

PURCHASE AGREEMENT

THIS AGREEMENT made and entered into this 18th day of July, 2019, by and between Kelsey M. Slauter, whose post office address is 805 - 2nd Avenue NE, Minot, ND 58701, hereinafter called "Seller", and the City of Minot, a North Dakota municipal corporation, whose post office address is P.O. Box 5006, Minot, ND 58702-5006, hereinafter called "City."

WITNESSETH, that Seller agrees to sell and City agrees to purchase, upon the terms and conditions hereinafter set forth, the following described real property and all appurtenances thereunto belonging, owned by the Seller and located in the County of Ward, State of North Dakota, to-wit:

Lot 9, Block 4, Torbenson's Third Addition to the City of Minot, Ward County, North Dakota

Street Address: 805 - 2nd Avenue NE
Minot, ND 58701
Tax Parcel ID: MI244540400090
File No.: 4490

Notwithstanding any other provision of this Purchase Agreement, City shall have no obligation to purchase the Property, and no transfer of title to City may occur, unless and until City has received a written determination, on the basis of a federally required environmental review and an approved request for release of federal funds, that purchase of the Property by City may proceed. Upon receipt of the written determination and approved release of funds and subject to other terms and conditions of this Purchase Agreement, the purchase may proceed only if certain conditions to address issues in the environmental review shall be satisfied before or after the purchase of the property. City shall use its best efforts to ensure environmental review of the property is concluded expeditiously.

In further consideration of the covenants and obligations contained herein, the parties agree as follows:

1. PURCHASE PRICE. The purchase price for all of Seller's right, title and interest in the Property shall be One Hundred Fifty-six Thousand Dollars (\$156,000.00) payable at Closing, which sum shall be reduced by any amounts paid by City on behalf of Seller for the purposes set forth in paragraph 9. Except as otherwise provided herein, Seller shall receive no other compensation from the City for Seller's right, title, and interest in the Property. Notwithstanding the foregoing, Seller may be entitled to benefits and assistance pursuant to the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and/or *N.D.C.C.* § 54-01.1.

2. ABSTRACT AND TITLE INSURANCE. Prior to Closing, Seller shall provide the City possession of an abstract of title or title insurance policy showing marketable title of the Seller to the real estate described in this agreement. The cost of any abstract continuation or provision of title insurance shall be paid by City. In the event that Seller is unable to deliver an existing abstract or title insurance policy to City, the cost of creating a new abstract or acquisition of title insurance shall be paid by City. Seller shall pay

all costs required to perfect its title to the property. Seller agrees to cooperate with City and to execute all documents necessary to demonstrate or obtain marketable title to the property. Upon Closing, all abstracts and title insurance policies shall become the property of City.

If Seller's title is not insurable or free of defects and cannot be made so within sixty (60) days after notice containing a written statement of defects delivered to Seller, then this agreement may be terminated at the option of City, except that City may waive defects and elect to close the purchase.

3. DEED. Seller shall, on full compliance by City with the promises herein, execute and deliver to City a Warranty Deed, in recordable form, conveying marketable title free from all encumbrances, except the following:

- A. Conditions, covenants, restrictions, limitations, terms, easements, and declarations of record;
- B. Taxes, general and/or special assessments, not yet certified for collection;
- C. Facts that a survey or personal inspection of the property will disclose;
- D. All zoning regulations and ordinances;
- E. Covenants required by federal, state or local authorities as a result of the acquisition of the property.

4. CLOSING DATE. This transaction shall be finally closed and a Warranty Deed as required herein delivered to City within forty-five (45) days after the later of delivery to City of all necessary documents from Seller or delivery of a current abstract of title or title insurance commitment demonstrating marketable title to the property in the condition required under this Purchase Agreement and availability of adequate funding for the City of Minot.

5. POSSESSION. City shall be entitled to possession of the Property within 120 days after Closing as set forth in the Purchase Agreement Addendum.

6. INSPECTION OF PROPERTY. City shall have the right to conduct such investigations, inspections and inventories of the Property as it deems reasonable or necessary prior to Closing. Seller hereby grants unto City, its officers, agents, employees and independent contractors, the right to enter upon the Property at reasonable times upon reasonable notice, oral or written, from time to time after the date of this agreement for the purposes of investigating, inspecting and performing inventories of the Property and for other purposes consistent with City's interest under this agreement.

7. REMOVAL OF IMPROVEMENTS. Within 120 days after the Closing Date, Seller at its own expense shall remove the house and foundation as set forth in the Purchase Agreement Addendum.

8. NO HOLDOVER PERIOD FOR OCCUPANTS. Seller shall ensure that it and all other current occupants vacate the Property within 120 days after Closing.

9. PURCHASE PRICE DEDUCTIONS. Prior to disbursing payment to Seller, City may use a portion of the Purchase Price to satisfy Seller's obligations under this document, to pay taxes, assessments, mortgages, liens and acquisition of other parties' outstanding interests in the Property.

