

**TO: HONORABLE MAYOR AND CITY COUNCIL OF CANNON FALLS**

**FROM: Laura Qualey, Economic Development**

**SUBJECT: Hardwood Estates/Mulvihill Property Acquisition**

**DATE: December 6, 2022**

**BACKGROUND:**

The Economic Development Authority Board has had ‘housing’ on their strategic planning goals for many years. In the last couple of years, the remaining ‘buildable lots’ for single family homes have been purchased and built on and even the lots that looked too small to build on have been built on.

From the 2010 to 2020 Census, the population growth in neighboring communities in relation to Cannon Falls is as follows:

City or Town	2010	2020	Difference	% +/-
Pine Island	3263	3769	506	+15.5
Zumbrota	3252	3726	474	+14.6
Goodhue	1176	1250	74	+6.3
Hampton	689	744	55	+8.0
Randolph	436	466	30	+6.9
<b>Cannon Falls</b>	<b>4083</b>	<b>4220</b>	<b>137</b>	<b>+3.4</b>

Over the past few years, the EDA and City have seen plans for housing developments that have never broke ground, have failed, or never made it through the platting phases, therefore leaving home buyers to look elsewhere or down the road, literally, as illustrated above. It's clear that Cannon Falls is lagging behind neighboring communities along the Highway 52 corridor as well as other surrounding communities that are drastically smaller in population and lack the natural and economic amenities that Cannon Falls has to offer.

With much consideration and analysis of the EDAs current assets, the EDA board feels it is in the best interest of the community to purchase the 44-acre Mulvihill property and develop the land for housing. It's time for the public sector to control our own growth and destiny as we cannot continue to ‘wait’ on the private sector to develop this land. With interest rates rising and the cost of homes not coming down in price, it makes 2023 the perfect year to get dirt moving and infrastructure in so that lots are ready to sell for 2024.

Other things to consider:

- The location is directly across from the Elementary, Middle and High School which is the ideal opportunity to create sensibly-sized homes for working class families, flanked by two churches.
- Funding is available through MN DOT that can be incorporated into the engineering and design of the development to include Safe Routes to School that would make it walkable and bikeable for students and parents from the development to the schools.
- The completion of the County 24 connection to Hwy 52 and Hwy 19 bypass has created an alternative option for traffic flow that will ease congestion getting in and out of the development. The timing is perfect now that it is complete!

With the assets the EDA has in-hand, outstanding loan balances that will be maturing in the next four years and the pending sales of land, and other assets, the EDA will be capable of making the down payment of \$200,000 and the first payment for the contract for deed. However, what the EDA board is requesting of the City Council, is financial support to assist in the infrastructure, engineering and possibly the final land payments until the lots start selling.

The lots would be available to all builders that want to buy lots and 'build to sell.' A development agreement would be affiliated with the purchase of any lot sale to ensure that homes are built. If a private developer approaches the EDA and wants to purchase an amount of acreage to develop, it will be welcomed and considered. The Purchase Agreement/Contract for Deed does have a clause that the Seller will release any parcels or portions that are sold by the EDA during Contract period.

The EDA held a joint meeting with the Finance Committee on November 14<sup>th</sup>, 2022 to request a recommendation for financial support to acquire and develop the Harwood Estates/Mulvihill property. At this time, that amount is unknown, but as mentioned above, the EDA does have the wherewithal to move ahead with the land purchase based on their asset portfolio. With a unanimous vote, the Finance Committee recommended that the City Council assist in purchase, engineering, and infrastructure costs from an inter-fund loan to develop the property. Other than the cost of the property, the only other 'quote' we have is from City Engineer, Bill Angerman regarding some engineering costs and their scope of planning which is also attached. There are no other hard costs that have been identified at this time.

**REQUESTED ACTION:**

The Economic Development Authority respectfully requests a motion by the City Council to assist in the purchase, engineering and infrastructure costs via an inter-fund loan to develop the Mulvihill Property PID 52.350.0070.

The Cannon Falls Economic Development Authority (EDA) met on Monday, November 14, 2022 at 5:30 p.m. in the City Council Chambers in tandem with the Finance Committee. EDA Board Members present were: Amy Dombeck, Jon Dahl, Matt Montgomery and Luke Cooreman. Also present were Dianne Howard, Neil Jensen and Laura Qualey. Absent: Mayor John Althoff. Finance Committee Members present: Steve Gesme and Bill Duncan. Guests in the audience were John Wilcox and Brian Stengna.

The reason a special EDA meeting was conducted in conjunction with the Finance Committee was to present the EDA's current financial position of their Revolving Loan Fund (RLF) and assets to the Finance Committee. The EDA has a signed Purchase Agreement for 40 acres of Real Property on a contract for deed. The land is within City limits across from the schools which will be developed for buildable lots to sell for affordable housing units.

Call to Order                      Duncan called the Finance Committee meeting to order.

Cooreman called the EDA meeting to order at 5:01 p.m. and took roll call.

EDA Business:  
Hardwood Estates              Jensen opened the discussion by stating that the past few months the  
Financial Discussion          EDA has been actively seeking acquisition of Hardwood Estates  
(Mulvihill Property). There have been some negotiations and the EDA  
has a signed Purchase Agreement for the property of \$800,000, but they  
do not have enough funds to purchase the property and develop it on  
their own. \$200,000 down and \$169,469.51 for 4 years on a contract for  
deed.

Qualey presented the state of the EDAs financials to the Finance Committee stating that the EDA has funds for the down payment of \$200,000 which would be made before the end of 2022 and illustrated revenue that should be coming in from the sale of two lots in the industrial park which would cover the 1st payment for 2023.

The EDA wants to keep at least \$100,000 in their RLF so they could still conduct 'business as usual' for any loan requests they may have that come in.

Qualey also stated that the RLF has two loans maturing totalling \$152,239 in 2024 which will only have to use about \$18,000 of their RLF balance to make the second payment. Another loan will be maturing in 2026 for \$64,9600 and there currently is an Option Agreement for another lot in the industrial park that could generate revenue for the third and 4th payment.

By year 3 and 4, lots will either have started selling to builders OR acreage will have sold to private developers which will cover the payments for those payments.

Jensen noted that the numbers are fluid now as there are not any hard costs other than the land. WHKS has given a quote of \$15,000 to get the preplat, engineering and a grading plan done.

The property would be developed in small chunks to help pay off the editions.

Gesme asked if the infrastructure costs would fall on the city. Jensen confirmed that is correct and that is what the EDA is asking for. He explained that the private sector has not taken the initiative to develop the property so it's the time for the public sector to do it. Gesme expressed concern as to why the property has sat empty for so long. Jensen said that there is a lot of rock on the property which will require strategic grading or possible blasting. Otherwise the soil reports didn't show anything else concerning.

Cooreman reassured that there are good local single family home builders, but we don't have a mid-sized builder. The towns around us have blown up in population around us and Cannon Falls has remained flat. All buildable lots, even scrap lots have been built on. Our local builders have been taking the 'low hanging fruit' as far as lots go.

Montgomery mentioned that he had spoken to real estate agents and they felt that the price of the land was priced high and that could have deterred builders/developers from purchasing it.

Duncan then asked if the lots would be sold to any builder. He then followed up with questions regarding the City paying to put in the infrastructure; but was supportive and understood the need for housing and why it may need to be done and fall on the EDA/City to take it on.

Qualey did interject that the Purchase Agreement does include a caveat that if a section of the parcel is sold off to a developer or builder, Mulvihill will release that portion of the title to the property to that land.

Dombeck also mentioned that part of the conversation the EDA has talked about over and over is getting our population to 5000. This project could help us get there.

Dahl also added that this 'deal' has required a lot of discussion and consideration from our EDA board.

Qualey did point out that there have been multiple builders through the years that have had plans, pre-plats that have never come to fruition. It's time to control our own destiny and move forward with this property. She also pointed out that in the last 10 years, there has only been a growth of 135 people; and over the last 20 years there has been an increase of 236 people which should be more than double that.

Montgomery and Qualey both mentioned the amenities that Cannon Falls has over the neighboring communities along the same corridor that are growing.

The EDA is seeking a recommendation from the Finance Committee to support the financial participation and support from the City Council to assist in purchase, engineering and infrastructure costs from an interfund loan to develop the property.

Gesme and Duncan both asked Jensen if he was comfortable with acquiring the property and if the City can handle the weight of the project and Jensen said that he was.

Duncan motioned to move the discussion forward to Council, Gesme seconded.

Adjourn.

Motion to adjourn by Montgomery, second by Dombeck; unanimously approved. Adjourned at 5:28 p.m.

