

DRAFT

**PURCHASE AGREEMENT
FOR PORTION OF OUTLOT H, RAMSEY TOWN CENTER ADDITION
RAMSEY, MINNESOTA**

Dated: October ____, 2012 (the "Effective Date")

1. **PARTIES.** The parties to this Purchase Agreement (this "Agreement") are:
 - a. The Housing and Redevelopment Authority in and for the City of Ramsey, Minnesota, Ramsey Municipal Center, 7550 Sunwood Drive, Ramsey, Minnesota, 55303, Attention: Mr. Kurt Ulrich, Executive Director (the "SELLER"); and
 - b. **M & W HOLDING COMPANY, LLC**, a Minnesota limited liability company, 14590 Armstrong Boulevard NW, Ramsey, Minnesota 55303 (the "BUYER").

This Agreement sometimes refers to SELLER and BUYER individually as a "Party" and collectively as the "Parties".

2. **OFFER/ACCEPTANCE.** BUYER agrees to purchase and SELLER agrees to sell on the terms of this Agreement a one acre unimproved tract of land located at the Northeast corner of the intersection of Armstrong Boulevard NW and Sunwood Drive, Ramsey, Minnesota, 55303, Anoka County, Minnesota, which tract of land is legally described on the attached Exhibit A. (the "Property"). Upon platting the Property will be known as Lot 3, Block 1 COR TWO, Anoka County, Minnesota.

3. **ACCEPTANCE DATE.** The acceptance date of this Agreement is the date it is signed by the last party signing.

4. **PURCHASE PRICE.** The purchase price for the Property is Five Hundred Thousand Nine Hundred Forty and 00/100 Dollars (\$500,940.00) (the "Purchase Price").

- a. Pursuant to paragraph 16.i. below this Agreement is contingent upon the parties hereto negotiating and entering into a Lease Agreement having an 18 month term from the Date of Closing for the property located at 14590 Armstrong Boulevard NW, Ramsey, Minnesota, (the "Lease").

- b. In the event BUYER, acting as the Lease tenant elects to terminate the Lease earlier than its stated 18 month term, SELLER will rebate a maximum of \$45,000.00 to BUYER as consideration for BUYER'S construction and occupancy of its development project on the Property. The specific rebate amount shall be at the rate of \$5,000.00/month for each month or part thereof by which BUYER reduces the Lease term for a maximum of nine (9) months or a \$45,000.00 purchase price rebate. SELLER offers this rebate as an incentive for BUYER to close on the Property, construct and occupy its improvements as reasonably soon as possible

5. **EARNEST MONEY.** Concurrently with the execution hereof BUYER shall deposit with SELLER the amount of \$5,000.00 as Earnest Money hereunder (“Earnest Money”). SELLER may commingle the Earnest Money with other funds of SELLER. Earnest Money in the possession of Seller remains the property of BUYER until paid to SELLER pursuant to Section 7 below or until BUYER defaults in the performance of BUYER’s obligations under this Agreement and SELLER cancels this Agreement pursuant to the provisions of Section 18 below, in which case SELLER may retain the Earnest money as liquidated damages. If SELLER defaults in the performance of SELLER’s obligations under this Agreement, BUYER may terminate this Agreement pursuant to the provisions of Section 17 below, and SELLER must return the Earnest Money to BUYER.

6. **THE DATE OF CLOSING.** The "Date of Closing" is October 16, 2012.

7. **CLOSING.** The Parties will meet at the offices of Commercial Partners Title, LLC. (the “Title Company”), 200 South Sixth Street, Suite 1300, Minneapolis MN at 10:00 a.m. on the Date of Closing at which time:

a. SELLER must:

(i) execute and deliver to BUYER a Minnesota Uniform Conveyancing Blanks Form 10.1.9 Warranty Deed subject only to:

- (a) Building, zoning and subdivision statutes, laws, ordinances and regulations.
- (b) Reservations of minerals or of mineral rights in favor of the State of Minnesota, if any.
- (c) The lien of real estate taxes and special assessments not yet due and payable.
- (d) Covenants, conditions, restrictions and easements of record.
- (e) **Condition Subsequent.** The Deed shall contain a reservation of a right of re-entry for breach of conditions subsequent in favor of Seller pursuant to which Seller may commence an action in Anoka County District Court seeking a order re-vesting title to the Property in Seller if (i) Buyer does not commence construction of the improvements on the Property (the “Buyer Improvements”) within twelve months after the date of the Deed; or (ii) Buyer does not substantially complete the construction of Buyer Improvements within twenty-four months after the date of the Deed. For purposes of this right of re-entry, Buyer will be deemed to have commenced construction when Buyer has (a) obtained building permits for the construction of Buyer Improvements; and (b) caused

