

PURCHASE AGREEMENT
[Central High School Site-Phased Closings]

This Purchase Agreement (“**Agreement**”) is made by and between **INDEPENDENT SCHOOL DISTRICT #709**, a public corporation and political subdivision of the State of Minnesota (“**Seller**”), and **SATURDAY CENTRAL HEIGHTS LLC**, a Minnesota limited liability company (“**Buyer**”), or its permitted assigns and is effective as of August ____, 2021 (the “**Effective Date**”).

RECITALS

A. Seller is the owner of the real property commonly referred to as the Central High School Campus in Duluth, St. Louis County, Minnesota (the “**Central Campus**”). The Central Campus is more particularly described on **Exhibit A(1)** attached to this Agreement and is depicted on the survey (the “**Existing Survey**”) prepared by LHB Inc. dated 4/22/2015, consisting of two sheets, and attached to this Agreement as **Exhibit A(2)**.

B. As more fully described in this Agreement Seller has agreed to sell to Buyer and Buyer has agreed to purchase from Seller the “**Property**” as described below.

C. As used in this Agreement following are collectively referred to as the “**Property**”:

(a) **Land**. The “**Land**” is the portion of the Central Campus depicted as Lots 2 and 3 on the Preliminary Plat of Central Overlook attached to this Agreement as **Exhibit C(a)**. As a part of the preparation and approval of a Preliminary Master Plan described below, the Land will be divided into six parcels (each a “**Site**”) and identified as Site 1 (“**Residential Site 1**”), Site 2 (“**Residential Site 2**”), Site 3 (“**Residential Site 3**”), and Site 4 (“**Residential Site 4**” and, collectively, with Residential Site 1, Residential Site 2, and Residential Site 3, the “**Residential Sites**”), a parcel including the Vo-Tech Building (“**Vo-Tech Building Site**”), and a parcel including the Central High School Building (“**Central High School Site**”). Definitive legal descriptions for each Site will be developed as provided in Section 4. The Land includes all rights, privileges, easements and appurtenances of the Land.

(b) **Improvements**. All improvements, structures and fixtures now existing on the Land (the “**Improvements**”), except the improvements, structures and fixtures located on the Central High School Site.

D. The Property does not include any tangible personal property.

E. Seller intends to retain and develop the portion of the Central Campus not included within the Land (the “**Seller Retained Site**”).

AGREEMENT

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

1. **Purchase and Sale.** Seller agrees to sell to Buyer, and Buyer agrees to purchase from Seller, all of Seller's right, title and interest in and to the Property, all according to the terms and provisions of this Agreement.

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 Seven Million Four Hundred Thousand Dollars (\$7,400,000), and shall be payable by Buyer as follows:

(a) within in one (1) business day after the Effective Date, earnest money of \$50,000.00 (the "**Earnest Money**") to be paid by cash or cash equivalent check or wire to the escrow account of Arrowhead Abstract & Title Co. ("**Title**"), as escrow agent;

(b) on or before the earlier of (i) day two (2) business days after the satisfaction or Buyer's written waiver of the Public Approvals contingency set forth in Section 5.3.3, or (ii) the end of the Public Approvals Period (defined below), \$50,000.00 as additional earnest money (the "**Additional Earnest Money**") to be paid by cash or cash equivalent check or wire to the escrow account of Title, as escrow agent;

(c) once deposited, the Additional Earnest Money will be included in the Earnest Money;

(d) the Purchase Price for each Site set forth on **Exhibit 2(d)** shall be paid by cash, cashier's check, wire transfer or other immediately available funds at the Closing for that Site;

(e) the Purchase Price is subject to adjustment as provided in Section 7.1;

(f) the Earnest Money also includes any additions to the Earnest Money described in Section 24 because of a draw on the Letter of Credit;

(g) except as provided herein, the Earnest Money shall be applied to the Purchase Price of the final Site to be purchased.

The Earnest Money shall be non-refundable and no Earnest Money will be returned to Buyer unless this Agreement is terminated pursuant to and as permitted in Section 5.1, Section 5.2.2, Section 5.2.4, Section 5.3.2, Section 5.3.3, Section 5.6, Section 9.8, Section 10, or Section 19.2. Attached as Exhibit 2(d) is an allocation of the Purchase Price among the Sites. Exhibit 2(d) is currently blank. Seller and Buyer must agree upon the allocation of the Purchase Price among the Parcels and amend this Agreement to substitute a new, completed Exhibit 2(d) for the attached Exhibit 2(d) as a part of the approval of the Preliminary Master Plan (defined below) to reflect such allocation. Two Million Dollars (\$2,000,000.00) of the Purchase Price shall be allocated to the Central High School Site.

3. **Preparation and Approval of a Preliminary Master Plan.**

3.1 **Preliminary Master Plan, Preliminary Infrastructure Development Schedule,**

and Infrastructure Construction Budget. Buyer shall engage and pay Cunningham Group Architecture, Inc. (“Cunningham”) and, if necessary, other third parties such as a surveyor to prepare a master plan for the Central Campus (the “**Preliminary Master Plan**”), a schedule, including a critical path schedule, for the construction of the Infrastructure (the “**Preliminary Infrastructure Development Schedule**”), and a budget showing the anticipated cost for the construction of the Infrastructure and potential funding sources for such costs (the “**Infrastructure Budget**”) and shall direct Cunningham to provide copies of the Preliminary Master Plan, Preliminary Infrastructure Development Schedule, and Infrastructure Budget to Seller and Buyer on or before the date forty-five (45) days after the Effective Date. Buyer shall pay all fees, costs, charges and other expenses for (a) the preparation of the Preliminary Master Plan, the Preliminary Infrastructure Development Schedule, the Infrastructure Budget; (b) any modifications to the Preliminary Master Plan, the Preliminary Infrastructure Development Schedule, or the Infrastructure Budget made before the City of Duluth (the “City”) grant’s final approval of the rezoning and subdivision of the Central Campus in accordance with the Preliminary Master Plan; (c) related services associated with the acquisition of those City approvals; and (d) any application fees Buyer pays pursuant to Section 4. Seller shall reimburse Buyer for up to \$185,000.00 of fees, charges and other expenses Buyer pays to third parties in connection with (a) through (d) in the immediately preceding sentence. Buyer may on one or more occasions, submit to Seller a written request for reimbursement along with copies of all invoices showing the costs for which reimbursement is sought. Within thirty (30) days after receipt of a reimbursement request from Buyer, Seller shall wire transfer the amount of the reimbursement to Buyer’s bank account pursuant to wire instructions provided by Buyer. The Preliminary Master Plan shall meet the requirements of the City’s Uniform Development Code which are applicable to the intended zoning for the Project. The Preliminary Master Plan must include: (a) the location, type, and intensity of proposed development of the Seller Retained Site and each Site which, to the extent applicable, must conform with the information set forth on the attached **Exhibit 3.1**, and (b) a description of and preliminary plan for all infrastructure necessary for the development and use of the Seller Retained Site and each Site including, without limitation, all public and, if applicable, private, roadways and sidewalks, and curbs; all public and, if applicable, private water, sanitary sewer, and fire service mains, lines and, if applicable, lift stations; all public and, if applicable, private, storm water collection, retention, and detention facilities; and all natural gas, electricity and cable utilities (the “**Infrastructure**”).

3.2 Approval of the Preliminary Master Plan and Preliminary Infrastructure Development Schedule. Following Cunningham’s completion and distribution of the Preliminary Master Plan, the Preliminary Infrastructure Development Schedule, and the Infrastructure Budget, Seller and Buyer will negotiate in good faith in an attempt to reach agreement on a mutually acceptable Preliminary Master Plan, Preliminary Infrastructure Development Schedule, and Infrastructure Budget on or before the Initial Plan Approval Date set forth in Section 5.1.

3.3 Revisions and Updates to the Preliminary Master Plan and Preliminary Infrastructure Development Schedule. After Seller and Buyer have approved the Preliminary Master Plan, neither Seller nor Buyer may change the Preliminary Master Plan nor consent

to the City staff's modification of the Master Plan that will be submitted to the City Council for final approval or the Preliminary Infrastructure Development Schedule without the written consent of both Seller and Buyer. Buyer shall cause Cunningham to propose periodic revisions and updates to the Preliminary Infrastructure Development Schedule to reflect evolving events and circumstances, including actual dates of commencement and completion and shall cause Cunningham to supplement the Preliminary Infrastructure Development Schedule with detailed schedules for submissions and responses of necessary deliverables associated with tasks covered by the Preliminary Infrastructure Development Schedule, taking into account appropriate scheduling for submission, review and approval by Seller and Buyer. A proposed, updated Preliminary Infrastructure Development Schedule will be provided to Seller and Buyer quarterly, and additionally when deemed necessary by Buyer or when requested by Seller. Proposed revisions to the Preliminary Infrastructure Development Schedule will be subject to Seller's and Buyer's mutual approval. Seller and Buyer will promptly review all such proposed revisions which, upon approval by both Seller and Buyer, shall be deemed to constitute the Preliminary Infrastructure Development Schedule. Seller and Buyer shall use the Preliminary Master Plan that Seller and Buyer approve as the proposed master plan for submission of an application or applications to the City for zoning and subdivision approvals for the Project. Neither Seller nor Buyer may seek or accept final zoning approval from the City unless such final zoning approval is based on the Approved Preliminary Master Plan and, if applicable, changes to the Approved Preliminary Master Plan that both Seller and Buyer have approved in writing as provided in this Section 3.3. The master plan the City approves as a part of its zoning approvals for the Project is referred to herein as the "**Approved Master Plan.**" The development of the Central Campus in accordance with the Approved Master Plan is referred to herein as the "**Project.**"

3.4 Additional Provisions Relating to the Central High School Site. Seller shall complete the demolition of the existing buildings on the Central High School Site (the "**High School Building**") (a) no earlier than the earliest of (i) the date ninety (90) days after the date Buyer enters into the Buyer TIF Agreement or (ii) one year after the Effective Date and (b) no later than three years after the Effective Date (the "**Demolition Completion Date**"). Demolition by Seller will include removal of all improvements from the Center High School Site including, without limitation, all foundations and other below grade improvements, if any, and debris removal to as to result in a "pad ready" building site.

3.5 Ownership and Use of Plans. Seller and Buyer shall each own and have the right to use (i) all plats, drawings, plans, studies, surveys, and specifications provided with respect to the Infrastructure, the Preliminary Master Plan, and the Approved Master Plan (including, without limitation any "Plans" and "Reports" with respect to the Infrastructure, the Preliminary Master Plan, and the Approved Master, (ii) the Preliminary Master Plan, any modifications or updates to the Preliminary Master Plan, the Approved Master Plan, any modifications or updates to the Approved Master Plan, and (iii) the ideas, designs, and concepts contained in the (i) and (ii), EXCLUDING, HOWEVER, plats, drawings, plans, studies, surveys, and specifications that relate solely to (a) the development of the Retained Site by the Seller or (b) the development of the Residential Sites, the Vo-Tech Building Site, or the Central High School Site by Buyer. As a condition to reimbursement under Section 3.1, Buyer will include a provision in its contracts with

Cunningham and any other party providing plats, drawings, plans, studies, surveys, and specifications with respect to the Infrastructure, the Preliminary Master Plan, and the Approved Master Plan confirming Seller's ownership and right of use.

4. Acquisition of Subdivision and Zoning Approvals. Within sixty (60) days after Seller and Buyer have approved a Preliminary Master Plan pursuant to Section 3.2 above, Seller and Buyer must jointly execute and submit an application or applications for all governmental subdivision, zoning and infrastructure approvals, other than site plan approvals for the development of the Seller Retained Site and the individual Sites and building permits for the construction of improvements on the Seller Retained Site and individual Sites, necessary to permit Seller and Buyer to develop and use the Central Campus in accordance with the approved Preliminary Master Plan including, without limitation, all governmental subdivision, zoning and infrastructure approvals necessary to permit Seller to develop and use the Seller Retained Site as an administrative center or as otherwise provided in the approved Preliminary Master Plan, to permit Buyer to develop and use each of the Residential Sites for multi-family, residential, market rate rental housing at the density levels set forth in the Approved Preliminary Master Plan (defined below), and to permit Buyer to develop and use the Vo-Tech Building Site and the Central High School Site for the uses described in the Approved Preliminary Master Plan (defined below) (the "**Required Governmental Approvals**"). Notwithstanding anything else in this Agreement to the contrary, "Required Governmental Approvals" do not include site plan approvals for the development of the Seller Retained Site or the individual Sites or building permits for the construction of improvements on the Seller Retained Site or the individual Sites. Seller and Buyer must use commercially reasonable efforts to obtain all Required Governmental Approvals before the expiration of the Public Approvals Period. Buyer is responsible for the payment of all application fees and other fees or charges the City imposes in connection with the application for and acquisition of the Required Governmental Approvals. Seller is responsible for the payment of all application fees, fees in lieu of park land dedication, sewer, water or other utility access charges, and other charges, fees or impositions of every kind and nature imposed or required by agreement or otherwise by any governmental entity or utility company in connection with or at the time of the acquisition of additional governmental approvals for the development of the Seller Retained Site except for those, if any, that relate to the cost of providing the Infrastructure and will indemnify, defend (with counsel reasonably satisfactory to Buyer), and hold Buyer harmless from and against any claim, liability or expense of any kind or nature arising out of or relating to any such assessment, charge, fee, or imposition. Buyer is responsible for the payment of all application fees, fees in lieu of park land dedication, sewer, water or other utility access charges, and other charges, fees or impositions of every kind and nature imposed or required by agreement or otherwise by any governmental entity or utility company in connection or at the time of the acquisition of additional governmental approvals for the development of the Sites and will indemnify, defend (with counsel reasonably satisfactory to Seller), and hold Seller harmless from and against any claim, liability or expense of any kind or nature arising out of or relating to any such assessment, charge, fee, or imposition. Buyer will be the primary contact with the City in pursuit of the Required Governmental Approvals; provided that Buyer is not authorized to and shall not execute any applications for or on behalf of Seller or bind Seller or the Property to any contracts or other agreements or obligations. Buyer acknowledges that Seller may be developing and seeking site plan approvals for the development of the Seller Retained Site or

building permits for the construction of improvements on the Seller Retained Site contemporaneously with the efforts of Buyer and Seller to obtain the Required Governmental Approvals. Buyer shall keep Seller informed about the progress of its efforts to obtain the Required Governmental Approvals by facilitating regularly scheduled progress calls (at least monthly) and by promptly responding to requests for information by Seller. Buyer will advise Seller two (2) days in advance of the dates of any material meetings with the staff or other representatives of the City or the Economic Development Authority of the City of Duluth regarding the Required Governmental Approvals or Infrastructure funding and Seller will have the right to have a representative of Seller participate with Buyer and its Agents in such meetings. Nothing in this Agreement prohibits or restricts Seller from contacting the City of Duluth directly.

