feet; thence North 70 degrees 58 minutes 56 seconds West, a distance of 159.68 feet to the southerly right of way line of Minnesota State Highway 60; thence South 67 degrees 12 minutes 59 seconds West on said southerly line, a distance of 171.84 feet; thence South 33 degrees 38 minutes 48 seconds West on said southerly line, a distance of 499.93 feet; thence South 67 degrees 12 minutes 59 seconds West on said southerly line, a distance of 33.21 feet to the west line of said Northeast Quarter of the Northeast Quarter; thence South 00 degrees 34 minutes 41 seconds West on said west line, a distance of 112.59 feet to a point on a line that bears South 79 degrees 29 minutes 28 seconds West from the point of beginning; thence North 79 degrees 29 minutes 28 seconds East, a distance of 725.75 feet to the point of beginning. Said parcel contains 6.33 acres of land.