

Commercial Purchase Agreement

Date: November ____, 2012

Received of _____
the sum of _____ (\$ _____) Dollars, as earnest
money and in part payment for the purchase of property at [Prairie Crossing]/[Prairie Crossing
First Replat], situated in the County of Olmsted, State of Minnesota, and legally described as
follows:

See attached Exhibit A for legal description,

together with the following personal property:

None,

all of which property the undersigned has this day sold to Buyer for the sum of
_____ (\$ _____) Dollars, which Buyer agrees
to pay in the following manner: Initial Earnest Money of \$25,000.00 paid upon submission of
the bid at the sealed auction, Remaining Earnest Money of \$ _____ paid upon
acceptance of this Purchase Agreement, and the balance in cash, on or before December 14,
2012, the date of closing.

1. **DEED/MARKETABLE TITLE:** Subject to performance by Buyer, Seller agrees to execute and deliver a Limited Warranty Deed conveying marketable title to said premises subject only to the following exceptions: (a) all matters described in items 2, 3 and 6 through 23 of Schedule B - Section 2 of the preliminary Commitment for Title Insurance included in the Bid Package, and any other matter shown on Schedule B - Section 2 of the Commitment for Title Insurance provided by Seller and not objected to by Buyer pursuant to paragraph 6 of this Purchase Agreement ("Permitted Encumbrances"); (b) building and zoning laws, ordinances, State and Federal regulations; (c) restrictions relating to use or improvement of the premises without effective forfeiture provision; (d) reservation of any minerals or mineral rights to the State of Minnesota; (e) utility and drainage easements which do not interfere with present improvements; (f) rights of tenants as follows: None.
2. **REAL ESTATE TAXES:** Real estate taxes due and payable in the year of closing shall be prorated between Seller and Buyer on a calendar year basis to the actual date of closing unless otherwise provided in this Purchase Agreement. Real estate taxes payable in the years prior to closing shall be paid by Seller. Real estate taxes payable in the years subsequent to closing shall be paid by Buyer.

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3. **SPECIAL ASSESSMENTS: BUYER AND SELLER SHALL PRORATE AS OF THE DATE OF CLOSING** all installments of special assessments certified for payment with the real estate taxes due and payable in the year of closing.
BUYER SHALL ASSUME ON THE DATE OF CLOSING all other special assessments levied as of the date of this Agreement.
BUYER SHALL ASSUME special assessments **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; or (b) require Seller to pay the pending special assessment (or escrow for payment of same a sum equal to 1 ½ times the projected pending assessment) and Buyer shall pay a commensurate increase in the purchase price of the property, which increase shall be the same as the estimated amount of the assessment; or (c) declare this Purchase Agreement terminated by written notice to Seller or licensee representing or assisting Seller. If Buyer terminates this Purchase Agreement, Buyer and Seller shall immediately sign a cancellation of purchase agreement directing all earnest money paid hereunder to be refunded to Buyer. Seller shall pay on date of closing any deferred real estate taxes or special assessments payment of which is required as a result of the closing of this sale.
4. **PRORATIONS:** All items customarily prorated and adjusted in connection with the closing of the sale of the property herein including but not limited to rents, operating expenses, interest on any debt assumed by Buyer, shall be prorated as of the date of closing. It shall be assumed that Buyer will own the property for the entire date of closing.
5. **DAMAGES TO REAL PROPERTY:** If there is any loss or damage to the property between the date hereof and the date of closing, for any reason, the risk of loss shall be on Seller. If the property is destroyed or substantially damaged before the closing, this Purchase Agreement shall terminate, at Buyer's option, if Buyer gives written notice to Seller or licensee representing or assisting Seller of such termination within thirty (30) days of the damage. Upon said termination, Buyer and Seller shall immediately sign a cancellation of Purchase Agreement directing all earnest money paid hereunder to be refunded Buyer.
6. **EXAMINATION OF TITLE:** Within a reasonable time after acceptance of this Purchase Agreement, Seller shall provide evidence of title to Buyer or Buyer's designated title

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service provider, which shall include proper searches covering bankruptcies, state and federal judgments and liens, and levied and pending special assessments, as follows:

IF THE PROPERTY IS ABSTRACT, Seller shall provide either (a) a commitment for an owner's policy of title insurance on a current ALTA form issued by an insurer licensed to write title insurance in Minnesota and Seller shall pay the costs of evidence of title for such title insurance policy, and Buyer shall pay the premium for any owner's policy or lender's policy issued by the title insurance company, the title examination fee and the fee for any endorsements or other coverages requested by Buyer; or (b) Abstract of Title certified to date. Seller shall pay for all abstracting fees and surrender any abstract in Seller's possession or control to Buyer at Closing.

IF THE PROPERTY IS TORRENS, Seller shall provide, at Buyer's option and request, either: (a) a Registered Property Abstract certified to date; or (b) a commitment for an owner's policy of title insurance on a current ALTA form issued by an insurer licensed to write title insurance in Minnesota. Seller shall be responsible to pay, under either option, only those costs necessary to prepare the Registered Property Abstract or commitment. Buyer shall, at Buyer's option, pay for either an attorney's title opinion or the title insurance premium (for both an owner's policy and any lender's policy and the examination fee, together with the costs for any endorsements or other coverages requested by Buyer).

