

## PURCHASE AGREEMENT

### RELATING TO

### OUTLOT A, RAMSEY TOWN CENTER 7<sup>TH</sup> ADDITION

1. **Parties.** The parties to this Purchase Agreement (the "Agreement") are:
  - a. The Housing and Redevelopment Authority in and for the City of Ramsey, Minnesota, a public body politic and corporate under the laws of the state of Minnesota ("Seller"). Seller's address is Ramsey Municipal Center, 7550 Sunwood Drive, Ramsey, Minnesota 55303, Attn: Executive Director; and
  - b. Edgewood Management Group, LLC, a North Dakota limited liability company ("Buyer"). Buyer's address is \_\_\_\_\_. **[Insert address and name of contact person.]** Buyer hereby designates \_\_\_\_\_ as Buyer's agent for service of process in Minnesota, agrees that Buyer may not revoke such designation during the term of this Agreement and agrees that Seller may serve process on Buyer by leaving the process with a person of suitable age and discretion at \_\_\_\_\_. **[Insert address for service of process.]**

This Agreement sometimes refers to Seller and Buyer individually as a "Party" and collectively as the "Parties". Seller and Buyer are entering into this Agreement pursuant to Buyer's exercise of an option. Seller granted to Buyer in an Option Agreement between Seller and Buyer dated as of October 15, 2012 (the "Option Agreement"). Except for the provisions of Section 8 of the Option Agreement, which, by their terms, survive the Parties' execution of this Agreement, and the provisions of Section 11 of the Option Agreement, to the extent necessary to enforce Seller's rights under Section 8 of the Option Agreement, the terms of the Option Agreement are merged into and extinguished by the Parties' execution of this Agreement.

2. **Effective Date and Original Purchase Agreement.** This Agreement is dated, for reference purposes, and is effective as of December 15, 2012 (the "Effective Date").

3. **Property.** The property that is the subject of this Agreement is Outlot A, RAMSEY TOWN CENTER 7<sup>TH</sup> ADDITION, Anoka County, Minnesota, according to the recorded plat thereof (the "Land"). As used in this Agreement the term "Property" means the Land and all hereditaments and appurtenances to the Land. There are currently no improvements located on the Land. The Parties do not contemplate the conveyance of any personal property pursuant to this Agreement. Seller and Buyer acknowledge and agree that as Buyer proceeds through its site evaluation and planning process, either Seller or Buyer may desire to modify the boundaries of the Land to better accommodate Buyer's development, but any modification to the boundaries to the Land shall require an amendment to this Agreement executed by both Seller and Buyer.

4. **Purchase and Sale.** Seller agrees to sell the Property to Buyer pursuant to the terms of this Agreement, and Buyer agrees to purchase the Property from Seller pursuant to the terms of this Agreement.

5. **Platting.** On or before the date thirty (30) days after the Effective Date, Seller shall apply to the City of Ramsey (the “City”) for approval of a plat that depicts the Land as a separate lot. The plat may also include other property Seller owns. Seller must use commercially reasonable efforts to cause the City Council of the City to grant preliminary and final approvals for the plat on or before the date seventy five (75) days after the Effective Date. The plat, as finally approved by the City Council of the City, is referred to herein as the “Final Plat”.

6. **Purchase Price.** The purchase price of the Property is Six Dollars and Fifty Cents (\$6.50) per square foot (the “Purchase Price”). Seller and Buyer estimate, but neither Seller nor Buyer represents or warrants, that the area of the Land is 142,789 square feet. Based on this area estimate, the estimated purchase price of the Property is Nine Hundred Twenty Eight Thousand One Hundred Twenty Eight and 50/100 Dollars (\$928,128.50). The Parties will determine the actual square footage of the Land based on the boundaries of the Land as set forth on the Final Plat. If the area is not a whole number, any fractional square footage shall be included in the calculation of the Purchase Price.

7. **Earnest Money.** As a condition of Buyer’s exercise of the option granted to Buyer in the Option Agreement, Buyer has deposited the sum of Ten Thousand Dollars (\$10,000.00) (the “Earnest Money”) with Commercial Partners Title, LLC (“Title”). Title shall hold and disburse the Earnest Money pursuant to the terms of an Escrow Agreement in the form attached as Exhibit A which Seller and Buyer have executed contemporaneous with this Agreement (the “Escrow Agreement”). The Escrow Agreement directs Title to hold the Earnest Money in a non-interest bearing account. Buyer may, prior to Buyer’s exercise of the Option, unilaterally modify the Escrow Agreement to direct Title to hold the earnest money in an interest bearing account, but if Buyer modifies the Escrow Agreement to direct Title to hold the Earnest Money in an interest bearing account, Buyer must pay all fees and costs imposed by Title for Title’s services as Escrow Agent. If Title holds the Earnest Money in a non-interest bearing account, Seller and Buyer must each pay one-half of Title's fee, if any, for acting as the Escrow Agent. Any interest which the Earnest Money earns will inure to the Party that is entitled to the Earnest Money under the terms of this Agreement.