10. STATUS QUO MAINTAINED. Except as set forth in the Purchase Agreement Addendum, the Property shall be preserved in its present condition and Seller shall deliver it intact at the time of closing. In the event salvage is authorized, the value of the salvaged items will be deducted from the Purchase Price stated in paragraph 1. All risk of loss or damage to the Property is on Seller until transfer of possession. Prior to closing, Seller shall promptly give written notice to City of any salvage, loss or damage to the Property. In the event of salvage, loss, damage or destruction of all or part of the Property, City shall have the option to terminate this agreement effective immediately. However, in the case of salvage, loss, damage or destruction of all or part of the Property, City shall have the option to: (1) take possession of the Property upon completion of the terms and obligations of this Purchase Agreement; (2) terminate this agreement effective immediately; or (3) renegotiate the Purchase Price.

11. UTILITIES. Seller shall be responsible for payment of all utility expenses incurred by it or incurred by any other occupants, prior to the date of possession by City.

12. TAXES. Seller shall pay a pro-rata share of taxes on the Property through date of closing and all unpaid taxes for prior years.

13. SPECIAL ASSESSMENTS. Seller agrees to pay any and all unpaid special assessments including but not limited to any uncertified balance of special assessments.

14. TIME IS OF THE ESSENCE. Time is of the essence of this agreement.

15. LEASES. Seller represents and warrants to City that, except as stated herein, there are no leases, tenancies or other rights of occupancy for use for any portion of the Property. The foregoing representation and warranty shall survive the Closing Date. Seller shall hold harmless and indemnify City from and against any claims which may arise or be based upon any alleged leasehold interest, tenancy or other right of occupancy or use of any portion of the Property except as listed below:

<u>Tenant Name</u>	<u>Tenant Phone #</u>	<u>Lease Date</u>	<u>Lease Beginning Date</u>	<u>Lease Ending Date</u>
1.	NONE			
2.				
3.				

4.

If the Property or any portion thereof is leased to a third party, such third party tenant or occupant may be eligible for benefits or assistance pursuant to the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and/or *N.D.C.C.* § 54-01.1. The City and/or its agents, contractors or representatives will be contacting tenants or occupants to provide information and notices as may be required by the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and/or *N.D.C.C.* § 54-01.1, including, but not limited to, notices that the tenant or occupant must permanently relocate from the Property. Consequently, tenants or occupants might move from the Property prior to the Closing Date. Seller agrees to allow such tenants to move from the Property without penalty and will not consider such move as a breach of any lease, rental or occupancy agreement which Seller may have with the tenant or occupant.

If any tenant or occupant should move out of the Property after the date of this agreement, Seller agrees not to lease or rent such vacated unit to any other person or otherwise allow any occupancy of such vacated unit. Other than the consideration stated in paragraph 1, Seller shall not receive any additional payment, consideration or compensation for loss of rent or reimbursement of any expenses related to any vacancies.

Seller's Initials

KMS

16. APPROVAL OF COURT. If the Property is an asset of any estate, trust or guardianship, this document shall be subject to court approval prior to payment of Purchase Price, unless declared unnecessary by the City. If court approval is necessary, the appropriate fiduciary shall proceed promptly and diligently to bring the matter on for hearing to enable the issuance of an order approving the sale.

17. ENVIRONMENTAL MATTERS.

A. Environmental Representations and Warranties. For purposes of this agreement, the terms "hazardous waste" or "hazardous substance" shall include every material, waste, contaminant, chemical, toxic pollutant or other substance listed or described in any of the following sources, as amended from time to time: (i) the Resource Conservation and Recovery Act to 1976, 42 U.S.C. 6901 et.seq. (RCRA); (ii) the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, (Pub. Law. 96-510) (CERCLA) as amended by the Superfund Amendments and Reauthorization Act of 1986 (Pub.L. 99-499) (SARA) codified at 42 U.S.C. 9601 et.seq.; (iii) Federal Environmental Protection Agency Regulations at 40 C.F.R. Parts 122-124 and 260-265; (iv) North Dakota Code Chapter 19-21; (v) any other federal, state, or local statute or ordinance which defines "hazardous waste" or "hazardous substance" or similar terms, and which could create liability in the City or the City's successors in interest; and (vi) any federal, state or local regulations, rules or orders issued or promulgated under or pursuant to any of the foregoing or otherwise by

any department, agency or other administrative regulatory or judicial body having jurisdiction over the Property (hereinafter collectively referred to as "Environmental Laws"). Without limiting the foregoing, the terms "hazardous waste" and "hazardous substance" shall also include all substances or materials containing asbestos, PCBs, or hydrocarbons. To the best of Seller's knowledge, Seller hereby represents and warrants to City that:

- (1) There are no abandoned wells, agricultural drainage wells, solid waste disposal sites or underground storage tanks located in, on or about the Property;
- (2) There is and has been no hazardous waste or hazardous substance stored, generated, treated, transported, installed, dumped, handled or placed in, on or about the Property;
- (3) At no time have any federal or state hazardous waste or hazardous substance cleanup funds been expended with respect to any of the Property;
- (4) There has never been any solid waste disposal site or underground storage tank located in, on, or about the Property, nor has there been any release from any underground storage tank on real property contiguous to the Property which has resulted in any hazardous waste or hazardous substance coming in contact with the Property;
- (5) Seller has not received any directive, citation, notice, letter or other communication, whether written or oral, from the Environmental Protection Agency, the North Dakota Department of Health, or any other governmental agency with authority under any environmental laws, or any other person or entity regarding the release, disposal, discharge, or presence of any hazardous waste or hazardous substance on the Property, or any violation of any environmental laws; and
- (6) To the best of Seller's knowledge, neither the Property, nor any real property contiguous to the Property, nor any predecessors in title to the Property, are in violation of or subject to any existing, pending or threatened investigation or inquiry by any governmental authority or to any removal or remedial obligations under any environmental laws.