5. Contingencies and Conditions Precedent to Closing.

5.1 Mutual Contingency for Plan Approval. The obligations of Seller and Buyer under this Agreement are contingent upon Seller and Buyer agreeing upon a Preliminary Master Plan and Preliminary Infrastructure Development Schedule on or before the date seventy-five (75) days after the Effective Date (the “**Initial Plan Approval Date**”) and upon City approval of an Approved Master Plan as set forth in Section 5.3.3. Absent such agreement and approval, either party may terminate this Agreement by written notice delivered to the other party on or before the expiration of the Public Approvals Period (defined below) and upon such termination: (a) this Agreement shall be null and void, except for those provisions which, by the express terms of this Agreement, survive the termination of this Agreement, and (b) the Earnest Money shall be refunded to Buyer.

5.2 Title Contingency.

5.2.1 **Title Review and Objections.** Seller shall cause Title to issue and deliver to Seller and Buyer, within fifteen (15) business days after the Effective Date, a 2016 form ALTA Commitment for Title Insurance (the “**Commitment**”) committing Chicago Title Insurance Company or Old Republic Title Insurance Company (as applicable “**Title Company**”) to issue an 2006 form ALTA owner’s policy of title insurance for the Land and the Seller Retained Site and to provide Seller and Buyer with electronic access to legible copies of all items shown in Schedule A, Schedule B-1, or Schedule B-2 thereof. Buyer shall have until the end of the Due Diligence Period (defined below) (the “**Title Examination Period**”), within which to disapprove of or object to any specific item or exception shown in the Commitment, the Existing Survey or any new or updated survey Buyer elects to obtain (“**Unpermitted Exceptions**”). Any such disapproval or objection shall be in writing (the “**Objection Notice**”) and shall be given to Title and Seller. Any item or exception to which Buyer does not so object, together with real estate taxes and assessments not yet due and payable, are referred to as “**Permitted Exceptions.**” If Buyer fails to deliver an Objection Notice within the Title Examination Period, Buyer shall be deemed to have waived its right to object to the condition of title reflected in the Commitment, and items and exceptions noted in the Commitment shall thereafter be deemed Permitted Exceptions. Within five (5) business days following the receipt of an Objection Notice (the “**Seller Notice Period**”) from Buyer, Seller shall give notice (the “**Response Notice**”) advising Buyer whether Seller, at Seller’s cost and expense, will cause any of the Unpermitted Exceptions to be removed from the Commitment or otherwise cured at or prior to Closing. If Seller fails to give the Response Notice, or if Seller fails to respond to a specific Unpermitted Exception in the Response Notice, during the

Seller Notice Period, Seller shall be deemed to have given Buyer notice that it will not cause such Unpermitted Exceptions to be removed from the Commitment or otherwise cured.

5.2.2 Title Termination Notice. If Seller delivers or is deemed to have delivered to Buyer a Response Notice indicating Seller will not cause one or more Unpermitted Exceptions to be removed from the Commitment or otherwise cured prior to the first Closing on the purchase of a Site, then Buyer, in its sole discretion, may elect to (i) waive in writing the removal of such Unpermitted Exception with respect to all of the Sites and the Seller Retained Site without abatement regarding the Unpermitted Exception or (ii) terminate this Agreement, by giving Seller and Title a written notice of termination (a "**Title Termination Notice**") within ten (10) business days of the sooner of (i) expiration of the Seller Notice Period or (ii) Buyer's receipt of the Response Notice. If Buyer delivers a Response Notice indicating Seller will cause one or more Unpermitted Exceptions to be removed from the Commitment or otherwise cured prior to the first Closing on the purchase of a Site but fails to do so to Buyer's satisfaction and at no cost to Buyer then Buyer, in its sole discretion, may elect to (i) waive in writing the removal of such Unpermitted Exception with respect to all of the Sites without abatement regarding the Unpermitted Exception, or (ii) terminate this Agreement with respect to any applicable Site by giving a Title Termination Notice to Seller and Title on or before the date of Closing. If Buyer gives a Title Termination Notice this Agreement shall become null and void, except for those provisions which, by the express terms of this Agreement, survive the termination of this Agreement. If Buyer does not give a Title Termination Notice within the period set forth above, the Unpermitted Exceptions will thereafter be deemed Permitted Exceptions, and this Agreement shall remain in full force and effect.

5.2.3 Supplemental Title Review and Supplemental Objections. Not less than ten (10) business days before Buyer's Closing on a Site, Seller shall cause Title Company to issue a supplemental commitment for that Site to Buyer (each a "**Supplemental Commitment**"). With respect to each Supplemental Commitment, Buyer shall have five (5) business days from Buyer's receipt of the Supplemental Commitment, to deliver to Seller a supplemental objection notice (the "**Supplemental Objection Notice**") with respect to any objections (the "**Supplemental Unpermitted Exceptions**") Buyer may have to any new item set forth in the Supplemental Commitment, unless such item was previously approved or waived by Buyer, was created by Buyer, arises out of or relates to any Approval, or arises out of or relates to the Infrastructure. If Buyer does not deliver to Seller the Supplemental Objection Notice within the time specified above, Buyer shall be deemed to have waived its right to object to all new matters described as title exceptions in the Supplemental Commitment. Within five (5) business days following the receipt of a Supplemental Objection Notice from Buyer (the "**Supplemental Seller Notice Period**"), Seller shall give notice (the "**Supplemental Response Notice**") advising Buyer whether Seller, at Seller's cost and expense, will cause any of the Supplemental Unpermitted Exceptions to be removed or cured from the Supplemental Commitment at or prior to Closing for the applicable Site. If Seller fails to give the Supplemental Response Notice, or if Seller fails to respond to a specific Supplemental Unpermitted Exception in the Supplemental Response Notice during the Supplemental Seller Notice Period, Seller shall be deemed to have notified Buyer that it will not cause such Supplemental Unpermitted Exceptions to be removed or cured from the Supplemental Commitment.

5.2.4 Supplemental Title Termination Notices. If Seller delivers or is deemed to have delivered to Buyer a Supplemental Response Notice indicating Seller will not cause one or more Supplemental Unpermitted Exception to be removed from the Supplemental Commitment or otherwise cured prior to Closing, then Buyer, in its sole discretion, may elect to (i) waive in writing the removal of such Supplemental Unpermitted Exception and proceed to Closing with respect to the Site without any abatement to the Purchase Price for the applicable Site, or (ii) terminate this Agreement with respect to any applicable Site, by giving Seller and Title a written notice of termination (a "**Supplemental Title Termination Notice**") within five (5) business days of the sooner of (i) expiration of the Supplemental Notice Period or (ii) Buyer's receipt of the Supplemental Response Notice. If Buyer delivers a Supplemental Response Notice indicating Seller will cause one or more Supplemental Unpermitted Exception to be removed from the Supplemental Commitment or otherwise cured prior to Closing but fails to do so to Buyer's satisfaction and at no cost to Buyer then Buyer, in its sole discretion, may elect to (i) waive in writing the removal of such Supplemental Unpermitted Exception and proceed to Closing with respect to the Site without any abatement to the Purchase Price for the applicable Site, or (ii) terminate this Agreement with respect to any applicable Site by giving a Supplemental Title Termination Notice to Seller and Title on or before the date of Closing. If Buyer gives a Supplemental Title Termination Notice: (a) if there are no unpurchased Sites other than the Site that is the subject of the Supplemental Title Termination Notice, the Earnest Money shall be paid to Buyer and (b) this Agreement shall become null and void with respect to the applicable Site, except for those provisions which, by the express terms of this Agreement, survive the termination of this Agreement. If Buyer does not give a Supplemental Title Termination Notice within the period set forth above, the Supplemental Unpermitted Exceptions will thereafter be deemed Permitted Exceptions, and this Agreement shall remain in full force and effect.

5.3 Buyer's Inspection Rights and Buyer Contingencies.

5.3.1 Due Diligence Items and Buyer's Inspection Rights. Within five (5) business days of the Effective Date, Seller shall make available to Buyer all of the items listed on **Exhibit 5.3.1** (the "**Due Diligence Items**"). Buyer's sole remedy for Seller's failure to deliver any of the Due Diligence Items is termination pursuant to Section 5.3.2. Buyer and its agents, representatives, consultants, contractors or invitees (collectively, "**Agents**") may enter upon the Land during reasonable business hours during the Due Diligence Period (defined below) and thereafter prior to the Closing to perform such inspections and tests of the Land and any structural or mechanical systems within any Improvements as Buyer deems necessary or desirable, all at Buyer's sole cost and expense. Buyer and its Agents, shall, in performing Buyer's inspections, comply with any and all laws, ordinances, rules, regulations applicable to the Land and will not engage in any activities which would violate any recorded environmental covenant, any environmental law or regulation, or any permit or license that Seller has disclosed to Buyer. Buyer agrees to conduct such inspections in a manner which will not unreasonably interfere with Seller's normal operations on the Land or the activities of its tenants and that such inspections will be conducted in accordance with the following procedures: (a) all persons, entities and Agents performing any tests will be properly licensed and qualified and will have obtained all required permits for performing such tests; (b) Buyer will advise Seller two (2) days in advance of the dates of all tests and inspections and will schedule all tests and inspections during normal business hours whenever feasible unless otherwise requested by Seller; (c) Seller will have the right to have a representative of Seller accompany Buyer and its Agents while they are on the Land; (d) Buyer

will promptly pay when due the costs of all entry and inspections, tests and examinations done with regard to the Land; (e) Buyer will, to the extent feasible and at its sole cost and expense, repair and restore the Land to its condition immediately before any such entry or any inspection, test or examination was undertaken; and (f) Buyer will not conduct any intrusive or destructive testing without the prior written consent of Seller's staff who may not unreasonably withhold, condition, or delay consent and who must respond to a request for consent within two (2) days of Buyer's request. Buyer shall keep the Land free and clear of any mechanics', materialmen's or similar liens arising out of or relating to Buyer's or Agent's exercise of the right of inspection and its due diligence activities. Buyer shall indemnify, defend (with counsel reasonably satisfactory to Seller) and hold Seller and Seller's direct and indirect affiliates, members, partners, subsidiaries, shareholders, trustees, managers, investors, officers, officials, employees, board members, representatives, agents and successors and assigns (collectively, the "**Seller-Related Parties**") harmless for, from and against any claims, damages, costs, liabilities, and losses to the extent arising out of any entry on the Land by Buyer or its Agents or Buyer's inspections or tests of the Land, whether or not a Closing occurs; provided, however, Buyer is only obligated to defend, indemnify or hold harmless Seller-Related Parties with respect to any claims, damages, costs, liabilities or losses resulting from pre-existing conditions to the extent the claims, damages, costs, liabilities or losses are based on or arise from the negligence or intentional misconduct of Buyer or its Agents. Buyer will provide not less than \$2,000,000 commercial general liability insurance insuring all activity and conduct of Buyer while exercising such right to access, naming Seller as an additional insured, issued by a licensed insurance company qualified to do business in Minnesota, and including a contractual liability endorsement insuring its indemnity obligation under this Agreement. It is specifically agreed that the obligations of the Buyer to pay any sums and the indemnity provided for in this Section 5.3.1 shall survive any termination or cancellation of this Agreement and shall survive the Closing. Buyer will promptly provide to Seller a copy of any written report Buyer receives from any third party. Buyer shall keep Seller informed about the progress of its due diligence inquiry by facilitating regularly scheduled progress calls (at least monthly) and by promptly responding to requests for information by Seller.

5.3.2 Due Diligence Termination Right. Buyer may, for any reason or no reason whatsoever, terminate this Agreement by giving written notice of termination to Seller (the "**Inspection Termination Notice**") at any time between the Effective Date and 5:00 P.M., Central Standard Time, on the date one hundred twenty (120) days after the Effective Date (the "**Due Diligence Period**") If Buyer gives Seller an Inspection Termination Notice prior to the expiration of the Due Diligence Period: (a) this Agreement shall be null and void, except for those provisions which, by the express terms of this Agreement, survive the termination of this Agreement, and (b) the Earnest Money shall be refunded to Buyer. If Buyer does not provide the Inspection Termination Notice prior to the expiration of the Due Diligence Period, then the contingency set forth in this Section 5.3.2 shall be deemed to have been waived.

5.3.3 Public Approvals Termination Right. Contemporaneously with Seller's pursuit of the Required Governmental Approvals, Buyer will pursue an agreement with either the City or the Economic Development Authority of the City of Duluth for the creation of a tax increment financing district and the payment of tax increments to Buyer to offset certain eligible expenses associated with Buyer's construction of the Infrastructure and Buyer's development of the Sites (the "**Buyer TIF Agreement**"). If, at any time during the period between the Effective Date and

5:00 P.M. Central Standard Time on the date two hundred seventy (270) days after the Effective Date (the "**Public Approvals Period**"), Buyer determines that (a) Buyer will not be able to enter into a Buyer TIF Agreement on terms and conditions acceptable to Buyer in Buyer's discretion, (b) Buyer and Seller will not be able to obtain all Required Governmental Approvals, or (c) the TIF Agreement or the Required Governmental Approvals require Buyer to provide or to cause its contractor to provide one or more payment and performance bonds, a cash deposit, a letter of credit, or other security that secures the same work that is secured by and is in addition to the security that Seller requires Buyer to provide to Seller pursuant to Section 6.1, then Buyer may terminate this Agreement by giving written notice of termination to Seller (a "**Public Approvals Termination Notice**") prior to the end of the Public Approvals Period. If Buyer gives Seller a Public Approvals Termination Notice prior to the expiration of the Public Approvals Period: (a) this Agreement shall be null and void, except for those provisions which, by the express terms of this Agreement, survive the termination of this Agreement, and (b) the Earnest Money shall be refunded to Buyer. If Buyer does not provide the Public Approvals Termination Notice prior to the expiration of the Public Approvals Period, then the contingency set forth in this Section 5.3.3 shall be deemed to have been waived.

5.4 Buyer's Conditions Precedent to Closing. In addition to the satisfaction of the contingencies set forth in Section 5.1, Section 5.2, and Section 5.3, the obligation of Buyer to close on the sale of each Site is subject to the satisfaction of each of the following conditions precedent with respect to that Site:

(a) There shall not have been a material adverse change in physical or environmental condition of the Site since the earlier of the expiration of the Due Diligence Period or Buyer's written waiver of Buyer's right to terminate this Agreement pursuant to Section 5.3.2.

(b) No actions, suits, arbitrations, claims, assignments for the benefit of creditors, insolvencies, bankruptcies, reorganizations or other proceedings shall be pending against Seller or the Property or shall have been threatened against Seller, Buyer or the Property that or that may materially and adversely affect Seller's ability to perform its obligations under this Agreement or which would have or could have a material adverse effect upon the Property or Buyer's ownership, development, or use thereof.

