

PURCHASE AGREEMENT

This Agreement is entered into by and between the **City of Ramsey**, a Minnesota municipal corporation (“Seller”), and **Maple Investments LLC**, a Minnesota limited liability company (“Buyer”).

In consideration of the Earnest Money, the mutual covenants set forth below, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller and Buyer agree as follows:

1. **EFFECTIVE DATE.** The effective date of this Agreement is June 21, 2017 (the “Effective Date”).
2. **SALE OF PROPERTY.** Seller agrees to sell to Buyer, and Buyer agrees to buy from Seller, the Property, legally described as follows:

The roughly northern 9.33 acres of Lot 1, Block 1, Bury & Carlson Addition, Anoka County, Minnesota (part of County PID 27-32-25-34-009). The property size and legal description to be agreed upon by the Buyer and Seller through the City of Ramsey’s official platting process.

3. **PURCHASE PRICE.** The purchase price for the Property is **\$609,622.20** (the “Purchase Price”). The Purchase Price shall be adjusted on the gross square footage of the Property. Such price adjustment will be determined by multiplying the gross square footage of the Property by \$1.50 per square foot.
4. **EARNEST MONEY.** Within ten (10) business days after the Effective Date, Buyer must deposit the sum of \$10,000.00 (the “Earnest Money”) with Commercial Partners Title Company, 200 South 6th Street, Suite 1300, Minneapolis, MN 55402 (“Escrow Agent”), via wire transfer or delivery of a certified check payable to Escrow Agent.
 - a. If Buyer does not deposit the Earnest Money with Escrow Agent as required above, then Seller may terminate this Agreement by written notice to Buyer; provided; however, if Buyer deposits the Earnest Money with Escrow Agent before Seller exercises Seller’s right to terminate, Seller’s right to terminate is extinguished.
 - b. Unless Buyer has previously terminated this Agreement pursuant to Section 9, \$10,000.00 of the Earnest Money (the “Initial Disbursement”) becomes non-refundable to Buyer (except in accordance with Section 24 as a result of a default

by Seller) on September 29, 2017 and on that date Escrow Agent must disburse the Initial Disbursement to Seller.

- c. In the event Buyer requests an extension of the Inspection Period, and the extension is agreed to in writing by Seller, all remaining Earnest Money shall become non-refundable and released to the Seller by the Escrow Agent.
- d. Upon Seller's receipt of a Notice to Proceed from Buyer in accordance with Section 9(b), all of the Earnest Money becomes non-refundable (except in accordance with Section 23 as a result of a default by Seller).
- e. If Buyer does not provide a Notice to Proceed to Seller in accordance with Section 9(b), this Agreement automatically terminates and Escrow Agent must disburse all Earnest Money Escrow Agent holds to Buyer, other than Earnest Money Escrow Agent is obligated to disburse to Seller pursuant to Sections 4(b) and (c).
- f. At Closing, Escrow Agent shall disburse to Seller any Earnest Money not previously disbursed to Seller, and Buyer shall receive a credit against the Purchase Price owing at Closing in an amount equal to the amount of the Earnest Money.

5. PLATTING & DEVELOPMENT AGREEMENT. This agreement is conditional upon Buyer obtaining an approved final plat and a development agreement with the City of Ramsey for the development of an approximately 50,000 square foot building on the Property before Closing. Development Agreement and Site Plan must comply with all local zoning ordinances and design standards. The Development Agreement required for development of the Land shall include, as exhibits, the site design and the front, side and rear elevations of the proposed structure(s). Seller expressly reserves the right to approve the site design and elevations to be utilized on this Property.

