



COUNCIL WORK SESSION

Wednesday, November 6, 2024

6:30 p.m.

Coon Rapids City Center

Conference Room 1

Call to Order

Pursuant to Minnesota Statute 13D.04, subd. 2, the City Council will meet in work session to discuss the following:

1. Centra Homes Development Proposal, 110xx Mississippi Blvd.

Other Business

Adjourn



City Council Work Session

1.

Meeting Date: 11/06/2024

Subject: Centra Homes Development Proposal, 110xx Mississippi Blvd.

From: Matt Brown, Community Development Director

INTRODUCTION

Staff requests Council feedback on a development proposal for the southern portion of the former Cook Arena site on Mississippi Boulevard.

DISCUSSION

At its October 1 meeting, the Council introduced an ordinance authorizing the sale of a 3.25-acre City-owned site along Mississippi Boulevard left over from construction of the new Fire Station #3. In response to the City's Solicitation of Offers for the site, Centra Homes proposes a 16-unit small-lot single-family development. At the October 1 meeting, Council members expressed reservations about certain aspects of the development proposal. Staff also briefly discussed the project with Council at its October 8 work session. Since that time, Staff has continued to work with Centra Homes on terms of a potential sale. Topics previously raised by the Council included:

Zoning Framework

The site is currently zoned Low-Density Residential-2 and guided Institutional by the 2040 Comprehensive Plan. The type of development proposed would likely require amending the Comprehensive Plan to guide the site for Moderate-Density Residential. Staff previously indicated that the zoning could either be changed to PORT Campus Square or Planned Unit Development (PUD) to accommodate the project. Upon further analysis, Staff prefers using the PUD tool to expanding the PORT district. First, expanding the PORT district would likely involve incorporating additional private properties into PORT Campus Square. Second, the PORT districts include several prescriptive design standards, such as specific building materials, while the PUD generally allows more standard exterior materials allowed by the Low- and Moderate-Density Residential districts.

Sale Price

Centra originally proposed a range of sale prices: \$355,000 if the new houses included vinyl siding on all four sides; \$307,000 if the houses have fiber board on the front elevation and vinyl on the other three elevations; and \$179,000 if fiber board is required on all four sides. Except for its Port Riverwalk development, Centra's other developments throughout the region generally have vinyl siding on all four sides. Centra feels that its buyers generally are not willing to pay a higher sale price for upgraded exterior materials. Council members expressed reservations about the \$179,000 sale price that assumes fiber board on all sides. Staff is comfortable allowing vinyl siding at this location, provided the PUD tool is used. Staff feels that the \$355,000 sale price, which assumes vinyl siding on all sides, reflects a fair price for a 16-lot subdivision.

Homeowners' Association

Some Council members expressed reservations about the proposal's lack of a Homeowners' Association (HOA). Centra indicates it generally avoids creating HOAs in smaller developments because they are likely to fail. In response to Council concerns, Centra now proposes using Covenants, Conditions, and Restricts (CC&R) to add an enforcement mechanism for maintenance matters without establishing a full HOA.

RECOMMENDATION

Staff requests Council feedback on the current proposal, specifically on the terms related to zoning, sale price, and HOA arrangement. Provided there is consensus, Staff will continue to work with Centra on a purchase agreement that would be considered by Council at a later date.

