

## PURCHASE AGREEMENT

THIS PURCHASE AGREEMENT (the "Agreement") is made as of this 18th day of May, 2026, by and between AA Homes L.L.C., a Minnesota limited liability company (the "Seller"), and the Columbia Heights Economic Development Authority, a public body corporate and politic under the laws of the State of Minnesota (the "Buyer").

### RECITALS

The Seller is the owner of property located at: 4217 Central Ave NE, Columbia Heights, Anoka County, Minnesota (PID No. 36-30-24-23-0042), which is legally described in EXHIBIT A attached hereto (the "Property").

### AGREEMENT

**1. Offer/Acceptance for Sale of Property.** The Seller agrees to sell to the Buyer the Property and the Buyer agrees to purchase the same, according to the terms of this Agreement.

**2. Purchase Price for Property and Terms.**

- A. **PURCHASE PRICE:** The total purchase price for the Property is Two Hundred Twenty-Five Thousand and 00/100ths Dollars (\$225,000.00) (the "Purchase Price").
- B. **TERMS:**
- (1): **Earnest Money.** The sum of [One Thousand] Dollars (\$[1,000.00]) (the "Earnest Money") shall be paid by the Buyer to the Seller, receipt of which is hereby acknowledged by the Seller.
- (2): **Balance Due Seller.** The Buyer agrees to pay by check or electronic transfer of funds on the date of closing on the Property (the "Closing Date") any remaining balance of the Purchase Price due to the Seller according to the terms of this Agreement.
- (3): **Deed/Marketable Title.** Subject to performance by the Buyer, the Seller agrees to execute and deliver a Warranty Deed conveying marketable title to the Property to the Buyer, subject only to the following exceptions:
- (a) Building and zoning laws, ordinances, state, and federal regulations.
  - (b) Reservation of minerals or mineral rights to the State of Minnesota, if any.
  - (c) Public utility and drainage easements of record which will not interfere with the Buyer's intended use of the Property.
- (4): **Documents to Be Delivered at Closing by the Seller.** In addition to the Warranty Deed required at paragraph 2B(3) above, the Seller shall deliver to the Buyer:
- (a) Standard form Affidavit of Seller.

- (b) A “bring-down” certificate, certifying that all of the warranties made by the Seller in this Agreement remain true as of the Closing Date.
- (c) Certificate that the Seller is not a foreign national.
- (d) Well disclosure certification, if required, or, if there is no well on the Property, the Warranty Deed given pursuant to paragraph 2B(3) above must include the following statement: “The Seller certifies that the Seller does not know of any wells on the described real property.”

The Seller agrees to have all wells located on the Property, which are not in use, sealed by a licensed well contractor at the Seller’s expense prior to closing. If the circumstances prohibit locating and sealing wells prior to closing, the Seller agrees to escrow funds on the Closing Date for the purpose of locating and sealing wells.

- (e) Methamphetamine Disclosure Certificate.
- (f) Any other documents reasonably required by the Buyer’s title insurance company or attorney to evidence that title to the Property is marketable and that the Seller has complied with the terms of this Agreement.

**3. Contingencies.** The Buyer’s obligation to buy is contingent upon the following:

- (a) The Buyer’s determination of marketable title pursuant to paragraph 4 of this Agreement;
- (b) Approval of this Agreement by the Board of Commissioners of the Buyer.

The Buyer shall have until the Closing Date to remove the foregoing contingencies. The contingency at item (a) is solely for the benefit of the Buyer and may be waived by the Buyer. The contingency at item (b) may not be waived by either party. If the Buyer or its attorney gives written notice to the Seller that the contingencies at items (a) and (b) are duly satisfied or waived, the Buyer and the Seller shall proceed to close the transaction as contemplated herein.

If one or more of the Buyer’s or the Seller’s contingencies is not satisfied, or is not satisfied on time, and is not waived, this Agreement shall thereupon be void at the written option of the Buyer and the Seller shall return the Earnest Money to the Buyer, and the Buyer and the Seller shall execute and deliver to each other a termination of this Agreement. As a contingent Agreement, the termination of this Agreement is not required pursuant to Minn. Stat., Section 559.21, et. seq.