8. **Closing.** Seller and Buyer must meet at Ramsey Municipal Center, 7550 Sunwood Drive, Ramsey, Minnesota or at another location initially agreed by Seller and Buyer at 9:30 a.m. on or before the date ninety (90) days after the Effective Date (the “Date of Closing”) at which time the Parties will perform the obligations set forth in this Section 8 (the “Closing”). In the alternative, the Parties may, by mutual agreement, elect to close in escrow by delivering all necessary documents and funds to Title on or before the Date of Closing. Notwithstanding the provisions of the preceding sentences, if the date ninety (90) days after the Effective Date is a Saturday, Sunday or a legal holiday upon which the offices of the City of Ramsey are closed, the Date of Closing shall be the first business day following the date ninety (90) days after the Effective Date. At Closing:

a. Seller must:

i Deliver a recorded copy or a recordable original of the Final Plat to Title. If Seller provides Title with a recordable original of the

Final Plat Seller must also provide Title with sufficient funds to pay the amounts which Title must pay to Anoka County (including but not limited to real estate taxes and recording fees) to record the Final Plat.

- ii Tender to Title, for payment to the City, an amount equal to the sum of the fees and charges which, under the City's Ordinances, are due and payable to the City at the time the Final Plat is recorded with respect to the Property within the Final Plat, if any, other than the Land. Fees and charges due and payable to the City may include, but are not limited to park dedication fees, trail fees, utility connection fees, and storm water fees.
- iii Deliver to Buyer a certified copy of a Resolution of Seller's board of commissioners authorizing the execution of the Option Agreement and the performance of Seller's obligations under the Option Agreement and this Agreement;
- iv Deliver to Buyer a duly executed and acknowledged Limited Warranty Deed conveying title to the Land from Seller to Buyer, subject to the following "Permitted Encumbrances:"
  - (A) Building, zoning and subdivision statutes, laws, ordinances and regulations and, if applicable, any special service district ordinance adopted by the City pursuant to Minn. Stat. Section 428A;
  - (B) Reservations of minerals or of mineral rights in favor of the State of Minnesota, if any;
  - (C) The reservation of a right of reverter in favor of Seller. The right of reverter shall provide that if: (1) Buyer does not commence construction of the "Minimum Improvements," as defined below, on or before the date twelve (12) months after the Effective Date; (2) Buyer does not substantially complete the construction of the "Minimum Improvements" on or before the date thirty-six (36) months after the Effective Date; or (3) if the holder of a Mortgage on the Property commences proceedings to foreclose its Mortgage prior to Buyer's substantial completion of the "Minimum Improvements," Seller may commence an action in Anoka County District Court seeking an order re-vesting title to the Property in Seller and granting Seller immediate possession of the Property. Buyer is deemed to have commenced construction when Buyer has: (a) obtained all building permits from the City necessary for the construction of the "Minimum Improvements" on the

Property; and (b) Buyer has commenced the construction of the footings and foundations for the "Minimum Improvements." For purposes of this Agreement the term "Minimum Improvements" means not less than 75 units of assisted living and memory care apartments meeting the design framework outlined for the zoning district in which the Property is located. Seller agrees that Seller will, at Buyer's request, subject Seller's future interest in the Property pursuant to the right of reverter to the lien of mortgage granted by Buyer to secure the repayment of a loan, the proceeds of which Buyer is obligated to use to acquire or construct improvements on the Property provided the holder of the mortgage acknowledges, in writing both for itself and any successor's in title to the mortgage, that if Seller enforces the right of reverter and obtains a District Court Order re-vesting title to the Property in Seller prior a foreclosure of the mortgage and the expiration of the applicable redemption period provided for in Minnesota Statutes Sections 580 and 581, as applicable, Seller is entitled to redeem the Property from foreclosure, as an owner. The Right of Reverter will provide that if Buyer's commencement or completion of the "Minimum Improvements" is delayed as a direct result of an act of God, other than weather related conditions or events that are reasonably foreseeable both in terms of the likelihood of their occurrence and their severity; war; riots; or civil disorder; labor strikes or labor shortages; shortages of necessary materials; or litigation commenced by third parties that, either by injunction or other similar judicial action or by the exercise of reasonable discretion, directly results in delays and if Buyer notifies Seller of the condition within fourteen (14) days of its onset, the commencement date and completion date set forth in the Right of Reverter shall be extended for a number of days equal to the delay directly caused by such condition.