Date	Description	Total Payment	P & I Payment	Principal Pmt	Interest Pmt	Principal Balance	Total
<b>Land Price</b>							\$800,000.00
	25% Downpayment from EDA Revolving Loan Fund						<b>\$200,000.00</b>
Beginning Balance						\$600,000.00	
12/31/23	Regular Payment	\$169,496.51	\$169,496.51	\$139,079.85	\$30,416.66	\$460,920.15	
12/31/24	Regular Payment	\$169,496.51	\$169,496.51	\$146,066.41	\$23,430.10	\$314,853.74	
12/31/25	Regular Payment	\$169,496.51	\$169,496.51	\$153,535.18	\$15,961.33	\$161,318.56	
12/31/26	Regular Payment	\$169,496.51	\$169,496.51	\$161,318.56	\$8,177.95	--	
		<b>\$677,986.04</b>	<b>\$677,986.04</b>	<b>\$600,000.00</b>	<b>\$77,986.04</b>		
<b>EDA Revolving Loan Fund</b>							
Cash Balance after 12/31/22	<i>prefer to keep on reserve</i>		\$114,092.78				
Loans coming due <b>after</b> 12/31/26			\$90,547.48				
			\$204,640.26				
Loans coming due by 12/31/26		<b>\$217,199.00</b>					
Raw Bistro 1/24	\$94,848.00						
Keith Meyers 7/24	\$57,391.00						
Tilion Brewing 12/26	\$64,960.00						
<b>Contingent EDA Land Sales</b>		<b>\$238,666.00</b>					
Carstensens Lot 1 (2.89 acres)	\$115,686.39						
Carstensens Lot 3 (2.9 acres)	\$116,218.00						
Stinars Easement (.17 acres)	\$6,761.61						
Raw Bistro (4.3 acres)	<i>\$177,942.60</i>		\$38,700.00	land value			
Additional assets			\$243,340.26				
<b>Potential Revenue available by 12/31/26</b>		<b>\$455,865.00</b>					
<b>Total Assets</b>				<b>\$699,205.26</b>			

**PURCHASE AGREEMENT:  
VACANT LAND (RESIDENTIAL)**

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1. Date \_\_\_\_\_

2. Page 1

3. BUYER(S): CANNON FALLS ECONOMIC DEVELOPMENT AUTHORITY

4. \_\_\_\_\_

5. Buyer's earnest money in the amount of \_\_\_\_\_

6. \_\_\_\_\_ Dollars (\$ 0.00 )

7. shall be delivered to listing broker, or, if checked, to ☐ \_\_\_\_\_ no later than two (2) Business  
Days after Final Acceptance Date. Buyer and Seller agree that earnest money shall be deposited in the trust account  
of Earnest Money Holder as specified above within three (3) Business Days of receipt of the earnest money or Final  
Acceptance Date, whichever is later.

8. \_\_\_\_\_  
9. \_\_\_\_\_  
10. \_\_\_\_\_

11. Said earnest money is part payment for the purchase of the property located at

12. Street Address: XXX HIGHWAY 19 BLVD

13. City of Cannon Falls, County of Goodhue State of Minnesota,

14. Zip Code 55009, legally described as HARDWOOD ESTATES 44.34 AC DOC#618635 OUTLOT A

15. \_\_\_\_\_

16. \_\_\_\_\_

17. including all fixtures, if any, **AND** including the following personal property, if any, which shall be transferred with no  
18. additional monetary value, and free and clear of all liens and encumbrances:

19. \_\_\_\_\_

20. \_\_\_\_\_

21. \_\_\_\_\_ (collectively the "Property").

22. Notwithstanding the foregoing, the following item(s) are excluded from the purchase:

23. \_\_\_\_\_

**PURCHASE PRICE:**

25. Seller has agreed to sell the Property to Buyer for the sum of (\$ 800,000.00 )

26. \_\_\_\_\_

27. Eight Hundred Thousand Dollars,

28. which Buyer agrees to pay in the following manner:

29. 1. 25 percent (%) of the sale price in **CASH**, or more in Buyer's sole discretion, including earnest money;

30. 2. \_\_\_\_\_ percent (%) of the sale price in **MORTGAGE FINANCING**. (See following Mortgage Financing  
31. section.)

32. 3. \_\_\_\_\_ percent (%) of the sale price by **ASSUMING** Seller's current mortgage. (See attached Addendum to  
33. Purchase Agreement: Assumption Financing.)

34. 4. 75 percent (%) of the sale price by **CONTRACT FOR DEED**. (See attached Addendum to Purchase  
35. Agreement: Contract for Deed Financing.)

**CLOSING DATE:**

37. The date of closing shall be ON/BEFORE 12/31 2022.

**PURCHASE AGREEMENT:  
VACANT LAND (RESIDENTIAL)**

38. Page 2 Date \_\_\_\_\_

39. Property located at XXX HIGHWAY 19 BLVD Cannon Falls MN 55009

40. **MORTGAGE FINANCING:**

41. This Purchase Agreement ☐ IS ☐ IS NOT subject to the mortgage financing provisions below. If IS, complete the  
----- (Check one.) -----

42. **MORTGAGE FINANCING** section below. If **IS NOT**, proceed to the **SELLER'S CONTRIBUTIONS TO BUYER'S**  
43. **COSTS** section.

44. Such mortgage financing shall be: (Check one.)

45. ☐ **FIRST MORTGAGE only** ☐ **FIRST MORTGAGE AND SUBORDINATE FINANCING.**

46. Buyer shall apply for and secure, at Buyer's expense, a: (Check all that apply.)

47. ☐ **CONVENTIONAL OR PRIVATELY INSURED CONVENTIONAL**

48. ☐ **DEPARTMENT OF VETERANS' AFFAIRS ("DVA") GUARANTEED**

49. ☐ **FEDERAL HOUSING ADMINISTRATION ("FHA") INSURED**

50. ☐ **UNITED STATES DEPARTMENT OF AGRICULTURE ("USDA") RURAL DEVELOPMENT**

51. ☐ **OTHER** \_\_\_\_\_

52. mortgage in the amount stated in this Purchase Agreement, amortized over a period of not more than

53. \_\_\_\_\_ years, with an initial interest rate at no more than \_\_\_\_\_ percent (%) per annum. The mortgage

54. application **IS TO BE MADE WITHIN FIVE (5) BUSINESS DAYS** after the Final Acceptance Date. Buyer agrees to

55. use best efforts to secure a commitment for such financing and to execute all documents required to consummate

56. said financing.

57. **MORTGAGE FINANCING CONTINGENCY:** This Purchase Agreement is contingent upon the following and applies  
58. to the first mortgage and any subordinate financing. (Check one.)

59. ☐ If Buyer cannot secure the financing specified in this Purchase Agreement, and this Purchase Agreement does not  
60. close on the closing date specified, this Purchase Agreement is canceled. Buyer and Seller shall immediately  
61. sign a *Cancellation of Purchase Agreement* confirming said cancellation and directing all earnest money paid here  
62. to be ☐ **REFUNDED TO BUYER** ☐ **FORFEITED TO SELLER.**  
----- (Check one.) -----

63. **NOTE:** If this Purchase Agreement is subject to DVA or FHA financing, **FORFEITED TO SELLER** may be  
64. prohibited. See the following DVA and FHA Escape Clauses.

65. ☐ Buyer shall provide Seller, or licensee representing or assisting Seller, with the Written Statement, on  
66. or before \_\_\_\_\_.

67. For purposes of this Contingency, "**Written Statement**" means a Written Statement prepared by Buyer's mortgage  
68. originator(s) or lender(s) after the Final Acceptance Date that Buyer is approved for the loan(s) specified in this  
69. Purchase Agreement, including both the first mortgage and any subordinate financing, if any, and stating that an  
70. appraisal, satisfactory to the lender(s), has been completed and stating conditions required by lender(s) to close  
71. the loan.

72. Upon delivery of the Written Statement to Seller, or licensee representing or assisting Seller, the obligation for  
73. satisfying all conditions required by mortgage originator(s) or lender(s), except those conditions specified below,  
74. are deemed accepted by Buyer:

75. (a) work orders agreed to be completed by Seller;

76. (b) any other financing terms agreed to be completed by Seller here; and

77. (c) any contingency for the sale and closing of Buyer's property pursuant to this Purchase Agreement.