Attachments

Location Map

Centra Homes Concept Plan

Draft Purchase Agreement

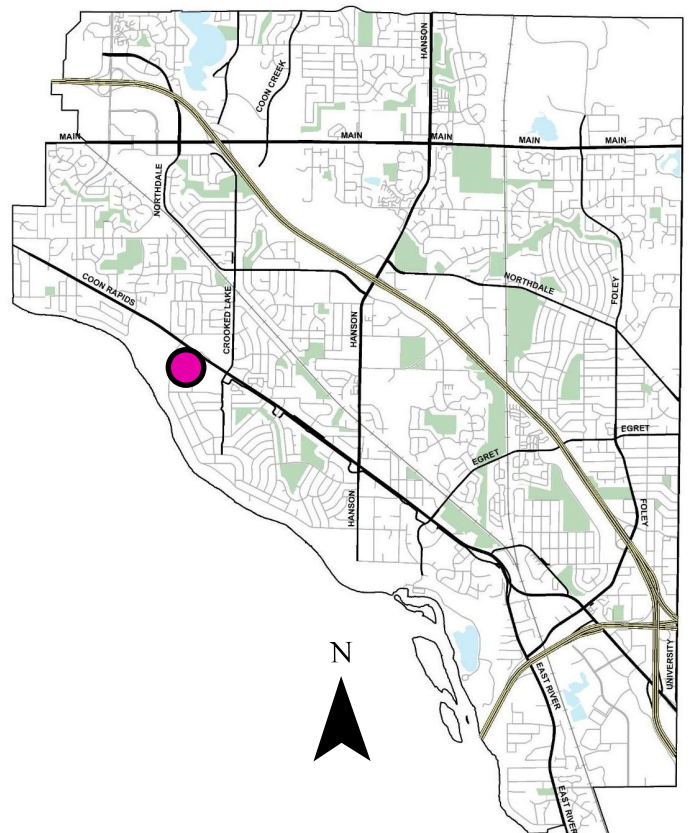
Location Map



Prepared by: Planning Division

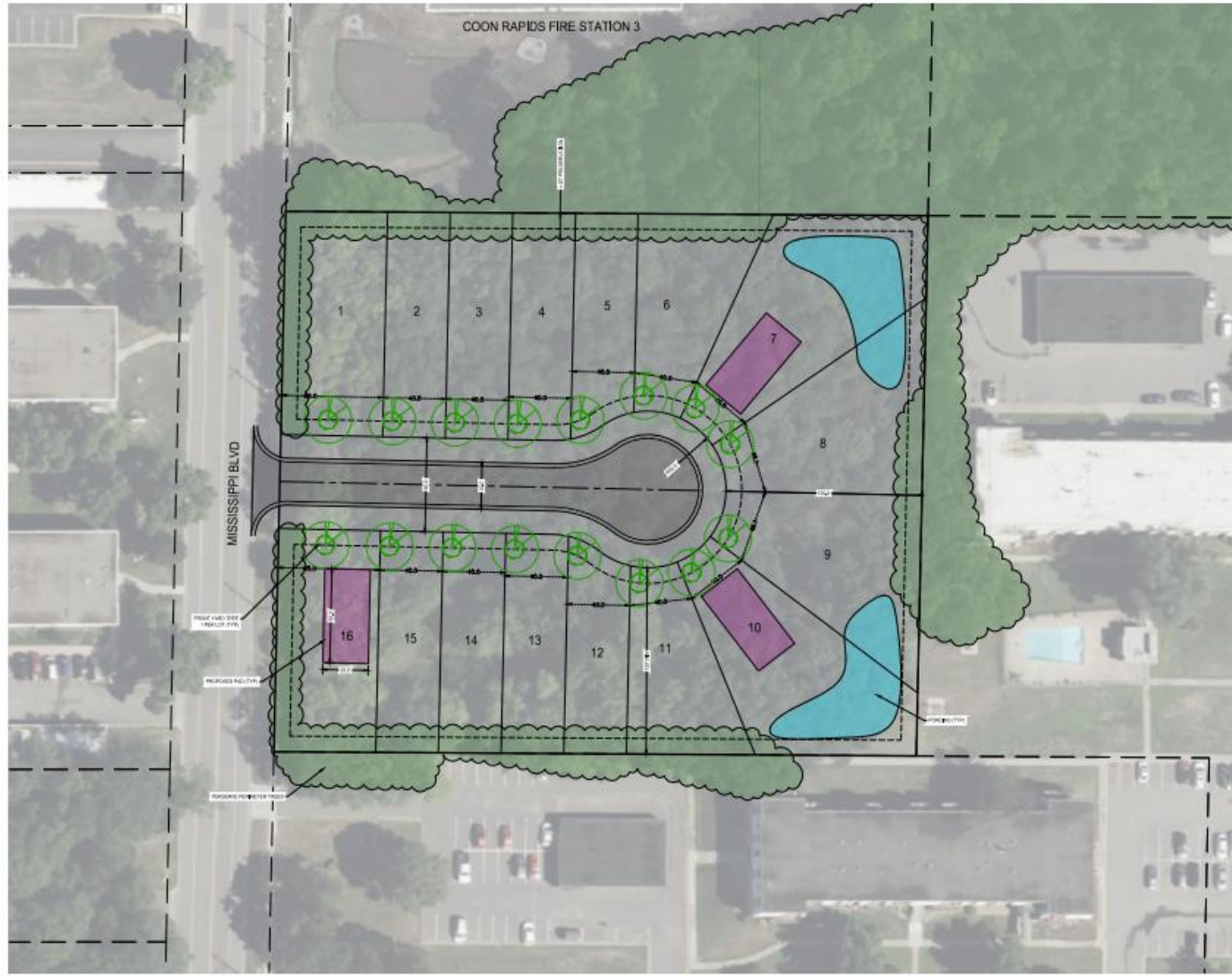
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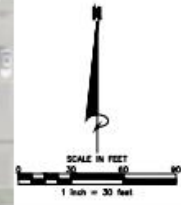


Disclaimer: This map is neither a legally recorded map nor a survey and is not intended to be used as one. This map is a compilation of records, information and data located from various sources and is to be used for reference purposes only. The City does not warrant that the Geographic Information System (GIS) Data used to prepare this map are error free and the City does not represent that the GIS Data can be used for navigational, tracking or any other purpose requiring exact measurement of distance or direction or precision in the depiction of geographic features. If error or discrepancies are found please contact 763-767-6430.