**4. Title Examination/Curing Title Defects.** As soon as reasonably possible after execution of this Agreement by both parties:

- (a) The Seller shall surrender any abstract of title, certificate of title, or a copy of any owner’s title insurance policy for the Property, if in the Seller’s possession or control, to the Buyer or to the Buyer’s designated title service provider; and
- (b) The Buyer shall obtain the title evidence determined necessary or desirable by the Buyer.

The Buyer shall have twenty (20) days from the date it receives such title evidence and a fully executed Agreement to raise in writing any objections to title it may have. Objections not made within

such time will be deemed waived. The Seller shall have thirty (30) days from the date of such objection to effect a cure; provided, however, that the Seller shall have no obligation to cure any objections, and may inform the Buyer in writing of such. The Buyer may then elect to close notwithstanding the uncured objections or declare this Agreement null and void, and the parties will thereby be released from any further obligation hereunder.

**5. Environmental Warranty.** The Seller warrants that the Property has not been used for production, storage, deposit, or disposal of any toxic or hazardous waste or substance, petroleum product, or asbestos product during the period of time the Seller has owned the Property. The Seller further warrants that the Seller has no knowledge or information of any fact which would indicate the Property was used for production, storage, deposit, or disposal of any toxic or hazardous waste or substance, petroleum product, or asbestos product prior to the date the Seller purchased the Property.

**6 Real Estate Taxes and Special Assessments.** Real estate taxes payable in the year of closing will be prorated between the Buyer and the Seller as of the Closing Date. The Seller shall pay all real estate taxes payable in previous years. The Seller agrees to pay all assessments levied or pending prior to the Closing Date (including, but not limited to, delinquent water or sewer bills, waste management fees, etc.), including those charges levied, pending, or certified to taxes payable in the year of closing. If closing occurs prior to the date the amount of real estate taxes due in the year of closing are available from Anoka County, the current year's taxes will be prorated based on the amount due in the prior year.

**7. Closing Date.** The Closing Date will be on or before June 30<sup>th</sup>, 2026. Delivery of all papers and the closing shall be made at the offices of Buyer, 3989 Central Avenue NE, Columbia Heights, Minnesota 55421, or at such other location as is mutually agreed upon by the parties. All deliveries and notices to the Buyer shall be made to the above address and marked to the attention of the Community Development Coordinator.

**8. Possession/Utilities/Removal of Property/Escrow.**

(a) **Possession.** The Seller agrees to deliver possession of the Property not later than the Closing Date.

(b) **Utilities.** City of Columbia Heights (the "City") water and sewer charges, electricity and natural gas charges, fuel oil and liquid petroleum gas shall be pro-rated between the parties as of the Closing Date. The Seller shall arrange for final readings as of the Closing Date.

(c) **Personal Property and Debris.** The Seller must remove all debris and personal property not included in this sale, including, but not limited to, all vehicles and debris located in the backyard and all furniture on the Property prior to closing. The Buyer may inspect the Property immediately prior to closing in order to ensure that removal of all debris and personal property has been completed.

**9. Seller's Warranties.** The Seller hereby represents and warrants to the Buyer as of the Closing Date that:

(a) **Title.** The Seller has good, indefeasible, and marketable fee simple title to the Property.

(b) **Condemnation.** There is no pending or, to the actual knowledge of the Seller, threatened condemnation or similar proceeding affecting the Property or any portion thereof, and the Seller has no actual knowledge that any such action is contemplated.

(c) **Defects.** The Seller is not aware of any latent or patent defects in the Property, such as sinkholes, weak soils, unrecorded easements, or restrictions.

(d) **Legal Compliance.** The Seller has complied with all applicable laws, ordinances, regulations, statutes, rules, and restrictions pertaining to and affecting the Property and the Seller shall continue to comply with such laws, ordinances, regulations, statutes, rules, and restrictions.

(e) **Legal Capacity.** The Seller has the legal capacity to enter into this Agreement. The Seller has not filed, voluntarily or involuntarily, for bankruptcy relief within the last year under the United States Bankruptcy Code, nor has any petition for bankruptcy or receivership been filed against the Seller within the last year.

(f) **Sewer and Water.** The Seller warrants that the Property is connected to City sewer and City water.

(g) **Mechanics' Liens.** The Seller warrants that, prior to the closing, the Seller shall pay in full all amounts due for labor, materials, machinery, fixtures, or tools furnished within the one hundred twenty (120) days immediately preceding the closing in connection with construction, alteration, or repair of any structure upon or improvement to the Property.

