

COPY

PURCHASE AGREEMENT

1. **PARTIES.** This Agreement (this "Agreement") is made on this _____ day of May, 2013 by and between Arnold T. Holmberg, a single person ("**SELLER**"), whose address is 4720 Pillsbury Avenue South, Minneapolis, Minnesota 55409, and 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 ("**BUYER**"), with address at Ramsey Municipal Center, 7550 Sunwood Drive Northwest, Ramsey, Minnesota 55303, Attention: Mr. Kurt Ulrich, Executive Director.

2. **OFFER/ACCEPTANCE.** **BUYER** agrees to purchase and **SELLER** agrees to sell real property located at 6710 Highway 10 NW, Ramsey, Minnesota, 55303, Anoka County, Minnesota, legally described on the attached Exhibit A (the "Property") on the terms of this Agreement. The term "Property" as used in this Agreement shall include all improvements, together with all hereditaments and appurtenances to the Property. The parties do not contemplate the conveyance of any personal property pursuant to this Agreement.

3. **ACCEPTANCE.** The acceptance date of this Agreement is the date it is signed by the last party signing. However, in the event both parties have not signed this Agreement on or before May 15, 2013, this Agreement shall be null void and all earnest monies paid herein shall be refunded to Buyer.

4. **PRICE.** The Purchase Price for the Property is \$361,100.00 ("Purchase Price"), payable at Closing, less the Earnest Money previously paid.

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").

6. **DEED/MARKETABLE TITLE.** Conveyance Terms. Upon **BUYER'S** full performance of **BUYER'S** obligations under this Agreement, **SELLER** shall execute and deliver to **BUYER**, on the date of closing, a Warranty Deed conveying fee title to the Property to **BUYER**, 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.

7. **REAL ESTATE TAXES AND SPECIAL ASSESSMENTS.** Real estate taxes and assessment shall be payable as follows:

- a. Real estate taxes due and payable in and for the year of closing shall be prorated between **SELLER** and **BUYER** to the actual date of closing.
- b. Real Estate taxes including interest and penalties due and payable in all years prior to the year of closing shall be paid by **SELLER**.
- c. **SELLER** shall pay on the date of closing, all special assessments levied as of the date of this Agreement.
- d. **BUYER** shall assume on the date of closing, special assessments pending as of the date of this Agreement for improvements that have been ordered by the city Council or other governmental assessing authorities.
- e. **SELLER** shall pay on the date of closing, any deferred real estate taxes. **SELLER** shall pay on the Closing Date any deferred special assessments, payment of which is required as a result of a closing of this sale.
- f. **BUYER** shall pay real estate taxes due and payable in the year following closing and thereafter and any unpaid special assessments payable therewith and thereafter, the payment of which is not otherwise provided for herein.

SELLER makes no representation concerning the amount of future real estate taxes or of future special assessments.

8. **SELLER'S REPRESENTATIONS AND WARRANTIES.** As an essential part of this Agreement and in order to induce **BUYER** to enter into this Agreement and to purchase the Property, **SELLER** represents and warrants to and agrees with **BUYER** that:

- a. There are no leases, purchase options, rights of first refusal, or any other agreements which grant any other party any right of use or occupancy in effect with respect to the Property or any portion thereof.
- b. **SELLER** will convey on the date of closing, all of the Property, free and clear of all liens, security interests, restrictions, charges and encumbrances.
- c. There are no management, maintenance, supply, utility or service contracts or commitments relating to the Property which will extend beyond the date of closing, which are not cancelable without penalty or premium upon not more than 30 days advance notice.
- d. To the best of **SELLER'S** knowledge: there is no action, litigation, investigation, condemnation or proceeding of any kind pending against **SELLER** or the Property which could adversely affect the Property, or any portion thereof or title thereto.

- e. All services or material which have been furnished to the Property have been fully paid for or will be fully paid for prior to the Closing Date so that no lien for services or materials rendered (commonly known as mechanic's or materialmen's liens) can be asserted against the Property. All water, sewer and refuse bins for such services which have been furnished to the Property have been fully paid for or will be fully paid for prior to the Closing Date so that no lien therefore can be asserted against the Property.
- f. **SELLER** is not in default, nor has there occurred any event which, with the passage of time or notice from a third party, or both, would constitute a default under any underlying financing or covenant affecting the Property or any part thereof.
- g. **SELLER** is neither a "foreign person" nor a "foreign corporation" (as those terms are defined in Section 1445 of the Internal Revenue Code of 1986, as amended)
- h. That there are not now, nor have there ever been underground or above ground storage tanks of any size or type located on the Property nor any Hazardous Substances (defined below) located on the Property in violation of applicable governmental requirements, and the Property has not been used in connection with the generation, disposal, storage, treatment' or transportation of Hazardous Substances in violation of applicable governmental requirements. For purposes of this Agreement, the term "Hazardous Substances" includes but is not limited to substances defined as "hazardous substances," "toxic substances," "hazardous wastes," "pollutants" or "contaminants" under federal or Minnesota law. The term "Hazardous Substance" shall also include 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).
- i. **BUYER** shall have the right to have inspections of the Property conducted prior to the Date of Closing.
- j. There are no above or below ground fuel storage tanks on the Property.
- k. **WELL DISCLOSURE:**