material or labor to be furnished to the Property in a manner and to an extent sufficient that a mechanic's lien for such work would attach and take effect pursuant to Minn. Stat. §514.05, and Buyer will be deemed to have substantially completed construction of Buyer Improvements when Buyer Improvements are sufficiently complete to make them eligible for receipt of a certificate of occupancy under the City's ordinances. To facilitate Buyer's acquisition of financing for the project, Seller will subject Seller's interest under the right of re-entry to the lien of a mortgage granted by Buyer provided Buyer and the Mortgagee agree that the proceeds of the loan that the mortgage secures must be used to pay hard or soft costs Buyer incurs in connection with the acquisition of the Property and the construction of Buyer Improvements and provided further that Buyer and mortgagee acknowledge, in writing, that if Buyer defaults in the performance of Buyer's obligations under the mortgage and the mortgagee forecloses before Buyer has satisfied the conditions of the right of re-entry, Seller may redeem the Property from foreclosure, as an owner, within the time allowed by law. The provisions of this Section 7(e) shall survive the Closing and the delivery of the Deed.

- (f) The Agreement and Declaration of Easements, Covenants and Restrictions for COR Two attached as Exhibit B;
 - (g) A special service district "SSD" established by the City of Ramsey pursuant to Minn. Stat. Chapter 428 (A) described on attached Exhibit C;
 - (h) The covenants, conditions, restrictions and easements attached as Exhibit D (the Existing Encumbrances);
 - (i) The COR Two Plat attached as Exhibit E;
 - (j) Use restriction-Quick Service Restaurant with Beef or Chicken Benefiting Lot 4 described on attached Exhibit F;
 - (k) The Sunwood Construction Improvements described on attached Exhibit G;
 - (l) The Platting Fees attached as Exhibit H.
- (ii) execute and deliver to BUYER and BUYER's title insurer, if any, a Minnesota Uniform Conveyancing Form 50.1.3 Affidavit Regarding Business Entity;

(iii) deliver to BUYER appropriate corporate resolutions authorizing SELLER's conveyance of the Property to BUYER and identifying the individual(s) authorized to execute the warranty deed and any other documents required hereunder;

(iv) execute and deliver to BUYER a non-foreign affidavit in recordable form containing such information as is required under IRC Section 1445(b)(2) and any regulations relating thereto;

(v) execute and deliver to the closing agent, with a copy to BUYER, a completed Minnesota Department of Health Well Disclosure Certificate or include on the warranty deed the statement "The SELLER certifies that the SELLER does not know of any wells on the described real property" or the statement "I am familiar with the property described in this instrument and I certify that the status and number of wells on the described real property have not changed since the last previously filed well disclosure certificate" followed by SELLER's signature;

(vi) execute and deliver to the closing agent, with copies to BUYER, and make arrangements to have the closing agent record or file in the appropriate county land records, the affidavits described in Minnesota Statutes, § 116.48, Subd. 6;

(vii) deliver to BUYER the Bring Down Certificate described in Section 9;

(viii) execute and deliver a Settlement/HUD Closing Statement in form to be prepared by the Title Company;

(ix) provide the Title Company with all information necessary to allow the Title Company to prepare a Certificate of Real Estate Value;

(x) provide evidence of payment of the following: the cost of providing the Title Commitment; the State Deed Tax due upon the execution of the Warranty Deed; any delinquent real estate taxes due and payable with respect to the Property; the penalties and interest due thereon and a pro rata share of the real estate taxes due and payable with respect to the Property in the year in which Closing occurs, as set forth in Section 12; the commission or fee due any real estate agent that SELLER has employed in connection with this transaction.

b. BUYER must:

(i) tender Five Hundred Thousand Nine Hundred Forty and 00/100 Dollars (\$500,940.00) to SELLER via wire transferred funds, less the Earnest Money

(ii) provide evidence of payment of the following: BUYER's pro-rata share of the real estate taxes due and payable with respect to the Property in the

year in which Closing occurs, as set forth in Section 12, the premium for BUYER's owner's policy of title insurance, the fees due upon the recording of the deed from SELLER to BUYER; and one-half of Title's fee to conduct and insure the closing of this transaction.

