

PURCHASE AGREEMENT

THIS AGREEMENT is made as of November 5, 2015, between the Blaine Economic Development Authority, a political subdivision under the laws of the State of Minnesota ("Seller") and Aspen Gardens Holdings, LLC or assigns ("Buyer").

In consideration of this Agreement, Seller and Buyer agree as follows:

1. Sale of Property. Seller agrees to sell to Buyer, and Buyer agrees to buy from Seller, the following property (collectively the "Property").

(a) Real Property. The real property and fixtures located in Anoka County, Minnesota described on the attached Exhibit A ("Land"), together with all easements and rights benefiting or appurtenant to the Land (collectively the "Real Property").

2. Purchase Price and Manner of Payment. The total purchase price ("Purchase Price") to be paid by Buyer to Seller for the Property shall be Two Hundred Ninety Five Thousand, Nine Hundred(\$295,900.00) Dollars, which Purchase Price shall be payable as follows:

- (a) Earnest Money of \$4,000.00, receipt of which is hereby acknowledged.
- (b) \$291,900.00 by certified funds or the equivalent on or before (the "Closing Date").

3. Closing. The closing of the purchase and sale contemplated by this Agreement (the "Closing") shall occur on or before January 4, 2016 (the "Closing Date"). This agreement and transaction is contingent upon Seller obtaining title to the Property prior to or as of the closing date. The closing shall take place at the office of the Title Company that provides the Title Commitment, or at such other place as may be agreed to. Seller agrees to deliver possession of the Property to Buyer on the Closing Date.

- (a) Seller's Closing Documents. On the Closing Date, Seller shall execute and/or deliver to Buyer the following (collectively "Seller's Closing Documents"):

- (1) Deed. A Quit Claim Deed, in form reasonably satisfactory to Buyer, conveying the Real Property to Buyer, free and clear of all encumbrances, except the Permitted Encumbrances hereafter defined, and except for any restrictions, conditions or rights of reversion which may be required by Minnesota law as to the sale of the Property.
 - (2) Seller's Affidavit. An Affidavit of Title by Seller indicating that on the Closing Date there are no outstanding, unsatisfied judgments, tax liens or bankruptcies against or involving Seller or the Real Property; that there has been no skill, labor or material furnished to the Real Property for which payment has not been made or for which mechanics' liens could be filed; and that there are no other unrecorded interests in the Real Property, together with whatever standard owner's affidavit and/or indemnity which may be required by Title to issue an Owner's Policy of Title Insurance with the standard exceptions waived.
 - (3) Well Certificate. A Certificate signed by Seller warranting that to the best of Sellers knowledge there are no "Wells" on the Property, or if there are "Wells", a Well Certificate in the form required by law.
- (b) Buyer's Closing Documents. On the Closing Date, Buyer will execute and/or deliver to Seller the following (collectively "Buyer's Closing Documents"):
- (1) Purchase Price. The Purchase Price by Buyer's certified funds or the equivalent.
 - (2) Title Documents. Such affidavits of Purchaser, Certificate of Real Estate Value or other documents as may be reasonably required by Title in order to record the Seller's Closing Documents.

4. Prorations. Seller and Buyer agree to the following prorations and allocation of costs regarding this Agreement:

- (a) Title Insurance and Closing Fee. Buyer will pay all costs of Title Evidence, and the fees charged by Title for any escrow regarding Buyer's Objections. Buyer

will pay all premiums required for the issuance of an ALTA Owner's Title Insurance Policy, Buyer will pay the closing fee or charge imposed by any closing agent.

- (b) Deed Tax. Buyer shall pay all state deed tax regarding the Quit Claim Deed to be delivered by Seller under this Agreement.
- (c) Real Estate Taxes and Special Assessments. Seller will pay or will arrange for removal, on or before the Closing Date, all special assessments levied, pending or constituting a lien against the Real Property as of the Closing Date including without limitation any installments of special assessments including interest payable with general real estate taxes in the year of Closing. General real estate taxes and installments of special assessments payable in all years prior to the year of Closing will be paid or removed by Seller. General real estate taxes payable in the year of Closing shall be prorated by Seller and Buyer as of the Closing Date based upon a calendar year. Seller shall pay or will arrange for removal of all deferred real estate taxes or special assessments which may become payable as a result of the sale contemplated hereby.
- (d) Recording Costs. Buyer will pay the costs of recording all documents necessary to place record title in the condition warranted in this Agreement.
- (e) Attorney's Fees. The Buyer agrees to pay Seller's reasonable attorney's fees incurred in this transaction (including any attorney's fees incurred by Seller in the Seller's purchase of the Property from Anoka County) in an amount not to exceed \$5,000. A party defaulting under this Agreement or any closing document will pay the reasonable attorney's fees and court costs incurred by the nondefaulting party to enforce its rights regarding such default.
- (f) Closing Costs from the Real Estate Transaction between the Blaine EDA and Anoka County. Buyer agrees to reimburse any closing costs (excluding any attorney's fees included in Section 4(e)above) incurred by the Blaine EDA in the real estate transaction between the Blaine EDA and Anoka County as shown in Exhibit C. Said costs will be verified by the title company and shown on the Closing Statement.