[Check either A or B:]

- A. Seller certifies that Seller does not know of any wells on the Property.
- B. To Seller's actual knowledge, there is a well located on the Property and Seller will deliver a well disclosure

form at closing or make such other representations in the deed as may be required by Minnesota law.

1. **SEWAGE TREATMENT SYSTEM DISCLOSURE.**

[Check either A or B:]

- A. Seller certifies that sewage generated at the Property goes to a facility permitted by the Minnesota Pollution Control Agency (municipal sewer system).
- B. Seller certifies that sewage generated at the Property does not go to a facility permitted by the Minnesota Pollution Control Agency and Seller's Disclosure of Individual Sewage Treatment System is attached as Exhibit B.

[Check either C or D:]

- C. Seller does not know if there is an abandoned individual sewage treatment system on the Property.
- D. To Seller's actual knowledge, there are no abandoned individual sewage treatment systems on the Property.

m. **METHAMPHETAMINE DISCLOSURE.**

- A. To the best of **SELLER's** knowledge, methamphetamine production has not occurred on the Property.
- B. To the best of **SELLER's** knowledge, methamphetamine production has occurred on the Property and **SELLER's** disclosure is continued in Part B., METHAMPHETAMINE DISCLOSURE STATEMENT, M.S.B.A., Real Property Form No: 22 (2005), included as an addendum to this Agreement.

n. **SELLER** acknowledges that upon successful closing pursuant to the terms of this Agreement, **SELLER** will have waived any appeal or claim for real estate tax or assessments paid or payable as respects the Property.

o. **SELLER'S INDEMNITY.** **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 breach of any of the representations and warranties contained in this Paragraph 8, whether such breach is discovered before or after closing. Each of the representations and warranties herein contained shall survive the Closing. Wherever herein a representation is made "to the best knowledge of **SELLER**", such

representations is limited to the actual knowledge of **SELLER**. Except as herein expressly stated, **BUYER** is purchasing the Property based upon its own investigation and inquiry and is not relying on any representation of **SELLER** or other person and is agreeing to accept and purchase the Property "as is, where is" subject to the conditions of examination herein set forth and the express warranties herein contained. Consummation of this Agreement by **BUYER** with knowledge of any such breach by **SELLER** will not constitute a waiver or release by **BUYER** of any claims due to such breach. **SELLER** shall have the right to assume defense of any claim asserted by a third party against **BUYER** for which **SELLER** is indemnifying **BUYER** under this Paragraph 8 with counsel reasonably acceptable to **BUYER** so long as **SELLER** is diligently defending such claim; provided that **BUYER** may participate in such proceeding at **BUYER'S** expense unless there is an actual or potential material conflict of interest (which is not waived by the parties) of the counsel for **SELLER** representing both **SELLER** and **BUYER** in which event **SELLER** shall also pay the legal fees and expenses of **BUYER** in connection with such claim or proceeding. Neither **SELLER** nor **BUYER** shall settle any such claim without the consent of the other (which consent shall not be unreasonably withheld, conditioned or delayed), unless such settlement requires no admission of liability on the part of the other and no assumption of any obligation or monetary payment for which **BUYER** has not been fully indemnified.

9. **BUYER'S REPRESENTATIONS AND WARRANTIES.** **BUYER** represents and warrants that it has full right and authority to execute this Agreement and to execute and deliver all documents and instruments required of **BUYER** under the provisions of this Agreement.

10. **CLOSING.** Closing shall be at the office of Registered Abstractors Inc. Title Company ("Title"), 2115 3rd Avenue, Anoka, Minnesota 55303 or such other office as the **BUYER** and **SELLER** may hereafter agree. Closing shall take place on the date that is sixty (60) days from the date of this Agreement or such earlier date as the parties hereto may agree upon in writing (the "Closing Date"). On the Closing Date, Seller shall execute and/or deliver to Buyer the following (collectively, "Seller's Closing Documents"):

- a. A warranty deed, conveying the Property to **BUYER**, free and clear of all liens, security interests, leases, restrictions, charges and encumbrances, except as provided in paragraphs 8.a. and b.
- b. A well certificate pursuant to Paragraph 8.1.
- c. If the Property contains or contained a storage tank, an affidavit with respect thereto, as required by Minn. Stat. Section 116.48.