8. **POSSESSION. SELLER** will be deemed to have tendered possession of the Property to BUYER on the actual date of Closing. On or before the actual date of Closing, SELLER will pay for all labor provided and materials delivered to the Property at the request of SELLER. SELLER will not place anything on the Property between the date of this Agreement and the actual date of Closing. If a third party places trash, refuse, debris, waste or hazardous waste ("Waste") on the Property between the date of this Agreement and the actual date of Closing, SELLER will use commercially reasonable efforts to remove the Waste, and, in the case of hazardous waste, remediate any contamination resulting from the presence of the hazardous substances on the Property, before the Date of Closing. If the Waste cannot be removed before the actual date of Closing, SELLER will escrow 125% of the estimated cost of removing the Waste and, in the case of hazardous waste, remediating any contamination resulting therefrom, with the Title Company to secure SELLER's obligation to remove the Waste and, if applicable, remedy the contamination, after Closing. If a third party places Waste on the Property between the date of this Agreement and the actual date of Closing, the cost of removing the Waste and, in the case of hazardous waste, remediating any contamination resulting therefrom, exceeds \$5,000.00, SELLER elects not to incur that cost and BUYER does not agree to waive SELLER's obligations under this Section 8, SELLER may terminate this Agreement by written notice to BUYER pursuant to Section 17.

9. **EVIDENCE OF TITLE.** Within ten (10) days after the Effective Date, BUYER will obtain a current commitment from the Title Company to issue an ALTA 2006 Owner's Policy of Title Insurance, in the amount of the Property Payment, insuring BUYER's title to the Property (the "Title Commitment"). The Title Commitment will (i) include any easements that are appurtenant to the Property in the description of the land set forth in Schedule A; (ii) state, in Schedule B-1, Title's requirements for deleting the standard exceptions; and (iii) list, in Schedule B-1, any liens to be satisfied at Closing. Seller will also cause Title to deliver to BUYER (i) copies of any documents referenced in the legal description, Schedule B1 or Schedule B2 of the Title Commitment; (ii) copies of the most recent vesting deeds for each adjoining parcel; (iii) a copy of the certificate of title if the Lane is registered property; and (iv) a copy of the vesting deed for the Land (the "Evidence of Title").

10. **EXAMINATION OF TITLE.** Within ten (10) days after BUYER's receipt of the last item of the Evidence of Title or within ten (10) days of BUYER's discovery of a Title Defect, as defined below, that is not reasonably ascertainable from the Evidence of Title, BUYER may give SELLER written notice of the alleged Title Defect, as defined below, and request that SELLER make SELLER's title marketable of record and in fact ("Objections"). The term "Title Defect," as used in this Agreement means a defect in or an encumbrance on SELLER's actual or record title to the Property which render's SELLER's title unmarketable under Minnesota Law. The Permitted Encumbrances may not serve as a basis for an Objection.

If BUYER notifies SELLER of Objections within the time period set forth above, SELLER must use commercially reasonable efforts to make SELLER's actual and record title to

the Property marketable, but SELLER has no obligation to commence a law suit or pay money to make SELLER's title marketable.

If SELLER notified BUYER that SELLER does not intend to make SELLER's title marketable or if SELLER notified BUYER that SELLER will attempt to make SELLER's title marketable but is unable to do so within the Cure Period, BUYER may either:

- a. terminate this Agreement pursuant to the procedures set forth in Section 17 below; or
- b. notify SELLER that BUYER waives BUYER's Objection. If waives BUYER's Objection, the Title Defect giving rise to such Objection is deemed a Permitted Encumbrance, and the Parties will fully perform their obligations under this Agreement. The Parties will establish a new Date of Closing by mutual agreement, but if the Parties cannot establish a new Date of Closing by mutual agreement, the Date of Closing will be the date thirty (30) days from the effective date of BUYER's notice to SELLER that BUYER waives BUYER's Objections.

If BUYER does not notify SELLER of BUYER's election to terminate this Agreement pursuant to subsection (a) above or waive BUYER's Objection pursuant to subsection (b) above within ten (10) days of the expiration of the Cure Period, this Agreement will automatically terminate, BUYER will execute and deliver a recordable quit claim deed to the Property or other recordable evidence of the termination of this Agreement to SELLER, and SELLER will simultaneously return or instruct the Earnest Money Agent to return the Earnest Money to BUYER.

11. **COSTS AND FEES CONCERNING DEVELOPMENT OF PROPERTY.**

a. **Seller's Plat Obligations.** SELLER has prepared and has submitted an application to the City of Ramsey where the Property is located, "the City" for approval of a plat of the Property (the "**Plat**"). A copy of the Plat is attached hereto as Exhibit D. The Plat does plat the Property as a separate lot and does dedicate a right of way for a public street contiguous to the easterly boundary of the Property. Seller will use commercially reasonable efforts to cause the City to submit the Plat to the City's city council (the "City Council") for preliminary plat approval and final plat approval on or before the Closing Date. Seller shall also grade and establish the Property to the approved elevations and shall extend utilities to the Property;

b. **Seller's Construction Obligations.**

(i) On or before October 16, 2012, Seller will deliver to BUYER plans and specifications for the construction of the public street improvements and the public utility lines to be constructed in the public right of way located adjacent to and westerly of the Property ("Seller's Plans").

