

PURCHASE AGREEMENT

THIS AGREEMENT is made and entered into this ____ day of _____, 2023, (the “Effective Date”), by and between the Bois De Sioux Watershed District, a Minnesota political subdivision, whose mailing address is 704 Hwy 75 South, Wheaton, Minnesota 56296 (the “District”); and _____, a [married couple/individual/corporation], whose mailing address is _____ (the “Buyer”).

WHEREAS, the District owns certain real property in Western Township, Otter Tail County, Minnesota that was originally purchased for the construction of a proposed flood impoundment project; and

WHEREAS, there is no longer a need or desire to construct a flood impoundment project in this location; and

WHEREAS, under the District’s policies, “[t]he District will dispose of property not needed for projects in a way that avoids unnecessary holding costs and illiquidity of assets;” and

WHEREAS, the District solicited offers for the purchase of the real property described herein and selected the Buyer’s offer to purchase the real property; and

WHEREAS, the Buyer submitted an offer to the District and is willing to purchase the real property, according to the terms and conditions contained in this Agreement.

NOW THEREFORE, in consideration of the mutual terms, covenants, conditions, and agreements contained herein, and other good and valuable consideration, of which the parties acknowledge, the parties hereby agree as follows:

1. **The Property.** The District agrees to sell and the Buyer agrees to purchase the following described real property, located in Otter Tail County, State of Minnesota, and legally described as follows:

Southwest Quarter (SW ¼) of Section 32, Township 131, Range 44, Otter Tail County, Minnesota

Quarter section, more or less, subject to any easements or reservations of record.

The real property described above is the “Property.” The Property’s county parcel ID# is 61000320151000.

2. **Earnest Money.** The Buyer is responsible for providing earnest money, to be held in an escrow account, in the amount of ten percent (10%) of the Purchase Price. The earnest money is to be delivered to the District via cashier’s check or personal check upon the District accepting the Buyer’s offer to purchase the Property.

3. **Purchase Price and Payment.** The total purchase price for the Property will be the sum of _____ Dollars (\$_____). Upon delivery of a Quit Claim Deed by the District, conveying the Property to the Buyer, the Buyer will pay the District the total purchase price, less the earnest money, by cash, money order, certified check, wire transfer, or other

immediately available funds, at closing. The District specifically acknowledges the purchase price paid by the Buyer under this Agreement represents full and final payment to the District as compensation for the Property and that the District is not entitled to any further payments, tax reductions, or damages under any state or federal statute, constitutional provision, rule or regulation, or other legal authority.

4. **Date of Closing.** This transaction will close on or before April 14, 2023, (the “Date of Closing”). The Date of Closing may change by mutual written agreement of both parties.

5. **Restricted Use of Property.** The Buyer agrees to only use the Property for agricultural practices, specifically, ordinary and customary farming and/or ranching operations for a minimum of ten (10) years. Ordinary and customary farming and/or ranching operations may also include constructing, reconstructing, repairing, maintaining, replacing, and removing farmsteads, accessory structures, and related appurtenances. Failure of the Buyer to use the Property for agricultural practices will be considered a material breach of this transaction. The District may pursue legal action such as injunction, action to compel performance, restoration, abatement, and other appropriate action, to ensure the Property continues to be used for agricultural practices for a minimum of ten (10) years.

6. **District’s Obligations.** Subject to performance by the Buyer, the District agrees to execute and deliver a Quit Claim Deed conveying marketable title to the Property, subject only to the following:

- a. Building and zoning laws, ordinances, state and federal regulations.
- b. “Permitted Encumbrances” which collectively include: (i) delinquent real estate taxes and special assessments; (ii) easements that do not interfere with present or proposed use or improvements of or on the Property; (iii) protective covenants recorded on the Property; and (iv) any other encumbrance not objected to by the Buyer.

7. **Buyer’s Obligations.** The Buyer’s obligation to consummate the transaction contemplated by this Agreement is contingent upon the following:

- a. The District’s ability to convey marketable title to the Property on the Date of Closing, free and clear of any and all liens or encumbrances whatsoever except the Permitted Encumbrances.
- b. Upon failure of any of the foregoing contingencies, at the option of the Buyer exercised by written notice to the District given not later than five (5) days following the applicable time period provided for such contingency or the Date of Closing, whichever occurs first, this Agreement will terminate and be of no further force or effect.

8. **Condition of the Property.** The Buyer accepts the Property in “AS IS,” “WHERE AS,” and with “ALL FAULTS” condition.