(c) There shall exist no pending suit or proceeding with respect to Seller before any court, governmental or administrative agency which seeks to restrain or prohibit or to obtain damages or a discovery order with respect to this Agreement or the consummation of the transaction contemplated by this Agreement.

(d) Subject to Buyer's compliance with any requirements of Buyer set forth on Schedule B-1 of the Commitment for that Site and Buyer's payment of the applicable premiums, Title Company's willingness to issue to Buyer, at Closing, a 2006 form ALTA owner's policy of title insurance insuring Buyer's fee simple title to the Site free and clear of all exceptions and encumbrances other than the Permitted Exceptions, with liability limits in the amount of the Purchase Price allocated to that Site.

The conditions set forth in this Section 5.4 are for Buyer's benefit and may be waived by Buyer. Closing on the purchase of any Site shall constitute a waiver of all contingencies with respect to the Site.

5.5 Seller's Condition Precedent to Closing. In addition to the satisfaction of the contingency set forth in Section 5.1, the obligation of Seller to close on the sale of each Site is subject to the satisfaction of the condition precedent that all representations made by Buyer pursuant to this Agreement shall be true in all material respects as of the Closing on that Site. The condition set forth in this Section 5.5 is for Seller's benefit and may be waived by Seller. Closing on the sale of any Site shall constitute a waiver of this contingency with respect to that Site.

5.6 Failure of a Condition Precedent to Closing. If one or more of the conditions precedent to Closing set forth in Section 5.4 or Section 5.5 are not satisfied as of the Closing on a Site, the party that the condition benefits may terminate this Agreement with respect to that Site by written notice to the other party at that Closing or, in the case of Buyer, Buyer may rescind Buyer's Closing Notice (defined below) for that Site and retain the right to subsequently give Seller a Closing Notice with respect to that Site on or before, in the case of the first Closing, the date ninety (90) days after the date originally scheduled for that Closing.

6. Infrastructure Construction and Seller's Pre-Closing Obligations.

6.1 Infrastructure Construction. Subject to the satisfaction of the contingencies described in Section 5.1, Section 5.2, and Section 5.3 and the conditions to closing in Section 5.4, Buyer shall complete the construction of the Infrastructure in accordance with the Approved Master Plan and the Infrastructure Construction Schedule. To meet this obligation, Buyer shall, at Buyer's cost and expense, cause the preparation of all construction plans, budgets, schedules and contracts, including those with the architect, contractors and other parties working on the Infrastructure and shall provide Seller with copies of all of those plans, budgets, schedules and contracts and any material changes thereto. The construction plans and all revisions and modifications thereto, shall be certified by an architect duly registered under the laws of the State of Minnesota. The construction plans must conform with all applicable legal requirements, including City's ordinances, and all environmental laws. Buyer shall cause its general contractor to provide any payment and performance bonds that Seller reasonably determines are required by the "Public Contractor's Performance and Payment Bond Act" (the "**Bond Act**") or other applicable law provided, however, this requirement shall be deemed satisfied if the City or the Economic Development Authority of the City of Duluth require Buyer to either (a) obtain or cause its general contractor to obtain payment and performance bonds naming the City or the Economic Development Authority of the City of Duluth as obligee and (i) Seller is listed as a dual obligee and (ii) the payment and performance bonds meet the requirements of the Bond Act or other law as applicable, or (b) provide the City or the Economic Development Authority of the City of Duluth with a letter of credit or a cash deposit to secure the construction of the Infrastructure in a form and manner that meets the requirements of the Bond Act or other law as applicable.

6.2 Operation of the Property. After the Effective Date and until the earlier of the Closing on each Site or termination of this Agreement, Seller shall (a) continue to manage, operate and maintain the Property in the same manner in which it is presently managed, operated and

maintained (subject, however, to the demolition of the High School Building); (b) provide prompt written notice to Buyer of any condemnation affecting any portion of the Property or any matter relating to zoning changes, rent control or increase in tax assessments; (c) deliver to Buyer, promptly after receipt by Seller, copies of all notices of violation issued by any governmental authority with respect to the Property received by Seller after the date of this Agreement; (d) advise Buyer promptly of any new litigation, arbitration or other judicial or administrative proceeding threatened or commenced after the Effective Date which concerns or may affect the Property or Seller's ability to perform its obligations under this Agreement; (e) not enter into any new lease or extend the term of any existing lease unless the new or extended lease gives Seller the right to terminate the lease, either in whole or with respect to a Site, upon the Closing for that Site. Seller will deliver each Site to the Buyer on the Closing Date free and clear of existing leases and with all tenants relocated from the Site. Seller's obligations in this Section shall end with respect to any Site as of the Closing for that Site. Nothing in this Section 6.2 will require Seller to (a) operate any program, (b) provide any maintenance or repairs, or (c) provide any utilities to the High School Building.

6.3 Operation of the Retained Site. After the Effective Date and until the earlier of (i) execution and delivery of the restrictive covenant pursuant to Section 7.2(g), or (ii) termination of this Agreement, Seller shall not (a) convey or enter into an earnest money contract, purchase agreement, contract for deed, or other contract to convey any interest in all or any portion of the Retained Site, without first subjecting that portion of the Retained Site to a recorded restrictive covenant that is for the express benefit of and is specifically enforceable by Buyer or its assignee, as an owner of or vendee with a right to purchase any part of the Campus Property, prohibiting the development or use of all or any portion of that portion of the Retained Site for multi-family housing or medical office uses prior to the Expiration Date; or (ii) develop all or any part of the Retained Site for multi-family housing or medical office uses; or (b) lease or grant an easement or license all or any portion of the Retained Site unless the lease, grant of easement or license includes an express provision that is for the express benefit of and is specifically enforceable by Buyer or its assignee, as an owner of or a vendee with the right to purchase any part of the Campus Property, prohibiting the development or use of all or any portion of that portion of the Retained Site for multi-family housing or medical office uses prior to the Expiration Date; or (ii) develop all or any part of the Retained Site for multi-family housing or medical office uses.

7. Closing. The closing for the purchase and sale of each Site (each a "Closing") will be conducted separately. The first Closing shall be for one of the Residential Sites and shall occur on the date that is one hundred eighty (180) days after the latest to occur of (i) the expiration of the Due Diligence Period, (ii) the expiration of the Public Approvals Period, or (iii) the date the Infrastructure Construction Schedule sets forth as the completion date for all Infrastructure serving the Residential Site that is to be the subject of the first Closing; provided that during said one hundred eighty (180) day period Buyer may, by written notice to Seller, establish an earlier Closing date by a written notice Buyer delivers to Seller not less than thirty (30) days before the proposed earlier Closing date. Subsequent Closings shall occur for the remaining Sites on dates designated by Buyer in a written notice Buyer delivers to Seller with respect to each Site which date is not less than thirty (30) days before the proposed Closing date; provided that (a) Buyer must Close on the Vo-Tech Building Site prior to or contemporaneously with Buyer's Closing on the second Residential Site, (b) Buyer must Close on the Central High School Site prior to or

contemporaneously with Buyer's Closing on the fourth Residential Site (provided, however, those closings may not occur before and will be delayed until the Demolition Competition Date), and (c) all Closings must occur within five years of the date on which the first Closing is required to occur. All Closings shall be conducted by Title at its office in Duluth, Minnesota and Title shall act as closing agent. The parties shall deliver to Title an executed copy of this Agreement, which shall constitute instructions. If required by Title, the parties shall execute any printed form escrow instructions used by Title; any provisions of such instructions which conflict with this Agreement shall be governed by this Agreement.

7.1 Purchase Price Adjustment. From and after the date of the earliest of (i) the day following the Closing on the first Site purchased by Buyer or (ii) the day following the latest date on which the Closing on the first Site is required to occur pursuant to this Agreement, the Purchase Price for each Site for which a Closing has not occurred shall increase at the rate of 5% per annum prorated on a daily basis but not compounding until the Closing for that Site.

7.2 Seller's Closing Documents. On the Closing date for the Closing of each Site, Seller shall execute and/or deliver to Buyer the following for the Site (collectively, "**Seller's Closing Documents**"):

(a) **Quitclaim Deed.** A Quitclaim Deed in substantially the form of the Minnesota Uniform Conveyancing Blank subject to the Permitted Exceptions. Said deed shall be subject to a restriction in gross in favor of Seller that prohibits the Grantee and its successors in title to all or any part of the Land from using the Land as a school for the purpose of conducting programs for children between the ages of 5 and 18 for so long as Seller owns any portion of the Central Campus. The foregoing restriction shall not prohibit the use of all or any part of the Land for a day care. Said deed shall provide the Seller the right to an injunction and the Seller shall have the right to attorney's fees and other costs and disbursements if the Seller prevails. The Buyer agrees that the Seller shall sustain irreparable harm and damages if this restriction is violated and that the Seller shall have the right to a Temporary Restraining Order, a Temporary Injunction and a Permanent Injunction and that the grounds exist for the issuance of such orders.

(b) **Intentionally Omitted.**

(c) **FIRPTA Affidavit.** A non-foreign affidavit, properly executed and in recordable form, containing such information as is required by IRC Section 1445 (b)(2) and its regulations.

(d) **Seller's Affidavit.** A standard form seller's affidavit relating to liens and possession reasonable required by and directed to Title and any other documentation or agreements reasonably requested by Title as a condition to insuring Buyer's title to the Site or Buyer's lender's lien on the Site without exceptions for mechanic's lien rights arising out of or relating to work performed on the Site by or for the benefit of Seller (but excluding the Infrastructure).

(e) **Evidence of Authority.** Such evidence that Seller has authorized this transaction

and the execution of the Seller's Closing Documents as may be reasonably required by Title

(f) **Date Down Certificate.** A certificate, dated as of the date of each Closing, either (A) certifying that the representations of Seller set forth in Section 9.1 are true as of such date, or (B) a certifying that the representations of Seller set forth in Section 9.1 are true as of such date except as expressly described in the certificate.

(g) **Other Documents.** All other information or documents reasonably determined by Title before the Closing to be necessary to transfer the Property to Buyer on the terms stated herein. This provision is not intended to and does not require Seller to provide any document which imposes or may impose any obligations or liabilities on Seller.

(h) **Restrictive Covenant.** At the Closing on the purchase of the first Residential Site, Seller shall subject the Retained Site to a recorded restrictive covenant that is for the express benefit of and is specifically enforceable by Buyer or its assignee, as an owner of any part of the Campus Property prohibiting the development or use of all or any portion of the Retained Site for multi-family housing or medical office uses for a period ending on the date (the "**Expiration Date**") ten (10) years after the date of the Closing on the purchase of the first Residential Site.

(i) **Release of Letter of Credit.** At the Closing on the purchase of the Central High School Site, Seller shall return the original Letter of Credit or Substitute Letter of Credit, as defined in Section 7.3(c) and Section 24, to Buyer and execute any other documentation reasonably requested by the issuer of the Letter of Credit or Substitute Letter of Credit to evidence the termination of the Letter of Credit or Substitute Letter of Credit or, if applicable, direct Title to disburse to Buyer any proceeds of the Letter of Credit or Substitute Letter of Credit being held by Title pursuant to Section 24.

7.3 **Buyer's Closing Documents.** On the Closing Date for the purchase of each Site, Buyer shall execute and/or deliver to Seller the following (collectively, "**Buyer's Closing Documents**"):

(a) **Purchase Price.** The Purchase Price for the Site (adjusted, if at all, as provided in Section 7.1).

(b) **Title Documents.** Such information as may be necessary to permit Title to file an electronic certificate of real estate value and an affidavit of purchaser, evidence of authority and any other documents as may be reasonably required by Title in order issue a loan policy of title insurance in favor of Buyer's lender.

(c) **Letter of Credit.** At the Closing on the purchase of the second Residential Site to be purchased, Buyer will provide a \$2,000,000.00 letter of credit ("**Letter of Credit**") in a form approved by Seller. The Letter of Credit shall have a term of not less than one year and be issued by an institutional lender approved by Seller. Seller must be able to draw the Letter of Credit at site accompanied only by (i) the original Letter of Credit and (ii) a written

statement signed by an authorized representative of Seller in which Seller certifies that under the terms of this Purchase Agreement Seller is entitled to draw upon the Letter of Credit. Seller will not unreasonably condition, delay, or withhold its approval of the form of the Letter of Credit or the institutional lender. Additional terms and conditions relating to the Letter of Credit are set forth in Section 24.

(d) **Evidence of Authority.** Such evidence that Buyer has authorized this transaction and the execution of the Buyer's Closing Documents as may be reasonably required by Title and Seller.

(e) **Date Down Certificate.** A certificate, dated as of the date of each Closing, either (A) certifying that the representations of Seller set forth in Section 9.2 are true as of such date, or (B) a certifying that the representations of Seller set forth in Section 9.2 are true as of such date except as expressly described in the certificate.

(f) **Other Documents.** All other information or documents reasonably determined by Title before the Closing to be necessary to transfer the Property to Buyer on the terms stated herein. This provision is not intended to and does not require Buyer to provide any document which imposes or may impose any obligations or liabilities on Buyer.

8. **Prorations.** Seller and Buyer agree to the following prorations and allocations of costs regarding this Agreement:

(a) **Title and Closing Fees.** Buyer shall pay all costs of the Title Commitment and the Supplemental Commitments. Buyer shall pay all premiums required for the issuance of any owners or loan title policies. Seller and Buyer shall each pay one-half of any reasonable and customary closing fee or charge imposed by the closing agent, if any.

(b) **Taxes and Annual Service Charges.** General real estate taxes due and payable with respect to each Site in the years prior to the year of the Closing on that Site and any annual service charges certified for payment therewith shall be paid by Seller. General real estate taxes due and payable with respect to each Site in the years after the year of the Closing on that Site and any annual service charges certified for payment therewith shall be paid by Buyer. General real estate taxes due and payable with respect to each Site in the year of the Closing on that Site and any annual service charges certified for payment therewith shall be prorated between Seller and Buyer as of the actual Closing date, with Seller to pay that portion attributable to those days in the year having elapsed prior to the Closing Date.

(c) **Special Assessments.** Prior to or in conjunction with the recording of a plat subdividing the Land to create separate legal descriptions for the Sites, Seller must either pay, in full, all special assessments levied against the property subject to the Plat or allocate the levied special assessments among the lots the plat creates in a manner reasonably acceptable to Buyer. At or before the Closing on each Site, Seller must pay or escrow with the title company funds sufficient to pay all special assessments levied or pending with respect to that Site as of the date of such Closing. For purposes of this Agreement, a special assessment shall be deemed to be pending if the City or other assessing authority

has scheduled and published notice of the public hearing provided for in Minnesota Statutes Section 429.031. Notwithstanding the foregoing, if Buyer petitions or requests that Seller petition the City to construct any portion of the Infrastructure and to assess the cost thereof against on or more of the Sites, Buyer shall take title to that Site or those Sites subject to any levied or pending assessments for such Infrastructure.