(ii) After Closing, Seller shall commence or cause the City to commence construction of a public street and public utility lines depicted on Seller's Plans attached Exhibit F (the "Seller's Work"), and Seller will complete or cause the City to complete Seller's Work on or before the date which is ninety days after Closing.

c. **Fees.** It is understood and agreed that the City's ordinances impose various fees and charges that are payable upon the approval of a final plat. Attached as Exhibit G is a description of the fees and charges that will be payable when the Plat is approved and an estimate of the amount of the fees and charges attributable the Property (the "**Platting Fees**"). The City's ordinances authorize the City Council to defer the payment of the **Platting Fees** until a property owner applies for a building permit for the construction of improvements on the property that is platted, and Seller shall ask the City Council to defer the payment of the **Platting Fees** until Buyer applies for a building permit for the construction of improvements on the Property. Buyer is responsible for the payment of the **Platting Fees**, and Seller is responsible for the payment of the fees or charges that are payable upon the approval of the Plat that are attributable to portions of the SELLER's property other than the Property. If the City Council does not defer the payment of the **Platting Fees** until Buyer applies for a building permit, Buyer must pay the **Platting Fees** at Closing. Seller has made a good faith effort to accurately set forth the nature and amount of the **Platting Fees** on Exhibit G, but Seller is not representing or warranting the accuracy of Exhibit G and in the event of a conflict between the terms of the City's ordinances and Exhibit G, Buyer will be required to pay all fees due and payable with respect to the Property under the terms of the City's ordinances.

d. **Expenses of Buyer.** Buyer shall pay all other costs of the development of the Property, including, without limitation, obtaining an approved site plan for the Property, the designing the stormwater management and drainage system for the Property; obtaining and implementing an approved wetland mitigation plan for the Property; and to design and construct Buyer's building, parking facilities, stormwater management and drainage system, landscaping and related improvements on the Property.

12. **REAL ESTATE TAXES AND SPECIAL ASSESSMENTS.** The Parties must pay the real estate taxes (which term, as used in this Agreement, includes service charges assessed against real property on an annual basis pursuant to Minnesota Statutes 429.101) and special assessments as follows:

a. At Closing or, at SELLER's option, before Closing, SELLER must pay all real estate taxes due and payable with respect to the Property for all calendar years prior to the year in which the Closing occurs and any penalties and interest thereon;

b. BUYER and SELLER shall pro-rate the real estate taxes and service Charge, if any due and payable in the year of Closing, on a per diem basis, using a calendar year, to the Date of Closing. The parties will pro-rate these amounts using current year real estate tax information.

c. On or before the Date of Closing, SELLER will pay or provide for the payment of all special assessments levied against the Property before the Effective Date, including installments of special assessments certified for payment with the current year's real estate taxes.

13. **REPRESENTATIONS OF SELLER'S.** SELLER makes the following representations to BUYER:

a. SELLER represents that SELLER is not a foreign person, foreign partnership, foreign trust or foreign estate as those terms are defined in Section 1445 of the Internal Revenue Code;

b. SELLER represents that SELLER is not a party to any unrecorded mortgages, contracts, purchase agreements, options, leases, easements or other agreements or interest relating to the Property;

c. SELLER represents that, to the best of SELLER's actual knowledge and except there is no person claiming any right to possession of all or any portion of the Property;

d. SELLER represents that, to the best of SELLER's actual knowledge, there is no action, litigation, governmental investigation, condemnation or administrative proceeding of any kind pending against SELLER or involving any portion of Property, and no third party has threatened SELLER with commencement of any such action, litigation, investigation, condemnation or administrative proceeding;

e. SELLER represents that, to the best of SELLER's actual knowledge, there are no underground or above ground storage tanks of any size or type located on the Property and there are no Hazardous Substances located on the Property, except as may be disclosed in the environmental report the cover page of which is attached as Exhibit G, (the "Environmental Report"), and copies of which entire Environmental Report BUYER may examine at SELLER'S offices located at the address provided in paragraph 1.a. above. The Property is not subject to any liens or claims by government or regulatory agencies or third parties arising from the release or threatened release of Hazardous Substances in, on or about the Property; and, except as may be disclosed in the Environmental Report, the Property has not been used in connection with the generation, disposal, storage, treatment or transportation of Hazardous Substance. For purposes of this Agreement, the term "Hazardous Substance" includes but is not limited to substances defined as "hazardous substances," "toxic substances" or "hazardous wastes" in the: Comprehensive Environmental Response Compensation Liability Act of 1980, as amended, 42 U.S.C. §9601, et seq., and substances defined as "hazardous wastes," "hazardous substances," "pollutants, or contaminants" as defined in the Minnesota Environmental Response and Liability Act, Minnesota Statutes, §115B.02. The term "hazardous substance" also includes asbestos, polychlorinated biphenyls, petroleum, including crude oil or any fraction thereof, petroleum products, heating oil, natural gas, natural gas liquids, liquefied natural gas, or synthetic gas useable for fuel (or mixtures of natural gas and synthetic gas);