MN:PA:VL-2 (8/22)

## PURCHASE AGREEMENT: VACANT LAND (RESIDENTIAL)

78. Page 3 Date \_\_\_\_\_

79. Property located at XXX HIGHWAY 19 BLVD Cannon Falls MN 55009
80. Upon delivery of the Written Statement, if this Purchase Agreement does not close on the stated closing date for
81. ANY REASON relating to financing, including, but not limited to interest rate and discount points, if any, then Seller
82. may, at Seller's option, declare this Purchase Agreement canceled, in which case this Purchase Agreement is
83. canceled. If Seller declares this Purchase Agreement canceled, Buyer and Seller shall immediately sign a
84. *Cancellation of Purchase Agreement* confirming said cancellation and directing all earnest money paid here to
85. be forfeited to Seller as liquidated damages. In the alternative, Seller may seek all other remedies allowed by law.
86. Notwithstanding the language in the preceding paragraph, Seller may not declare this Purchase Agreement
87. canceled if the reason this Purchase Agreement does not close was due to:
88. (a) Seller's failure to complete work orders to the extent required by this Purchase Agreement;
89. (b) Seller's failure to complete any other financing terms agreed to be completed by Seller here; or
90. (c) any contingency for the sale and closing of Buyer's property pursuant to this Purchase Agreement, except
91. as specified in the contingency for sale and closing of Buyer's property.
92. If the Written Statement is not provided by the date specified on line 66, Seller may, at Seller's option, declare this
93. Purchase Agreement canceled by written notice to Buyer at any time prior to Seller receiving the Written Statement,
94. in which case this Purchase Agreement is canceled. In the event Seller declares this Purchase Agreement
95. canceled, Buyer and Seller shall immediately sign a *Cancellation of Purchase Agreement* confirming said cancellation
96. and directing all earnest money paid here to be ☐ **RETAINED BY SELLER** ☐ **REFUNDED TO BUYER.**  
------(Check one.)-----
97. If the Written Statement is not provided, and Seller has not previously canceled this Purchase Agreement, this
98. Purchase Agreement is canceled as of the closing date specified in this Purchase Agreement. Buyer and Seller
99. shall immediately sign a *Cancellation of Purchase Agreement* confirming said cancellation and directing all
100. earnest money paid here to be ☐ **RETAINED BY SELLER** ☐ **REFUNDED TO BUYER.**  
------(Check one.)-----
101. **LOCKING OF MORTGAGE INTEREST RATE ("RATE"):** The Rate shall be locked with the lender(s) by Buyer:
102. (Check one.)
103. ☐ **WITHIN FIVE (5) BUSINESS DAYS OF FINAL ACCEPTANCE DATE; OR**
104. ☐ **AT ANY TIME PRIOR TO CLOSING OR AS REQUIRED BY LENDER(S).**
105. **LENDER COMMITMENT WORK ORDERS:** Seller agrees to pay up to \$ \_\_\_\_\_ to
106. make repairs as required by the lender commitment. If the lender commitment is subject to any work orders for which
107. the cost of making said repairs shall exceed this amount, Seller shall have the following options:
108. (a) making the necessary repairs; or
109. (b) negotiating the cost of making said repairs with Buyer; or
110. (c) declaring this Purchase Agreement canceled, in which case this Purchase Agreement is canceled. Buyer and Seller
111. shall immediately sign a *Cancellation of Purchase Agreement* confirming said cancellation and directing all
112. earnest money paid here to be refunded to Buyer, unless Buyer provides for payment of the cost of said repairs
113. or escrow amounts related thereto above the amount specified on line 105 of this Purchase Agreement.
114. ☐ **SELLER** ☐ **BUYER** agrees to pay any reinspection fee required by Buyer's lender(s).  
------(Check one.)-----
115. **FHA ESCAPE CLAUSE (FHA Financing only):** "It is expressly agreed that, notwithstanding any other provisions
116. of this contract, the purchaser shall not be obligated to complete the purchase of the Property described here or to
117. incur any penalty by forfeiture of earnest money deposits or otherwise, unless the purchaser has been given in
118. accordance with the Department of Housing and Urban Development ("HUD")/FHA or DVA requirements a written
119. statement by the Federal Housing Commissioner, Department of Veterans' Affairs, or a Direct Endorsement lender
120. setting forth the appraised value of the Property as not less than \$ \_\_\_\_\_  
(sale price)
121. The purchaser shall have the privilege and option of proceeding with consummation of the contract without regard
122. to the amount of the appraised valuation. The appraised valuation is arrived at to determine the maximum mortgage
123. HUD will insure; HUD does not warrant the value nor the condition of the Property. The purchaser should satisfy
124. himself/herself that the price and condition of the Property are acceptable."
125. **LENDER PROCESSING FEES (FHA, DVA Financing Only):** Seller agrees to pay Buyer's closing fees and
126. miscellaneous processing fees which cannot be charged to Buyer, not to exceed \$ \_\_\_\_\_
127. This amount is in addition to Seller's Contributions to Buyer's Costs, if applicable.

**PURCHASE AGREEMENT:  
VACANT LAND (RESIDENTIAL)**

128. Page 4 Date \_\_\_\_\_

129. Property located at XXX HIGHWAY 19 BLVD Cannon Falls MN 55009

130. **DVA FUNDING FEE (DVA Financing only):** Pursuant to federal regulations, a one-time Funding Fee based on loan  
131. amount must be paid at the closing of this transaction as follows:

132. \_\_\_\_\_ paid by Buyer ☐ **AT CLOSING** ☐ **ADDED TO MORTGAGE AMOUNT**  
----- (Check one.) -----

133. \_\_\_\_\_ paid by Seller

134. **NOTE: DVA regulations limit the fees and charges Buyer can pay to obtain a DVA loan.**

135. **DEPARTMENT OF VETERANS' AFFAIRS ESCAPE CLAUSE (DVA Financing only):** "It is expressly agreed that,  
136. notwithstanding any other provisions of this contract, the purchaser shall not incur any penalty by forfeiture of earnest  
137. money or otherwise be obligated to complete the purchase of the Property described here, if the contract purchase  
138. price or cost exceeds the reasonable value of this Property established by the Department of Veterans' Affairs. The  
139. purchaser shall, however, have the privilege and option of proceeding with the consummation of this contract without  
140. regard to the amount of reasonable value established by the Department of Veterans' Affairs."

141. **NOTE: Verify DVA requirements relating to payment of all special assessments levied and pending, and**  
142. **annual installments of special assessments certified to yearly taxes.**

143. **OTHER MORTGAGE FINANCING ITEMS:** \_\_\_\_\_

144. \_\_\_\_\_

**145. SELLER'S CONTRIBUTIONS TO BUYER'S COSTS:**

146. Seller ☐ **IS** ☒ **IS NOT** contributing to Buyer's costs. If answer is **IS**, Seller agrees to pay at closing, up to: (Check one.)  
----- (Check one.) -----

147. ☐ \$ \_\_\_\_\_

148. ☐ \_\_\_\_\_ percent (%) of the sale price

149. towards Buyer's closing fees, title service fees, title searches, title examinations, abstracting, lender's title insurance,  
150. owner's title insurance, prepaid items, other Buyer's costs allowable by lender, if any, and/or mortgage discount points. Any  
151. amount of Seller's contribution that exceeds Buyer's allowable costs, or which cannot be used because Seller's  
152. contribution exceeds the maximum Seller contribution allowed by law or by mortgage requirements, shall be retained  
153. by Seller.

154. **NOTE: The amount paid by Seller cannot exceed the maximum Seller contribution allowed by FHA, DVA, or**  
155. **lender. All funds paid by Seller on behalf of Buyer must be stated on the Closing Disclosure at closing.**

**156. SALE OF BUYER'S PROPERTY:**

157. (Check one.)

158. ☐ 1. This Purchase Agreement is subject to an *Addendum to Purchase Agreement: Sale of Buyer's Property*  
159. *Contingency* for the sale of Buyer's property. (If checked, see attached *Addendum*.)

160. OR

161. ☐ 2. This Purchase Agreement is contingent upon the successful closing on the Buyer's property located at  
162. \_\_\_\_\_, which is scheduled to close on

163. \_\_\_\_\_ pursuant to a fully executed purchase agreement. If Buyer's  
164. property does not close by the closing date specified in this Purchase Agreement, this Purchase Agreement  
165. is canceled. Buyer and Seller shall immediately sign a *Cancellation of Purchase Agreement* confirming said  
166. cancellation and directing all earnest money paid here to be refunded to Buyer. The language in this paragraph  
167. supersedes any other provision to the contrary in any financing contingency made a part of this Purchase  
168. Agreement, if applicable.

169. OR

170. ☒ 3. Buyer represents that Buyer has the financial ability to perform on this Purchase Agreement without the sale  
171. and closing on any other property.

**PURCHASE AGREEMENT:  
VACANT LAND (RESIDENTIAL)**

172. Page 5 Date \_\_\_\_\_

173. Property located at XXX HIGHWAY 19 BLVD Cannon Falls MN 55009

174. **REAL ESTATE TAXES/SPECIAL ASSESSMENTS:**

175. **REAL ESTATE TAXES:** Seller shall pay on the date of closing all real estate taxes due and payable in all prior years  
176. including all penalties and interest.

177. Buyer shall pay ☒ **PRORATED FROM DAY OF CLOSING** ☐ **ALL** ☐ **NONE** ☐ \_\_\_\_\_ /12ths OF real estate  
(Check one.)

178. taxes due and payable in the year of closing.

179. Seller shall pay ☒ **PRORATED TO DAY OF CLOSING** ☐ **ALL** ☐ **NONE** ☐ \_\_\_\_\_ /12ths OF real estate taxes  
(Check one.)

180. due and payable in the year of closing.

181. Buyer shall pay real estate taxes due and payable in the year following closing and thereafter, the payment of which  
182. is not otherwise here provided. No representations are made concerning the amount of subsequent real estate  
183. taxes.

184. **DEFERRED TAXES/SPECIAL ASSESSMENTS:**

185. ☐ **BUYER SHALL PAY** ☒ **SELLER SHALL PAY** on date of closing any deferred real estate taxes  
(Check one.)