(h) **Legal Proceedings.** There are no legal actions, suits, or other legal or administrative proceedings, pending or threatened, that affect the Property or any portion thereof; and the Seller has no knowledge that any such action is presently contemplated.

(i) **Leases.** The Seller represents that there are no third parties in possession of the Property, or any part thereof; and that there are no other leases, oral or written affecting the Property or any part thereof.

(j) **Foreign Status.** The Seller is not "foreign persons" as such term is defined in the Internal Revenue Code of 1986.

(k) **Methamphetamine Production.** To the best of the Seller's knowledge, methamphetamine production has not occurred on the Property.

(l) **Refuse and Hazardous Materials.** The Seller has not performed and has no actual knowledge of any excavation, dumping, or burial of any refuse materials or debris of any nature whatsoever on the Property. To the Seller's best actual knowledge and belief, there are no "Hazardous Materials" (as hereinafter defined) on the Property that would subject the Buyer to any liability under either federal or state laws, including, but not limited to, the disposal of any foreign objects or materials upon or in the Property, lawful or otherwise. Without limiting the generality of the foregoing, the Seller represents and warrants to the Buyer that, to the Seller's best actual knowledge and belief:

- (1) The Property is not now and has never been used to generate, manufacture, refine, transport, treat, store, handle, dispose, transfer, produce, process, or in any manner deal with Hazardous Materials;
- (2) No Hazardous Materials have ever been installed, placed, or in any manner handled or dealt with on the Property;
- (3) There are no underground or aboveground storage tanks on the Property;

- (4) Neither the Seller nor any prior owner of the Property or any tenant, subtenant, occupant, prior tenant, prior subtenant, prior occupant, or person (collectively, "Occupant") have received any notice or advice from any governmental agency or any other Occupant with regard to Hazardous Materials on, from, or affecting the Property.

The term "Hazardous Materials" as used herein includes, without limitation, gasoline, petroleum products, explosives, radioactive materials, hazardous materials, hazardous wastes, hazardous or toxic substances, polychlorinated biphenyls or related or similar materials, asbestos or any material containing asbestos, or any other substance or material as may be defined as a hazardous or toxic substance by any federal, state, or local environmental law, ordinance, rule, or regulation including, without limitation, the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended (42 U.S.C. Section 9601, et seq.), the Hazardous Materials Transportation Act, as amended (42 U.S.C. Section 1801, et seq.), the Resource Conservation and Recovery Act, as amended (42 U.S.C. Section 1251, et seq.), the Clean Air Act, as amended (42 U.S.C. Section 7401, et seq.) and in the regulations adopted and publications promulgated pursuant thereto.

The Seller's representations and warranties set forth in this Section shall be continuing and are deemed to be material to the Buyer's execution of this Agreement and the Buyer's performance of its obligations hereunder. All such representations and warranties shall be true and correct on and as of the Closing Date with the same force and effect as if made at that time; and all of such representations and warranties shall survive the closing and any cancellation or termination of this Agreement, and shall not be affected by any investigation, verification or approval by any party hereto or by anyone on behalf of any party hereto. The Seller agrees to defend, indemnify, and hold the Buyer harmless for, from, and against any loss, costs, damages, expenses, obligations, and attorneys' fees incurred should an assertion, claim, demand, action, or cause of action be instituted, made, or taken, which is contrary to or inconsistent with the representations or warranties contained herein.

**10. Closing Costs/Recording Fees/Deed Tax.** The Buyer will pay: (a) title insurance premium costs; (b) the recording fee for the deed transferring title to the Buyer; (c) any transfer taxes, recording fees and Well Disclosure fees required to enable the Buyer to record its deed from the Seller under this Agreement; and (d) the closing fee charged by the title insurance or other closing agent, if any, utilized to close the transaction contemplated by this Agreement. The Seller will pay: (i) any transfer or deed taxes due and payable in the year of closing on and after the Closing Date; (ii) any fees and charges related to the filing of any instrument required to make title marketable; and (iii) the cost of the title insurance commitment and any title searches and examination fees. Each party shall pay its own attorneys' fees.