- (D) Any defects in the marketability of Seller's title to the Property that are identified as exceptions in the commitment for title insurance that Seller, in its capacity as "Optionor" delivered to Buyer, in its capacity as Optionee, pursuant to the terms of the Option Agreement unless, prior to Buyer's exercise of the Option set forth in the Option Agreement, Seller and Buyer amend the Option Agreement to obligate Seller to eliminate one or more of those exceptions prior to Closing, in which case any exception which Seller is obligated to eliminate shall not be deemed a Permitted Encumbrance.

- v Execute and deliver to Buyer and Title a Minnesota Uniform Conveyancing Blank Affidavit Regarding Business Entity evidencing the absence of bankruptcies, judgments, tax liens or corporate dissolution proceedings involving parties with the same or similar names as the Seller; and evidencing the absence of mechanic's liens arising out of work performed or materials provided by or at the request of Seller and the absence of known unrecorded interests, encroachments or boundary line questions affecting the Land;
  - vi Execute and deliver to Buyer a non-foreign affidavit in recordable form containing such information as is required under IRS Section 1445(b)(2) and any regulations relating thereto; and
  - vii Pay or provide evidence of payment of the following: the State Deed Tax due upon the execution of the Limited Warranty Deed; the cost of the title commitments Seller provides to Buyer pursuant to the terms of the Option Agreement; pay Buyer up to \$3000 to reimburse amounts Buyer pays to an unaffiliated third party for a survey of the Land; real estate taxes and levied special assessments, if any, pursuant to the provisions of Section 9 below; and one-half of any reasonable and customary closing fees Title charges to conduct closing of this transaction.
- b. Buyer shall:
- i Direct Title to disburse the Earnest Money to Seller;
  - ii Tender the balance of the Purchase Price to Seller in wire transferred funds;
  - iii Tender to Title, for payment to the City, an amount equal to the sum of the fees and charges which, under the City's Ordinances, are due and payable to the City at the time the Final Plat is recorded with respect to the Land. Fees and charges due and payable to the City may include, but are not limited to park dedication fees, trail fees, utility connection fees, and storm water fees.
  - iv Pay or provide evidence of payment of the following: real estate taxes, if any, pursuant to the provisions of Section 9; the recording fees and conservation fee, if any, payable to record the Limited Warranty Deed from Seller to Buyer; all premiums and other charges for any title insurance policies Buyer purchases for itself and its lender; all costs associated with Buyer's financing; and one-half of any reasonable and customary closing fees Title charges to conduct the closing of this transaction.

9. **Real Estate Taxes, Special Assessments and Owners Association Assessments.**

a. **Real Estate Taxes.** On or before the Date of Closing, Seller must pay the real estate taxes, if any, due and payable with respect to the Property in years prior to the year of Closing. Seller and Buyer must prorate the real estate taxes, if any, due and payable with respect to the Property in the year of Closing on a per diem basis as of the Date of Closing. In connection with recording the Final Plat, the Seller must pay all real estate taxes due and payable with respect to the Property in the year the Plat is recorded. If Closing occurs on a date prior to the date that all real estate taxes due and payable with respect to the Property in the year of Closing are due, Seller and Buyer each agree to pay their pro rata share of the real estate taxes due and payable in the year in which Closing occurs at Closing, so Title can use those funds to pay the real estate taxes when the Final Plat is submitted for recording.

b. **Special Assessments.** On or before the Date of Closing, Seller must pay all special assessments that are levied against the Property as of the Date of Closing including any installments of special assessments certified for payment with the real estate loans due and payable in the year of Closing.

10. **Possession.** Seller will deliver possession of the Property to Buyer as of the actual date of Closing.

