

## VACANT LOT PURCHASE AGREEMENT RESIDENTIAL DEVELOPMENT TRACT

*Before you sign this contract, you should consult with a lawyer  
to determine that this contract adequately protects your legal rights.*

1. **PARTIES.** This Purchase Agreement is made on \_\_\_\_\_, 20\_\_\_\_, by and between the Redwood Falls Port Authority, a political subdivision of the State of Minnesota and "Port Authority" pursuant to the provisions of Minn. Stat. § 469.073, its successor and assigns of 333 South Washington Street, Redwood Falls, Minnesota 56283, ("SELLER"), and \_\_\_\_\_ [marital status - *strike one*] a single person / husband and wife, as joint tenants [ *strike "joint tenants" if tenancy-in-common is intended or does not apply*] of \_\_\_\_\_ [buyer's address]("BUYER").

2. **OFFER/ACCEPTANCE.** Buyer offers to purchase and Seller agrees to sell real property legally described as:

Lot \_\_\_\_\_ of Block \_\_\_\_\_ of the Reflection Prairie Addition to the City of Redwood Falls,  
[Property Tax Identification Number \_\_\_\_\_]

located at \_\_\_\_\_, City of Redwood Falls, County of Redwood, State of Minnesota. ("PROPERTY").

3. **PRICE AND TERMS.** The price for the real property included in this sale is \$ \_\_\_\_\_, which Buyer shall pay as follows: Earnest money of \$1,000.00 by cash, payable to Seller, to be deposited and held by Seller (and may be commingled with Seller's other funds) pending closing, receipt of which is hereby acknowledged on \_\_\_\_\_ and \$ \_\_\_\_\_ cash on the DATE OF CLOSING.

4. **PERSONAL PROPERTY AND FIXTURES INCLUDED IN SALE.** The following items of personal property and fixtures owned by seller and currently located on the property are included in this sale plants, shrubs, trees, and culverts, if any, survey monuments, and also the following property: **NONE.**

5. **DEED/MARKETABLE TITLE.** Upon performance by Buyer, Seller shall execute and deliver a Warranty Deed, conveying marketable title, subject to:

- A. Building and zoning laws, ordinances, state and federal regulations;
- B. Restriction relating to use or improvement of the property without effective forfeiture provisions;
- C. Reservation of any mineral rights by the State of Minnesota;
- D. Utility and drainage easements which do not interfere with existing improvements;
- E. Exceptions to title which constitute encumbrances, restrictions, or easements which are of record at the Redwood County Records Office.

- F. The terms and provisions of those certain Restrictive Covenants for the Plat of \_\_\_\_\_ dated \_\_\_\_\_ and recorded on \_\_\_\_\_ as document number \_\_\_\_\_ in the office of the County Recorder in and for Redwood County, Minnesota.
- G. The following liens and encumbrances: **NONE**.
- H. This property is sold for residential use. Buyer shall construct a single-family residence upon the property. Pursuant to Minn. Stat. § 469.065 the buyer shall devote the property to residential use or begin work on the improvements to the property to devote it to that use within one year of the date of the closing of this sale and delivery of the deed. This condition is a covenant running with the land. Breach of this covenant shall entitle the Seller to cancel the sale and conveyance and seek a judicial decree declaring a forfeiture and cancellation of the deed, reverting title to the property back to the Seller.
- I. Buyer may not transfer title to this property within one year of the date of the conveyance made pursuant to this agreement without the written consent of Seller. This condition is a covenant running with the land. Breach of this covenant shall entitle the Seller to cancel the conveyance and seek a judicial decree declaring a forfeiture and cancellation of the deed, reverting title to the property back to the Seller.
- J. This sale is subject to a covenant running with the land imposing all of the conditions of Minn. Stat. § 469.048 to Minn. Stat. § 469.068 relating to the use of the land. If any covenant is violated, the Seller may declare a breach of the covenant and seek a judicial decree declaring a forfeiture and cancellation of the deed, reverting title to the property back to the Seller.
- K. The obligation to fully comply with the requirements of Minn. Stat. § 469.065.