f. SELLER represents that, to the best of SELLER's actual knowledge, the Property has not been used for the production of methamphetamine; and

g. SELLER represents that, to the best of SELLER's actual knowledge, there are no abandoned individual sewage treatment systems on the Property.

For purposes of this Agreement the phrase "to the best of SELLER's actual knowledge" means to the actual knowledge of Mr. Darren Lazahn. If, at any time prior to the actual date of Closing, SELLER acquires actual knowledge of events or circumstances which render the representations set forth in this Section 13 inaccurate, SELLER must promptly notify BUYER. SELLER will indemnify BUYER, its successors and assigns, against and will hold BUYER, its successors and assigns harmless from, any expenses or damages, including reasonable attorneys fees, that BUYER incurs because of the inaccuracy of any of the above representations when made. The representations set forth above will survive the closing of this transaction and SELLER's delivery of a deed to BUYER; provided that BUYER's acceptance of the deed from SELLER and payment of the Purchase Price to SELLER with knowledge that one or more of the matters set forth above are not as represented, constitutes BUYER's waiver or release of any claims due to such misrepresentation. At closing, an authorized representative of SELLER must execute and deliver to BUYER a certificate of SELLER certifying that the representations contained in this Section 13 are true as of the actual date of Closing or, if such representations are no longer true, describing, in detail, the reasons why the representations are no longer true (the "Bring Down Certificate").

14. **REPRESENTATIONS OF BUYER.** BUYER represents to SELLER that, as of the Effective Date:

a. BUYER is a limited liability company, duly organized pursuant to the laws of the State of Minnesota, and is fully authorized to transact business in the State of Minnesota;

b. The individual signing this Agreement on behalf of BUYER is fully authorized and empowered to sign this Agreement on BUYER's behalf. Upon execution of this Agreement, it will be fully binding upon BUYER.

15. **BUYER'S INSPECTION.** At all times prior to the actual date of Closing, BUYER, any of its employees, agents or contractors have the right, upon reasonable notice to SELLER, to go upon the Property to inspect the Property and to determine the condition of the Property, including specifically the presence or absence of hazardous substances, petroleum products in, on, or about the Property. BUYER agrees to indemnify and defend SELLER from and to hold SELLER harmless against any and all claims, causes of action or expenses, including attorney's fees, relating to or arising from such person's presence on the Property prior to the actual date of Closing. BUYER agrees to repair any damage to the Property caused by such inspections and to return the Property to substantially the same condition as existed prior to such inspection. BUYER acknowledges that BUYER is purchasing the Property in reliance only on the representations of SELLER set forth in Section 13, BUYER's inspection of the Property and BUYER's judgment regarding the sufficiency of such inspections and the condition of the Property as disclosed thereby. BUYER is not relying on any written or oral representations, warranties or statements that SELLER has made except for the representations set forth in Section 13 of this Agreement. Subject to BUYER's right to terminate this Agreement pursuant to

Sections 16, and 17, BUYER is purchasing the Property in "AS IS" condition relying only on the representations set forth in Section 13.

16. **BUYER'S CONTINGENCIES.** BUYER's obligations under this Agreement are contingent on:

- a. the representations set forth in Section 13 being true, when made;
- b. the representations set forth in Section 13(b), 13(c) and 13(e) being true as of the Date of Closing;
- c. The Title Company's agreement to issue to BUYER, on the actual date of Closing, a 2006 ALTA Form Owner's Policy of Title Insurance subject only to a standard exception for matters that would be disclosed by an accurate survey of the Property and exceptions for Permitted Encumbrances.
- d. BUYER's determination in BUYER's reasonable discretion, and on or before October ___, 2012, that the condition of the Property and improvements are acceptable to BUYER.
- e. On or before October ___, 2012, BUYER obtaining a commitment for mortgage financing in an amount not less than _____ percent (___%) of the Purchase Price, for a term of _____ (___) years, at an interest rate of not greater than _____ percent (___%), with an amortization period of not less than _____ (___) years ("Financing Commitment") and providing a copy of such Financing Commitment to SELLER.
- f. If prior to Closing, SELLER subjects the Property to a Master Declaration, or the City of Ramsey establishes a special service district pursuant to Minnesota Statute Chapter 428(A) that includes the Property, BUYER's obligations under this Agreement are contingent upon BUYER's approval of the recorded Master Declaration and related documents and/or the ordinance establishing the special service district. If BUYER does not approve of the Master Declaration, or other related documents, or the ordinance adopting the special service district, BUYER may, at any time prior to the Date of Closing, terminate this Agreement pursuant to Section 18.
- g. The City's preliminary and final approval of a plat that subdivides Outlot H, Ramsey Town Center Addition, Anoka County, Minnesota, into the Property and one or more other lots or outlots together with any other site plan approval required by the City. If the SELLER notifies BUYER in writing that the Plat is materially revised from the version attached as Exhibit F, the revised Plat shall be subject to BUYER's prior written approval; provided, however, that BUYER must notify SELLER regarding any objections to the revised Plat within ten (10) business days of receiving SELLER's notice of the revised Plat or the revised Plat will be deemed acceptable to BUYER.
- h. BUYER's acquisition of any rezoning or subdivision approvals, variances, conditional use permits, licenses, operating permits or other federal, state or local approvals or permits (collectively, the "Permits") necessary for BUYER's construction of

improvements on the Property and intended use of the Property as a off sale liquor store/restaurant within one hundred eight (180) days of the date of this Agreement. As soon as reasonably possible after BUYER and SELLER's execution of this Agreement, BUYER must apply to the City or and any other appropriate governmental agencies for all Permits necessary for BUYER's intended use of the Property, and BUYER must diligently pursue the acquisition of all such Permits. BUYER must pursue the acquisition of such Permits at BUYER's sole cost and expense. SELLER agrees to cooperate with BUYER in the acquisition of such Permits but is not required to incur any cost or expense. If BUYER is unable to obtain all Permits necessary for BUYER's intended use of the Property, BUYER may, within said 180 day period provided for in this Section 16(h), terminate this Agreement pursuant to Section 18 below. BUYER's failure to terminate this Agreement within the 180 day period provided for in this Section 16(h) will constitute BUYER's waiver of this contingency, and the Parties must fully perform their Obligations under this Agreement.

i. SELLER and BUYER entering into the Lease with an 18 month term for the property located at 14590 Armstrong Boulevard NW, Ramsey, Minnesota on or before the Date of Closing of the sale transaction contemplated by this Agreement.

j. The BUYER's successful purchase and closing on or before the Date of Closing of the property located at 14590 Armstrong Boulevard NW, Ramsey, Minnesota. The BUYER in this Agreement is the "SELLER" of the said Armstrong Boulevard property.

k. The SELLER delivery of evidence that the Property is not encumbered by the Master Declaration – Ramsey Town Center dated August 5, 2005 and recorded in the Anoka County Recorder's office and the Anoka County Registrar of Titles office as Document Nos. 1978252.001 (Abstract) and 484495.001 (Torrens) (as amended from time to time) (the "Master Declaration").

If one or more of these contingencies is not satisfied as of the Date of Closing, as the same may be extended pursuant to Section 7 above, BUYER may terminate this Agreement pursuant to Section 18. If, as of October 28, 2012 the transaction has not closed and BUYER has not given SELLER a notice of default pursuant to Section 17(b) of this Agreement, BUYER will be deemed to have exercised these contingencies and terminated this Agreement.

17. **DEFAULT.** If either Party defaults in the performance of any of the Party's obligations under this Agreement, the non-defaulting Party may, after written notice to the defaulting Party, suspend performance of its obligations under this Agreement, and the rights of the non-defaulting Party are as follows:

a. BUYER's Default. If BUYER defaults in the performance of any of BUYER's obligations under this Agreement and BUYER fails to cure the defaults within five (5) business days following written notice from the SELLER, SELLER has the right to:

(i) terminate this Agreement pursuant to Minnesota Statutes, Section

559.21; or

(ii) initiate a civil action to compel BUYER's specific performance of BUYER's obligations under this Agreement provided that SELLER commences the action within six (6) months of the date of BUYER's default. BUYER acknowledges and agrees to specific performance as an appropriate remedy for BUYER's default in the performance of BUYER's obligations under this Agreement. In any such action for specific performance, SELLER may also recover SELLER's attorneys fees and costs.

The remedies set forth in this Section 17(a) are SELLER's sole and exclusive remedies in the event of BUYER's default.

b. SELLER's Default. If SELLER defaults in the performance of any of SELLER's obligations under this Agreement and SELLER fails to cure the defaults within five (5) business days following written notice from BUYER, BUYER may:

(i) terminate this Agreement pursuant to Section 18 below, or

(ii) initiate a civil action to compel SELLER's specific performance of SELLER's Obligations under this Agreement provided that BUYER commences such action within six (6) months of the date of SELLER's default. SELLER acknowledges and agrees to specific performance as an appropriate remedy for SELLER's default in the performance of SELLER's obligations under this Agreement. In any such action for specific performance, BUYER may also recover BUYER's attorneys fees and costs.