- d. A non-foreign affidavit, (FIRPTA affidavit) properly executed and in recordable form, containing such information as is required by IRC Section 1445(b)(2) and its regulations.
- e. An appropriate Federal Income Tax reporting form, if any is required.
- f. Such further affidavits of **SELLER**, certificates of value or other documents as may be reasonably required by **BUYER'S** title company in order to record the **SELLER'S** Closing Documents and issue **BUYER** the owner's title insurance policy required by this Agreement.

11. **EVIDENCE OF TITLE.** Within a reasonable time after execution of this Agreement, **SELLER** shall furnish **BUYER** a commitment for an ALTA Owner's policy of title insurance covering the Property issued by Registered Abstracters, Inc.

12. **EXAMINATION OF TITLE.** **BUYER** shall be allowed until the date ten (10) days after receipt of such title evidence for examination of title and the making of any objections thereto, which objections shall be in writing or they will be deemed to be waived. If any objections are so made, **SELLER** shall be allowed until the Closing Date to make such title marketable, and **SELLER** shall use all reasonable efforts to make such title marketable.

If said objections have not been cured by the Closing Date, as above provided, **BUYER** shall have the option of:

- a. Declaring this Agreement null and void and receiving a refund from **SELLER** of all Earnest Money paid hereunder; or
- b. Waiving any defects in title and proceeding to close the transaction contemplated by this Agreement.

If the title to the Property is marketable or is made marketable by the Closing Date, and **BUYER** defaults in any of the agreements on its part to be performed under this Agreement and continues in default for a period of five (5) days after written notice thereof is given to **BUYER** by **SELLER**, then **SELLER** shall have the remedies described below or under Minnesota law.

13. **ADDITIONAL BUYER CONTINGENCIES.**

a. Because **BUYER** is a public body its final acceptance of this Agreement is contingent on **BUYER'S** adoption of a resolution approving the terms of this Agreement. In the event such an approval resolution is not adopted by **BUYER** or before May 14, 2013, this Agreement will be null and void and the Earnest Money will be returned to **BUYER**.

b. This agreement is further contingent on **BUYER** in its sole discretion determining that each of **SELLER'S** representations made in Paragraph 8. herein are true on the Closing Date. If any such representation is not true on that date, **BUYER** may cancel this Agreement and the Earnest Money shall be refunded to **BUYER** and this Agreement shall be null and void.

14. **SURVEY.** **BUYER** may, at **BUYER'S** sole cost and expense, obtain a current survey of the Property which survey shall be prepared by a Registered Land Surveyor (the "Survey"), The Survey, in form suitable to **BUYER** and Title Company shall:

- a. locate all present and future easements, rights-of-way, wetlands, 100-year flood plain, building lines, utility lines, roadways and encroachments on or abutting the property.
- b. contain the certification of the surveyor as to the number of square feet contained in the Property.

BUYER shall have ten (10) days from the date of receipt of the Survey to approve same or to notify **SELLER** of **BUYER'S** objections to items disclosed therein. Upon the expiration of said ten (10) day period, **BUYER** shall be deemed to have accepted all exceptions to Survey, except for matters to which notice under the preceding sentence has been given by **BUYER**.

If **BUYER** notifies **SELLER** of any objections to the Survey within the aforesaid ten (10) day period, then and in that event **SELLER** shall have a period of ten (10) days following receipt of such objections to Survey to cure said objections or notify **BUYER** in writing of **SELLER'S** intent not to cure said objections. If the objections are not cured by **SELLER** within said ten (10) day period, **BUYER** shall then have the option to do either of the following:

- a. terminate this Agreement and receive a refund of the Earnest Money, whereupon neither party shall have any rights or obligations to the other under this Agreement and each party shall forthwith execute a written termination of this Agreement; or
- b. waive the survey objections, take title to the Property subject to any such objections and proceed to Closing in accordance with the terms and provisions of this Agreement.

15. **DEFAULT.** If either party defaults in the performance of any obligation under this Agreement, the non-defaulting party may, after a five (5) day 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 the **BUYER'S** obligations under this Agreement, **SELLER** shall have the following rights:
 - (i) Except as set forth at (ii) below, if **BUYER** defaults in the performance of any of **BUYER'S** obligations under this Agreement, **SELLER'S** sole and exclusive right shall be to seek a Cancellation of Purchase Agreement.
 - (ii) If **BUYER** breaches a warranty or representation either before or after closing, **SELLER** shall have the right to recover direct damages reasonably related to such breach but not incidental or

consequential damages or punitive damages. **SELLER** shall have no right to seek rescission of the conveyance.

