PURCHASE AGREEMENT

THIS PURCHASE AGREEMENT ("**Agreement**") is made as of __________, 2026 ("**Effective Date**"), between Southern Anoka Community Assistance, Inc., a Minnesota non-profit corporation ("**Seller**"), and the City of Columbia Heights, a public body corporate and politic, their successors or assigns ("**Buyer**").

RECITALS

WHEREAS, Seller owns certain real property in Anoka County, Minnesota located at 627 38th Avenue NE in the City of Columbia Heights, as more particularly described upon Exhibit A attached hereto and made a part hereof (the "**Land**");

WHEREAS, Buyer and Seller are parties to that certain Land Lease Agreement dated May 24, 1999, and filed with the Anoka County Registrar of Titles on September 15, 1999 as Document No. 341659.0 (the "**Land Lease**") pertaining to the Land, pursuant to which Seller, as tenant, leases the Land from Buyer, as landlord, for Seller's use and location upon the Land of the existing building, related improvements, and certain personal property and fixtures owned by Seller and situated thereon pursuant to the terms of the Land Lease (the "**Property**");

WHEREAS, Buyer desires to purchase from Seller and Seller desires to sell to Buyer the Property, and Buyer and Seller desire to cause termination of the Land Lease contemporaneously with closing of such purchase and sale transaction, on the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the foregoing Recitals, which are incorporated as though fully set forth herein, the terms and conditions of this Agreement, and other good and valuable consideration, the sufficiency of which is hereby acknowledged, Seller and Buyer agree as follows:

1. Sale of Property. Seller agrees to sell to Buyer, and Buyer agrees to buy from Seller, the Property, in its "as is, where is" condition as of the Closing Date, as that term is defined below, subject to reasonable wear, tear, and casualty as set forth herein.

2. Purchase Price and Manner of Payment. The total purchase price ("**Purchase Price**") to be paid by Buyer for the Property shall be SIX HUNDRED NINETY THOUSAND and No/100 Dollars ($690,000.00). The Purchase Price shall be paid as follows:

   2.1 Cash at Closing. The sum of One Hundred Seventy-Two Thousand Five Hundred and No/100 Dollars ($172,500.00) at Closing, as that term is defined below, by wire transfer of immediately available funds.

   2.2 Secured Promissory Note. The balance of Five Hundred Seventeen Thousand Five Hundred and No/100 Dollars ($517,500.00) pursuant to a secured Promissory Note executed and delivered by Buyer in favor of Seller on or before the Closing Date (the "**Promissory Note**"), which Promissory Note shall be payable by Buyer in three (3) installments of principal in the amounts set forth below, plus interest, according to the following schedule:

December 1, 2026	$172,500.00
June 1, 2027	$172,500.00
December 1, 2027	$172,500.00

The Promissory Note shall (a) bear interest at a fixed annual rate of seven and one-half percent (7.25%); (b) contain a late payment penalty and default interest rate as set forth therein, and an acceleration clause providing that, upon an event of default by Buyer thereunder, Seller may declare the entire unpaid principal balance, together with all accrued interest, immediately due and payable; and (c) be secured by a Mortgage against the Land and Property in favor of Seller in the form of Minnesota Uniform Conveyancing Blank Form 20.1.2 (the "**Seller Mortgage**").

3. Contingencies.

3.1 The obligations of Buyer under this Agreement are contingent upon the following:

3.1.1 Seller shall convey good and marketable title to the Property to Buyer as of the Closing Date subject to those matters set forth on Anoka County Certificate of Title No. 38322 except as otherwise provided in this Agreement, together with matters caused, created, or suffered by Buyer or otherwise disclosed by a survey or visual inspection of the Property (collectively, the "**Permitted Encumbrances**"). Notwithstanding anything to the contrary in this Agreement, the Permitted Encumbrances shall include that certain: (a) Mortgage dated June 8, 2023 and given by Seller, as mortgagor, to secure the Property in favor of Northeast Bank, as mortgagee, filed with the Anoka County Registrar of Titles on June 13, 2023 as Document No. 610455.001 (the "**Existing Mortgage**"); and (b) Assignment of Rents dated June 8, 2023 and given by Seller, as assignor, to secure the Property in favor of Northeast Bank, as assignee, filed with the Anoka County Registrar of Titles on June 13, 2023 as Document No. 610455.002 (the "**Existing ALR**", and together with the Existing Mortgage and any replacements of either, the "**Northeast Bank Mortgage**").