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SITE DATA	
SUBJECT AREA	1.24 AC
LOTS	16 EA
SETBACKS	AS LOTS
SETBACKS	25'
FRONT	5'
REAR	25'



James R. Hill, Inc.
PLANNERS / ENGINEERS / SURVEYORS
2809 N. CH. PK. #2, SUITE 100, MINNEAPOLIS, MN 55412
PHONE (612) 800-4044 FAX (612) 800-4044

DATE: 8/13/2024	BY: JRH
CHECKED: 8/13/2024	BY: JRH
APPROVED: 8/13/2024	BY: JRH

ADJACENT FIRE STATION PROPERTY
COON RAPIDS, MN
CONCEPT SITE LAYOUT
CENTRA COMPANIES
11400 ROBINSON DRIVE NW, COON RAPIDS, MN 55007

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Two-Story Home

The SINCLAIR

3 – 4 Beds | 2.5 Baths | 2 Garage Bays | 2,335 fsf | Slab-on-grade



Elevation A – Farmhouse

FEATURES

- Covered Entry
- Main Level Flex Room
- Upper Level Loft
- Kitchen Center Island and Walk-in Pantry
- Upper Level Laundry Room
- Primary Suite with Large Walk-in Closet
- Fourth Bedroom ILO of Loft (per plan)
- Stone Accents at Garage (per plan)



Elevation B – Craftsman



Elevation C – Prairie

CENTRA HOMES LLC

CentraHomes.com

PURCHASE AGREEMENT

1. **PARTIES.** This Purchase Agreement (this “Agreement”) is made on this _____ day of _____, 2024 (the “Effective Date”), by and between the City of Coon Rapids, Minnesota, a Minnesota municipal corporation (the “Seller”) and Centra Homes LLC, a Minnesota limited liability company, or its permitted assigns (the “Buyer”).

2. **SALE OF PROPERTY.** The Seller agrees to sell to the Buyer and the Buyer agrees to buy from the Seller, the real estate described on the attached Exhibit A (provided such Exhibit A shall be revised in accordance with the Title Commitment or an applicable survey or by mutual agreement of the parties to reflect an updated legal description of the Property) (the “Property”).

3. PURCHASE PRICE AND MANNER OF PAYMENT.

3.1. Purchase Price. The Buyer shall pay the Seller \$355,000 for the Property (the “Purchase Price”) if Vinyl Siding on all four sides of the house is approved by City Council. The price shall change if City Council requires an upgraded siding such as Fiber Board (e.g. LP Smartside or equivalent). The purchase price shall adjust as follows:

- \$ 355,000 if Four Sided Vinyl Siding is approved by City Council
- \$ 307,000 if Fiber Board is required on the Front Elevation of the house with Vinyl Siding allowed on the side and rear of the house.
- \$ 179,000 if Fiber Board is required on Front, Side and Rear of the house; with no Vinyl Siding allowed at all

3.2. Earnest Money. Upon approval and execution of this Agreement by the Buyer and the Seller, the Buyer shall pay to Land Title (the “Title Company”) \$25,000 in earnest money and in part payment therefor (the “Earnest Money”). Said Earnest Money shall be deducted from the Purchase Price at Closing. The Earnest Money shall be refunded to Buyer only if (a) all of the contingencies are not removed or waived by the Buyer and closing does not occur or (b) in the event of an uncured Seller default, as set forth herein. If all the contingencies are removed and the Buyer fails to close this transaction, the Seller’s remedy shall be limited to receiving the Earnest Money as liquidated damages as is more fully described in Section 15.2. The balance of said Purchase Price less the Earnest Money shall be paid by the Buyer to the Seller on or before the Closing Date, as described in Section 6 herein, at which time the Seller’s deed to the Property shall be delivered to the Buyer.

4. **OBLIGATIONS OF THE SELLER.** The Seller shall provide the following documentation:

4.1. Representations and Warranties. The representations and warranties of the Seller contained in this Agreement must be true now and on the Closing Date in all material respects as if made on the Closing Date and the Seller shall have delivered to the Buyer on the Closing Date, a certificate dated the Closing Date, signed by an authorized representative of the Seller, certifying that such representations and

warranties are true as of the Closing Date in all material respects (the “Closing Certificate”).