(d) Deed Taxes, Conservation Fees, Mortgage Registry Taxes, and Recording Costs. At each Closing, Seller shall pay the deed tax and conservation fee due upon the recording of the deed for that Closing. Buyer shall pay any mortgage registry taxes associated with that Closing. Seller shall pay the cost of recording all documents necessary to address Unpermitted Exceptions. Buyer shall pay the cost of recording the deed and any loan documents.

(e) Other Costs. All operating costs of the Sites shall be allocated between Seller and Buyer as of the Closing Date for the applicable Site so that Seller pays that part of such operating costs attributable to the period before the Closing Date and Buyer pays that part of such operating costs attributable to the Closing Date and thereafter.

(f) Broker Fees. Seller is solely responsible for any commission or other fees or compensation owed to Seller's real estate broker as disclosed in Section 9.

(g) Attorneys' Fees. Each of the parties shall pay its own attorneys' fees, except that a party defaulting under this Agreement shall pay the reasonable attorneys' fees and court costs incurred by the non-defaulting party, including such fees and costs incurred to enforce its rights regarding such default.

The provisions of this Section 8 survive the Closings.

9. Representations and Related Provisions.

9.1 Seller's Representations. Seller represents to Buyer, as of the date of this Agreement, the following:

(a) **Good Standing.** Seller is a public corporation and political subdivision of the State of Minnesota, duly organized, validly existing and in good standing under the laws of the State of Minnesota.

(b) **Authority for this Agreement.** Seller has full power and authority to enter into this Agreement and to perform as required herein. Seller has duly and validly taken all necessary action to authorize the execution, delivery and performance of this Agreement by Seller. The individuals executing this Agreement on behalf of Seller have the requisite right, power, legal capacity and authority to execute and enter into this Agreement on behalf of Seller, to legally bind Seller to the terms and provisions of this Agreement and to execute all other documents and take all other actions as may reasonably be necessary to perform each and all of Seller's obligations under this Agreement. This Agreement constitutes a legal, valid and binding obligation of Seller, and (except as may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws effecting

the rights of creditors generally or general equitable principles) is enforceable as to Seller in accordance with its terms.

(c) **No Violation of Instruments.** The execution, delivery and performance of this Agreement by Seller and the consummation of the transaction contemplated herein will not constitute a default under any indenture, mortgage, deed of trust or other material agreement or instrument to which Seller is a party or by which Seller is bound.

(d) **Bankruptcy.** There are no actions or proceedings pending or, to Seller's knowledge, threatened to liquidate, reorganize, place in bankruptcy or dissolve Seller. Seller has not made a general assignment for the benefit of creditors, filed any voluntary petition in bankruptcy or suffered the filing of an involuntary petition by its creditors, suffered the appointment of a receiver to take possession of substantially all of its assets, suffered the attachment or other judicial seizure of substantially all of its assets, admitted its inability to pay its debts as they come due, or made an offer of settlement, extension or composition to its creditors generally.

(e) **No Broker.** Seller has not engaged or dealt with any broker or finder in connection with the sale contemplated by this Agreement except for Greg Follmer Commercial Real Estate ("**Broker**"). Seller shall indemnify and hold harmless Buyer from any claims, costs, damages or liabilities (including reasonable attorneys' fees) arising from any breach of the representation contained in this Section 9.(e) and from any claims by Broker for any commission or other fee or compensation in connection with the transactions contemplated by this Agreement.

(f) **Wells.** To Seller's knowledge there are no "wells" on the Land within the meaning of Minn. Stat. §103I. This representation is intended to satisfy the requirements of the statute.

(g) **Subsurface Sewage Treatment Systems.** Solely for the purpose of satisfying the requirements of Minn. Stat. §115.55, Seller certifies that sewage generated on the Property goes to a facility permitted by the Minnesota Pollution Control Agency and that to Seller's knowledge, there are no abandoned "subsurface sewage treatment systems" within the meaning of that statute on or serving the Property.

(h) **Methamphetamine Disclosure.** To Seller's knowledge, methamphetamine production has not occurred on the Property.

(i) **Tanks.** To Seller's knowledge, there are no above ground or underground tanks on the Property except, if at all, as set forth in a Tank Affidavit attached to this Agreement as **Exhibit 9.1(i)**.

(j) **No Proceedings.** No legal or administrative proceeding has been commenced against Seller which would adversely affect its right to convey the Property to Buyer as contemplated in this Agreement. To Seller's knowledge, there are no condemnation or eminent domain proceedings pending or threatened with respect to the Property.

(k) **Unrecorded Rights.** To Seller's knowledge, no third party is claiming any right, title or interest in or to any portion of the Land based on any unrecorded "conveyance" (as defined in Minn. Stat. Section 507.01) or on the third party's or the third party's predecessor's possession or use of any part of the Land, except for claims which may be revealed in the Survey or in a thorough inspection of the Land.

For purposes of subsections (f) through (k) above the phrase "Seller's knowledge" means and is limited to the actual knowledge of David Spooner as of the Effective Date and without any duty to investigate the matter to which such actual knowledge or the absence thereof pertains. David Spooner shall have no personal liability to Buyer or any other person or entity for any breach of any representation by Seller in this Purchase Agreement or in any Date Down Certificate. David Spooner is acting for and on behalf of Seller and is in no manner expressly or impliedly making any representations in an individual capacity. Buyer waives any right to sue or seek any personal judgment or claim against David Spooner.

9.2 **Buyer's Representations.** Buyer hereby makes the following representations; which representations are true in all respects as of the date hereof and shall be true in all respects on the Closing Date for any applicable Site:

(a) **Good Standing.** The Buyer has full power and authority to own its property and carry on its business as it is now being conducted, and as it is proposed to be conducted. The Buyer is a limited liability company duly organized, validly existing and in good standing under the laws of Minnesota.

(b) **Authority for this Agreement.** Buyer has full power and authority to enter into this Agreement and to perform as required herein. Buyer has duly and validly taken all necessary action to authorize the execution, delivery and performance of this Agreement by Buyer. The individuals executing this Agreement on behalf of Buyer have the requisite right, power, legal capacity and authority to execute and enter into this Agreement on behalf of Buyer, to legally bind Buyer to the terms and provisions of this Agreement and to execute all other documents and take all other actions as may reasonably be necessary to perform each and all of Buyer's obligations under this Agreement. This Agreement constitutes a legal, valid and binding obligation of Buyer, and (except as may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws effecting the rights of creditors generally or general equitable principles) is enforceable as to Buyer in accordance with its terms.

(c) **No Violation of Instruments.** The execution, delivery and performance of this Agreement by Buyer and the consummation of the transaction contemplated herein will not result in a breach or violation of the terms and provisions of the articles, bylaws, operating agreement and/or other governing documents of the Buyer in effect on the date hereof (the "Organizational Documents") and will not constitute a default under any indenture, mortgage, deed of trust or other material agreement or instrument to which the Buyer is a party or by which the Buyer is bound.

(d) **No Broker.** Buyer has not engaged any broker or finder other than Broker in connection with the sale contemplated by this Agreement. Buyer shall indemnify and hold harmless Seller from any claims, costs, damages or liabilities (including reasonable attorney's fees) arising from any breach of the representations contained in this Section 9.2(d).

9.3 Survival of Representations and Remedies for Misrepresentation.

9.3.1 Survival of Representations and Remedies for Misrepresentation following a Closing. The representations made by Seller and the representations made by Buyer in this Agreement and in any Date Down Certificate, as they apply to a Site, shall survive the Closing for that Site for a period expiring on the date that is twelve (12) months following the Closing for the Site (the "**Survival Date**") and any action for a breach of Seller's representations, for breach of Buyer's representations, or for a breach of a representation made in any Date Down Certificate must be made and filed by the Survival Date. Neither Buyer nor Seller shall make or bring any claim for the breach of a representation unless the amount of such claim equals or exceeds \$50,000. Any claim for a breach of a Seller's representation, of a Buyer's representation, or a representation made in any Date Down Certificate which is not made and filed by prior to the Survival Date shall, from and after the Survival Date, be deemed to have been waived and rendered null and void and of no further force and effect. A party's sole remedy after the delivery of the Deed for a breach of a representations of the other party is an action for damages pursuant to this Section and the parties waive all other causes of action and claims including, without limitation, any action to rescind this Agreement.

9.3.2 Remedies for Misrepresentations Discovered before the Expiration of the Due Diligence Period. If, at any time prior to the expiration of the Due Diligence Period, Buyer is aware of any condition, state of facts or other matter or any condition, state of facts or other matter is disclosed to Buyer in writing from any source including, without limitation, in any of the exhibits or schedules to this Agreement, the Due Diligence Items, the Reports, or by email, overnight delivery, or on-site availability, which would cause a representation of Seller set forth in Section 9.1 to be untrue or misleading, Buyer shall promptly, and in any event before the expiration of the Due Diligence Period, notify Seller if Buyer requires that Seller correct or cure such matter. If (i) Seller does not notify Buyer within ten (10) business days after Seller's receipt of a written request from Buyer that Seller has elected to cure such matter or if Seller elects to cure such matter but fails to do so, then, notwithstanding anything contained in this Purchase Agreement to the contrary, Buyer, at its sole option and in its sole discretion, may, by written notice to Seller provided within ten (10) business days after Seller's failure to provide written notice that Seller has elected to cure such matter or (ii) Seller elects to cure such matter but fails to do so provided within ten (10) business days after Seller's subsequent notice to Buyer that it has failed to cure such matter: (a) waive Seller's obligation to cure such matter and Seller's representation shall, without any additional action by Buyer and Seller, be deemed modified to reflect the condition, state of facts or other matter or (b) terminate this Purchase Agreement by written notice to Seller. If Buyer terminates this Agreement in accordance with subsection (b) of the preceding sentence, then upon such termination (A) all Earnest Money will be refunded to Buyer, (B) if the representation of Seller was untrue or misleading as of the Effective Date, Seller shall be liable to and shall reimburse Buyer for all documented, third party out-of-pocket fees and

costs actually incurred by Buyer in connection with this Agreement or the purchase or development of the Land (not to exceed \$250,000), and (C) this Agreement shall become null and void, except for those provisions which, by the express terms of this Agreement, survive the termination of this Agreement. If Buyer is required to but does not provide a notice pursuant to the first sentence of this Section 9.3.2, then Seller's representation shall, without any additional action by Buyer and Seller, be deemed modified to reflect the conditions, state of facts or other matters of which Buyer was aware prior to the end of the Due Diligence Period.

9.3.3 Remedies for Misrepresentations Discovered after the Expiration of the Due Diligence Period and before the first Closing. If at any time after the expiration of the Due Diligence Period and before the first Closing, Buyer becomes aware of any condition, state of facts, or other matter or any condition, state of facts, or other matter is disclosed to Buyer in writing from any source which would cause a representation of Seller set forth in Section 9.1 that has not already been modified pursuant to Section 9.3.2 to be untrue or misleading, Buyer shall promptly and in any event before the first Closing notify Seller if Buyer requires that Seller correct or cure such matter. If (i) Seller does not notify Buyer within ten (10) business days after Seller's receipt of a written request from Buyer that Seller has elected to cure such matter or if Seller elects to cure such matter but fails to do so, then, notwithstanding anything contained in this Purchase Agreement to the contrary, Buyer, at its sole option and in its sole discretion, may, by written notice to Seller provided within ten (10) business days after Seller's failure to provide written notice that Seller has elected to cure such matter or (ii) Seller elects to cure such matter but fails to do so provided within ten (10) business days after Seller's subsequent notice to Buyer that it has failed to cure such matter (a) waive Seller's obligation to cure such matter and Seller's representation shall, without any additional action by Buyer and Seller, be deemed modified to reflect the condition, state of facts or other matter or (b) terminate this Purchase Agreement by written notice to Seller and upon such termination (A) all Earnest Money will be refunded to Buyer, (B) if the representation of Seller was untrue or misleading as of the Effective Date, Seller shall be liable to and shall reimburse Buyer for all documented, third party out-of-pocket fees and costs actually incurred by Buyer in connection with this Agreement or the purchase or development of the Land (not to exceed \$250,000), and (C) this Agreement shall become null and void, except for those provisions which, by the express terms of this Agreement, survive the termination of this Agreement. If Buyer is required to but does not provide a notice pursuant to the first sentence of this Section 9.3.3, then Seller's representation shall, without any additional action by Buyer and Seller, be deemed modified to reflect the conditions, state of facts or other matters of which Buyer was aware prior to the Closing on the first Site.

9.3.4 Remedies for Misrepresentations with respect to a Site that has not Closed Discovered after the first Closing. If at any time after the first Closing, Buyer becomes aware of any condition, state of facts, or other matter or any condition, state of facts, or other matter is disclosed to Buyer in writing from any source which would cause a representation of Seller set forth in Section 9.1 that has not already been modified pursuant to Section 9.3.2 or 9.3.3 to be untrue or misleading with respect to a Site that has not yet Closed, then Buyer shall immediately notify Seller if Buyer requires that Seller correct or cure such matter. If (i) Seller does not notify Buyer within ten (10) business days after Seller's receipt of a written request from Buyer that Seller has elected to cure such matters or (ii) Seller elects to cure the matter but fails to do so, then, notwithstanding anything contained in this Purchase Agreement to the contrary, Buyer, at its sole

option and in its sole discretion, may, by written notice to Seller provided within ten (10) business days after Seller's failure to provide written notice that Seller has elected to cure such matter or if Seller elects to cure the matter but fails to do so provided within ten (10) business days after Seller's subsequent notice to Buyer that it has failed to cure such matter (a) waive Seller's obligation to cure the matter and Seller's representation shall, without any additional action by Buyer and Seller, be deemed modified to reflect the condition, state of facts or other matter or (b) terminate this Purchase Agreement with respect to the remaining Sites by written notice to Seller and upon such termination (A) all Earnest Money will be refunded to Buyer, (B) if the representation of Seller was untrue or misleading as of the Effective Date, Seller shall be liable to and shall reimburse Buyer for a pro rata share of all documented, third party out-of-pocket fees and costs actually incurred by Buyer in connection with this Agreement or the purchase or development of the Land and all documented, third party out-of-pocket fees and costs actually incurred by Buyer solely in connection with the Site or Sites terminated (not to exceed, in total, \$42,000 for each Site subject to the termination), and (C) this Agreement shall become null and void with respect to the remaining Sites, except for those provisions which, by the express terms of this Agreement, survive the termination of this Agreement. If Buyer is required to but does not provide a notice pursuant to the first sentence of this Section 9.3.4, then Seller's representation shall, without any additional action by Buyer and Seller, be deemed modified to reflect the conditions, state of facts or other matters of which Buyer was aware after the Closing on the first Site.