**6. REAL ESTATE TAXES AND SPECIAL ASSESSMENTS.** Real estate taxes due and payable in and for the year 20\_\_ shall be paid by Buyer and Seller prorated to the date of closing. Buyer shall pay real estate taxes due and payable in the year following closing and thereafter and any unpaid special assessments payable therewith and thereafter, the payment of which is not otherwise provided herein. Seller makes no representation concerning the amount of future real estate taxes or of future special assessments.

Seller represents the taxes due and payable in the year(s) \_\_\_\_\_ will be **NON-HOMESTEAD CLASSIFICATION**, unless Buyer changes the tax classification for taxes payable in the year following closing by taking possession of the property as Buyer's homestead and filing a new homestead declaration within the time required by law.

As of the date of this agreement, Seller represents that Seller has not received a Notice of Hearing of a new public improvement project from any governmental assessing authority, the costs of which project may be assessed against the property. If a special assessment becomes pending after the date of this Purchase Agreement and before the date of closing, Buyer may, at Buyer's option:

- A. Assume payment of the pending special assessment without adjustment to the purchase price of the real property; or,
- B. Require Seller to pay the pending special assessment (or escrow for payment of same as provided above) and Buyer shall pay a commensurate increase in the

purchase price of the real property, which increase shall be the same as the estimated amount of the assessment; or,

- C. Declare this Purchase Agreement void by notice to Seller, and earnest money shall be refunded to Buyer.

BUYER SHALL ASSUME on date of closing any deferred real estate taxes (including "Green Acre" taxes under MINN. STAT. §273.111) or special assessments payment of which is required as a result of the closing of this sale. .

**7. SELLER'S WARRANTIES.** Except as specifically stated hereafter, Seller makes no warranty concerning the property and hereby notifies Buyer that this property is offered and will be sold "**AS IS**," without warranty as to access or condition. Seller does warrant that there has been no labor or material furnished to the property for which payment has not been made. Seller warrants that there are no present violations of any restrictions relating to the use or improvement of the property. Seller warrants that the property is not encumbered by judgments, bankruptcy liens and that there are no delinquent taxes. These and only these warranties shall survive the delivery of the deed, provided that any notice of a defect or claim of breach of warranty must be in writing and given by Buyer to Seller within one year of the date of closing or be deemed waived.

This agreement is contingent upon the adoption of a Resolution approving this sale by the Board of Commissioners of Seller after public hearing held after notice as required by Minn. Stat. § 469.065. The representative of Seller, in signing this agreement, specifically makes no warranty or guaranty that this sale will be approved by Seller and no representation regarding Seller's ability to complete the sale contemplated by this agreement pending full compliance with Minn. Stat. § 469.065.

Buyer shall have the right to have inspections of the property conducted prior to closing. Unless required by local ordinance or lending regulations, Seller does not plan to have the property inspected. Other than the representations made in this paragraph numbered 8, the property is being sold "**AS IS**" with no express or implied representations or warranties by Seller as to physical condition or fitness for any particular purpose.

**8. CONDITION OF PROPERTY.**

- A. Seller shall remove all debris and all personal property not included in this sale from the property before possession date. Seller has not received any notice from any governmental authority as to the existence of any Dutch elm disease, oak wilt, or other disease of any trees on the property.
- B. Seller 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**.

Notwithstanding the Buyer's environmental investigations of the property, Seller warrants and represents to Buyer that there have been no acts or occurrences upon the property that have caused or could cause hazardous substances or petroleum products to be released or discharged into the subsoil or ground water of the property or other property in the area. Seller represents and warrants to Buyer that the property is free of hazardous substances and is not subject to any "superfund" type lines or claims by governmental regulatory agencies or third parties arising from the release or threatened

release of hazardous substances in, on, or about the property. Seller shall indemnify and hold Buyer harmless from any and all claims, causes of action, damages, losses, or costs (including lawyer's fees) relating to hazardous substances or petroleum products in the subsoil or ground water of the property or other property in the area which arise from or are caused by acts of occurrences upon the property prior to Buyer taking possession. These warranties and indemnifications shall survive the delivery of the Deed.