- 4.2. Title. Title shall have been found marketable, or been made marketable, in accordance with the requirements and terms of Section 8 below.
- 4.3. Performance of the Seller’s Obligations. The Seller shall have performed all of the obligations required to be performed by the Seller under this Agreement in all material respects. Included within the obligations of the Seller under this Agreement shall be the following:
 - 4.3.1. The Seller agrees to cooperate with the Buyer as reasonably necessary to permit the Buyer to investigate the Property. The Seller shall make available to the Buyer and the Buyer’s agents copies of any surveys, reports, records, and permits in the Seller’s possession relating to the Property.
 - 4.3.2. The Seller shall deliver to the Buyer the Title Evidence required in Section 8 on or before 10 days from the Effective Date.

5. CONTINGENCIES WHICH MUST BE EXERCISED BY WRITTEN NOTICE TO THE SELLER WITHIN 120 DAYS FROM EXECUTION OF THIS AGREEMENT (THE “CONTINGENCY DATE”):

5.1. Buyer’s Contingencies.

- 5.1.1. Testing. The Buyer shall have determined that it is satisfied with the results of, and matters disclosed by, any environmental site assessments, soil tests, engineering inspections, hazardous substances and environmental reviews of the Property, all such tests, assessments, inspections and reviews to be obtained at the Buyer’s sole cost and expense.
 - a. The Buyer shall pay all costs and expenses of such investigation and testing and shall promptly repair and restore any damage to the Property caused by the Buyer’s testing and return the Property to substantially the same condition as existed prior to entry. The Buyer shall indemnify, defend, and hold the Seller harmless from any claim for damage to person or property arising from any investigation or inspection of the Property conducted by the Buyer, its agents or contractors, including the cost of attorneys’ fees, provided, however, that Buyer shall not be responsible for any pre-existing conditions that are discovered by Buyer or its consultants so long as, following discovery, Buyer or its consultants do not materially exacerbate such conditions through their actions.
 - b. Copies of any final written reports, studies, or test results obtained by the Buyer in connection with its inspection of the Property or investigation relating to the Property shall be delivered to the Seller promptly upon receipt of the same at no cost to the Seller.

- 5.1.2. Financing. The sale of the Property shall be contingent upon the Buyer obtaining financing acceptable to the Buyer, in its sole discretion, for the acquisition of the Property at terms that are acceptable to the Buyer. In the event this financing contingency is not satisfied and released by the Buyer by the Contingency Date, the Earnest Money and all interest earned thereon will be returned to the Buyer.
- 5.1.3. Title Report. The Buyer's obligation to close hereunder is subject to its approval of a commitment of title for the Property to be ordered by the Buyer immediately upon execution of this Agreement, and as is more fully described in Section 8.
- 5.1.4. Land Use Approvals. The Buyer having received all land use approvals from the City of Coon Rapids and any other governmental entities or agencies deemed necessary by the Buyer for its intended use of the Property, including, but not limited to, site plan approval, and preliminary and final plat approval for an approximately 16-lot small-lot single-family subdivision. The Contingency Date shall automatically extend by an additional 60 days if any governmental entity has not granted approvals with conditions acceptable to Buyer within the original 120 Day review period.

If, on or before the Contingency Date or if required earlier by this Agreement, if the Buyer determines that any of its contingencies listed in this Section have not been satisfied in its sole discretion, then this Agreement may be terminated by written notice from the Buyer to the Seller, which notice must given no later than the Contingency Date. If the Buyer does not give written notice of termination on or before the Contingency Date, all of such contingencies will be deemed to have been satisfied and the parties shall proceed to close this transaction in accordance with the terms of this Agreement. If this Agreement is terminated by the Buyer in accordance with this Section, the Title Company shall return the Earnest Money to the Buyer and neither party shall have any further rights or obligations regarding this Agreement or the Property. All of the contingencies set forth in this Agreement are specifically stated and agreed to be for the sole and exclusive benefit of the Buyer and the Buyer shall have the right to unilaterally waive any of its contingencies by written notice to the Seller. Notwithstanding the foregoing, the Contingency Date shall automatically extend for an additional 60 days if all Land Use Approvals under 5.1.4. with conditions acceptable to the Buyer have not been granted. In addition, Buyer may deposit an additional \$10,000 of additional Earnest Money for a one time 90-day closing extension at which the additional Earnest Money shall be non-refundable.

6. CLOSING. The closing of the purchase and sale contemplated by this Agreement (the "Closing") shall occur on or before March 31, 2025, or such date on which the parties may agree (the "Closing Date"). The closing shall occur at the offices of the Seller, unless otherwise agreed to by the parties. The Seller agrees to deliver possession of the Property to the Buyer on the Closing Date.