- b. **SELLER'S Default.** If **SELLER** defaults in the performance of any of the **SELLER'S** obligations under this Agreement, **BUYER** shall have the following rights:
- (i) Except as set forth at (ii) below, if **SELLER** defaults in the performance of any of **SELLER'S** obligations under this Agreement, **BUYER'S** sole and exclusive right shall be to seek a Cancellation of Purchase Agreement.
 - (ii) If **SELLER** breaches a warranty or representation either before or after closing, **BUYER** shall have the right to recover direct damages reasonably related to such breach but not incidental or consequential damages or punitive damages. **BUYER** shall have no right to seek rescission of the conveyance.

Should **SELLER** notify **BUYER** that **SELLER** will not cure a noticed objection, **BUYER** shall then have ten (10) days from the receipt of such notice from **SELLER** to notify **SELLER** of **BUYER'S** election to either terminate this Agreement or to waive the objection and proceed to Closing.

16. **NOTICES.** All notices required herein shall be in writing and delivered personally or mailed or sent by a nationally recognized delivery service to the address as shown above and, if mailed or sent by a nationally recognized delivery service, are effective as of the date of mailing.

17. **BROKERS.** Each party shall be responsible for the payment of any real estate or business broker brokerage fees that may have incurred as a result of this Agreement. Each party hereby indemnifies the other for any broker's or agent's fees.

18. **MINNESOTA LAW.** This Agreement shall be governed by the laws of the State of Minnesota.

19. **MISCELLANEOUS.**

- a. **TIME IS OF THE ESSENCE FOR ALL PROVISIONS OF THIS AGREEMENT.**
- b. 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.
- c. The headings of the paragraphs and subparagraphs of this Agreement are for convenience and reference only, and do not form a part hereof and in

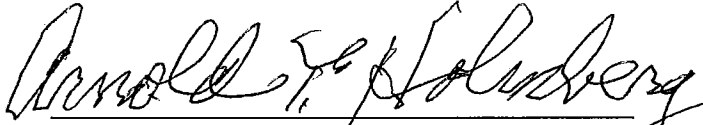
no way interpret or construe such paragraphs and subparagraphs.

- d. 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.
- e. 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.
- f. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but all of which shall constitute one and the same instrument.
- g. 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.
- h. Neither party shall make any warranty or representation, or incur any obligation, liability or indebtedness on behalf of the other.
- i. 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.
- j. This Agreement contains the entire understanding of the parties hereto in respect to the transactions contemplated hereby and supersedes all prior agreements and understandings between the parties with respect to such subject matter. Neither party hereto has relied upon any agreements, promises, representations, undertakings or warranties not set forth in this Agreement (whether oral, implied, or otherwise). There have not been, and are, no agreements, covenants, representations, restrictions, understandings or warranties between the parties with regard thereto, other than those set forth or provided for herein.

IN WITNESS WHEREOF, the parties hereto have signed below on the date first written above:

[Signature Page]

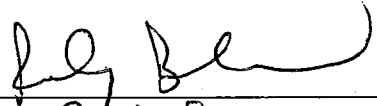
SELLER:

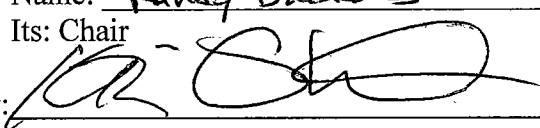


Arnold T. Holmberg
May 10, 2013

BUYER:

The Housing and Redevelopment Authority
in and for the City of Ramsey, Minnesota,
a body politic and corporate under the laws
of the state of Minnesota

By: 

Name: Randy Backous
Its: Chair
By: 

Kurtis Ulrich
Its: Executive Director

EXHIBIT A – LEGAL DESCRIPTION

PIN: 34-32-25-13-0005

Lot 4, Block 1, RIVERSIDE WEST, according to the plat on file and of record in the Office of the Registrar of Titles, Anoka County, Minnesota.

Subject to drainage and utility easement as shown on plat RIVERSIDE WEST filed as Document No. 90200 on June 30, 1976.

Subject to the right of the State of Minnesota to construct temporary snow fences, and to regulate and control the cutting and planting of grasses, shrubs and trees, as shown in document dated April 14, 1939 in Book 174, Page 73 in the office of the Anoka County Register of Deeds.

Subject to utility easements in favor of Anoka Electric cooperative as shown in document dated November 20, 1974 and recorded November 22, 1974 in Book 1127, Page 31, in the office of the Anoka County Register of Deeds.