11. **Representations, Statutory Disclosures and Covenants of Seller and the City.**

a. **Representations of Seller.** Seller represents to Buyer that, as of the Effective Date of the Option Agreement:

- i Seller has the legal authority to enter into this Agreement and sell the Land.
- ii There are no actions, suits, proceedings or investigations pending or, to the best of Seller's actual knowledge, threatened against the Land, including, without limitation, (A) condemnation or eminent domain claims, actions or proceedings, or (B) actions to seize any portion of the Land under any civil or criminal law authorizing seizure or forfeiture as a penalty for violation.
- iii To the best of Seller's actual knowledge, there are no tenants or other third parties in possession of any portion of the Land.
- iv To the best of Seller's actual knowledge, Seller's title to the Land is not subject to any unrecorded: purchase agreements (other than this Agreement) options, covenants, conditions, restrictions, easements or liens.
- v To the best of Seller's actual knowledge: there are no Hazardous Substances located on the Land, except as may be disclosed in the

Phase I Environmental Site Assessment for Ramsey Town Center, Highway 10 and Ramsey Boulevard, NW, Ramsey, Minnesota dated April 27, 2007 (Delta Project No. 5A0703-198), prepared by Delta Environmental Consultants, Inc. for Minnwest Bank Central, a copy of which Seller has provided to Buyer (the "Environmental Report"); the Land 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 Land; and, except as may be disclosed in the Environmental Report, the Land 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).

b. Statutory Disclosures. As required by statute, Seller hereby represents to Buyer that, to the best of Seller's actual knowledge:

- i There are no wells located on the Land.
- ii There are no underground or above ground storage tanks of any size or type located on the Land.
- iii Sewage is not currently generated at the Land, and there are no abandoned individual sewage treatment systems located on the Land.
- iv The Land has not been used for Methamphetamine production.

c. Covenants of Seller.

- i From and after the Effective Date, Seller will not perform any grading or excavation on the Land, will not construct, remove or modify any improvements or landscaping on the Land, without Buyer's consent which consent Buyer may not unreasonable withhold, condition or delay.

- ii On or before the Date of Closing Seller will pay, in full, any persons who provide lien labor or materials towards the improvement of the Land at the request of Seller.
- iii From and after the Effective Date, until this Purchase Agreement is terminated Seller will not voluntarily subject the Land to any covenants, conditions, restrictions, easements, or liens without the written consent of Buyer; provided, however, Seller may petition the City of Ramsey for the adoption of an ordinance subjecting the Land to a Special Service District as described in Section 12(b)(ii).
- iv Seller will pay any commission or fee due to any agent Seller has engaged or subsequently engages in connection with the transactions described in this Agreement. Seller will pay Buyer's real estate broker, Premier Commercial Properties, a commission equal to 4% of the Purchase Price upon the actual closing of the transaction contemplated by this Agreement and Buyer's payment of the Purchase Price to Seller.

For purposes of Sections 11(a) and 11(b), the phrase "Seller's actual knowledge" means the actual knowledge of Mr. Kurt Ulrich, Seller's executive director. If, at any time prior to Closing, Seller acquires actual knowledge that a representations set forth in Section 11(a) or 11(b) is no longer accurate in some material respect, Seller will promptly notify Buyer. The representations and covenants set forth above will survive the Closing of this transaction and Seller's delivery of the Limited Warranty Deed to Buyer, but any action by Buyer alleging that (i) one or more of the representations set forth in Section 11(a) or 11(b) was inaccurate, when made; (ii) Seller failed to promptly notify Buyer after Seller acquired actual knowledge that a representation set forth in Sections 11(a) or 11(b) was no longer accurate in some material respect; or (iii) Seller breached one or more of the covenants set forth in Section 11(c), must be commenced within six (6) months after the Date of Closing by filing an action in Anoka County District Court or Buyer will be deemed to have waived any such claims.

## 12. **Representations and Covenants of Buyer.**

a. Representations of Buyer. Buyer represents to Seller that, as of the Effective Date:

- i Buyer is a limited liability company, duly organized pursuant to and in good standing under the laws of the State of North Dakota; and
- ii The individual signing this Agreement on behalf of Buyer is fully authorized and empowered to sign this Agreement on Buyer's behalf.

If, at any time prior to Closing, Buyer acquires actual knowledge that a representations set forth in Section 12(a) is no longer accurate in some material respect, Buyer will promptly notify Seller. The representations set forth above will survive the Closing of

this transaction and Seller's delivery of the Limited Warranty Deed to Buyer, but any action by Seller alleging (i) that one or more of the representations set forth in Section 12(a) was inaccurate, when made; or (ii) that Buyer failed to promptly notify Seller after Buyer acquired actual knowledge that a representation set forth in Section 12(a) was no longer accurate in some material respect; must be commenced within six (6) months after the Date of Closing by filing an action in Anoka County District Court or Seller will be deemed to have waived any such claims.

b. Covenants of Buyer.