- 6.1. Seller's Closing Documents. On the Closing Date, the Seller shall execute and deliver to the Buyer the following (collectively, "Seller's Closing Documents"), all in form and content reasonably satisfactory to the Seller and the Buyer:

- 6.1.1. Deed. A limited warranty deed conveying the Property to the Buyer.
- 6.1.2. Seller's Affidavit. A seller's affidavit as required by the Title Company to issue an owner's policy of title insurance with the standard exceptions waived.
- 6.1.3. Original Documents. Original copies of any surveys, reports, permits, and records in the Seller's possession.
- 6.1.4. FIRPTA Affidavit. A nonforeign affidavit, properly executed, containing such information as is required by the Internal Revenue Code Section 1445(b)(2) and its regulations.
- 6.1.5. Other Documents. Any other documents reasonably required in order to complete the transaction contemplated by this Agreement.
- 6.2. Buyer's Closing Documents. On the Closing Date, the Buyer shall execute, as appropriate and deliver to the Seller the following (collectively, "Buyer's Closing Documents"):
 - 6.2.1. Purchase Price. The Purchase Price in good funds (certified or cashier's check or wire transfer).
 - 6.2.2. Development Agreement. An executed copy of the Development Agreement, by and between Buyer and the City (the "Development Agreement") the form of which is attached hereto as Exhibit B.
 - 6.2.3. Other Documents. Such affidavits of the Buyer, certificates of value, or other documents as may be reasonably required in order to complete the transaction contemplated by this Agreement.

7. PRORATIONS. The Seller and the Buyer agree to the following prorations and allocation of costs regarding this Agreement:

- 7.1. Title Insurance and Closing Costs. The Seller shall pay the cost to record any document required to establish marketable title in the Seller; any fees incurred for updating title, including the cost of preparing the Title Commitment and title search and examination fees; any state deed tax, conservation fee, or other federal, state, or local documentary or revenue stamps or transfer tax with respect to the deed to be delivered by the Seller. The Buyer shall pay the cost of all premiums required for the issuance of a title insurance policy; the fees of any soil tests, surveys, environmental assessments, inspection reports, appraisals, or other tests or reports ordered by the Buyer; recording fees and charges related to the recording of the deed; and its own legal and accounting fees associated with this transaction. All closing fees charged by the Title Company and any escrow fees charged by any escrow agent engaged by the parties in connection with this Agreement shall be split equally between the Buyer and the Seller.

7.2. Real Estate Taxes and Special Assessments. The Seller shall pay, on or before the Closing Date, all levied special assessments, constituting a lien against the Property as of the effective date, including, without limitation, any installments of special assessments that are payable with general real estate taxes in the year in which Closing occurs. The Property is currently taxexempt, but in the event that there are any general real estate taxes payable in any year prior to the year in which the Closing occurs, they shall be paid by the Seller. Any general real estate taxes payable in the year in which Closing occurs shall be prorated between the Buyer and the Seller as of the Closing Date.

8. TITLE EXAMINATION. Title Examination shall be conducted as follows:

8.1. Seller's Title Evidence. No later than November 15, 2024, the Seller shall furnish the following (collectively, "Title Evidence") to the Buyer:

8.1.1. Title Commitment. A title commitment for the Property (the "Title Commitment").

8.1.2. Survey. A copy of any existing land survey of the Property that is in the Seller's possession or control. The Buyer, at its option, also may obtain, at its expense, an updated survey of the Property (the "Updated Survey"). Any Updated Survey shall be certified and delivered to the Seller as well as the Buyer and any other parties that the Buyer may designate.

8.2. Buyer's Objections. No later than 15 days after receiving the Title Commitment, the Buyer must make written objections ("Objections") to the marketability of title to the Property based on the Title Evidence. If the Buyer elects to obtain an Updated Survey, objections based upon the Updated Survey must be made within seven (7) days after receipt of said Updated Survey but in no event later than the Contingency Date. The Buyer's failure to make Objections within such time period will constitute a waiver of Objections. However, any matter which is not referenced in the Title Commitment and is first recorded, discovered, or disclosed after the effective date of the Title Commitment may be objected to by the Buyer in the manner described herein. Any matter shown on such Title Evidence and not objected to by the Buyer shall be a "Permitted Encumbrance" hereunder. Within seven (7) days after receipt of the Buyer's Objections, the Seller shall notify the Buyer in writing if the Seller elects not to cure the Objections. If such notice is given within said seven (7) day period, the Buyer may either waive the Objections or terminate this Agreement by giving written notice of termination to the Seller within ten (10) days after the Seller's notice is given to the Buyer. If written notice by the Seller is not given within the ten (10) day period, the Seller shall use commercially reasonable efforts to correct any Objections within thirty (30) days after the expiration of the ten (10) day period ("Cure Period"). If the Title Company is willing to issue a title insurance policy to the Buyer that does not except from title insurance coverage an item the Buyer has objected to, the objection relating to such item shall be deemed cured. If the Objections are not cured within the Cure Period, the Buyer shall have the option to do any of the following:

8.2.1. Terminate this Agreement by giving written notice to the Seller within ten (10) days after the expiration of the Cure Period and neither the Seller nor the Buyer shall have further rights or obligations hereunder. In such event the Title Company shall return all Earnest Money to the Buyer.