- C. Seller knows of no wetlands, flood plain, or shoreland on or affecting the property, except as follows: **NONE**.
- D. Seller's warranties and representations contained in this paragraph 8., shall survive the delivery of the Deed, provided that any notice of a defect or claim of breach of warranty must be in writing. Any such notice with respect to matters referred to in A., above must be given by Buyer to Seller within one year of the Date of Closing or be deemed waived.
- E. Buyer shall have the right to have inspections of the property conducted prior to closing. Unless required by local ordinance or lending regulations, Seller does not plan to have the property inspected. Other than the representations made in this paragraph 8., and in paragraph 20 and 21, the property is being sold "AS IS" with no express or implied representations or warranties by Seller as to physical conditions or fitness for any particular purpose.
- F. For Seller's representations regarding the presence and location of utilities, if any, see paragraph 21, below.

**9. DISCLOSURE OF NOTICES.** Seller has not received any notice from any governmental authority as to violation of any law, ordinance or regulation. If the property is subject to restrictive covenants, Seller has not received any notice from any person as to a breach of the covenants.

**10. ACCESS PRIOR TO CLOSING.** By this Purchase Agreement, Buyer does not acquire any right of possession of the property nor does Buyer acquire any right of entry, licenses, or easement. Seller will consent to a case-by-case right of entry for Buyer and/or Buyer's agents, surveyors, engineers, and site evaluators for testing, measuring, and evaluating purposes provided that the following conditions are met:

- A. There shall be no crop or tree damage.
- B. There shall be no excavating or earth-moving and no tree removal.
- C. Buyer's independent contractors (surveyors, engineers, and site evaluators, etc.) shall, prior to entry on the land, deliver to Seller proof of independent contract with Buyer and a waiver of lien rights in a form satisfactorily to Seller.  
Buyer shall indemnify and hold Seller harmless from any and all liens, claims, liabilities or charges incurred or caused by Buyer's contracts with surveyors, engineers, and site evaluators, which indemnity shall include lawyer's fees, costs or disbursements incurred by Seller in any defense thereof.

**11. CLOSING AND POSSESSION.** Seller shall deliver possession of the property not later than the Date of Closing. Unless delayed by mutual written agreement of the parties or otherwise by the provisions of this agreement, the Date of Closing shall be on or before \_\_\_\_\_, 20\_\_\_\_, which is at least 20 days after the hearing approving this sale as required by Minn. Stat. § 469.065. The closing shall take place at the offices of Seller's attorney or such

other place as the Seller and Buyer may mutually determine. Seller warrants that it will not commit waste upon the Property, will not dump materials or debris thereon, nor remove soil or improvements therefrom, and will convey the Property to Buyer in substantially the same condition as the Property is in on the date of this Agreement, unless specifically set forth herein. At closing, Seller and Buyer shall disclose their Social Security Numbers or Federal Tax Identification Numbers for the purposes of completing state and federal tax forms.

**12. EXAMINATION OF TITLE.** Buyer shall obtain the title services determined necessary or desirable by Buyer or Buyer's lender, including but not limited to abstracting, title searches, title examinations, title insurance or attorney's title opinion at Buyer's selection all at Buyer's sole cost and expense. Buyer shall provide a copy of any such title work to Seller. Buyer shall be deemed to have waived any title objection to which this agreement is expressly subject and any title objection not made within fifteen (15) days prior to closing.

**13. TITLE CORRECTIONS AND REMEDIES.** Upon receipt of Buyer's title objections, Seller shall, within ten (10) business days, notify Buyer of Seller's intentions regarding title correction. If Seller notifies Buyer that Seller declines to make title corrections, Buyer may elect to waive the title defect and proceed to closing, or Buyer or Seller may declare this Agreement void by notice to the other, neither party shall be liable for damages hereunder to the other, the earnest money shall be refunded to Buyer and Buyer and Seller shall sign a cancellation of Purchase Agreement. If Seller notifies Buyer that Seller will make title corrections, Seller shall have 120 days from receipt of Buyer's written title objections to make the necessary title corrections to address those specific objections. Liens or encumbrances for liquidated amounts which can be released by payment or escrow from proceeds of closing shall not delay the closing. Cure of the defects by Seller shall be reasonable, diligent, and prompt. Pending correction of title, all payments required herein and the closing shall be postponed unless Buyer and Seller agree upon an acceptable escrow for title clearance purposes.