The remedies set forth in this Section 17(b) are BUYER's sole and exclusive remedies in the event of SELLER's default.

18. TERMINATION OF THIS AGREEMENT. Sections 16 and 17(b)(i) of this Agreement allow BUYER to terminate this Agreement under certain conditions. Section 17 a.(i) of this Agreement allows SELLER to terminate this Agreement under certain conditions. The following procedures govern the Parties exercise of their termination rights in the event of a termination pursuant to one of those Sections. A termination pursuant to Section 17 a.(i) is governed by Minnesota Statutes and not by the provisions of this Section 18.

a. A Party intending to terminate this Agreement pursuant to one of the above-referenced Sections (the "Terminating Party") must notify the non-terminating Party (the "Non-Terminating Party"), in writing, of the Terminating Party's intent to terminate this Agreement.

b. The Terminating Party's notice must recite the Section of this Agreement that authorizes the Terminating Party's termination of this Agreement and must describe the facts and circumstances which the Terminating Party asserts justify termination under the referenced Section.

c. If the Non-Terminating Party disputes the Terminating Party's right to terminate this Agreement, the Non-Terminating Party must so notify the Terminating

Party, in writing, within three (3) business days of the Non-Terminating Party's receipt of the Terminating Party's notice of termination.

d. If the Non-Terminating Party does not dispute the Terminating Party's right to terminate the Agreement, the Parties must execute an instrument evidencing the Termination of this Agreement.

e. If the Parties dispute the validity of an attempted termination of this Agreement, either Party may initiate a civil action in a court of competent jurisdiction to determine the status of this Agreement, and the Party that prevails in any such action is entitled to recover the costs and reasonable attorneys' fees which such Party incurs in the action from the non-prevailing Party.

19. COVENANTS.

a. Covenants of SELLER.

(i) On or before the actual date of Closing, SELLER must satisfy, of record, or have the Property released, of record, from any voluntary or involuntary liens encumbering the Property.

(ii) On or before the actual date of Closing, SELLER must pay for all labor or materials furnished to the Property at the request of SELLER between the Effective Date and the actual date of Closing.

(iii) Between the Effective Date and the actual date of Closing, SELLER will fully perform each of SELLER's obligations under and will observe any restriction imposed by any easement agreement, covenant, condition or restriction affecting or relating to the Property.

(iv) Between the Effective Date and the actual date of Closing, SELLER will not, without BUYER's prior written consent, grant, enter in to or agree to enter in to any lease, easement, covenant or restriction affecting the Property.

(v) SELLER will deliver to BUYER such of the following as are currently in SELLER's possession or readily available to SELLER at no cost within ten (10) days after the Effective Date:

A. Construction and As Built drawings and specifications for the improvements located on the Property, if any;

B. All environmental assessments or reports relating to the Property, if any; and

C. All governmental development documents, if any.

(vi) From and after the Effective Date, SELLER will not perform any grading or excavation, construction or removal of any improvement or landscaping or otherwise make any other change or improvement upon or about the Property, without BUYER's consent which consent BUYER may not unreasonable withhold, condition or delay.

(vii) Prior to Closing, water, sanitary sewer, storm sewer, gas, electricity and telephone utilities will be delivered to five (5) feet inside of the Property line in a location reasonably acceptable to BUYER.

(viii) Prior to Closing, SELLER will work with the City to finalize the Plat together with any other site plan approval required by the City.

b. Covenants of Buyer.

(i) Between the Effective Date and the contingency date set forth in Section 15e. SELLER will use commercially reasonable efforts to obtain a Financing Commitment as defined in Section 16e.

(ii) If BUYER has engaged a real estate agent in connection with this transaction, BUYER must pay BUYER's Agent any commission or fee due to BUYER's Agent in connection with this transaction.