8.2.2. Waive the objections and proceed to close without reduction in the Purchase Price.

The Buyer shall make its election within ten (10) days after expiration of the Seller's Cure Period. A failure to make an election within such period shall be deemed an election to proceed to close pursuant to subsection 8.2.2.

9. REPRESENTATIONS AND WARRANTIES BY THE SELLER. The following representations made by the Seller are limited to the actual knowledge of Matt Stemwedel, the City Manager. The Seller represents and warrants to the Buyer that the following are true in all material respects now and, as modified by any changes about which the Seller notifies the Buyer in writing following after the date hereof, will be true in all material respects on the Closing Date:

- 9.1. Authority. The Seller is a Minnesota body corporate and politic, duly created under and subject to the laws of the State of Minnesota; the Seller has the requisite power and authority to enter into and perform this Agreement and those Seller Closing Documents signed by it; such documents have been or will be duly authorized by all necessary action on the part of the Seller and have been or will be duly executed and delivered; such execution, delivery, and performance by the Seller of such documents does not conflict with or result in a violation of any judgment, order, or decree of any court or arbiter to which the Seller is a party; such documents are valid and binding obligations of the Seller, and are enforceable in accordance with their terms, subject to bankruptcy, reorganization, insolvency, moratorium and other laws affecting the rights and remedies of creditors generally and principles of equity.
- 9.2. Rights of Others to Purchase the Property. The Seller has not entered into any other contracts for the sale of the Property, nor are there any rights of first refusal or options to purchase the Property or any other rights of others that might prevent the sale of the Property contemplated by this Agreement.
- 9.3. Use of the Property. To the best of the Seller's knowledge without investigation, the Property is usable for its current uses without violating any federal, state, local, or other governmental building, zoning, health, safety, platting, subdivision, or other law, ordinance, or regulation, or any applicable private restriction, and such use is a legal conforming use.
- 9.4. Proceedings. There is no action, litigation, investigation, condemnation, or proceeding of any kind pending or, to the best of the Seller's knowledge without investigation, threatened against any portion of the Property.
- 9.5. Wells. To the best of the Seller's knowledge, no wells exist on the Property.

- 9.6. Sewage Treatment Systems. To the best of the Seller's knowledge, no sewage treatment system exists on the Property.
- 9.7. Title. The Seller owns fee title to the Property.
- 9.8. Notices. The Seller has not received any written notice of noncompliance with any applicable federal, state, municipal, or county environmental laws, statutes, or ordinances from any governmental authority having jurisdiction over the Property, other than the records provided to the Buyer.
- 9.9. Use. While this Agreement is in effect, the Seller shall not transfer the Property, or any portion thereof, except to an entity or individual affiliated with the Seller, or create on the Property any easements, liens, leasehold interests, encumbrances, or other interests or take any other actions that would affect the Property or the Seller's ability to comply with the terms of this Agreement. Additionally, while this Agreement is in effect, the Seller shall operate and maintain the Property in the same manner as it has been operated and maintained heretofore, free from waste and neglect, reasonable wear and tear excepted.
- 9.10. Insurance. While this Agreement is in effect, the Seller shall maintain or cause to be maintained, in full force and effect, all liability and other commercially reasonable insurance upon and with respect to the Property against such hazards and in such amounts as exist on the date hereof.
- 9.11. Approvals. No consent, authorization, license, permit, registration, or approval of, or exemption or other action by, any other governmental or public body, commission, or authority is required in connection with the execution, delivery, and performance by the Seller of this Agreement.

The Seller's representations shall be true, accurate, and complete as of the date of this Agreement, in all material respects and, as modified by any notices given by the Seller to the Buyer, on the Closing Date in all material respects. If any time prior to Closing, the Buyer shall determine that any representation herein made by the Seller was not true in all material respects when made, the Buyer's sole remedy shall be to terminate this Agreement by giving notice to the Seller and seeking any applicable remedies for breach from the Seller. The Earnest Money paid by the Buyer shall be returned to the Buyer.

Notwithstanding the above paragraph, all representations and warranties shall terminate six (6) months following the Closing Date. Any claim by the Buyer not made by written notice delivered to the Seller before such date the representation or warranty terminates shall be deemed waived.