- A. If notice is given and Seller makes title corrections, then upon presentation to Buyer and any proposed lender of documentation establishing that the required title corrections have been made, and if not objected to in the same time and manner as the original title objections, the closing shall take place within ten (10) business days, or on the scheduled closing date, whichever is later.
- B. If notice is given and Seller proceeds in good faith to make title corrections but the 120 day period expires without title being corrected, Seller shall have an additional 120 day period to complete those corrections. If no progress has been made after 240 days toward correction of the title objections Buyer or Seller may declare this Agreement void by notice to the other, neither party shall be liable for damages hereunder to the other, the earnest money shall be refunded to Buyer and Buyer and Seller shall sign a cancellation of Purchase Agreement.
- C. If title is marketable, or is made marketable as provided herein, and Buyer defaults in any of the agreements herein, Seller may elect either of the following options, as permitted by law;
  - 1. Cancel this contract as provided by statute and retain all payments made hereunder as liquidated damages.

2. Seek specific performance of this Agreement within six months after such right of action arises, including costs and reasonable attorneys' fees, as permitted by law.
- D. If title is marketable, or is made marketable as provided herein, and Seller defaults in any of the agreements herein, Buyer may elect either of the following options, as permitted by law:
  1. Declare this Agreement void by notice to Seller, neither party shall be liable for damages hereunder to the other, the earnest money shall be refunded to Buyer and Buyer and Seller shall sign a cancellation of Purchase Agreement.
  2. Seek specific performance of this Agreement within six months after such right of action arises, including costs and reasonable attorneys' fees, as permitted by law.

**14. CLOSING COSTS.** Seller and Buyer agree to the following allocation of costs regarding this Agreement:

Preparation of purchase agreement:	Seller
Title evidence costs:	Buyer
Title examination costs:	Buyer
Title Insurance Premium costs:	Buyer
Title opinion costs:	Buyer
Preparation of:	
Deed:	Seller
Other:	
Recording:	
Deed:	Seller
Other:	Seller
Deed Tax:	Seller
Closing Fees:	Split equally

**15. NOTICES.** All notices required herein shall be in writing and delivered personally or mailed to the address as shown in Paragraph 1., above and if mailed, are effective as of the date of mailing.

**16. BUYER'S DEVELOPMENT PLAN AND PROPOSED USE.** Pursuant to the requirements of Minn. Stat. § 469.065 Buyer warrants as follows:

- a. Buyer's intended use of the property: single-family residence.
- b. Plans and specifications for the construction of improvements upon the property are attached hereto and incorporated herein by this reference.

**17. MINNESOTA LAW.** This contract shall be governed by the laws of the State of Minnesota.

**18. TRANSFER RESTRICTIONS.** Buyer may not sell, lease, assign or otherwise transfer Buyer's interest in this Purchase Agreement or the real property, or any part thereof, or, if Buyer is an entity, Buyer may not transfer controlling interest in Buyer without the written consent of Seller, which consent may be given, withheld or delayed by Seller in the Seller's sole discretion.

Seller does consent to an assignment of Buyer's interest in this Purchase Agreement and the Property to an entity or entities controlled by Buyer. Any purchaser, assignee or transferee of Buyer's interest shall take that interest subject to all of the provisions of this Purchase Agreement and shall agree to be obligated to perform those agreements to the same extent as the Buyer named herein.

**19. CONTINGENCIES.**

- A. The obligations of Seller herein are contingent upon written approval of submitted plan and specifications, and approval of this sale by the Board of Commissioners of Seller after public hearing held after notice as required by Minn. Stat. 469.065, which hearing shall occur within 40 days after the date of this agreement and expiration of the 20 day appeal period after the public hearing. Seller shall notify Buyer of the satisfaction of this contingency.
- B. Buyer and Seller's full compliance with the requirements of Minn. Stat. 469.065.
- C. This sale and the obligations of Seller under this Agreement are contingent upon the beginning of work on construction of the approved improvements by Buyer pursuant to the plans and specifications incorporated herein, within twelve (12) months from the date of closing, of a single-family residence upon the site. Failure by Buyer to accomplish substantial completion of such a structure within twenty-four (24) months from the date of closing shall constitute a breach of this condition subsequent, the consequence of which shall entitle the Seller, upon Seller's written demand to Buyer, to a reconveyance of the property to Seller, with any and all improvements thereon, upon refund of the purchase price stated herein to Buyer, less any closing costs. This condition shall be a covenant running with the land, shall survive the closing of this transaction, shall be enforceable by specific performance and shall entitle the Seller to cancel the conveyance and seek a judicial decree declaring a forfeiture and cancellation of the deed. It is agreed that failure to accomplish substantial completion of such structure shall be excused if caused by flood, wind, earthquake, or other act of God, work stoppage, material shortage, strike or other cause beyond the control of Buyer and the Buyer shall be allowed a reasonable time to compensate for such delay.
- D. This Purchase Agreement is NOT contingent upon Buyer's securing financing.