- i Seller has advised Buyer that Seller has been working with the City and intends to continue to work with the City after Closing on the City's adoption of an Ordinance establishing a Special Service District pursuant to Minnesota Statutes Sections 428A.01 through 428A.101, as the same may be amended, or, in the alternative, the establishment of a similar service district pursuant to future special legislation (either a "Service District"). The Service District, if established, will include all or some portion of the property described on Exhibit B but will not include other property without Buyer's consent. Buyer agrees that, at the request of Seller, Buyer will cooperate with and assist Seller and the City in the establishment of a Service District. Buyer's obligation to cooperate and assist includes, but is not limited to, an obligation to join in a petition requesting a public hearing on the creation of a Service District pursuant to Minnesota Statutes Section 428A.08, if Buyer is eligible to join in such a petition. Buyer further agrees that Buyer will not file or join in the filing of an objection pursuant to Minnesota Statutes Section 428A.02, Sub. 4 or Section 428A.09 and will not appeal to the District Court pursuant to Minnesota Statutes Section 428A.02, Subd. 5. Buyer's obligations under this Section 12(b)(i) survive the closing of the transaction contemplated by this Agreement and are binding on any person or entity obtaining any right, title or interest in the Property subject to the Agreement by or through Buyer. Seller may transfer its rights under this Section 12(b)(i) to the City.
- ii Buyer agrees to indemnify and defend Seller from and hold harmless against any and all claims, causes of action or expenses, including reasonable attorney's fees, relating to or arising from Buyer's or Buyer's employees, agents or contractors presence on the Land prior to the actual date of Closing. Buyer agrees that if Buyer does not acquire title to the Land from Seller pursuant to the terms of this Agreement, Buyer must repair any damage to the Land caused by Buyer or Buyer's employees, agents or contractors and to return the Land to substantially the same condition that existed prior to Buyer's or Buyer's employees, agents or contractors entrance onto the Land.

- iii Buyer will, as soon as reasonably possible after the Closing Date, apply to the City of Ramsey any other governmental agencies for all “Permits” as defined in Section 14(b) necessary for Buyer’s intended development of the Land, and Buyer will diligently pursue the acquisition of all such Permits. Buyer will 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 Seller’s obligation to cooperate does not obligate Seller to incur any cost or potential liability.

13. **Inspections.** At all times prior to the Date of Closing, Buyer and its employees, agents and contractors have the right, upon reasonable notice to Seller, to go upon the Land to inspect the Land and to determine the condition of the Land and the improvements located thereon, including specifically the presence or absence of hazardous substances, petroleum products and asbestos in, on or about the Land. Buyer acknowledges that Buyer is purchasing the Land in reliance on Buyer's inspection of the Land pursuant to this Section 13 and on Buyer's judgment regarding the sufficiency of such inspections. Buyer is not relying on any written or oral representations, warranties or statements that Seller or Seller's Agents have made other than the representations of Seller set forth in Section 11.

14. **Buyer's Contingencies.** Buyer’s obligations under this Agreement are contingent on satisfaction of the contingency described in subsection (a) on or before the date sixty (60) days after the Effective Date and the satisfaction of the contingencies described in subsection (b), (c), (d) and (e) on or before the actual date of Closing. If the contingency described in subsection (a) is not satisfied on or before the date sixty (60) days after the Effective Date or if one or more of the contingencies described in subsections (b) (c), (d) and (e) are not satisfied on or before the actual date of closing, Buyer may terminate this Agreement pursuant to the provisions of Section 18. The contingency described in subsection (a) expires at the end of the 60<sup>th</sup> day following the Effective Date. If Buyer does not terminate this Agreement in accordance with Section 18 prior to the expiration of the contingency described in subsection (a) that contingency terminates and Buyer may no longer terminate this Agreement because of the failure of that contingency. Buyer’s obligations under this Agreement are contingent on:

a. Buyer’s determination, in Buyer’s reasonable discretion, based on Buyer’s inspection of the Property and any other relevant information available to Buyer, that the physical condition of the Property, including but not limited to the Property’s environmental condition and the soil conditions on the Property are acceptable to Buyer.

b. Buyer’s execution of the Development Agreement with the City of Ramsey pursuant to which the City of Ramsey agrees to provide Buyer with tax increment financing in an amount and on terms and conditions acceptable to Buyer in Buyer’s sole and absolute discretion.

c. Seller’s title to the Land on the actual date of Closing not being subject to any covenants, conditions, restrictions, easements, liens or defects in marketability, other than Permitted Encumbrances.

d. The City Council of the City granting final approval of the Final Plat.

e. Buyer's acquisition of or determination that Buyer will be able to acquire all rezoning, subdivision, site plan approvals, variances, conditional use permits, building permits, or other municipal approvals necessary for Buyer's intended development of the Property as assisted living and memory care apartments..