PURCHASE AGREEMENT

1. **PARTIES.** This Agreement (this "Agreement") is made on this _____ day of May, 2013 by and between Arnold T. Holmberg, a single person ("**SELLER**"), whose address is 4720 Pillsbury Avenue South, Minneapolis, Minnesota 55409, and 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 ("**BUYER**"), with address at Ramsey Municipal Center, 7550 Sunwood Drive Northwest, Ramsey, Minnesota 55303, Attention: Mr. Kurt Ulrich, Executive Director.

2. **OFFER/ACCEPTANCE.** **BUYER** agrees to purchase and **SELLER** agrees to sell real property located at 6710 Highway 10 NW, Ramsey, Minnesota, 55303, Anoka County, Minnesota, legally described on the attached Exhibit A (the "Property") on the terms of this Agreement. The term "Property" as used in this Agreement shall include all improvements, together with all hereditaments and appurtenances to the Property. The parties do not contemplate the conveyance of any personal property pursuant to this Agreement.

3. **ACCEPTANCE.** The acceptance date of this Agreement is the date it is signed by the last party signing. However, in the event both parties have not signed this Agreement on or before May 15, 2013, this Agreement shall be null void and all earnest monies paid herein shall be refunded to Buyer.

4. **PRICE.** The Purchase Price for the Property is \$361,100.00 ("Purchase Price"), payable at Closing, less the Earnest Money previously paid.

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").

6. **DEED/MARKETABLE TITLE.** Conveyance Terms. Upon **BUYER'S** full performance of **BUYER'S** obligations under this Agreement, **SELLER** shall execute and deliver to **BUYER**, on the date of closing, a Warranty Deed conveying fee title to the Property to **BUYER**, 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.

7. **REAL ESTATE TAXES AND SPECIAL ASSESSMENTS.** Real estate taxes and assessment shall be payable as follows:

- a. Real estate taxes due and payable in and for the year of closing shall be prorated between **SELLER** and **BUYER** to the actual date of closing.
- b. Real Estate taxes including interest and penalties due and payable in all years prior to the year of closing shall be paid by **SELLER**.
- c. **SELLER** shall pay on the date of closing, all special assessments levied as of the date of this Agreement.
- d. **BUYER** shall assume on the date of closing, special assessments pending as of the date of this Agreement for improvements that have been ordered by the city Council or other governmental assessing authorities.
- e. **SELLER** shall pay on the date of closing, any deferred real estate taxes. **SELLER** shall pay on the Closing Date any deferred special assessments, payment of which is required as a result of a closing of this sale.
- f. **BUYER** shall pay real estate taxes due and payable in the year following closing and thereafter and any unpaid special assessments payable therewith and thereafter, the payment of which is not otherwise provided for herein.

SELLER makes no representation concerning the amount of future real estate taxes or of future special assessments.

8. **SELLER'S REPRESENTATIONS AND WARRANTIES.** As an essential part of this Agreement and in order to induce **BUYER** to enter into this Agreement and to purchase the Property, **SELLER** represents and warrants to and agrees with **BUYER** that:

- a. There are no leases, purchase options, rights of first refusal, or any other agreements which grant any other party any right of use or occupancy in effect with respect to the Property or any portion thereof.
- b. **SELLER** will convey on the date of closing, all of the Property, free and clear of all liens, security interests, restrictions, charges and encumbrances.
- c. There are no management, maintenance, supply, utility or service contracts or commitments relating to the Property which will extend beyond the date of closing, which are not cancelable without penalty or premium upon not more than 30 days advance notice.
- d. To the best of **SELLER'S** knowledge: there is no action, litigation, investigation, condemnation or proceeding of any kind pending against **SELLER** or the Property which could adversely affect the Property, or any portion thereof or title thereto.

- e. All services or material which have been furnished to the Property have been fully paid for or will be fully paid for prior to the Closing Date so that no lien for services or materials rendered (commonly known as mechanic's or materialmen's liens) can be asserted against the Property. All water, sewer and refuse bins for such services which have been furnished to the Property have been fully paid for or will be fully paid for prior to the Closing Date so that no lien therefore can be asserted against the Property.
- f. **SELLER** is not in default, nor has there occurred any event which, with the passage of time or notice from a third party, or both, would constitute a default under any underlying financing or covenant affecting the Property or any part thereof.
- g. **SELLER** is neither a "foreign person" nor a "foreign corporation" (as those terms are defined in Section 1445 of the Internal Revenue Code of 1986, as amended)
- h. That there are not now, nor have there ever been underground or above ground storage tanks of any size or type located on the Property nor any Hazardous Substances (defined below) located on the Property in violation of applicable governmental requirements, and the Property has not been used in connection with the generation, disposal, storage, treatment' or transportation of Hazardous Substances in violation of applicable governmental requirements. For purposes of this Agreement, the term "Hazardous Substances" includes but is not limited to substances defined as "hazardous substances," "toxic substances," "hazardous wastes," "pollutants" or "contaminants" under federal or Minnesota law. The term "Hazardous Substance" shall also include 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).
- i. **BUYER** shall have the right to have inspections of the Property conducted prior to the Date of Closing.
- j. There are no above or below ground fuel storage tanks on the Property.
- k. **WELL DISCLOSURE:**