10. "AS IS, WHERE IS." The Buyer acknowledges that it has inspected or has had the opportunity to inspect the Property and agrees to accept the Property "AS IS" with no right of set off or reduction in the Purchase Price. Such sale shall be without representation of warranties, express or implied, either oral or written, made by the Seller or any official, employee or agent of the Seller with respect to the physical condition of the Property, including, but not limited to, the existence of or absence of petroleum, asbestos, lead, hazardous substances, pollutants, or

contaminants in, on, or under, or affecting the Property. Other than as expressly stated herein, or expressly stated in any closing document delivered by Seller at Closing, Buyer acknowledges and agrees that the Seller has not made and does not make any representations, warranties, or covenants of any kind or character whatsoever, whether expressed or implied, with respect to warranty of income potential, operating expenses, uses, habitability, tenant ability, or suitability for any purpose, merchantability, or fitness of the Property for a particular purpose, all of which warranties the Seller hereby expressly disclaims, except as stated above. The Buyer expressly assumes, at closing, all environmental and other liabilities with respect to the Property. Except for the representations herein, the Buyer is solely relying upon information and knowledge obtained from its own investigation, experience, and knowledge obtained from its own investigation, experience, or personal inspection of the Property. The foregoing provision shall survive Closing and shall not be deemed merged into any instrument of conveyance delivered at Closing.

11. REPRESENTATIONS AND WARRANTIES BY THE BUYER. The Buyer represents and warrants to the Seller that the Buyer is a Minnesota limited liability company; that the Buyer has the requisite capacity, power and authority to enter into this Agreement and the Buyer's Closing Documents signed by it; such documents have been or will be duly authorized by all necessary action on the part of the Buyer and have been or will be duly executed and delivered; delivery and performance by the Buyer of such documents does not conflict with or result in a violation of any judgment, order, or decree of any court or arbiter to which the Buyer is a party; such documents are valid and binding obligations of the Buyer, and are enforceable in accordance with their terms.

12. CONDEMNATION. If, prior to the Closing, eminent domain proceedings are commenced against all or any material part of the Property, the Seller shall immediately give notice to the Buyer of such fact and at the Buyer's option (to be exercised within 15 days after the Seller's notice), this Agreement shall terminate, in which event neither party will have further obligations under this Agreement. The Earnest Money paid by the Buyer shall be returned to the Buyer. If the Buyer fails to give such notice, then there shall be no reduction in the Purchase Price, and the Seller shall assign to the Buyer at the Closing all of the Seller's right, title, and interest in and to any award made or to be made in the condemnation proceedings. Prior to the Closing, the Seller shall not designate counsel, appear in, or otherwise act with respect to the condemnation proceedings without the Buyer's prior written consent. For purposes of this section, the words "a material part" means a part if acquired by a condemning authority would materially hinder Buyer's operations on the Property.

13. COMMISSIONS. Both the Buyer and the Seller represent that they have not entered into a contract with any real estate broker, whereby the broker is entitled to a commission resulting from the transaction contemplated by this Agreement. Each party agrees to indemnify, defend, and hold harmless the other party against any claim made by a real estate broker for a commission or fee based on alleged acts or agreements with the indemnifying party.

14. REMEDIES.

14.1. Buyer's Remedies. The Seller shall not be considered in default under this Agreement unless and until: (i) the Seller has failed to materially comply with or satisfy any of the Seller's obligations in this Agreement; (ii) the Buyer has provided

the Seller with written notice of such default (the "Default Notice"), which Default Notice shall specify the date on which the default occurred, the nature of the default and the Buyer's proposed cure; and (iii) the Buyer has allowed the Seller five (5) business days (the "Cure Period"), after the Seller receives such Default Notice, to cure the default. If the Seller is in default under this Agreement for any cause other than the default of the Buyer, the Buyer may at its sole option and remedy, elect, in writing to the Seller (the "Notice of Election"), within thirty (30) days after the Cure Period, to: (a) rescind this Agreement and receive the Earnest Money, after which, neither party shall have any further obligations to the other, except those obligations which survive termination; (b) proceed with this Agreement and take the Property "AS IS"; or (c) file an action seeking specific performance (but not damages except for fees and costs associated with such action). In the event the Buyer does not timely deliver a Notice of Election to the Seller, it shall be deemed that the Buyer waives all previous defaults by the Seller and elects to proceed with this Agreement under option (b) above. The Buyer specifically waives any right to make a claim against the Seller for compensatory or consequential damages or any other type of monetary claim, except for the indemnity obligations and claims for fees and costs as set forth in this Agreement.