9.3.5 Closing Dates. Applicable Closing Dates shall be postponed automatically, if necessary, to permit the full running of the time periods described in this Section 9.3.

9.4 As Is Provisions. Buyer is purchasing the Property "AS IS" and "WHERE IS", and with all faults, and except as expressly set forth in Section 9.1 or in an applicable Date Down Certificate, Seller makes no representations or warranties, whether express or implied, by operation of law or otherwise, with respect to the quality, physical condition or value of the Property, the compliance of the Property with applicable building or fire codes or other laws or regulations. Buyer agrees that Seller is not liable or bound by any guarantees, promises, statements, representations or information pertaining to the Property made or furnished by Seller or any agent, officer, director, employee or other person representing or purporting to represent Seller, except as and to the extent expressly set forth in Section 9.1 or in an applicable Date Down Certificate. To the fullest extent allowed by Minnesota and Federal law, Buyer and Seller agrees as follows: Buyer expressly waives the requirement of any disclosure not expressly contained in this Agreement (including, without limitation, any disclosure required pursuant to Minn. Stat. §513.52-513.60), and Buyer agrees to take the Property "As Is" notwithstanding any matter set forth in any disclosure statement required by Minnesota law.

BUYER ACKNOWLEDGES AND AGREES THAT, EXCEPT AS EXPRESSLY SET FORTH IN SECTION 9, SELLER HAS NOT MADE, DOES NOT MAKE AND SPECIFICALLY NEGATES AND DISCLAIMS ANY REPRESENTATIONS, WARRANTIES, PROMISES, COVENANTS, AGREEMENTS OR GUARANTIES OF ANY KIND OR CHARACTER WHATSOEVER, WHETHER EXPRESS OR IMPLIED, ORAL OR WRITTEN, PAST, PRESENT OR FUTURE, OF, AS TO, CONCERNING OR WITH RESPECT TO:

- (A) THE VALUE, NATURE, QUALITY OR CONDITION OF THE PROPERTY, INCLUDING, WITHOUT LIMITATION, THE WATER, SOIL AND GEOLOGY;
- (B) THE INCOME TO BE DERIVED FROM THE PROPERTY;
- (C) THE SUITABILITY OF THE PROPERTY FOR ANY AND ALL ACTIVITIES AND USES WHICH BUYER MAY CONDUCT THEREON;
- (D) THE COMPLIANCE OF OR BY THE PROPERTY OR ITS OPERATION WITH ANY LAWS, RULES, ORDINANCE OR REGULATIONS OF ANY APPLICABLE GOVERNMENTAL AUTHORITY OR BODY OR ANY FRANCHISE LICENSE OR AGREEMENT OR ANY GRANT OR SIMILAR AGREEMENT;
- (E) THE HABITABILITY, MERCHANTABILITY, MARKETABILITY, PROFITABILITY OR FITNESS FOR A PARTICULAR PURPOSE OF THE PROPERTY;
- (F) THE MANNER OR QUALITY OF THE CONSTRUCTION OR MATERIALS, IF ANY, INCORPORATED INTO THE PROPERTY;
- (G) THE MANNER, QUALITY, STATE OF REPAIR OR LACK OF REPAIR OF THE PROPERTY;
- (H) THE AVAILABILITY OF WATER OR OTHER RESOURCES OR UTILITIES;
OR
- (I) ANY OTHER MATTER WITH RESPECT TO THE PROPERTY, AND SPECIFICALLY, THAT SELLER HAS NOT MADE, DOES NOT MAKE, AND SPECIFICALLY DISCLAIMS ANY REPRESENTATIONS REGARDING COMPLIANCE WITH ANY ENVIRONMENTAL PROTECTION OR POLLUTION RULES, REGULATIONS, ORDERS OR REQUIREMENTS, INCLUDING SOLID WASTE, AND INCLUDING THE DISPOSAL, RELEASE OR EXISTENCE, IN OR ON THE PROPERTY, OF ANY HAZARDOUS SUBSTANCE.

SELLER ACKNOWLEDGES AND AGREES THAT, EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT OR IN A BUYER CLOSING DOCUMENT, BUYER HAS NOT MADE, DOES NOT MAKE AND SPECIFICALLY NEGATES AND DISCLAIMS ANY REPRESENTATIONS, WARRANTIES, PROMISES, COVENANTS, AGREEMENTS OR GUARANTIES OF ANY KIND OR CHARACTER WHATSOEVER, WHETHER EXPRESS OR IMPLIED, ORAL OR WRITTEN, PAST, PRESENT OR FUTURE, OF, AS TO, CONCERNING OR WITH RESPECT TO BUYERS USE OF THE SITES AFTER CLOSING.

TO THE FULLEST EXTENT PERMITTED BY LAW, INCLUDING, WITHOUT LIMITATION, AS PERMITTED BY MINN. STAT. §1031.235, SUBD. 2, (I) BUYER WAIVES ANY REQUIREMENT REGARDING THE DISCLOSURE OF THE EXISTENCE OR STATUS OF ANY WELLS ON THE REAL PROPERTY AND (II) BUYER WAIVES ANY CLAIM

AGAINST SELLER AND RELEASES SELLER FROM ANY LIABILITY FOR FAILURE TO DISCLOSE OR ACCURATELY DISCLOSE THE EXISTENCE OR STATUS OF ANY WELLS ON THE REAL PROPERTY WHETHER OR NOT SELLER KNOWS OR HAS REASON TO KNOW OF THE EXISTENCE OR KNOWN STATUS OF ANY WELLS ON THE REAL PROPERTY.

TO THE FULLEST EXTENT PERMITTED BY LAW, INCLUDING, WITHOUT LIMITATION, AS PERMITTED BY MINN. STAT. §115.55, SUBD. 6(B), (I) BUYER WAIVES ANY REQUIREMENT REGARDING THE DISCLOSURE OF THE EXISTENCE OR STATUS OF ANY SUBSURFACE SEWAGE TREATMENT SYSTEMS ON THE REAL PROPERTY AND (II) BUYER WAIVES ANY CLAIM AGAINST SELLER AND RELEASES SELLER FROM ANY LIABILITY FOR FAILURE TO DISCLOSE OR ACCURATELY DISCLOSE THE EXISTENCE OR STATUS OF ANY SUBSURFACE SEWAGE TREATMENT SYSTEMS ON THE REAL PROPERTY WHETHER OR NOT THE SELLER KNOWS OR HAS REASON TO KNOW OF THE EXISTENCE OR KNOWN STATUS ANY SUBSURFACE SEWAGE TREATMENT SYSTEMS ON THE REAL PROPERTY.

9.5 Independent Investigation. The consummation of the Closing for each Site shall constitute Buyer's acknowledgment that Buyer has independently inspected and investigated the Site and has closed on that Site based upon such inspection and investigation and its own examination of the condition of the Site and on the representations, certifications, and warranties, if any, set forth in this Agreement and in Seller's Closing Documents. Upon the Closing for each Site, Buyer shall assume the risk that adverse matters, including but not limited to construction defects and adverse physical and environmental conditions and the suitability or unsuitability of the Site for Buyer's intended uses, may not have been revealed by Buyer's investigations. Buyer, upon Closing, shall be deemed to have waived, relinquished and released the Seller-Related Parties from and against, and covenanted not to sue any of the foregoing with regard to, any and all claims, demands, causes of action (including causes of action in tort or under any environmental law), losses, damages, liabilities (whether based on strict liability or otherwise), losses, damages, liabilities, costs and expenses (including attorneys' fees and court costs) of any and every kind or character, known or unknown, which Buyer might have asserted or alleged against the Seller-Related Parties at any time (including without limitation to the extent covered by or that would be covered by [as opposed to paid] by insurance) by reason of or arising out of any latent or patent construction defects or physical conditions, violations of any applicable laws (including, without limitation, any environmental laws), the suitability of the Site for any purposes contemplated by Buyer and any and all other acts, omissions, events, circumstances or matters regarding the Site. The foregoing shall not be interpreted to waive any (a) claim of Buyer with respect to any breach by Seller of any express representations made by Seller in Section 9.1 that expressly survive Closing pursuant to this Agreement or (b) any claim of Buyer with respect to any representation, certification or warranty set forth in an applicable Date Down Certificate.

9.6 Buyer Reliance. Buyer is experienced in and knowledgeable about the ownership, development, and management of real estate, and it has relied and will rely exclusively on its own consultants, advisors, counsel, employees, agents, principals and/or studies, investigations and/or inspections with respect to the Property, its condition, value and potential as well as on the representations, certifications and warranties of Seller as set forth in this Agreement and the Seller Closing Documents. The Purchase Price and other terms and conditions contained in this

Agreement are the result of arm's-length negotiations between sophisticated parties experienced in transactions of this kind, and the Purchase Price and other terms and conditions contained in this Agreement take into account the fact that Buyer is not entitled to rely on any information provided by Seller, any of its agents, or any other person acting for or on behalf of Seller, except as expressly set forth in Section 9.1 or in an applicable Date Down Certificate. All information, whether written or oral, previously, now, or hereafter made available to Buyer by Seller, its agents, or any other person acting for or on behalf of Seller, whether in the form of appraisals, market studies, projections, brochures, maps, surveys, soil reports, engineering studies, environmental studies, inspection reports, plans and specifications, and all other information and materials have been or will be furnished by Seller to Buyer solely as an accommodation, and neither Seller nor its agents has verified the accuracy of such information or the qualifications of the persons preparing such information, except as expressly set forth in Section 9.1 or in an applicable Date Down Certificate. Buyer agrees that, notwithstanding the fact that Buyer has received certain information from Seller, or its respective agents or consultants, Buyer has relied solely upon and will continue to rely solely upon its own analysis and will not rely on any information provided by Seller, or its agents or consultants, except as expressly set forth in Section 9.1 or in an applicable Date Down Certificate.

9.7 Buyer's Efforts Are for Buyer's Benefit Only. Notwithstanding any obligation of Buyer to provide copies to Seller of any Reports, or any permission received from Seller to take any action, or any provision in this Agreement requiring Buyer to seek, obtain or provide (i) any subdivision approval, zoning change, license, permit, approval, consent, utility reservation, water allocation or other entitlement of any kind or nature whatsoever ("Approval"), (ii) any drawings, plans, specifications, surveys or architectural or engineering renderings (collectively, "Plans"), or (iii) any third party report, study, survey, or analysis, including, without limitation, any survey, environmental investigation or report, soil report or traffic report (collectively, "Reports") and except for reimbursement as provided in Section 3.1 and except as expressly provided in this Agreement or in any subsequent agreement between Seller and Buyer, Buyer is not entitled to any compensation or reimbursement of any kind or nature from Seller for actions taken or to be taken or any expenses or payments made or to be made or any obligations entered into or incurred or to be entered into or incurred by or on behalf of or at the direction or request of Borrower relating to this Agreement or Buyer's acquisition of the Property or Buyer's use, possible use or intended use of the Property. This includes, without limitation, compensation for any services relating to any Approval, Plans, or Reports, any compensation for any improvement of or to the Property by Buyer, and any increase in value of the Property or any other property of Seller arising out of any improvement or Approval, Plans or Reports on any basis whatsoever including, without limitation, on the basis of any claim based upon agency, partnership, joint venture or enterprise, unjust enrichment, quantum meruit or other quasi-contract theory, whether or not a Closing occurs or this Agreement is terminated or cancelled. Buyer shall indemnify, defend (with counsel reasonably satisfactory to Seller), and hold Seller and the Seller-Related Parties harmless for, from and against any claims, damages, costs, liabilities, losses, mechanic's, materialmen's or other liens, arising out of or in any way related to any claim by any third party for compensation for services incurred by or on behalf of Buyer relating to this Agreement or the Property on any basis whatsoever including, without limitation, on the basis of any claim based upon agency, partnership, joint venture or enterprise, unjust enrichment, quantum meruit or other quasi-contract theory, including, without limitation, claims by any third party for (a) compensation for services incurred by or on behalf of Buyer relating to any Approval, Plans, or Reports, (b) compensation for any improvement of or to

the Property made by or on behalf of Buyer, and (c) compensation for any increase of value in the Property or any other property of Seller arising out of any (i) services incurred by or on behalf of Buyer relating to any Approval, Plans or Reports, except to the extent, if at all, that such services or improvements are expressly contracted for by Seller in writing.

9.8 **Survival.** Sections 9.1 through 9.8 shall survive the termination of this Agreement and the Closings.

10. **Damage.** Promptly upon learning thereof, Seller shall give Buyer written notice of any condemnation, damage or destruction of any Site occurring prior to the Closing for the Site. If prior to the Closing all or a material portion of a Site is condemned, damaged or destroyed by an insured casualty, Buyer shall have the option of either (i) applying the proceeds of any condemnation award or payment under any insurance policies (other than business interruption or rental loss insurance) toward the payment of the Purchase Price for the Site to the extent Seller has received such condemnation awards or insurance payments and has not spent them as permitted under this Section 10, receiving a credit against the Purchase Price for the Site in an amount equal to any applicable outstanding deductible under any such insurance policy, and receiving an assignment from Seller of Seller's right, title and interest in any such awards or payments not theretofore received by Seller, or (ii) terminating this Agreement with respect to the Site by delivering written notice of such termination to Seller and Escrow Agent within ten (10) days after Buyer has received written notice from Seller of such material condemnation, damage or destruction. If all or a material portion of a Site is damaged or destroyed by an insured casualty before Buyer has provided written notice pursuant to Section 7 establishing a Closing Date for that Site, Seller may, after consulting with Buyer, use insurance proceeds to provide necessary repairs or necessary demolition, debris removal, and site security (e.g., fencing), and if Buyer does not elect to terminate this Agreement with respect to the Site as provided in subsection (ii) above, Buyer will not receive a credit against the Purchase Price with respect to those expenditures. If, prior to the Closing, a portion of a Site is condemned, damaged or destroyed by an insured casualty and such portion is not a material portion of the Site, the proceeds of any condemnation award or payment and any applicable outstanding deductible under any insurance policies shall be applied toward the payment of the Purchase Price for the Site to the extent such condemnation awards or insurance payments have been received by Seller but not spent by Seller pursuant to this Section 10, and Seller shall assign to Buyer all of Seller's right, title and interest in any unpaid awards or payments. If less than a material portion of a Site for which Buyer has not provided written notice pursuant to Section 7 establishing a Closing Date is damaged or destroyed by an insured casualty, Seller may, after consulting with Buyer, use insurance proceeds to provided necessary repairs or necessary demolition, debris removal, and site security (e.g., fencing), and Buyer will not receive a credit against the Purchase Price with respect to those expenditures. For purposes of this Section 10, the term "material portion" shall mean (i) with respect to any Residential Site, an amount equal to or exceeding five percent (5%) of the Purchase Price for the Site or an absence of reasonable access to the Site, (ii) with respect to the Vo-Tech Building Site, an amount equal to or exceeding ten percent (10%) of the Purchase Price for the Vo-Tech Building Site or an absence of reasonable access to the Vo-Tech Building Site, and (iii) with respect to the Central High School Site, an amount equal to or exceeding fifty percent (50%) of the Purchase Price for the Central High School Site or an absence of reasonable access to the Central High School Site. If the damage or destruction arises out of an uninsured risk, Seller shall elect, by written notice within ten (10) days

of the occurrence of such damage or destruction either to terminate this Agreement or to close the transaction contemplated hereby with a reduction of the Purchase Price equal to the costs of repairing the Site, as reasonably estimated by an engineer engaged by Seller and reasonably acceptable to Buyer.