[Check either A or B:]

- A. Seller certifies that Seller does not know of any wells on the Property.
- B. To Seller's actual knowledge, there is a well located on the Property and Seller will deliver a well disclosure

form at closing or make such other representations in the deed as may be required by Minnesota law.

l. **SEWAGE TREATMENT SYSTEM DISCLOSURE.**

[Check either A or B:]

- A. Seller certifies that sewage generated at the Property goes to a facility permitted by the Minnesota Pollution Control Agency (municipal sewer system).
- B. Seller certifies that sewage generated at the Property does not go to a facility permitted by the Minnesota Pollution Control Agency and Seller's Disclosure of Individual Sewage Treatment System is attached as Exhibit B.

[Check either C or D:]

- C. Seller does not know if there is an abandoned individual sewage treatment system on the Property.
- D. To Seller's actual knowledge, there are no abandoned individual sewage treatment systems on the Property.

m. **METHAMPHETAMINE DISCLOSURE.**

- A. To the best of **SELLER's** knowledge, methamphetamine production has not occurred on the Property.
- B. To the best of **SELLER's** knowledge, methamphetamine production has occurred on the Property and **SELLER's** disclosure is continued in Part B., METHAMPHETAMINE DISCLOSURE STATEMENT, M.S.B.A, Real Property Form No: 22 (2005), included as an addendum to this Agreement.

n. **SELLER** acknowledges that upon successful closing pursuant to the terms of this Agreement, **SELLER** will have waived any appeal or claim for real estate tax or assessments paid or payable as respects the Property.

o. **SELLER'S INDEMNITY.** **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 breach of any of the representations and warranties contained in this Paragraph 8, whether such breach is discovered before or after closing. Each of the representations and warranties herein contained shall survive the Closing. Wherever herein a representation is made "to the best knowledge of **SELLER**", such

representations is limited to the actual knowledge of **SELLER**. Except as herein expressly stated, **BUYER** is purchasing the Property based upon its own investigation and inquiry and is not relying on any representation of **SELLER** or other person and is agreeing to accept and purchase the Property "as is, where is" subject to the conditions of examination herein set forth and the express warranties herein contained. Consummation of this Agreement by **BUYER** with knowledge of any such breach by **SELLER** will not constitute a waiver or release by **BUYER** of any claims due to such breach. **SELLER** shall have the right to assume defense of any claim asserted by a third party against **BUYER** for which **SELLER** is indemnifying **BUYER** under this Paragraph 8 with counsel reasonably acceptable to **BUYER** so long as **SELLER** is diligently defending such claim; provided that **BUYER** may participate in such proceeding at **BUYER'S** expense unless there is an actual or potential material conflict of interest (which is not waived by the parties) of the counsel for **SELLER** representing both **SELLER** and **BUYER** in which event **SELLER** shall also pay the legal fees and expenses of **BUYER** in connection with such claim or proceeding. Neither **SELLER** nor **BUYER** shall settle any such claim without the consent of the other (which consent shall not be unreasonably withheld, conditioned or delayed), unless such settlement requires no admission of liability on the part of the other and no assumption of any obligation or monetary payment for which **BUYER** has not been fully indemnified.

9. **BUYER'S REPRESENTATIONS AND WARRANTIES.** **BUYER** represents and warrants that it has full right and authority to execute this Agreement and to execute and deliver all documents and instruments required of **BUYER** under the provisions of this Agreement.

10. **CLOSING.** Closing shall be at the office of Registered Abstractors Inc. Title Company ("Title"), 2115 3rd Avenue, Anoka, Minnesota 55303 or such other office as the **BUYER** and **SELLER** may hereafter agree. Closing shall take place on the date that is sixty (60) days from the date of this Agreement or such earlier date as the parties hereto may agree upon in writing (the "Closing Date"). On the Closing Date, Seller shall execute and/or deliver to Buyer the following (collectively, "Seller's Closing Documents"):

- a. A warranty deed, conveying the Property to **BUYER**, free and clear of all liens, security interests, leases, restrictions, charges and encumbrances, except as provided in paragraphs 8.a. and b.
- b. A well certificate pursuant to Paragraph 8.1.
- c. If the Property contains or contained a storage tank, an affidavit with respect thereto, as required by Minn. Stat. Section 116.48.