9. **Abstract of Title.** Upon request, the District will furnish an Abstract of Title to the Buyer. The Buyer will have fifteen (15) days after receipt of the abstract to examine the title and to make any objections to title. The Buyer must make any objections in writing. Any objections not made in writing will be ineffective. If the Buyer makes any objections, the District will have thirty (30) days to make the title marketable. Pending correction of title, the payments required by this Agreement will be postponed. Within fifteen (15) days after written notice to the Buyer that the District has corrected the title, the parties shall perform this Agreement according to its terms. If the title is not marketable and is not made so within thirty (30) days from the date of written objections, this Agreement will be null and void at the option of the Buyer, and neither party will be liable for damages to the other. The District will refund all money paid by the Buyer.

10. **Specific Performance.** Neither party will be deprived of the right of enforcing the specific performance of this Agreement. Any action to enforce specific performance must be started within six (6) months after the right of action arises.

11. **Real Estate Tax.** The real estate taxes payable in the year of closing shall be prorated between the District and the Buyer on a calendar year basis to the actual Date of Closing. The Buyer will pay any special assessment payment which is required as a result of closing this sale or recording the Quit Claim Deed at the Date of Closing.

12. **Future Warranty.** Neither the District nor the District's agents make any representation or warranty about the amount of future real estate taxes or special assessments on the Property.

13. **Access – Independent Inspection of the Property.** The District authorizes the Buyer, or such other person as the Buyer may designate, to enter the Property for inspection prior to the Date of Closing at any time between the execution of this Agreement and the Date of Closing. The Buyer is solely responsible for performing its own independent inspection of the premises and, if the property is income producing, its operation and income production, and the Buyer is not relying solely upon any statements or representations made by the District.

14. **Closing.** On the Date of Closing:

- a. The Buyer will deliver to the District _____ **Dollars (\$_____)**, by cash, money order, certified check, wire transfer, or other immediately available funds, for the Property.
- b. The District will deliver a Quit Claim Deed to the Buyer upon receipt of the purchase price, less the earnest money.
- c. The closing and delivery of such documents will take place at such reasonable location as may be agreed upon by the parties.
- d. The District will assign its responsibilities and rights under the existing lease agreement for the 2023 growing season, for the Property. This includes the rental income in the amount of **Thirty-Four Thousand Nine Hundred Eighty-Seven and 95/100ths Dollars (\$34,987.95)**.

15. **Closing Costs.** The Buyer will be responsible for closing costs, including the cost of updating the abstract, deed tax, cost of any survey (if desired by Buyer), and all costs related to title examination. The District will be responsible for the cost of preparing this Agreement and the Quit Claim Deed. Any cost not defined herein will be the responsibility of the party requesting it.

16. **Representations and Warranties.** The District represents and warrants to the Buyer that:

- a. The District, on the Date of Closing, will have complied with all of its obligations hereunder, unless such compliance has been waived in writing by the Buyer, and all representations and warranties made hereunder will be true and correct on said date.
- b. On the Date of Closing, the District will own the subject premises free and clear of all liens, charges, and encumbrances, except the Permitted Encumbrances.
- c. There are no underground wells, buried underground storage tanks as defined in Minn. Stat. § 116.46, subd. 8, or private septic systems on, under, or upon the subject premises. Upon twenty four (24) hours' notice, the Buyer may enter the Property at any date after the Effective Date of this Agreement to investigate and survey the Property for underground storage tanks or wells.
- d. There are no hazardous materials contained on the Property. The Buyer may enter the Property at any date after the Effective Date of this Agreement to investigate and survey the Property for hazardous material.

The District hereby agrees that the truthfulness of each of said representations and warranties and all other representations and warranties herein made is a condition precedent to the performance by the Buyer of its obligations hereunder.

17. **Breach of Representation or Warranty.** Upon the breach of any representation or warranty hereof, the Buyer may, prior to the Date of Closing, declare this Agreement to be null and void, or the Buyer may elect to close this sale. If the Buyer elects to declare this Agreement null and void in writing (citing the express breach by the District), all money paid will be immediately refunded to the Buyer and, upon such refund, neither party will have any further rights or obligations hereunder. All representations, warranties, and covenants of the District will survive the Date of Closing.

18. **Notice.** Any notice or election required or permitted to be given or served by either party to this Agreement upon the other will be deemed given or served in accordance with the provisions of this Agreement if said notice or election is (a) delivered personally, or (b) mailed by United States certified mail, return receipt requested, postage prepaid and in any case properly addressed as follows:

The District:	The Buyer:
Bois de Sioux Watershed District Attn: Administrator 704 Hwy 75 South Wheaton, MN 56296	

Each such mailed notice or communication will be deemed to have been given on the date the same is deposited in the United States mail. Each such delivered notice or communication will be deemed to have been given upon the delivery. Any party may change its address for service of notice in the manner specified in this Agreement.