11. **Assignment.** Buyer shall not assign its rights under this Agreement without the consent of Seller, which will not be unreasonably conditioned, withheld or delayed. No assignment by Buyer shall relieve the Buyer of its obligations under this Agreement.

12. **Waiver of Jury Trial.** BUYER AND SELLER HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE THE RIGHT TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED ON, ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT OR ANY DOCUMENTS CONTEMPLATED TO BE EXECUTED IN CONNECTION WITH THIS AGREEMENT, OR ANY COURSE OF CONDUCT, COURSE OF DEALINGS, STATEMENTS (WHETHER ORAL OR WRITTEN) OR ANY ACTIONS OF EITHER PARTY ARISING OUT OF OR RELATED IN ANY MANNER WITH THIS AGREEMENT OR THE PROPERTY (INCLUDING WITHOUT LIMITATION, ANY ACTION TO RESCIND OR CANCEL THIS AGREEMENT OR ANY CLAIMS OR DEFENSES ASSERTING THAT THIS AGREEMENT WAS FRAUDULENTLY INDUCED OR IS OTHERWISE VOID OR VOIDABLE). THIS WAIVER IS A MATERIAL INDUCEMENT FOR SELLER TO ENTER INTO AND ACCEPT THIS AGREEMENT AND THE DOCUMENTS TO BE DELIVERED BY BUYER AT CLOSING, AND SHALL SURVIVE THE CLOSING OR TERMINATION OF THIS AGREEMENT. EACH PARTY HEREBY AUTHORIZES AND EMPOWERS THE OTHER TO FILE THIS SECTION AND THIS AGREEMENT WITH THE CLERK OR JUDGE OF ANY COURT OF COMPETENT JURISDICTION AS A WRITTEN CONSENT TO WAIVER OF JURY TRIAL.

13. **Notices.** Any notice required or permitted to be given by any party upon the other shall be deemed delivered or given in accordance with this Agreement: (i) three (3) business days after it is deposited in the United States mail; (ii) the next business day after it is deposited with a nationally-recognized over-night courier before the next business day delivery time cut off; (iii) the day it is personally delivered or, if that day is not a business day, the next business day after it is personally delivered; or (iv) the day it is sent by electronic transmission (e.g. facsimile or email) or, if that day is not a business day, the next business day after it is sent by electronic transmission and addressed as follows:

If to Seller:

Independent School District #709
215 N. 1st Avenue East
Duluth, MN 55802
Attn: Catherine Erickson
Email: catherine.erickson@isd709.org

with a copy to:

Daniel D. Maddy
Fryberger, Buchanan, Smith & Frederick, P.A.
302 West Superior Street, Ste. 700
Duluth, Minnesota 55802
Email: dmaddy@fryberger.com

If to Buyer:

Saturday Central Heights LLC
3546 Dakota Avenue South, Suite D
Saint Louis Park, MN 55416
Attn: Mark Laverty
Email: mlaverty@saturdayproperties.com
with a copy to:

Daniel J. Van Dyk
Taft Stettinius & Hollister LLP
80 South Eighth Street, Suite 2200
Minneapolis, MN 55402
Email: dvandyk@taftlaw.com

If to Title:

Arrowhead Abstract & Title Company
314 W. Superior Street, Ste. 101
Duluth, MN 55802
ATTN: Edie Michalski
Fax No. (218) 722-0052
Email: emichalski@arrowheadabstract.com

Notices shall be deemed effective on the date they are deemed to be delivered. 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.

14. **Captions and Recitals.** 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. The recitals set forth in this Agreement are intended to provide definitions and context only and are not intended as representations or warranties of any kind or nature.

15. **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 or amendment of any of its terms shall be effective unless in writing executed by the parties. This Agreement or any amendments may be executed in counterparts, which, taken together, shall constitute one original. The parties agree that this Agreement may be

transmitted between themselves by electronic transmission (e.g. facsimile or email). The parties intend that electronically transmitted signatures constitute original signatures and that an electronically transmitted agreement or counterparts containing the signatures (original or electronically transmitted) of all the parties is binding upon the parties.

16. **Binding Effect, Execution of Counterparts, and Electronic Signatures.** This Agreement binds and benefits the parties and their successors and assigns. The parties may execute separate counterparts of this Agreement and deliver electronic copies of their respective signature pages to one another electronically. The electronic delivery of an electronic copy of this Agreement bearing a party's signature shall be deemed delivery of an executed original for all purposes. Each party may collate electronic copies of its signature page and of the other party's signature page to form a fully executed copy of this Agreement and all such copies shall together constitute but one and the same instrument.

17. **Choice of Law.** This Agreement shall be subject to and governed by the laws of the State of Minnesota and all questions concerning the meaning or intention of the terms of this Agreement or concerning the validity thereof, and questions relating to the performance hereunder shall be adjudged and resolved in accordance with the laws of the State of Minnesota. All actions to enforce the terms and provisions of this Agreement shall be brought and maintained only within the State of Minnesota, and Seller and Buyer each hereby consent to the exclusive jurisdiction of the State Courts, sited in Duluth, Minnesota. Seller and Buyer each hereby expressly waive any and all rights which it may have to make any objection based on (a) jurisdiction, to any suit brought to enforce this Agreement in the State of Minnesota, or (b) venue, to any action brought to enforce this Agreement in Duluth, Minnesota, in each case in accordance with the above provisions. Whenever possible, each provision of this Agreement shall be interpreted in such a manner as to be effective and valid pursuant to applicable laws; however, if any part hereof shall be prohibited by applicable law or invalid thereunder, such provision shall be ineffective to the extent of such prohibition or invalidity only and without invalidating the remainder thereof.

18. **Time of Essence.** Time is of the essence in all terms herein.

19. **Default and Remedies.**

19.1 **Buyer's Default.** Subject to the additional notice requirements provided in Section 24, if applicable, if Buyer defaults under this Agreement, Seller shall have the right to terminate this Agreement, by providing thirty (30) calendar days' written notice with right to cure, if Minnesota Statute §559.21 does not apply, or by providing written notice of cancellation as provided in Minnesota Statute §559.21 if Minnesota Statute §559.21 does apply. Upon such termination, Seller shall retain the Earnest Money (including any amount drawn on the Letter of Credit or Substitute Letter of Credit, as that term is defined in Section 24, which Seller was not, prior to such termination, required to return to Buyer pursuant to Section 7.2) as liquidated damages, time being of the essence of this Agreement. Seller and Buyer agree that Seller's economic detriment resulting from the removal of the Property from the market, the carrying and other costs incurred thereafter and associated therewith, including, without limitation, any costs to be incurred by Seller in order to satisfy the conditions set forth in this Agreement, and, if applicable, the cost to demolish the High School Building or otherwise deal with the Central High

School Site, are impracticable or extremely difficult to ascertain. Seller and Buyer agree that the Earnest Money (including, if applicable, the amount drawn under the Letter of Credit or Substitute Letter of Credit which Seller was not, prior to such termination, required to return to Buyer pursuant to Section 7.2) is a reasonable estimate of such damages in the event of Buyer's failure to perform according to the provisions of this Agreement. Such payment is intended to be liquidated damages and not intended to be a forfeiture or penalty. Seller and Buyer acknowledge and agree that any liability of Buyer to Seller under any provision of this Agreement which survives termination will not be limited by this liquidated damages provision. Termination with the retention of the Earnest Money (including, if applicable, the amount drawn under the Letter of Credit or Substitute Letter of Credit which Seller was not, prior to such termination, required to return to Buyer pursuant to Section 7.2) pursuant to this Section 19.1 is the sole and exclusive remedy afforded to Seller.

19.2 **Seller's Default.** If Seller defaults under this Agreement, Buyer shall have the right to terminate this Agreement by giving thirty (30) calendar days' written notice of termination to Seller, whereupon this Agreement will terminate, and upon such termination, all Earnest Money will be refunded to Buyer and if Seller is then holding the Letter of Credit or a Substitute Letter of Credit, Seller shall immediately return the Letter of Credit or Substitute Letter of Credit to Buyer. In lieu of terminating this Agreement, Buyer may maintain a suit for specific performance of this Agreement, provided, however, that any such suit must be commenced within one hundred eighty (180) days after Buyer becomes aware of Seller's default in the performance of the obligation or obligations performance of which Buyer seeks to specifically enforce and, if Buyer prevails in an action for specific performance, Buyer may also recover from Seller any and all damages Buyer has suffered or incurred as a result of the delay in Seller's performance (not to exceed \$100,000.00). Notwithstanding the foregoing or anything else in this Agreement to the contrary, if after the Effective Date, Seller has intentionally or voluntarily, whether directly or indirectly, sold or transferred the Land or impeded in any material way the transfer of the Land, so that specific performance is not available to Buyer, then, upon the termination of this Agreement by Buyer pursuant to this Section 19.2, Seller shall be liable to and shall reimburse Buyer for all documented, third party out-of-pocket fees and costs actually incurred by Buyer in connection with this Agreement or the purchase or development of the Land (not to exceed \$250,000.00). The remedies set forth in this Section 19.2 are the sole and exclusive remedies afforded to Buyer and in no event shall Seller be liable for any actual, general, specific, punitive, incidental, speculative, consequential or other damages of any kind or nature.

19.3 **Claims for Misrepresentation.** This Section 19 does not apply to claims for misrepresentation based on the representations set forth in Section 9.1 and 9.2. Such claims are governed by Section 9.

20. **Relationship of Seller and Buyer.** It is expressly agreed and understood between Seller and Buyer that Buyer, in entering into this Agreement and carrying out its obligations hereunder, is working for itself and is not, shall not be deemed to be and shall not hold, except as expressly set forth herein, hold itself out as or be deemed to be an agent, joint venturer, independent contractor, legal representative or employee of Seller. Buyer is not granted any right or authority to assume or to create any obligation, liability or responsibility, express or implied, on behalf of or in the name of Seller, to bind Seller in any manner to any

contractual or other undertaking whatsoever or to accept payment from any party of any obligation owing to Seller. Except, if at all, as expressly provided in this Agreement, Buyer shall be responsible for all costs it incurs in performing its obligations under this Agreement, and except as explicitly set forth herein, Seller shall have no liability for any debts or other obligations which Buyer may incur in rendering such performance.

21. **Effect of Termination.** Notwithstanding any provision in this Agreement to the contrary, the following shall survive any termination of this Agreement or with respect to a Site (including a termination pursuant to Section 19.1 or Section 19.2): (a) the indemnity provisions in Section 4, Section 5.3.1, Section 9.1(e), Section 9.2(d), and Section 9.7, (b) any provision limiting claims for damages, (c) any provision governing the distribution of the Earnest Money, the Letter of Credit, or a Substitute Letter of Credit, (d) the provisions of Sections 8, 9, 11, 12, 13, 14, 15, 16, 17, 18, 19.1 (permitting Seller to make a draw on the Letter of Credit or Substitute Letter of Credit after termination), 20 and this Section 21, and (e) any other provisions that expressly state they survive the termination of this Agreement.

22. **Post-Closing Survival.** Notwithstanding any provision of this Agreement to the contrary, the following shall survive the Closing and the delivery of the deed and other closing documents with respect to a Site: (a) the indemnity provisions in Section 4 and Section 5.3.1, (b) any provision limiting claims for damages, (c) the provisions of Sections 9.1 through 9.8, (d) the provisions of Sections 7.2 and 7.3 (to the extent they are not performed at the applicable Closing), (e) the Provisions of Sections 8, 11, 12, 13, 14, 15, 16, 17, 18, 20, and this Section 22, and (e) any other provision that expressly states that it will survive the Closing on a Site.

23. **Confidentiality Agreement.** Buyer and Seller acknowledge that the existence and the terms of this Agreement, Buyer's intended development of the Land and any oral or written information exchanged between Buyer and Seller in connection with the preparation and performance this Agreement and Buyer's investigation and development of the Land are regarded as confidential information. Each party shall maintain confidentiality of all such confidential information, and without obtaining the consent of the other party, shall not disclose any relevant confidential information to any third parties or to the public, except for the information that: (a) is or will be in the public domain (other than through the receiving party's unauthorized disclosure), including as necessary with any approvals required in connection with the sale, purchase or development of the Land, including public hearings or submissions made for purposes of such approvals; (b) is under the obligation to be disclosed pursuant to the applicable laws or regulations, or orders of the court or other government authorities, or becomes part of the public record by virtue of the foregoing or any approvals sought hereunder; or (c) is required to be disclosed by Buyer or Seller to its members, officers, investors, lenders, tenants, legal counsel and other advisors regarding the transaction contemplated hereunder, provided that such parties shall be bound by the provisions of this Section 23. Disclosure of any confidential information by the employees, agents or consultants hired by any party shall be deemed disclosure of such confidential information by such party. Except as otherwise permitted by this Section 23, any disclosure of this Agreement or Buyer's intended development of the Land shall be made with the consent of each of Buyer and Seller and shall be made jointly on terms reasonably acceptable to each party. This Section shall survive the termination of this Agreement for any reason. This

provision supersedes and terminates that certain undated Confidentiality and Non-Disclosure Agreement between Buyer and Seller.