15. **Seller's Contingencies.** Buyer's obligations under this Agreement are contingent on The City Council of the City granting final approval of the Final Plat. If the City Council of the City does not grant final approval of the Final Plat on or before the actual date of closing, Seller may terminate this Agreement pursuant to the provisions of Section 18.

16. **Condemnation.** If a public or private entity with the power of eminent domain commences condemnation proceedings against all of any part of the Property, Seller must immediately notify Buyer, and either Seller or Buyer may, at Buyer's sole option, terminate this Agreement pursuant to Section 1 below. The Parties will have twenty (20) days from the effective date of Seller's notice to Buyer to exercise their termination right. If neither Party terminates this Agreement within said twenty (20) day period, the Parties must fully perform their obligations under this Agreement, with no reduction in the Purchase Price, and Seller must assign to Buyer, on the Date of Closing, all of Seller's right, title and interest in any award made or to be made in the condemnation proceedings. Seller may not designate counsel, appear or otherwise act with respect to any such condemnation proceedings without Buyer's prior written consent unless Buyer fails to respond within seven (7) days to a request for such written consent.

17. **Default.** If Seller, the City or Buyer default 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 or if one or more of the representations of Buyer in Section 12(a) is inaccurate as of the Effective Date, Seller has the right to:

- i Terminate this Agreement pursuant to Minnesota Statutes, Section 559.21 and retain the Earnest Money; or
- ii If Buyer defaults in the performance of one or more of Buyer's obligations under Section 12(b)(i) or 12(b)(ii), Seller may commence an action in Anoka County, District Court to recover damages and, at Seller's option, to obtain an order compelling Buyer's specific performance of Buyer's obligations under Section 12(b)(i) or Section 12(b)(ii), as applicable. In any such action, Seller may also recover Seller's reasonable attorney's 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 or a misrepresentation by Buyer.

b. Seller's or City's Default. If Seller defaults in the performance of any of Seller's or the City's obligations under this Agreement, Buyer may:

- i terminate this Agreement pursuant to Section 18, below; or
- ii initiate a civil action to compel Seller's and the City's specific performance of Seller's obligations under this Agreement provided that Buyer commences such action within three (3) months of the date of the default. 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.

18. **Termination of this Agreement.** Sections 14, 16 and 17(b) allow Buyer to terminate this Agreement under certain conditions. Sections 15 and 16 allow Seller to terminate this Agreement under certain conditions. The following procedures govern the Parties' exercise of their termination rights (except that Seller's termination of this Agreement pursuant to Section 17(a) is governed by Minnesota Statutes Section 559.21 and not by 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 and in accordance with Section 21, 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. The Terminating Party's notice of termination will be effective as of the date the Terminating Party deposits the notice of termination with the United States Postal Service, with all necessary postage paid, for delivery to the Non-Terminating Party via certified mail, return receipt requested at the address set forth in Section 21. If the Terminating Party delivers a notice of termination in a different manner than described in the preceding sentence, the notice of termination will be effective as of the date the Non-Terminating Party actually receives the notice of termination. The Terminating Party must also mail a copy of the notice of termination to the Parties respective attorneys as provided for in Section 21 below.

d. 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 five (5) business days of the Non-Terminating Party's receipt of the Terminating Party's notice of termination.

e. If the Non-Terminating Party does not dispute the Terminating Party's right to terminate the Agreement, Buyer must execute and delivery to Seller a recordable termination of this Agreement or quit claim deed conveying the Property to Seller, and

upon Buyer's delivery of the recordable termination or quit claim deed to Seller, Seller must direct Title to disburse the Earnest Money to Buyer.

f. 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. **Survival.** The representations, warranties, covenants, agreements and indemnities set forth in this Agreement all remain operative and will survive Closing and the execution and delivery of the deed and will not be merged therein.