3.1.2 Buyer is satisfied with each of the following items ("**Inspection Items**"), which Seller shall cause to be delivered to Buyer promptly following the Effective Date:

(a) True, correct and complete copies of all contracts, operation and maintenance files, manuals, warranties, guarantees, permits and licenses held by Seller or to which Seller is a party relating to the Property.

(b) True, correct and complete copies of any of the following items which Seller has in its actual possession or direct control: building permits for the Property, certificates of occupancy issued for the Property, conditional or special use permits issued for the Property, records of maintenance and repairs of the Property and utility costs for the Property for the one year (1) year period preceding the Effective Date, any outstanding notices of code or law violations at the Property which have not been cured, surveys and site plans for the Property, plans and specifications for the Property, unexpired warranties and guarantees covering any portion of the Property, operating manuals for any fixtures and equipment included in the Property, any reports of structural, roof or mechanical inspection or testing of the Property, and any environmental site assessments or reports relating to the Property or any part thereof.

Seller represents and warrants that it does not have knowledge of any material misstatement or inaccuracy in any Inspection Items

3.1.2 Seller shall have kept, performed and observed each and every covenant, agreement and obligation on its part to be kept, performed and observed by Seller hereunder, and all of Seller's representations and warranties made herein shall be true and correct in all material respects on the Effective Date and as of the Closing Date.

3.2 The obligations of Seller under this Agreement are contingent upon the following:

3.2.1 The Seller Mortgage shall constitute a valid mortgage lien and security interest conveyed by Buyer and securing the Land in favor of Seller for payment of principal and interest and other amounts due under the Promissory Note and the performance and observance by the Buyer of all of the covenants, agreements, representations, warranties and conditions contained in the Promissory Note, Mortgage, and herein, subject only to the Permitted Encumbrances.

3.2.2 Buyer shall have consented to the Northeast Bank Mortgage as a Permitted Encumbrance against the Property and Land, in form reasonably satisfactory to Seller and Northeast Bank which Buyer shall upon request execute and deliver at Closing.

3.2.3 Northeast Bank shall have consented to the Seller Mortgage as a subordinate lien to the Northeast Bank Mortgage, in form and manner reasonably acceptable to Seller.

3.2.4 Buyer shall have kept, performed and observed each and every covenant, agreement and obligation on its part to be kept, performed and observed by Buyer hereunder, and all of Buyer's representations and warranties made herein shall be true and correct in all material respects on the Effective Date and as of the Closing Date.

4. Closing. The closing of the purchase and sale contemplated by this Agreement (the "**Closing**") shall occur on or before July 1, 2026, or such earlier date as the parties shall mutually agree (the "**Closing Date**"). The Closing shall take place in escrow at the offices of First American Title Insurance Company in Minneapolis, MN (the "**Title Company**"), at a specific time to be determined or another location agreed to by Seller and Buyer. Seller agrees to deliver possession of the Property to Buyer contemporaneously with the Closing.

4.1 Seller's Closing Documents. Seller shall cause to be executed and delivered into Closing the following (collectively, "**Seller's Closing Documents**"), all in form and content reasonably satisfactory to Buyer:

4.1.1. Bill of Sale. A Bill of Sale conveying Seller's interests in the Property to Buyer, free and clear of all encumbrances except the Permitted Encumbrances.

4.1.3 Land Lease Termination Agreement. Seller's signed counterpart of a recordable form of Lease Termination Agreement terminating the Land Lease as of the Closing Date (the "**Lease Termination**").

4.1.4 FIRPTA Affidavit. A non-foreign affidavit, properly executed, containing such information as is required by Internal Revenue Code Section 1445(b)(2) and its regulations.

4.1.5 Title Affidavit. A title affidavit in form and substance acceptable to Buyer and the Title Company, to the extent requested.