5. Title Examination. Title Examination will be conducted as follows:

(a) Buyer's Title Evidence. Buyer shall within thirty (30) days after the date of this Agreement, obtain the following (collectively the "Title Evidence"):

(1) Title Evidence. Buyer shall, at its cost, obtain a Commitment for an ALTA Owner's Policy of Title Insurance insuring title to the Real Property, in the amount of the Purchase Price.

(b) Buyer's Objections. Within fifteen (15) days after receiving the Title Evidence, Buyer may make written objections ("Objections") to the form and/or contents of the Title Evidence. If Buyer makes Objections and said Objections are not cured within fifteen (15) days, Buyer will have the option to do any of the following:

(1) Terminate this Agreement.

(2) Waive the Objections and proceed to close.

6. Representations and Warranties by Seller. Seller represents and warrants to Buyer as follows:

(a) Authority. Seller represents that it is a political subdivision duly organized and is in good standing under the laws of the State of Minnesota; Seller is duly qualified to transact business in the State of Minnesota; Seller has the requisite power and authority to enter into and perform this Agreement and those Seller's Closing Documents signed by it; such documents have been duly authorized by all necessary action on the part of Seller and have been duly executed and delivered; such execution, delivery and performance by Seller of such documents does not conflict with or result in a violation of Seller's Charter, Minnesota Statute, or any judgment, order, or decree of any court or arbiter to which Seller is a party; such documents are valid and binding obligations of Seller, and are enforceable in accordance with their terms.

(b) Title to Property. Seller will own the Property, free and clear of all encumbrances except the Permitted Encumbrances identified on Exhibit B attached hereto (the "Permitted Encumbrances").

7. Buyer Contingencies. Buyer's obligation to perform this Agreement is contingent upon the Buyer obtaining or waiving, at its sole discretion, the following on or before the Closing Date:

(1) Securing such governmental approvals (rezoning, conditional use permit, comprehensive zoning plan, and preliminary plat, etc.).

(2) Acceptable ingress and egress to the Property.

(3) Neither the soil tests, nor the Phase 1 environmental report, survey, or other tests or information (market studies, etc.), indicate the Property is unsuitable for Buyer's intended use.

(4) Obtaining financing on such terms as Purchaser, in its sole discretion, deems necessary.

In the event the above contingencies are not met or waived on or before Closing, the Buyer may, in its sole discretion, upon written notice to Seller, declare the purchase agreement null and void and all earnest money shall be refunded. In the event such notice is not given by the Buyer, the contingencies shall be deemed waived.

7. Broker's Commission. Seller and Buyer represent and warrant to each other that they have dealt with no brokers, finders or the like in connection with this transaction, and agree to indemnify each other and to hold each other harmless against all claims, damages, costs or expenses of or for any other such 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 attorney's fees.

8. Mutual Indemnification. Seller and Buyer agree to indemnify each other against, and hold each other harmless from, all liabilities (including reasonable attorneys' fees in defending against claims) arising out of the ownership, operation or maintenance of the Property for their respective periods of ownership. Such rights to indemnification will not arise to the extent that (a) the party seeking indemnification actually receives insurance proceeds or other cash payments directly attributable to the liability in question (net of the cost of collection, including reasonable attorneys' fees) or (b) the claim for indemnification arises out of the act or neglect of the party seeking indemnification. If and to the extent that the indemnified party has insurance coverage, or the right to make claim against any third party for any amount to be indemnified

against as set forth above, the indemnified party will, upon full performance by the indemnifying party of its indemnification obligations, assign such rights to the indemnifying party or, if such rights are not assignable, the indemnified party will diligently pursue such rights by appropriate legal action or proceeding and assign the recovery and/or right of recovery to the indemnifying party to the extent of the indemnification payment made by such party.

9. Survival. All of the terms of this Agreement will survive and be enforceable after the Closing.

10. Notices. Any notice required or permitted to be given by any party upon the other is given in accordance with this Agreement if it is directed to Seller by delivering it personally to an officer of Seller; or if it is directed to Buyer, by delivering it personally to Buyer; or if mailed in a sealed wrapper by United States registered or certified mail, return receipt requested, postage prepaid; or if transmitted by facsimile, copy followed by mailed notice as above required; or if deposited cost paid with a nationally recognized, reputable overnight courier, properly addressed as follows:

If to Seller: Blaine Economic Development Authority
Bryan Schafer
10801 Town Square Drive NE
Blaine, MN 55449

If to Buyer: Aspen Gardens Holdings, LLC
10021 Colorado Lane North
Brooklyn Park, MN 55445

With a copy to: Larry Neilson
Rooney & Neilson LTD.
1257 Gun Club Road
White Bear Lake, MN 55110

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

11. 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.