186. (e.g. Green Acres) or special assessments, payment of which is required as a result of the closing of this sale.

187. ☐ **BUYER AND SELLER SHALL PRORATE AS OF THE DATE OF CLOSING** ☒ **SELLER SHALL PAY ON**  
(Check one.)

188. **DATE OF CLOSING** all installments of special assessments certified for payment, with the real estate taxes due and  
189. payable in the year or closing.

190. ☐ **BUYER SHALL ASSUME** ☒ **SELLER SHALL PAY** on date of closing all other special assessments levied as  
(Check one.)

191. of the Date of this Purchase Agreement.

192. ☐ **BUYER SHALL ASSUME** ☒ **SELLER SHALL PROVIDE FOR PAYMENT OF** special assessments pending as  
(Check one.)

193. of the Date of this Purchase Agreement for improvements that have been ordered by any assessing authorities.

194. (Seller's provision for payment shall be by payment into escrow of two (2) times the estimated amount of the  
195. assessments or less, as required by Buyer's lender.)

196. Buyer shall pay any unpaid special assessments payable in the year following closing and thereafter, the payment of  
197. which is not otherwise here provided.

198. As of the Date of this Purchase Agreement, Seller represents that Seller ☐ **HAS** ☒ **HAS NOT** received a notice  
(Check one.)

199. regarding any new improvement project from any assessing authorities, the costs of which project may be assessed  
200. against the Property. Any such notice received by Seller after the Date of this Purchase Agreement and before  
201. closing shall be provided to Buyer immediately. If such notice is issued after the Date of this Purchase Agreement and  
202. on or before the date of closing, then the parties may agree in writing, on or before the date of closing, to pay, provide  
203. for the payment of, or assume the special assessments. In the absence of such agreement, either party may declare  
204. this Purchase Agreement canceled by written notice to the other party, or licensee representing or assisting the other  
205. party, in which case this Purchase Agreement is canceled. If either party declares this Purchase Agreement canceled,  
206. Buyer and Seller shall immediately sign a *Cancellation of Purchase Agreement* confirming said cancellation and  
207. directing all earnest money paid here to be refunded to Buyer.

208. **ADDITIONAL PROVISIONS:**

209. **PREVIOUSLY EXECUTED PURCHASE AGREEMENT:** This Purchase Agreement ☐ **IS** ☒ **IS NOT** subject to  
(Check one.)

210. cancellation of a previously executed purchase agreement dated \_\_\_\_\_.

211. (If answer is **IS**, said cancellation shall be obtained no later than \_\_\_\_\_).

212. If said cancellation is not obtained by said date, this Purchase Agreement is canceled. Buyer and Seller shall  
213. immediately sign a *Cancellation of Purchase Agreement* confirming said cancellation and directing all earnest money  
214. paid here to be refunded to Buyer.)

# **PURCHASE AGREEMENT: VACANT LAND (RESIDENTIAL)**

215. Page 6 Date \_\_\_\_\_

216. Property located at XXX HIGHWAY 19 BLVD Cannon Falls MN 55009

217. **SPECIAL CONTINGENCIES:** This Purchase Agreement is subject to the following contingencies, and if the  
 218. contingencies checked below are not satisfied or waived, in writing, by Buyer by \_\_\_\_\_,  
 219. this Purchase Agreement is canceled as of said date. Buyer and Seller shall immediately sign a *Cancellation of*  
 220. *Purchase Agreement* confirming said cancellation and directing all earnest money paid here to be refunded to  
 221. Buyer.

222. (Select appropriate options a-k.)

223. ☐ (a) Buyer obtaining a physical inspection of the Property, satisfactory to Buyer.

224. ☐ (b) Buyer obtaining evidence of utility connections available, and costs for connection to the Property, satisfactory  
 225. to Buyer.

226. ☐ (c) ☐ **BUYER** ☐ **SELLER** shall provide a certificate of survey of the Property, at ☐ **BUYER** ☐ **SELLER**  
 227. expense. ----- (Check one.) -----

228. ☐ (d) Buyer obtaining approval of city/township of proposed building plans and specifications at  
 229. ☐ **BUYER** ☐ **SELLER** expense. ----- (Check one.) -----

230. ☐ (e) Buyer obtaining approval of city/township of proposed subdivision development plans at  
 231. ☐ **BUYER** ☐ **SELLER** expense. ----- (Check one.) -----

232. ☐ (f) Buyer obtaining approval of city/township for rezoning or use permits at ☐ **BUYER** ☐ **SELLER** expense.  
----- (Check one.) -----

233. ☐ (g) Buyer obtaining, at ☐ **BUYER** ☐ **SELLER** expense, percolation tests which are acceptable to Buyer.  
----- (Check one.) -----

234. ☐ (h) Buyer obtaining, at ☐ **BUYER** ☐ **SELLER** expense, soil tests which indicate that the Property may be  
 235. improved without extraordinary building methods or cost. ----- (Check one.) -----

236. ☐ (i) Buyer obtaining approval of building plans and/or specifications in accordance with any recorded subdivision  
 237. covenants and approval of the architectural control committee.

238. ☐ (j) Buyer obtaining, at ☐ **BUYER** ☐ **SELLER** expense, copies of all covenants, reservations, and restrictions  
 239. affecting the Property, satisfactory to Buyer. ----- (Check one.) -----

240. ☐ (k) Other:

241. \_\_\_\_\_

242. \_\_\_\_\_

243. \_\_\_\_\_

244. Seller's expenses for these contingencies (if any) shall not exceed \$ \_\_\_\_\_.

245. **DEED/MARKETABLE TITLE:** Upon performance by Buyer, Seller shall deliver a: (Check one.)

246. ☒ **WARRANTY DEED** ☐ **PERSONAL REPRESENTATIVE'S DEED** ☐ **CONTRACT FOR DEED**

247. ☐ **TRUSTEE'S DEED** ☐ **Other:** \_\_\_\_\_ Deed joined in by spouse, if any, conveying  
 248. marketable title, subject to

249. (a) building and zoning laws, ordinances, state and federal regulations;

250. (b) restrictions relating to use or improvement of the Property without effective forfeiture provisions;

251. (c) reservation of any mineral rights by the State of Minnesota;

252. (d) utility and drainage easements which do not interfere with existing improvements;

253. (e) **rights of tenants as follows** (unless specified, not subject to tenancies): \_\_\_\_\_

254. \_\_\_\_\_; and

255. (f) others (must be specified in writing): \_\_\_\_\_

256. \_\_\_\_\_

## PURCHASE AGREEMENT: VACANT LAND (RESIDENTIAL)

257. Page 7    Date \_\_\_\_\_

258. Property located at XXX HIGHWAY 19 BLVD Cannon Falls MN 55009.
259. **POSSESSION:** Seller shall deliver possession of the Property: (Check one.)
260. ☒ **IMMEDIATELY AFTER CLOSING;** or
261. ☐ **OTHER:** \_\_\_\_\_
262. Seller agrees to remove ALL DEBRIS AND ALL PERSONAL PROPERTY NOT INCLUDED HERE from the Property
263. by possession date.
264. **PRORATIONS:** All interest; unit owners' association dues; rents; and charges for city water, city sewer, electricity,
265. and natural gas shall be prorated between the parties as of date of closing. Buyer shall pay Seller for remaining
266. gallons of fuel oil or liquid petroleum gas on the day of closing, at the rate of the last fill by Seller.
267. **TITLE AND EXAMINATION:** Within a reasonable time period after Final Acceptance Date, Seller shall provide one of
268. the following title evidence options, at Seller's selection, which shall include proper searches covering bankruptcies,
269. state and federal judgments and liens, and levied and pending special assessments to Buyer or Buyer's designated
270. title service provider:
271. (a) A commitment for an owner's policy of title insurance on a current ALTA form issued by an insurer licensed to write
272. title insurance in Minnesota as selected by Buyer. Seller shall be responsible for the title search and exam costs
273. related to the commitment. Buyer shall be responsible for all additional costs related to the issuance of the title
274. insurance policy(ies), including but not limited to the premium(s), Buyer's name search and plat drawing, if
275. any. Seller shall deliver any abstract of title and a copy of any owner's title insurance policy for the Property,
276. if in Seller's possession or control, to Buyer or Buyer's designated title service provider. Any abstract of title or
277. owner's title insurance policy provided shall be immediately returned to Seller, or licensee representing or
278. assisting Seller, upon cancellation of this Purchase Agreement.
279. (b) An Abstract of Title certified to date if Abstract Property or a Registered Property Abstract ("RPA") certified to date
280. if Registered (Torrens) Property. Seller shall pay for the abstracting or RPA costs and deliver any abstract for
281. this Property in Seller's possession or control to Buyer or Buyer's designated title service provider. Any abstract
282. provided shall be immediately returned to Seller, or licensee representing or assisting Seller, upon cancellation of
283. this Purchase Agreement. If Property is Abstract and Seller does not have an abstract of title, Option (a) will
284. automatically apply.
285. Seller shall use Seller's best efforts to provide marketable title by the date of closing. In the event that Seller has not
286. provided marketable title by the date of closing, Seller shall have an additional thirty (30) days to make title marketable
287. or, in the alternative, Buyer may waive title defects by written notice to Seller. In addition to the thirty (30)-day
288. extension, Buyer and Seller may by mutual agreement further extend the closing date. Lacking such extension,
289. either party may declare this Purchase Agreement canceled by written notice to the other party, or licensee
290. representing or assisting the other party, in which case this Purchase Agreement is canceled. If either party declares
291. this Purchase Agreement canceled, Buyer and Seller shall immediately sign a *Cancellation of Purchase Agreement*
292. confirming said cancellation and directing all earnest money paid here to be refunded to Buyer.
293. **SUBDIVISION OF LAND, BOUNDARIES, AND ACCESS:** If this sale constitutes or requires a subdivision of land
294. owned by Seller, Seller shall pay all subdivision expenses and obtain all necessary governmental approvals. This
295. provision deals with the necessity of subdividing land to complete the sale of the Property described here in contrast
296. to the subdivision provision of lines 230-231 which deals with the future development plans of Buyer. Seller warrants
297. the legal description of the real Property to be conveyed has been or shall be approved for recording as of the date
298. of closing. Seller warrants that there is a right of access to the Property from a public right-of-way.
299. **MECHANIC'S LIENS:** Seller warrants that prior to the closing, payment in full will have been made for all labor,
300. materials, machinery, fixtures, or tools furnished within the 120 days immediately preceding the closing.
301. **NOTICES:** Seller warrants that Seller has not received any notice from any governmental authority as to condemnation
302. proceedings or violation of any law, ordinance, or regulation. If the Property is subject to restrictive covenants, Seller
303. warrants that Seller has not received any notice from any person or authority as to a breach of the covenants. Any
304. such notices received by Seller shall be provided to Buyer immediately. Discriminatory restrictive covenants (e.g.
305. provisions against conveyance of property to any person of a specified religious faith, creed, national origin, race, or
306. color) are illegal and unenforceable. An owner of real property may permanently remove such restrictive covenants
307. from the title by recording a statutory form in the office of the county recorder of any county where the property is located.