- 14.2. **Seller's Remedy.** If the Buyer fails to consummate this Agreement for any reason except the Seller's default or the termination of this Agreement pursuant to a right to terminate given herein, the Seller's sole and exclusive remedy shall be to terminate this Agreement by giving 30 days' written notice to the Buyer, pursuant to Minnesota Statutes Section 559.21, as amended from time to time, in which case the Earnest Money shall be tendered to the Seller.

15. ASSIGNMENT. The Buyer may not assign its rights under this Agreement, without prior written consent of the Seller. Notwithstanding the foregoing, the Seller acknowledges that the Buyer may be assigning this Agreement to a different business entity for purposes of taking title to the Property. Buyer shall have the right to assign its rights and obligations under this Agreement to a different entity, without prior consent of Seller, provided, however, that (a) Buyer must give Seller written notice of such assignment, and (b) such assignment shall not relieve Buyer from any of its obligations (including indemnification obligations) hereunder.

16. SURVIVAL. All of the terms of this Agreement and warranties and representations herein contained shall survive and be enforceable after the Closing.

17. NOTICES. Any notice required or permitted hereunder shall be given by personal delivery upon an authorized representative of a party hereto; or if mailed by United States mail postage prepaid; or if transmitted by facsimile copy followed by mailed notice; or if deposited cost paid with a nationally recognized, reputable overnight courier, properly addressed as follows:

If to the Seller:

City of Coon Rapids
Attn: Matt Brown
11155 Robinson Drive
Coon Rapids, MN 55433

If to the Buyer:

Centra Homes LLC
Attn: Dale R. Wills
11460 Robinson Drive NW
Minneapolis, MN 55433

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

18. CAPTIONS. The paragraph headings or captions appearing in this Agreement are for convenience only, are not a part of this Agreement and are not to be considered in interpreting this Agreement.

19. ENTIRE AGREEMENT, MODIFICATIONS. This written Agreement constitutes the complete agreement between the parties and supersedes any prior oral or written agreements between the parties regarding the Property. There are no verbal agreements that change this Agreement and no waiver of any of its terms will be effective unless in a writing executed by the parties.

20. BINDING EFFECT. This Agreement binds and benefits the parties and their successors and assigns.

21. CONTROLLING LAW. This Agreement has been made under the substantive laws of the State of Minnesota, and such laws shall control its interpretation.

22. REVERTER. If the Buyer fails to: 1) substantially complete construction of the following improvements under the Development Agreement ("substantial completion" being defined as completion, subject only to minor "punch list" items agreed upon between Buyer and Seller): site grading; first lift of street construction; and stormwater management facilities; and 2) fails to apply for a building permit from the City for a model home to be constructed (said building permit application to include fulfillment of all City-required prerequisites and include all required information and have been determined by the City to be complete) (collectively, the "Improvements") within twelve (12) months following the Closing Date; and such failure is not cured within thirty (30) days following written notice from the Seller, then the Seller shall have the right to re-enter and take possession of the lots contained in the Property for which building permits have not been issued by the City and to terminate and revert in the Seller the estate conveyed by the Deed to the Buyer, it being agreed that the Deed shall contain a condition subsequent to the effect that in the event of noncompliance with this Section 22 on the part of the Buyer, the Seller at its option may declare a termination in favor of the Seller of the title, and of all the rights and interests in and to the lots contained in the Property conveyed to the Buyer for which building permits have not been issued by the City, and that such title and all rights and interests of the Buyer, and any assigns or successors in interest to the lots contained in the Property for which building permits have not been issued by the City, shall revert to the Seller. Once a building permit is issued for a lot compromising part of the Property, the right of

reverter shall automatically be released by the Seller as to such lot contained in the Property. The Seller agrees to subordinate this right of reverter to the lien of any construction mortgage for the Improvements, such Subordination Agreement to be in the form of Exhibit ____ attached hereto (the "Subordination Agreement"), but only after all equity required by the construction lender has been advanced and an initial draw of the construction mortgage loan has been advanced. Upon Buyer providing a draft Settlement Statement evidencing that proceeds of the construction loan shall be advanced from the construction loan for the Project, the Seller shall execute the Subordination Agreement.

23. COUNTERPARTS. This Agreement may be executed in any number of counterparts, each of which will, for all purposes, be deemed to be an original, and all of which are identical. This Agreement may be further evidenced by facsimile and email scanned signature pages.

BUYER
CENTRA HOMES LLC

By: _____

Its: _____

DRAFT

**SELLER
CITY OF COON RAPIDS**

By: _____

Its: Mayor

By: _____

Its: City Manager

DRAFT

EXHIBIT A

Legal Description of the Property

Outlot A, Coon Rapids Fire Station Number Three

DRAFT

EXHIBIT B

Form of Development Agreement

[to be added]

DRAFT