19. **Foreign Investment in Real Property Tax Act (“FIRPTA”).** The Buyer is not a “foreign person” as defined in Section 1445(b)(2) of the Internal Revenue Code of 1986, as amended and the related regulations.

20. **Statutory Disclosure.** The parties waive the written disclosure required under Minn. Stats. §§ 513.52 to 513.60.

21. **Hazardous Substance, Petroleum Products, And Underground Storage Tanks.** The District knows of no hazardous substances or petroleum products having been placed, stored, or released from or on the Property by any person in violation of any law, nor of any underground storage tanks having been located on the Property at any time, except as follows: none. The term “hazardous substances” is intended to include, but not be limited to, the following: asbestos, urea formaldehyde, polychlorinated biphenyls, nuclear fuel or materials, chemical waste, radioactive materials, explosives, known carcinogens, petroleum products or other dangerous, toxic or hazardous pollutant, contaminant, chemical material or substances defined as hazardous or as a pollutant or contaminant in, or the release or disposal of which is regulated by any law or regulation. This provision shall survive the closing of this Agreement regardless of whether it appears in any further documentation implementing the closing of this Agreement.

The Buyer agrees to rely solely upon the Buyer’s own examination and testing (which is to be done, if at all, at the Buyer’s expense) in regard to the possible existence of hazardous substances upon the Property.

22. **Entire Agreement.** This Agreement constitutes the entire and complete agreement between the parties and supersedes any prior oral or written agreements between the parties with respect to the Property. It is expressly agreed that there are no verbal understandings or agreements which in any way change the terms, covenants, and conditions set forth herein, and that no modification of this Agreement and no waiver of any of its terms or conditions will be effective unless in writing and duly executed by the parties.

23. **No Forbearance.** The failure or delay of any party to insist on the performance of any of the terms of this Agreement, or the waiver of any breach of any of the terms of this Agreement, will not be construed as a waiver of those terms, and those terms will continue and remain in full force and effect as if no forbearance or waiver had occurred and will not affect the validity of this Agreement, or the right to enforce each and every term of this Agreement.

24. **Remedies.** Except as expressly and specifically stated otherwise, nothing herein will limit the remedies and rights of the parties under this Agreement.

25. **Binding Effect.** All covenants, agreements, warranties, and provisions of this Agreement will be binding upon and inure to the benefit of the parties and their respective heirs, representatives, successors, and assigns, and will continue in force and effect and be binding after the Date of Closing and delivery of the Quit Claim Deed. When used herein, the singular will include the plural, the plural will include the singular, and the use of one gender will include all other genders, as and when the context so requires.

26. **Governing Law.** This Agreement will be construed and enforced in accordance with Minnesota law. The parties agree any litigation arising out of this Agreement will be venued in State District Court in Otter Tail County, Minnesota, and the parties waive any objection to venue or personal jurisdiction.

27. **Severability.** If any court of competent jurisdiction finds any provision or part of this Agreement is invalid, illegal, or unenforceable, that portion will be deemed severed from this Agreement, and all remaining provisions and parts of this Agreement will remain binding and enforceable.

28. **Modifications.** Any modification or amendment of this Agreement must be in writing and signed by both parties to this Agreement.

29. **Cooperation.** The parties agree to cooperate fully, to execute any and all additional documents, and to take any and all additional actions that may be necessary or appropriate to give full force and effect to the basic terms and intent of this Agreement and to accomplish the purposes of this Agreement.

30. **Representation.** The parties, having been represented by counsel or having waived the right to counsel, have carefully read and understand the contents of this Agreement, and agree they have not been influenced by any representations or statements made by any other parties.

31. **Counterparts.** This Agreement may be signed in counterparts, meaning that this Agreement is valid if signed by both parties even if the signatures of the parties appear on separate copies of the same agreement rather than on a single document.

32. **Effective Date.** This Agreement becomes effective upon the date of the last signature appearing below.

[Signatures contained on the following pages.]

IN WITNESS WHEREOF, the parties have signed this Agreement on the dates written below.

DISTRICT:

BOIS DE SIOUX WATERSHED DISTRICT

Date: _____, 2023

Linda Vavra, President

Attest:

Date: _____, 2023

Jamie Beyer, Administrator

[Signatures continue on the following page.]

BUYER:

Date: _____, 2023

Signature: _____

Print Name: _____

**THIS DOCUMENT WAS
PREPARED BY:**

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