6. TITLE COMMITMENT.

- a. Seller makes no representations or warranties with respect to the status of title to the Property. Within ten (10) business days after the Effective Date, Seller shall, at Seller's expense, obtain a commitment from Escrow Agent to issue an owner's policy of title insurance insuring Buyer's title to the Property (the "Title Commitment") and deliver the Title Commitment and copies of or internet access to copies of all recorded documents referenced in the Title Commitment to Buyer.
- b. Buyer shall have until the date twenty (20) business days after the receipt of the Title Commitment to review Title and to give Seller written notice of (i) any defects in the marketability of Seller title to the Property or any encumbrances on Seller's title to the Property that are objectionable to Buyer, and (ii) the specific actions Buyer requests that Seller take with respect to each such defect or encumbrance (a "**Title Objection Notice**"). Any defects in or encumbrances on

Seller's title that Buyer does not identify in a timely Title Objection Notice are each a "**Permitted Exception.**" Within three (3) business days after Seller's receipt of a Title Objection Notice from Buyer, Seller will notify Buyer, in writing, of the actions, if any, that Seller is willing to take with respect to each of the matters identified in the Title Objection Notice and the time frame in which Seller will take those actions ("**Seller's Title Notice**"). If Seller's Title Notice indicates that Seller unconditionally agrees to make Seller's title to the Property marketable on or before the closing date established pursuant to Section 14, the parties shall proceed to closing pursuant to the terms of this Agreement. If Seller's Title Notice indicates that Seller does not unconditionally agree to make Seller's Title to the Property marketable on or before the closing date established in Section 14, Buyer may, at any time with five (5) business days after Buyer's receipt of Seller's Title Notice, terminate this Agreement by written notice to Buyer in which case this Agreement is terminated and Escrow Agent must disburse any Earnest Money (other than Earnest Money that Escrow Agent has disbursed to Seller pursuant to Sections 4(b) and (c)) ("**Buyer's Title Termination Notice**"). If Buyer does not deliver a Buyer's Title Termination Notice to Seller within the five (5) business days after Buyer's receipt of Seller's Title Notice, than Seller must perform in accordance with Seller's Title Notice, Buyer shall be deemed to have waived Buyer's objections to the extent Seller has not agreed to address them in Seller's Title Notice, the matters to which Buyer objected and Seller did not agree to resolve are deemed Permitted Exceptions, and the parties shall proceed to Closing in accordance with the terms of this Agreement and the terms of Seller's Title Notice.

- 7. RIGHT OF ENTRY.** At all times after Buyer has deposited the Earnest Money with Seller and before the expiration of the Inspection Period (as defined in Section 9), Buyer (and its employees, agents, and contractors) may enter the Property for the purpose of conducting soil tests, environmental tests, and additional survey work, subject to the following conditions:
- a. Upon the earlier of the date one week after Buyer's completion of its activities on the Property or the date one week after the termination of this Agreement, if either Seller or Buyer terminate this Agreement in accordance with the provisions hereof prior to Closing, Buyer must repair and or restore any damage Buyer or its employees, agents or contractors cause to the Property and remove any personal property, refuse or debris Buyer or its employees, agents or contractors brought onto or authorized third parties to bring onto the Property.
 - b. Buyer must defend and indemnify Seller from and against and hold Seller harmless from all "Claims," as defined in Section 10, arising out of, resulting from or relating to any loss of or damage to any property or business or out of any injury to or death of any person, if the loss, damage, injury, or death arises or is alleged to arise either directly or indirectly and either wholly or in part from: (a) any action or omission of Buyer or its employees, agents, or contractors, while on the Property pursuant to this Section; or (b) actions or omissions of Buyer or

Buyer's employees, agents, or contractors that cause or result in the release of any Hazardous Substance onto the Property or onto other property.

- c. Buyer must comply with and shall cause its employees, agents, and contractors to comply with all applicable laws, while on the Property.
- d. Buyer may not commence any environmental testing on the Property until Buyer submits a work plan for such testing to Seller, and Seller approves the work plan, in writing. Seller may not unreasonably withhold condition or delay Seller's approval of a work plan.
- e. Buyer must, promptly and without demand from Seller, provide Seller with true and complete copies of all draft and final reports relating to Buyer's geotechnical and environmental investigations and testing of the Property including, without limitation, any reports relating to any Phase I Environmental Site Assessment of the Property.
- f. The cost of any test or additional survey work will be borne solely by Buyer.