4.1.6 Other Documents. A Settlement Statement and all other documents reasonably determined by Seller or Title Company to be necessary to transfer the Property to Buyer free and clear of all encumbrances, except for Permitted Encumbrances.

4.2 Buyer's Closing Documents. Buyer shall cause to be executed and delivered into Closing the following (collectively, "**Buyer's Closing Documents**"), all in form and content reasonably satisfactory to Seller:

4.2.1 Promissory Note. The Promissory Note as described above.

4.2.2 Seller Mortgage. The Seller Mortgage as described above.

4.2.3 Consent to Northeast Bank Mortgage, on Northeast Bank's customary form, if requested by Seller.

4.2.4 Land Lease Termination. Buyer's signed counterpart of the Lease Termination.

4.2.5 Title Affidavit. A borrower's title affidavit in form and substance acceptable to Seller and the Title Company to permit the deletion of the so-called "standard" exceptions from any loan policy of title insurance obtained by Seller to insure the lien of the Seller Mortgage in the amount of the Promissory Note against the Land and Property.

4.2.6 Other Documents. All other documents reasonably determined by Seller or Title Company to be necessary to transfer the Property to Buyer.

5. Prorations. Subject to the following provisions of this Section 5 and except as otherwise provided for herein to the contrary operating expenses, if any, affecting the Property shall be prorated as of midnight on the day of the Closing Date. For purposes of calculating prorations, Buyer shall be deemed to be in title to the Property, and therefore entitled to the income and responsible for the expenses, for the entire day upon which the Closing occurs. Seller and Buyer agree to the following prorations and allocation of costs regarding this Agreement:

5.1 Title Insurance and Closing Fee. Buyer will pay all premiums required for the issuance of a loan policy of title insurance with respect to the Seller Mortgage. Seller and Buyer will each pay one-half of any closing fee or charge imposed by the Title Company.

5.2 Transfer Taxes. Seller shall pay all transfer taxes payable in connection with conveyance of the Property and the cost of filing the Lease Termination. Buyer shall pay all taxes and fees payable in connection with the Seller Mortgage, including without limitation mortgage registry tax and filing fees incurred in connection with said Seller Mortgage.

5.3 Operating Expenses. All utility service charges for electricity, heat and air conditioning service, other utilities, common area maintenance, taxes (other than real estate taxes and income taxes) such as rental taxes, and other expenses affecting the Property which are payable by Seller and any other costs incurred in the ordinary course of business or the management and operation of the Property shall be prorated as of the Closing Date. Seller shall pay all such expenses that accrue prior to the Closing Date and Buyer shall pay all such expenses accruing on the Closing Date and thereafter.

5.4 Method of Proration. Title Company shall prepare a final schedule of prorations prior to the Closing Date with respect to the Property, which prorations shall be final (except as otherwise provided for herein). Such prorations shall be paid by Buyer to Seller (if the prorations result in a net credit to the Seller) or by Seller to Buyer (if the prorations result in a net credit to the Buyer) by increasing or reducing the cash to be paid by Buyer at the Closing Date.

5.5 Other Costs. All other operating costs of the Property shall be allocated between Seller and Buyer as of the Closing Date, so that Seller pays that part of operating costs relating to the period before the Closing Date, and Buyer pays that part of operating costs relating to the period from and after the Closing Date, or subject to proration custom for commercial real estate transactions in the greater Minneapolis/ St. Paul, MN metropolitan area. Buyer shall pay its own inspection and diligence costs incurred except for Title Evidence expenses referenced below, which shall be paid by Seller.

5.6 Attorney's Fees. Each of the parties will pay its own attorney's fees.

6. Title Examination. Title examination will be conducted as follows:

6.1 Seller's Title Evidence. Seller shall, promptly after the Effective Date, cause to be delivered to Buyer a current commitment for an ALTA Owner’s Policy of Title Insurance insuring title to the Property (the “**Commitment**”), to be issued by the Title Company, together with copies of the recorded documents shown as exceptions therein (together with the Commitment, collectively the “**Title Evidence**”).