- d. A non-foreign affidavit, (FIRPTA affidavit) properly executed and in recordable form, containing such information as is required by IRC Section 1445(b)(2) and its regulations.
- e. An appropriate Federal Income Tax reporting form, if any is required.
- f. Such further affidavits of **SELLER**, certificates of value or other documents as may be reasonably required by **BUYER'S** title company in order to record the **SELLER'S** Closing Documents and issue **BUYER** the owner's title insurance policy required by this Agreement.

11. **EVIDENCE OF TITLE.** Within a reasonable time after execution of this Agreement, **SELLER** shall furnish **BUYER** a commitment for an ALTA Owner's policy of title insurance covering the Property issued by Registered Abstracters, Inc.

12. **EXAMINATION OF TITLE.** **BUYER** shall be allowed until the date ten (10) days after receipt of such title evidence for examination of title and the making of any objections thereto, which objections shall be in writing or they will be deemed to be waived. If any objections are so made, **SELLER** shall be allowed until the Closing Date to make such title marketable, and **SELLER** shall use all reasonable efforts to make such title marketable.

If said objections have not been cured by the Closing Date, as above provided, **BUYER** shall have the option of:

- a. Declaring this Agreement null and void and receiving a refund from **SELLER** of all Earnest Money paid hereunder; or
- b. Waiving any defects in title and proceeding to close the transaction contemplated by this Agreement.

If the title to the Property is marketable or is made marketable by the Closing Date, and **BUYER** defaults in any of the agreements on its part to be performed under this Agreement and continues in default for a period of five (5) days after written notice thereof is given to **BUYER** by **SELLER**, then **SELLER** shall have the remedies described below or under Minnesota law.

13. **ADDITIONAL BUYER CONTINGENCIES.**

a. Because **BUYER** is a public body its final acceptance of this Agreement is contingent on **BUYER'S** adoption of a resolution approving the terms of this Agreement. In the event such an approval resolution is not adopted by **BUYER** or before May 14, 2013, this Agreement will be null and void and the Earnest Money will be returned to **BUYER**.

b. This agreement is further contingent on **BUYER** in its sole discretion determining that each of **SELLER'S** representations made in Paragraph 8. herein are true on the Closing Date. If any such representation is not true on that date, **BUYER** may cancel this Agreement and the Earnest Money shall be refunded to **BUYER** and this Agreement shall be null and void.

14. **SURVEY.** **BUYER** may, at **BUYER'S** sole cost and expense, obtain a current survey of the Property which survey shall be prepared by a Registered Land Surveyor (the "Survey"), The Survey, in form suitable to **BUYER** and Title Company shall:

- a. locate all present and future easements, rights-of-way, wetlands, 100-year flood plain, building lines, utility lines, roadways and encroachments on or abutting the property.
- b. contain the certification of the surveyor as to the number of square feet contained in the Property.

BUYER shall have ten (10) days from the date of receipt of the Survey to approve same or to notify **SELLER** of **BUYER'S** objections to items disclosed therein. Upon the expiration of said ten (10) day period, **BUYER** shall be deemed to have accepted all exceptions to Survey, except for matters to which notice under the preceding sentence has been given by **BUYER**.

If **BUYER** notifies **SELLER** of any objections to the Survey within the aforesaid ten (10) day period, then and in that event **SELLER** shall have a period of ten (10) days following receipt of such objections to Survey to cure said objections or notify **BUYER** in writing of **SELLER'S** intent not to cure said objections. If the objections are not cured by **SELLER** within said ten (10) day period, **BUYER** shall then have the option to do either of the following:

- a. terminate this Agreement and receive a refund of the Earnest Money, whereupon neither party shall have any rights or obligations to the other under this Agreement and each party shall forthwith execute a written termination of this Agreement; or
- b. waive the survey objections, take title to the Property subject to any such objections and proceed to Closing in accordance with the terms and provisions of this Agreement.

15. **DEFAULT.** If either party defaults in the performance of any obligation under this Agreement, the non-defaulting party may, after a five (5) day 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 the **BUYER'S** obligations under this Agreement, **SELLER** shall have the following rights:
 - (i) Except as set forth at (ii) below, if **BUYER** defaults in the performance of any of **BUYER'S** obligations under this Agreement, **SELLER'S** sole and exclusive right shall be to seek a Cancellation of Purchase Agreement.
 - (ii) If **BUYER** breaches a warranty or representation either before or after closing, **SELLER** shall have the right to recover direct damages reasonably related to such breach but not incidental or

consequential damages or punitive damages. **SELLER** shall have no right to seek rescission of the conveyance.