**11. Relocation Benefits; Indemnification.** The Seller acknowledges that the Seller is being displaced from the Property as a result of the transaction contemplated by this Purchase Agreement and that the Seller may be eligible for relocation assistance and benefits and that the Purchase Price includes compensation for any and all relocation assistance and benefits for which the Seller may be eligible and the Seller agrees to waive any and all further relocation assistance benefits. The provisions of this paragraph shall survive closing of the transaction contemplated by this Agreement.

**12. Risk of Loss.** If there is any loss or damage to the Property between the date hereof and the Closing Date, for any reason including fire, vandalism, flood, earthquake, or act of God, the risk of loss shall be on the Seller. If the Property is destroyed or substantially damaged before the Closing Date, this Agreement may become null and void, at the Buyer's option. At the request of the Buyer, the Seller agrees to sign a cancellation of this Agreement.

**13. Default/Remedies.** If the Buyer defaults in any of the covenants herein, the Seller may terminate this Agreement, and on such termination all payments made hereunder shall be retained by the Seller as liquidated damages, time being of the essence. This provision shall not deprive either party of the right to enforce specific performance of this Agreement, provided this Agreement has not terminated and action to enforce specific performance is commenced within six (6) months after such right of action arises. In the event the Buyer defaults in its performance of the terms of this Agreement and Notice of Cancellation is served upon Buyer pursuant to Minn. Stat. Section 559.21, the termination period shall be thirty (30) days as permitted by Minn. Stat., Section 559.21, subd. 4.

**14. Notice.** Any notice, demand, request, or other communication which may or shall be given or served by the parties, shall be deemed to have been given or served on the date the same is personally served upon one of the following indicated recipients for notices or is deposited in the United States Mail, registered or certified, return receipt requested, postage prepaid and addressed as follows:

SELLER: AA Homes L.L.C.  
Attn: Adam Hardy  
5430 Polaris Lane N  
Plymouth MN 55446

BUYER: Columbia Heights Economic Development Authority  
Attn: Executive Director  
3989 Central Avenue NE  
Columbia Heights, MN 55421

BUYER'S  
ATTORNEY: Kutak Rock LLP  
Attn: Sofia Lykke, Esq.  
60 South Sixth Street, Suite 3400  
Minneapolis, MN 55402

Notice may also be made by email or other electronic transmission provided that the recipient of such notice has acknowledged receipt. Any party may change its address for the service of notice by giving notice of such change in accordance with this paragraph.

**15. Entire Agreement.** This Agreement, including all exhibits, and other amendments signed by the parties, shall constitute the entire Agreement between the Seller and the Buyer, and supersedes any other written or oral agreements between the parties relating to the Property. This Agreement can be modified only in a writing properly signed by both the Seller and the Buyer.

**16. Commissions.** Both the Buyer and the Seller represent and warrant to the other that they have not entered into a contract with any real estate broker, finder, or other person entitled to a commission, finder's fee, or similar from the transaction contemplated by this Agreement. Each party agrees to indemnify, defend, and hold harmless the other party against any claim made by any broker, finder, or other person for a commission or fee based on alleged acts or agreements with the indemnifying party.

**17. Controlling Law.** This Agreement has been made under the substantive laws of the State of Minnesota, and such laws shall control its interpretation.

**18. Survival.** Notwithstanding any other provisions of law or court decision to the contrary, the provisions of this Agreement shall survive closing.

**19. Counterparts.** This Agreement may be executed in any number of counterparts, each of which will, for all purposes, be deemed to be an original, and all of which are identical. This Agreement may be further evidenced by electronic signature pages.

**20. Binding Effect.** This Agreement binds and benefits the parties and their heirs, successors and assigns.

(The remainder of this page is intentionally left blank.)

IN WITNESS WHEREOF, the undersigned have executed this Purchase Agreement as of the date and year first written above.

**SELLER:**


AA Homes L.L.C., a Minnesota limited liability company

By:   
Adam Hardy  
Its: Chief manager

**BUYER:**

Columbia Heights Economic Development Authority

By:   
Its: President

By:   
Its: Executive Director

**EXHIBIT A**

**LEGAL DESCRIPTION OF THE PROPERTY**

RESERVOIR HILLS, COLUMBIA HEIGHTS, ANOKA COUNTY, MINNESOTA LOT 29, BLK 3, RESERVOIR HILLS, according to the plat on file in the Office of the Registrar of Titles of Anoka County, State of Minnesota.