6.2 Buyer's Objections. Within five (5) business days after receiving the Commitment, Buyer will notify Seller of any objections to the form and/or contents of the Title Evidence not otherwise constituting Permitted Encumbrances as provided in this Agreement (“**Objections**”). Buyer's failure to make Objections within such time period will constitute waiver of any Objections. Any matter shown on such Title Evidence and not objected to by Buyer shall be a Permitted Encumbrance hereunder.

If Buyer fails to waive the Objections after the expiration of such 5-business day period, it shall be deemed to have elected to waive the Objection.

7. Operation Prior to Closing. During the period from the date of this Agreement to the Closing Date (the "**Executory Period**"), Seller shall maintain the Property in the ordinary course of business in accordance with prudent, reasonable business standards, including the maintenance of adequate liability insurance and insurance against loss by fire, windstorm and other hazards, casualties and contingencies, including vandalism and malicious mischief.

8. Representations.

8.1 Seller represents to Buyer as follows:

8.1.1 Existence; Authority. Seller is duly organized, qualified and in good standing, and has the requisite power and authority to enter into and perform this Agreement and Seller's Closing Documents; such documents have been duly authorized by all necessary action; and such documents are or will be valid and binding obligations of Seller, enforceable in accordance with their terms.

8.1.2 Operations. Seller has received no notice of actual or threatened cancellation or suspension of any utility services or certificate of occupancy for any portion of the Property.

8.1.3 FIRPTA. Seller is not a "foreign person", "foreign partnership", "foreign trust" or "foreign estate", as those terms are defined in Section 1445 of the Internal Revenue Code.

8.1.4 Proceedings. There is no action, litigation, investigation, condemnation or proceeding of any kind pending or, to the best knowledge of Seller, without any special investigation, threatened against Seller with respect to the Property.

8.1.5 Wells. The Seller certifies and warrants that, except as otherwise disclosed in any Well Disclosure Statement that is attached hereto, the Seller does not know of any "Wells" on the Property within the meaning of Minn. Stats. Chapter 103I. This representation is intended to satisfy the requirements of that statute.

8.1.6 Sewage Disposal. To Seller's knowledge, if sewage is generated at the Property, it goes to a facility permitted by the Minnesota Pollution Control Agency, unless an Individual Sewage Treatment System Disclosure Statement is attached hereto. Except as otherwise disclosed in any such attached Individual Sewage Treatment System Disclosure Statement, the Seller has no knowledge, without any special investigation, that any abandoned individual sewage treatment system exists on the Property.

8.1.7 Methamphetamine. To Seller's knowledge, without any special investigation, no methamphetamine has been manufactured on the Property.

8.2 Buyer represents to Seller as follows:

8.2.1 Existence; Authority. Buyer is duly organized, qualified and in good standing, and has the requisite power and authority to enter into and perform this Agreement and Buyer's Closing Documents; such documents have been duly authorized by all necessary action; and such documents are or will be valid and binding obligations of Buyer, enforceable in accordance with their terms.

8.2.2 Operations. Buyer has received no notice of actual or threatened cancellation or suspension of any utility services or certificate of occupancy for any portion of the Property or Land.

8.2.3 Proceedings. There is no action, litigation, investigation, condemnation or proceeding of any kind pending or, to the best knowledge of Buyer, without any special investigation, threatened against Buyer with respect to the Property or Land.

8.2.5 Wells. The Buyer certifies and warrants that, except as otherwise disclosed in any Well Disclosure Statement that is attached hereto, the Buyer does not know of any "Wells" on the Land within the meaning of Minn. Stats. Chapter 103I. This representation is intended to satisfy the requirements of that statute.

8.2.6 Sewage Disposal. To Buyer's knowledge, if sewage is generated at the Property, it goes to a facility permitted by the Minnesota Pollution Control Agency, unless an Individual Sewage Treatment System Disclosure Statement is attached hereto. Except as otherwise disclosed in any such attached Individual Sewage Treatment System Disclosure Statement, the Buyer has no knowledge, without any special investigation, that any abandoned individual sewage treatment system exists on the Land.

8.2.7 Methamphetamine. To Buyer's knowledge, without any special investigation, no methamphetamine has been manufactured on the Property.