The foregoing representations and warranties, and the Environmental Indemnifications set forth in the following subparagraph B shall survive the Closing. In addition, the foregoing representations and warranties and the indemnification provisions in this agreement shall not be

affected by any study, investigation, or inspection of the property by the City or any agent of the City.

- B. Environmental Indemnification. Seller agrees to indemnify and hold harmless the City from and against any and all claims, demands, fines, penalties, causes of action, losses, damages, liabilities, expenses, and costs (including court costs and reasonable attorney's fees incurred by the City to enforce this provision) asserted against or incurred by the City by reason of or arising out of the breach of any representation or warranty of the Seller set forth above.

- C. Additional Environmental Provisions. Seller shall not store, generate, treat, transport, install, dump, handle, or place in, on or about any portion of the Property any hazardous waste or hazardous substance. If Seller receives any notice from any governmental authority or any other party regarding the release or presence of any hazardous waste or hazardous substance on any portion of the property, or otherwise learns of any release or presence of any hazardous waste or hazardous substance on any portion of the Property, Seller shall immediately notify the City of such fact. In addition, the City or its agents shall have the right to enter upon the Property at any time to perform additional environmental studies. If at any time the City in its sole and unrevocable discretion determines that hazardous wastes or hazardous substances are present on any portion of the Property, the City may terminate this agreement effective immediately.

18. LIQUIDATED DAMAGES FOR SELLER DEFAULT. Should the Seller default in completing the terms and conditions of this Purchase Agreement, Seller agrees to pay the sum of Two Thousand Five Hundred and no/100 dollars (\$2,500.00) as liquidated damages or the City, at City's option, may pursue an action for specific performance of this agreement. In establishing the amount of liquidated damages, the undersigned Seller and City specifically acknowledge that actual damages resulting from Buyer's breach are impractical or extremely difficult to ascertain. Seller and City have made a reasonable endeavor to fix a fair and reasonable compensation for Seller's breach and that the amount thus established is acknowledged by both Seller and Buyer to bear a reasonable relation to probable damages and is not disproportionate to any damages that could reasonably be anticipated to be suffered by City in event of Seller's default.

Seller's Initials <i>WMS</i>

19. CONTRACT BINDING ON SUCCESSORS IN INTEREST. The document shall apply to and bind the heirs, executors, administrators, partners, assigns and successors in interest of the respective parties.

20. INTENTION OF USE OF WORDS AND PHRASES. Words and phrases contained herein, including the acknowledgment clause, shall be construed as in the singular and plural number, and as masculine, feminine or neuter gender, according to the context.

EXHIBIT "A"

INTENTIONALLY DELETED

EXHIBIT "B"
INTENTIONALLY DELETED

EXHIBIT "C"

AFFIDAVIT OF SELLER(S)

STATE OF NORTH DAKOTA)
)ss
COUNTY OF WARD)

I, Kelsey M. Slauter, being first duly sworn on oath, depose and say:

That I am of legal age and am the Seller (or one of the Sellers) of that real property described as:

Lot 9, Block 4, Torbenson's Third Addition to the City of Minot, Ward County, North Dakota

That I am now (together with other Sellers, if any) in possession of said property (or was in possession of said property until possession was delivered by the Purchaser(s) in this transaction, and no other persons (except other Sellers or the Purchaser(s)) are in possession of said property, except as disclosed below;

That there are no unrecorded contracts for deed, leases, rental agreements, repair or construction orders or agreements, or any other contracts or agreements affecting that property, except the listing and sale agreements which are a part of this transaction, and those further agreements disclosed below;

That there have been no labor or materials furnished to said premises during the last ninety (90) days for which full payment has not been made, and there are no contested or unpaid bills for materials or labor for improvements or repairs to the property, except as stated below;

That I have inspected the property and to the best of my knowledge and belief, there are no easements, or claims of easements which are not shown by the public records, and that there are no discrepancies, conflicts in boundary lines, shortages in area or encroachments which are not shown by the public records, except as stated below;

That there are no bankruptcy or divorce proceedings, nor any other actions in county, state or federal courts, nor any tax lien proceedings, pending or in progress against or involving me (nor, to my knowledge, any other buyer), except as stated below; and,

That any judgments, bankruptcy proceedings, or tax liens of record against parties with the same or similar names are not against me, except as stated below.

Statement of exceptions: [list all exceptions here] _____

_____.

