

## THIRD AMENDMENT TO PURCHASE AND SALE AGREEMENT

THIS THIRD AMENDMENT TO PURCHASE AND SALE AGREEMENT (“**Amendment**”), is made and entered into effective as of the 8th day of October, 2018, by and between UNITED PROPERTIES DEVELOPMENT LLC, a Minnesota limited liability company (“**Seller**”) and TEXTILE CENTER OF MINNESOTA, a Minnesota nonprofit corporation (“**Buyer**”).

WHEREAS, Buyer and Seller entered into a Purchase and Sale Agreement on April 9, 2018, which was amended by First Amendment to Purchase and Sale Agreement dated July 31, 2018, and Second Amendment to Purchase and Sale Agreement dated August 29, 2018 (collectively, the “**Purchase Agreement**”) for the purchase and sale of real property located at 3300 University Avenue SE, in Minneapolis, Minnesota (“**Property**”); and

WHEREAS, Buyer and Seller desire to further amend the Purchase Agreement.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Contingency Date. The parties agree to extend the current New Extended Contingency Date of October 8, 2018, for another thirty (30) days, ending at 5:00 p.m. on Wednesday, November 7, 2018 (the “**Third Extended Contingency Date**”).
2. Earnest Money. The parties agree that the Initial Earnest Money shall remain refundable to Buyer until the Third Extended Contingency Date, and no further earnest money shall be required to be paid from Buyer to Seller.
3. Termination of Restrictive Covenant. Seller agrees to use reasonable efforts to secure the Covenant Termination (as defined in the Second Amendment to Purchase and Sale Agreement dated August 29, 2018) on or before the Third Extended Contingency Date, and Buyer agrees to participate in conversations and/or negotiations regarding the Covenant Termination, if requested and to the extent such participation may be helpful.

In connection with the Covenant Termination, Buyer will contribute the sum of Three Hundred Thousand and no/100 Dollars (\$300,000.00) (the “**Buyer Contribution**”) toward any termination payment made to the holder of the subject Restrictive Covenant, TIERNEY LAND COMPANY, LLP or its successors and assigns (“**Covenant Holder**”), pursuant to the following terms and conditions:

- a. Seller shall pay the full amount of the termination payment to Covenant Holder at or before Closing, provided a recordable termination agreement has been deposited in escrow with the Title Company, in form and substance reasonably satisfactory to Buyer and Title Company, at Closing;
- b. At Closing, Buyer shall execute and deliver to Seller, as an additional Buyer’s Closing Document pursuant to Section 5(b) of the Purchase Agreement, a

promissory note in the principal sum of the Buyer Contribution, in commercially reasonable form and substance, providing for payment of the Buyer Contribution to Seller in equal annual installments, amortized over a period not to exceed five (5) years at seven percent (7.0%) per annum (the “Note”); and

- c. At Closing, Buyer shall execute and deliver to Title Company for recording, as an additional Buyer’s Closing Document pursuant to Section 5(b) of the Purchase Agreement, a Mortgage covering the Property in Seller’s favor, as mortgagee, to secure Buyer’s obligations under the Note, in form and substance reasonably satisfactory to both parties, and subordinate only to the lien of Buyer’s purchase money mortgage.
4. Option to Terminate Purchase Agreement. If the Covenant Termination has not been secured by Seller on or prior to the Third Extended Contingency Date, Buyer or Seller shall have the option of terminating the Purchase Agreement by written notice to the other party prior to the expiration of such period. In the event the Purchase Agreement is terminated in accordance with the preceding sentence, the following provisions shall apply:
- a. Seller shall reimburse Buyer for up to Sixty-six Thousand and no/100 Dollars (\$66,000.00) in Buyer documented out-of-pocket costs associated with Buyer’s investigations in evaluating the Property for purchase, but excluding, however, Buyer’s attorney’s fees and design costs;
  - b. Buyer shall provide Seller copies of Buyer-paid environmental, survey, title, inspection and other due diligence reports (not including architect plans, designs or Buyer-specific financial report information);
  - c. Buyer shall provide to Seller all potential tenant contacts’ information in Buyer’s possession or control resulting from Buyer’s due diligence investigations and other conversations regarding the Property; and
  - d. Buyer shall be entitled to the return of all Earnest Money upon termination of the Purchase Agreement pursuant to this section.
5. Right of First Refusal. Buyer currently owns the real property located at 3000 University Avenue SE, City of Minneapolis, County of Hennepin, State of Minnesota, PID No. 30-029-23-13-0039 (“**Buyer’s Existing Property**”). As further consideration for the agreements and covenants of Seller hereunder and under the Purchase Agreement, Buyer agrees that it shall grant and deliver to Seller, contemporaneously with Closing and as an additional Buyer’s Closing Document pursuant to Section 5(b) of the Purchase Agreement, a right of first refusal to purchase Buyer’s Existing Property, in commercially reasonable form and substance to be mutually agreed upon by the parties prior to the expiration of the Third Extended Contingency Date, which shall be recorded against Buyer’s Existing Property in the Office of the Registrar of Titles in and for Hennepin County, Minnesota upon Closing.


6. Effect on Purchase Agreement. The parties hereby ratify the Purchase Agreement. All other terms and conditions of the Purchase Agreement not inconsistent with the modifications and amendments made by this Amendment will remain in full force and effect.
7. Counterparts. This Amendment may be executed in counterparts, by facsimile or original signature, each of which shall be deemed an original but all of which, taken together, shall constitute one and the same instrument.

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Signature Page to Follow]

IN WITNESS WHEREOF, the parties hereto have set their hands the day and year first above written.


**SELLER:**

UNITED PROPERTIES DEVELOPMENT  
LLC, a Minnesota limited liability company

By:   
Name: Brandon Chapman  
Its: Sup

**BUYER:**

TEXTILE CENTER OF MINNESOTA, a  
Minnesota non-profit corporation

By:   
Name: Karl Reichert  
Its: Executive Director

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