8. PROPERTY SOLD AS IS. Subject to Buyer's right to terminate this Agreement pursuant to Sections 5,6, and 9, Buyer agrees to accept the Property in its current condition, including, without limitation, its current environmental and geological condition, and in an "AS-IS" and with "ALL FAULTS" condition. Buyer's payment of the Purchase Price at Closing constitutes Buyer's acknowledgment and agreement that:

- a. Seller has not made any written or oral representations or warranties of any kind with respect to the Property (including without limitation express or implied warranties of title, merchantability, or fitness for a particular purpose).
- b. Buyer has not relied on any written or oral representation or warranty made by Seller, its agents or employees with respect to the condition or value of the Property, except as described in Section 32.
- c. Buyer has had an adequate opportunity to inspect the condition of the Property, including without limitation any environmental testing, and to inspect documents applicable thereto, and Buyer is relying solely on such inspection and testing, and
- d. The condition of the Property is fit for Buyer's intended use.
- e. Buyer accepts all risk of Claims (including without limitation all Claims under any Environmental Law and all Claims arising at common law, in equity or under a federal, state or local statute, rule or regulation) whether past, present or future, existing or contingent, known or unknown, arising out of, resulting from or relating to the condition of the Property, known or unknown, contemplated or un contemplated, suspected or unsuspected, including without limitation the presence of any Hazardous Substance on the Property, whether such Hazardous

Substance is located on or under the Property or has migrated from or to the Property.

9. INSPECTION PERIOD.

- a. Except as otherwise provided in Section 6, Buyer shall have from the date that Buyer deposits the Earnest Money with Escrow Agent to September 29, 2017 (the “**Inspection Period**”) to investigate the Property and determine, in Buyer’s sole judgment, whether (i) the condition of the Property is suitable to Buyer’s intended use; and (ii) Buyer will be able to apply for all governmental approvals and utilities necessary for Buyer’s intended use of the Property. Buyer acknowledges and agrees that Seller has not made any covenants, representations or warranties regarding Buyer’s ability to obtain governmental approvals from the City of Ramsey or any other governmental entity. The City of Ramsey will review, consider and act on any applications Buyer submits to the City for governmental approvals in accordance with City Code.
- b. Buyer may, at any time on or before 5:00 p.m. on the last day of the Inspection Period, terminate the Agreement by written notice to Seller based on Buyer’s determination, in Buyer’s sole and absolute discretion, that the condition of the Property is not suitable for Buyer’s intended use or that Buyer may not be able to obtain all governmental approvals and utilities necessary for Buyer’s intended use of the Property. In addition, this Agreement automatically terminates at 5:00 p.m. on the last day of the Inspection Period unless, prior to that time Buyer delivers a written notice of Buyer’s intention to proceed (a “**Notice to Proceed**”) to Seller.
- c. If, pursuant to Section 9(b) either Buyer terminates this Agreement or this Agreement is automatically terminated, the Escrow Agent must disburse to Buyer any Earnest Money Escrow Agent holds, other than Earnest Money Escrow Agent is obligated to disburse to Seller pursuant to Sections 4(b) and (c).
- d. During the Inspection Period, Buyer will conduct pre-leasing for the Property (including the installation of a real estate sign), seek city approval of site plans and proposed uses, apply for governmental approvals and entitlements, commence negotiations with a source of financing, order due diligence items such as survey, appraisal, environmental assessments, etc.

10. DEFINITIONS. As used in this Agreement:

“**Claim**” or “**Claims**” means any and all liabilities, suits, claims, counterclaims, causes of action, demands, penalties, debts, obligations, promises, acts, fines, judgments, damages, consequential damages, losses, costs, and expenses of every kind (including without limitation any attorney’s fees, consultant’s fees, costs, remedial action costs, cleanup costs and expenses which may be related to any claims).

“Environmental Law” means the Comprehensive Environmental Response, Compensation and Liability Act (“CERCLA”), 42 U.S.C. § 9601 et seq., the Resource Conservation and Recovery Act, 42 U.S.C. § 6901 et seq., the Federal Water Pollution Control Act (the Clean Water Act), 33 U.S.C. § 1251 et seq. the Clean Air Act, 42 U.S.C. § 7401 et seq., and the Toxic Substances Control Act, 15 U.S.C. § 2601 et seq., all as amended from time to time, and any other federal, state, local or other governmental statute, regulation, rule, law or ordinance dealing with the protection of human health, safety, natural resources or the environment now existing or hereafter enacted.