12. Entire Agreement; Modification. This written Agreement 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 of any of its terms will be effective unless in a writing executed by the parties.

13. Binding Effect. This Agreement binds and benefits the parties and their successor and assigns.

14. Controlling Law. This Agreement has been made under the laws of the State of Minnesota, and such laws will control its interpretation.

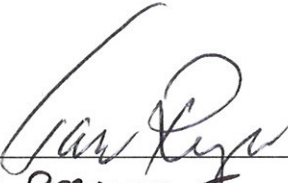
15. Remedies. If Buyer defaults under this Agreement, Seller shall have the right to terminate this Agreement by giving written notice to Buyer. If Buyer fails to cure such default within fifteen (15) days of the date of such notice, this Agreement will terminate.


16. Government Approvals. Buyer shall use due diligence to obtain at its sole cost and expense, on or before the date of closing, all final governmental approvals necessary in Buyer's judgment in order to make the use of the property which Buyer intends.

17. Development Requirements. Within one (1) year from the Date of Closing, Buyer shall commence construction of an assisted living facility on the subject Property. The improvements constructed must be consistent with City approved Building and Site Plans. If the Buyer fails to satisfy any of these conditions, the Seller may cancel the sale, return ninety-seven percent (97%) of the purchase price to Buyer less any fees incurred by Seller or the city of Blaine, and the title of the Property shall revert to the Seller. Upon the request of the Buyer and following completion of the required improvements on the site, Seller shall within thirty (30) days prepare and deliver to Buyer a recordable Waiver of Right to Reversion.

Seller and Buyer have executed this Agreement as of the date first written above.

SELLER: Blaine Economic Development Authority

By: 
Its: **PRESIDENT**

By: 
Its: **EXECUTIVE DIRECTOR**

BUYER: Aspen Gardens Holdings, LLC


By: 
Darin R. Anderson, Chief Manager

EXHIBIT A

LEGAL DESCRIPTIONS

9131 Lexington Avenue, Blaine, Minnesota - PIN No. 36-31-23-22-0004

The South 124.75 feet Front and Rear of the North 1045.5 feet, Front and Rear of the West 264.0 feet of the Northwest Quarter of the Northwest Quarter of Section 36, Township 31, Range 23, Anoka County, Minnesota.

9031 Lexington Avenue, Blaine, Minnesota - PIN No. 36-31-23-22-0005

The South 124.75 feet of the North 1,170.25 feet of the West 264.0 feet of the Northwest Quarter of the Northwest Quarter of Section 36, Township 31N, Range 23W, Anoka County, Minnesota. Subject to an easement for road purposes over the West 33 feet thereof.

9003 Lexington Avenue, Blaine, Minnesota - PIN No. 36-31-23-22-0009

All that part of the West 264 feet of the Northwest Quarter of the Northwest Quarter of Section 36, Township 31, Range 23 that lies South of the North 1170.25 feet thereof, Anoka County, Minnesota

9095 Lexington Avenue, Blaine, Minnesota - PIN No. 36-31-23-22-0010

The South 124.75 feet front and rear of the North 796.0 feet front and rear of the West 264.0 feet of the Northwest 1/4 of the Northwest 1/4 of Section 36, Township 31 North, Range 23 West, Anoka County, Minnesota.

9151 Lexington Avenue, Blaine, Minnesota - PIN No. 36-31-23-22-0011

The South 124.75 feet front and rear of the North 920.75 feet front and rear of the West 264.0 feet of the Northwest Quarter of the Northwest Quarter of Section 36, Township 31, Range 23, Anoka County, Minnesota.

9103 Lexington Avenue, Blaine, Minnesota - PIN No. 36-31-23-22-0031

The S. 62.37 feet of the N. 671.25 feet of the W. 264 feet of the NW 1/4 of the NW 1/4 of Section 36, Township 31, Range 23, except roads, subject to easements of record.

PRA

EXHIBIT B - PERMITTED ENCUMBRANCES

1. Easement for sanitary Sewer purposes in favor of North Suburban Sanitary Sewer District, filed March 31, 1967, as Document Number 1453137.
2. Grant of Stormwater Drainage and Stormwater Ponding Easement, dated November 26, 2001, filed April 30, 2002 as Document Number 1670939.
3. Anoka County Highway Right-of-Way Plat No. 57, filed August 30, 1999, as Document Number 1453137.

EXHIBIT C - PURCHASE AGREEMENT BETWEEN THE BLAINE EDA AND
ANOKA COUNTY

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