

PURCHASE AGREEMENT

Date: 1/31, 2014

1. RECEIVED OF Independent School District No. 548 (Public Schools of Pelican Rapids, Minnesota), the sum of ONE THOUSAND Dollars (\$1,000.00) as earnest money and in part payment for the purchase of property at 408 1st Street Southwest, Pelican Rapids, Minnesota, situated in the County of Otter Tail, State of Minnesota, and legally described as follows, to-wit:

Lot 3, Block 10, Blyberg's First Addition to the City Pelican Rapids, Minnesota, according to the plat thereof on file and of record with the Otter Tail County Recorder;

including the following listed personal property: None

all of which property the undersigned hereby agrees to sell to the buyer for the sum of Seventy Three Thousand and NO/100 Dollars (\$73,000.00), which the buyer agrees to pay in the following manner:

Earnest money herein paid \$1,000.00 and \$72,000.00, via certified funds or cashier's check, on or before February 27, 2014, the date of closing. The parties, by mutual agreement, shall have the right to close this transaction at any time prior to February 27, 2014.

2. Subject to performance by the buyer the seller agrees to execute and deliver a Warranty Deed conveying marketable title to said premises subject only to the following exceptions:
 - (a) Building and zoning laws, ordinances, State and Federal regulations.
 - (b) Reservation of any minerals or mineral rights to the State of Minnesota.
 - (c) Utility easements, so long as they do not interfere with the Buyer's intended use of the premises;
 - (d) Rights of tenants as follows: (unless specified, not subject to tenancies).
 - (e) Subject to any and all other easements and restrictions of record so long as such other easements and restrictions of record are specified in writing in this purchase agreement.
3. Seller agrees to pay, before penalty attaches thereto, all taxes due and payable in 2014 prorated to the date of closing; Buyer agrees to be responsible for any applicable real estate taxes due and payable in 2014 prorated from the date of closing. The seller further agrees to deliver possession no later than date of closing. Seller, by signing below, is indicating that all taxes in 2013 and in prior years have been paid in full.
4. In the event Seller has an abstract of title for the subject property, then Seller agrees to make it available to Buyer prior to closing. However, Buyer will be responsible for any expenses related to updating the abstract of title. Once the Buyer obtains an updated abstract of title, said Buyer shall have the right to have a title opinion prepared by

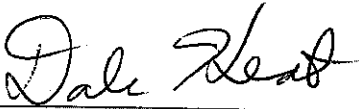
Buyer's attorney prior to closing in order to verify good and marketable title, free of any liens, mortgages and other encumbrances. In the event title is not good and marketable, then Buyer shall have the right to cancel this agreement, or in the alternative, if Buyer decides not to cancel this agreement, the parties may mutually agree to additional terms and conditions to address the marketability of title problems disclosed by said title opinion. In the event Buyer cancels this agreement as contemplated in this section, then Buyer shall give notice of Buyer's intention to do so to Seller in writing, and Seller shall agree to refund Buyer any earnest money previously paid by Buyer pursuant to this agreement within 15 days from receiving such notice from Buyer.

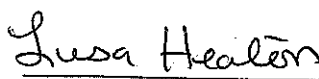
5. Seller agrees to provide the traditional disclosures at closing, including but not limited to the following: lead paint disclosure (if applicable); well disclosure (if applicable), septic system disclosure (if applicable), methamphetamine disclosure; and the parties mutually agree to sign the Sewage Treatment System Property Transfer Form required by Otter Tail County.

ADDITIONAL TERMS:

- A. Closing shall take place by and through the law offices of Svingen, Cline & Larson, P.A., 424 East Mill Avenue, P.O. Box 338, Pelican Rapids, MN 56572.
- B. **ACCEPTANCE DEADLINE.** This offer to purchase, unless accepted sooner, shall be voided at 11:59 P.M. on February 20, 2014, and in such event, all earnest money shall be refunded to Buyer.

The undersigned Seller agrees to sell the said property for the price and upon the terms mentioned above.


Dale A. Heaton, Seller (Dated)

 1/31/14
Lisa R. Heaton, Seller (Dated)

The undersigned Buyer agrees to purchase the said property for the price and upon the terms above mentioned, and subject to all conditions herein expressed.

Independent School District No. 548, Buyer
By: Kathryn Ouren
Its: Chairperson

Dated: _____, 2014

This instrument was drafted by:
SVINGEN, CLINE & LARSON, P.A.
P.O. Box 338
Pelican Rapids, MN 56572