- b. **SELLER'S Default.** If **SELLER** defaults in the performance of any of the **SELLER'S** obligations under this Agreement, **BUYER** shall have the following rights:
- (i) Except as set forth at (ii) below, if **SELLER** defaults in the performance of any of **SELLER'S** obligations under this Agreement, **BUYER'S** sole and exclusive right shall be to seek a Cancellation of Purchase Agreement.
 - (ii) If **SELLER** breaches a warranty or representation either before or after closing, **BUYER** shall have the right to recover direct damages reasonably related to such breach but not incidental or consequential damages or punitive damages. **BUYER** shall have no right to seek rescission of the conveyance.

Should **SELLER** notify **BUYER** that **SELLER** will not cure a noticed objection, **BUYER** shall then have ten (10) days from the receipt of such notice from **SELLER** to notify **SELLER** of **BUYER'S** election to either terminate this Agreement or to waive the objection and proceed to Closing.

16. **NOTICES.** All notices required herein shall be in writing and delivered personally or mailed or sent by a nationally recognized delivery service to the address as shown above and, if mailed or sent by a nationally recognized delivery service, are effective as of the date of mailing.

17. **BROKERS.** Each party shall be responsible for the payment of any real estate or business broker brokerage fees that may have incurred as a result of this Agreement. Each party hereby indemnifies the other for any broker's or agent's fees.

18. **MINNESOTA LAW.** This Agreement shall be governed by the laws of the State of Minnesota.

19. **MISCELLANEOUS.**

- a. **TIME IS OF THE ESSENCE FOR ALL PROVISIONS OF THIS AGREEMENT.**
- b. 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.
- c. The headings of the paragraphs and subparagraphs of this Agreement are for convenience and reference only, and do not form a part hereof and in

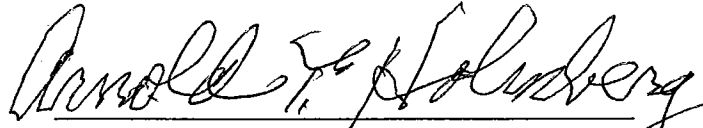
no way interpret or construe such paragraphs and subparagraphs.

- d. 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.
- e. 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.
- f. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but all of which shall constitute one and the same instrument.
- g. 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.
- h. Neither party shall make any warranty or representation, or incur any obligation, liability or indebtedness on behalf of the other.
- i. 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.
- j. This Agreement contains the entire understanding of the parties hereto in respect to the transactions contemplated hereby and supersedes all prior agreements and understandings between the parties with respect to such subject matter. Neither party hereto has relied upon any agreements, promises, representations, undertakings or warranties not set forth in this Agreement (whether oral, implied, or otherwise). There have not been, and are, no agreements, covenants, representations, restrictions, understandings or warranties between the parties with regard thereto, other than those set forth or provided for herein.

IN WITNESS WHEREOF, the parties hereto have signed below on the date first written above:

[Signature Page]

SELLER:


Arnold T. Holmberg
May 10, 2013

BUYER:

The Housing and Redevelopment Authority
in and for the City of Ramsey, Minnesota,
a body politic and corporate under the laws
of the state of Minnesota

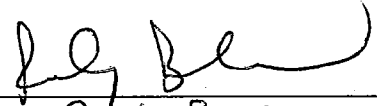
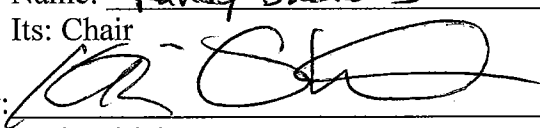
By: 
Name: Randy Backous
Its: Chair
By: 
Kurtis Ulrich
Its: Executive Director

EXHIBIT A – LEGAL DESCRIPTION

PIN: 34-32-25-13-0005

Lot 4, Block 1, RIVERSIDE WEST, according to the plat on file and of record in the Office of the Registrar of Titles, Anoka County, Minnesota.

Subject to drainage and utility easement as shown on plat RIVERSIDE WEST filed as Document No. 90200 on June 30, 1976.

Subject to the right of the State of Minnesota to construct temporary snow fences, and to regulate and control the cutting and planting of grasses, shrubs and trees, as shown in document dated April 14, 1939 in Book 174, Page 73 in the office of the Anoka County Register of Deeds.

Subject to utility easements in favor of Anoka Electric cooperative as shown in document dated November 20, 1974 and recorded November 22, 1974 in Book 1127, Page 31, in the office of the Anoka County Register of Deeds.