“Hazardous Substance” or **“Hazardous Substances”** means any pollutant, contaminant, hazardous substance or waste, solid waste, petroleum product, distillate, or fraction, radioactive material, chemical known to cause cancer or reproductive toxicity, polychlorinated biphenyl or any other chemical, substance or material listed or identified in or regulated by any Environmental Law.

- 11. RELEASE.** Buyer, for itself, its directors, officers, stockholders, divisions, agents, affiliates, subsidiaries, predecessors, successors, and assigns and anyone acting on its behalf or their behalf hereby fully releases and forever discharges Seller from any and all Claims (including without limitation all Claims arising under any Environmental Law and all Claims arising at common law, in equity or under a federal, state or local statute, rule or regulation), past, present and future, known and unknown, existing and contingent, arising out of, resulting from, or relating to the condition of the Property, and Buyer hereby waives any and all causes of action (including without limitation any right of contribution) Buyer had, has or may have against Seller and anyone acting on its behalf with respect to the condition of the Property, whether arising at common law, in equity or under a federal, state or local statute, rule or regulation. The foregoing shall apply to any condition of the Property, known or unknown, contemplated or un contemplated, suspected or unsuspected, including without limitation the presence of any Hazardous Substance on the Property, whether such Hazardous Substance is located on or under the Property, or has migrated from or to the Property.
- 12. INDEMNITY.** Buyer agrees to indemnify, hold harmless and defend Seller or anyone acting on its behalf for, from and against any and all Claims (including without limitation all Claims arising under any Environmental Law and all Claims arising at common law, in equity or under a federal, state or local statute, rule or regulation) past, present and future, existing and contingent, known and unknown arising out of, resulting from, or relating to the condition of the Property. The foregoing shall apply to any condition of the Property, known or unknown, contemplated or un contemplated, suspected or unsuspected, including without limitation the presence of any Hazardous Substance on the Property, whether such Hazardous Substance is located on or under the Property, or has migrated from or to the Property, regardless of whether the foregoing condition of the Property was caused in whole or in part by the Seller’s actions or inactions.
- 13. NOTICES.** Notices permitted or required by this Agreement must be in writing and shall be deemed given when delivered in legible form to the party to whom addressed. Notices may be sent by certified mail, fax or e-mail. Notices are effective two business

days after they are mailed via certified mail, return receipt requested or, if delivered in any other manner, when the party to whom the notice is directed actually receives the notice. If delivered at the Closing, a notice shall be deemed given when hand-delivered to the party's representative at the Closing. The business addresses of the parties are as follows:

Seller: City Administrator
City of Ramsey
7550 Sunwood Drive N.W.
Ramsey, MN 55303

Buyer: Dennis Sharp
Maple Investments, LLC
500 Bunker Lake Boulevard
Anoka, Minnesota 55303

Notices not given in the manner or within the time limits set forth in this Agreement are of no effect and may be disregarded by the party to whom they are directed.

14. CLOSING. This transaction shall close on the date agreed to by Buyer and Seller, which shall be on a date no more than thirty (30) days after Buyer delivers a Notice of Suitability to Seller or on such earlier date as Seller and Buyer may establish by mutual, written agreement. The Closing shall take place at the offices of the Escrow Agent, or at some other place as the parties may mutually agree prior to such date. At the option of either Party, the executed closing documents, Purchase Price and closing costs may be deposited with the Escrow Agent and disbursed by the Escrow Agent pursuant to avoid the necessity for a Closing at which the Parties are present.

- a. Seller's Obligations at Closing. At Closing, Seller must deliver to Escrow Agent, for delivery to Buyer:
 - i. A warranty deed, duly executed and acknowledged on behalf of the City and with the City's seal affixed, conveying title to the Property, subject to (A) the lien of real estate taxes, if any, not yet due and payable; (B) Building, Subdivision and Zoning Ordinances; (C) Matters that would be disclosed by an accurate survey of the Property; and (D) matters that constitute Permitted Exceptions pursuant to Section 6;
 - ii. A certified copy of a duly adopted City Ordinance and Resolution authorizing Seller's sale of the Property to Buyer; and
 - iii. Seller's affidavits, well disclosure certificate (if required), settlement statement approved by Seller and Buyer, and any other documents required by the Escrow Agent.
- b. Buyer's Obligations at Closing. At Closing, Buyer must:

- i. Wire Transfer (or deliver a certified check in) an amount equal to the amount of the Purchase Price adjusted to reflect Buyer's prior payment of the Earnest Money and to reflect amounts Buyer must pay to or will receive from Escrow Agent for disbursement to Seller and others pursuant to this Agreement and the Settlement Statement; and
- ii. File or cause Escrow Agent to file an Electronic Certificate of Real Estate Value.