## PURCHASE AGREEMENT: VACANT LAND (RESIDENTIAL)

308. Page 8    Date \_\_\_\_\_

309. Property located at XXX HIGHWAY 19 BLVD Cannon Falls MN 55009.
310. **DIMENSIONS:** Buyer acknowledges any dimensions, square footage, or acreage of land or improvements provided
311. by Seller, third party, or broker representing or assisting Seller are approximate. Buyer shall verify the accuracy of
312. information to Buyer's satisfaction, if material, at Buyer's sole cost and expense.
313. **ACCESS AGREEMENT:** Seller agrees to allow Buyer reasonable access to the Property for performance of any
314. surveys, inspections or tests, or for water, sewer, gas, or electrical service hookup as agreed to here. Buyer shall
315. restore the premises to the same condition it was in prior to the surveys, inspections, or tests and pay for any
316. restoration costs relative thereto.
317. **RISK OF LOSS:** If there is any loss or damage to the Property between the Date of this Purchase Agreement and
318. the date of closing for any reason, including fire, vandalism, flood, earthquake, or act of God, the risk of loss shall
319. be on Seller. If the Property is destroyed or substantially damaged before the closing date, this Purchase Agreement
320. is canceled, at Buyer's option, by written notice to Seller or licensee representing or assisting Seller. If Buyer cancels
321. this Purchase Agreement, Buyer and Seller shall immediately sign a *Cancellation of Purchase Agreement* confirming
322. said cancellation and directing all earnest money paid here to be refunded to Buyer.
323. **TIME OF ESSENCE:** Time is of the essence in this Purchase Agreement.
324. **CALCULATION OF DAYS:** Any calculation of days begins on the first day (Calendar or Business Days as specified)
325. following the occurrence of the event specified and includes subsequent days (Calendar or Business Days as
326. specified) ending at 11:59 P.M. on the last day.
327. **BUSINESS DAYS:** "Business Days" are days which are not Saturdays, Sundays, or state and federal holidays
328. unless stated elsewhere by the parties in writing.
329. **CALENDAR DAYS:** "Calendar Days" include Saturdays, Sundays, or state or federal holidays. For purposes of this
330. Agreement, any reference to "days" means "Calendar Days" unless otherwise required by law.
331. **RELEASE OF EARNEST MONEY:** Buyer and Seller agree that the Earnest Money Holder shall release earnest
332. money from the Earnest Money Holder's trust account:
333.     (a) at or upon the successful closing of the Property;
334.     (b) pursuant to written agreement between the parties, which may be reflected in a *Cancellation of Purchase*
335.         *Agreement* executed by both Buyer and Seller;
336.     (c) upon receipt of an affidavit of a cancellation under MN Statute 559.217; or
337.     (d) upon receipt of a court order.
338. **DEFAULT:** If Buyer defaults in any of the agreements here, Seller may cancel this Purchase Agreement, and any
339. payments made here, including earnest money, shall be retained by Seller as liquidated damages and Buyer and
340. Seller shall affirm the same by a written cancellation agreement.
341. If Buyer defaults in any of the agreements here, Seller may terminate this Purchase Agreement under the
342. provisions of either MN Statute 559.21 or MN Statute 559.217, whichever is applicable. If either Buyer or Seller
343. defaults in any of the agreements here or there exists an unfulfilled condition after the date specified for fulfillment,
344. either party may cancel this Purchase Agreement under MN Statute 559.217, Subd. 3. Whenever it is provided here
345. that this Purchase Agreement is canceled, said language shall be deemed a provision authorizing a Declaratory
346. Cancellation under MN Statute 559.217, Subd. 4.
347. If this Purchase Agreement is not canceled or terminated as provided here, Buyer or Seller may seek actual damages
348. for breach of this Purchase Agreement or specific performance of this Purchase Agreement; and, as to specific
349. performance, such action must be commenced within six (6) months after such right of action arises.
350. **NOTICE REGARDING AIRPORT ZONING REGULATIONS:** The Property may be in or near an airport safety zone
351. with zoning regulations adopted by the governing body that may affect the Property. Such zoning regulations are
352. filed with the county recorder in each county where the zoned area is located. If you would like to determine if such
353. zoning regulations affect the Property, you should contact the county recorder where the zoned area is located.
354. **NOTICE REGARDING PREDATORY OFFENDER INFORMATION:** Information regarding the predatory offender
355. registry and persons registered with the predatory offender registry under MN Statute 243.166 may be
356. obtained by contacting the local law enforcement offices in the community where the Property is located
357. or the Minnesota Department of Corrections at (651) 361-7200, or from the Department of Corrections web
358. site at [www.corr.state.mn.us](http://www.corr.state.mn.us).

# **PURCHASE AGREEMENT: VACANT LAND (RESIDENTIAL)**

359. Page 9 Date \_\_\_\_\_

360. Property located at XXX HIGHWAY 19 BLVD Cannon Falls MN 55009
361. **SPECIAL DISCLOSURES:** Seller discloses, to the best of Seller's knowledge, that the Property described in this
362. Purchase Agreement consists of approximately 43.34 ☒ **ACRES** ☐ **SQUARE FEET** and is currently zoned  
----- (Check one.) -----
363. \_\_\_\_\_
364. Seller discloses, to the best of Seller's knowledge, that the Property ☐ **IS** ☒ **IS NOT** in a designated flood zone.  
----- (Check one.) -----
365. Seller discloses, to the best of Seller's knowledge, that the Property ☐ **DOES** ☒ **DOES NOT** currently receive  
----- (Check one.) -----
366. preferential tax treatment (e.g. Green Acres, Managed Forest Land, Non-Profit Status, Rural Preserve, SFIA, etc.).
367. Seller discloses, to the best of Seller's knowledge, that the Property ☐ **IS** ☒ **IS NOT** enrolled in any federal, state, or  
----- (Check one.) -----
368. local governmental programs (e.g., conservation programs, CREP, CRP, EQIP, Green Acres, Managed Forest Land,
369. RIM, riparian buffers, Rural Preserve, SFIA, WRP/RIM-WRP, etc.).

370. **BUYER HAS THE RIGHT TO A WALK-THROUGH REVIEW OF THE PROPERTY PRIOR TO CLOSING TO**
371. **ESTABLISH THAT THE PROPERTY IS IN SUBSTANTIALLY THE SAME CONDITION AS OF THE DATE OF THIS**
372. **PURCHASE AGREEMENT.**
373. BUYER HAS RECEIVED A: (Check any that apply.) ☐ **DISCLOSURE STATEMENT: VACANT LAND OR A**
374. ☐ **DISCLOSURE STATEMENT: SELLER'S DISCLOSURE ALTERNATIVES FORM.**
375. **DESCRIPTION OF PROPERTY CONDITION:** See *Disclosure Statement: Vacant Land* or *Disclosure Statement:*
376. *Seller's Disclosure Alternatives* for description of disclosure responsibilities and limitations, if any.
377. **BUYER HAS RECEIVED THE INSPECTION REPORTS, IF REQUIRED BY MUNICIPALITY.**
378. **BUYER IS NOT RELYING ON ANY ORAL REPRESENTATIONS REGARDING THE CONDITION OF THE PROPERTY.**

379. **PLEASE NOTE:** Buyer may incur additional charges improving the Property, including, but not limited to, hookup and/
380. or access charges; municipal charges; costs for sewer access, stubbing access, water access, park dedication, road
381. access, curb cuts, utility connection and connecting fees; and tree planting charges.