24. **Letter of Credit.** As provided in Section 7.3(c), if Buyer does not Close on the purchase of the Central High School Site prior to or simultaneously with the Closing on the purchase of the second Residential Site purchased, Buyer will provide the Letter of Credit to Seller. Thereafter, until the Closing on the purchase of the Central High School Site, the termination of this Agreement (except by Seller pursuant to Section 19.1.), or the termination of Buyer's obligation to purchase the Central High School Site (except by Seller pursuant to Section 19.1.), in each case if and as permitted in this Agreement, Buyer shall continuously maintain in place the Letter of Credit or another letter of credit meeting the requirements of Section 7.3(c) (a "**Substitute Letter of Credit**"). If Buyer provides a Substitute Letter of Credit, Seller will reasonably cooperate with Buyer to surrender the Letter of Credit or Substitute Letter of Credit Seller is holding simultaneously with delivery of the Substitute Letter of Credit so that there are not two letters of credit outstanding at any given time. The Letter of Credit and each Substitute Letter of Credit shall authorize Seller to draw the full amount of the Letter of Credit if Buyer does not provide Seller with a Substitute Letter of Credit at least thirty (30) days before the expiration date of the Letter of Credit or Substitute Letter of Credit. In addition, if Buyer defaults under this Agreement, Seller may draw on the Letter of Credit or Substitute Letter of Credit after Seller delivers written notice of the default to Buyer setting forth the default and stating the act required to cure the default if Buyer does not cure the default within thirty (30) calendar days after Seller delivers the written notice of the default to Buyer. If Seller draws on the Letter of Credit or a Substitute Letter of Credit, then Seller shall deposit the proceeds of the draw with Title as a part of the Earnest Money. If the draw occurs because Buyer does not provide Seller with a Substitute Letter of Credit at least thirty (30) days before the expiration date of the Letter of Credit or Substitute Letter of Credit and if Buyer is not in default under this Agreement, the amount of the draw included in the Earnest Money may be released to Buyer if Buyer provides a Substitute Letter of Credit. For the sake of clarity, Buyer and Seller affirm that if Seller terminates this Agreement pursuant to Section 19.1, then Seller may retain all Earnest Money, including the proceeds of a draw. Buyer and Seller also affirm that they have agreed that the \$2,000,000.00 amount of the Letter of Credit was determined based on a reasonable estimate of the cost to Seller to demolish the High School Building and to otherwise carry and deal with the Central High School Site if Buyer does not acquire the Central High School Site.

[Signature Page to Follow.]

Seller and Buyer have executed this Agreement as of the respective dates stated below.

SELLER:

INDEPENDENT SCHOOL DISTRICT #709,
a public corporation and political subdivision of
the State of Minnesota

By: Jill Lofald
Name: Jill Lofald
Title: School Board Chair
Date: _____

BUYER:

SATURDAY CENTRAL HEIGHTS LLC, a
Minnesota limited liability company

By: Brenton D. Rogers
Name: Brenton D. Rogers
Title: Chief Manager
Date: _____

EXHIBIT A(1)
Legal Description of Central Campus

CENTRAL HIGH SCHOOL SITE
LEGAL DESCRIPTION

PARCEL I - Certificate of Title No. 176058

All of GREAT VIEW ADDITION TO DULUTH, EXCEPT Lots 7 and 8 in Block 2
AND Lots 1 and 2 in Block 3 of said Addition.

PARCEL II - Certificate of Title No. 176154

Lots 1 to 16 inclusive in Block 2; AND Lots 1, 2, 15, 16 and 17 in Block 3,
CLEARVIEW PARK

PARCEL III - Certificate of Title No. 176792

Lots 7 and 8, Block 2, GREAT VIEW ADDITION TO DULUTH

PARCEL IV - Certificate of Title No. 180909

Lot 3, Block 3, CLEARVIEW PARK

PARCEL V- Certificate of Title No. 184073

Lots 1 and 2, Block 3, GREAT VIEW ADDITION TO DULUTH

PARCEL VI – Certificate of Title No. 267239

Commencing at the SE corner of Section 21, Township 50 North, Range 14 West of the Fourth Principal Meridian; thence North 05 degrees 00 minutes 00 seconds West (assumed bearing) along the East line of said Section 21 a distance of 410.24 feet; thence North 89 degrees 57 minutes 00 seconds West 451.75 feet; thence North 05 degrees 00 minutes 00 seconds West 275.00 feet to the Point of Beginning; thence North 19 degrees 24 minutes 00 seconds East 649.90 feet; thence North 53 degrees 31 minutes 51 seconds West 746.25 feet; thence South 00 degrees 28 minutes 57 seconds West 232.48 feet; thence S'ly along a tangential curve concave to the West, having a radius of 993.01 feet, and a central angle of 34 degrees 51 minutes 37 seconds for a distance of 604.17 feet; thence South 48 degrees 39 minutes 10 seconds East 200.00 feet; thence South 73 degrees 17 minutes 13 seconds East 425.17 feet to the point of beginning and there terminating.

Parcel VII - Certificate of Title No. 270300

Lots 1 thru 8, Block 1, SWENSON'S DIVISION OF DULUTH

Lots 12 thru 18, Block 1, SWENSON'S DIVISION OF DULUTH

Lots 1 thru 19, Block 2, SWENSON'S DIVISION OF DULUTH

Parcel VII-A - Abstract Property

Lots 9, 10, 11, and 19, Block 1, SWENSON'S DIVISION OF DULUTH

PARCEL VIII – Certificate of Title No. 302438

That part of the SE 1/4 of SE 1/4 of Section 21, Township 50 North, Range 14 West of the Fourth Principal Meridian described as follows: Commencing at a Granite Monument at the SE corner of said SE1/4 of SE1/4 thence North 5 degrees 00 minutes 00 seconds West, assumed bearing, along the East line of said Section 21 a distance of 410.24 feet; thence North 89 degrees 57 minutes 00 seconds West a distance of 451.75 feet to a concrete monument; thence North 5 degrees 00 minutes 00 seconds West a distance of 275.00 feet; thence North 19 degrees 24 minutes 00 seconds East a distance of 406.63 feet to the point of beginning of the parcel of land to be described; thence continue North 19 degrees 24 minutes 00 seconds East a distance of 243.29 feet to the North line of said SE1/4 of SE1/4; thence North 84 degrees 04 minutes 11 seconds East along said North line a distance of 80.66 feet; thence South 53 degrees 55 minutes 21 seconds East a distance of 104.51; thence South 36 degrees 05 minutes 00 seconds West a distance of 25.00 feet; thence North 53 degrees 55 minutes 21 seconds; West a distance of 94.62 feet; thence South 36 degrees 04 minutes 39 seconds West a distance of 262.03 feet to the point of beginning.

PARCEL IX – Certificate of Title No. 307177

E1/2 of SE1/4 Section 21 Township 50 North of Range 14 West of the Fourth Principal Meridian EXCEPT those parts described as follows:

1. That part of the SE1/4 of SE1/4 of Section 21 Township 50 North of Range 14 described as follows: Commencing at a Granite Monument at the Southeast corner of said Section 21, thence North 5 degrees 00 minutes West (magnetic bearing) along the common section line of said Section 21 and Section 22 a distance of 410.24 feet to a concrete monument, said monument being the point of beginning, thence North 89 degrees 57 minutes West a distance of 451.75 feet to a concrete monument; thence North 5 degrees 00 minutes West a distance of 275.00 feet to a concrete monument, thence North 19 degrees 24 minutes East, a distance of 649.90 feet to a concrete monument on the North line of said SE1/4 of SE1/4, thence North 83 degrees 59 minutes East along said North line, a distance of 80.00 feet to a concrete monument, thence South 53 degrees 55 minutes East, a distance of 134.61 feet to a point on the common section line of Section 21 and Section 22, thence South 5 degrees 00 minutes East along said Section line, a distance of 819.50 feet to the point of beginning;

2. That part of the Easterly 1/2 of the SE1/4 of Section 21 in Township 50 North of Range 14 West of the Fourth Principal Meridian lying Northerly of the Central Entrance, a public highway, as the same is laid out and constructed over and across said SE1/4;

3. That portion thereof bounded as follows: On the Northwest by the Southeasterly line of Fourteenth Street, produced Southwesterly in the same straight line until it intersects the Northeasterly line of First Avenue East produced Northwesterly in the same straight line; on the Southwest by the Northeasterly line of First Avenue East produced Northwesterly in the same straight line until it intersects the Southeasterly line of Fourteenth Street produced Southwesterly in the same straight line; and on the East by the Westerly line of Block 193, Duluth Proper, Third Division according to the recorded plat thereof on file and of record in the office of the Register of Deeds.

SUBJECT also to an easement for roadway over and across said land as appears by the Award of Condemnation, dated September 17, 1909, and filed in the office of the Register of Deeds in and for said County on October 13, 1909, in Book 292 of Deeds on page 120, as appears by No. 52 of Abstract;

4. That portion of the above described premises bounded by the following described lines: The Westerly line of the E1/2 of SE1/4 of Section 21 Township 50 North, Range 14 West of the 4th Principal Meridian; the Southerly line of Swan Lake Road (also known as Sundby Road) and the center line of Highway 194;

5. That part Commencing at the Southeast corner of Section 21 Township 50 North, Range 14 West of the Fourth Principal Meridian; thence North 05 degrees 00 minutes 00 seconds West (assumed bearing) along the East line of said Section 21 a distance of 410.24 feet; thence North 89 degrees 57 minutes 00 seconds West 451.75 feet; thence North 05 degrees 00 minutes 00 seconds West 275.00 feet to the POINT OF BEGINNING; thence North 19 degrees 24 minutes 00 seconds East 649.90 feet; thence North 53 degrees 31 minutes 51 seconds West 746.25 feet; thence South 00 degrees 28 minutes 57 seconds West 232.48 feet; thence Southerly along a tangential curve concave to the West, having a radius of 993.01 feet; and a central angle of 34 degrees 51 minutes 37 seconds for a distance of 604.17 feet; thence South 48 degrees 39 minutes 10 seconds East 200.00 feet; thence South 73 degrees 17 minutes 13 seconds East 425.17 feet to the POINT OF BEGINNING and there terminating.

6. Registered Land Survey No. 65.

Parcel X:

S1/2 of NW14/ of SW1/4 of SE1/4 EXCEPT the Westerly 396 feet thereof; Section 21, Township 50 North of Range 14

EXHIBIT A(2)
Existing Survey Depicting Central Campus

EXHIBIT C(a)
Preliminary Plat of Central Overlook

PRELIMINARY PLAT OF CENTRAL OVERLOOK

LOCATED IN PART OF SEC. 21, TWP. 50, RGE. 14, ST. LOUIS COUNTY MINNESOTA

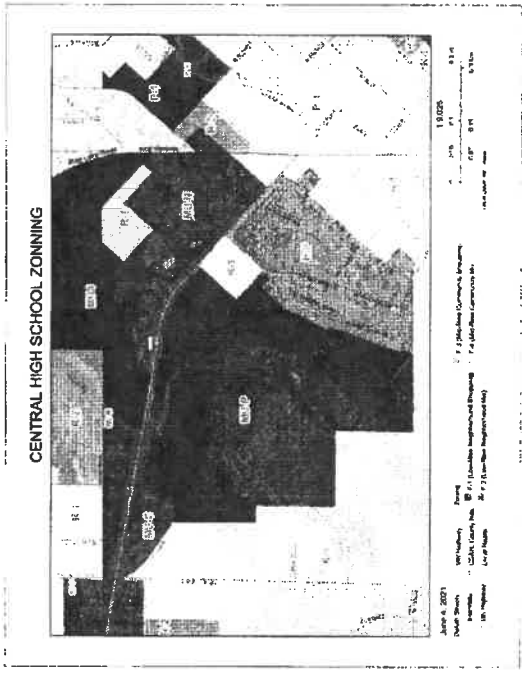
OWNER: [Name], [Address], [City, State, Zip]
 PREPARED BY: [Firm Name], [Address], [City, State, Zip]

THIS PLAT IS SUBJECT TO ALL APPLICABLE ZONING ORDINANCES, SUBDIVISION LAWS, AND OTHER REGULATORY SCHEMES. THE PLAT IS PREPARED IN ACCORDANCE WITH THE MINNESOTA SUBDIVISION LAWS AND THE NATIONAL PLATING ACT.

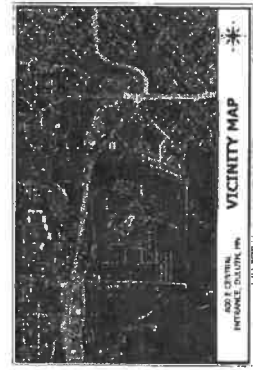
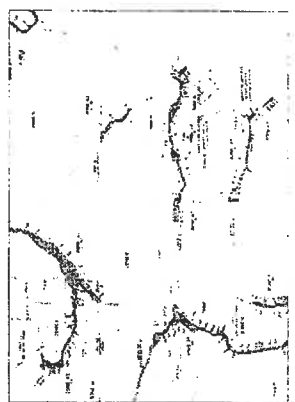
THE PLAT IS SUBJECT TO ALL APPLICABLE ZONING ORDINANCES, SUBDIVISION LAWS, AND OTHER REGULATORY SCHEMES. THE PLAT IS PREPARED IN ACCORDANCE WITH THE MINNESOTA SUBDIVISION LAWS AND THE NATIONAL PLATING ACT.

THE PLAT IS SUBJECT TO ALL APPLICABLE ZONING ORDINANCES, SUBDIVISION LAWS, AND OTHER REGULATORY SCHEMES. THE PLAT IS PREPARED IN ACCORDANCE WITH THE MINNESOTA SUBDIVISION LAWS AND THE NATIONAL PLATING ACT.