15. OPTION TO EXTEND. In the event Buyer requests a 60-day extension of the Inspection Period, and the extension is agreed to in writing by Seller, Buyer must deposit an additional \$5,000 Earnest Money with the Escrow Agent. Both the original Earnest Money, and the additional Earnest Money, is nonrefundable, and will comply with terms outlined in Section 4 of this Agreement. A total of two (2) 60-day extensions may be granted to the Buyer from the Seller.

a. Closing Costs.

- i. At Closing, the following Seller closing costs and expenses must be paid from the Purchaser Price or, if the Purchase Price is not sufficient, paid by Seller:
 1. Seller's portion of the prorated property taxes.
 2. Seller's own attorney's fees.
 3. One-half the cost of any closing fees.
 4. State deed tax.
 5. The cost of providing Title Commitment as prescribed in Section 6
 6. The cost of real estate broker commission fees as prescribed in Section 16.
- ii. At Closing Buyer must pay the Purchase Price to Seller and the following costs and expenses:
 1. Buyer's portion of prorated property taxes.
 2. Buyer's own attorney's fees.
 3. One-half the cost of any closing fees.
 4. Documentary and recording fees for the deed(s).
 5. The cost of the owner's title insurance policy if Buyer elects to purchase an Owner's title insurance policy.

b. Possession. Seller must deliver possession of the Property to Buyer at Closing.

16. REAL ESTATE BROKERS. Seller and Buyer represent and warrant to each other that they have dealt with no brokers, real estate agents, finders or the like in connection with this transaction. Seller and Buyer agree to indemnify each other and to hold each other harmless against all claims, damages, costs or expenses of or for any broker's fees or commissions resulting for their actions or agreements regarding the execution or performance of this Agreement, other than the fees payable to Seller's and Buyer's

Broker, and will pay all costs of defending any action or lawsuit brought to recover any such fees or commissions incurred by the other party, including reasonable attorney's fees.

17. ASSIGNMENT. This Agreement may not be assigned without the express written consent of the non-assigning Party. The Seller will not unreasonably withhold Buyer's ability to reassign this Agreement.

18. THIRD PARTY BENEFICIARY. There are no third party beneficiaries of this Agreement, intended or otherwise.

19. JOINT VENTURE. Seller and Buyer, by entering into this Agreement and completing the transactions described herein, shall not be considered joint ventures or partners.

20. CAPTIONS. The paragraph headings or captions appearing in this Agreement are for convenience only, are not a part of this Agreement, and are not to be considered in interpreting this Agreement.

21. ENTIRE AGREEMENT / MODIFICATION. This written Agreement, and the related Development Agreement, if any, constitutes the complete agreement between the parties and supersedes any prior oral or written agreements between the parties regarding the Property. There are no verbal agreements that change this Agreement and no waiver or modification of any of its terms will be effective unless in writing executed by the parties. In the event the terms of this Agreement conflict with the terms of the Development Agreement, the latter shall control.

22. BINDING EFFECT. This Agreement binds and benefits the Parties and their successors and assigns.

23. CONTROLLING LAW. This Agreement is made under the laws of the State of Minnesota and such laws will control its interpretation.

24. REMEDIES.

- a. If Buyer fails to perform any of the terms or conditions of this Agreement within the specified time limits, Seller may declare this Agreement terminated pursuant to Minnesota Statutes section 559.21. Seller's sole remedy in the event of Buyer's default is retention of the Earnest Money, unless Buyer defaults under Section 7 or 12 of this Agreement, in which case Seller may retain the Earnest money or suspend the performance of its obligations under this Agreement and commence an action in Anoka County District Court to recover its actual damages arising from the default.
- b. If Seller fails to perform any of the terms or conditions of this Agreement within the specified time limits, Buyer may, as its sole remedy, declare this Agreement terminated in which case Escrow Agent and, if applicable, Seller, shall refund the

Earnest Money (both the Initial Disbursement and the Remaining Earnest Money) to Buyer, or, in the alternative, Buyer may have this Agreement specifically enforced. Buyer waives all claims for consequential damages against Seller based on Seller's breach or alleged default hereunder.