382. **(Check appropriate boxes.)**
383. SELLER WARRANTS THAT THE PROPERTY IS EITHER DIRECTLY OR INDIRECTLY CONNECTED TO:
384. **CITY SEWER** ☒ **YES** ☐ **NO** / **CITY WATER** ☒ **YES** ☐ **NO**
385. **SUBSURFACE SEWAGE TREATMENT SYSTEM**
386. SELLER ☐ **DOES** ☒ **DOES NOT** KNOW OF A SUBSURFACE SEWAGE TREATMENT SYSTEM ON OR  
----- (Check one.) -----
387. SERVING THE PROPERTY. (If answer is **DOES**, and the system does not require a state permit, see *Disclosure*
388. *Statement: Subsurface Sewage Treatment System*.)
389. **PRIVATE WELL**
390. SELLER ☐ **DOES** ☒ **DOES NOT** KNOW OF A WELL ON OR SERVING THE PROPERTY.  
----- (Check one.) -----
391. (If answer is **DOES** and well is located on the Property, see *Disclosure Statement: Well*.)
392. TO THE BEST OF SELLER'S KNOWLEDGE, THE PROPERTY ☐ **IS** ☐ **IS NOT** IN A SPECIAL WELL  
----- (Check one.) -----
393. CONSTRUCTION AREA.
394. THIS PURCHASE AGREEMENT ☐ **IS** ☒ **IS NOT** SUBJECT TO AN ADDENDUM TO PURCHASE AGREEMENT;  
----- (Check one.) -----
395. **SUBSURFACE SEWAGE TREATMENT SYSTEM AND WELL INSPECTION CONTINGENCY.**
396. (If answer is **IS**, see attached *Addendum*.)
397. **IF A WELL OR SUBSURFACE SEWAGE TREATMENT SYSTEM EXISTS ON THE PROPERTY, BUYER HAS**
398. **RECEIVED A DISCLOSURE STATEMENT: WELL AND/OR A DISCLOSURE STATEMENT: SUBSURFACE**
399. **SEWAGE TREATMENT SYSTEM.**

# **PURCHASE AGREEMENT: VACANT LAND (RESIDENTIAL)**

400. Page 10 Date \_\_\_\_\_

401. Property located at XXX HIGHWAY 19 BLVD Cannon Falls MN 55009

402.

**AGENCY NOTICE**

403.

(Licensee)

is ☐ Seller's Agent ☐ Buyer's Agent ☐ Dual Agent ☐ Facilitator.  
(Check one.)

404.

(Real Estate Company Name)

405.

(Licensee)

is ☐ Seller's Agent ☐ Buyer's Agent ☐ Dual Agent ☐ Facilitator.  
(Check one.)

406.

(Real Estate Company Name)

407. **THIS NOTICE DOES NOT SATISFY MINNESOTA STATUTORY AGENCY DISCLOSURE REQUIREMENTS.**

408.

**DUAL AGENCY REPRESENTATION**409. **PLEASE CHECK ONE OF THE FOLLOWING SELECTIONS:**410. ☐ Dual Agency representation DOES NOT apply in this transaction. *Do not complete lines 411-427.*411. ☐ Dual Agency representation DOES apply in this transaction. *Complete the disclosure in lines 412-427.*

412. Broker represents both the Seller(s) and the Buyer(s) of the Property involved in this transaction, which creates a  
 413. dual agency. This means that Broker and its salespersons owe fiduciary duties to both Seller(s) and Buyer(s). Because  
 414. the parties may have conflicting interests, Broker and its salespersons are prohibited from advocating exclusively for  
 415. either party. Broker cannot act as a dual agent in this transaction without the consent of both Seller(s) and Buyer(s).  
 416. Seller(s) and Buyer(s) acknowledge that

417. (1) confidential information communicated to Broker which regards price, terms, or motivation to buy or sell will  
 418. remain confidential unless Seller(s) or Buyer(s) instructs Broker in writing to disclose this information. Other  
 419. information will be shared;  
 420. (2) Broker and its salespersons will not represent the interest of either party to the detriment of the other; and  
 421. (3) within the limits of dual agency, Broker and its salespersons will work diligently to facilitate the mechanics of  
 422. the sale.

423. With the knowledge and understanding of the explanation above, Seller(s) and Buyer(s) authorize and instruct Broker  
 424. and its salesperson to act as dual agents in this transaction.

425. Seller \_\_\_\_\_ Buyer \_\_\_\_\_

426. Seller \_\_\_\_\_ Buyer \_\_\_\_\_

427. Date \_\_\_\_\_ Date \_\_\_\_\_

428. **CLOSING COSTS:** Buyer or Seller may be required to pay certain closing costs, which may effectively increase the  
 429. cash outlay at closing or reduce the proceeds from the sale.

430. **SETTLEMENT STATEMENT:** Buyer and Seller authorize the title company, escrow agent, and/or their representatives  
 431. to disclose and provide copies of the disbursing agent's settlement statement to the real estate licensees involved  
 432. in the transaction at the time these documents are provided to Buyer and Seller.

MN:PA-VL-10 (8/22)

**PURCHASE AGREEMENT:  
VACANT LAND (RESIDENTIAL)**

433. Page 11 Date \_\_\_\_\_

434. Property located at XXX HIGHWAY 19 BLVD Cannon Falls MN 55009
435. **FOREIGN INVESTMENT IN REAL PROPERTY TAX ACT ("FIRPTA"):** Section 1445 of the Internal Revenue Code
436. provides that a transferee ("Buyer") of a United States real property interest must be notified in writing and must withhold
437. tax if the transferor ("Seller") is a foreign person and no exceptions from FIRPTA withholding apply. Buyer and Seller
438. agree to comply with FIRPTA requirements under Section 1445 of the Internal Revenue Code.
439. Seller shall represent and warrant, under the penalties of perjury, whether Seller is a "foreign person" (as the same
440. is defined within FIRPTA), prior to closing. Any representations made by Seller with respect to this issue shall survive
441. the closing and delivery of the deed.
442. Buyer and Seller shall complete, execute, and deliver, on or before closing, any instrument, affidavit, or statement
443. reasonably necessary to comply with the FIRPTA requirements, including delivery of their respective federal taxpayer
444. identification numbers or Social Security numbers.
445. Due to the complexity and potential risks of failing to comply with FIRPTA, including the Buyer's responsibility for
446. withholding the applicable tax, Buyer and Seller should **seek appropriate legal and tax advice regarding FIRPTA**
447. **compliance, as the respective licensee's representing or assisting either party will be unable to assure either**
448. **party whether the transaction is exempt from FIRPTA withholding requirements.**
449. **FULLY EXECUTED PURCHASE AGREEMENT AND FINAL ACCEPTANCE:** To be binding, this Purchase Agreement
450. and all addenda must be fully executed by both parties and a copy must be delivered.
451. **ELECTRONIC SIGNATURES:** The parties agree the electronic signature of any party on any document related to
452. this transaction constitute valid, binding signatures.
453. **ENTIRE AGREEMENT:** This Purchase Agreement and all addenda and amendments signed by the parties shall
454. constitute the entire agreement between Buyer and Seller. Any other written or oral communication between Buyer
455. and Seller, including, but not limited to, e-mails, text messages, or other electronic communications are not part of this
456. Purchase Agreement. This Purchase Agreement can be modified or canceled only in writing signed by Buyer and
457. Seller or by operation of law. All monetary sums are deemed to be United States currency for purposes of this
458. Purchase Agreement.
459. **SURVIVAL:** All warranties specified in this Purchase Agreement shall survive the delivery of the deed or contract
460. for deed.
461. **DATE OF THIS PURCHASE AGREEMENT:** Date of this Purchase Agreement to be defined as the date on line one
462. (1) of this Purchase Agreement.
463. **OTHER:** \_\_\_\_\_
464. \_\_\_\_\_
465. **ADDENDA:** The following addenda are attached and made a part of this Purchase Agreement.
466. **NOTE:** Disclosures and optional Arbitration Agreement are not part of this Purchase Agreement.
467. ☐ Addendum to Purchase Agreement
468. ☐ Addendum to Purchase Agreement: Additional Signatures
469. ☐ Addendum to Purchase Agreement: Assumption Financing
470. ☐ Addendum to Purchase Agreement: Buyer Purchasing "As Is" and Limitation of Seller Liability
471. ☐ Addendum to Purchase Agreement: Condominium/Townhouse/Cooperative Common Interest Community ("CIC")
472. ☒ **Addendum to Purchase Agreement: Contract for Deed Financing**
473. ☐ Addendum to Purchase Agreement: Disclosure of Information on Lead-Based Paint and Lead-Based Paint Hazards
474. ☐ Addendum to Purchase Agreement: Sale of Buyer's Property Contingency
475. ☐ Addendum to Purchase Agreement: Seller's Purchase/Lease Contingency
476. ☐ Addendum to Purchase Agreement: Seller's Rent Back Agreement
477. ☐ Addendum to Purchase Agreement: Short Sale Contingency
478. ☐ Addendum to Purchase Agreement: Subsurface Sewage Treatment System and Well Water Inspection Contingency
479. ☐ Other: \_\_\_\_\_