20. **Assignment.** The terms and conditions of this Agreement are binding on the successors and assigns of both parties hereto. Buyer may not assign Buyer's rights or obligations under this Agreement without Seller's consent which consent Seller may grant or withhold in Seller's sole and absolute discretion. Notwithstanding the foregoing, Buyer may, upon notice to, but without the consent of, Seller, assign Buyer's rights under this Agreement to an entity owned by or under common ownership with Buyer, but such an assignment shall not relieve Buyer from liability for the performance of Buyer's obligations under this Agreement.

21. **Notice.** All notices provided for in this Agreement must be in writing, except that Buyer may deliver a notice contemplated by Section 13 to Seller via e-mail. If a notice is sent by mail, it is not effective until the date two days after the Party sending the 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 a 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. A Party sending a notice must also deliver a copy of the notice to the Parties' respective attorneys via first class United States mail or via e-mail at the addresses set forth below:

Seller's Attorney: Thomas L. Bray  
Briggs and Morgan, P.A.  
2200 IDS Center  
80 South Eighth Street  
Minneapolis, MN 55402-2157  
Telephone: (612) 977-8650  
Fax: (612) 977-8288  
E-Mail: tbray@briggs.com

Buyer's Attorney: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
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22. **Miscellaneous.**

a. Entire Agreement. This Agreement and the Option Agreement embody the entire agreement between the Parties and cannot be varied, except by the written agreement of the parties. This Agreement supersedes all prior and contemporaneous negotiations, understandings and agreements, written or oral, between the parties other than the provisions of Section 8 of the Option Agreement and the provisions of Section 11 of the Option Agreement, to the extent necessary to enforce Section 8 of the Option Agreement.

b. Attorneys' Fees; Costs; Venue. If any legal action is commenced by any party to enforce any provision of this Agreement, the losing party will pay to the prevailing party all actual expenses, including reasonable costs and attorney's fees, incurred by the prevailing party. The prevailing party is the party who receives substantially the relief sought, whether by judgment, summary judgment, dismissal, settlement or otherwise.

c. Counterparts. This Agreement may be executed in several original counterparts, each of which and all together will constitute this Agreement in its entirety. A counterpart of this Agreement or any amendment thereto executed by a party and delivered to the other party via telecopier will be construed as a legally binding signature. Without delay, the sending party should deliver an original, signed counterpart to the other party.

d. Headings. The headings contained in this Agreement are for reference purposes only and do not in any way affect the meaning or interpretation hereof.

e. Exhibits. The Exhibits attached to this Agreement are incorporated into and are a part of this Agreement.

f. Dates. Time is of the essence with respect to this Agreement. If the final day of a period or date of performance under this Agreement falls on a Saturday, Sunday or legal holiday, then the final day of the period or the date of performance will be deemed to fall on the next day that is not a Saturday, Sunday or legal holiday.

g. Enforceability. If any provision of this Agreement is adjudged to be invalid or unenforceable by a court of competent jurisdiction, this Agreement should be construed as if such invalid or unenforceable provision had not been inserted herein and should not affect the validity or enforceability of the remainder of this Agreement.

h. No Third Party Beneficiaries. Nothing in this Agreement, expressed or implied, is intended to confer any rights or remedies under or by reason of this Agreement on any person other than the parties to it and their respective permitted successors and assigns. Furthermore, nothing in this Agreement is intended to relieve or discharge any obligation of any third person to any party hereto or give any third person any right of subrogation or action over or against any party to this Agreement.

i. No Partnership. Nothing contained herein and no act by Buyer or Seller in the performances of, or in any way related to, this Agreement should be construed to create or evidence in any manner any employment, partnership, agency or joint venture

relationship between the parties hereto. Buyer and Seller represent and acknowledge that it is their mutual intention that the sole relationship created between them by this Agreement is that of vendor and purchaser.

j. Construction. All of the parties to this Agreement have participated freely in the negotiations and preparation hereof. Accordingly, this Agreement should not be construed more strictly against any one of the parties.

k. Waiver. Failure of either Buyer or Seller to exercise any right given hereunder or to insist upon strict compliance with regard to any term, condition or covenant specified herein, will not constitute a waiver of Buyer's or Seller's right to exercise such right or to demand strict compliance with any term, condition or covenant under this Agreement.

l. Choice of Law. This Agreement is governed by and construed in accordance with the laws of the State of Minnesota.