20. **MISCELLANEOUS.**

a. **Time of Essence.** Time is of the essence for all provisions of this Agreement.

b. **Survival of Terms.** The Parties' obligations under this Agreement and the representations and warranties which the Parties have recited in this Agreement will survive SELLER's delivery of a deed to BUYER and the closing of this transaction.

c. **Notices.** All notices provided for in this Agreement must be in writing. The notice will be effective as of the date two (2) days after the Party sending such notice deposits the notice with the United States Postal Service with all necessary postage paid, for delivery to the other Party via certified mail, return receipt requested, at the address set forth in Section 1 above. If Party delivers a notice provided for in this Agreement in a different manner than described in the preceding sentence, notice will be effective as of the date the other party actually receives the notice. The Party sending the notice must also mail a copy of the notice to the Parties' respective attorneys via certified mail, return receipt requested at the addresses set forth below:

Attorney for SELLER: William K. Goodrich
Randall and Goodrich, P.L.C.
2140 Fourth Avenue North

Anoka, MN 55303
Telephone No: (763) 421-5424

Attorney for BUYER: James M. Neilson, Attorney at Law
118 East Main Street
Anoka MN 55303
Telephone: 763-489-4000
Fax: 763-489-4001
E-mail: jim@neilson-law.com

- d. **Full Agreement.** The Parties acknowledge that this Agreement represents the full and complete agreement of the Parties relating to the purchase and sale of the Property and all matters related to the purchase and sale of the Property. This Agreement supersedes and replaces any prior agreements, either oral or written; and any amendments or modifications to this Agreement must be in writing and executed by both Parties to be effective.
- e. **Governing Law.** This Agreement has been made under the laws of the State of Minnesota and such laws control its interpretation.
- f. **Counterparts, Electronic Copies as Originals and Delivery.** This Agreement may be executed in one or more counterparts, each of which will be deemed to be an original, but all of which together shall constitute one in the same instrument. The parties agree that an executed copy of this Agreement that is delivered by electronic means including, but not limited to, facsimile or e-mail is effective and binding to the same extent as personal delivery of an original by the party to be bound.
- g. **Partial Invalidity.** If any part of this Agreement or any part or any provision thereof shall be adjudicated to be void or invalid, then the remaining provisions hereof not specifically so adjudicated to be invalid shall be executed without reference to the part or portion so adjudicated, insofar as such remaining provisions are capable of execution.
- h. **Headings.** The headings of the paragraph and subparagraphs of this Agreement are for convenience and reference only, and do not form a part hereof and in no way interpret or construe such paragraphs and subparagraphs.
- i. **Words Interchangeable.** Words of pronoun shall be interchangeable with respect to gender and singular or plural as the context of application requires. If two or more parties are referred to collectively under designation, the liability of each shall be joint and several.
- j. **Execute Necessary Documents.** Each of the parties shall execute any and all instructions, releases, assignments and consents which may be reasonably required in order to carry out the provisions of this Agreement.

- k. **No Agency.** Nothing herein shall be construed in such a manner so as to constitute one party to be an agent or representative of the other and neither shall hold itself out as such.
- l. **No Actions on Behalf of Other.** Neither party shall make any warranty or representation, or incur any obligation, liability or indebtedness on behalf of the other.
- m. **Waiting Required.** No amendment, modification or waiver of any condition, provision or term of this Agreement shall be valid or of any effect unless made in writing, signed by the party or parties to be bound or its duly authorized representative and specifying with particularity the extent and nature of such amendment, modification or waiver. Any waiver by any party of any default of another party shall not affect or impair any right arising from any subsequent default.
- n. **Exhibits.** Incorporated into this Agreement by reference, as described above, are:

Exhibit A	Legal Description
Exhibit B	Agreement and Declaration of Easements, Covenants and Restrictions for COR Two
Exhibit C	A special service district "SSD" established by the City of Ramsey pursuant to Minn. Stat. Chapter 428 (A)
Exhibit D	Existing Encumbrances
Exhibit E	COR Plat;
Exhibit F	Use restriction-Quick Service Restaurant with Beef or Chicken Benefiting Lot 4
Exhibit G	Sunwood Construction Improvements;
Exhibit H	Platting Fees

BUYER:

M & W HOLDING COMPANY, LLC

Dated: _____, 2012

By: _____
Its: Chief Manager

SELLER:

RAMSEY HOUSING AND REDEVELOPMENT AUTHORITY

Dated: _____, 2012

By: _____

Its: Chair person

EXHIBIT A
LEGAL DESCRIPTION

EXHIBIT B
AGREEMENT AND DECLARATION OF EASEMENTS,
COVENANTS, AND RESTRICTIONS FOR COR TWO

EXHIBIT C
A SPECIAL SERVICE DISTRICT “SSD” ESTABLISHED BY THE
CITY OF RAMSEY PURSUANT TO MINN. STAT. CHAPTER 428(A)

EXHIBIT D
EXISTING ENCUMBRANCES

EXHIBIT E
COR PLAT

EXHIBIT F
USE RESTRICTION-QUICK SERVICE RESTAURANT WITH
BEEF OR CHICKEN BENEFITING LOT 4

EXHIBIT G
SUNWOOD CONSTRUCTION IMPROVEMENTS

**EXHIBIT H
PLATTING FEES**