Buyer shall have ten (10) business days after receipt of the Abstract of Title, Registered Property Abstract or title insurance commitment to provide Seller, or licensee representing or assisting Seller, with written objections to title. Buyer shall be deemed to have waived any title objections not made within such ten (10) day period, except that this shall not operate as a waiver of Seller's covenant to deliver a Warranty Deed, if a Warranty Deed is specified in this Purchase Agreement. Seller shall use Seller's best efforts to correct any title objections noted by Buyer and to provide marketable title by the date of Closing. In the event Seller has not cured the title objections or otherwise provided marketable title by the date of Closing, Seller shall have an additional thirty (30) days to correct the title objections or otherwise make title marketable. Buyer may waive title objections or other defects by written notice to Seller or licensee representing or assisting Seller. In addition to the thirty (30) day extension, Buyer and Seller may by

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mutual agreement further extend the Closing date. Lacking such extension, either party may declare this Purchase Agreement terminated and neither party shall be liable for damages to the other. Buyer and Seller shall immediately sign a cancellation of purchase agreement directing all earnest money paid hereunder to be refunded to Buyer.

7. **POSSESSION:** Seller shall deliver possession of the property on the date of Closing.
8. **REPRESENTATIONS AND WARRANTIES:** As to the condition of the property, None. Buyer purchasing the property "as is" with no representations or warranties as to the condition of the property.
9. **TIME IS OF THE ESSENCE FOR ALL PROVISIONS OF THIS CONTRACT.**
10. **SELLER CERTIFIES THAT SELLER DOES NOT** know of a subsurface sewage treatment system on or serving the property: (If answer is **DOES** and the system does not require a state permit, see Subsurface Sewage Treatment System Disclosure.)
11. **SELLER CERTIFIES THAT SELLER DOES NOT** know of any wells on or serving the property. (If answer is **DOES**, see Well Disclosure Statement.)
12. **ADDENDA:** Attached are one addenda which are made a part of this Agreement.
13. **MISCELLANEOUS PROVISIONS:**
 - (a) **Survival.** All of the warranties, representations, and covenants of this Agreement shall survive and be enforceable after the closing.
 - (b) **Entire Agreement; Modification.** This Purchase Agreement constitutes the complete agreement between the parties and supersedes any prior oral or written agreements between the parties regarding the property. There are no verbal agreements that change this Purchase Agreement and no waiver of any of its terms will be effective unless in writing executed by the parties.
 - (c) **Successors and Assigns.** If this Purchase Agreement is assigned, all provisions of this Purchase Agreement shall be binding on successors and assigns.

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14. **ACCEPTANCE DEADLINE:** This offer to purchase, unless accepted sooner, shall be null and void at 5:00 p.m. November 16, 2012, and in such event the Initial Earnest Money paid by Buyer upon submission of its bid at auction shall be retained by Seller as liquidated damages.

NOTICE

<u>n/a</u>	<u>(Company Name)</u>	Represents _____
(Agent)		
<u>n/a</u>	<u>(Company Name)</u>	Represents _____
(Agent)		

[THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

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THIS IS A LEGALLY BINDING CONTRACT. IF NOT UNDERSTOOD, SEEK COMPETENT ADVICE.

DATED: _____

DATED: _____

SELLER:
Home Federal Savings Bank

BUYER:

By: _____
Its: _____

By: _____
Its: _____

Exhibit A

Legal Description

[to be attached]

Addendum to Commercial Purchase Agreement

Seller: Home Federal Savings Bank

Buyer: _____

Date of Purchase Agreement: November ____, 2012

1. Buyer acknowledges that [he/she/it] has been afforded adequate opportunity to inspect the Property, has satisfied [him/her/it]self as to the condition of the Property, and is purchasing the Property "AS IS" without any obligation by Seller to make any repairs or improvements thereto.
2. Buyer acknowledges that Seller acquired the Property by foreclosure and may not be familiar with its history or condition, including, without limitation, the status and location of any wells or subsurface sewage treatment systems, the condition and working order of any lift stations, swimming pool, hot tub or any heating elements, plumbing, electrical or appliances located in or on the Property. Seller shall not be liable to Buyer, and Buyer hereby waives, any claim Buyer has against Seller for failure to disclose the status and location of any wells on the Property under Minnesota Statutes, sec. 103I.235, or for failure to disclose the existence or status of any subsurface sewage treatment systems on the Property under Minnesota Statutes, sec. 115.55.
3. Buyer acknowledges that Buyer is in possession of and has had an opportunity to review a Commitment for Title Insurance as part of the Bid Package, including copies of all documents referred to in Schedule B - Section 2, and has reviewed and examined the same and is familiar with the terms and conditions contained therein. Such matters shall constitute Permitted Encumbrances and shall not be bases for objections to title.