*[The remainder of this page is intentionally left blank.]*

**SELLER:**

**THE HOUSING AND REDEVELOPMENT  
AUTHORITY IN AND FOR THE CITY OF  
RAMSEY, MINNESOTA, A PUBLIC BODY  
POLITIC AND CORPORATE UNDER THE  
LAWS OF THE STATE OF MINNESOTA**

By: \_\_\_\_\_  
Its: Chair

By: \_\_\_\_\_  
Its: Executive Director

Signature Date: \_\_\_\_\_

*(Separate Signature Page to Purchase Agreement)*

**BUYER:**

**EDGEWOOD MANAGEMENT GROUP, LLC**

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

Its: Chief Manager

Signature Date: \_\_\_\_\_

*(Separate Signature Page to Purchase Agreement)*

## EXHIBIT A

FILE NO. \_\_\_\_\_

### **ESCROW AGREEMENT**

The Housing and Redevelopment Authority in and for the City of Ramsey, Minnesota, a public body politic and corporate under the laws of the State of Minnesota ("Seller"), Edgewood Management Group, a North Dakota limited liability company ("Buyer") are parties to the purchase and sale of the real estate described in the attached Purchase Agreement, dated \_\_\_\_\_, 2012 ("Purchase Agreement"). As provided in Section 7 of the Purchase Agreement, Buyer hereby deposits the sum of \$10,000.00 (the "Earnest Money") with Commercial Partners Title, LLC (the "Earnest Money Agent"). The Earnest Money Agent will hold the Earnest Money in an account insured by a governmental agency or instrumentality.

Upon notification by both parties in writing that the transaction has closed, the Earnest Money Agent will pay the Earnest Money to Seller. If either party notifies the Earnest Money Agent that the transaction has not closed, the Earnest Money Agent will pay the Earnest Money as follows:

1. Upon receipt of instruments regarding the release of the Earnest Money executed by both parties the Earnest Money Agent will deliver the Earnest Money pursuant to such instructions;
2. If Seller delivers a Notice of Cancellation of Purchase Agreement that complies with Minn. Stat. § 559.21 describing the Purchase Agreement and the Property, as defined therein, together with an Affidavit of Service evidencing service of the Notice of Cancellation on Buyer and an Affidavit of Failure to Comply with Notice completed, executed and acknowledged to the Earnest Money Agent on or before the date one hundred twenty (120) days after the Date of Closing as defined in the Purchase Agreement, the Earnest Money Agent will deliver the Earnest Money to Seller, unless Buyer has commenced an action in Anoka County District Court challenging Seller's cancellation of the Purchase Agreement, in which case Earnest Money Agent shall either continue to hold the Earnest Money or shall pay the Earnest Money into court.
3. If no disposition of the Earnest Money has been made by the date one hundred twenty (120) days from the Date of Closing, as defined in the Purchase Agreement, the Earnest Money Agent will return the Earnest Money to Buyer, unless Seller or Buyer has commenced an action in Anoka County District Court holding a right to the Earnest Money or otherwise seeking to enjoin Earnest Money Agent's disbursement of the Earnest Money to Buyer, in which case, Earnest Money Agent will either continue to hold the Earnest Money or shall pay the Earnest Money into court.

The Earnest Money Agent will have no responsibility for any decision concerning performance or effectiveness of the Purchase Agreement, and will only be responsible to act

pursuant to the procedures set forth above. Buyer and Seller hereby agree to hold the Earnest Money Agent harmless from any claims or defenses arising out of this Escrow Agreement and indemnify the Earnest Money Agent for all costs and expenses in connection with this escrow, including court costs, attorneys' fees, except for claims arising out of the Earnest Money Agent's failure to account for the funds held and costs and expenses incurred by the parties in connection with such a claim.

To the extent that the provisions of this Escrow Agreement are inconsistent with the provisions of the Purchase Agreement, the provisions of this Escrow Agreement will control.

The Earnest Money Agent will not charge a fee for acting as an escrow agent.

**SELLER:**

**BUYER:**

By: \_\_\_\_\_  
Its: Chair

By: \_\_\_\_\_  
Its: Chief Manager

By: \_\_\_\_\_  
Its: Executive Director

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

Address:

Address:

Ramsey Municipal Center  
7550 Sunwood Drive  
Ramsey, Minnesota 55303  
Attn: Executive Director

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Taxpayer Identification Number  
or Social Security Number:  
\_\_\_\_\_

Taxpayer Identification Number  
or Social Security Number:  
\_\_\_\_\_

The Earnest Money Agent hereby acknowledges receipt of this Agreement and the Earnest Money, to hold the Earnest Money as above specified.

Dated this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

Commercial Partners Title, LLC

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

Its: \_\_\_\_\_

**EXHIBIT B**

**[Legal Description of Property to be included in a potential special service district]**