MN:PA:VL-11 (8/22)

**PURCHASE AGREEMENT:  
VACANT LAND (RESIDENTIAL)**

480. Page 12 Date \_\_\_\_\_

481. Property located at XXX HIGHWAY 19 BLVD Cannon Falls MN 55009482. I agree to sell the Property for the price and on the terms  
483. and conditions set forth above.484. **I have reviewed all pages of this Purchase  
485. Agreement.**I agree to purchase the Property for the price and on  
the terms and conditions set forth above.**I have reviewed all pages of this Purchase  
Agreement.**486. ☐ **If checked, this Purchase Agreement is subject to**  
487. **attached Addendum to Purchase Agreement:**  
488. **Counteroffer and the Final Acceptance Date shall**  
489. **be noted on the Addendum.**490. **FIRPTA:** Seller represents and warrants, under penalty  
491. of perjury that Seller ☐ **IS** ☒ **IS NOT** a foreign person (i.e., a  
----- (Check one.) -----492. non-resident alien individual, foreign corporation, foreign  
493. partnership, foreign trust, or foreign estate for purposes of  
494. income taxation. (See lines 435-448.) This representation  
495. and warranty shall survive the closing of the transaction  
496. and the delivery of the deed.497. DocuSigned by: 11/1/2022  
**X** Glenn Mulvihill  
(Seller's Signature) (Date)**X** \_\_\_\_\_  
(Buyer's Signature) (Date)498. **X** Glenn Mulvihill  
(Seller's Printed Name)**X** City of Cannon Falls EDA  
(Buyer's Printed Name)499. **X** \_\_\_\_\_  
(Seller's Signature) (Date)**X** \_\_\_\_\_  
(Buyer's Signature) (Date)500. **X** \_\_\_\_\_  
(Seller's Printed Name)**X** \_\_\_\_\_  
(Buyer's Printed Name)501. **FINAL ACCEPTANCE DATE:** \_\_\_\_\_ The Final Acceptance Date  
502. is the date on which the fully executed Purchase Agreement is delivered.503. **THIS IS A LEGALLY BINDING CONTRACT BETWEEN BUYER(S) AND SELLER(S).**  
504. **IF YOU DESIRE LEGAL OR TAX ADVICE, CONSULT AN APPROPRIATE PROFESSIONAL.**505. **I ACKNOWLEDGE THAT I HAVE RECEIVED AND HAVE HAD THE OPPORTUNITY TO REVIEW THE**  
506. **DISCLOSURE STATEMENT: ARBITRATION DISCLOSURE AND RESIDENTIAL REAL PROPERTY ARBITRATION**  
507. **AGREEMENT, WHICH IS AN OPTIONAL, VOLUNTARY AGREEMENT SEPARATE FROM THIS PURCHASE**  
508. **AGREEMENT.**509. **SELLER(S)** \_\_\_\_\_**BUYER(S)** \_\_\_\_\_510. **SELLER(S)** \_\_\_\_\_**BUYER(S)** \_\_\_\_\_

MN:PA-VL-12 (8/22)

# ADDENDUM TO PURCHASE AGREEMENT: CONTRACT FOR DEED FINANCING

This form approved by the Minnesota Association of REALTORS®, which disclaims any liability arising out of use or misuse of this form.  
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1. Date \_\_\_\_\_  
2. Page 1

## 3. THIS FORM DOES NOT SERVE AS THE ACTUAL CONTRACT FOR DEED.

4. **NOTE:** Buyer and Seller should familiarize themselves with the risks and potential liabilities of contract for deed financing. It is advisable for all parties to seek competent legal advice.

6. Addendum to Purchase Agreement between parties, dated \_\_\_\_\_  
7. (Date of this Purchase Agreement), pertaining to the purchase and sale of the Property at  
8. XXX HIGHWAY 19 BLVD PID 52.350.0070 MN

9. This Addendum supersedes anything to the contrary in the Purchase Agreement.

10. **TYPE OF CONTRACT:** ☒ **CONTRACT FOR DEED** ☐ **CONTRACT FOR DEED WITH ASSUMPTION OF FINANCING**  
11. (See attached Financing Addendum: Assumption.)

12. **CONTINGENCY FOR ATTORNEY REVIEW:** This Purchase Agreement ☐ **IS** ☐ **IS NOT** contingent upon the parties  
------(Check one.)-----  
13. consulting with legal counsel regarding the terms of this Purchase Agreement. If **IS**, parties have within \_\_\_\_\_  
14. Business Days of Final Acceptance Date of this Purchase Agreement to consult with legal counsel ("Consultation  
15. Period"). Either party may cancel this Purchase Agreement based on consultation with legal counsel by providing written  
16. notice to the other party, or licensee representing or assisting the other party, of the party's intent to cancel no later than  
17. the end of the Consultation Period, in which case this Purchase Agreement is canceled. Buyer and Seller shall  
18. immediately sign a *Cancellation of Purchase Agreement* confirming said cancellation and directing all earnest money  
19. paid here to be refunded to Buyer. If neither party cancels this Purchase Agreement before the end of the Consultation  
20. Period, then this Contingency shall be deemed removed and this Purchase Agreement shall be in full force and effect.

21. **CONTRACT FOR DEED TERMS:** The parties shall utilize the *Minnesota Uniform Conveyancing Blank Contract for*  
22. *Deed* ("Contract for Deed") at the closing of this Purchase Agreement, and all terms in the Contract for Deed shall  
23. apply unless otherwise indicated in this Purchase Agreement.

24. The Contract for Deed can be found at the Minnesota Department of Commerce's website at <http://mn.gov/commerce>.  
25. Buyer and Seller should consult with an attorney to ensure the appropriate issues and the terms in this Purchase  
26. Agreement are addressed and properly drafted within the Contract for Deed.

27. **PAYMENT TERMS:** Contract for Deed amount \$ 600,000.00 by Contract for Deed, between  
28. Buyer and Seller, which Buyer shall pay to Seller as follows:

29. Monthly installment payments of \$ \_\_\_\_\_ (or more at Buyer's option).

30. Payments shall be credited first to interest and remainder to principal.

31. Interest at the rate of 5 percent (%) per annum computed on unpaid balances.

32. Interest rate shall not exceed the maximum lawful interest rate.

33. Interest shall begin accruing on CLOSING.

34. First payment shall be due and payable on 12/31/2023.

35. Subsequent payments shall be due and payable on the \_\_\_\_\_ day of each succeeding month.

36. The entire balance shall be due and payable in full no later than 12/31/2026.

37. The final payment ☐ **IS** ☒ **IS NOT** a balloon payment.  
------(Check one.)-----

# **ADDENDUM TO PURCHASE AGREEMENT: CONTRACT FOR DEED FINANCING**

38. Page 2

39. Property located at XXX HIGHWAY 19 BLVD PID 52.350.0070 MN
40. **ALTERATION OR ADDITION TO PAYMENT TERMS:**
41. **PAYMENTS OF \$150,000 PLUS ACCRUED INTEREST TO BE MADE 12/31/2023,**
42. **12/31/2024, 12/31/2025, AND 12/31/2026**
43. **SELLER AGREES TO RELEASE ANY PARCELS/PORTIONS THAT MIGHT BE SOLD BY THE**
44. **BUYER DURING THE CONTRACT PERIOD**
- 45.
- 46.
47. **CREDIT APPROVAL:** Buyer shall furnish to Seller, for Seller's approval, a signed financial statement within five (5)
48. Business Days after Final Acceptance Date of this Purchase Agreement. Buyer authorizes Seller to conduct credit
49. checks at Seller's expense. Buyer further agrees to sign documents necessary for Seller to obtain the financial
50. information. Seller has \_\_\_\_\_ Business Days after receipt of the financial statement from Buyer to approve
51. or deny Buyer. Approval of Buyer is within Seller's sole discretion. In the event Seller does not approve Buyer, Seller
52. shall immediately notify Buyer in writing and this Purchase Agreement is canceled. Buyer and Seller shall immediately
53. sign a *Cancellation of Purchase Agreement* confirming said cancellation and directing all earnest money paid here to
54. be refunded to Buyer.
55. **TITLE, LIENS, AND ENCUMBRANCES:**
56. **AT TIME OF DELIVERY OF THE DEED:** Upon Buyer's full satisfaction of the Purchase Price and full performance
57. of the Contract for Deed, Seller shall provide Buyer with a fully executed and recordable: *(Check one.)*
58. ☒ **WARRANTY DEED** or ☐ **OTHER:** \_\_\_\_\_
59. subject only to those exceptions listed in the *Deed/Marketable Title* section of this Purchase Agreement; and
60. ☐ **IF CHECKED**, the following liens or encumbrances: \_\_\_\_\_
61. \_\_\_\_\_
62. **TAXES, ASSESSMENTS, AND INSURANCE:** Taxes and assessments due and payable in the year of closing shall be
63. prorated as agreed in this Purchase Agreement. Taxes and assessments for all subsequent years of the Contract for
64. Deed shall be paid by Buyer before any penalty accrues. Insurance shall commence on the date of closing, shall
65. continue until the Contract for Deed is paid in full, and shall conform with the terms of the Contract for Deed.
66. Taxes, assessments, and insurance shall be paid in the following manner: *(Check one.)*
67. ☐ Buyer to pay 1/12ths taxes and hazard insurance premiums to Seller each month, in addition to the principal and
68. interest payments. Seller agrees to pay the real estate taxes and insurance premium as they become due.
69. OR;
70. ☒ **Buyer shall pay real estate taxes and hazard insurance premiums directly as they become due and furnish Seller**
71. **with paid receipt of same.**
72. OR;
73. ☐ **Tax and insurance escrow:** If the real estate taxes and hazard insurance premiums are included in the assumed
74. mortgage payments, Buyer shall pay said tax and insurance escrows to the mortgagee.
75. OR;
76. ☐ **Other:** \_\_\_\_\_

MN:APA:CFDF-2 (8/20)

# ADDENDUM TO PURCHASE AGREEMENT: CONTRACT FOR DEED FINANCING

77. Page 3

78. Property located at XXX HIGHWAY 19 BLVD PID 52.350.0070 MN
79. **ADDITIONAL TERMS AND CONDITIONS:** The Contract for Deed shall contain the following additional provisions  
80. which are preceded by initials of the undersigned Buyer and Seller: *(Initial all that apply.)*
81.                       **Existing Mortgage(s)/Contract(s) for Deed Not Being Assumed by Buyer and Not**  
82. (Buyers) (Sellers) **Being Paid Off:** It is understood there is now a mortgage(s) and/or Contract(s) for  
83. Deed encumbering said Property which ☐ **DOES** ☐ **DOES NOT** have a due-on-sale  
84. clause, with an unpaid balance of approximately (Check one.)  
85. \$                                  by mortgage(s) **NOTE: If answer is DOES,**  
86. \$                                  by contract(s) for deed **seek competent legal advice.**  
87. which mortgage(s) and/or contract(s) for deed Buyer does not assume nor agree to pay  
88. but which is to be paid according to its terms by Seller. In the event Seller fails to make the  
89. required payments thereunder, Buyer shall have the right to make said payments and  
90. deduct all amounts paid from payments next due under the Contract for Deed.
91.                       **Sale of Contract for Deed Contingency.** This Purchase Agreement is contingent upon the  
92. (Buyers) (Sellers) sale of Seller's interest in the above proposed Contract for Deed at no more than a  
93.            percent (%) discount on or before                                 . If no  
94. written offer to purchase said Contract for Deed at the above discount is received by  
95. Seller on or before the above date, Seller may, at Seller's option, declare this Purchase  
96. Agreement canceled by written notice to Buyer, or licensee representing or assisting Buyer,  
97. in which case this Purchase Agreement is canceled. If Seller declares this Purchase  
98. Agreement canceled, Buyer and Seller shall immediately sign a *Cancellation of Purchase*  
99. *Agreement* confirming said cancellation and directing all earnest money paid here to be  
100. refunded to Buyer. Seller, however, reserves the right to retain Contract for Deed, whether or  
101. not a bona fide offer to purchase is made, and in that case, the closing shall proceed as  
102. provided in this Purchase Agreement.
103.                       **Contract for Deed — Assumable with Seller Approval.** Buyer's interest in the Property:  
104. (Buyers) (Sellers) *(Check one.)*  
105. ☐ **IS NOT** transferrable.  
106. ☐ **IS** transferrable only by first obtaining the written consent of Seller. If transferrable with  
107. consent of Seller, Seller shall not unreasonably withhold consent.  
108. In the event Buyer violates this provision, Contract for Deed shall be immediately due and  
109. payable in full together with accrued interest. This provision does not apply to leases,  
110. transfers by devise, decent, divorce, or by operation of law upon the death of a joint  
111. tenant.
112.                       **Seller Refinance.** Seller reserves the right to refinance at any time, at Seller's sole expense  
113. (Buyers) (Sellers) which shall not, by its terms, exceed the Contract for Deed balance at any time, and  
114. Buyer agrees to sign the necessary papers.

MN:APA:CFDF-3 (8/20)





## PROFESSIONAL SERVICES AGREEMENT

THIS AGREEMENT, by and between **City of Cannon Falls** hereinafter referred to as the "Client" and WHKS & Co., hereinafter referred to as "WHKS", is made as follows:

WHEREAS, the Client has a need for certain professional services relating to the project described as **Mulvihill Subdivision Preliminary Analysis**.

WHEREAS, WHKS proposes to furnish the professional services required by the Client for said project,

NOW THEREFORE, the Client hereby agrees to retain and compensate WHKS to perform the professional services in accordance with the terms and conditions of this Agreement and the attached Standard Terms and Conditions.

### **Scope of Services**

WHKS shall perform the following described services for the Client:

**Preliminary Analysis phase engineering services as described on the attached Scope of Services included in Exhibit A.**

### **Basis of Compensation**

For the services described above, the Client shall remunerate WHKS as follows:

**Items 1-3 – Billed hourly with an estimated fee of \$15,000 including Expenses.**

Executed this \_\_\_\_\_ day of March, 2022

### **City of Cannon Falls**

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

### ***WHKS & CO.***

By: \_\_\_\_\_

Printed Name: William Angerman

Title: Exec. VP, COO

# **Exhibit A to Professional Services Agreement**

## **A. Project Description**

This project consists of a preliminary desk top analysis for the development of the Mulvihill Subdivision. The analysis will include preparation of a conceptual subdivision layout, grading plan, determination of rock removal quantities, and opinion of probable cost of development. In addition, a preliminary concept for how to route off-site storm water from the southeast will be included. We will summarize the findings of the analysis in a Summary Memorandum.

## **B. Scope of Services Provided Under This Agreement:**

### **1. Project Management and Meetings**

- Perform general project administrative duties including supervision and coordination of the project team, review of project costs and billings, prepare invoices using Consultant's standard forms, preparation of status reports, and general administrative activities.
- Advise the Client of the necessity of obtaining Special Engineering Services as described in Paragraph C., and act as the Client's representative in connection with any such services not actually performed by WHKS.
- Attend two (2) meetings for the project.

### **2. Analysis**

- Review previous geotechnical findings as outlined in a report prepared by AET to determine the soil types and presence of solid rock and groundwater.
- Review LIDAR contours to develop a concept of roadway and lot layouts.
- Review previous Mulvihill General Development Plan. A revised subdivision layout concept will be prepared to minimize the earthwork and rock removal requirements. The goal is to provide a balance for the cut and fill requirements for the subdivision.
- Stormwater hydraulic calculations, stormwater pond requirements and storm sewer sizing will not be performed in conjunction with this analysis. General assumptions will be made for the storm sewer and drainage pond sizes and costs.
- Prepare Opinion of Probable Cost based on the revised subdivision concept, earthwork, roadway improvements, sanitary sewer, watermain, storm sewer and service connection installation and general storm water pond requirements. A cost per lot will be provided based on the revised subdivision concept and probable cost opinion.

### **3. Summary Memorandum**

- Prepare memorandum to summarize the finding of the analysis. Memorandum will include AET's Report, revised subdivision concept, elevations, grading plan, and probable cost opinion.

**C. Special Engineering Services:**

Special Engineering Services are those services not listed above, but which may be required or advisable to accomplish the Project. Special Engineering Services shall be performed when authorized by the Client for additional fees, to be determined at the time authorized.

Special Engineering Services include:

1. Land surveying and platting
2. Easement research, plats or descriptions
3. Negotiation for easements or land acquisition
4. Special assessment assistance
5. Permits.
6. Funding assistance, including grant and/or loan applications
7. Wetland Delineations or mitigation plans
8. Floodplain and hydraulic/hydrologic modeling
9. Water and/or sanitary sewer rate studies
10. Geotechnical design/recommendations or soil borings
11. Environmental Assessment Worksheet.
12. Cultural resource survey or other studies or documentation that may be required by regulatory agencies that are not specifically listed in the scope of services
13. National Environmental Policy Act (NEPA) compliance, including historical and archeological investigations
14. Attendance at additional meetings (other than those listed above)