- 25. WAIVER.** Failure of Seller or Buyer to insist upon the performance of any of the covenants, agreements and/or conditions of this Agreement or to exercise any right or privilege herein shall not be deemed a waiver of any such covenant, condition or right.
- 26. SURVIVAL OF TERMS AND CONDITIONS.** The terms and conditions of this Agreement shall survive and be in full force and effect after the delivery of the deed, and shall not be deemed to have merged therein.
- 27. SEVERABILITY.** Each provision of this Agreement shall apply to the extent permitted by applicable law and is intended to be severable. If any provision is illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the legality or validity of the remainder of the Agreement.
- 28. CONSTRUCTION.** The Parties acknowledge that this Agreement was initially prepared by Seller solely as a convenience and that all Parties and their counsel hereto have read and full negotiated all the language used in this Agreement. The Parties acknowledge that because all Parties and their counsel participated in negotiating and drafting this Agreement, no rule of construction shall apply to this Agreement to construe ambiguous or unclear language in favor of or against any Party.
- 29. DEVELOPMENT REQUIREMENTS & CONSTRUCTION DEADLINES.**
- a. If following conditions are not satisfied by the Buyer, a \$150,000 payment must be paid to the Seller immediately.
 - i. Buyer must obtain a certificate of occupancy from the City of Ramsey for the construction of an approximately 50,000 square foot building, by July 01, 2019.
 - b. The Buyer must supply the Seller an irrevocable letter of credit in the amount of \$150,000.
 - i. This letter of credit will remain in place until the Buyer obtains certificates of occupancy as outlined in Section 29 of this Agreement.
 - ii. The Seller shall immediately draw on this letter of credit in the event the Buyer defaults on Section 29(b) of this Agreement.
 - iii. This letter of credit shall be furnished and executed before Closing.
 - iv. This letter of credit shall meet City of Ramsey Finance Department standards, and must be approved by the Seller before Closing.
 - v. This letter of credit is separate from the letter of credit that will be required by the City of Ramsey through the city's standard platting and development agreement processes.

- 30. BUSINESS SUBSIDY ACT NOT APPLICABLE.** This Agreement does not constitute and formal business subsidy as defined by Minnesota Statutes, Sections 116J.993 to 116J.995. The land price determined in this Agreement is a result of negotiations, based on the conditions of the Property.
- 31. COUNTERPARTS; DIGITAL COPIES.** This Agreement may be executed in any number of counterparts and the signature pages of the separate counterparts combined into a single copy of this Agreement which will then constitute a fully executed version of this Agreement. A facsimile, .pdf file or digital copy of a signed counterpart or of an assemblage of counterparts of this Agreement shall be deemed to be an original thereof.
- 32. DEADLINE FOR REMOVAL OF CITY PROPERTY.** The City shall have until September 15, 2017 to remove: all bunker blocks located on the perimeter of the property (approximately 250+), approximately 100 tons of stock-piled boulders/ rocks, and approximately 500 tons of stock-piled con-bit (class 5).
- 33. IRS SECTION 1031 TAX-DEFERRED EXCHANGE.** The Seller herein acknowledges that it is the intention of the Buyer to complete an IRS Section 1031 Tax-Deferred Exchange and that the Buyer's rights under this Agreement shall be assigned to Commercial Partners Exchange Company, LLC, for the purpose of completing such exchange. Further, this Agreement may be assigned to an exchange accommodation title holder for the purpose of structuring build-to-suit construction exchange under Section 1031 according to Revenue Procedure 200-37. Seller agrees to cooperate with the Buyer and/or its assigns in a manner necessary to complete said exchange.

SELLER: The City of Ramsey, Minnesota

By: _____
Sarah Strommen, Mayor

Dated: _____ 2017

By: _____
Kurt Ulrich, City Administrator

BUYER: Maple Investments, LLC.

By: _____
Dennis Sharp, Registered Agent

Dated: _____, 2017