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 above representations and warranties for a period of six (6) months following the Closing Date; provided, however, that if Buyer closes the transaction contemplated hereby and Buyer had actual knowledge prior to the Closing Date of such inaccuracy, breach, or change in circumstances, then Seller shall have no liability to Buyer following the Closing Date, as to the specific representation and/or warranty that was inaccurate or that Seller had breached. Wherever herein a representation is made "to the best knowledge of Seller", such representation is limited to the actual knowledge of the 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 any 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. Except only for Seller's representations and warranties set forth in this Agreement, the Buyer hereby waives, and Seller hereby disclaims, all warranties of any type or kind whatsoever with respect to the Property, whether express or implied, direct or indirect, oral or written, including by way of description, but not limitation, those of habitability, fitness for a particular purpose, and use. Without limiting the generality of the foregoing, Buyer expressly acknowledges that, except as otherwise stated in the preceding sentence, Seller makes no representations or warranties concerning, and hereby expressly disclaims any representations or warranties concerning: (i) the value, nature, quality or condition of the Property; (ii) any restrictions relating to the development of the Property; (iii) the applicability of any governmental requirements; (iv) the habitability or suitability of the Property for any purpose whatsoever; (v) the presence in, on, under or above the Property of any Hazardous Materials or any other condition of the Property which is actionable under any Environmental Law; or (vi) compliance of the Property or any operation thereon with the laws, rules, regulations or ordinances of any applicable governmental body. The provisions of this paragraph shall survive termination of this Agreement and the delivery of the Bill of Sale to the Buyer.

9. Casualty; Condemnation. If all or any part of the Property is substantially damaged by fire, casualty, the elements or any other cause, the parties shall proceed to Closing, and the Seller shall assign to Buyer all rights to insurance proceeds resulting from such event.

10. Broker's Commission. Seller and Buyer represent to each other that they have dealt with no brokers, finders or the like in connection with this transaction, and agree to indemnify and hold each other harmless from all claims, damages, costs or expenses of or for any other such brokerage fees or commissions resulting from their actions or agreements regarding the execution or performance of this Agreement, 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 attorneys' fees.

11. Notices. Any notice required or permitted hereunder shall be given by personal delivery upon an authorized representative of a party hereto; or if mailed in a sealed wrapper by United States registered or certified mail, return receipt requested, postage prepaid; or if deposited cost paid with a nationally recognized, reputable overnight courier, properly addressed as follows, or by electronic mail, return receipt requested:

If to Buyer: City of Columbia Heights
____
____
Attn: ______________________
Email: _____________________

With copy to: ____________________________
____
____
Attn: ______________________
Email: _____________________

If to Seller: Southern Anoka Community Assistance, Inc.
3905 California Street NE
Columbia Heights, MN 55421
Attn: Ben Harris
E-mail: ben@sharpcreative.com

With copy to: Fredrikson & Byron, P.A.
60 South Sixth St, Suite 1500
Minneapolis, MN 55402
Attn: Kristin Blenkush
Email: kblenkush@fredlaw.com

Notices shall be deemed effective on date of receipt, the date of mailing or courier deposit as aforesaid; provided, however, that if notice is given by mailing, the time for response to any notice by the other party shall commence to run one (1) business day after any such mailing. Any party may change its address by giving notice of such change at least ten (10) days prior to the effective date of such change.

12. Captions; Choice of Law; Etc. 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. There are no verbal agreements that change this Agreement. This Agreement binds and benefits the parties hereto and their successors and assigns. This Agreement has been made under the laws of the state where the Property is located, and such laws will control its interpretation.

13. Remedies. If either Buyer or Seller defaults, the defaulting party shall have seven (7) days after receiving the non-defaulting party's written notice to cure the default. If the defaulting party fails to cure within such period (or such longer period as this Agreement expressly allows), the non-defaulting party may pursue any remedies available at law or in equity to enforce the terms of this Agreement.