**20. WELL DISCLOSURE.** Seller certifies that Seller does not know of any wells on the described real property.

**21. SEWAGE TREATMENT SYSTEM DISCLOSURE.**

- A. Seller certifies that sewage generated at the property goes to a facility permitted by the Minnesota Pollution Control Agency (for example, a city or municipal sewer system).
- B. Seller knows that there are no abandoned individual sewage treatment systems on the property.

**22. SELLER'S AFFIDAVIT.** At closing, Seller shall supplement the warranties and representations in this Purchase Agreement by executing and delivering a customary affidavit of Seller regarding no judgments, bankruptcies or mechanic's liens.

**23. ADDITIONAL TERMS.**

- A. Commencement date. Buyer must secure a building permit within twelve (12) months of the Date of Closing.
- B. Completion date. All homes must be substantially completed within twelve (12) months after commencement of building and shall not be occupied prior to being issued a Certificate of Occupancy. Initial landscaping and lawn must be completed within twenty-four (24) months after commencement of building. Once construction has commenced, it shall proceed diligently. Buyer is responsible for maintaining a neat and orderly construction site. Either sod or seed are acceptable methods for completing the lawn.
- C. Buyer shall not grade the property in a manner inconsistent with the drainage plan established by the City of Redwood Falls.
- D. All electrical, telephone, or other utilities shall be installed underground from the service line to the dwelling unit. Buyer may choose where said lines transgress within their property boundaries so long as approval is first had and obtained from each individual utility company.
- E. All residential structures will be connected to an approved water system and to a sanitary sewer system. No septic tanks will be permitted.
- F. During construction, Buyer, their builder or contractors, shall landscape each lot and to dispose of any rubbish, trees or other items that would detract from the Reflection Prairie Addition as a whole. Buyer, their builder or contractors shall not push rubbish on to another lot unless said party owns the other lot and has positive plans to remove the same. The cost of collection of any rubbish will be charged to the Buyer.
- G. A temporary gravel drive may be constructed from the street to the side of the proposed dwelling before or at the time construction of said dwelling is commenced.
- H. Seller reserves the right to repurchase the lot in the event the Buyer fails to commence construction within twelve (12) months of the closing date. The repurchase price shall equal the purchase price specified in this agreement less any closing costs incurred by Seller in the repurchase transaction.
- I. Buyer may not resell the property without first offering the property to the Seller. In such event, the Seller shall have the right to repurchase the lot at a price equal to the purchase price specified in this agreement less any closing costs incurred by Seller in the repurchase transaction. This provision shall not apply to any party who purchase the property for the purchase of constructing a residential structure thereon and selling the completed structure to a third party.

The Additional Terms contained in this paragraph 23 shall survive the delivery of the Deed.



24. **ADDENDA.** Attached are \_\_\_\_\_ addenda that are made a part of this Purchase Agreement.

25. **TIME IS OF THE ESSENCE.** Time is of the essence for all provisions of this Purchase Agreement.

26. **MULTIPLE ORIGINALS.** Seller and Buyer have signed [number] \_\_\_\_\_ originals of this Purchase Agreement.

**THIS IS A LEGALLY BINDING CONTRACT. BEFORE SIGNING, CONSULT A LAWYER.** Minnesota law permits licensed real estate brokers and sales agents to prepare purchase agreements. No recommendation or representation may be made by any real estate broker or sales agent as to the legal sufficiency, the legal effect, or the tax consequences of this contract. These are questions for your lawyer.

I agree to sell the property for the price and terms and conditions set forth above.

I agree to purchase the property for the price and terms and conditions set forth above.

SELLER: \_\_\_\_\_  
(date)

BUYER: \_\_\_\_\_  
(date)

SELLER: \_\_\_\_\_  
(date)

BUYER: \_\_\_\_\_  
(date)

*This Purchase Agreement was prepared by:*

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