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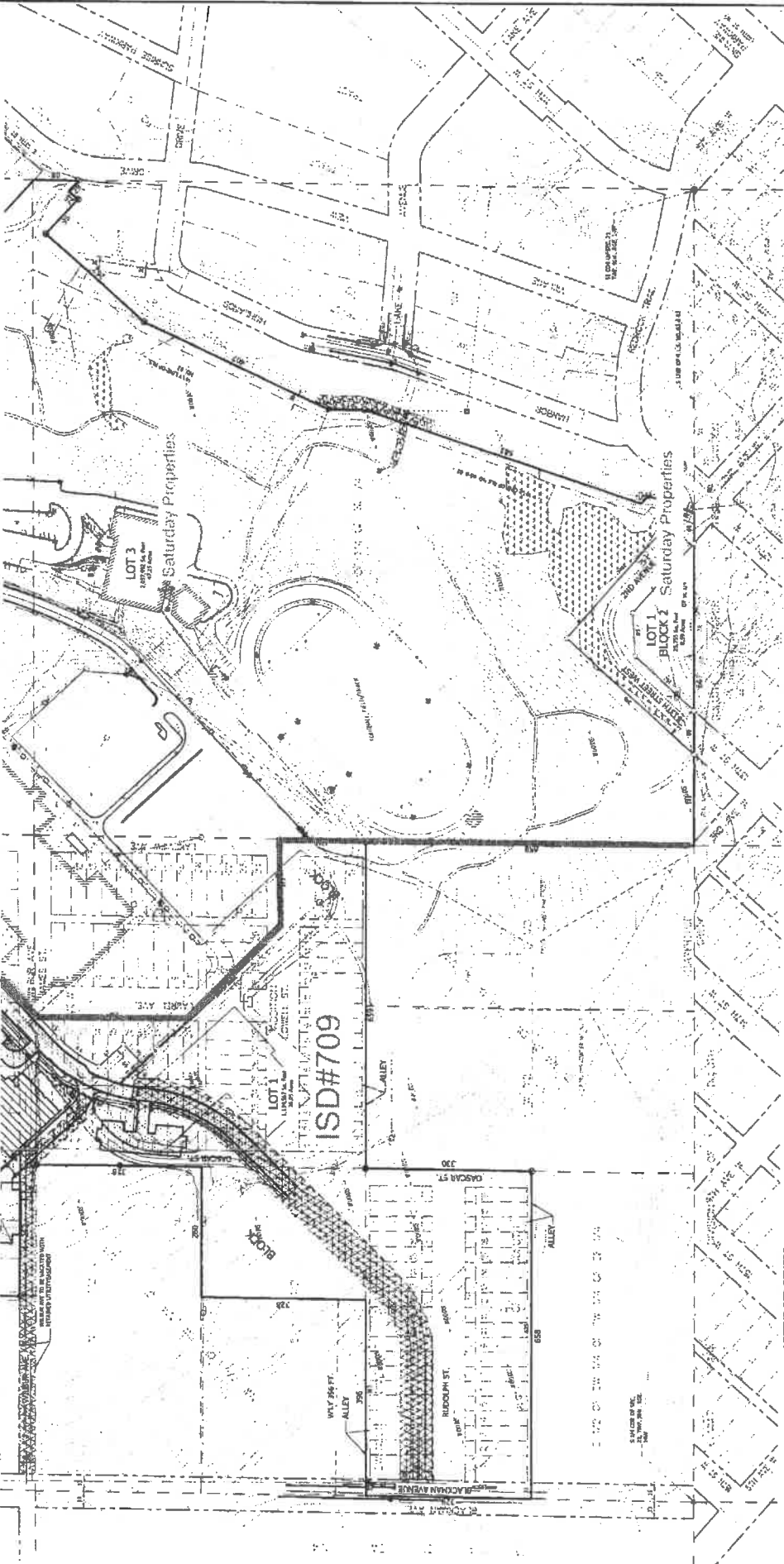
Item	Description	Value
1	Area of land to be surveyed	1.2345 ac. ±
2	Area of land to be subdivided	1.2345 ac. ±
3	Area of land to be reserved	0.0000 ac. ±
4	Area of land to be dedicated	0.0000 ac. ±
5	Area of land to be conveyed	0.0000 ac. ±
6	Area of land to be retained	0.0000 ac. ±
7	Area of land to be sold	0.0000 ac. ±
8	Area of land to be leased	0.0000 ac. ±
9	Area of land to be mortgaged	0.0000 ac. ±
10	Area of land to be encumbered	0.0000 ac. ±
11	Area of land to be released	0.0000 ac. ±
12	Area of land to be extinguished	0.0000 ac. ±
13	Area of land to be extinguished	0.0000 ac. ±
14	Area of land to be extinguished	0.0000 ac. ±
15	Area of land to be extinguished	0.0000 ac. ±
16	Area of land to be extinguished	0.0000 ac. ±
17	Area of land to be extinguished	0.0000 ac. ±
18	Area of land to be extinguished	0.0000 ac. ±
19	Area of land to be extinguished	0.0000 ac. ±
20	Area of land to be extinguished	0.0000 ac. ±



VALTA
 LAND SURVEYING & ENGINEERING
 10000 Valley Road, Suite 100
 Minneapolis, MN 55426
 Phone: (612) 555-1234
 Fax: (612) 555-5678
 Email: info@valta.com

PRELIMINARY PLAT OF CENTRAL OVERLOOK

LOCATED IN PART OF SEC. 27, TWP. 50, RGE. 14, ST. LOUIS COUNTY MINNESOTA



THIS PLAN IS A PRELIMINARY PLAT AND DOES NOT CONSTITUTE A GUARANTEE OF ANY KIND. THE CITY OF ST. LOUIS COUNTY, MINNESOTA, HAS REVIEWED THIS PLAN AND HAS DETERMINED THAT IT IS IN ACCORDANCE WITH THE SUBDIVISION ACT AND THE CITY OF ST. LOUIS COUNTY, MINNESOTA, ORDINANCES THEREUNDER. THE CITY OF ST. LOUIS COUNTY, MINNESOTA, HAS REVIEWED THIS PLAN AND HAS DETERMINED THAT IT IS IN ACCORDANCE WITH THE SUBDIVISION ACT AND THE CITY OF ST. LOUIS COUNTY, MINNESOTA, ORDINANCES THEREUNDER. THE CITY OF ST. LOUIS COUNTY, MINNESOTA, HAS REVIEWED THIS PLAN AND HAS DETERMINED THAT IT IS IN ACCORDANCE WITH THE SUBDIVISION ACT AND THE CITY OF ST. LOUIS COUNTY, MINNESOTA, ORDINANCES THEREUNDER.

LEGEND

PROPOSED CONCRETE SUBMIT	PROPOSED SIDEWALK	PROPOSED DRIVE PAVED	PROPOSED DRIVE UNPAVED	PROPOSED DRIVE GRASS	PROPOSED DRIVE GRAVEL	PROPOSED DRIVE ASPHALT	PROPOSED DRIVE BITUMEN	PROPOSED DRIVE EARTH	PROPOSED DRIVE GRAVEL	PROPOSED DRIVE ASPHALT	PROPOSED DRIVE BITUMEN	PROPOSED DRIVE EARTH	PROPOSED DRIVE GRAVEL	PROPOSED DRIVE ASPHALT	PROPOSED DRIVE BITUMEN	PROPOSED DRIVE EARTH
PROPOSED DRIVE ASPHALT	PROPOSED DRIVE BITUMEN	PROPOSED DRIVE EARTH	PROPOSED DRIVE GRAVEL	PROPOSED DRIVE ASPHALT	PROPOSED DRIVE BITUMEN	PROPOSED DRIVE EARTH	PROPOSED DRIVE GRAVEL	PROPOSED DRIVE ASPHALT	PROPOSED DRIVE BITUMEN	PROPOSED DRIVE EARTH	PROPOSED DRIVE GRAVEL	PROPOSED DRIVE ASPHALT	PROPOSED DRIVE BITUMEN	PROPOSED DRIVE EARTH	PROPOSED DRIVE GRAVEL	PROPOSED DRIVE ASPHALT

LEGEND PER OTHERS

UTILITY SERVICE	UTILITY SERVICE	UTILITY SERVICE	UTILITY SERVICE	UTILITY SERVICE	UTILITY SERVICE	UTILITY SERVICE	UTILITY SERVICE	UTILITY SERVICE	UTILITY SERVICE	UTILITY SERVICE	UTILITY SERVICE	UTILITY SERVICE	UTILITY SERVICE	UTILITY SERVICE	UTILITY SERVICE	UTILITY SERVICE
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SCALE 1" = 50' 0"

DATE: 11/11/2011

WALTA
LAND SURVEYING & ENGINEERING
400 WEST 10TH AVENUE SUITE 100
ST. LOUIS, MO 63102

AREA SUMMARY

Total Area	82.79 AC
Total Lot Area	71.13 AC
Total Block Area	4.91 AC
Total Number of Lots	12
Total Number of Blocks	5
Total Area of Lot	2,907,993 SQ. FT.
Total Area of Block	27,135 SQ. FT.

EXHIBIT 2(d)
Allocation of Purchase Price

Residential Site 1 \$ _____

Residential Site 2 \$ _____

Residential Site 3 \$ _____

Residential Site 4 \$ _____

Vo-Tech Building Site \$ _____

Central High School Site \$ _____

EXHIBIT 3.1
Proposed Site Development

Residential Site 1: A 4 levels above parking apartment building with approximately 120 units.

Residential Site 2: A 4 levels above parking apartment building with approximately 130 units.

Residential Site 3: A 4 levels above parking apartment building with approximately 130 units.

Residential Site 4: A 4 levels above parking apartment building with approximately 120 units.

Vo-Tech Building Site: _____

Central High School Site: _____

EXHIBIT 5.3.1

Due Diligence Materials

CENTRAL HIGH SCHOOL DOCUMENTS

ASBESTOS REPORT

Central Asbestos Plan

Central HS 2016

BLUE PRINTS

CENTRAL HS DRAWINGS

1968 SURVEY

1969 CENTRAL HIGH SCHOOL

1969 DOOR & ROOM FINISH SCHEDULES

1969 REVISED DRAWINGS

1971 EXPERIENCE CENTER

1978 ROOF REPLACEMENT

1980 REMODELING PHASE I

1981 REMODELING SECOND FLOOR PHASE II

1986 REPLACEMENT OF DOMESTIC WATER SYSTEM

1988 CONSTRUCTION WORK RELATED TO ACM REMOVAL

1989 WORK RELATED TO ACM REMOVAL (LOCKER ROOMS)

1991 ACM REMOVAL RELATED WORK (OFFICE)

1991 PROPERTY SURVEY (AT TOWER)

1991 REPAIR AND BETTERMENT (SCIENCE)

1993 CONSTRUCTION WROK RELATED TO ACM REMOVAL

1993 DAY CARE AND SHOPS

1993 TECHNICAL ANNEX

1993 TECHNICAL ANNEX ADDITION

1994 ACM RECONSTRUCTION

1994 ELECTRICAL SITE WORK

1994 REROOFING

1994 WINDOW & DOOR REPLACEMENT

1996 EXTERIOR STONE TUCK POINTING

1997 ASBESTOS ENCAPSULATION RECONSTRUCTION WORK

1997 FIRE PROTECTION SYSTEM

1997 FIRE PROTECTION SYSTEM AS-BUILTS

1999 LOADING DOCK IMPROVEMENTS

1999 REROOFING

1999 TOPO SURVEY

2000 ELECTRONIC FOLDING DOOR (STAGE)

2000 NEW CONCESSION STAND

2000 TENNES COURTS & PARKING LOT PHASE I

2001 ELECTRICAL SITE WORK

2001 SPORTS FACILTY PHASE II

2003 PRESS BOX

2003 ROOF STRUCTURE IMPROVEMENTS (CAFETERIA)

2004 LIGHTING FIXTURES

2004 ROOF REPLACEMENT (CAFETERIA)
2004 SUB SANDWICH SHOP
2005 SECOND ENTRANCE ROAD
2005 SPECIAL NEEDS CLASSROOM
2006 CLASSROOM EXITING PROJECT
Central Blue Prints
STC MAIN DRAWINGS
1995 BRONZE PLAQUE
1995 CASEWORK SHOP DRAWINGS
1995 ELECTRICAL
1995 FIRE ALARM AS-BUILTS
1995 KITCHEN EQUIPMENT
1995 KITCHEN SHOP DRAWINGS
1995 MECHANICAL
1995 PLUMBING
1995 SPRINKLER SHOP DRAWINGS
1995 STC
1995 STRUCTURAL
1995 TELEPHONE
1995 UTILITIES
1997 CONSOLIDATION
STC Legal Site Plan
STC UPPER DRAWINGS
1993 TECHNICAL ANNEX
1993 TECHNICAL ANNEX ADDITION
CHS SALE
CHS Site - Aerial View - Option 1
CHS Site - Aerial View - Option 2
CHS Site - Aerial View - Option 3
CHS Site - Plan View - Option 1
CHS Site - Plan View - Option 2
CHS Site - Plan View - Option 3
COUNTY MAPS
Central County Map
CURRENT FLOOR PLANS
Central Floor Plans
Central HS Floor Plans
STC Main Floor Plans
STC Upper Floor Plans
DEED AND FILES
National Tile Work
STC Financing
Certificate 267329 STC Main
Certificate 307177 Central
Property Deeds Map
Warranty Deed 795212 HRA
Certificate of Title No. 302438 HRA
Certificate of Title No. 267329 STC

Document 439499 Muskegon Easement
Document 436177 Bike Pathway Easement
Document 374776 Vacation
Document 12291992 US West Easement
Document 946967-9 Path Easement
Abstract of Title 183543 Swenson's
Warranty Deed 689792 Swenson's Correction
Certificate of Title No. 267330 Main Site
Certificate of Title No. 176792 Great View Lots 7-8
Certificate of Title No. 180909 Clearview Lot 3
Certificate of Title No. 176058 Great View
Certificate of Title No. 176154 Clearview
Certificate of Title No. 270300 Swenson's
Certificate of Title No. 184073 Great View Lots 1-2
JCI FACILITIES REPORT
2006 Central Facilities Report
PARCELS
Central Parcels
Central Utility Locations

EXHIBIT 9.1(i)

AFFIDAVIT REGARDING UNDERGROUND OR ABOVE GROUND STORAGE TANK
PURSUANT TO MINN. STAT. §116.48

STATE OF MINNESOTA)
) ss.
COUNTY OF ST. LOUIS)

_____ (“Affiant”), being first duly sworn, on oath says that:

1. I am the _____ for Independent School District #709.
2. Two underground storage tanks are located on the land situated in St. Louis County, Minnesota, legally described on **Exhibit A** attached hereto (the “Property”).
3. All or part of the Property is registered (Torrens).
4. The tanks are described as follows:
 - i. A 30,000 gallon painted steel underground fuel oil storage tank (the “Abandoned Tank”) installed in 1971]. In 1994 the Abandoned Tank was stabilized, cut open, and closed in place. Approximately 60 yards of contaminated soils were excavated from around the exterior of the Abandoned Tank.
 - ii. A 6,000-gallon fiberglass underground fuel oil storage tank installed in 1994 (the “Additional Tank”) installed in the basin of the Abandoned Tank.
5. The location of the Abandoned Tank and of the Additional Tank is shown on the map attached hereto as **Exhibit B**.
6. To the knowledge of Affiant, (i) there has been no known release of a Regulated Substance from the Additional Tank, and (ii) there has been a known release of a fuel oil from the Abandoned Tank. Leak No. LEAK00003642 was assigned to the release from the Abandoned Tank by the Minnesota Pollution Control Agency. On May 30, 1995, the Minnesota Pollution Control Agency issued a closure letter with respect to LEAK00003642. A copy of the closure letter is attached hereto as **Exhibit C**. To the knowledge of Affiant, there has been no other known release of a Regulated Substance from the Abandoned Tank.
7. No restrictions resulting from the release of a Regulated Substance from the Abandoned Tank or the Additional Tank are currently in force on the Property.
8. The name of the owner of the Property is Independent School District #709.

By: _____
Name: _____
Title: _____

STATE OF MINNESOTA)
) ss.
COUNTY OF ST. LOUIS)

Subscribed and sworn to before me this ____ day of _____, 2021 by _____, in
their capacity as _____ for Independent School District #709.

Notary Public

My Commission Expires:

THIS INSTRUMENT WAS DRAFTED BY:
Fryberger, Buchanan, Smith & Frederick, P.A.
302 West Superior Street, Ste. 700
Duluth, MN 55802
DDM/05953-000080