14. Miscellaneous Provisions.

14.1 Waiver of Trial by Jury. To the extent permitted by law, Seller and Buyer each acknowledge that it is aware of and had the advice of counsel of its choice with respect to any rights to trial by jury, and, to the extent permitted by law, each party does hereby expressly and knowingly waive and release all such rights to trial by jury in any action, proceeding or counterclaim brought by either party hereto against the other (and/or against its officers, directors, employees, agents or subsidiary or affiliated entities) on any matters whatsoever arising out of or in any way connected with this agreement, Buyer's use or occupancy of the Property, and/or any claim of injury or damage relating thereto.

14.2 Time of the Essence. Time is of the essence of each and every term, condition, obligation and provision hereof.

14.3 Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which, together, shall constitute one and the same instrument.

14.4 No Obligations to Third Parties. Except as otherwise expressly provided herein, the execution and delivery of this Agreement shall not be deemed to confer any rights upon, nor obligate any of the parties thereto, to any person or entity other than the parties hereto.

14.5 Exhibits. The Exhibits attached hereto are hereby incorporated by reference.

14.6 Amendment. The terms of this Agreement may not be modified or amended except by an instrument in writing executed by each of the parties hereto.

14.7 Partial Invalidity. If any portion of this Agreement shall be adjudged by a court to be void or unenforceable, such portion shall be deemed severed from this Agreement and shall in no way affect the validity or enforceability of the remaining portions of this Agreement, so long as the transaction contemplated hereby may be consummated in accordance with the surviving provisions.

14.8 Time References. Any references in this Agreement to time for performance of obligations or elapsed time shall mean consecutive calendar days, months, or years, as applicable, unless otherwise explicitly indicated herein. In the event that the day on which Buyer or Seller is required to take any action under the terms of this Agreement is not a business day, such action shall be taken on the next succeeding business day. For purposes of this Agreement the term "**business day**" shall mean all calendar days except for Saturdays, Sundays and nationally observed holidays.

14.9 Costs; Attorneys' Fees. The prevailing party in any litigation, arbitration, or mediation ("**Proceeding**") relating to the enforcement or interpretation of this Agreement may recover from the unsuccessful party all costs, expenses, and actual attorneys' fees (including, without limitation, expert witness and other consultants' fees and costs) relating to or arising out of (i) the Proceeding (whether or not the Proceeding proceeds to judgment), and (ii) any post-judgment or post-award proceeding including, without limitation, one to enforce or collect any judgment or award resulting from the Proceeding. All such judgments and awards shall contain a specific provision for the recovery of all such subsequently incurred costs, expenses, and actual attorneys' fees.

14.10 Entire Agreement. This Agreement contains the entire agreement between the parties with respect to the subject matter of this Agreement, is a complete and exclusive statement of the terms of such agreement, and supersedes all prior understandings, agreements, representations and warranties, if any, with respect to such subject matter.

14.11 Electronic Signatures. In order to expedite the transaction contemplated herein, signatures sent by .pdf via e-mail may be used in place of original signatures on this Agreement or any other document or agreement in this transaction, other than those to be recorded in the public records. Seller and Buyer intend to be bound by the signatures on each .pdf document, are aware that the other party will rely on the .pdf signatures, and hereby waive any defenses to the enforcement of the terms of this Agreement or any other such document based on the form of signature. In the event .pdf signatures are used in any instance, ink-signed originals of such document shall also promptly be exchanged by the parties.

[*Remainder of page intentionally left blank; signature page to follow*.]

IN WITNESS WHEREOF, the undersigned have caused this Agreement to be executed as of the Effective Date set forth above.

SELLER:

SOUTHERN ANOKA COMMUNITY ASSISTANCE, INC.,
a Minnesota non-profit corporation

By ________________________________

Its: ___________________________

BUYER:

CITY OF COLUMBIA HEIGHTS,
a public body corporate and politic

By: _____________________________ _______

Its: ___________________________

EXHIBIT A

<u>Description of the Land</u>

Street Address: 627 38th Avenue NE
Columbia Heights, MN 55

Legal Description:

Lots 40, 41, 42, and 43 including half the vacated alley lying adjacent thereto, Block 84, Columbia Heights Annex to Minneapolis, Anoka County, Minnesota.

Torrens Property, Anoka County Certificate of Title No. 38322